

MANUFACTURING - MOTORS

29 Feb. 1980 — 30 April 1980

TABLE I

MORTALITY RATES FOR THE 17 MAJOR DIVISIONS OF THE ICD (8th REVISION)

(Note: There are no tables for divisions V, XI, XII, XIII because of the small numbers in each of these categories).

I INFECTIVE AND PARASITIC DISEASES

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	1,99	2,2	9,81	6,60	55,55	51,04	29,36	27,05
1-4	0,16	0,13	0,76	0,79	8,27	7,48	3,56	3,42
5-24	0,02	0,02	0,07	0,08	0,21	0,21	0,20	0,22
25-44	0,06	0,03	0,17	0,20	1,14	0,78	0,36	0,45
45-64	0,25	0,13	0,75	0,45	3,30	1,37	2,15	1,27
65+	1,04	0,72	1,61	1,98	5,48	2,78	5,45	2,93
ALL	0,19	0,15	0,56	0,45	3,33	2,69	1,66	1,61
NO.	399	315	198	159	3792	3146	3472	2593

# Promotions for Ford men

By Mike Mabusela  
**PORT ELIZABETH**  
 Ford Motor Company has announced two new appointments in its public affairs office

Mr Arthur Shipalana, 31 has been appointed

public relations officer in the Johannesburg regional office, and Mr A Themba Mathe, 35, has been appointed public relations officer in the Durban regional office

Mr Shipalana joined the company in 1974 as a graduate trainee, after gaining his B Admin from the University of the North. He was appointed training officer in the Department of Education and Training in 1978

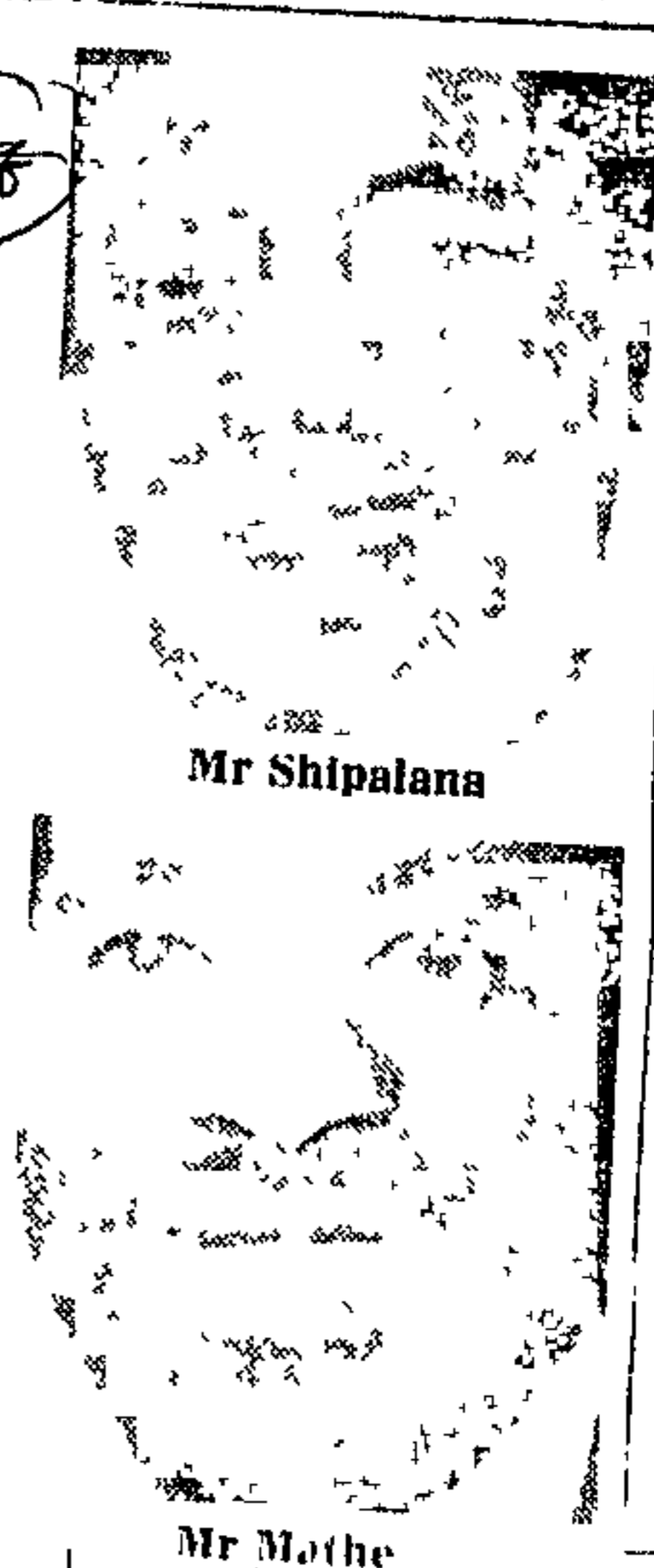
He held the post of public relations representative in the Ford public affairs department before taking up his present appointment

Mr Mathe, who holds B A and B Juris degrees from the University of Zululand, joined the company as a public relations representative last year

87  
 NEOPLASMS

	W		A		C	
	M	F	M	F	M	F
0-1	0,17	0,13	0,50	0,21	0,06	0,1
1-4	0,03	0,07	0,07	0,00	0,07	0,0
5-24	0,09	0,05	0,07	0,05	0,06	0,0
25-44	0,26	0,33	0,21	0,26	0,54	0,5
45-64	3,01	2,58	1,47	2,19	5,10	2,6
65+	12,24	7,26	4,70	5,18	12,59	7,5
ALL						
NO.						

S. DWP 29/2/80  
 192  
 196



Mr Shipalana

Mr Mathe

	W		A		C	
	M	F	M	F	M	F
0-1	0,09	0,12	0,39	0,88	0,28	0,42
1-4	0,39	0,59	1,61	2,59	0,81	1,28
5-24	0,05	0,08	0,12	0,18	0,28	0,26
25-44						
45-64						
65+						
ALL						
NO.	114	173	443	63	316	307
						455
						530

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# Strikers hold out despite hardship

Labour Reporter

In spite of their lean festive season, most of the 500 black strikers at Ford's Cortina plant in Port Elizabeth seemed determined to hold out today

Although a number of strikers were reported to have sought re-employment this morning, there was no mass turnout at the recruitment office

The office opened today to give strikers a chance to change their minds.

If they have not re-applied by Friday afternoon, they will have to compete for the available jobs with all comers

No financial support has been made available to the strikers so far

cept. for some small amounts raised by way of soccer matches and musical meetings

This was confirmed today by Mr Phalo Tshume, secretary general of the Port Elizabeth Black Civic Organisation (Pebco)

But he said Pebco was to meet an unnamed organisation tomorrow about financial support and he added "We are definitely expecting some funds towards the end of January."

The latest strike has lasted about six weeks.

Unless otherwise stated, all political reports in The Star by H W Leggat, T R Duff, A R G Wentzel, G R Linscott, F S Esterhuysen, J D Battersby and L R Marshall. Cartoons by A Berry, D Fedler, J Jackson, J Luyben and G Muller. Headlines and posters by B Howard. Political comment by H W Tyson. All at 47 Issuer Street, Johannesburg

VII DISEASES OF THE CIRCULATORY SYSTEM

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,51	0,33	1,10	0,21	1,80	1,59	0,13	0,10
1-4	0,05	0,06	0,02	0,10	0,15	0,17	0,02	0,04
5-24	0,07	0,06	0,09	0,10	0,14	0,17	0,11	0,13
25-44	1,09	0,44	1,31	0,70	1,54	1,27	0,73	0,78
45-64	<u>9,75</u>	4,44	<u>14,76</u>	<u>10,70</u>	<u>10,33</u>	<u>8,25</u>	4,61	<u>5,01</u>
65+	<u>42,19</u>	<u>32,93</u>	<u>55,30</u>	<u>47,72</u>	<u>43,12</u>	<u>40,90</u>	<u>13,55</u>	<u>14,21</u>
ALL	4,70	3,81	3,22	2,25	2,74	2,69	1,14	
NO.	9752	7926	1135	804	3114	3140	2390	

VIII DISEASES OF THE RESPIRATORY SYSTEM

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	2,90	2,22	<u>7,81</u>	<u>4,85</u>	<u>32,20</u>	<u>28,78</u>	<u>13,54</u>	<u>14,15</u>
1-4	0,22	0,28	0,90	0,69	<u>5,32</u>	<u>5,45</u>	2,46	2,13
5-24	0,05	0,06	0,17	0,11	0,21	0,23	0,18	0,16
25-44	0,20	0,12	0,37	0,33	0,94	0,72	0,66	0,52
45-64	1,46	0,92	3,33	1,85	4,88	2,14	2,75	1,72
65+	<u>11,52</u>	<u>7,89</u>	<u>16,51</u>	<u>13,42</u>	<u>20,07</u>	<u>10,49</u>	9,32	6,19
ALL	1,12	0,97	1,22	0,79	2,87	2,22	1,37	1,24
NO.	2336	2019	430	282	3270	2588	2858	1951

IV DISEASES OF BLOOD AND BLOOD-FORMING ORGANS

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,02	0,03	0,20	0,21	0,06	0,16	0,06	0,06
1-4	0,01	0,01	0,02	0,00	0,02	0,04	0,01	0,01
5-24	0,00	0,00	0,01	0,01	0,01	0,01	0,01	0,01
25-44	0,01	0,01	0,01	0,02	0,00	0,01	0,01	0,01
45-64	0,02	0,02	0,03	0,03	0,06	0,04	0,01	0,03
65+	0,11	0,11	0,13	0,15	0,13	0,15	0,03	0,03
ALL	0,07	0,07	0,07	0,07	0,02	0,03	0,01	0,01
NO.	128	85	26	23	289	164	366	187

**Ford plant rehires 7 workers**

PORT ELIZABETH — Seven former Cortina plant workers were rehired by Ford at the Neave plant, Port Elizabeth on Wednesday, the first of a three day employment moratorium in favour of the former Cortina workers

Mr Dunbar Bucknall, public affairs director of Ford Motor Company, said indications early yesterday showed that there would be an improvement on Wednesday's figure

It was possible that former Cortina workers had only trickled in on Wednesday because it was a traditional holiday

Figures for yesterday would be available today. The three day moratorium expires today

Mr Bucknall said that from Monday staff would be hired in the order of applications. But applications would still be considered from former Cortina plant workers

The Ford Motor Company opens in Port Elizabeth on Monday after its annual shutdown — DDC

by 1970, this figure had decreased to 15,7%, indicating that the whites had improved disproportionately to the 'coloureds'. Similarly, for children 1 to 4 years of age, during the period 1941 to 1970, the white mortality experience as a percentage of the 'coloureds' had decreased from 15,2% to 7,1%. It should be noted that the 0 year age specific death rates are higher than the corresponding IMRs. This is because the denominator for the former is the number of live births whilst for the latter it is the mid-year populations under one year of age.

Fig. 4 provides an indication of the proportional contribution of selected causes of death to the overall mortality experience of the white, 'coloured' and African communities.

During the period 1929 to 1970, the whites have shown a changing spectrum of mortality which is classically associated with an improving health status. Infectious diseases have become less important and the major causes of death are increasingly related to Cardiovascular and Neoplastic diseases. The 'coloureds' and Africans, however, have a persistently high proportion of deaths caused by infectious diseases. The Africans exhibit a spectrum of mortality which is characteristically associated with developing communities, whilst the 'coloureds' appear to occupy an intermediate position between the whites and Africans, although it is clearly much more similar to the Africans than it is to the whites.

What is of particular concern about the 'intermediate' position of the 'coloureds' is that it would appear to incorporate the worst of both the developed and the developing experiences. This becomes apparent from Table II which provides a more detailed analysis of the different diseases contributing to the overall mortality of the whites and 'coloureds' in the form of cause specific mortality rates for defined age groups. Thus, although cardiovascular diseases are consistently responsible for a fairly small proportion of the overall mortality of the 'coloureds', Table I indicates that the actual rates for cardiovascular diseases have been fairly similar for both whites and 'coloureds' since 1941.

Clearly, the broad diagnostic categories used in this analysis conceal a certain amount of information. However, because of the changes in disease classification which have taken place since 1929, it is not possible to examine the temporal changes of mortality rates in greater detail. Disease categories with rates greater than 5/1 000 appear in italics in Table II. It will be noted that the mortality experiences of the 'coloureds'

(iv) Proportional Mortality, accounted for by specific conditions.

(v) Expectation of Life. This was calculated both at birth ( $e_0$ ) and at 45 years of age ( $e_{45}$ ) for both males and females. It expresses the average number of additional years an individual would be expected to live beyond birth and 45 years.

For Africans, the proportional mortality was the only index calculated.

## RESULTS

The infant mortality rates (IMR) for whites and 'coloureds' are the whites have experienced a static IMR since 1950 and an improvement of 57,6%. Duru decreased from 164,8/1 000 to 1 This is of particular concern with IMR, the more easily should improve in SMRs between 1941 and 1970 we 'coloureds' respectively.

The age specific mortality rates is inevitable, it is to be expected of younger age groups with mortality amongst elderly persons that for both whites and 'coloureds' the mortality rates for persons over the age of 65 years have shown a rising trend, it is of some concern that the mortality rates have also increased between 1960 and 1970 for 'coloureds' in the 25-44 and 45-64 years age groups.

The imbalance between the age specific mortality rates of whites and 'coloureds' has improved or remained constant for persons between the ages of 5 and 64. However, for children less than 5 years of age, the gap between whites and 'coloureds' is widening. In 1941, white children under one year old experienced 28,0% of the mortality of 'coloured' children;

# Ford re-employs former workers

Own Correspondent

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The Ford Motor Company reopens in Port Elizabeth on Monday after its annual shutdown

the mortality rates for persons over

D 1 min 6/1/80

# Svenmill 197 weaves into big league

ECONOMIC conditions suggest that companies which have been languishing in the red during the past several years of austerity could return to the black with an alacrity guaranteed to put a smile on the face of the most sombre of shareholders

Companies slotting into this category could in fact achieve remarkable improvements in the wake of the growing buoyancy of the economy

This is because having operated at or below the margin for so long they have had far more incentive than their more profitable counterparts to cut away every vestige of the dead wood which very likely pervaded their organisations in years past

The survival instinct is after all a powerful force

And once having achieved a turnaround, the rate of growth of such companies could, on account of the small earnings base, evolve into one which is well above average, provided the lessons learned in the past are adhered to and provided the economic climate remains favourable

Svenmill the Cape based manufacturer of knitted and woven fabrics household textiles and industrial fabrics has a better than even chance of becoming a group which dovetails neatly with all these parameters

Having converted a R353 000 loss into a R340 000 profit in the year to June 30, 1979, it is already part of the way there

And with the country's economic upswing gaining momentum, there is good reason for believing that the current year's results will again reflect a meaningful improvement

Svenmill has gone

through all the motions of tightening controls and improving margins. Moreover it still has something in reserve in the form of potential sales increases following a year in which turnover declined fractionally

Legacies of painful bygone days (high gearing being perhaps the most significant of these) have yet to be eradicated but given time and a sustained growth pattern, such problems should diminish

The share price has discounted much of the past year's gratifying results as well as the company's potential for extending its gains into the current year

The extent to which the market has anticipated a rosier future for Svenmill is, however, a vital question in determining whether or not the shares have fully discounted the future

No dividend was paid last year as management preferred to retain earnings to improve the capital base

Earnings were 44c a share, indicating that if one were to assume a twice-covered dividend, the yield would be 42% at the ruling 52c

At a rough guess, therefore, I would say that the market is expecting a minimum 50% improvement in profits in the current year. Should Svenmill achieve much more than this (say a doubling of earnings) then the share price could well move higher

Based on the factors stemming from Svenmill's current stage of development a 100% plus performance in the current year cannot be ruled out

Accordingly at their current price the shares offer speculative possibilities of going better during the course of 1980

# 244 Ford men <sup>Argus (192)</sup> return to work <sup>7/1/80</sup>

Argus Correspondent

**PORT ELIZABETH —** The number of dismissed Ford Cortina plant workers who returned to work stood at 244 today with 37 men taking advantage of last week's three-day employment moratorium to reapply for jobs

Recruitment for the 700 vacancies left last year after a worker walkout continued today on a first-come first-served basis with Ford officials hopeful that more former Ford workers would be among those applying.

Earlier today about 150 job seekers — black, coloured and white — turned up at the firm's Neave Plant.

Several of the prospective employees were black — in contrast with last year when the city's black work force apparently

heeded calls by the dismissed workers not to apply for the vacant positions.

The rest of the dismissed Ford workers are still refusing offers of re-engagement by Ford and demanding instead that they all be reinstated at their old posts

A Ford Company spokesman said today the re-engagement process would take some time still possibly a month or two. It was inteded that the firm recruit about the same number of workers

who had walked out last year

The spokesman also reported that the attendance figure at the firm's other plants today was 'higher than normal for a first day after shut down'

Pebco plans

PE business

boycott

6/1/80

192

By MONO BADELA

A BOYCOTTING of white businesses in Port Elizabeth will be discussed today when the Black Civic Organisation holds its first mass rally of 1980 at the Rio Cinema.

Through the boycott, the organisation hopes to pressurise the Ford Motor Company into reinstating the more than 500 workers still on strike.

This was disclosed by the leader of Pebco Mr Thomazile Botha at a meeting of the dismissed Ford workers which was held at the Holy Spirit Hall, Kwazakhele on Wednesday.

His suggestion followed a stand taken unanimously by the workers who reaffirmed their decision not to go back to Ford unless the company was prepared to reinstate all dismissed workers. A suggestion that workers re-apply for their jobs was rejected.

Mr Botha called on other businesses to boycott Ford products.

"The other companies are relaxed while Ford is

tossing around black workers. We must involve other businesses. We must pressurise other companies into exerting pressure on Ford. No company must rest when there are so many people who have been forced out of work," he said.

Meanwhile Ford's drive to re-employ former Cortina plant workers got off to a very slow start on Wednesday when only a handful of dismissed workers turned up at the plant for re-engagement.

A spokesman for Ford management said only seven of the dismissed workers reapplied for jobs. A number of others seeking work also arrived but were told by officials to apply on Monday when the three day employment moratorium in favour of the former Cortina workers expires.

Ford has been calling for applications from former Ford Cortina workers so as to return to production as soon as possible and to deflect further criticism of the handling of the disputes at the plant.



# Workers

## ignore strike call at Ford

NEW 7/1/80  
192  
372  
##

By Sieg Hammig, Labour Reporter

Efforts to bring all of the Ford Motor Company's workers in Port Elizabeth out on strike today, in support of the 500 men still on strike, have failed.

Ford reported "one of the highest attendance figures" for the first day of work after a Christmas shutdown.

The black workers' apparent defiance of the latest strike call by the Port Elizabeth Black Civic Organisation (Pebco) also reduces the chances of successful boycotts of white shops and black schools in line with threats made at a Pebco meeting yesterday.

In addition to the good turnout, Ford reported that 120 to 150 workers were queuing to fill the jobs left vacant by the strikers.

By the end of last week 357 men had been signed up to replace the original 700 strikers. A total of 244 former strikers have broken the strike.

From today, Ford is signing on all suitable applicants after previously restricting employment to former strikers.

### ASSISTANCE

Yesterday, in Orlando, the Southern Transvaal branch of the Azanian People's Organisation (Azapo) formed a committee to investigate ways of raising money to assist the strikers.

The Azapo committee will also find out from workers at other Ford plants if conditions at their firms were the same as at Port Elizabeth.

A report will then be sent to the executive committee for forwarding to the national executive for further discussion and approval.

# Ford officials <sup>Star</sup> 7/1/80 meet workers to seek settlement

PORT ELIZABETH — Senior Ford officials and representatives of the firm's dismissed Cortina plant workers met face-to-face today for the first time since the workers were dismissed after a walkout two months ago.

Attending the meeting was Mr Alan Lukens, United States Consul-General in Cape Town. Members of the Black United Automobile Workers' Union were also understood to be attending the talks.

Today's snap meeting follows a two-day visit by Mr Lukens to Port Elizabeth, during which he had talks with the trade unions, Ford and the dismissed workers.

At today's meeting the workers were represented by Mr Thozamile Botha, leader of the Port Elizabeth Black Civic Organisation, whose dismissal from Ford late last year sparked a mass walkout until his reinstatement. Mr Botha himself then resigned in sympathy with workers after the mass dismissal.

Mr Botha was accompanied by four members of his workers' committee

while Ford were represented by Mr Fred Ferrera, Industrial Relations Director, and Mr Dirk Pieterse, Industrial Relations Manager.

Mr Botha said before the meeting that he regarded the new initiative as extremely hopeful.

He said the major stumbling block at this point was Ford's refusal to reinstatement all the dismissed workers with their benefits.

Ford has consistently maintained that the dismissed workers must re-apply individually for jobs at the plant. At the last count 624 of the 700 dismissed Cortina plant workers had re-applied for jobs.

Meanwhile the Divisional Commissioner of Police in the Eastern Cape, Brigadier E van Rensburg, today warned that police would act against intimidators who tried to prevent people from going to work.

## WARNING

His warning follows yesterday's fire bomb attacks on the homes of two Ford Motor Company workers in Kwazakele and new Bighton.

Brig van Rensburg said the police had received several complaints of intimidation of black workers following a recent Pebco meeting at which it was decided to initiate a series of work stayaways next week.

The Pebco meeting also decided to hold a peaceful demonstration at the Walmer Township on Monday and black school pupils threatened to delay their return to school this term by a week. — Sapa.

# Hopes for end to Ford strike

Argus (192) 9/1/80

Argus Correspondent

JOHANNESBURG. — Hopes for a negotiated settlement to the Ford strike in Port Elizabeth rose today as police hunted the people who petrol-bombed the homes of two black Ford workers yesterday.

One of the bombs set alight a curtain in the Kwazakele home of Mr M Somkotho. The other caused no damage other than breaking a window into the home of Mr John Boltina in New Brighton.

Both men had ignored warnings not to work for Ford, said Brigadier E S J van Rensburg, Divisional Commissioner of police.

He said the incidents were the first since the appearance in court of 20 strikers last year in connection with allegations of intimidation.

Hopes for an end to six-week-old strike r with news of a first

ing to be held between Ford and the chairman of the Port Elizabeth Black Civic Organisation (Pebco) Mr Thozamile Botha

Mr Phalo Tshume, secretary general of the organisation, emphasised that the meeting did not mean that Pebco had abandoned its opposition to negotiation.

Mr Botha was seeing Ford management in his capacity as chairman of the workers' committee, he said.

The organisation believed negotiation was

'fruitless'. This has become apparent on the political front, but applied to labour matters as well, he said.

Mr Tshume said the organisation was saddened by the petrol bombings because it did not want intimidation.

If Ford had reinstated the strikers in line with the organisation's demands, such action would not have been taken.

'It's the people's feelings getting out of hand. They want action,' he said.

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CAPE TIMES 9/11/80  
 1972  
 Petrol bomb attacks

Own Correspondent

PORT ELIZABETH — Petrol bombs were thrown at the homes of two Ford Cortina plant workers early yesterday

Brigadier E S J van Rensburg, Divisional Commissioner of Police for the Eastern Cape, said both attacks were aimed at Ford workers who returned to work on Monday. The first was on a house in Kwazakele where a petrol bomb set curtains alight. The second petrol bomb did not explode.

• Numbers are creeping up at the Cortina plant where another 20 former workers were back on the job yesterday

Classification of  
 07-03-00. P.V.

ensus 1970; Age,  
 and Economic Region.  
 rates for 1974.  
 Research.

ictive Efficiency of

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

With the exception of Neoplastic Diseases and Diseases of the Circulatory System in men, the 'coloured' community stand to gain most from measures directed at the control of any of the selected diseases included in Fig. 6. Of particular importance are the Infectious and Parasitic Diseases, diseases which are frequently amenable to the implementation of relatively simple methods of prevention.

ACKNOWLEDGEMENT

The writers wish to thank the Board of the Colonial Mutual Life Assurance Society for their generous financial assistance.

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# Ford rele

THE eight-week long dispute between Ford Motor company and the more than 500 dismissed workers was resolved yesterday.

Following a five-hour meeting the management of Ford agreed to reinstate all dismissed workers of the Ford Cortina plant still out on strike

Senior Ford officials and representatives of the dismissed Cortina Plant workers met face-to-face yesterday for the first time since the workers were dismissed after a walk-out two months ago.

Also at the meeting was Mr Allen Wood Lukens, United States Consul General in Cape Town, and members of the Black United Automobile Workers Union

In a statement issued by Ford management and workers representatives after the meeting, it was stated that it was agreed that all parties concerned should meet and seek a solution

"The social situation in Port Elizabeth calls for full employment and maximum production. It is in the interest of all parties to reduce human sufferings and to contribute to the prosperity and well being of the area

"Furthermore Ford had been a leader in upholding the Sullivan Principles which encountered fair employment practices"

The statement goes on to say a meeting was held yesterday between representatives of management and labour. It was agreed that the company will reinstate former employees who wished to return to work

- ① Workers will be taken back at the same rate of pay they received before they left
- ② Pension, Medical aid, sick pay eligibility will remain as before
- ③ Holiday pay will be calculated as before and
- ④ Bonus accrual rate will be at the same percentage rate as applied before
- ⑤ The company will endeavour to complete its reinstatement problem during this month subject only to availability of suitable position.
- ⑥ Assumed that Ford Cortina plant workers return to work immediately.
- ⑦ No persons other than former Ford em-

Dismissed

workers

to be

reinstated

Post 12/1/80

4/2 1/2

By MONO BADELA

employees will be hired into this plant during this month.

The agreement has been welcomed by Mr Thozamile Botha, leader of Pebco, who headed a delegation of workers representatives. He told POST that bargaining has been hard and that assurance was made that all workers would be reinstated.

The management of Ford could not be con-

tacted for comment.

Mr Lukens, who initiated the talks, left after the meeting. He said he was happy that this has come to an end and said the long drawn out dispute had been a source of concern for his Government.

A spokesman for Ford Motor Company said 12 more former Ford Cortina plant workers applied for re-employment yesterday. This brought to 276 of the 700 dis-

missed workers who had re-applied for jobs.

The Trade Union Movement was represented by Mr George Manase, national organising secretary and Mr Johnny Mke, the Union's president. The parties shook hands after the meeting

Mr Botha said that a meeting of the dismissed workers would be held today at the Holy Spirit Church in Kwa zakhele at 10 am.

	W	F	M	T	F	S	S
0-1	21,76	16,18	40,44	27,21	22,70		
1-4	1,17	0,91	2,42	2,33	17,22		
5-24	1,05	0,46	1,31	1,74	2,26		
25-44	3,92	1,47	4,33	2,48	8,80		
45-64	17,45	0,42	23,27	19,72	24,27		
65+	22,52	54,55	92,20	62,93	96,90		
TOTAL	61,14	7,40	8,02	5,51	14,62		
NO.	19670	15374	2828	1967	16632		

Mr B

RDM 10/1/80

192

# Workers reinstated as Ford strike ends

By STEVEN FRIEDMAN  
Labour Reporter

THE strike which began in November at Ford's Port Elizabeth Cortina plant has ended

At a meeting yesterday, Ford management and worker representatives agreed on a formula to end the deadlock

Ford has met the major demand of the striking workers by agreeing to "reinstatement of former employees who wish to return to work"

The meeting was attended by representatives of Ford, the Port Elizabeth Black Civic Organisation (Pebo), the United Auto Workers Union and the United States Consul General

Ford had insisted it would only re-employ the strikers

This would have meant these workers would have lost all accumulated benefits

About 500 of the 700 Cortina plant workers refused to return to work unless they were reinstated and Ford has now agreed to this demand

However, one major worker demand has not been met — the strikers will not be paid the end of year bonuses which they lost when the strike began

The strike has been regarded as the most significant for some years because it demonstrated a new political militancy among black workers

According to a joint statement after the meeting, reinstatement will mean

- o Former workers will be taken back at the same rate of pay as the rate earned before they left the company.

- o Their eligibility for medical aid, pension and sick pay will

remain as it was before the strike

- o Their holiday pay will be calculated as before, and

- o Bonuses will be accrued at the same percentage as before

Ford also agreed to reinstate all former Cortina plant workers by the end of this month "subject only to the availability of suitable positions"

The settlement has taken many observers by surprise. It was widely believed that the high rate of unemployment in the area would enable Ford to simply bypass workers who refused to return

Sources close to yesterday's meeting said that "both sides gave some ground", although observers point out the strikers have had their major demand met

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inyane ngoku sele izakuphela abasebenzi abangama - 88 bakwa Fatis & Montis efektiri

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Also at the talks were Mr Alen Lukens, United States consul general in Cape Town, and members of the Black United Automobile Workers' Union

Reinstatement will include the following points

- Workers will be taken back at the same rate of pay they received before they left
- Pensions, medical aid and sick pay eligibility will remain as before
- Holiday pay will be calculated as before

Bantu Deaths in Selected Government Printer, Pretoria. Report on Deaths 1974.

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# Ford to reinstate sacked workers

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PORT ELIZABETH — For the second time in the two-month long labour dispute, the Ford Motor Company agreed yesterday to the mass reinstatement of hundreds of former employees

If former Cortina plant workers return to work immediately no other employment applicants will be hired until the end of this month

The deal was negotiated at a meeting between senior Ford officials and a five-member worker committee led by Mr Thozamile Botha, chairman of the Port Elizabeth

Black Civic Organisation In an interview last night Mr Botha said he saw yesterday's agreement as "a great victory of perseverance and true solidarity"

He said he hoped that all workers would be back by the end of the month He said it was possible that some white workers would be unhappy about the reinstatement.

"We are not worried about them We will behave ourselves We have our victory"

However, Ford said the reinstatement was subject to the availability of suitable positions

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

With the exception of Neoplastic Diseases and Diseases of the Circulatory System in men, the 'coloured' community stand to gain most from measures directed at the control of any of the selected diseases included in Fig. 6. Of particular importance are the Infectious and Parasitic Diseases, diseases which are frequently amenable to the implementation of relatively simple methods of prevention.

ACKNOWLEDGEMENT

The writers wish to thank the Board of the Colonial Mutual Life Assurance Society for their generous financial assistance.

# Ford,<sup>CT</sup> workers settle<sup>192</sup> dispute

PORT ELIZABETH — Agreement had been reached between the management of the Ford Cortina plant here and the company's dismissed workers and all former employees who wished to return to work would be reinstated, a statement by the company and workers said yesterday.

The statement was issued after a meeting between senior company officials and representatives of the dismissed

they received before they left.

A company statement said the company would try to complete its reinstatement programme during this month, but this would be subject to availability of suitable positions.

Assuming that former Cortina plant workers returned to work immediately, nobody other than former Ford employees would be hired this month.

The workers were dismissed after a walk-out two months ago.

The meeting followed a two-day visit by Mr Lukens to Port Elizabeth during which he had talks with the trade unions, Ford and the dismissed workers.

The workers were represented by Mr Thozamile Botha, leader of the Port Elizabeth Black Civic Organization, whose dismissal from Ford late last year sparked a mass walk-out till he was re-employed. Mr Botha then resigned in sympathy with workers after the mass dismissal.

Mr Botha was accompanied by four members of his workers committee. Ford was represented by Mr Fred Ferreira, industrial relations director, and Mr Dirk Pieterse, industrial relations manager.

Meanwhile the Divisional Commissioner of Police in the Eastern Cape, Brigadier E S J van Rensburg, yesterday warned that police would act against intimidators who tried to prevent people from going to work.

Mr Allan W Lukens attended Ford meeting

workers The United States consul-general in Cape Town, Mr Alan Lukens, was also at the meeting.

The statement said the social situation in the city called for full employment and maximum production. It was in the interest of all parties concerned to reduce human suffering and to contribute to the prosperity and well-being of the area.

At the meeting it was agreed that workers would be taken back at the same rate of pay



# Ford strike reveals new black worker power

By STEVEN PHILLIP

Labour Reporter

THE settlement of the strike at the Ford Motor Company's Corvina plant in Port Elizabeth earlier this week has opened a new chapter in South African labour relations most observers agreed yesterday.

They said the strike and other developments recently highlighted a new militancy and solidarity among black workers. That the workers' chief demand — for reinstatement — was met indicated that management were being forced to me to terms as never before.

A major reason for the change was that black workers had more skilled jobs making more difficult for them to be placed.

Black workers have shown they are determined to deal together to demand a better deal — and they are doing

so more successfully than at any time in the past, said one observer. If the Government and employers don't get to grips with this the conflict will simply grow.

The settlement ended a confrontation which began in November when all 700 workers at Ford's Corvina plant lost their jobs after strikes.

Despite high unemployment in the Eastern Cape, about 500 of the workers refused to go back until they were all reinstated. Ford insisted they could return to work but would lose all their accumulated benefits.

The workers rejected this and held out for much longer than most observers believed likely.

That in itself was unusual — few strikes by black workers in recent years have lasted longer than a few days. What made this strike even more unusual was that Ford finally agreed to reinstate the men.

In the past the high rate of black unemployment and job colour bars which forced a low level of skill on them had weakened their bargaining position. Employers could ignore them and hire new labour after strikes.

Employers have also been able to fire striking workers because South African common law allows them to. The law says striking workers have broken their contracts and have no legal right to their jobs. In Britain, the employment contract of a striking worker is deemed to be suspended.

One source said "The common law makes any strike right conferred by other laws meaningless. It is this which black workers are, in effect, successfully challenging."

So far black workers to stay out for more than two months — and then see their major demand met — is evidence enough of a new atmosphere. But Ford is not the first such case.

Last year, workers at Fattis and Monis stayed out for more than six months and eventually won reinstatement. And only this week workers at the Sea Harvest factory at Saldanha Bay were reinstated after a strike — and won a wage increase.

The Ford dispute was unusual because it saw black workers rallying behind a community political organisation in a factory floor dispute. Most of the workers were members of the Port Elizabeth Black Civic Organisation (Pebco) and the unrest began over an incident involving Pebco's leader, Mr Phozamile Botha.

It also took place at a company with a reputation for enlightened labour relations — Ford recognises a black union and dealt with it throughout the strike.

While many employers still hope to avoid dealing with representative black trade unions, Ford faced a problem one step down the road — black workers turning to political organisations because they felt the union was not doing enough for them.

But why did the Ford workers and others, win reinstatement? In the Ford case, the workers had an advantage because Ford is a multinational corporation with an approach which most unionists accept as enlightened and its American management is obviously concerned about repercussions in the United States.

The US Government was also more interested in the issue than foreign governments have tended to be in the past. In a rare development, the US consul-general, Mr Allen Lukens was involved directly in trying to secure a settlement and diplomatic sources confirm that the US Government took a direct interest.

But observers point out that South African companies such as Sea Harvest and Fattis have also settled with striking workers.

Part of the reason for that may lie in the growing influence of the black consumer Fattis and Monis faced a consumer boycott and Pebco threatened to broaden the Ford issue by launching a boycott of white businesses.

Also, the rise of codes of labour conduct and because many employers are anxious to be regarded as enlightened by black workers has made many managements think twice about taking a hard line.

But the key reason observers believe lies in the growing skills black workers are acquiring as job reservation begins to decline. Replacing striking labourers is a fairly easy matter — replacing skilled workers is not.

It takes training time and money to replace skilled workers. Nowhere is this more evident than at Ford where workers are doing complicated jobs a labour expert said.

This trend has implications for official labour policy. Black workers may have been admitted to official bargaining channels for the first time but they have been included in a system that many believe is workable.

The present bargaining system is extremely legalistic and channels trade union activity through a large amount of red tape. Controls on union activity are numerous and it is particularly difficult for unions to operate effectively on the factory floor where strikes begin.

While the Government and employers insist that this system has ensured industrial peace critics believe it will not be able to do so for much longer.

The system worked marvelously when it catered for unions who represented relatively privileged non-black workers. But it can't cope with real conflict, one said.

Already, sources in Port Elizabeth report employers are approaching trade unions and asking them to handle problems outside the official industrial council system.

Observers also believe that employers will have to reassess their attitude to black unions. Many employers are now trying to deal with unions which enjoy little worker support and are inactive on the factory

floor. The Ford case indicates that this simply won't work. "A lame" union may tell the boss what he wants to hear but it won't be able to persuade workers to handle problems through negotiation — or to raise the problems before the problems arise, says a labour source.

And at the same time officials of the black union at Ford have conceded that they will have to improve communication with their own members to ensure that problems are channelled through the union and don't lead to wildcat action.

But most labour experts agreed on at least one point yesterday. South Africa's ability to avoid massive conflict in the 1980s depends entirely on the willingness of both Government and employers to accept the reality of strong black trade unions and agree to deal with them.

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# Leyland, Ford can meet SA needs

By IAN HOBBS  
London Bureau

LONDON — British Leyland and Ford the major British suppliers of component parts for car and vehicle production in South Africa, yesterday said they were still able to meet orders from the Republic.

'I can't say how much longer we can hold on before stocks and supplies run out and men have to be laid off — but we are not at crisis point, yet,' said a spokesman for Ford (UK).

The British Leyland spokesman said their South African subsidiaries were not yet in danger of having component supplies cut off.

He said 'The steel strike has gone on for longer than we expected, but there has been a major operation to make the most of stocks and supplies and we have had no major disruption to our factories in the United Kingdom.

'There are a couple of isolated component shortages now, but nothing serious and the South African market can feel safe for a couple of weeks yet.'

On the strike front indications grew yesterday of the massive pressure on the two major unions involved, the Iron and Steel Trades Federation (ISTF) and the Blast Furnacemen's Union to settle — but they showed no serious sign of breaking.

Reports in London yesterday claimed more than half the 15 000 private sector steelmen were already back at work and the British Independent Steel Producers Association predicted this would be up to 75% by Monday.



# SUNDAY POST

## The PE arrests — a very strange case

THE arrest this week of Pebco's Mr Thozamile Botha and Mr Phalo Tshume, and SUNDAY POST journalist Mr Mono Badela, is particularly disturbing for reasons besides the purely ethical.

The arrests came the day after Mr Botha and his followers had successfully negotiated the full reinstatement of the striking workers at Port Elizabeth's Ford factory and thus brought about an end to the months-long strike.

Mr Botha used no underhand strategy. No bombs were planted on Ford's premises, their offices were not hijacked, and no gun was held to the head of any senior executive in order to force acceptance of the strikers' demands. His dealings were confined strictly to discussion round a table.

How can this be followed by him being detained to face criminal charges? It does not make sense.

The reason given by police headquarters in Pretoria was that the arrests had followed "weeks of unrest, stone-throwing, petrol-bomb throwing, and similar illegal acts".

But it sounds very weak. If it were true, why was action not taken before now? And, more puzzling is why were these men arrested the very day after the negotiations which led to the workers' reinstatement and the end of the strike? To say that the latter was coincidence is simply not convincing.

The case is made even stranger by the fact that at this very delicate stage in South African politics, black-white politics especially, such action against men who have meticulously restricted their activism to within the law is nothing short of political insanity.

Whatever the authorities may be, they are not fools and must have known the possible consequences of arresting the three men at this time. So why did they do it?

There is no evidence that any of the three, or even Pebco itself, has been involved in subversive activities.

Whatever may be contained in files the security police may have on Pebco and its members is — as far as the

public is concerned — irrelevant. Such files would never be made public and what the public does not know it does not care about.

It is one thing to harass those who deliberately set out to injure society. But what the public sees in these actions is the harassment of people who have not only demonstrated their willingness to abide by the law but also who have contributed considerable benefit to the local community by bringing about an end to the Ford strike to the workers' advantage.

The facts of the strike itself and that the strikers would not be bullied into going back to work unless their demands were met must have been as acutely embarrassing to Ford.

It must have been a difficult situation for the South African Government also. Although Ford needs South African business, South Africa needs Ford's investment more. In short, it boils down to a question of money — a great deal of it. And a great deal of money was being lost every day the strike continued.

It was clear that the strike had to be ended, but the workers would not return to work unless it was on their terms. So Ford was left with no alternative but to concede their demands.

Ford no doubt took what they considered to be their share of the credit for ending the strike and probably felt that they had done South Africa a favour by helping prevent the spread of labour unrest to other areas — not that there had been any sign of that.

Now the question arises as to what extent the arrests of Mr Botha, Mr Tshume and Mr Badela were a kind of revenge rather than having to do with suspected illegal actions?

Is it not possible that if they can be shown by a court to have been working to destroy the institutions of democracy and capitalism the tables would be turned? Ford and South Africa would then become the victims. Images would be restored and there would no longer be any danger of a halt in cash flow.

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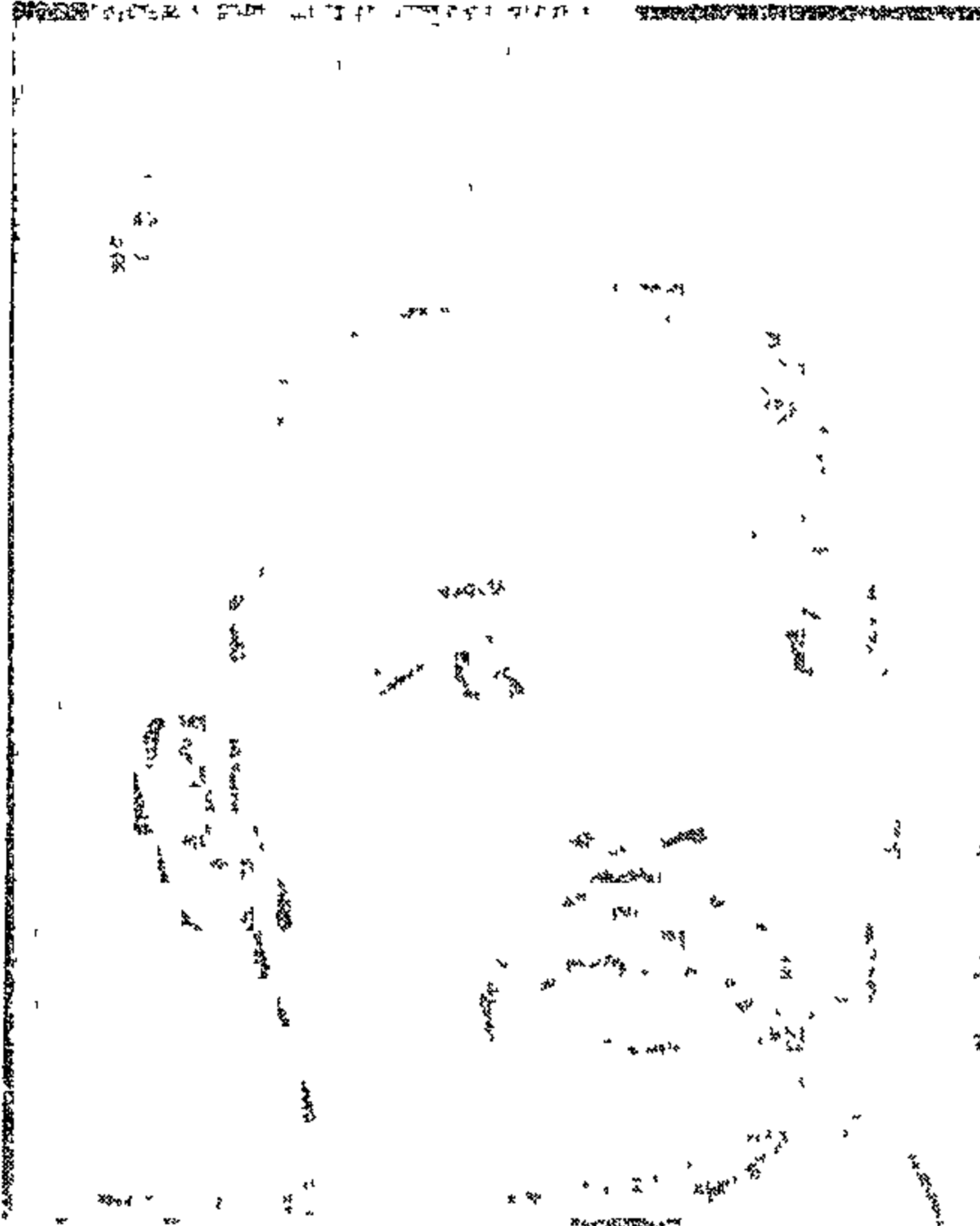
# US enters row over PE detentions

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S. Post

THE United States Government has stepped into the controversy generated by the recent labour unrest at the Ford plant in Port Elizabeth and the subsequent arrest of three black leaders.



Jesse Jackson . . . turned down, but trying again.

The State Department has asked for a delegation headed by the Rev Jesse Jackson to be allowed into South Africa to investigate the situation at Ford

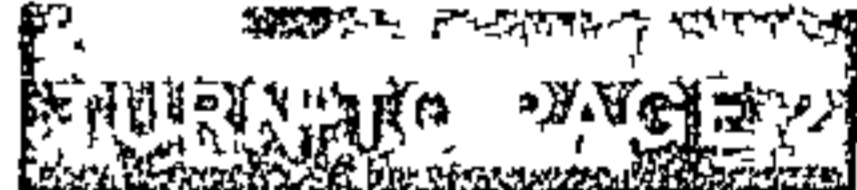
In an official request to the South African Embassy in Washington, the State Department has also asked for more details on the arrests

## Refused

Earlier this week Mr Jackson was refused permission to visit South Africa

After the arrests Mr Jackson spoke to President Carter

"The President assured me of his concern and made it possible for me to meet the Secretary of State Mr Cyrus Vance," said Mr Jackson. The



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# U.S. ENTERS

## ROW ON PE

### DETENTIONS

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#### DETENTIONS

State Department action followed

Two of the detained men are leaders of the Port Elizabeth Black Civic Organisation — Mr Thozama Botha chairman and Mr Phiso Tshuma, secretary.

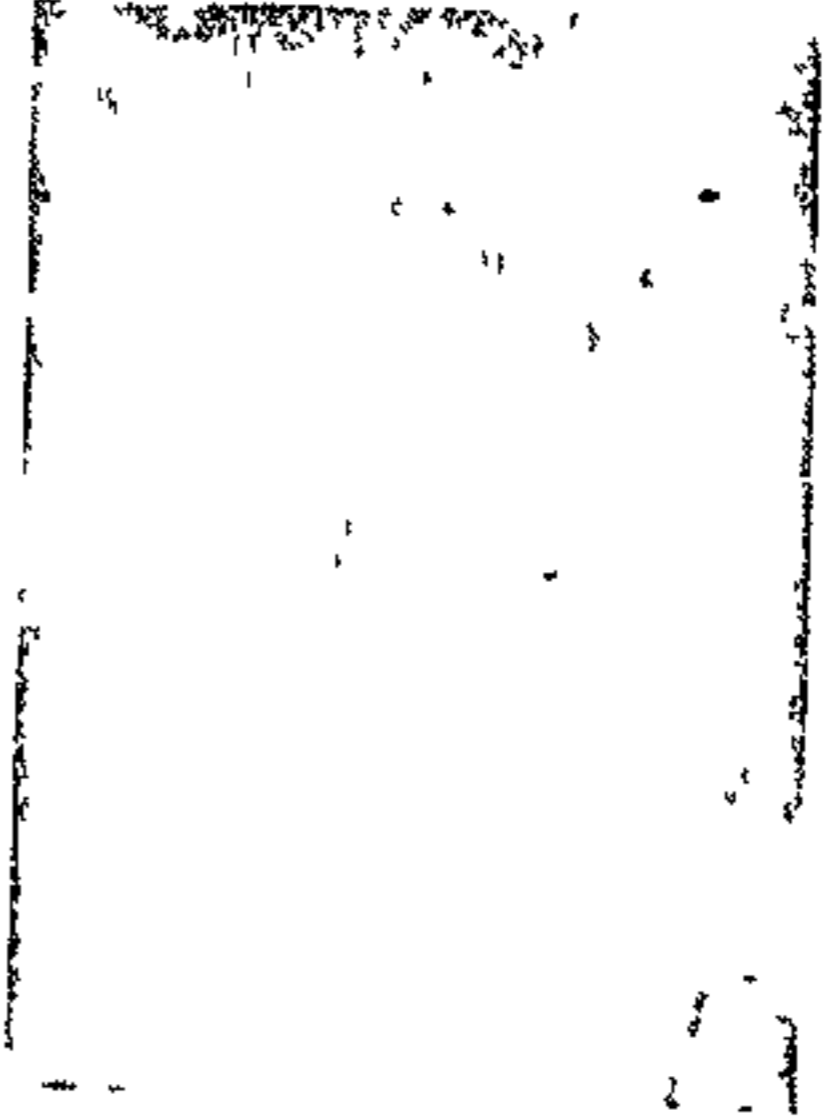
The other detainee is Mr Momo Padela, a reporter for SUNDAY POST and chairman of the Writers' Association of South Africa. He is said to have close links with the Pebeo leadership.

Security Police headquarters said the detentions came after weeks of unrest, stone throwing, petrol bomb attacks and similar illegal acts.

The men are being held under the General Law Amendment Act by the Security Police in Port Elizabeth.

Mr Padela is expected to appear in court tomorrow. It could not be confirmed if Mr Botha and Mr Tshuma were also going to appear in court.

Mrs Vivian Padela yesterday said she had not been notified that her husband was to appear in court.



President Carter

She said she had been refused permission to give her husband a change of clothing at the Sanlam building on Friday.

"I was told the man in charge was not present and that I would have to come back on Monday to change his clothes," she said.

After the arrests police fired teargas to disperse gathering crowds in Port Elizabeth's Walmer township.

#### Meeting

The Pebeo executive then called a meeting to discuss the situation. After the meeting, a spokesman said it was decided to recommend that:

- (1) The demonstration planned for tomorrow as a protest against the proposed removal of the white residents to Walmer should be called off.
- (2) The proposed stay-away from work tomorrow should also be called off.
- (3) A boycott of white shops should not be considered at any stage.

The spokesman said the executives condemned the detention of the leaders. "We feel the arrest of these people is an attack on Pebeo."

Pebeo deplored violence, the spokesman added, and said it was regrettable that the situation had developed at Wal-

Walmer Township was without Pebeo approval  
Sun Post Correspondents, Sapa

# PE arrests — Carter called in

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Weekend Argus Bureau

WASHINGTON. — The United States Government has stepped into the controversy generated by the labour unrest at the Ford Motor Company plant in Port Elizabeth — and the subsequent arrest of the black strike leaders.

A State Department request for information on the arrests and for a delegation led by the Rev Jesse Jackson to be allowed into South Africa to investigate the situation has been referred to the South African Embassy in Washington.

## Delegation

Mr Jackson met the South African Ambassador in Washington, Mr Donald Sole, on December 11 and asked if he could lead a seven-member delegation to South Africa.

The request was subsequently rejected by Pretoria

Meanwhile, Mr Jackson sent a telegram to President Carter asking for an urgent meeting to discuss the situation and for help in getting permission to take the delegation to South Africa.

Mr Jackson said he met President Carter at the White House yesterday

'The President assured me of his concern and made it possible for me to meet the Secretary of State, Mr Cyrus Vance,' said Mr Jackson

## Unrest

Unrest broke out in Walmer black township on Thursday night after the detention of the leader of the Port Elizabeth Black Civic Organisation (Pebco), Mr Thozamile Botha, and two other of this executive committee. They were detained under the General Laws Amendment Act.

Police used teargas and fired shotguns, and last night buses were stoned in black townships.

A Security Police spokesman said the officials were still in detention. He could not say when they would be released

# Slow return by 192 Ford strikers

By STEVE FRIEDMAN  
Labour Reporter

STRIKING workers began returning to the Ford Cortina plant in Port Elizabeth yesterday. But their return has been slower than the company hoped.

In a statement released yesterday, Ford's industrial relations manager Mr Fred Ferreira said 25 former Cortina plant workers returned to work yesterday and their employment is being processed.

However, he added, the company's employment machinery is able to process up to 45 hirings daily. The turnout has not been entirely satisfactory from the company's point of view.

In terms of the settlement

between Ford and worker representatives which ended the strike last week, strikers are expected to report for work in batches of 25.

It is feared the process of reinstating workers could be hampered by the detention last week of Port Elizabeth Black Civic Organisation (Pebco) leader Mr Theophilus Botha and two other Pebco officials, Mr Moses Babela and Mr Phalo Tshune.

Mr Botha was to have played a key role in organising the return to work.

Some strikers had apparently threatened to stay away in protest at the detentions.

See Editorial  
comment — Page 10.



# Strikers at Ford go back

By STEVEN FRIEDMAN  
Labour Reporter

THE reinstatement of strikers at Ford's Cortina plant in Port Elizabeth is now "proceeding according to schedule", the company's public affairs director, Mr Dunbar Bucknall, said yesterday

Earlier this week Ford issued a statement complaining that workers were applying for reinstatement at a slower rate than the company expected after its agreement with workers representatives last week

It was feared that the detention of Mr Thozamile Botha, leader of the Port Elizabeth Black Civic Organisation, and other Pebco officials would hamper the return to work

Mr Bucknall said yesterday, however, that reinstatement had picked up markedly since Monday "It's going like an express train We can barely cope," he said

He said 50 workers had reported on Tuesday, another 50 on Wednesday, and 65 yesterday

Despite the earlier fears it appears that Ford workers have decided that "the detentions have nothing to do with Ford", as one of them put it at a meeting over the weekend

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# Ford arrests spark new US row

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The labour problems at the Ford Motor Company's Port Elizabeth plant and the subsequent arrest of black activist Thozamile Botha have caused a ripple of real concern among South Africa watchers here

Apart from anything else, American perceptions of the situation in Port Elizabeth could be pivotal in the continuing debate over American investment or disinvestment in South Africa

Events at Ford must be seen against the background of United States public opinion on South Africa

The minority who know anything about South Africa and who are interested in southern African affairs are almost unanimously critical of South Africa's race and employment policies

## UNANIMOUS

They are equally unanimous about the need to encourage change in South Africa and — at the risk of simplification — the debate is whether change is encouraged by co-operation, by systematic but relatively gentle pressure and by dialogue, or whether it is served by tough, coercive action, isolation and action which will facilitate a possibly



which would have included himself, Mrs Cardiss Collins, chairman of the Congressional Black Caucus, Mr Richard G Hatener, black Mayor of Indiana and Mr Marc Stepp, vice-chairman of the United Auto Workers Union

As a media event it was a flop, with hardly any newspapermen turning up at the South African Embassy to hear Mr Jackson say the Ambassador (Mr Donald B Sole) had told him there was no prospect that his request would be agreed to by South Africa. A few days later this was confirmed by the South African Government

## URGENT

Jackson then sent a

At present the first argument holds sway, greatly encouraged by the recent labour reforms in South Africa.

It is epitomised by men like the Reverend Leon Sullivan who was responsible for the formulation of the so-called "Sullivan Principles" for non-racial, equal opportunity employment practices. Men like Sullivan and a number of respected supporters in the US still believe that this is the route towards effective change in South Africa and they are fighting for wider acceptance of that reasoning in the US and for improved performance by signatories (like Ford) in South Africa.

#### STAKEN

However, when one of the model signatories (like Ford) develop major black labour relations problems, men like Sullivan are shaken. And when the South African Government steps in and charges some of those involved with holding an illegal meeting, Sullivan and his supporters are both shaken and angry.

This action prompted Sullivan to send a telegram to South Africa expressing his "deep concern" and urging the South African Government to protect the rights of black workers.

But when labour activists like Thozamile Botha and the entire executive of his Port Elizabeth Black Civic Association are taken into custody by the security police, the Sullivan credibility (and therefore the argument in favour of gradual change) is stretched to breaking point.

And more extreme activists like the Reverend Jesse Jackson are encouraged.

No matter what the real reasons for the arrests may have been, the American perception is generally that the men were arrested because of the activist role they played in the Ford labour unrest — and that this reflects adversely both on Ford and on the United States.

Take the Jackson case.

He was asked last year to intervene in the situation by Botha and his Ford supporters. On December 11 he visited the South African Embassy in Washington to arrange for a visit by a deputation

asking for an urgent meeting to discuss the situation and to generate pressure on South Africa to allow the delegation into the country. This action produced little reaction.

At any rate, Mr Jackson was due to see the President on Friday last week as part of a comparatively large group of people who would be briefed on foreign policy matters.

On the eve of that meeting there was the news that Ford had settled its problems with the workers.

Which would have left Mr Jackson very little to talk to the President about.

But, soon after this news arrived in the States, came the news that security policemen had arrested the Pebco men, which presented Jackson with some real meat to place before the President. They did discuss the issue (Jackson said afterwards that the President expressed his concern) and Jackson was granted an hour with the Secretary of State, Cyrus Vance later in the day. As a result, there was a formal request to South Africa from the United States for information on the situation and a formal request that the Jackson delegation be allowed into the country.

#### CONFLICT

And yet another opportunity for conflict — albeit a relatively minor one — between the United States and South Africa.

"If only," a South African friend told me today, "we had not arrested the Pebco men, the whole controversy would have blown over."

However, the men were arrested. Many Americans believe they were arrested because of their involvement in the Ford labour dispute and we could be dealing with a situation which might help swing the investment debate towards disinvestment — whatever the reasons for the Pebco arrests may have been.

Few South Africans understand that the disinvestment debate continues below the surface in America and that almost every discussion on South Africa involves at least a mention of disinvestment.

# Motor industry experts predict boom in 1980

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Motor industry in Africa could be on the verge of a boom

The prediction of the industry in the release of sales figures for 1979 shows a growth of just over 10 per cent over the pre-

The National Association of Automobile Manufacturers of South Africa also announced a growth in commercial vehicle sales of two percent

Mr Wilfred Joss, chairman of the National Association of Automobile Dealers, said this morning that the NAAMSA figures are the most optimistic ones in four years

"The sale of 213 270 cars and 100 809 commercials fulfils expectations," he said

Mr Jannie van Huyssteen, director of the South African Motor Industries Federation said that there was almost certain to be a continuing growth in sales

"I predict that commercial and car sales will

jump by five percent this year" he said

"The figures show a steady increase in heavy vehicle sales which is a sign that the building industry is back on its feet. That can only mean more business for the motor trade"

Mr Peter Moss, Marketing Director of Sigma, which topped the car sales

for the year, said that he predicted a growth of eight percent in car sales this year

The economy is running right and everything indicates that we are going to sell plenty of cars in the 1980s

Page 19- 213 270 new cars sold in 1979

(3) Every external company shall within twenty-one days after receipt of the notice referred to in subsection (2) or after the termination of such authorization in any other manner, lodge with the Registrar a notice in the prescribed form stating the alteration and

(2) Any person authorized as aforesaid shall be entitled to withdraw from such authorization after having given one month's written notice of such withdrawal to the company and shall at the same time lodge two copies of such notice with the Registrar under cover of the prescribed form.

326. External company to have person authorized to accept service.—(1) Every external company shall appoint and shall at all times have one or more persons resident in the Republic authorized by the company to accept on its behalf service of process and any notices required to be served on the company, notwithstanding the provisions of section 71.

(4) The provisions of subsection (1) shall not apply where the sole purpose of the external company in establishing a place of business in the Republic is to establish a share registration office or a share transfer office.

(3) If an external company fails to appoint an auditor as provided in subsection (1), the Registrar shall appoint such auditor.

(2) The auditor of any external company may at any time resign as such and the provisions of section 280 shall *mutatis mutandis* apply with reference to such resignation

325. External company to have an auditor.—(1) Every external company shall appoint and shall at all times have an auditor within the meaning of this Act and shall not later than fourteen days after such appointment or any change in the office of auditor, lodge with the Registrar in the prescribed form a notice stating the name and address of such auditor or the change in such office.

## Administrative and Other Duties of External Companies

(2) As from a date three months after the commencement of this Act, no external company shall be capable of acquiring the ownership of immovable property in the Republic unless its memorandum has been or is deemed to be registered under section 322.

324. Power of external company to own immovable property in Republic.—(1) Save as may be expressly provided in any other law, an external company of which the memorandum has been registered under section 322 shall have the same power to own immovable property in the Republic as if it were a company incorporated in the Republic.

(2) A certificate of registration given by the Registrar in respect of any external company shall upon its mere production, in the absence of proof of fraud, be conclusive evidence that all the requirements of this Act in respect of registration and of matters precedent and incidental thereto have been complied with

323. Effect of registration of memorandum of external company.—(1) Upon the registration of the memorandum of an external company the external company shall be a body corporate in the Republic subject to the applicable provisions of this Act.

# Ford workers third court appearance

TWENTY former and reinstated Ford Motor Company employees made their third brief appearance in the Port Elizabeth Magistrate's Court on Tuesday on charges under the Riotous Assemblies Act.

They are alleged to have intimidated other Ford workers during the recent labour disputes at the

company's Struandale plants

They were not asked to plead and no evidence was led. The case was postponed until February 1 (tomorrow)

The magistrate, Mr P P J van der Merwe, issued a warrant of arrest for one of

the men, Mr Binakale Kulati (30), but withdrew it when he entered the courtroom late

The conditions of the R50 bail — that they did not enter the premises of Ford and do not contact or interfere with State witnesses —

were relaxed to enable them to seek re-employment at Ford

Some of these appearing in court have been reinstated since the alleged incident during the strike

Miss V Byleveld appeared for the State. Mr P J de Bruyn instructed by H Fischat and Mr I Sogoni, appeared for the men

Characterising South African medicine as 'intercollected and reinforced' and reinforce one another. Together, they point to the existing model of medical services being in need of radical revision.

What is currently and urgently needed is a systematic analysis and evaluation of South Africa's existing health care delivery

... pt to analyse the proposals for their of Enquiry into This Commission advice and proposed of local health centres by using teams of one segment of the include health assistance first aid and undertaken, particularly assistants. were never fully need for, or the Commission, medical mental basis and other have health scheme in For the health care considered. Consequently, medical services has achieving its

Nearly suggest that old best be considered of the present whites and urban ve medicine and on second step, I believe the whole practice disciplinary community the malnutrition around acting in a hospital a multi-disciplinary

151

approach to disease in which medicine, housing, agriculture, education and economic programmes co-operate to build up community facilities to combat such disease. South African medicine at present concentrates excessively on treating disease in isolation from the setting and environment in which it occurs, while at the same time teaching that most disease will only be overcome once people are better paid, better fed, better housed and better schooled. The medical profession needs to close the gap between its words and deeds (between the teaching and the practice of medicine) in this area, such a gap can only be closed by the profession actively involving itself in community development programmes as one segment of a total response to disease.

As a third step, there should be an examination of the experiences of other countries in implementing and experimenting with new models of health care delivery. One need only look to the states which border on South Africa to view a variety of attempts to reshape or create new health care systems. Turning to Botswana, Lesotho and Mozambique, a range of interesting developments in the health field are being undertaken, all of which have relevance to South Africa and which can be briefly detailed:

## 1. MOZAMBIQUE

On independence, Mozambique was left with less than 100 doctors, almost all of whom were based in the urban areas, and with a heavily lopsided health service which favoured urban areas over rural ones. The government's first priority was to establish rural health services which had been virtually non-existent under the Portuguese regime. 'In June 1975, for example, the Lourenco Marques area, with a population of some 750 000 had about 50 doctors while the Northern Province of Vila Pery, with a population of 600 000, had only one doctor' (Africa Research Bulletin, August 1975, 3746).

A new health system is now being established, focusing on preventative medicine and rural health. Thus, in the short period between June 1976 and November 1977, some 4.5 million vaccinations were given (Africa Research Bulletin, November 1977, 4658) to the 9 million inhabitants of Mozambique. More significantly, nine rural health training centres have been set up to provide six-month courses in basic preventative and therapeutic health care. Those successfully completing the training become 'agentes polyvalentes' and return to their villages to organise people to protect themselves from the three most common sources of disease — mosquitoes, contaminated water and the lack of adequate sanitation.

20/11/50 AD  
**21 Ford workers in court**

PORT ELIZABETH —  
Twenty-one Ford Com-  
pany workers appeared  
briefly here in the  
magistrate's court on a  
charge of striking il-  
legally

before Mr P. P. J. Van der  
Merwe. The case was  
remanded to February 21  
after the defence applied  
for further particulars of  
the charge

One worker, a Mr  
Kulati, came late and was  
warned to be punctual on  
February 21 — DDR

They were not asked to  
plead when they appeared

second is more thorough and enables surveillance for TB and other diseases to be done. The first entails people gathering at stopping places and waiting, sometimes for hours, until the clinic van appears. Neither provides help in emergencies, and in either case rapid repeat visits (e.g. the reading of Heat Tests, managing pneumonia, etc.) are difficult. The mobile clinic system is probably better for surveillance and dealing with chronic ailments, family planning and immunisation than for ongoing preventive or urgent curative work; for this, easy access to some kind of permanent worker, however simply trained, is a necessity.

### 3.8 EFFECTIVENESS OF CLINICS

Clinics have clearly eased the load on doctors and centralised hospital facilities and reduced costs, both to the patient and to the providing authority (Westcott, Ch.12, and \*55), but in some areas they are not regarded as equally effective, and GP's and hospitals are still often preferred. Westcott argues (Ch.11) that in areas where nurses are not specially trained as clinicians, acceptance could be speeded by enabling nurses to take a fuller role, examining, diagnosing and prescribing for a wider range of ailments; in many circumstances the present range of restrictions (e.g. on tentative diagnoses) seems unnatural.

A great reduction in the incidence of TB has been achieved in the Sundays River Valley by the clinic nurses. In the Graaff-Reinet area, clinics have continued work which keeps the rate of VD in that area well below the national average (Scott \*58). More broadly, their effect on health status has not been assessed, but a few clues are available, e.g.

Frankish's finding that around a remote hospital with only mobile clinics the child death rate increased with distance from the hospital whereas in an area with permanent clinics, it did not. (This picture is, however,

Westcott quotes figures from permanent clinics around a Transkei hospital to show that the proportion of underweight children is much lower in a village with an active dedicated nurse, than in a very similar one which has none.

Usually health education is done through schools except in farming areas which have no clinic nurses or mobile health teams.

It appears that knowledge and attitudes do make a considerable difference to the utilisation made of health services, more especially the preference for one type of service over another. A profound concern for quality of treatment was evident even in poor respondents, though distance and available transport seemed the main determinant of utilisation rates. Criteria of quality seemed to include the type of personal interaction and time spent with the patient as well as perceived thoroughness and the effect of treatment.

In most farming areas, farmers' wives were the main primary health care workers and referring agents. However, they were probably not the most desirable people to fulfil this role because of communication difficulties with their workers and in many cases hesitation among workers and their families to approach them. Indigenous healing may often have been preferred for this reason. Little was learnt about the role and prevalence of indigenous healing in rural areas, though it was clearly of great importance, even as a second-preference source of primary health care.

### 4. HEALTH PERSONNEL

From the accounts of health services, it is clear how the appropriate choice of health worker for various roles is linked to the choice of

This section deals with the present scope and and training of various health workers. each task should be allocated to the least likely perform it. Two themes ran through the and numbers of health professionals, all sections hatched; and how to remedy poor communication orkers in health service settings, which often fect of health education. Means were sought their cultural and social context.

# Why Sigma quit Naamsa

PORT-ELIZABETH — Sigma Motor Corporation said its decision to resign from the National Association of Automobile Manufacturers of South Africa (Naamsa) was taken after very careful consideration and was based on two main factors

It said that, firstly, Sigma had made application to the Board of Trade for light, fuel-efficient vehicles to be introduced into the South African market, initially with less than 66% local content but to achieve local content of 66% within two years

Naamsa members decided, however, at a special general meeting the proposal would not have their support, the statement said

Sigma said a further reason for resigning was the "inequitable basis of Naamsa funding"

It said six of the 21 Naamsa members provide over 70% of the association's annual budget, but funding is based on the number of units sold the previous year, so the company selling the highest number of units pays the highest subscription, but has the same vote as a company selling no vehicles during a year

Sigma believes that if the basis of voting was to remain unchanged, the total budget should be apportioned equally among Naamsa members

"It is Sigma's contention that until members of Naamsa mature as a group to a point where matters can be considered on an industry basis rather than in an individual company's own interests, no further purpose could be served by Sigma remaining a member of this organisation," the statement added — Reuter

# Optimisme laat VW R46 m. in SA belê

RAPPORT 27/1/80

'N BELEGGINGSPROGRAM wat altesaam R46 miljoen beloop, en waarvan die grootste deel reeds in 1980 afgehandel sal word, is deur Volkswagen van Suid-Afrika aangekondig.

In 'n verklaring wat deur mnr. Peter Searle, besturende direkteur van Volkswagen, uitgereik is, sê hy die belegging is grootliks gemotiveer deur die verwagte groei van die Suid-Afrikaanse motornywerheid in die algemeen en ook die verwagte vraag na Volkswagens en Audi's in die jare tagtig.

"Volkswagen het pas die beste jaar in sy geskiedenis in Suid-Afrika ondervind deur 21 persent van die passasiersmotormark in te palm. Dit is ons voorneme om hierdie posisie nog verder in die jare tagtig te verstewig." Gevolglik sal die maatskappy se beleggings in die komende jaar hoofsaaklik in die volgende projekte wees:

● Die uitbreiding van hui-

dige produksiegeriewe. Dit sal beteken bykomende bakperse, ander masjinerie en algemene uitbreidings aan geriewe in die hele fabriek, waaronder die vergroting van produksiesale en pakhuisse.

● Die verhoging tot 66 persent van die plaaslike inhoud van Volkswagen se reeks ligte handelsvoertuie, soos vereis deur fase vyf van die plaaslike inhoudsprogram wat vanjaar in werking getree het.

● Die bou van 'n enjinfabriek op die huidige fabriekperseel in Uitenhage. Werk aan dié fabriek, wat enjins volgens die jongste Duitse ekonomiese standarde vir die hele reeks passasiersvoertuie sal vervaardig, het reeds begin en produksie is be-

plan vir die middel van 1981.

● Om te verseker dat die maatskappy se hoë standaard en gehalte beheer gehandhaaf word, sal ook die afdeling uitgebrei word. Die voorsiening van bykomende verfgeriewe sal hier die grootste bydrae lewer.

● Die verbetering van wel-synsgeriewe vir alle werknemers, waaronder die voorsiening van nuwe, gedentraliseerde kafeterias, ruskamers, sluitkamers, snoepwinkels en sportgeriewe.

● Volkswagen se opvoeding- en opleidings-aktiwiteite sal ook aansienlik verbeter word en meer as R1 milj sal vir dié doel aangewend word.

5-24	0,05	0,06	0,17	0,11	0,21	0,23	2,46	2,13
25-44	0,20	0,12	0,37	0,33	0,94	0,72	0,18	0,16
45-64	1,46	0,92	3,33	1,85	4,88	2,14	0,66	0,52
65+	11,52	7,89	16,51	13,42	20,07	10,49	2,75	1,72
ALL	1,12	0,97	1,22	0,79	2,87	2,22	9,32	6,19
NO.	2336	2019	430	282	3270	2588	1,37	1,24
							2858	1951

## IV DISEASES OF BLOOD AND BLOOD-FORMING ORGANS

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,02	0,03	0,20	0,21	0,06	0,16	0,06	0,06
1-4	0,01	0,01	0,02	0,00	0,02	0,04	0,01	0,01
5-24	0,00	0,00	0,01	0,01	0,01	0,01	0,01	0,01
25-44	0,01	0,01	0,01	0,02	0,00	0,01	0,01	0,01
45-64	0,02	0,02	0,03	0,03	0,06	0,04	0,01	0,03
65+	0,11	0,11	0,13	0,15	0,13	0,15	0,03	0,03
ALL	0,01	0,02	0,02	0,02	0,02	0,03	0,01	0,01
NO.	30	34	7	7	21	31	23	21

## VI DISEASES OF THE NERVOUS SYSTEM AND SENSE ORGANS

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,52	0,18	0,50	0,41	2,02	1,56	1,26	1,20
1-4	0,05	0,05	0,02	0,07	0,45	0,26	0,23	0,18
5-24	0,03	0,01	0,05	0,04	0,09	0,06	0,09	0,07
25-44	0,03	0,01	0,04	0,05	0,23	0,09	0,13	0,06
45-64	0,07	0,07	0,21	0,11	0,36	0,13	0,26	0,07
65+	0,18	0,13	0,00	0,15	0,47	0,18	0,44	0,15
ALL	0,06	0,04	0,07	0,06	0,25	0,14	0,17	0,12
NO.	128	85	26	23	289	164	366	187



	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,51	0,54	2,10	1,24	7,00	6,86	19,69	19,83
1-4	0,04	0,04	0,21	0,35	0,75	0,77	2,58	2,48
5-24	0,01	0,01	0,09	0,06	0,08	0,03	0,21	0,21
25-44	0,05	0,05						

CT. 25/1/80

## Paper prices increased by 14%

Staff Reporter

THE South African Printing and Allied Industries Federation, representing printers and packaging manufacturers in South Africa has announced a further substantial rise in the price of printed matter and paperboard packaging.

In a statement released yesterday, the federation said this was a result of wage increases and the rise in the price of raw materials.

The statement reads:

"The rise is inevitable as a result of wage awards made to employees in the printing and newspaper industry, which came into effect on January 1 this year, and rises in the prices of fine papers and newsprint, manufactured by Mondi Paper Company Ltd, Sappi Fine Papers (Pty) Ltd and paperboard produced by the South African Board Mills Limited.

As from January 1980, the South African Board Mills Ltd have announced price increases of between 14 and 15 percent over the range of products manufactured by the mill, which are used widely in the packaging industry.

### Increase in labour, raw material costs

"Sappi Fine Papers (Pty) Ltd and Mondi Paper Company Ltd have also recently advised price increases averaging approximately 14 percent on the various paper grades manufactured by their mills. In view of these increases in the cost of labour and raw materials to printing and packaging manufacturers, the price of their products will inevitably increase this year.

"The federation is concerned at the magnitude of these increases particularly as the industry within the last two months has had to contend with a 6 percent rise in paper distributor's prices over a wide range of materials, which, it was claimed, was necessary due to the local paper mills changing their trading policies. The raw material supply position is consequently being actively investigated by the federation in order to protect the interests of buyers and consumers of printed matter."

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

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	21,76	16,18	40,44	27,11	133,70	119,02	91,30	88,18
1-4	1,17	0,94	2,42	2,39	17,22	16,21	10,23	9,93
5-24	1,05	0,46	1,31	0,74	2,26	1,25	1,64	1,12
25-44	3,02	1,47	4,33	2,48	8,80	4,96	4,78	3,70
45-64	17,46	9,49	26,27	18,72	24,27	17,87	18,06	15,57
65+	73,62	54,55	92,20	82,93	96,90	71,79	53,38	45,89
ALL	9,44	7,40	8,03	5,51	14,62	11,00	8,77	8,13
NO.	19600	15374	2828	1967	16632	12847	18348	13062

Leaton (\*32) also emphasises more relevant training, and stresses the formulation of appropriate goals. This process is now under way at Wits medical school, following the issuing of a 'Charter of Aims' by medical students (see Vol 2). The Charter lays emphasis on the relevance of medical education to the needs of all South Africans, the practice of medicine where these needs are to be found, and the value of a fuller understanding of the social

each department of achieving initiatives. doctors should work with appropriate) and economic ring a team nurses together lar health aking a rather cation on the e claims that t whereas a olistic and many doctors s an over- is could be can deal with ive method of departments. ponsibility s too , who tend to ealth centre- of smaller

## GENERAL NEWS

# Unrest: Ford report gave early warning

Own Correspondent

PORT ELIZABETH — The labour unrest and industrial disputes which have plagued the Ford Motor Company in Port Elizabeth for three months were anticipated in a report commissioned by the company and received in November.

The report was prepared by three Rhodes University academics at the request of the Institute of Race Relations and financed by Ford as part of the company's programme implementing the principles of the Sullivan Code of labour ethics.

Two of the academics involved have now given interviews disclosing the report was highly critical of labour policies at Ford and the way in which the company had implemented the principles of the code.

Their report, which reached Ford in the middle of its first strike last November, anticipated several grievances voiced by the strikers, including:

- The cutback in working hours, which meant that between 80% and 90% of Ford's black workers were earning pay below the poverty datum line;

- That real income of workers in the lower grades had declined over the past eight years;

- That black advancement had not been implemented quickly enough; and,

- That racism was still apparent, in spite of Ford's commitment to the Sullivan principles and integrated work facilities, and many of the improvements had been merely "window-

dressings"

Ford's director of industrial relations, Mr Fred Ferreira, said last night that Ford had encouraged this critical analysis of its labour structure.

"We realised we needed an independent assessment of our policies, and are satisfied, by and large, the report has achieved just this," he said.

The view of the three academics was that Ford's publicly-espoused intentions on the labour front had raised the expectations of its workers — but what the company had actually delivered, in the way of improvements and advancements, had fallen far short of these expectations.

One of the team, Dr Marianne Roux, senior lecturer in sociology at Rhodes, said other companies which had not promised as much as Ford, nor implemented a programme of affirmative action, had not experienced industrial unrest.

Another, Professor Michael Whisson, head of the department of anthropology at the university, said "Ford made big promises, which it could not deliver in the area of wages and could not deliver fast enough in other areas, like black advancement."

However, the pair agreed there was an element of bad luck contributing to the labour unrest experienced by Ford.

They said that because market demand was slackening, Ford had to lay off 300 of its hourly staff last July.

And the survivors were put on short time.

Prof Whisson and Dr Roux said that while their findings were critical, Ford was never-

theless a clear leader in implementing the Sullivan principles. They highlighted the fact that Ford's affirmative action budget would be substantially increased this year, and the company hoped to spend over R2 000 000 on programmes to uplift the black community from which it drew its workforce.

But they claimed Ford's previous selection of areas for its largesse sometimes lacked "political sensitivity".

They said a substantial portion of the R1 800 000 Ford spent on its affirmative action budget last year went to "pro-apartheid organisations".

Prof Whisson said an enormous sum was allocated to support the East Cape Administration Board's housing scheme and, although the board was doing things for blacks, it was anathema to the people themselves.

Both academics believed the recent labour unrest had contained one good lesson — that the union could not be left out of the negotiating process.

They said the long-term aim should be to promote a single, non-racial union and that Ford should continue to press for modification of the law to permit labour to organise on a non-racial basis.

On the whole, they believed the troubles would have salutary effects on all sides. The reinstatement of all strikers had been "a victory for commonsense".

Mr Ferreira confirmed last night that the company was at present following up many of the report's recommendations.

He feels that proper training for general practice overseas. or three-year period of extra training as with other specialities and with general practice overseas.

### 4.1 DOCTORS

The 'Inverse Care Law' - health services are least available where they are most needed - is certainly true of the distribution of doctors. Beaton and Bourne (\*54) show that 51% of doctors practise in rural areas and villages where over 50% of the population in South Africa live. 55% practise in c

live. The report notes (Vol.2) notes 600:1 in Durban. He and Kirsch the number of areas when they prefer to live and in touch with extends this 197 years from 197 and 50% of the of Cape Town 1 America', he said Part of the re training of do school showed medical school physician; an be preparing to being prepared tion to care personality an Kirsch (Ch.7) be included 1 experience of period of cli school would recommended that serv-

ment as well as academic excellence, along the lines practised at Ben Gurion University in Israel.

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192 (151) DD 25/1/79

# Ford man lists black problems

CAPE TOWN — A senior member of the industrial relations team of the Ford Company in Port Elizabeth, Mr Fred Ferreira, said black workers were faced with several deterrents when trying to advance their education

Speaking at a South African Institute of Race Relations meeting, he said the root causes of the industrial unrest had been investigated

He said many would doubt the validity of his talking on the subject of "Industrial peace — industrial justice — are these obtainable in the 1980 decade" following the developments in Port Elizabeth

He was sympathetic towards the workers and said companies had to "take stock of where they stood in the South African situation"

"The two recent com-

missions (the Wiehahn and Riekert reports) have laid the foundation to a new and dynamic approach to industry," he said

He admitted some white workers still felt that black workers were "not yet up to the standard where they could be trained into skilled artisans" but said he knew this was "totally wrong"

"Black workers are simply faced with far more severe problems than a white worker — education standards are generally inferior and it is far more difficult for a black to further his education," he said

Despite efforts to increase communication between management and the worker, problems still existed and this was probably the root of the problems of the recent strikes — SAPA

# Report by Rhodes trio forecast unrest at Ford

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192

**PORT ELIZABETH — Labour unrest and industrial disputes at Ford Motor Company here for the last three months were anticipated in a report commissioned by the company and received in November.**

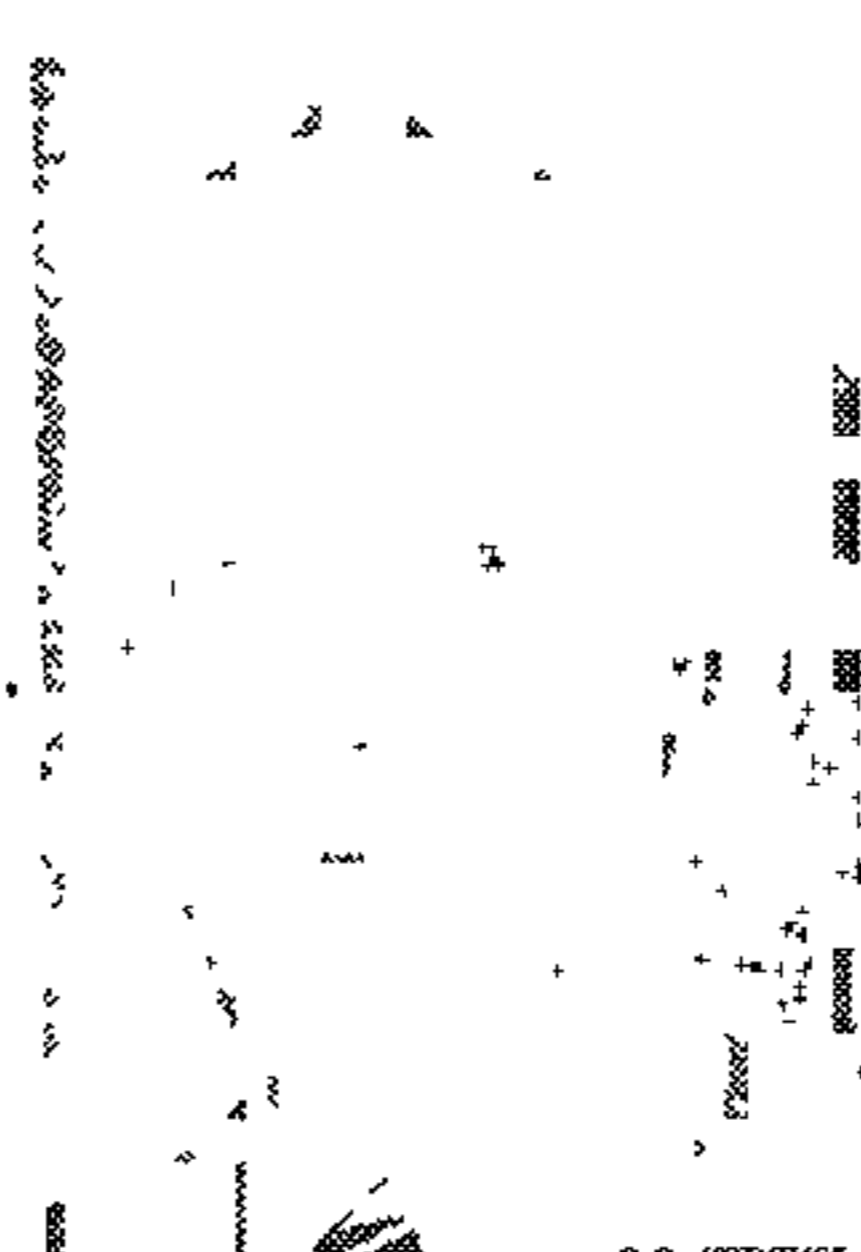
The report was prepared at Ford's expense by three Rhodes University academics at the request of the Institute of Race Relations and was part of the company's programme of implementing the principles of the Sullivan Code

Interviews this week with two of the academics revealed the report was highly critical of labour policies at Ford and the way in which the company had implemented the principles of the code

Among the grievances anticipated by the report were the cutback in working hours which meant between 80 and 90 per cent of Ford's black workers were earning wages below the poverty datum line, that real income of workers in the lower grades had declined over the past eight years, that black advancement had not been implemented fast enough, that racism was still apparent in spite of Ford's commitment to the Sullivan principles and integrated work facilities, and many of the improvements had been merely window dressing

Ford's director of industrial relations, Mr Fred Ferreira, said last night Ford had encouraged this critical analysis of its labour structure

The view of the



## PROF WHISSON . . . a good lesson

academics was that Ford's publicly espoused intentions on the labour front had raised the expectations of its workers but what the company had actually delivered in the way of improvements and advancements, had fallen far short of these expectations

Dr Marianne Roux, one of the team and senior lecturer in sociology at Rhodes, said other companies which had not promised as much as Ford, nor implemented a programme of affirmative ac-

tion, had not experienced industrial unrest

Another member of the team, Prof Michael Whisson, head of the department of anthropology, said "Ford made promises which it could not deliver in the area of wages and could not deliver fast enough in other areas like black advancement"

Prof Whisson and Dr Roux said in spite of their criticisms of Ford, they believed it was still the most progressive employer of labour in the industry and had taken a clear lead in implementing the Sullivan principles

They highlighted the fact that Ford's affirmative action budget would be substantially increased this year and the company hoped to spend in excess of R2 million on programmes to uplift the black community from which it drew its work force.

Both Prof Whisson and Dr Roux believed the recent labour unrest had contained one good lesson — that unions could not be left out of the negotiating process

Mr Ferreira confirmed last night the company was currently following up many of the recommendations contained in the report —  
DDC

### FATTIS & MONIS STRIKE

Inyanga ngoku sele izakuphela abasebenzi abangama - 88 bakwa Fattis & Monis efektri eBellville South benogwayimbo. Into ebangele ukuba bagwayimbe kukugxothwa kwabasebenzi abahlanu ebebesebenza nabo. Bathi unobangela wokugxothwa kwaba basebenzi bahlanu, kukuba bebengamalungu eTrades Unions Le union .be izama ukwenza uphando nonthehtwathethwano lokuba kunyuswe imali ibeyi - R40 ngeveki yay kusetyenzwe iyure ezisi - 8 ngemini. Umphathi wefektri leyo uthe ezizinto bazifunayo zingaphezu kwamandla yaye ziya kwenza uqhushululu efemini.

Abasemagunyeni-kubbutho weUnion onamalungu ayi. 10 000 (amawaka allshuni) obizwa ngokuba yi Food and Canning Workers Union bathi abo bagxothiweyo bebesayinile amaphepha anika i-Union igunya-lokuba benze uthethwathethwano ngemeko ezibetele ekunokuthi kusetyenzwe phantsi kwazo. Ifektri leyo ilalile oluthethwathethwano ne Union. Ifektri ibalula into yokuba omatshini ekusetyenzwa ngabo bathathe indawo yabantu yiyo lento kunyanzeleke ukuba kuphungulwe abasebenzi.

Nangona aba bagxothiwo ingabantu beBala uninzi lwabo bagwayimbileyo ngamagoduka abantu abamnyama. Nangona bathe bagrogriswa ngokugxothwa babuyele emphandleni ababasebenzi bamnyama bame bemi kwicala labeBala ababathatha ngokuba bangabantakwabo. Ngosuku lokuqala logwayimbo indoda emele icala lomsebenzi izame ukubohlula abeBala kubantu abamnyama xa bebemengaphandle kweFektri. Abasebenzi balile ukwahlulwa, omnye wabo uthe "Silapha sonke yaye iinjongo zethu zinye."

Ayanda amanani abantu abazibanakanyileyo nabasebenzi abagwayimbelileyo. Kwenye yeentlanganiso zokuxhasa abasebenzi kwive-i ephelileyo kubekho abafundi base University nakwano Kolegi ababafundi kwe - 500. Ababafundi bavela kwezi zikolo U.W.C., Hewat, Bellvill Technical College, Peninsula Training College. Ababafundi bathe abasebenzi mabaphinde baqeshwe kungenjalo yonke imveliso yakwe Fattis & Monis ingathengwa.

Umbutho oyi Western Province Traders Association uthe uza kuxelela onke amalungu awo ukuba angayithengi imveliso yaleFektri de bavume uthethwathethwano.

Umbutho oyi South African Council of Sports SACOS ucele onke amalungu awo nazo zonke izikolo ezinonxibelelwano kunye nabo ukuba zixhase abo bagxothiweyo de ba-, phinde baqeshwe. Yaye akufuneki bayithenge imveliso yale fektri.

Abanfundi base U.C.T. bayenzile eyabo intlanganiso bebonakalisa uhunye nabasebenzi. Bacele ukuba imveliso zakwe Fattis & Monis zingathengwa okanye zingasetyenziswa.

UFattis & Monis uphikele ukuthi akukho ngxabano nakungevani kulefektri. Kodwa ke lowa ungumphathi wefem le uthi, ukhathazekile xa kusithiwa imveliso yabo mayingathengwa ngabamnyama njengoko inkxaso enkulu ivela kwabo bamnyama. Abaphati bale Fem baqashe abasebenzi abangabanye ukuba basebenze endaweni yabo bagwayimbileyo ukuze kubekho imveliso, kodwa imveliso yehle.

Ngubani uFattis & Monis? UFattis & Monis yifektri enezimvaliso zilandelayo:  
Record - self raising flour, Cake flour, Bread flour, Sifted flour, Unsifted flour, Wheatie Treat flour; Philadelphia flour; Koeberg Mille packed mealie meal;  
Fattis & Monis icecream, cones, cake cups and wafers; Fattis & Monis macaroni, spaghetti, shells, ribbons, rings, dilatines; Princess, Pick 'n Pay, Pot o' Gold, Checkers and Roma - macaroni, spaghetti, shells, ribbons, rings, dilatines;  
Wrench Town Bakery in Observatory; Ultra Bakery in Somerset West; Good Hope Bakery in Elsie's River.

# SACC CASH FOR FIRED WORKERS



THE SA Council of Churches is paying out R22 200 to 450 workers dismissed at Ford Motor Company, Adamas Paper Mill and General Tire in Port Elizabeth during labour unrest at the end of last year.

A spokesman for the Eastern Cape branch of the council, Mr S Zondani, said yesterday that the payout started at the weekend at Port Elizabeth when 375 people received money. The remaining 75 were expected to collect theirs later this week.

Those receiving money were largely Ford workers. Their names had been

submitted by workers' representatives.

Although about 700 were dismissed during the strikes at Ford, only those who did not seek re-employment but who waited for re-instatement received money.

The rest of the recipients were only a handful of former General Tire and Adamas Paper Mill employees believed not to have been re-employed.

The Port Elizabeth Black Civic Organisation, which played a prominent part, last year appealed for financial help for the dismissed workers.

R22 000

given

to PE

strikers

PORT ELIZABETH —  
Workers dismissed from  
Ford Motor Company last  
year and those not re-  
employed at Adamas  
Paper Mill and General  
Tire received R22 220  
from the South African  
Council of Churches at the  
weekend

The SACC's regional  
secretary in Port  
Elizabeth, Miss Heather  
Ross, said the payout to  
450 families was carried  
out in her office on Satur-  
day

A spokesman for Ford  
workers, Mr Government  
Zini, said "The SACC  
must be truly commended  
for their assistance in  
reducing human suffering  
among black families "

Other groups who were  
asked to give financial  
help and expressed deep  
concern and had also  
promised aid, he said

The Port Elizabeth  
Black Civic Organisation  
appealed for financial aid  
on behalf of workers

Pebco last year appeal-  
ed to the SACC, the  
chairman of the Soweto  
Council of Ten, Dr Ntatho  
Motlana, the Azanian  
Peoples' Organisation  
(Azapo) and to all  
professional people and  
businessmen in Port  
Elizabeth's black town-  
ships

Ford workers have been  
re-employed by the com-  
pany

Mr Zini said the next  
move would be to hold  
fund raising programmes  
to help the families of the  
detained Pebco leaders

A gala film show will be  
held at the Rio Cinema in  
New Brighton on  
February 21 at 7 pm —  
DDC

# Motor chief hits out at 'stifling' programme

*7/2/80*  
*19/2*  
**Motoring Editor**

THE Government's local content programme — requiring cars and light commercials made in South Africa to have a local content of 66 percent by weight — was stifling the motor industry, Mr Chris Griffith, chairman of Sigma, said in Johannesburg yesterday afternoon.

Speaking to motoring writers, he said that the world's automotive industry was going through its most significant period of change with weight reduction as a major objective.

Conditions in the late 1960s and early 1970s had made it necessary to promote the development of an indigenous motor industry.

## THE QUESTION

But the question I would like to pose is this — do these reasons still retain their former validity and does the local content programme have sufficient flexibility to allow for the growth of the South African motor industry in the 1980s?

'I believe that very important modifications need to be introduced at the earliest opportunity,' he said.

The programme was making South African cars heavier while the international trend was to make them lighter for greater fuel efficiency.

## GOOD PRICE

The programme was further dated by 'the successful thrust to expand South Africa's exports of a wide variety of manufactured goods, the development of the Sasol projects and the increased gold price'

He said initiatives taken by the Prime Minister could result in a reduction of internal and external problems

He said it seemed that the reasons, which gave rise to the programme, were no longer as pressing as they were.



CAPL Time 14/2/80

# Dealers split on 192 economy-car issue

By BRIAN GROBBLER  
Motoring Editor

JOHANNESBURG — The case for introducing a light fuel-efficient vehicle (LFEV) as a matter of national urgency to avert a fuel crisis was put by top executives of Sigma Motor Corporation at a press conference here yesterday afternoon.

The issue of bringing in and manufacturing both passenger and commercial LFEVs has caused a break between Sigma and the National Association of Motor Manufacturers of SA (NAAMSA) and has also not yet met with government approval.

Sigma have already refused

to give their monthly sales figures to Naamsa because none of the 21 other members of the association agreed to "bending" the local-content programme to accommodate such vehicles.

Government officials were invited to attend the press conference and video presentation of the case for the new light-mass cars, but none did.

According to Mr Chris Griffith, chairman of Sigma, the Anglo American Corporation-owned motor manufacturer which is at present the number



To page 2



From page 1

one in the country. His company will go ahead with efforts to introduce the cars within the next two years. They will be both Japanese- and French-sourced and retail at between R3 000 and R3 800 which is far cheaper than most small cars being produced in this country.

Tests carried out on two such vehicles in South Africa by Sigma showed that in the urban areas there will be a fuel saving of between 20 and 24 per cent on urban roads and between 10 and 17 per cent on the open road.

This means a saving of about 1,5 l/100 km which means that the average motorists will save between three and six litres a week.

Mr Griffith said a fuel crisis far worse than the current one could occur in months, weeks or even days. Sigma had suggested to the government and Naamsa that it was very necessary to start production soon. Concessions should be made so that Sigma would not have to meet the required 60 per cent by mass local content of such vehicles for the first two years of production.

This is where Sigma clashed with other Naamsa members who have invested many millions of rands on their local-content programmes and refused to support the application to the Board of Trade.

# Sigma wants rules relaxed

By LEICESTER SYMONS  
Motor Editor

A STRONG plea for concessions to encourage the rapid introduction of lightweight economy cars in South Africa was made yesterday by Mr Chris Griffith, chairman of the Sigma Motor Corporation

He claimed that an oil supply and price crisis was coming within two or three years, that South Africa would be hit hard, in spite of the development of Sasol and other factors in her favour and that lightweight, fuel efficient vehicles could make a significant contribution to saving fuel

Mr Griffith said getting such vehicles on the market in South Africa — if the requirements of the local content programme were fully complied with — would take two or three years. By then it would be too late for them to help avert the looming crisis

For this reason Sigma had applied for permission for the cars to be assembled without having to meet the local content requirements and without being penalised, provided it guaranteed to meet the full 66% local content requirement within two years

Other manufacturers had opposed the application, he believed, because they saw it as an attempt to gain an unfair advantage for Sigma, but this was not so. The concessions were sought on behalf of the whole motor industry and other manufacturers could also arrange to produce such vehicles

The vehicles Sigma wanted to introduce included lightweight, small commercial vehicles produced by Mitsubishi in Japan and the Citroen Dyane car and panel van

There was no need for the concessions, said the head of another major motor manufacturer, who did not want to be named

If any manufacturer wanted to introduce the cars he could, abiding by the rules of the local content programme like anyone else and leaving it to the market to establish whether the decision was wise

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Published by Comm Comm.

Somerset West.  
Wrench Town Bakery, Observatory, Good Hope  
Checkers, Poto, Gold, Pick 'n Pay macaroni  
Princess macaroni, spagetti, shells, rings  
Fattis and Monis Macaroni, spagetti, shell  
Mille pack Mealie Meal, Fattis & Monis ice  
Record Unsifted Flour, Record Wheatie Treat  
Record Self Raising Flour, Record Cake Flour  
Ngubani Ufatis & Monis? Ufatis & Monis

Ufatis & Monis uphikele ukuthi akukho ngxa  
ungumphati wafem le uthi, ukhathazekile xa  
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abasebenzi abangabanye ukuba basebenze ende  
imveliso, kodwa imveliso yehlele

Umbutho walapha ekapa oyi National African  
kuny e nabasebenzi.

Umbutho oyi Women for Peace Movement ucele  
Bacele ukuba imveliso zakwa Fattis & Monis  
Abafundi base U.C.T. bayenzi eyabo intlan

Umbutho oyi South African Council of Sports  
izikolo ezinonxibelelwane kunye nabo ukuba  
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Hansard No 1 Col 5

6/2/80

192

**Strikes at Ford Motor Company plant in  
Port Elizabeth**

\*12 Mr J D DU P BASSON asked the  
Minister of Foreign Affairs

- (1) Whether his Department received any representations from the United States Government in regard to strikes at the Ford Motor Company plant in Port Elizabeth and the arrest of strike leaders, if so, what was the nature of (a) the representations and (b) the reply thereto,
- (2) whether he will make a statement on the matter?

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The MINISTER OF FOREIGN AFFAIRS

- (1) No
- (2) Falls away

# Boss tells 27 to go in bonus rift

By EDMUND JAYIYA

TWENTY-SEVEN workers at the Kilber Automotive Products, Booysens Reserve, walked out yesterday after they had approached the manager about their "monthly bonuses" which they had not received at the end of the month.

They said working conditions in the company were not good. They worked from 7.15 am to 5 pm. They were allowed 35 minutes for lunch.

Some of the men claimed they earned about R23 a week, though a few earned fair salaries.

The spokesman of the workers, Mr Shadrack Mogorosi, told **POST** they were told the books were being compiled and they would get the bonus.

Yesterday, they approached the manager, Mr D Weed, about the bonus. He told them to leave if they were not prepared to work.

**POST** found the workers outside. They told us the story and we approached the manager.

He told us the workers arrived before 7.15 am, but did not start work. They chatted in the changeroom.

He said he told them



Mr Weed said he told the men to work or leave the company

to work and those who were not prepared to work could leave.

A director, Mr H Berman, said there was an agreement between the management and the workers that the monthly bonus would be paid when the target figure was reached.

He denied that the workers were entitled to a monthly bonus.

He added that at one stage, the target figure

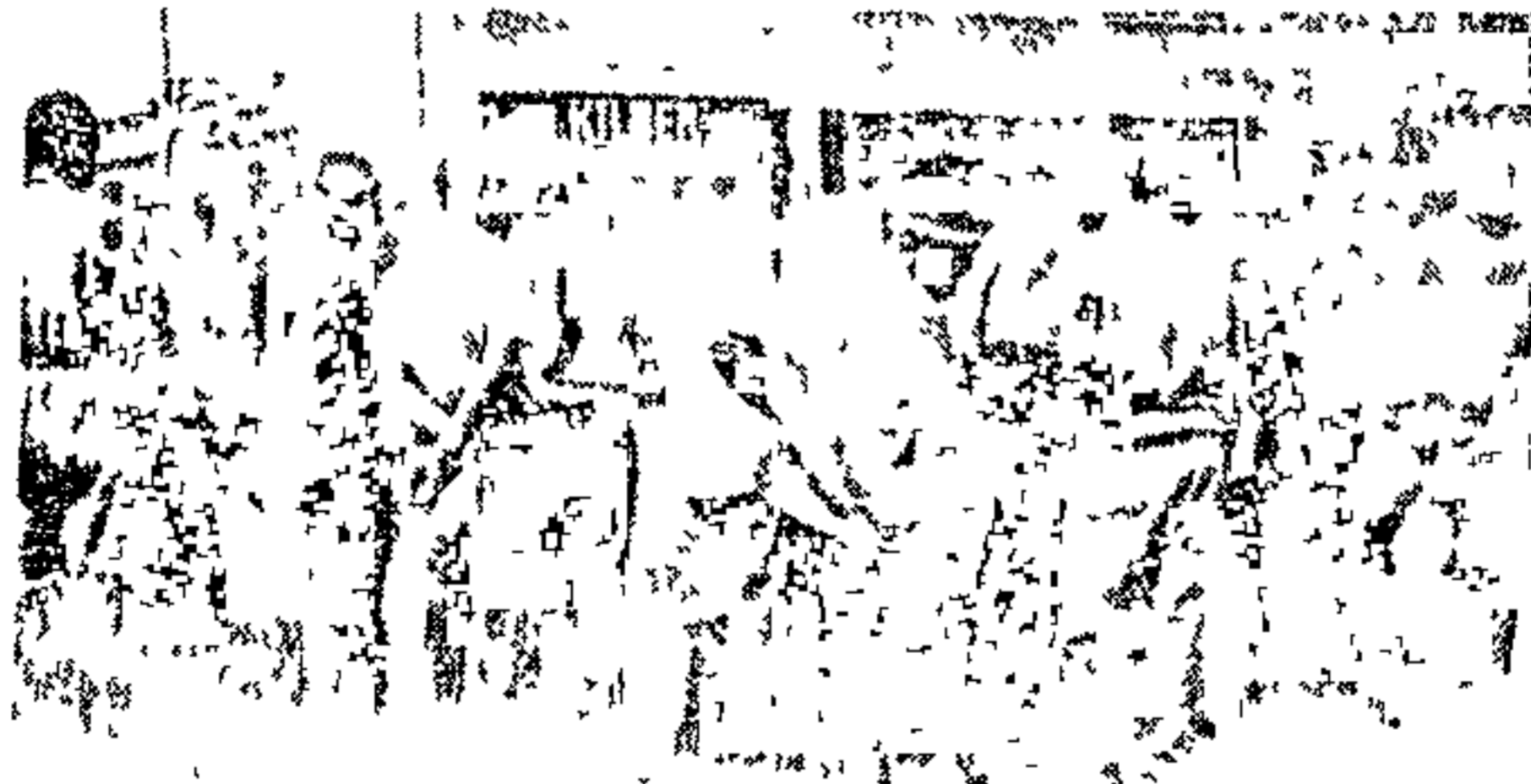
was not reached, but the workers were paid "this bonus".

About the working conditions, he said the workers agreed to go on lunch for 30 minutes.

They asked him to reduce working hours on Friday so they could go home early.

The company, he added, did everything it could to "make them happy".

He said "The company is not under-paying them and the lowest-paid worker here gets 30 percent more than the scale prescribed by the Industrial Council".



Some of the workers who went on strike

SACC aids  
Cape Times  
sacked 12/2/80  
workers (192)

Own Correspondent (152)

PORT ELIZABETH — Workers dismissed from the Ford Motor Company last year and those not re-employed at Admas Paper Mill and General Tire received a total of R22 220 from the South African Council of Churches (SACC) at the weekend.

The SACC's regional secretary in Port Elizabeth, Miss Heather Ross, said payments to 450 families were made in her office on Saturday.

A spokesman for Ford workers, Mr Government Zini said: 'The SACC must be truly commended for their assistance in reducing human suffering among black families.'

Other groups who were asked to give financial help had expressed deep concern.

By SIMON WILLSON  
Financial Reporter

NAAMSA — the National Association of Automobile Manufacturers of South Africa — is in no danger of collapse after last week's withdrawal of Sigma, South Africa's biggest motor manufacturer.

And this week, Naamsa members and Sigma's competitors in the motor industry said Sigma quit Naamsa because the association would not back a move designed to boost flagging sales of a Sigma line of cars — a move which competitors say was disguised as a contribution to fuel saving.

# Sigma's gone, but Naamsa carries on

RAND DAILY MAIL, Friday, February 1, 1980

"We can't publish our monthly national vehicle sales figures while they are incomplete without Sigma, but our other functions in representing the motor industry are unchanged," Mr Wilking said.

He said he did not expect Sigma to stay out of Naamsa for long because of the advantages of Naamsa membership to companies.

"It would also be to the Government's advantage for Naamsa to be fully representative again. National car sales figures are one of the Government's leading economic indicators, and Naamsa is the only

organisation which can collect them," Mr Wilking said.

Sigma said it pulled out of Naamsa last week for two reasons.

Naamsa declined to support a Sigma application to the Board of Trade for the relaxation of regulations on local content in new cars. Sigma applied to the Board of Trade to import what Sigma regarded as

high, fuel-efficient cars with less than the required 66% local content, with the proviso that the cars would reach the required figure in two years.

Sigma said the basis of Naamsa's funding was "inequitable. It said six of the association's members provided more than 70% of its annual budget while funding was based on the number of units sold the previous year. So the company selling the highest number of units might pay the highest subscription but have the same vote as a company which sold no vehicles at all.

Motor industry sources regard Sigma's withdrawal as an act of pique at not having secured an advantage for Sigma within Naamsa, and the sources agree that Sigma will probably be back in the association before long.

Sigma's competitors and other Naamsa members regard Sigma's motives for leaving Naamsa with suspicion.

It is understood that at the Naamsa special general meeting which declined to support Sigma's application to the Board of Trade members were asked to back a proposal to relax local content rules on a car with an engine capacity of up to 2000cc and a mass of less than 2250kg.

These figures conform exactly to the dimensions of the Citroen Visa, an economy car on sale in Europe but not yet seen in South Africa.

Besides being dealers for Vauxhall, Mazda and Chrysler in SA, Sigma now markets Citroen cars as well as having merged with Pacsa Peugeot and Citroen South Africa.

Industry sources say Sigma had to boost Citroen sales in 1979, selling only 763 Citroen cars (Labs and X-2s in South Africa) in 1979, a year in which it sold 305 Mazda 323s and 20718 Volkswagens (sells were 40% in SA).

Sigma is understood to have intended to import the Visa and other models, another model which

sells well in France — to break the Mazda 323's grip on economy car sales in South Africa.

The problem was the 66% local content regulation which the two Citroen economy models could not meet. Sigma therefore asked Naamsa for support in having the 66% rule lifted for the Citroens.

A senior Naamsa source this week claimed that neither the Visa nor the Dyane would be fuel-economic in SA conditions, even if Sigma could import them.

No one at Naamsa opposed the idea of ever opposing the idea of a car which really is fuel-economic should be given special treatment in the interests of fuel saving.

The proposal was for a car with a put-put-type engine of less than 700cc. We believe this sort of car would not be more fuel-economic in South African conditions than models already available.

A Naamsa member said he had seen tests of the Visa and the Dyane in French motor magazines, and these showed the cars to be especially economical only in the stop-start urban driving common in Western Europe.

He said the greater distances and longer journeys involved in SA motoring cancelled out the advantages in the cars and so the Naamsa meeting voted against Sigma's proposal.

Mr David Clapham, Sigma public relations manager confirmed yesterday that the Citroen economy models were behind his company's application to the Board of Trade.

We're looking at the Dyane with a view to introducing a more fuel-efficient car than is now available — a really lightweight small car.

What they can do. This is a very economic model in an urban driving environment which is the market it would be aimed at, Mr Clapham said.

He said he was not surprised that Naamsa had declined to support Sigma's application.

The Naamsa decision was a defensive action by other manufacturers who fear they would be undercut if we bring these economy cars on to the market.

2	KwaZulu	XXX	XXX	XXX	XXX
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Factor tested & no relation found. Malnutrition was found related to partly greater than 7. Was not tested. (\*59) J. Westcott & Stott,

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Factor tested & no relation found. Malnutrition was found related to partly greater than 7. Was not tested. (\*59) J. Westcott & Stott,

the 1976 rural area being 2 Mortality of which of mortality and the. Although 7. TUBI as a who planning down from areas, it of the h a little thrive. have been participating dampen. The rural so provide rural so. provides it the findings. dates. food supply. projects. Antika C and stimulation was needed to them to thrive. However, it was only necessary to bring health education for mothers. the number of deaths occurring. English, Vol.2) showed that education and the desertion of families. of various factors to malnutrition. KwaZulu (Vol.2) confirmed the sources agree that Sigma will probably be back in the association before long. Motor industry sources regard Sigma's withdrawal as an act of pique at not having secured an advantage for Sigma within Naamsa, and the sources agree that Sigma will probably be back in the association before long. Besides being dealers for Vauxhall, Mazda and Chrysler in SA, Sigma now markets Citroen cars as well as having merged with Pacsa Peugeot and Citroen South Africa. Industry sources say Sigma had to boost Citroen sales in 1979, selling only 763 Citroen cars (Labs and X-2s in South Africa) in 1979, a year in which it sold 305 Mazda 323s and 20718 Volkswagens (sells were 40% in SA). Sigma is understood to have intended to import the Visa and other models, another model which sells well in France — to break the Mazda 323's grip on economy car sales in South Africa. The problem was the 66% local content regulation which the two Citroen economy models could not meet. Sigma therefore asked Naamsa for support in having the 66% rule lifted for the Citroens. A senior Naamsa source this week claimed that neither the Visa nor the Dyane would be fuel-economic in SA conditions, even if Sigma could import them. No one at Naamsa opposed the idea of ever opposing the idea of a car which really is fuel-economic should be given special treatment in the interests of fuel saving. The proposal was for a car with a put-put-type engine of less than 700cc. We believe this sort of car would not be more fuel-economic in South African conditions than models already available. A Naamsa member said he had seen tests of the Visa and the Dyane in French motor magazines, and these showed the cars to be especially economical only in the stop-start urban driving common in Western Europe. He said the greater distances and longer journeys involved in SA motoring cancelled out the advantages in the cars and so the Naamsa meeting voted against Sigma's proposal. Mr David Clapham, Sigma public relations manager confirmed yesterday that the Citroen economy models were behind his company's application to the Board of Trade. We're looking at the Dyane with a view to introducing a more fuel-efficient car than is now available — a really lightweight small car. We have done tests with this type of car and we know what they can do. This is a very economic model in an urban driving environment which is the market it would be aimed at, Mr Clapham said. He said he was not surprised that Naamsa had declined to support Sigma's application. The Naamsa decision was a defensive action by other manufacturers who fear they would be undercut if we bring these economy cars on to the market. Mr Clapham said in spite of Naamsa's decision Sigma still hoped to introduce the cars without meeting the local content regulation. We have not yet received a reply from the Board of Trade but we're still optimistic that we will succeed. Naamsa's attitude is not important.

The table above shows that Transvaal has a high infection rate for tuberculosis. This is due to economic and environmental factors. Pearson (Vol.2) discusses quite a lot of TB in urban areas. He discusses rifampicin and lasting 100 days (rather), as against the conventional 4-drug regime. He says rifampicin is the most cost-effective drug against hospitalisation. He says the default rate (around 1%) follows.

TABLE 4: COST OF TB

Type of treatment	Days (hosp. days)
Hospitalisation (per month)	
Conventional regime hospitalisation (per month)	
4-Drug regime Outpatient treatment Conventional regime (1 year)	
Outpatient treatment (5 months) 4-Drug Regime	

Notes: Figures used in calculation day, excluding rifampicin. Average national earnings. Average disability award.

prevalence)

# Vehicle makers dispute fuel scheme

By LEICESTER SYMONS  
Motor Editor

SOME of the claims made by the Sigma Motor Corporation in its plea for concessions to encourage the rapid introduction of lightweight economy cars were denied strongly yesterday by other South African manufacturers

Mr Colin Adcock, managing director of Toyota SA, said the terms of Sigma's application for the concession were too restrictive (Sigma has asked for the concession to be limited to vehicles of a certain mass and engine capacity)

Mr Adcock said that if greater fuel efficiency — and therefore fuel saving — was the reason that there should be a concession, as Sigma claimed, it should be the sole criterion

The concession should apply to any vehicle which could show a required degree of fuel efficiency, regardless of size. It should not apply only to vehicles within limits which appeared to suit a certain manufacturer, or manufacturers

He said a South African manufacturer wanting to introduce a vehicle built by an overseas company with which it was not linked — such as Sigma and the companies for whose vehicles it sought the concession — would have first to negotiate an agreement with its present principals and then an agreement with the new source company

This would give a manufacturer such as Sigma an advantage of at least a year

A lead-in time of two years for introducing a new model with the full required local content was "going to the outer limit". It could be achieved in 18 months — but by "shopping around" for tooling, the time could be reduced considerably

Sigma's claim that the local content programme cost South Africa far more than producing more fuel-efficient vehicles with a minimal local content was unacceptable, Mr Peter Whitfield, managing director of Datsun-Nissan SA, said

The foreign exchange cost of a vehicle with 10% local content was estimated at R1 000 to R1 200 more than the foreign exchange cost of one with 67% local content, he said

It was "probably exceptionally generous" to assume that a light vehicle could save two litres of fuel per 100km. If this could be achieved, the vehicle would save 2,400l of fuel in a life of 120 000km

"In addition, every vehicle imported with no local content would probably mean the loss of a job to a South African," Mr Whitfield said

The economics of drug prescribing in Southern

60. P.I. Folb

70.	M. Savage	comparison
71.	S. Tollman et al	The political economy of Health
72.	Piper	A Primary Health Care programme in Gazankulu: Evaluation
73.	A. Sorokin	The response of population growth to fertility patterns
74.	Delia Hendrick / Alide Kooy	Health and development
76.	J. Hadden / R. Colbett	Notes on industrial accidents
		The probability of adverse drug:drug interactions in multiple prescriptions.

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**GENERAL NEWS**

# Row over motor local content laws

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By SIMON WILLSON  
Financial Reporter

THE ROW in the motor industry over the application of local content regulations in cars comes at a time when the whole idea of local content enforcement is being questioned overseas

As Sigma, South Africa's largest motor manufacturer, and Naamsa, the National Association of Automobile Manufacturers of South Africa, argue over the local content specifications in this country, governments and multinationals are wrangling over the same issue in other parts of the world

Sigma pulled out of Naamsa when the association refused to support Sigma's application to the Board of Trade to exempt temporarily one of the company's cars from the local content requirement

Sigma said the car, believed to be the Citroen Visa, was fuel-economic and should therefore be exempt from the requirement in the interests of fuel conservation

Naamsa was not convinced that the car was as economical as claimed, and refused to back Sigma's application, which now seems set to fail

Without exemption, the car would be prohibitively expensive because of penalties imposed for not meeting the local content rules, and would not then be imported

But a growing school of thought abroad sees local content regulations as misguided in the present state of the world car market

Phase 5 of the South African local content programme came into operation at the beginning of the year and, by the end of the year, cars must comprise at least 66% local content, and light commercial vehicles 50%

Local content stipulations are usually laid down in the world's smaller car-building countries, the idea behind them being that jobs are created inside the country and expensive imports are kept out

But this causes problems for large manufacturers, who are denied the economies of scale in production and sourcing

which their large output gives them in unrestricted markets. It causes high tooling costs which have to be recouped by maintaining outdated machinery

More and more multinational motor companies are now approaching host governments and pointing out that local content requirements mean building models which are expensive and out-of-date by world standards

The companies say that if the requirements are removed, the improved output of cheaper and more modern cars will create as many jobs as it cancels, despite the increase in imports

This applies in particular to countries with high growth rates, where fewer market restrictions often mean even more rapid growth

Australia recently saw the light when General Motors said they would not build a R200-million engine factory near Melbourne unless the country's 85% local content rule was relaxed

The government approved a

reduction to 80% in 1982 with a further relaxation if the first is seen to be beneficial

Ford produced a survey in Argentina showing that Argentinians were paying twice as much as they should for their cars because of the 96% local content specification. The rate is coming down to 88% by 1983

South Africa's local content percentages are less than the world averages, but will be targets for motor company persuasion for the same reason, and possibly more so, considering the Republic's expected 5% growth rate this year — probably the highest in the Western world

The world's motor manufacturers will be keen to share in the coming boom, and just as keen to point out to South Africans that letting in foreign cars more easily does not necessarily entail sacrifice

This is what lies behind Sigma's desire to introduce sub-700cc cars into the South African market, and explains their anger at the lack of progress they have made so far

65+	0,25	0,17	0,48	0,32	-	-	-	-
ALL	0,83	0,67	0,83	0,67	0,55	0,67	0,83	0,67
NO.	519	359	170	113	942	785	1143	1075

**IX DISEASES OF THE DIGESTIVE SYSTEM**

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,17	0,08	0,10	0,21	0,78	0,29	0,49	0,48
1-4	0,01	0,01	0,00	0,00	0,07	0,10	0,05	0,05
5-24	0,02	0,01	0,03	0,01	0,04	0,03	0,05	0,05
25-44	0,11	0,09	0,39	0,10	0,41	0,19	0,23	0,22
45-64	0,92	0,42	1,60	0,72	1,31	0,67	0,80	0,68
65+	1,80	1,16	1,61	2,44	1,91	0,75	1,44	0,91
ALL	0,31	0,21	0,33	0,16	0,33	0,17	0,25	0,20
NO.	653	430	116	56	370	201	533	329

**X DISEASES OF THE GENITO-URINARY SYSTEM**

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,02	0,03	0,00	0,10	0,25	0,10	0,04	0,06
1-4	0,01	0,01	0,02	0,00	0,12	0,14	0,02	0,04
5-24	0,02	0,01	0,04	0,04	0,02	0,04	0,03	0,02
25-44	0,02	0,05	0,06	0,09	0,17	0,13	0,06	0,08
45-64	0,23	0,19	0,44	0,37	0,36	0,36	0,34	0,25
65+	1,25	1,09	1,07	1,83	1,57	1,10	0,73	0,56
ALL	0,13	0,15	0,11	0,12	0,15	0,14	0,10	0,08
NO.	276	303	38	42	169	165	203	130



# Sigma splits car industry

By Keith Macfarlane

THE most serious split to cleave the South African motor industry has come out into the open with the country's biggest selling manufacturer Sigma on one side and the other 22 manufacturers on the other.

It has been brought about by Sigma's resignation from the National Association of Automobile Manufacturers of South Africa

The members of Naamsa include the 11 car manufacturers and the manufacturers of heavy trucks, five of whom sold fewer than 200 units each last year

The motor industry is dominated by Sigma, owned by Anglo-American, with 22.5 percent of the country's car sales, and Volkswagen, owned by Volkswagen AG of Germany, with 21 percent. The other big runner, Ford, has 15 percent

The split was brought about by two factors

● Sigma's dissatisfaction with the fees paid to Naamsa where Sigma paid more than other manufacturers but had the same vote as everyone else and,

● The lack of support from the industry for a

Sigma proposal that the industry apply to the Government for the waiving of the local content rules for cars weighing less than 725 kg and with a motor smaller than 700 cc.

## HEADQUARTERS

There was also some impatience by Mr Chris Griffith, chairman of Sigma, and an executive director of Anglo American, who contended that some of the other members of Naamsa as wholly-owned subsidiaries of foreign companies could not take policy decisions without referring back to their headquarters

Naamsa's position on the subscription issue is quite clear. It believes that each member should have the same voting power irrespective of the size of subscription. Sigma on the other hand believes that it is not getting its money's worth.

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# US GOVT

CAPE TIMES 15/2/80

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# meet car

# workers

By GORDON KLING

CT 15/2/80

**TOP United States Government officials will be present when Ford Motor Company management and worker representatives meet in Port Elizabeth today in an attempt to bridge new rifts in the shaky industrial peace at the firm.**

The long-standing dispute now threatens to develop into a major political storm with far-reaching implications for businesses in South Africa.

On the eve of the crucial meeting Ford executives and the compilers of a secret report on its labour problems were meeting to discuss its contents, which are highly critical of key aspects of the company's implementation of the Sullivan Code of Conduct. The code standardizes employment conditions for American firms operating outside the United States.

Although the report will be released only some time next week, the Cape Times is aware of the findings after pre-publication of some material and extensive interviews and re-

search in Port Elizabeth over the past two days.

The report was written and researched by Rhodes University staff — the head of the Anthropology Department, Professor Mike Whisson, a senior lecturer in sociology, Dr M Roux, and a research officer for the Institute of Social and Economic Research, Mr C W Manona.

Black labour leaders believe that the survey, conducted at Ford's request by the South African Institute of Race Relations, accurately reflects key problems at the company.

However, some of the recommendations come as a shock

intend any organized stay-away action.

Mr Skosama said Pebco was essentially a pressure group with civic affairs objectives, but it took a stronger line on the labour dispute at Ford than did the workers' trade union — the United Automobile and Allied Workers' Union.

The continued detention of the Pebco chairman, Mr Thozamile Botha, had left the organization in a dangerous holding operation. If the situation remained calm it was possible that the authorities would think the detention of Mr Botha was justified, but if violence erupted Pebco would have failed in its role.

## 'Worker discontent'

The head of the dismissed workers' committee and a Pebco member, Mr Government Zim, said worker discontent was continuing at Ford.

He saw today's meeting with Ford as an "intent to put a seal on an agreement which we hope will work."

Among those at the meeting will be the US Deputy Assistant Secretary of African Affairs, Mr Robert Keeley, the US Consul-General in Cape Town, Mr Alan Lukens, and a counsellor at the US Embassy in Pretoria, Mr Howard Walker.

The director of industrial relations at Ford, Mr Fred Ferreira denied yesterday that the company was being pressured by the US Government and said the American officials were participating as "individuals".

It was reported late last night that the full text of the report monitoring Ford's performance in the light of the Sullivan Code would be released next week.

He believed the dispute had erupted because Ford, which was accepted internationally as a leader in employment practices, had created worker aspirations which had exceeded the company's ability to meet them.

Mr Ferreira said 25 workers had been reinstated in lower grades than they had held previously but were being paid the same salaries, and it was the company's aim to return them to their previous grades as soon as positions became available.

## Tomorrow

Tomorrow the Cape Times will publish an in-depth look at Port Elizabeth's labour troubles and the implications for South Africa.

which go to the core of white South African business practice and values. They would have the company terminate associations with recognized authorities, including the Eastern Cape Administration Board through which the company channels funds for employee housing.

Although the company has reinstated all workers involved in the series of wildcat stoppages and lock-outs which began last November, interviews with principal figures indicate that the dispute is far from settled. Many workers maintain that they are being forced to accept lower grades of work and are being victimized.

The shadow chairman of the Port Elizabeth Black Civic Organization (Pebco), Mr Wilson Skosama, said there were indications that reinstated workers were being victimized and that the situation at Ford could deteriorate.

Pebco did not at this stage

# Ford

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# an uneasy peace

**PORT ELIZABETH** — Dominering the dark wood-panelled reception area at the Ford head office is a disconcerting picture "Cape Point" by Gabriel de Jongh is an inspiring painting of an East Indian roundling the majestic cliffs at the end of the peninsula, but the vessel is set on a course which must cause it to founder

The company's industrial relations director, Mr Fred Ferreira, likes the painting and smiles wryly at what could be taken as an allusion to the company's prospects in a battle against odds which are nothing short of a microcosm of all the forces at work in South Africa today

All the workers involved in the series of disputes which began with the resignation of the Port Elizabeth Black Civic Organisation (Pebco) chairman and current Security Police detainee, Mr Thozamile Botha, have been reinstated, but the atmosphere on the shopfloor is an uneasy peace. It largely features

- Black distrust of white management
- Deep divisions among black employees themselves which have already erupted in violence on the job as a struggle for control of the black United Auto and Allied Workers Union gets

under way

- A latent rift between white and black workers
- The paradox of management being required to help employees through government bodies which are not popular among the employees

- High worker aspirations engendered by Ford's high reputation as an employer

In many ways it amounts to attempting to reconcile the irreconcilable, but Mr Ferreira believes it can be done, and on balance he is succeeding. He also believes "the situation has the seeds of complete disaster", and accepts the consequences of failure are frightening

As a sign of the company's determination to solve its labour problems rather than postpone or circumvent them, he refers to the 1978/79 slump in the industry, which on purely economic grounds would have permitted mass lay-offs when the walk-out occurred

The contradictions are everywhere, and perhaps the ultimate contradiction of them all is the indication that Ford is going through its present phase simply because it has been relatively successful in accommodating its labour problems, and in gaining a reputation for

The complex and delicately balanced relationship between management and workers at the Ford Motor Company in Port Elizabeth is developing into a paradigm of industrial relations likely to signpost developments in the workplace throughout the country, writes GORDON KLING, who this week interviewed key figures in the fragile entente which now governs the company's operations, and filed this report.

.....

"We are considered number one in terms of the implementation of the Sullivan principles (governing employment practices of American firms) around the world," he says. Ironically, it's a problem "Certainly we had created aspirations which we did not fill—not deliberately, but it happened. In this whole sea in South Africa of stifled opportunities, we have created almost a siphon. People have been cooped up for their entire life time. Their expectations exceeded our ability to satisfy them."

He nods when asked if it is possible that the Prime Minister, Mr P W Botha, may be doing the same thing

Mr Ferreira is well aware that the company's housing fund donations to the Eastern Cape Administration Board risk identifying it with an unpopular government authority. "We spend

more than R1 million through the administration board. If we don't utilise them, we have no housing. Where do we turn?"

It is apparent the Auto Workers' Union is not representative of the majority of the company's black labour force, but neither is the Pebco-associated dismissed workers' committee, Mr Government Zini, confirming he is urging Pebco sympathisers to join

Pebco itself is trying to keep a low profile in the Ford context, says the shadow chairman, Mr Wilson Skosama. "The thing at Ford has an ugly face on it. Our people suffer financially and otherwise," he says

He feels the post is a hot seat. "My wish now is just to make a success of it, to work with the committee, keep the (peaceful) image of Pebco, and see it grow

We are not thinking of positive action at this stage. You can well imagine that things will flare up if we make one false move. The release of Thozamile will help, he will then show us what to do."

Mr Skosama says he is optimistic about the outlook, "but with the young we have to be very careful. They made demands today and they want results tomorrow. We have to pacify them, teach them to exercise more care and patience. It's an explosive situation. If we fail we'll in a way be defeated in our own game."

Mr Zini is more bitter over the situation at Ford and the labour situation in general. "You can imagine reading a newspaper and working at Ford," he says with reference to reports that the dispute there was settled

Mr Zini accuses Ford management of making reassuring sounds on black grievances, but not seeing that white supervisors follow up in a practical manner

Some employees saw it as an extension of the government. The company allowed employees to devote time to state bodies, but it acted against Mr Botha when he was forced to take time off work at the request of the Security Police

"The supervisor should have told the Security Police to make an appointment for after hours." Lack of support at Ford had forced Mr Botha to resign under duress, said Mr Zini. "He's detained now by the police—they have the right—but Ford had no right."

The crux of the problem now will probably revolve around the reinstated workers. Many felt the company did not want them back, that it had placed them in menial positions, and would find an excuse to dismiss them. One worker maintains the company conduct cards of the strikers contain the words "walked off job—never rehire" circled in red. "What happens next time I have a problem and that card comes out? I've lost already."

Mr Ferreira concedes that 25 of the workers have been given lower posts than they held previously, but says their pay has been maintained at previous levels and it is the intention of the company to advance them as positions become available

It will all depend on how workers gauge Ford's sincerity, says Mr Zini. Responds Mr Ferreira "We have a written agreement with them, giving them jobs back under company conditions and we are implementing it in letter and spirit." — DDC

phinde baqeshwe. Yaye akufuneki bayithenge imveliso yaile tekti.

Abanfundi base U.C.T. bayenzile eyabo intlanganiso bebonakalisa uhunye nabasebenzi. Dacele ukuba imveliso zakwe Fattis & Monis zingathengwa okanye zingasetyenziswa.

UFattis & Monis uphikelele ukuthi akukho ngxabano nakungevani kulefektiri. Kodwa ke lowa ungumphathi wefem le uthi, ukhathazekile xa kusithiwa imveliso yabo mayinga- thenywa ngabamnyama njengoko inkxaso enkulu ivela kwaho bamnyama, Abaphati bale Fem baqashe abasebenzi abangabanye ukuba basebenze endaweni yabo hawayimbi leyo ukuze kubekho imveliso, kodwa imveliso yehlile.

# Ford report may shock

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PORT ELIZABETH — The full text of a report monitoring Ford's performance in the light of the Sullivan principles will be released next week.

This was revealed last night after a meeting in Grahamstown between the Institute of Race Relations, Ford officials and the report's authors, Prof Michael Whisson and Dr Marianne Roux.

The report which was commissioned from the Institute of Race Relations by Ford, is in parts highly critical of the company's performance according to the Sullivan principles.

In a previous interview, Prof Whisson outlined major recommendations of the report, but our Cape Town correspondent says it has established that some measures proposed in the report will come as a shock.

One is that the report calls for an end to the alleged Broederbond membership of the company's top industrial relations executives, Mr Fred Ferreira and Mr Dirk Pieterse.

Prof Whisson, professor of anthropology at Rhodes University, said last night

as the auditors, he, Dr Roux and Mr Cecil Manona, research officer at the Rhodes Institute of Social and Economic Research, were confident that Ford's decision would be an example to other companies which were signatories to the principles.

Ford's director of industrial relations, Mr Fred Ferreira, said: "We wanted to see how an outside agency viewed our performance and to assess where we fell short."

"Our view taken was that this was not at any stage a public report, which is not to say that we would not at some stage make it public."

Ford's decision to do so came on the eve of a visit to Port Elizabeth by three American diplomats.

Following in the footsteps of the Assistant Secretary of State for African Affairs, Mr Richard Moose, his deputy, Mr Robert Keeley arrives this morning. He will be accompanied by a minister-counsellor at the United States Embassy in South Africa, Mr Howard Walker, and the consul-general based in Cape Town, Mr Alan Lukens — DDC.

Through pre-employment examinations, check-ups and continuing care, the team was able to detect and treat in their early stages diseases which would otherwise probably have presented complications later. Yearly check-ups were also valuable in discovering and treating emotional problems and alcoholism, he writes.

The team should consist of a doctor, an industrial nursing sister, 'ancillary aids' (such as first aid workers) and 'ancillary social services', and it should undertake pre-employment examinations and on-site care. At present, writes Levy, apart from medical aid schemes (discussed by Cooper, \*41) and arrangements in some firms for medical practitioners to treat industrial accidents and/or undertake pre-employment examinations, there are at least three organisations active in industrial health. These are the Cape Western branch of the South African Society of Occupational Health (about 20 doctors), the Occupational Health Discussion Group (45 nursing sisters) and the National Occupational Safety Association. After investigating the activities of the nursing sisters involved in the group, Levy describes the medical work in three factories in Cape Town, employing about 1 750 people. A nursing sister is in attendance in each factory in the morning and a doctor (Dr Levy himself) attends daily for up to one hour. The average number of consultations per worker in 1977 was 3.5.

At the end of 1970, more than 70% of the white population but less than 1,5% of the Black population were covered by medical schemes. Cooper lists four types of medical schemes: those initiated by employers, those run by insurance companies, those initiated and run by trade unions and those established under industrial councils. Industrial councils are formed by registered trade unions and employer associations in an industry to fix wages and working conditions, under the Industrial Conciliation Act. Africans, because they cannot be members of registered unions, do not participate in the bargaining process, but the industrial council agreement can be, and generally is, extended to cover Africans in the industry. African workers also cannot participate in the management committees which administer the industrial council medical scheme (made up of equal numbers of employer and worker representatives). Industrial council medical schemes fall under the Industrial Conciliation Act and are exempt from the provisions of the Medical Schemes Act under which most other medical schemes are registered. The medical schemes must by law be an improvement on the basic health provisions laid down in the Factories, Shops and Offices Act, but, writes Cooper, it is not clear that this is always the case.

72% of white, 61% of 'Coloured', 62% of Asian and 8% of African covered by industrial council agreements were covered by either aid or medical benefit schemes. There are 16 medical aid schemes operating under industrial b. Most of them are in industries where the workers are organised in a union (building, printing, engineering, iron and steel, motor, printing and furniture). Cooper describes these schemes in general and provides case studies of three — in the motor, iron and steel and printing and building industries — showing contributions, membership and benefits. There are 29 medical benefit schemes, mostly in industries where industrial than craft unions operate. Most white workers (145 865 out of ) covered by industrial council medical schemes are covered by aid schemes, while most Africans (40 468 out of 41 017) are covered by medical benefit schemes. Of the Africans, 30 274 are in the clothing and printing industries. Unlike medical aid schemes, many medical benefit do not extend benefits to the workers' dependants — of the 12 schemes examined in detail, only one extends benefits to dependants.

# Ford 'won't see' US officials

Argus Bureau

PORT ELIZABETH. — The United States Government deputation visiting Port Elizabeth would not see the Ford Motor Company plant or meet Ford representatives.

Also, no meeting over labour disputes had been arranged between the company's management and worker representatives.

This was said today by Mr Fred Ferreira, industrial relations director of the Company.

He was reacting to a report in the Cape Times today which said: 'Top United States Government officials will be present when Ford Motor Company management and worker representatives meet in Port Elizabeth today in an attempt to bridge new rifts in the shaky industrial peace at the firm.'

## 'DIFFERENCES'

The report also said that the 'long standing dispute' now threatened to develop into a 'major political storm with far reaching implications for business in South Africa'

Mr Ferreira admitted that there were still 'certain differences' in its labour field, but said he was confident they would be resolved in the near future.

The only contact the company would have with the visitors would be when he attended a lunch today and later at a cocktail party.

The only knowledge the company had of a workers meeting was one in which a number of them saw the head of their dismissed workers committee.

## INSTITUTE

Asked about the nature of the 'differences' still to be resolved, Mr Ferreira said it was not the practise of the company to discuss internal matters.

Mr Ferreira would not comment on the Institute of Race Relations report on the company's labour problems — which was discussed by Ford executives and its compilers in Grahamstown last night.

The report was to be released next week by the institute with Ford's consent.

He said the report was not secret and he had already quoted from it although some of the contents were not favourable for Ford

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(192) (152)  
LFOA 303

# Ford walks a tight-rope with no safety-net

DOMINATING the dark wood-panelled reception area at the Ford head office is a disconcerting picture 'Cape Point' by Gabriel de Jongh is an inspiring painting of an East Indian man rounding the majestic cliffs at the end of the peninsula but the vessel is set on a course which must cause it to founder

The company's industrial relations director, Mr Fred Ferreira likes the painting and smiles wryly at what could be taken as an allusion to the company's prospects in a battle against odds which are nothing short of a microcosm of all the forces at work in South Africa today

All the workers involved in the series of disputes which began with the resignation of the Port Elizabeth Black Civic Organisation (Pebco) chairman and current security police detainee, Mr Thozamile Botha, have been reinstated but the atmosphere on the shop-floor is an uneasy peace. It features

- Black distrust of white management
- Deep divisions among black employees themselves which has already erupted in violence on the job as a struggle for control of the black United Auto and Allied Workers Union gets under way
- A latent rift between white and black workers
- The paradox of management being required to help employees through government bodies which are not popular among the employees
- High worker aspirations engendered by Ford's high reputation as an employer

In many ways it amounts to attempting to reconcile the irreconcilable but Mr Ferreira believes it can be done and on balance he is succeeding

He also believes 'the situation has the seeds of disaster' and accepts that the consequences of failure are frightening. As a sign of the company's determination to solve its labour problems rather than postpone or circumvent them, he refers to the 1978,79 slump in the industry, which on purely economic grounds would have permitted mass lay offs when the walk out occurred

The contradictions are every where, and perhaps the ultimate contradiction of them all is the indication that Ford is going through its present phase simply because it has been relatively successful in accommodating its labour problems and in gaining a reputation for this

We are considered number one in terms of the implementation of the Sullivan principles (governing employment practices of American firms) around the world - he says

Ironically it's a problem 'Certainly we had created aspirations which we did not fulfil - not deliber-

ately, but it happened - in this whole sea in South Africa of stifled opportunities we have created almost a siphon. People have been cooped up for their entire life time

Their expectations exceeded our ability to satisfy them

He nods when asked if it is possible that the Prime Minister Mr P W Botha may be doing the same thing

Mr Ferreira is well aware that the company's housing fund donations to the Eastern Cape Administration Board risk identifying it with an unpopular government authority. We spend more than R1 million through the administration board. If we don't utilize them we have no housing. Where do we turn?

It is apparent that the Auto Workers Union is not representative of the majority of the company's black labour force, but neither is the Pebco associated dismissed workers committee. A battle for control of

zamide will help - he will then show us what to do

Mr Skosama says he is optimistic about the outlook, but with the young we have to be very careful. They make demands today and want results tomorrow. We have to pacify them, teach them to exercise more care and patience. It's an explosive situation if we fail. We'll in a way be defeated in our own game'

Mr Zini is more bitter over the situation at Ford and the labour situation in general. 'You can imagine reading a newspaper and working at Ford' he says with reference to reports that the dispute there was settled

The black man is not being paid like the white man. It can't be that Ford is leading in the motor industry

## No follow up

Mr Zini accuses Ford management of making reassuring sounds on black grievances, but not seeing that white supervisors follow up in a practical manner. Some employees saw Ford as an extension of the government. The company allowed employees to devote time to state bodies, but it acted against Thozamile Botha when he was forced to take time off work at the request of the security police

The supervisor should have told the security police to make an appointment for after hours

Lack of support at Ford had forced Botha to resign under duress, said Mr Zini. He's detained now by the police -- they have the right -- but Ford had no right

The crux of the problem now will probably revolve around the reinstated workers. Many feel the company did not want them back, that it has placed them in menial positions and will find an excuse to dismiss them. One worker maintains that company-conduct cards of the strikers contain the words 'walked off job - never rehire' circled in red. 'What happens next time I have a problem and that card comes out? I've lost already'

Mr Ferreira concedes that 25 of the workers have been given lower posts than they held previously, but says their pay has been maintained at previous levels and it is the intention of the company to advance them as positions become available

It will all depend on how workers gauge Ford's sincerity, says Mr Zini

Responds Mr Ferreira 'We have a written agreement with them giving their jobs back under company conditions and we are implementing it in letter and spirit'

**THE complex and delicately-balanced relationship between management and workers at the Ford Motor Company in Port Elizabeth is developing into a paradigm of industrial relations likely to signpost developments in the workplace throughout the country, writes GORDON KLING, who this week interviewed key figures in the fragile entente which now governs the company's operations**

the union is likely with the head of the workers committee. Mr Government Zini continuing that he is urging Pebco sympathizers to join the union in a move which could leave Pebco in a decisive position

Pebco itself is trying to keep a low profile in the Ford context, says the shadow chairman, Mr Wilson Skosama

The thing at Ford has an ugly face on it. Our people suffer financially and otherwise - he says and referring to management. Of course it's bad in the business world for your staff to turn against you

He feels his post is a hot seat. My wish now is just to make a success of it, to work with the committee, keep the (peac)ful image of Pebco, and see it grow. We are not thinking of positive action at this stage. We are in a holding operation. You can well imagine that things will flare up if we make one false move. The release of Tho-

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# Keep out, <sup>Staw</sup> Ford tells <sup>16/2/62</sup> US Govt

Own Correspondent

PORT ELIZABETH — The Ford Motor Company industrial relations director, Mr Fred Ferreira, has urged the US Government not to become involved in the company's labour affairs

After meeting the US Deputy Assistant Secretary of State for African Affairs, Mr Robert Keenan, in Port Elizabeth yesterday, Mr Ferreira said the company would strongly discourage United States officials from associating with the company or its employees in labour disputes

He said he saw no reason for involvement of US Government representatives in the company's internal industrial relations affairs

"We have no objection to any official from any country doing his job here as he sees fit," Mr Ferreira said

"But we discourage very strongly what could be construed as intervention by any non-company personnel in the labour relations of the company"

# End of sunny side of the street for Leyland workers

## It's hard to buy British

NM 20/2/80

1972

BRITISH motorists are facing a new experience. Well, the vast majority of them are. Only those who were driving cars in the 30s (which makes them getting on for 70) can remember the days when they could walk into a car showroom and buy a new vehicle off the peg.

All these long years since World War II they have grown accustomed to viewing those gleaming, seductive new models on the shop floor, being allowed even a test ride, deciding to buy — and then came the rub. 'We can supply you with one in three months if we are lucky with deliveries, sir' said the salesman. 'Oh, you want a particular colour? Ah, that alters things. Maybe we could get one from the factory in six months. But I have to say, sir, that it may be longer.'

Suddenly it has all changed, especially if it is a Leyland car which the customer wants. Not that so many of them do. 'You would like that one, sir? Certainly. We might just manage to have it ready for delivery later today, but certainly tomorrow. . . a pleasure, sir.'

### Lines and lines . . .

The salesman knows that there are lines and lines of Leyland cars of all shapes, sizes and colours stored in fields around the Midlands of England.

There are so many that newspapers and TV stations have been sending photographers up in helicopters and fixed-wing aircraft to take vast aerial views so that their viewers/readers can see just how many cars there

get delivery for weeks and weeks.

Then came the new Rovers. Again saluted by the world's motoring Press as a breakthrough. Fine exciting new-look models.

Again customers filled the showrooms the length and breadth of the country.

Again they liked what they saw and were eager to buy. But again, before the fine could roll, there was a long strike while arguments went on about how much more the Leyland workers would get before they would even start building the cars.

This time, even when the Rovers did trickle through to the dealers, there had been so many more interruptions to production and such bad workmanship that the fine new cars, all gleaming and streamlined and giving one of the most comfortable rides yet, went back to the workshops time and again.

Clutches failed. So did gearboxes. Bits fell off the interiors.

More recently strikes in the hundreds of smaller factories which supply Leyland with vital components have meant that Leyland cars in general, not just the Rovers, have been lying about for weeks on end in garage yards all over the country waiting for replacement parts.

To pile on the agony for those loyally still buying British cars, dealer after

19,6 percent and in January this year was down to an all-time low of 15 percent. The big question now is: Can Leyland survive in its present form? Or will it be broken up with the unprofitable parts going to the wall even before the long-awaited new Mini Metro, the facelifted Marina, the Honda BL car and the Marina-Allegro replacement can get off the ground?

South African-born Sir Michael Edwardes has earned the respect of all British industry, and the public at large, for his magnificent fightback to rescue the ailing motor giant.

But even he, when persuading the Thatcher Government to inject the equivalent of yet another R250 million of public money into Leylands assured the tough Industry Secretary Sir Keith Joseph that 'if there is a significant shortfall in the cash flow' his board's survival plan would be abandoned.

Now the cash is not coming in.

Only in November last as many as 87 percent of the Leyland work force voted to back the Edwardes way to stay in business.

But, this month, 59 percent came out against accepting the company's pay scheme, which included minimum rises of five percent, and the pay deal was an essential part of the overall survival plan.

Mortality rates greater than 5/1 000 appear in italics in Table I. For all of these major causes of mortality, the Asian and 'coloured' mortality rates exceed those of the whites. However, in this context, what requires emphasis is that by using the major disease classification a certain amount of detail is lost. For example, despite the fact that the overall rates for diseases of the circulatory system, the South African population from all causes of death. The proportional contribution of the seventeen major disease categories of the International Classification of Disease (8th revision) to the overall mortality of the various communities is summarised in Fig 5. The whites show a typical 'developed' country spectrum of mortality with infectious and parasitic diseases being of minor importance (7.0% and 15.6% respectively).

the South African population from all causes of death. The proportional contribution of the seventeen major disease categories of the International Classification of Disease (8th revision) to the overall mortality of the various communities is summarised in Fig 5. The whites show a typical 'developed' country spectrum of mortality with infectious and parasitic diseases being of minor importance (7.0% and 15.6% respectively).

women have the highest mortality rates for respiratory, circulatory, digestive, genito-urinary and ill-defined causes of death (Table I) may contribute to this anomalous situation.

Fig 7 summarises the percentage improvement in the expectation of life at birth subsequent to the total elimination of the mortality associated

circulatory diseases are so high that they effectively swamp the proportional mortality of the circulatory diseases in the 'coloured' community. In the white community, the mortality rates for most causes of death are so low, the importance of the circulatory diseases become disproportionately exaggerated.



The pictures are also there for the unhappy Leyland workers to see that the company's management are not fooling when they announce that as many as 40 000 of their motor factory employees will have to be laid off

There is no longer any point in making more cars for stock

In any case, say the board of Leyland, we have just not got the money to finance manufacturing cars for which there will not be any buyers for months.

So the terrible day of reckoning has come.

## London dockers

Just as it did for the London dockers who, for years, went on striking for ever more pay for ever less work.

Today the great London dockland, once the busiest port in the world, is just a huge wasteland with scarcely a ship in sight. When will they ever learn? And to that might be added the cry of too late, too late. For there are signs that, now that the chips are down, a large proportion of the Leyland car workers have got the message

These are the men who lived through the long years when, every time the company introduced a fine new model, the unions promptly called strikes. They wanted their share of the profits from the new cars even before the first of them had rolled off the production lines

Regular readers of this space may recall the London Motor Show when the wedge-shaped Princesses were the centre piece of the Leyland stand.

They were hailed as the hit of the year, way ahead of the competition. As indeed they were

But the would-be customers, including those lining up with cheque books from overseas, could not

has given up the Leyland franchise.

## Sad story

Many of them have sold Leyland, and their predecessors of Austin and Morris, for years and years

After battling to get cars to sell and parts to repair older models they have finally given up the struggle.

Now they are selling cars from Europe. And this means that fewer and fewer Leyland dealers are being swamped by Leyland owners forced to change their service garages

All of the above sad story is what lies behind the shocking figures recently released which show that within a cat's whisker of 60 percent of cars sold in Britain today are foreign made.

Two years ago, in spite of all its troubles, Leyland still had 23.5 percent of the market.

Last year this dropped to

that only 49 percent of the 85 000 workers entitled to vote had in fact rejected the company's offer

This means, as I mentioned, that thousands of Leyland workers — at least half of them — have seen the red light of disaster ahead

But expert commentators had serious doubts whether this ailing State conglomerate would really survive in the end

## Out of work . . .

If the giant falls in the weeks ahead there will be thousands upon thousands thrown out of work in the great industrial heart of England

In addition to those directly employed by Leyland there is the vast network of suppliers. Living off all of them are the supermarkets, innumerable shopping centres as well as a massive service industry

The outlook cannot be described as other than grim

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# Warning on Interference

## Political Staff

HOUSE OF ASSEMBLY — The visit by United States diplomatic officials to the Ford motor plant in Port Elizabeth this year after labour unrest at the factory yesterday led to a warning from the Minister of Foreign Affairs Mr R F Botha to officials of foreign governments not to interfere in domestic affairs.

Mr Botha's warning came when he replied to questions by Mr John Wiley leader of the South African Party who asked for details of the visit.

Mr Botha said that if officials of any foreign country interfered in South Africa's domestic affairs including labour issues the government would view the matter in a 'serious light'.

He disclosed that while the government had been informed in advance of the visit to South Africa by Mr R Keely the US Deputy Assistant Secretary of State for African Affairs, the reason given for the visit was orientation in respect of his duties as secretary.

According to information received from the United States Embassy in Port Elizabeth he paid a courtesy call on the managing director of Ford in

Port Elizabeth on February 19 and visited the plant to acquaint himself with the operations of the American owned company.

The embassy added the call had nothing to do with any current labour negotiations.

Mr Botha added that other US diplomats were present during the call.

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PORT ELIZABETH — Charges were withdrawn here yesterday against two of the 20 black men appearing in the Magistrate's Court in connection with alleged intimidation arising from labour unrest at the Ford Motor company here late last year

No evidence was led and the hearing was adjourned to June 16 in the Regional Court Bail of R50 for each of the accused was extended —Sapa

Charges withdrawn  
Stan 22/2/80  
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with selected major categories of disease. Clearly, this is an entirely hypothetical situation. However, these competing risks life tables not only provide an indication of the relative importance of various disease categories to both the overall mortality experience and also to expectation of life of the three communities, but also, since there is an approximately linear relationship between the reduction of mortality and the percentage increase in life expectancy, any improvement will give rise to a proportional improvement in the expectation of life. Thus, if the mortality associated with any of the diseases included in Fig. 6 are reduced by 50%, then the increase in the expectation of life will be 50% of the improvements indicated.

With the exception of Neoplastic Diseases and Diseases of the Circulatory System in men, the 'coloured' community stand to gain most from measures directed at the control of any of the selected diseases included in Fig. 6. Of particular importance are the Infectious and Parasitic Diseases, diseases which are frequently amenable to the implementation of relatively simple methods of prevention.

## ACKNOWLEDGEMENT

The writers wish to thank the Board of the Colonial Mutual Life Assurance Society for their generous financial assistance.

## Ford: Case against 2 dropped

Own Correspondent 22/60

PORT ELIZABETH — Charges against two of 20 Ford workers accused of intimidation under the Riotous Assemblies Act were withdrawn in the Port Elizabeth Magistrate's Court yesterday

The state withdrew charges against Mr Mathews Mpongoshe, 24, and Mr Thembile Jawula, 32. The other 18 men were not asked to plead and no evidence was led.

They are Mr M Gqalama, 27, Mr B Kulati, 30, Mr T Keli, 30, Mr V Borongo, 27, Mr S Moni, 28, Mr Z Ngqomdo, 25, Mr W Bum, 23, Mr S Moyana, 23, Mr W Twebe, 27, Mr S Skoti, 27, Mr L Bikitsha, 29, Mr M Dladla, 28, Mr S Landule, 29, Mr G Sogoni, 24, Mr R Nqam, 24, Mr F Fontein, 25, Mr M Nyobe, 26, and Mr Z Ndongen.

The case was postponed till June 16.

(12) (152) (192)  
Ford considers  
some changes  
CASE TITLE 25/2/80

PORT ELIZABETH A number of recommendations made by the authors of 'The Sullivan Principles at Ford' were currently enjoying the management's consideration according to a statement issued by the Ford Motor Company of South Africa.

The Sullivan Code refers to the principles governing employment practices of American firms throughout the world.

The industrial relations director of Ford, Mr Fred Ferreira, gave his company's reasons for releasing the full content of the Whisson report which was completed late last year.

We had originally requested the South African Institute of Race Relations in September, 1979 to conduct the survey in order to obtain the objective views of an outside party for the purpose of gauging how meaningful our efforts of implementing the Sullivan Code had been in the past.

Because of our deep involvement in pursuing the objectives we felt that our assessment could be rather subjective and for this reason we requested a frank and impartial audit which also implied full

co operation with the authors of the report.

Naturally the report was intended as an internal document and not meant for public consumption. However in the light of the recent labour unrest which the company experienced we deemed the survey of wider significance and believe that through its release a better understanding of recent events at Ford could be gained.

Also there has been a lot of speculation around the report and our decision to make it public will help clear the air.

Mr Ferreira said a number of the recommendations made by the authors were currently enjoying the management's consideration.

Before acting on these recommendations the company plans to have a round table discussion of the report with the authors Professor Michael Whisson and Dr Roux he said.

Mr Ferreira said the company planned to assess the progress made this year by commissioning the Institute for Race Relations to repeat its audit during the latter part of 1980 - Sapa

CALLS 7 1942 16/2/80  
**Ford man queries US envoys' role in dispute**

By GORDON KLING

THE director of industrial relations at the Ford Motor Company in Port Elizabeth, Mr F H Ferreira, yesterday said that he saw no reason for the "involvement" of United States Government representatives in the company's internal industrial relations affairs.

In a statement following a report in the Cape Times yesterday — on the presence in Port Elizabeth of the US Deputy Assistant Secretary of African Affairs, Mr Robert Keeley, the US Consul-General in Cape Town, Mr Alan Lukens, and a counsellor at the US Embassy in Pretoria,

Mr Howard Walker — Mr Ferreira described the original involvement of US representatives as a "one-time" occurrence because of the need for a mediating figure.

This role had since ended and he saw no further reason for the involvement of the representatives in internal industrial relations issues.

If the American representatives were seen as playing a mediating role it was unfortunate and it should be stopped. Specifically, he opposed the idea of representatives meeting Ford employees to discuss issues related to the work situation which were of a purely internal nature.

**US Embassy spokesmen commented last night. "We essentially agree with this statement by Mr Ferreira."**

The Minister of Foreign Affairs, Mr Pik Botha, said yesterday that "we are busy establishing the facts."

Commenting on a secret report into industrial relations at Ford conducted by the South African Institute of Race Relations, the assistant director of the institute, Mrs H Moolman, said

"The report was an internal audit commissioned by Ford from the institute, which appoint-

ed the auditors. On completion of this report it was found to be such an important document — taking into consideration what had happened at Ford and in Port Elizabeth in general — it was decided at a meeting on Thursday night that it should be released to the press. Up until that stage it was a confidential document, and it still is. Although, the auditors have discussed various aspects of the report with newspapers, the full document and details have not been provided to the press, but will be released next week."

© Background report, page 2

# FORD'S TROUBLES - WHAT THE INVESTIGATORS FOUND

BY JOHN KANE-BERMAN

IF "FORD" wasn't already a household name, the company's recent labour troubles would have made it one. This was no run-of-the-mill industrial dispute but a broader clash that throws two central issues into sharp focus. How risky it is to awaken expectations of change but fall short in fulfilling them and how dangerous it is for South Africa to liberalise in the economic field but fail to liberalise in the political field.

There is a danger that the factories could become the surrogate parliament of the 1930s. No, her problem is entirely new to South Africa. Violence which claimed 200 Black lives in the 1970s in the mid-1970s has been partly attributed to heightened Black expectations of change at the end of Portuguese colonial rule in Mozambique and Portugal among migrant Basotho miners at political repression back home.

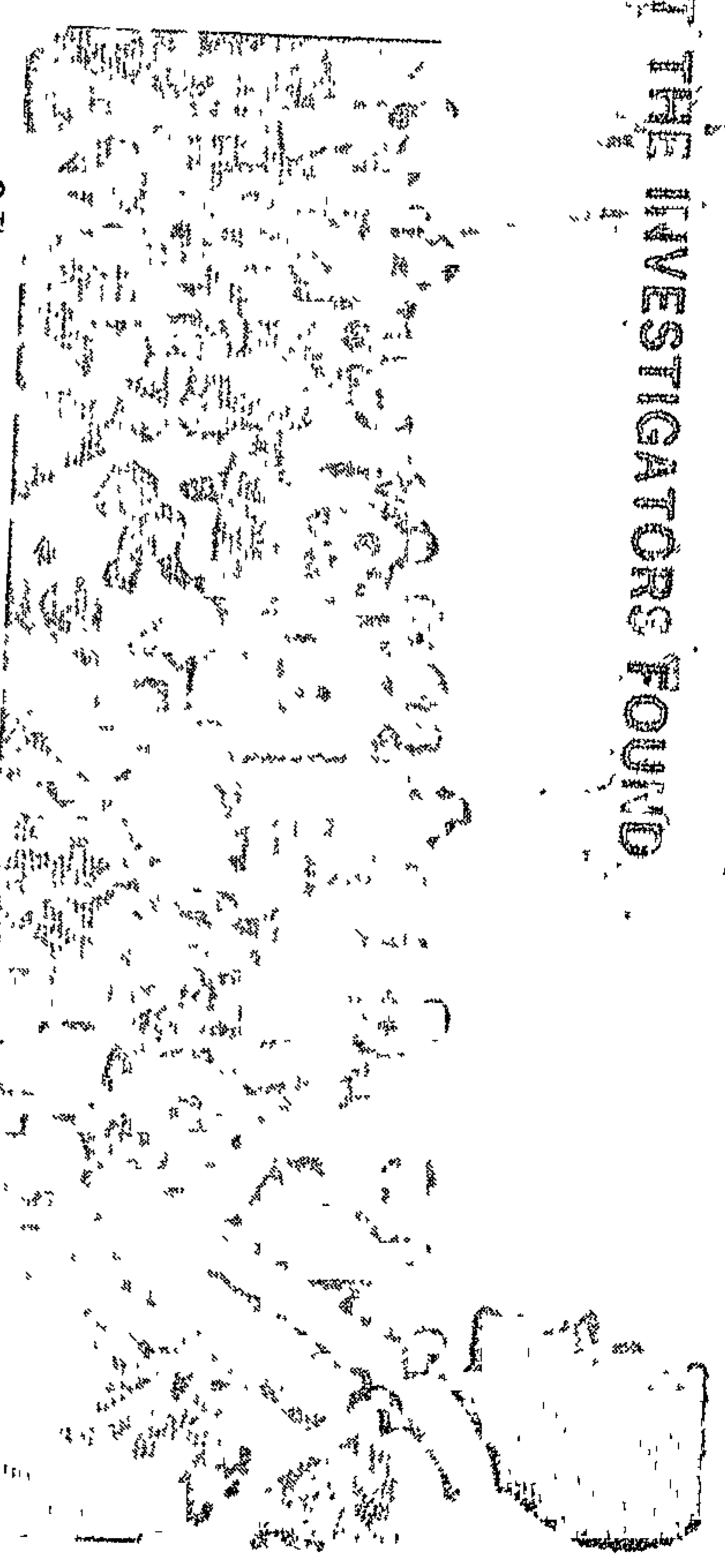
The spark that set off Ford's troubles last November is now common cause. A trainee draughtsman Thozamile Botha, alleged that he had been compelled to resign after refusing to curb his political activities outside the factory which had invited the attention of the Security Police.

Seven hundred Black workers at the company's Port Elizabeth plant downed tools in protest. Events quickly escalated, not only to a point where they were beyond Ford's control but also beyond the control of the workers' union.

A settlement was eventually reached with the help of the American Consul-General in Cape Town and all the strikers are now back on the job — except Mr Botha, who is sitting in detention. A number of the workers are facing charges under the Riotous Assemblies Act.

But why Ford of all companies? Some of the answers emerge from an 'external audit' of the company's labour practices which is to be published this week by the South African Institute of Race Relations.

The audit was conducted by



Thozamile Botha addressing striking Black workers at Ford's Port Elizabeth plant

## Rights will be on the factory floor

See EXPRESS 24/2/80

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third that Black unionists appreciate Ford's attitude to the UAWU

Supply bottlenecks and the depressed state of most of South Africa's motor industry forced Ford to lay off 300 workers last June and work short-line. The result, says the audit, was that the Black union was in no position to press effectively for what it saw as the right of each worker to take home a wage above the poverty datum line.

Black workers believe that management and the White union jointly...

efforts to alleviate the city's housing shortage

That Blacks have to be better qualified than Whites before they get promoted

That although the company's wage-scales are colour-blind on paper, racial discrimination operates in practice because Whites are paid above the minimum rate in a particular grade whereas Blacks are paid closer to the minimum

That even before the shorter

working week Black wages failed to keep abreast of the rising cost of living

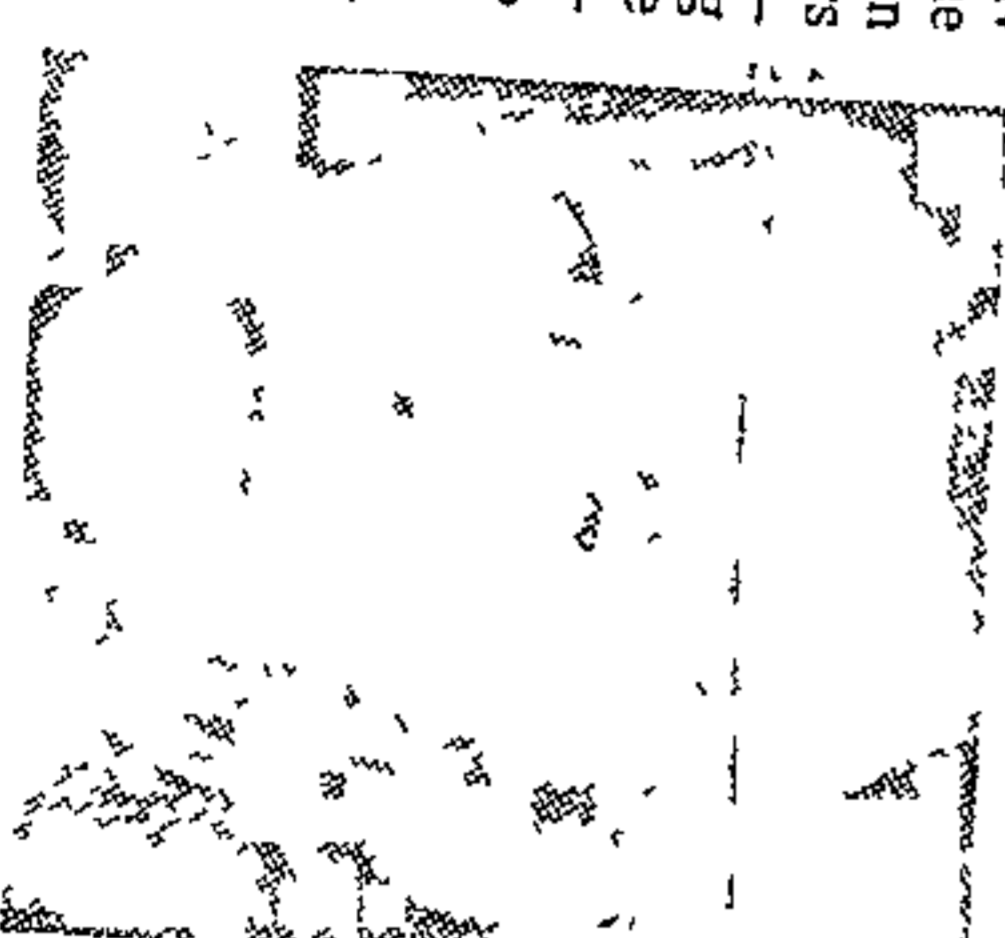
The auditors also say that the policy of promoting equal and fair employment conditions at Ford is being implemented with a notable lack of enthusiasm, particularly outside Fred Ferreira's industrial relations directorate

Pitt and Ferreira admit that they would not be surprised if there was a lack of enthusiasm

down the line for policies devised in head office. They claim that while various government departments — including the Security Police — may contact Ford management from time to time, there is no relationship between the company and the Security Police.

Ferreira says that one of the problems during the strike was that a large body of Black workers rejected the union because it was unable to meet their expectations.

Consciously or unconsciously we raised expectations beyond what we could meet. It is true that some of our people are over-educated for the jobs they are doing. We took them on in the hopes we would be able to put them into the right jobs but because of the lack of growth last year — we are still operating at about 75% of our plant capacity — we could not absorb them. But as the economy picks up this year and next those difficulties may be partly overcome," he says.



Brian Pitt 'we don't want praise'

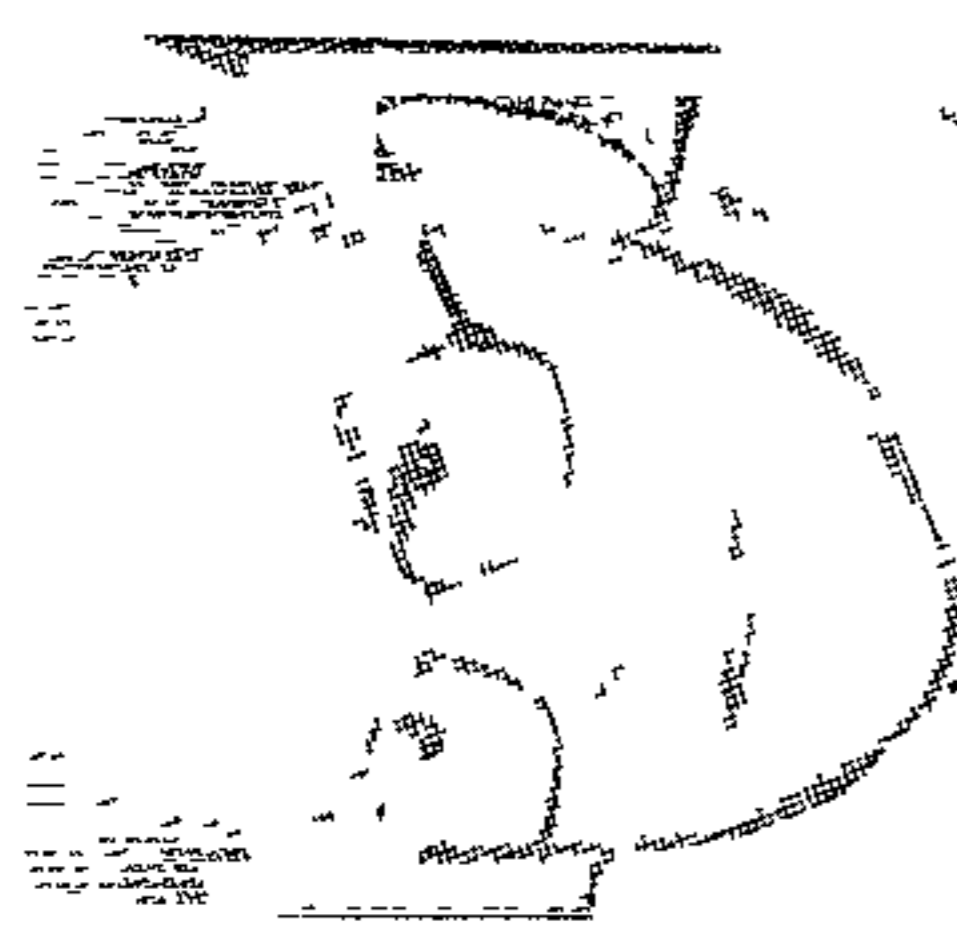
University, Professor M G Whisson, Dr M Roux and Mr C W Manona, and the president of the United Auto Workers' union at Ford, Mr J W Mke

The purpose was to get an objective assessment of how Ford is measuring up in implementing the Sullivan principles for subsidiaries in South Africa of American companies

We were looking for criticism, not praise Ford's managing director, Brian Pitt, and industrial relations director, Fred Ferreira, said this week

The auditors found deep alienation in the factory, which got steadily worse as last year's economic recession bit into jobs Not only was there distrust of some of the changes management was trying to make in the factory but says the audit, 'management was equated with the status quo within a much wider context than the factory milieu'

Some Black workers even ac-



© Fred Ferreira  
'they expected too much'

used Ford of being part of an unholy alliance between White employers and the Security Police and the Administration Boards

Yes the audit also highlights some important plus points One is that Black union officials assess Ford as the best employer in the Port Elizabeth-Uitenhage region, another that 'eating and comfort facilities' have been desegregated and a

industrial council meeting to push the minimum wage up from R1 to R1.50 an hour Although Ford says the unions were fully informed of the reasons for the lay-offs and the drop from a 45-hour to a 28-hour week, this does not alter the fact that more than three-quarters of Black and Coloured hourly-paid workers -- and some Whites -- found their earnings below the PDL

The situation led to great scepticism of the sincerity of the company's stated commitment to the Sullivan principles Other grievances compounded this scepticism among them according to Professor Whisson and his colleagues,

© That many (though not all) of Ford's labour relations officers apply stricter rules to Blacks than to Whites and are suspected of having close connections with the Security Police

© That Ford has formed an unholy alliance with the local Administration Board in its ef-

## No longer docile

THERE is still a formidable problem arising from continuing resistance by White unions to Blacks being indentured as apprentices And the situation is not being helped by the Government's apparent total lack of direction

To the extent that there were elements of politics in the Ford strike, the company was in a sense the fall guy, particularly in that the Government has itself raised Black expectations

Says Ford labour director Fred Ferreira "Ten years ago, labour was docile, preoccupied with its basic needs But now people are starting to look beyond these to the social and political environment Labour organisations could become vehicles for some form of political expression, to get Blacks a place in the sun Disenfranchised people are increasingly looking at their employers as having a role to play in recognising their problems and exerting influence on their behalf"



## Car body pressing factory to be opened

A R5-m car body pressing factory will be opened in Rosslyn, north of Pretoria, on Wednesday

This will be the second plant of Laepple (SA), which is already South Africa's biggest body component pressing firm.

The chairman of the parent company, Mr Helmut Laepple of August Laepple, Germany, will open the new factory which is one kilo metre away from Laepple

Rosslyn headquarters.

Mr Laepple will be accompanied on his visit to South Africa by a delegation of German industrialists and Pressmen.

According to Laepple, it was necessary to build the new factory, not only because of South Africa's local content programme, but also because of the developing car export programme of South African motor manufacturers

CAPL TIMES 25/12/80

# Report calls for change in Ford labour policies

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Own Correspondent

PORT ELIZABETH — Ford Motor Company faces sharp criticism and is called upon to make sweeping policy changes in the field of labour relations, in a report released yesterday.

The full text of the report 'The Sullivan Principles at Ford' was issued by the Institute of Race Relations with Ford's blessing. Commissioned at Ford's request, it was compiled by Professor Michael Whisson, head of the department of anthropology, Dr Marianne Roux, senior lecturer in sociology, and Mr Cecil Manona, a research officer with the Institute of Social and Economic Research — all of Rhodes University.

The report in general is critical of labour policies at Ford and the way in which the company has implemented the six principles of the Sullivan Code.

The report — now released for the first time — suggests that Ford makes sweeping changes.

Among the suggestions are that the company severs its connections with the Eastern Cape Administration Board, that it terminate alleged close liaison between some personnel managers and the security

police who it is claimed closely monitor union activities and that key executives in the industrial relations directorate who are said to be members of the Broederbond should dissociate themselves from the organization.

The report suggests that

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A NUMBER of recommendations made by the authors of 'The Sullivan Principles at Ford' were currently enjoying management's consideration, a statement issued by the Ford Motor Company of South Africa said.

## Report, page 2

these actions should be taken if the company is to achieve credibility as an institution contributing towards peaceful change away from apartheid.

If this is not done, the report states, 'the affirmative action programme will be seen essentially as an attempt to modernize racial domination rather than do away with it.'

The report says that by co-operating extensively and publicly with the East Cape Administration Board, among whose functions has been the provision of black housing and the administration of influx control, Ford is seen by the mass of black people as being associated with the principal

executor of the policy of apartheid.

But the report accepts that in the housing field it would be difficult for Ford to achieve anything without some form of co-operation with the board, but suggests any contacts should be as discreet as possible.

ble

The present relationship between the company and the board, the report says, lends credence to the belief that management is part of an unholy alliance between white employers and the two most hated arms of the state (the security police and the administration boards).

The report states that coloured and black union leaders believe that the company as a whole is concerned with curtailing their activities. It quotes one union leader as claiming that personnel officers went through an induction course organized by the security branch and the former Bu-

reau for State Security.

'Whether these beliefs are imaginary or otherwise, the fact that a shop steward was recently visited at his home by a member of the security branch and questioned about his activities on the shop floor further reinforced their suspicions,' the report says.

Referring to the two key executives in the industrial relations directorate — Mr Fred Ferreira and Mr Dirk Pieterse — as being listed members of the Broederbond, the report says: 'Whilst formally no longer in favour of discrimination based on colour alone, the organization nevertheless has a history of dedication to the establishment and maintenance of Afrikaner domination.'

The report anticipated many of the grievances behind the recent labour unrest experienced at Ford.

The workers were upset because many of the company's black workers were earning wages below the poverty datum line because black advancement had not been implemented fast enough and because there was still racism, particularly on the shop floor.

# Ford: 'Long way to go'

Post 25/2/80

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POST, Monday, February 25, 1980

Page 5

THE Ford Motor Company of South Africa has a long way to go before it can be said to be implementing the Sullivan Principles for improving wages and conditions of black employees, in the manner and spirit intended by the Rev Leon Sullivan, says a SA Institute of Race Relations team invited by Ford to conduct an "audit" of the company's operations in Port Elizabeth.

The audit was made last September.

The team, headed by Prof M G Whisson, head of the anthropology department of Rhodes University, emphasises that the Ford management gave its full and honest co-operation

"Also, the judgment of the non-white union organisers bears repetition — "Ford is the best of the motor companies in the region to work for", says the report

"Our impression is that a handful of managers in industrial relations are committed to the implementation of the letter of the principles in such a way that the interests of the company generally take precedence over the interests of the mass of the lower paid workers, for example, the evolution of the hourly wage structure

"We identified far less commitment to the spirit and goals of the principles even in this small group," the report says

Outside industrial relations, management and supervisory staff viewed programmes to implement the principles as "one of the crosses which bosses far from the shop floor impose upon the men who have to produce and sell vehicles."

## A LOWER PLACE

The report adds "When asked to do so, they will implement the principles with a greater or lesser degree of enthusiasm, but with productivity and sales the major goals, the affirmative action programmes take a definitely lower place in their priorities."

The report is critical of Ford when discussing wages and differentials

## HOW THE SULLIVAN CODE BEGAN

in the process of construction and implementation

"The facilities provided offer a very fair compromise between integration and the freedom of people to associate with whom they please."

On the Sullivan Principle of equal pay for all employees doing equal or comparable work for the same period of time, the report says that, for as long as less than a third of the job classifications in the salaried grades are filled by non-whites, justice will be seen to be done only where a far higher proportion of the non-whites share the same job classifications as the whites. This might be done by simplifying or generalising the classification system.

On "equitable wage and salary ranges, the minimum of these to be well above the appropriate local minimum economic living level," the reports comments: "Wage scales have fallen relative to the household subsistence level over the past eight years, and it has become increasingly difficult for a growing proportion of workers to earn an adequate real wage

"At the bottom, where the rate is only marginally above the HSL, the real wage has almost kept pace with the HSL, as it has done at the top of the hourly-paid scales.

THE Sullivan principles were drawn up by the Rev Leon Sullivan, a director of General Motors Corporation, who is the founder of the Opportunities Industrialisation Centre in Philadelphia, United States.

The OIC was established as a job training programme for minority groups in America and has now spread to 125 cities in that country. Mr Sullivan established the OIC in

several black African countries and, due to pressure from some of those countries, in March 1977 he formulated his six "Sullivan Principles" for South Africa, a country he visited in 1978.

From an original 12 US involved companies, the number with South African interests has now grown to 93 signatories. —Sapa.

"In the intermediate grades, differentials have narrowed and the black hourly-paid workers have suffered disproportionately

For example, in Grade Seven, a man at the minimum for his grade must work 57 percent more hours each a month to achieve the HSL, he did eight years ago

"In 1971, a 28-hour week would have meant that those on Grade Six (minimum) and Grade Two (maximum) would have earned less than the HSL — the (maximum)." —

A number of recommendations made by the authors of The Sullivan Principles at Ford were currently enjoying management's consideration, says Ford, asked to react to the Whisson report.

Mr Fred Ferreira, industrial relations director, said, "Before acting on these recommendations, the company plans to have a round-table discussion of the report with the authors, Prof Whisson and Dr Roux."

Mr Ferreira also announced that the company plans to assess the progress made this year by commissioning the SAIRR to repeat its audit during the latter part of 1980. —Sapa.

a mockery of the aspirations of the Sullivan Principles and give more than adequate ammunition to the critics, both internal and external, of Ford Management."

It says there is no doubt that the major concern of the mass of workers at Ford is the purchasing power of their weekly or monthly wage. The only meaning to their lives is spelt out on the pay slip.

"The evidence from the company figures, as well as from union officials, clearly indicates that the position of the majority of non-white workers has deteriorated substantially since 1971 in real terms and that progress through the grades does not bring the benefits that it did a few years ago."

Figures tend to lend credibility to the belief many black workers have that while there is no institutionalised discrimination between whites and non-whites, the scales and differentials, both between the minimums and maximums within grades, and between the minimums for each grade, enable a substantial amount of discrimination to take place.

"Our findings reveal that union leaders and shop stewards are extremely sceptical of the aims and goals of the company. Negative attitudes are reinforced by their belief that the company, through its industrial relations officers, have close connections with State security agencies. This fear will only be overcome when all suspicions of State security intervention has been removed."

#### MASTERY OF LANGUAGE

Just as a positive effort on the part of blacks is necessary for them to master the English necessary for their promotion through the salaried grades, so a positive effort to learn Xhosa on the part of the supervisory staff at Struandale is necessary for them to be able to fulfil their roles as supervisors.

On industrial discriminatory laws, the report says Ford has been swimming vigorously with the tide over the past two years or so, and has engaged in appropriate advanced planning and training programmes for further advances. In so doing, it has conformed to the prescription of the Sullivan Principles.

With the increase in non-white artisans, the bargaining power of each of the unions will move towards parity, and their interests complement rather than conflict with each other.

"Already we sense awareness of moves in that direction at the level of union management, if not in perceptions on the workshop floor."

The company should therefore continue to press for modification in the law to permit labour to organise on a non-racial basis.

On the Sullivan principle of non-segregation of all the races in all eating, comfort and work facilities, the report says Ford has complied with this principle for the most part and the final stages are

## Black PROs for Ford (192)

PORT ELIZABETH — Ford Motor company has appointed two black public relations officers in its Johannesburg and Durban regional offices, it was announced here

They are Mr Arthur Shipalana, 31, who will be employed in Johannesburg, and Mr A Themba Mathe, who will be based in Durban

Mr Shipalana joined the com-

pany in 1974 as a graduate trainee and was appointed training officer last year. He holds a B Admin degree from the University of the North.

Mr Mathe joined the company as a public relations representative last year. He obtained BA and B Juris degrees from the University of Zululand — Sapa

26/2/80

THERE'S no Ford in the future of many black workers at that motor company — they're paying most of their black workers below the Household Subsistence Level (HSL)

And Ford is rated one of the top American employers of blacks in South Africa in terms of the Sullivan Principles. The principles are guidelines intended to improve the position of blacks employed by American companies in South Africa.

This week a special SA Institute of Race Relations investigation into Ford's employment practices found that between 80 and 95% of Ford's black workers — who have been working on short time (28 hours a week) — are earning less than the HSL.

In 1979 the Household Subsistence Level for a black family of six living in Port Elizabeth was calculated at R169 a month. Ford commissioned the study, which was conducted by three academics from Rhodes University in Grahamstown. They concluded "The company has a very long way still to go before it can be said that it is implementing the principles in the manner and spirit intended by Sullivan."

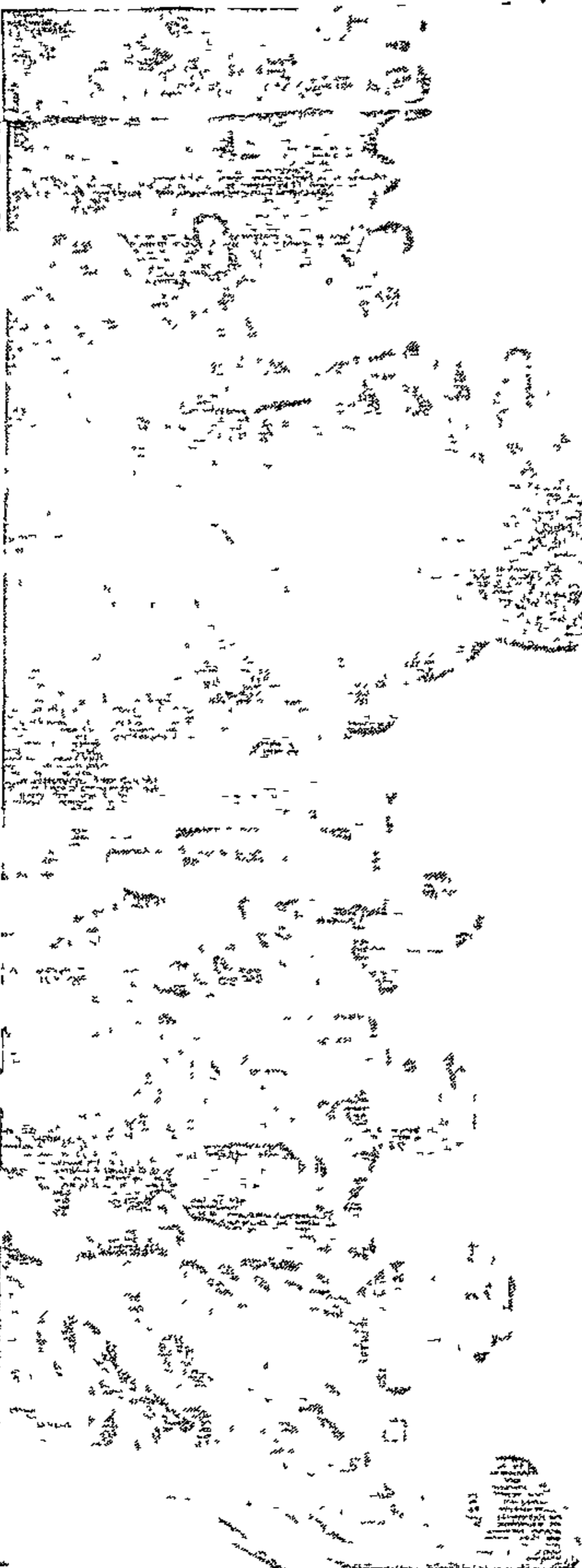
The principles were designed by the Rev. Leon Sullivan, a black American priest and company director.

Last year Ford was hit by a number of walk-outs by black workers. The unrest came after the dismissal of Pehco leader, Thozamile Botha, who was banned this week.

After that workers refused to air their grievances through their union, the United Auto Workers Union. Many accused Botha of playing power politics, not believing the workers may have had genuine grievances. But, the SAIRR report now shows that workers have plenty to gripe about.

Combined with a recent document from the Federation of South African Trade Unions (Fosatu), the SAIRR investigation brings into question the effectiveness of employing codes. Fosatu — largest umbrella body for unregistered unions — found that a number of British firms had

# NO FORD IN THE FUTURE OF THESE CAR WORKERS



FLASHBACK: Pehco leader Thozamile Botha addresses Ford workers as management looks on.

## STUDY FINDS PAY BELOW SUBSISTENCE LEVEL

SUNDAY POST Special Labour Correspondent

whites are employed below grade 7, while 60% of blacks fall into grades 1 and 2. And, when blacks take over from whites, the jobs are often downgraded according

large difference between minimum and maximum wages in a grade provides plenty of scope for wage discrimination. Security branch

the local Rantu Administration Board has, says the report, lent credence to the belief that the Ford management is part of an unholy alliance between white employers and the two most hated arms of the State (the Security Police and the

the mass of Ford's black workers. Black Ford workers also complain about receiving harsher disciplinary action than whites. For instance, a black worker reporting drunk to work was fired immediately. On the other hand

the local Rantu Administration Board has, says the report, lent credence to the belief that the Ford management is part of an unholy alliance between white employers and the two most hated arms of the State (the Security Police and the

the Ford controversy of this week has brought into serious question the value of employment codes, especially since Ford has one of the best records of all foreign companies in this regard. What, then, of other foreign corporations?

THEM TO WORK

the British Department of Trade on their implementation of the EEC code. The codes had failed to help achieve recognition for unregistered unions, Foster added.

So what use are the codes unless there is a check on foreign companies supposedly implementing them?

Ford's labour policy may conform with many of the Sullivan Principles, but production managers and supervisors are doing little to implement them, according to the SAIRR report. In fact, the report suggests training programmes for them to help rid them of their prejudices.

Ford claims equal and fair terms and conditions of employment. But black workers point to educational barriers to their promotion. To go beyond grade 7 they need a standard eight certificate, while whites do not. And a black person with a matric has to start at the bottom of the ladder. Whites come in on a higher level.

Equal pay for equal work is not hard to advocate if whites and blacks do different jobs. The report tells how, at Ford, only 2% of hourly paid

But, say union officials, even when whites and blacks are in the same position, whites earn more. The

workers' liaison with, and large donations to, the company's close with, and donations to,

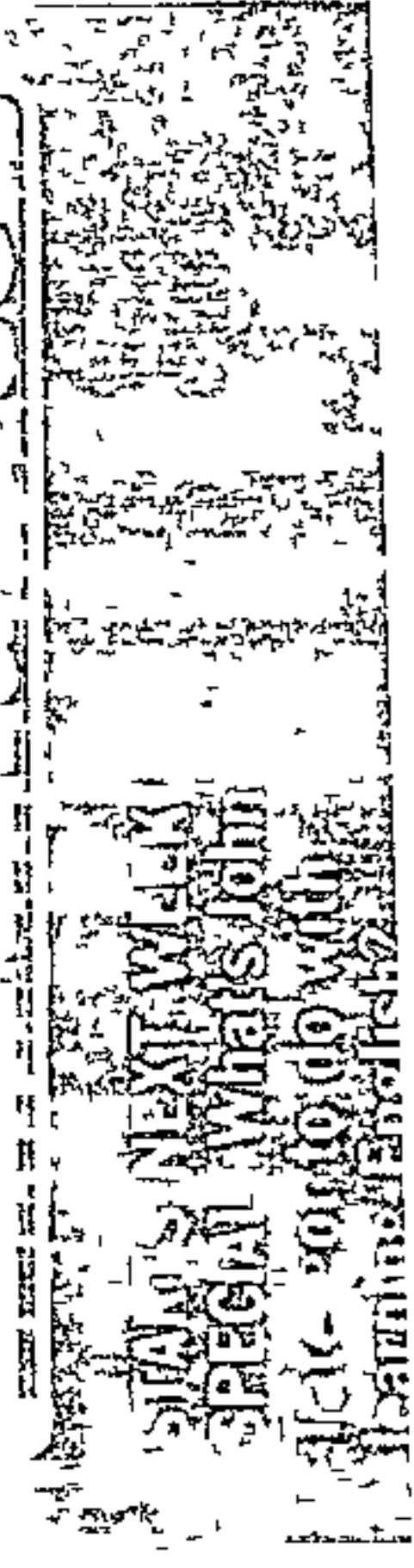
And these donations, among other contributions, have done little to house

at work, was simply asked to clock off and go home for the day. Ford has taken no interest in the prin-

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# Eriksen

hit by

RD M 4/3/80

## strikes

Financial Editor

**STRIKES** at Port Elizabeth and in Britain and the renewed oil crisis last year all combined to push down profits in 1979 of Eriksen Consolidated Holdings, the Ford motor distributors.

Taxed profit fell from R860 097 to R691 547 although turnover was up in money terms from R58-million to R63-million, lower in real terms.

Eriksen has, however, increased the total dividend for 1979 to 12,5c from an effective 10,6c in 1978.

Effective because the group changed its year-end, and in the previous 17-month accounting period a total of 15c was paid.

Eriksen has declared a final payment of 7,5c for 1979 after the interim 5c.

Earnings a share dipped from an adjusted 71,7c to 57,6c.

The chairman, Mr Ernst Eriksen, says. "But for the fuel crisis in the middle of 1979 and the shortage of supplies occasioned by strikes, both in the UK and in South Africa, the company would undoubtedly have achieved greater growth in turnover, which would have related more closely to the increase in expenses and provisions."

Mr Eriksen says "The improvement in the country's economy indicates more buoyant trading conditions in the coming year and provided that our supply of vehicles remains unimpeded we can expect improved profits for 1980."

**COMMENT.** At 200c, Eriksen shares historically yield 29% on earnings and 6,25% on dividend, but those figures are artificial.

The outlook suggests prospective yields more like 40% and 7,5% or better.

Even those who find the industrial market generally fairly fully priced might think the recovery prospects interesting.



# Atlantis diesel rule delay angers manufacturers

(192) (62) RDM 10/3/80

By DON ROBERTSON

THE Board of Trade's failure to announce regulations regarding the use of Atlantis diesel engines in tractors and trucks is causing concern in the industry, according to Mr D Treadwell, managing director of International Harvester (SA)

At a dealer conference in BophuthaTswana, Mr Treadwell said that the lack of a decision was hampering manufacturers in their intention of giving the Atlantis project their full support. In addition, it was damaging the credibility of International Harvester with its overseas parent company

Information regarding the size of motors to be built at Atlantis and what import tariffs would be imposed on im-

ported motors with the same capacity as those produced at Atlantis had been promised for some time

Details of the regulations were to have been made public in July last year, then by the end of the year and finally by the end of February. However, no details had yet been announced

Mr Treadwell said that fitting the Atlantis engine to existing models of tractors and trucks required considerable re-engineering of body parts and that if this was to be achieved by the deadline of mid-1981, new equipment and capital expenditure would have to be available immediately

This situation affected all manufacturers and he suggested that for every month that

passed without clear direction, the deadline should be extended by the same period

Mr Treadwell said his company depended on its parent in America for the finance to implement development programmes — "but until we can present them with the full picture, they are just not interested"

"The reasons are obvious. The industrialised countries have been caught too often. A government announces some scheme in an effort to support the state, the industrialised countries pour huge sums of money into the project only to find it postponed, postponed again and finally abandoned for some obscure reason"

South African farmers might also be deprived of some of the

latest technological advances because of the delay. The company's new series 88 2 plus 2 row crop tractor had been a great success in America and the entire production had been bought

"To have any hope of getting some of these machines here by next year, we must order now

"But we can't move. The tractor falls into the over 100Kw class and the manufacturers have requested that this class of engine be approved for continued import because the Atlantis range does not include an engine in this class which can be engineered into any current popular tractor models without major design modification, he said"

# Record 20 000 new cars sold in February

STAR  
12/3/80

30

192

By Harvey Thomas

New car sales in February should be a record. Although the Sigma Motor Corporation has yet to release its figures it appears that the motor industry sold 20 000 cars — an improvement of 60 percent on February last year.

Sigma has resigned from the National Association of Automobile Manufacturers of South Africa and now releases its sales

figures after those compiled by the association.

Sources indicated today that Sigma would announce February car sales of about 4 500 to make the industry total about 20 050.

The top company in February was Sigma, followed by Volkswagen which sold 2 888 Golfs, and then Ford. But, in spite of the boost small cars such as the Golf and the Mazda 323 have given, overall sales achieved by VW and Sigma, manufacturers of the luxury cars,

also had a good month.

The German company BMW sold a record 902 cars to beat its arch-rival Mercedes-Benz, which had sales of 806.

Motor industry analysts believe that the surge in the market has been caused by renewed consumer confidence as well as some pre-budget buying.

They also say that many customers decided to buy now in anticipation of quarterly price increases which have just come into effect.

# 25% jump (192) heralds bumper motor year

(33)  
13/3/80

By HAROLD FRIDJHON

MOTOR-vehicle manufacturers look as if they are set for an outstanding 1980. With January car sales 9.3% higher than in the first month of last year, February has proved to be even better. With sales up to 20 349 passenger units, the total for the month is 24.9% up on last year.

And the gain in commercial-vehicle sales is even more spectacular. For the first two months of the year sales are 24.9% better at 18 821.

Most economic commentators have been forecasting that this year's boom will be led by an increased demand for consumer durables. This is discernible in car sales which are expected to continue at this rate for the rest of the year.

In addition, the sharp increase in commercial-vehicle sales suggests that the business mood is improving as contractors and other users of commercial vehicles have started to refurbish their fleets in anticipation of the work load they expect they will have to move in the months ahead.

In the February car sales stakes Sigma edged Volkswagen out of first place. In January, VW headed the list with 4 184 units.

But in February, in spite of VW's selling 4 434 cars, Sigma topped this total with 4 517, a steep climb up from the 3 974 sold in January.

In February, Sigma had a 22.2% market share, with Volkswagen close on its heels with 21.8%.

Ford trailed in third place with 2 645 units — a 13% market share. But this was an improvement on the January performance when sales were down to 1 815, probably as a result of labour unrest at the factory.

Datsun and Toyota swapped places last month. In January, Toyota was in fourth place with 2 202 units sold and Datsun was fifth with 2 107.

But in February, Datsun sold 2 207 to edge into No 4 spot, with Toyota fifth with 2 100 passenger units.

In the commercial-vehicle field, Toyota came out top, well ahead of Datsun. Toyota sales were 2 550, 26.6% of the market. Datsun sold 2 277 units which was 23.7% of the total.

Then followed Ford with 1 491 commercial units, 15.5%, and General Motors trailing with 13% market penetration with sales of 1 253.

# David

**Deur ALPHONS DU TOIT**  
 NOG 'n bom het oor die Regering se omstrede Atlantis-dieselenjinprojek gebars J I Case (SA) het besluit om die verskaffing van sy David Brown-trekkerreeks aan die Suid-Afrikaanse mark onmiddellik te staak.  
 Die redes vir hierdie onverwagte besluit is deur mnr CH (Barney) Strydom, besturende direkteur van J I Case (SA) (Edms), aan Sake-Rapport verstrekk.

"Die David Brown-trekkerreeks, 'n volfiliaal van J I Case, beskikbaar as ontwerp wat heeltemal uniek is. Nogtans is ons gedwonge om in 1981 die plaaslik vervaardigde Atlantis-enjin te gebruik. En dié Atlantis-enjin is óf 'n Perkins of 'n Mercedes Benz."

Omvattende uitvoerbaarheidsstudies wat deur J. I. Case se ingenieursafdeling gedoen is, het aangetoon dat die modifikasies wat benodig word om die Perkins-enjin, pleks van hul eie, te gebruik uiters duur sou wees. Die uiteindelike verkoopprijs van die David Brown-trekkerreeks sou van 25 persent tot 30 persent duurder geword het.

"Dit is hoogs onwarskynlik," sê mnr Strydom, "dat boere 'n addisionele 25 tot 30 persent sal betaal vir 'n trekker met 'n dergelike werkverrigting as ander wat beskikbaar is. Die boer gaan reeds onder 'n groot las gebuk, sodat die prysstygung wat nou vir elke trekker op die plaaslike mark onvermydelik gaan word — bloot ter wille van plaaslik ge-

# UIT BROWN

boude enjins — uiters onblik is Uiteindelik is dit die verbruiker wat die selag sal moet betaal."

Volgens mnr Strydom is dit juis die ontwerp van die David Brown-trekker wat hom nie maklik tot modifikasies leen nie. Die DB het 'n soliede, oilegte raam en daarbenewens verskille D B-enjinswingkragrommes hemsbreed van dié van die plaaslike enjins.

"Om die Atlantis-enjin dus by 'n David Brown-transmissie aan te pas, sou veranderinge noodsaaklik in die ratkas as in die finale aandrywing 'n uiters duur proses."

"Die Case-maatskappy kan ook geen doel daarin sien om 'n "vreemde" enjin op 'n beproefde ontwerp met beproefde werk-

verrigting te monteer nie — en dit ten koste van die beproefde ontwerp en werkverrigting."

Volgens mnr Strydom is die Suid-Afrikaanse mark nog lank nie reg vir 'n eie dieselenjin nie. Daar is die behoefte om 'n voldoende vraag daarna te hê. Die hele konsep van die Atlantisprojek is eintlik baie ontydig.

J I Case het besluit om die DB-trekkerreeks onmiddellik van die mark te onttrek, omdat 'n nuwe reeks pas in Brittanje bekendgestel is. Dit sou sinneloos wees om die nuwe reeks nou aan te bied en ná 'n jaar te staak.

J I Case gaan hom nou op groot trekkers toespits. Case se 30-reeks van twee wielangedrewe trekkers uit die VSA is reeds be-

# oor Atlantis

kendgestel. Die kleinste die Case 2090, ontwikkel 80 Kw KAT teen 2:00 opm.

Volgens mnr Strydom beskik Case, 'n lid van die internasionale konglomeraat, Tenneco, wat 'n jaarlikse omset van meer as 15 miljard dollar het, oor een van die mees gevorderde reekse groot trekkers.

"Ondanks die onttrekking van David Brown gaan J I Case sy reeks groot aandeel van die groot trekker-mark behou en uitbrei. En dit is beslis nie net die groot boer wat gaan baat nie. Ons is reeds besig met 'n bruikhuurskema wat die kleinboer in staat sal stel om die voordele van die era van groot trekkers ten volle te kan benut."

# AT RUCKKI

## Oshkosh make first all SA truck

20/1/92  
20/1/92

**WHAT IS CLAIMED** to be the first truly South African truck — the S-Series from Oshkosh — was launched in Cape Town this month and is a further decisive step towards breaking South Africa's dependence on imported heavy trucks.

While Oshkosh has established a reputation for high local content in the manufacture of its R and E-Series, the new S-Series takes the concept of a major step further.

Engineered to meet local conditions (rather than American and European) the S-Series has been designed by South African engineers at Oshkosh Africa in Pietermaritzburg.

Frank Bartos, managing director of Oshkosh (Africa) said: "The S-Series represents over five years of study of the local big truck market by Bartos's engineers. During that time we have been building up the local content of our R and E-Series trucks and analyzing the changes that have taken place in the South African truck market."

These include the increasing emphasis on driver comfort, fuel economy and application flexibility for long distance, heavy duty and off-road service.

The S has also been designed to take bigger engines than those currently doing duty in SA.

We believe that the bigger capacity engineers will come into their own with the increasing need to maintain speeds on inclines, says Mr Bartos. More kilowatts don't have to mean increased fuel consumption — the greater power making for steadier and faster hauling.

In fact the Oshkosh managing director also points out that bigger engines mean that the units can operate in the better part of the fuel consumption curve. This has a further pay-off in that more power means longer component life, slower prop shaft speeds and less noise.

Maximum economy has been built into the S-Series as an integral part of the design and development done at Oshkosh Africa.

• A high speed rear axle ratio allows bigger and stronger gearing, which reduces gear tooth loading by up to 60 percent, thereby extending rear axle life and increasing reliability.

• Low prop shaft speeds reduce drive-line shocks and noise and extend the component life.

• A Horton fan clutch which reduces fuel consumption by up to seven percent, cuts noise levels and provides more available power at the drive wheels as it operates for only about five percent of total running time.

• The direct-drive Fuller Roadranger transmission features the proven twin countershaft design. This makes for a high capacity, long-life transmission with compact dimensions.

From a design point of view, the first of four S-Series — running in the SAB Livery on the Witwatersrand — has already caused consider-

able excitement in trucking circles. The semi forward control or the short BBC concept is the trend now in the US and SA. Europe has always favoured this design, said Mr Bartos.

The reduction in wind resistance achieved by the short BBC design — combining the best features of the long bonnet R and E — means that the fuel consumption figures being achieved with the Caterpillar 3106 economy six in line diesel engine with a net power of 205kW at 1900 rpm and a 25 percent torque rise in the low low forties.

The S is also available powered by the Cummins Formula F 290 engine.

An economically designed cab and its improved suspension make for driver comfort and safety not seen in this country before.

We have found that with the increasing emphasis on the investment in driver training and the difference a good driver makes to containing fuel costs, operators are looking to improving driver conditions in an effort to keep them in their employment and working at optimum levels.

"The days of skimping on driver comfort are over in this country. The climate in the cab is going to be a key consideration on long haul in the 1980's."

For fleet operators the high degree of parts interchangeability with other series Oshkosh trucks is an added benefit.

Mr Bartos said: "At the design stage we had extensive consultations with component manufacturers to make certain of supplies and, most important, that we were getting the most out of their engineering expertise."

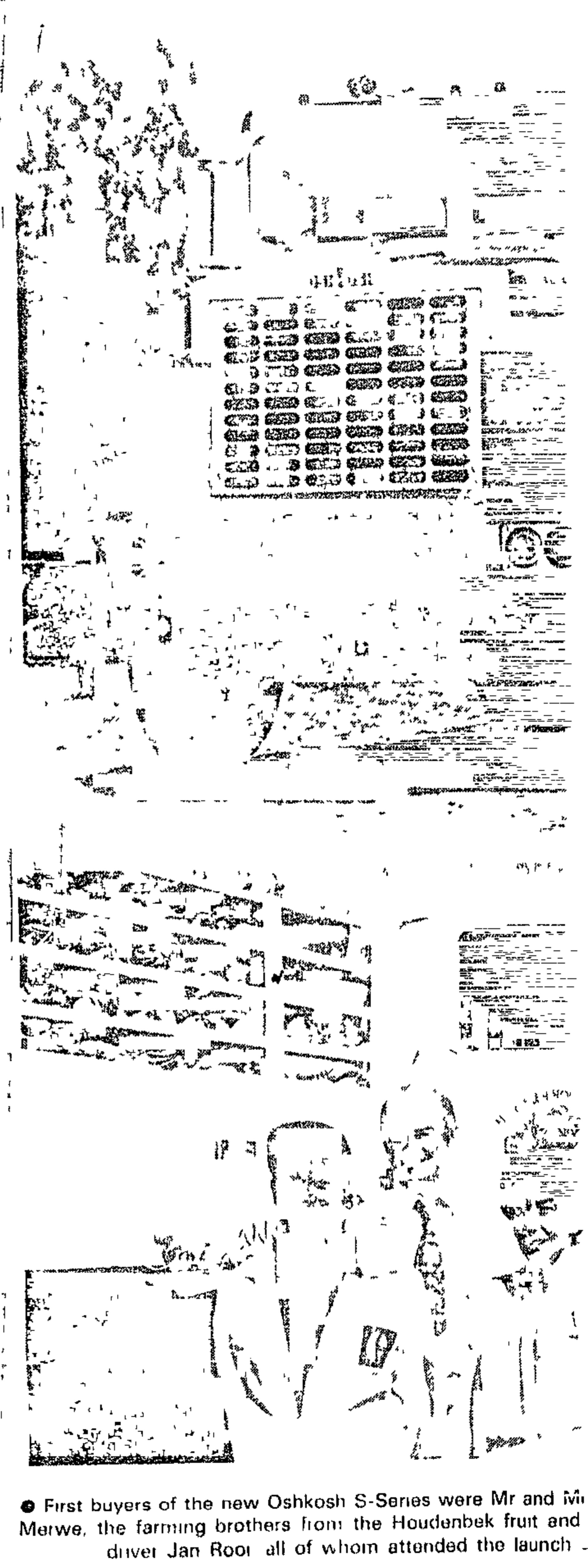
The locally made and proved Rockwell standard "Six Rod" suspension which has met with wide acceptance by hauliers in the US and Australia as well as SA and a Jacobs engine brake completes the package.

We have just completed major re-structuring operations on our marketing and servicing side with the Oshkosh truck supply company in the Transvaal and being brought under the control of the operation at Pietermaritzburg, said Mr Bartos.

This will make for a faster information flow between the sales and engineering side and that can only be to the customers' advantage.

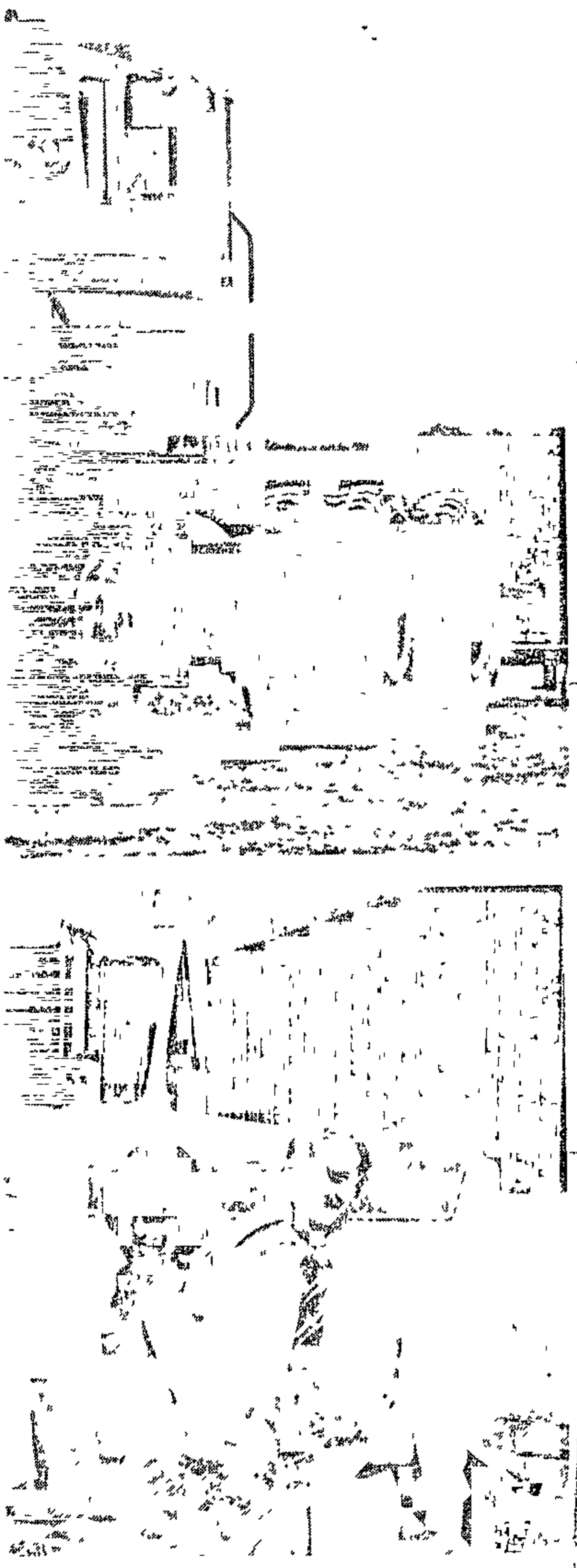
The manufacturing side of Oshkosh has had a remarkably successful year.

• Details of the Oshkosh S-Series on page 19



• First buyers of the new Oshkosh S-Series were Mr and Mrs Merwe, the farming brothers from the Houdenberg fruit and driver Jan Rooi, all of whom attended the launch.

# WORLDWIDE



J van der Merwe (left) and Mr and Mrs Naas van der Merwe at Kouebokkeveld, near Ceres, and the new truck as guests of the manufacturer

Trucking '80 Feature written and produced by Brian Grobber, Motoring Editor

## Avis try harder in the truck rental business

**TRYING** harder to get a larger slice of the truck rental market, Avis Trucks are poised for a national push in 1980.

The company has bought a further two drop side Boxer 1300 trucks from Leyland

Long associated with car rental, Avis established its independent truck company at Isando headquarters in 1972 restructuring the company last year for anticipated market growth. Plans on the drawing board at present include a national chain of sales and servicing outlets

### Rising costs

The rising cost of heavy vehicle purchase and maintenance has contributed to increasing customer use of the rental concept says general manager Mr Tom McGhee

'Acceptance has reached the point where we now have regular customers who plan for peak periods each year and use our service to augment their own fleets during this time' he said

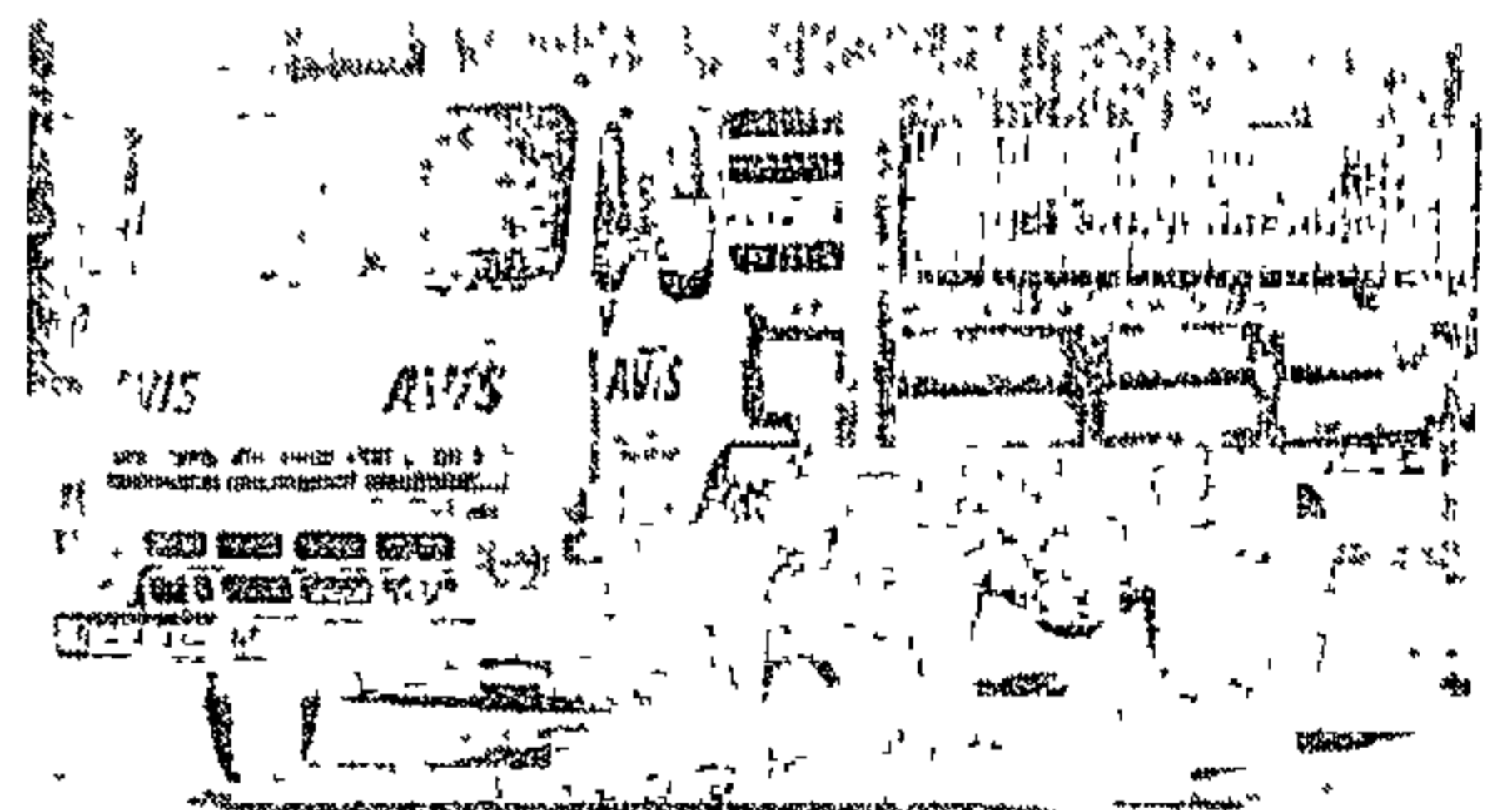
### Planning

Meticulous planning is required to optimise the use of expensive vehicles, and McGhee maintains that company policy stands Avis in good stead in this respect

'The Avis marketing policy has long been to offer the best service and best vehicles on the road. This requires planned regular maintenance programmes. Servicing and maintenance facilities are a vital part of all our operations'

'In addition, we pride ourselves in being able to offer the right truck for the job'

'That's not easy when an end



less variety of applications can call for anything from lightweight 'bakkies' to an 8-ton crane-mounted truck. But truck purchases are much motivated by customer demand and acceptance

'We prefer to test a particular truck before purchase in order to determine customer reaction and have in this way selected a group of vehicles which meet a wide range of requirements'

The biggest trucks in the Avis fleet are the 8 ton Leyland enclosed vans and dropside trucks with crane which have been purchased during the past 18 months

'In supplying trucks to be driven by anyone from the householder moving home, to large concerns with trained drivers, simplicity of operation is important. The Leyland trucks with their 'no-frills' instrumentation and handling meet these requirements

'Another positive reaction we received is that with the increased cubic capacity of the Boxer 1300 volume van customers are able to maximize

lightmass loads and reduce costs

'Maintenance and servicing aspects are also a determining factor. We can't afford breakdowns while the trucks are in use but if it becomes too costly to maintain the truck in perfect condition, we would be unable to offer competitive rental charges'

For the wide range of customer applications, Avis offers a wide range of services. A full-maintenance truck leasing plan releases client capital for more profitable use elsewhere while improving productivity through the use of new, well maintained vehicles. Customer responsibilities are reduced to driver, fuel, insurance and operations licence — Avis underwriting depreciation, repairs and service. Avis drivers are also available when peak periods demand not only more vehicles, but more people to drive them

In other words, trying harder is interpreted as an all out effort to capture more market share by offering superior services and vehicles

# New Datsun <sup>(192)</sup> bakkie and panel van

DATSUN light commercial vehicle or bakkie fans in South Africa already number more than 200 000 and they should increase substantially with the introduction of the latest from Datsun-Nissan — the Datsun 1400 Bakkie

At the same time the com-

pany has announced a new Datsun 1400 panel van

Both these vehicles replace their equivalent in the 120Y series while retaining many of the features that have made the 120Y bakkie and panel van so successful

Very similar in outward ap-

pearance to its predecessor the new Datsun 1400 bakkie has a 1 400 cm<sup>3</sup> engine a big capacity and improved torque

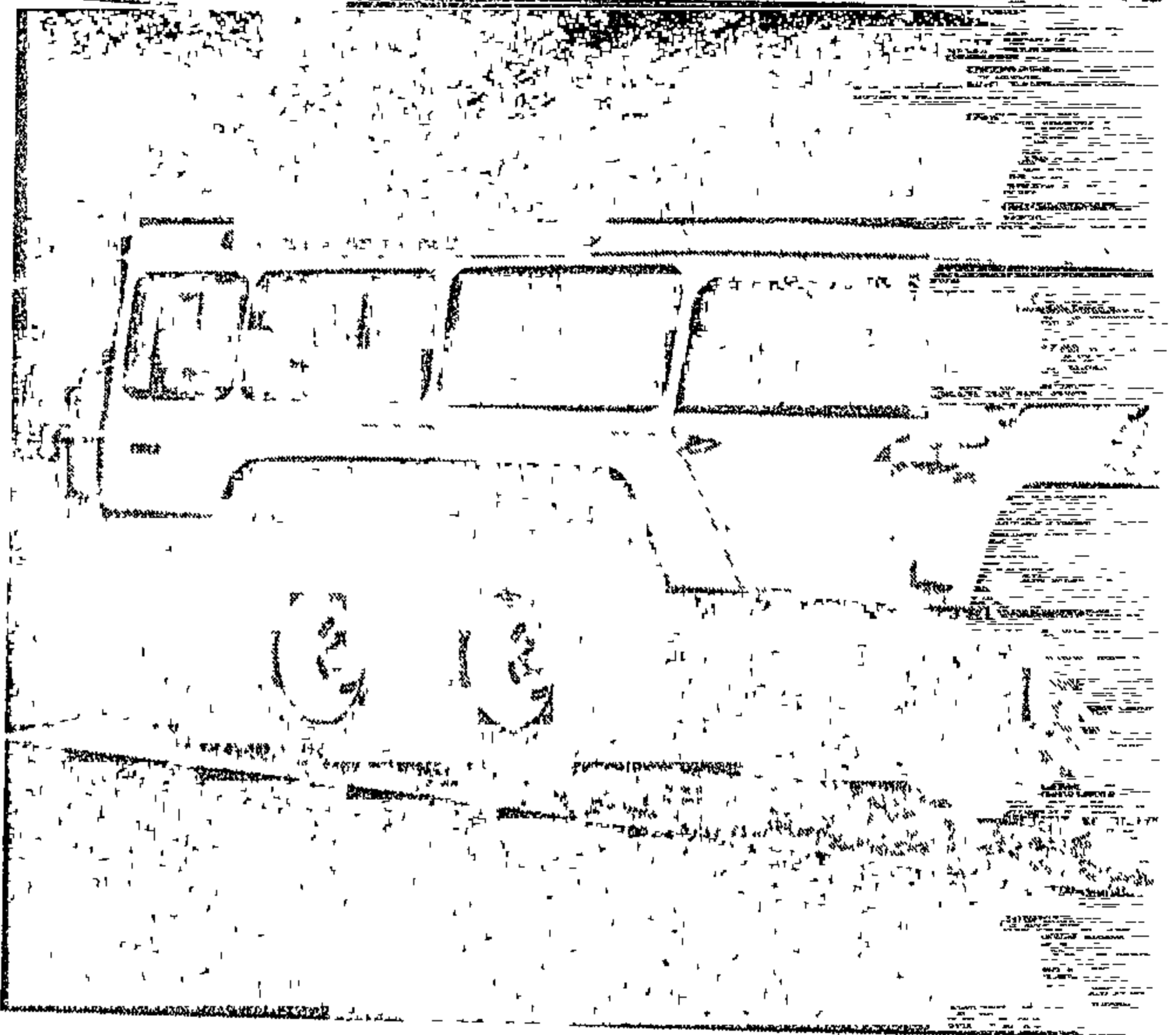
Power output has been increased by 24 percent to 52 kW at 6 000 rpm and the torque has also been substantially improved from 88 Nm to 100 Nm

at 4 000 rpm This makes the new Datsun 1400 the most powerful bakkie in its class on the market Local development on the A14 engine has produced a more fuel-efficient power-to-mass combination under all conditions

This engine which is fitted to

both the 1400 bakkie and the 1400 panel van is the same as that of the 140Y-SDX sedan which did so well in the recent Total Economy Run, winning Class B with a consumption of 6.4 l/100 km

Inside the 1400 bakkie the driver finds much to aid h



## Lectures on vehicle fuel

A NEW fuel saving programme, which applies to every person involved with vehicles in an organization, is now being offered by H C Eggers and Hellberg (Pty) Ltd, consultants in transport, vehicles and equipment.

The programme, offered as a complete course or in individual sections, is designed so that each individual is taught as much about the subject as he needs to know for his daily activities. This has resulted in the programme being broken down into the following sections:

1 Vehicle selection and fuel economy: basic principles involving driveline choices, power-to-mass ratio, vehicle size, fuel use and tyre equipment, add-on items such as wind deflectors etc

2 Fleet management and fuel economy: description of management control systems that are necessary to maintain good fuel use

3 The driver and fuel economy: driving techniques that

make optimum use of fuel; driver should make; types of

4 Vehicle maintenance - incomplete combustion; fuel consumption, diagnosis and

"The programme will ensure you are satisfied that they can do them," said Dr Helmuth E. C Eggers and Hellberg.

"It will be tailored to circumstances to ensure that the course content to the delegate is added

Courses are presently being held in Durban, Port Elizabeth, Grahamstown and Zulu and can be arranged to suit the client. Each course is tailored depending on delegate participation.

# 1 van

# TRUCKING 190

comfort with a re-designed bench seat with new perforated vinyl inserts loop pile moulded floor carpeting and a heater/demister option

New features outside the vehicle include a "Datsun" badge on the left-hand side of the grille a "Datsun" decal in

reflective material fitted to the tailgate and Datsun 1400 badges on the front fenders. The Datsun 1400 bakkie comes equipped with radial ply 155 SR x 12 tyres as a standard feature

The new Datsun 1400 panel van has been fitted with a new front end which is the same as

that featured in the "Y" sedans and has a semi-matt painted grille with a "Datsun" and a "Y" badge

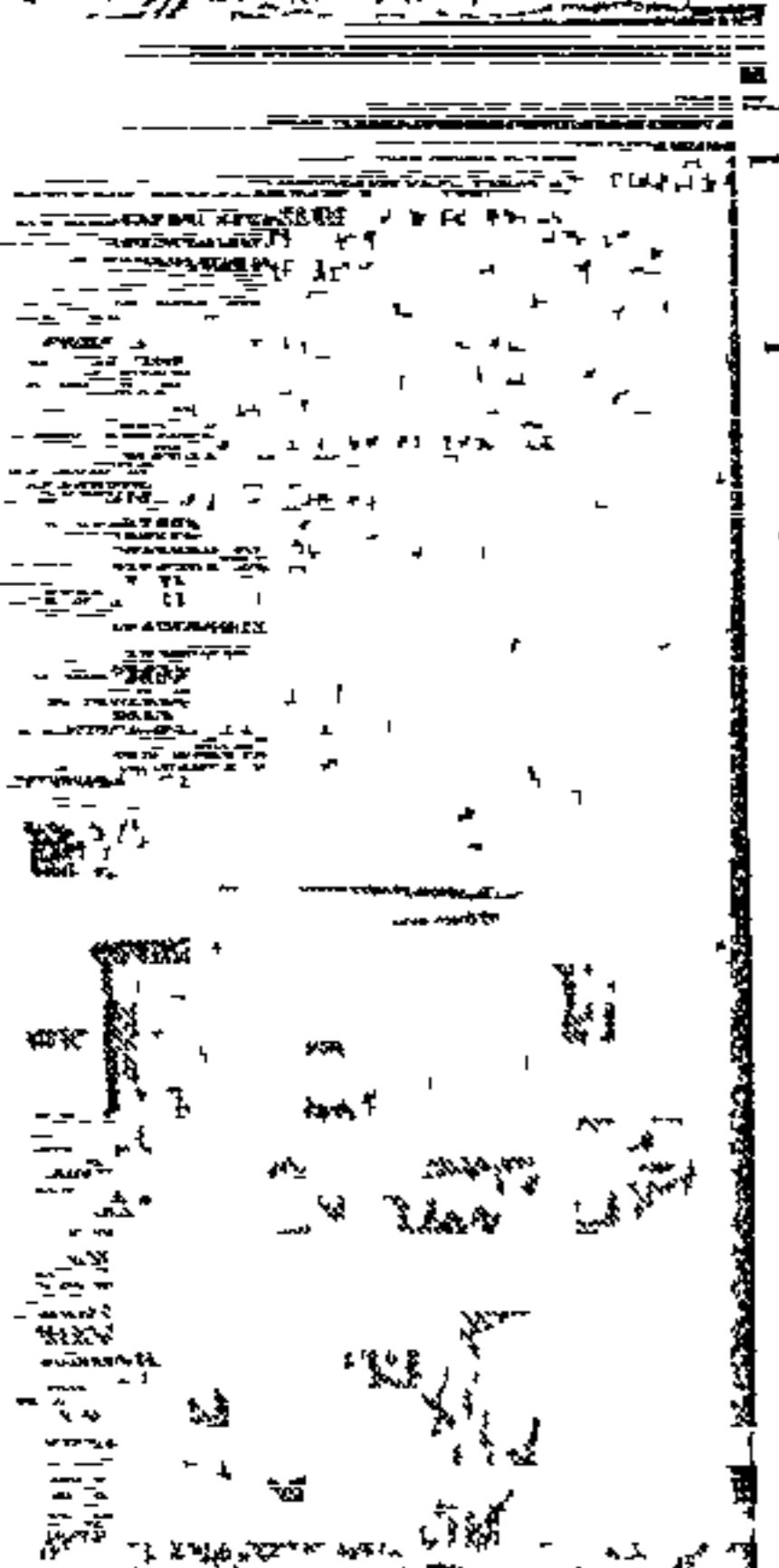
The new "Datsun 1400" badges also appear on the rear tender panels and on the right hand side of the tailgate panel. The styled 13 x 5J press steel wheels have chrome wheel nuts

and a small wheel centre cap, a heater/demister and radial ply tyres as standard equipment

A more powerful engine than the 120Y version a big load area and a low loading sill make the Datsun 1400 panel van an attractive proposition for those requiring power combined with an accessible load

ing area and outstanding good looks

Datsun Nissan is generally recognized as the manufacturer which paved the way for successful bakkies in this country, and these two latest models in the new 1400 range should do much to enhance this reputation even further



● The new Datsun 1400 de luxe bakkie which among its many features has alloy wheels specially designed by Tigor Wheels of Johannesburg

BELOW The two new Datsun models, the 1400 bakkie and the panel van



## saving

... maintenance checks the faults that must be reported fuel economy faults causing excessive power consumption of these faults be offered to clients if we save much more than it costs, managing director of H

... the client's individual personnel can directly apply day-to-day activities," he

... offered in English, Afrikaans held at venues and times duration takes about one hour, duration

## Three new Trax models for SA

THREE new models are planned for release in 1980 by Interstate Motor Vehicle Company, builders of the custom designed "Trax" luxury off-road vehicles. The new models are aimed at both the export and local markets

Interstate's approach to vehicle design is that its basic Trax configuration is readily adaptable to numerous applications. The company combined its own designs and manufacture with a variety of locally sourced components to achieve a local content percentage claimed to be in excess of 90 percent

The new designs, the Turnpike Cruiser, Voyager and the Tourista, are prime examples of this approach

The Voyager and the Turnpike Cruiser are the first six wheel Trax models to come onto the market. These are essentially a Trax with an extended chassis and a "dead" axle carrying another set of wheels

Both six wheelers are two wheel drive with optional robust automatic transmissions and a choice of engine having sufficient power for the configuration

● The Turnpike Cruiser, seen below, has a similar configuration to the Voyager but has air-conditioning, plush upholstery and other luxury fittings for touring and camping parties. It is expected there will be considerable interest in this unique, high-speed, luxury personnel car.



# TRUCK

**THE WORST** is over for Leyland South Africa, according to Mr Arne Pitlo, director of public affairs.

**"We have already stated categorically that we are in South Africa to stay and now Leyland is driving ahead and going ahead as before."**

FOR Leyland South Africa, 1979 represented a year of considerable change. Initially, in partnership with Sigma Motor Corporation, the British-sourced manufacturer entered the year as Sigma Leyland.

The never-to-be merger of Leyland's powerful truck, bus, tractor, special products and 4-wheel-drive division with the smaller Sigma Earthmoving and Truck Division had the formula for success because of Leyland's strength in the heavy commercial vehicle and 4x4 specialist equipment markets.

On the car side, Sigma needed a luxury car range and the

Jaguar and the Rover were found to be the ideal top-of-the-line products to supplement Sigma's small and medium car range.

With the termination of the merger Leyland emerged in much the same situation as when it entered into the merger.

Leyland has an extremely powerful product range and distribution network for its trucks, buses, tractors and special equipment.

As the major strength of the company, Leyland has built on this strength since May, 1979, and market penetration has

gone up from 6,9 percent to nearly 13 percent. No small achievement in less than six months.

The company has appointed more than 80 new car and light commercial vehicle dealers. Again a considerable achievement in a period of four months.

In terms of passenger car product, Leyland still has the Jaguar, the Rover, the Mini and the Land Rover — the product range which Sigma so badly wanted to bolster its own product range. And if Sigma saw a future for those products Leyland knows there is a future for them too.

For a company like Leyland to have successfully endured the trials and tribulations which it has in 1979 and to still be confident that it has a future

in South African Motor Industry it must be made of pretty strong stuff. Leyland is quite adamant about its ability to not only stay in the overall industry market place but even to secure for itself an ever increasing market share.

Leyland's new management team is dedicated to achieving this goal and with the declared backing of massive British Leyland the company can look to a successful future.

## Truck and bus

With an annual turnover in excess of R100 million, assets at well over R75 million, a current order book for trucks, buses, tractors and specialised equipment comfortably worth more than R50 m and the one hundred percent support from British Leyland, which is in-

vesting more than R1 000 m in the development of massive new manufacturing complexes to build a whole new generation of cars, light and heavy commercial vehicles for the next two decades, Leyland South Africa has all the fundamental reasons for remaining in this country as a major contender in the stakes of the top South African motor manufacturers.

While earlier speculations about Leyland's doubtful future in South Africa was rife, the company made a major policy announcement of its firm and total commitment to remain in South Africa in all the vehicle sectors which include cars, light and heavy commercials, tractors and specialised earthmoving and mining equipment.

Obviously Leyland's strength has always been in its heavy

# Landtrains for export

**LEYLAND VEHICLES Ltd** (LVL) have announced a new range of rugged bonneted truck models designed for Middle East, African, Latin American and Far East markets.

Called Landtrain, the new range is the only one from any European manufacturer to be designed specifically for these markets. It will be built at the Leyland Plant at Wolverhampton, and models will be exported either as complete vehicles or as components/sub assemblies for subsequent local assembly.

As South Africa is one of the countries to which BL exports trucks, the Landtrain should be seen here in the near future.

Offering 'European' standards of driver comfort and driver ease coupled with the essential features of high reliability and durability and ease of servicing and maintenance, Landtrain covers eight basic models with gross mass ranging from 19 to 65 tons. The eight models include both two and three axle derivatives for rigid vehicle (haulage/tipper), drawbar and articulated vehicle applications.

Five wheelbases cover the full Landtrain model range:

4 x 2 models for drawbar and solo haulage	5 680 mm
4 x 2 models for tipper operations	4 750 mm
4 x 2 models for Arctic operations	4 130 mm/4 750 mm
6 x 4 models for drawbar and solo haulage	5 180 mm

higher output engines, to Fuller multi-speed gearboxes.

Drive line specification is topped-off by the Leyland hub reduction axle, which is specified across the board, with a choice of ratios to provide the desired performance.

Other notable features of Landtrain include the frame which is based on that fitted to the highly successful Scammell Contractor, a full paint finish specification to minimize corrosion, and the fitting of many additional items such as radiator stone guard, wing mounted oil bath cleaner and full width brush guard as standard.

## Market potential

Landtrain production facilities have been planned to support an output of 4 000 trucks a year in a combination of fully built up units and component/sub assembly kits.

Built-up units will be exported to countries such as Egypt, Jordan, Kuwait and Saudi Arabia with countries such as Nigeria, Sudan and Kenya using their own local facilities to assemble vehicles from kits.

Export sales revenue is expected to hit around R75-million a year with the highest sales potential in a number of

# Leyland means trucks, buses and tractors only

LEYLAND has for more than 80 years been a name associated with some of the world's finest trucks, buses and agricultural tractors.

Now, after a brief period during which the name was also applied to cars, Leyland means only trucks, buses and tractors.

These three product ranges are manufactured and sold by Leyland Vehicles Ltd, an autonomous subsidiary of BL Limited, which this year will achieve sales worth almost R1 000-million world wide.

Leyland Vehicles is engaged on an unrivalled investment programme which will mean the expenditure of more than R500-million over the next five years, at a rate equalling 10 percent of annual sales revenue. This heavy expenditure on new facilities and new products will result in the most modern company in the commercial vehicle business in the world.

LV employs more than 40 000 people and makes 80 000 units a year.

## Leaves ahead

bus tractor and special equipment markets and it this section of the company which was left completely unaffected by the termination of merger negotiations with

that it can be gathered this division of Leyland finds itself in such a good

land commands a nation-wide dealer network its trucks, buses and other equipment of more than 70 dealers, 20 of which are wholly owned by Ley-

apart from its future strength Leyland has appointed a new chairman, Frank Andrew, and a new managing director, Mr Leslie Barton, both of whom must further emphasis of Ley-

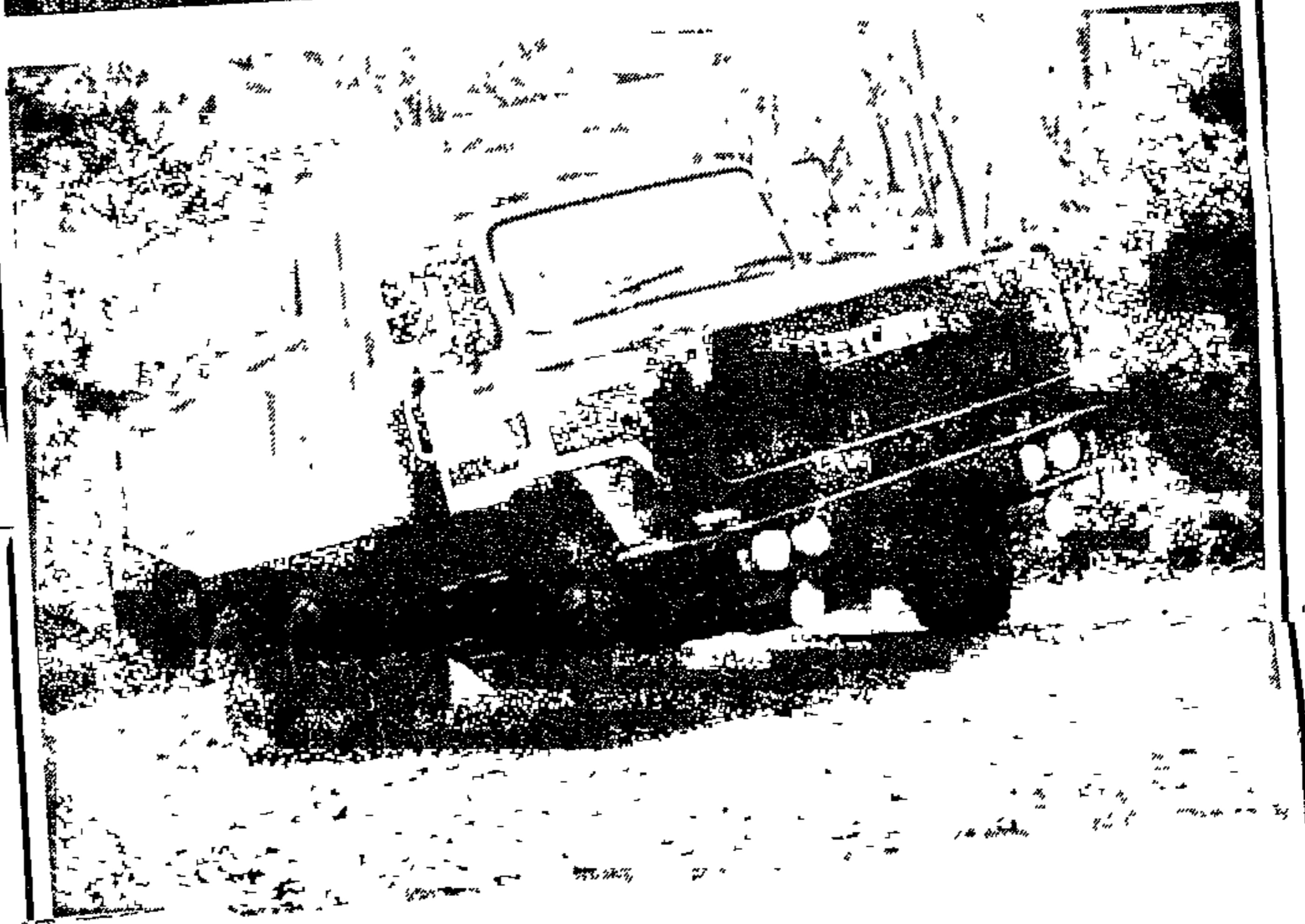
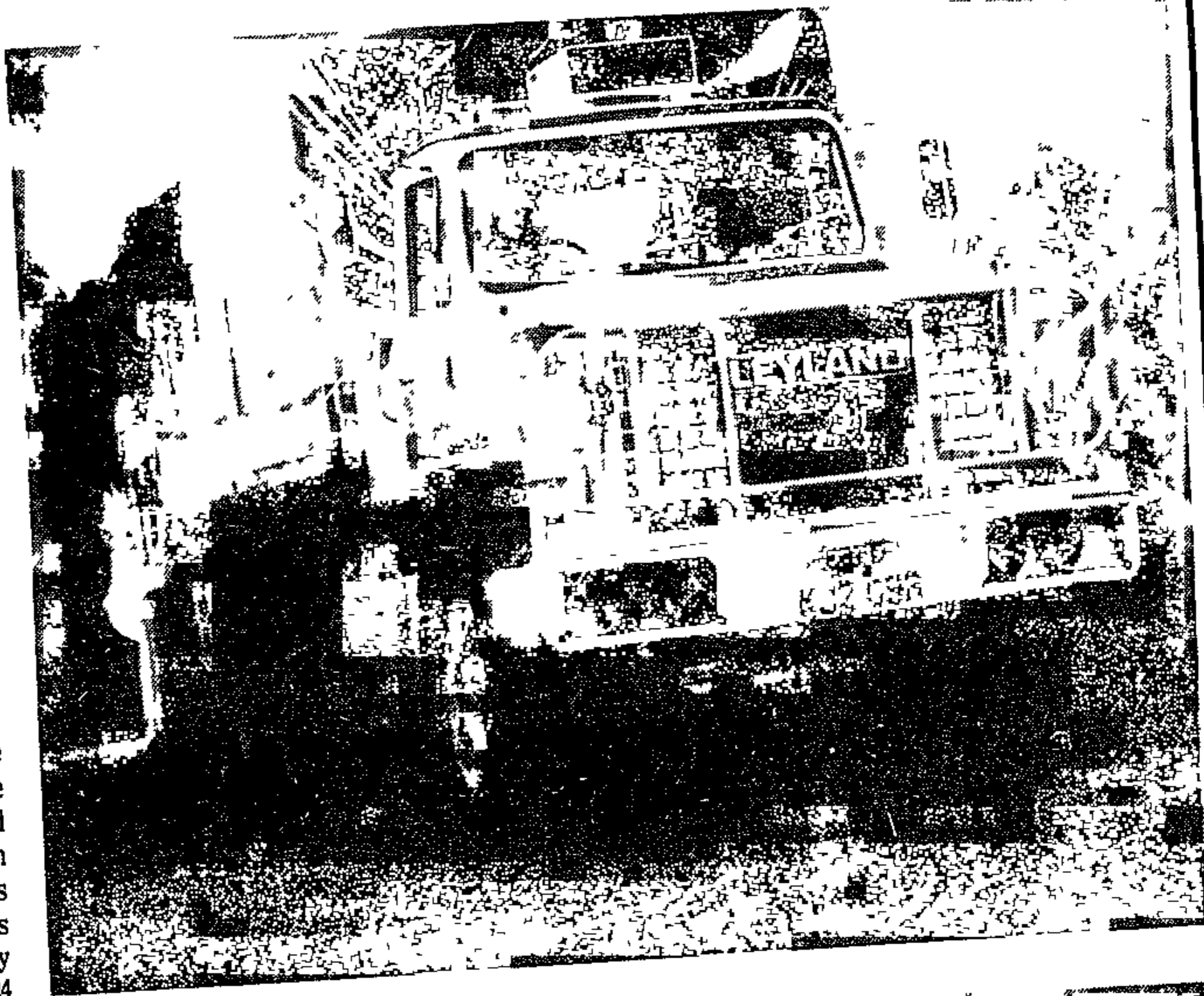
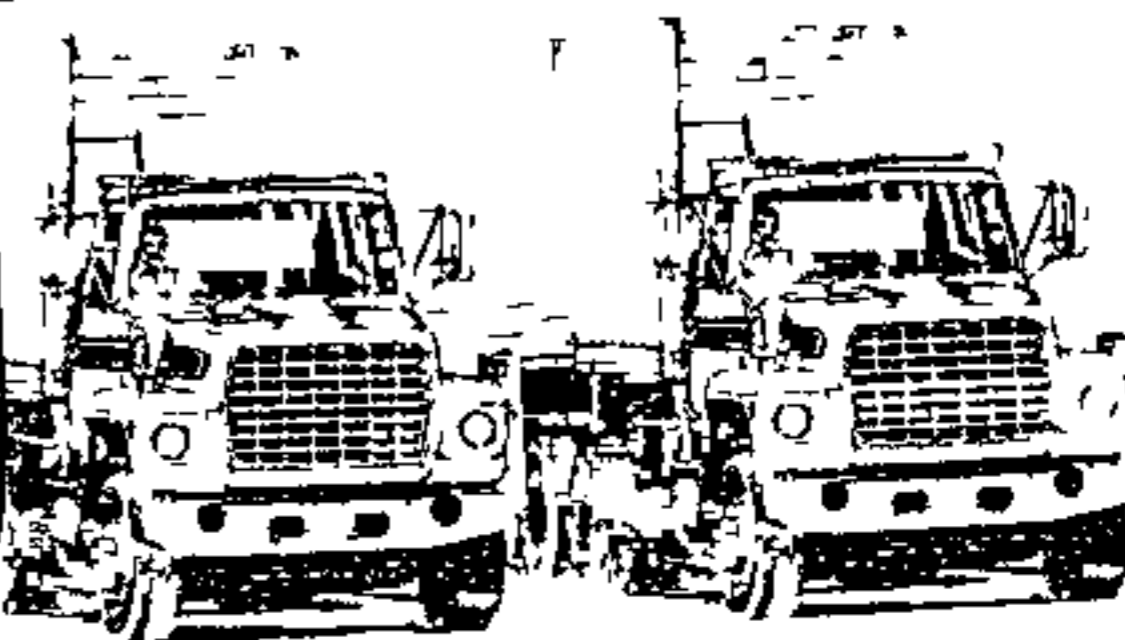
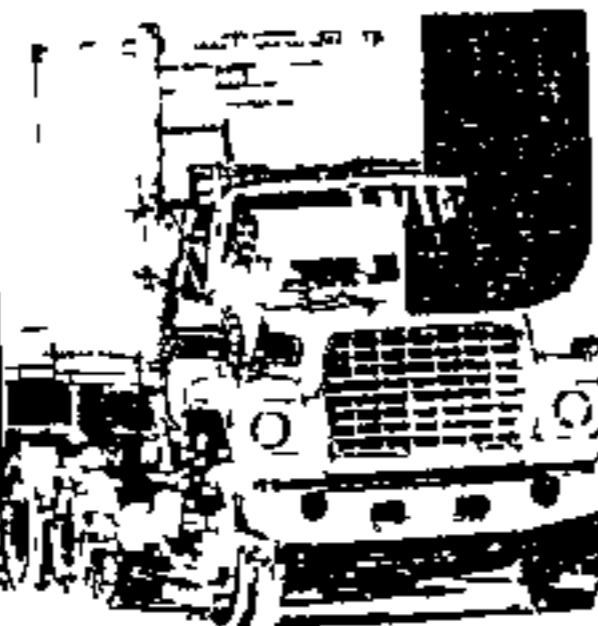
land's intent to stay in this country

In the car and light commercial vehicle division Leyland has achieved a remarkable record of appointing more than 50 dealers since the termination of the merger negotiations

This has given Leyland a country-wide dealer network of cars and light commercial vehicles within only four weeks and dealers were being appointed at the rate of almost three a day

As far as heavy vehicles are concerned, Leyland has more than 50 000 vehicles on the road in this country, supported by an investment of R35 m in assets and a parts inventory in excess of R15 m and an availability factor of 95 percent within 24 hours

# LEVLAND



# HUGE TRUCK

## Huge vehicle cost R350 000

ONE of the most expensive augered pile rigs in the country has just been completed by Candac Construction in Cape Town for pile sinking in the Northern Cape, Free State and Transvaal

Valued at R350 000, the Hughes Auger LLDH 120 T piling rig was re-built by Candac on a Foden model 10RC29, 50 chassis

This huge vehicle was specially designed and constructed as a single purpose chassis on which to mount the self contained drilling rig

It is believed that Fodens are probably the only South African truck manufacturer which had the expertise and availability of suitable components locally to build this most unusual vehicle

A factor in the choice of the Foden, powered by a

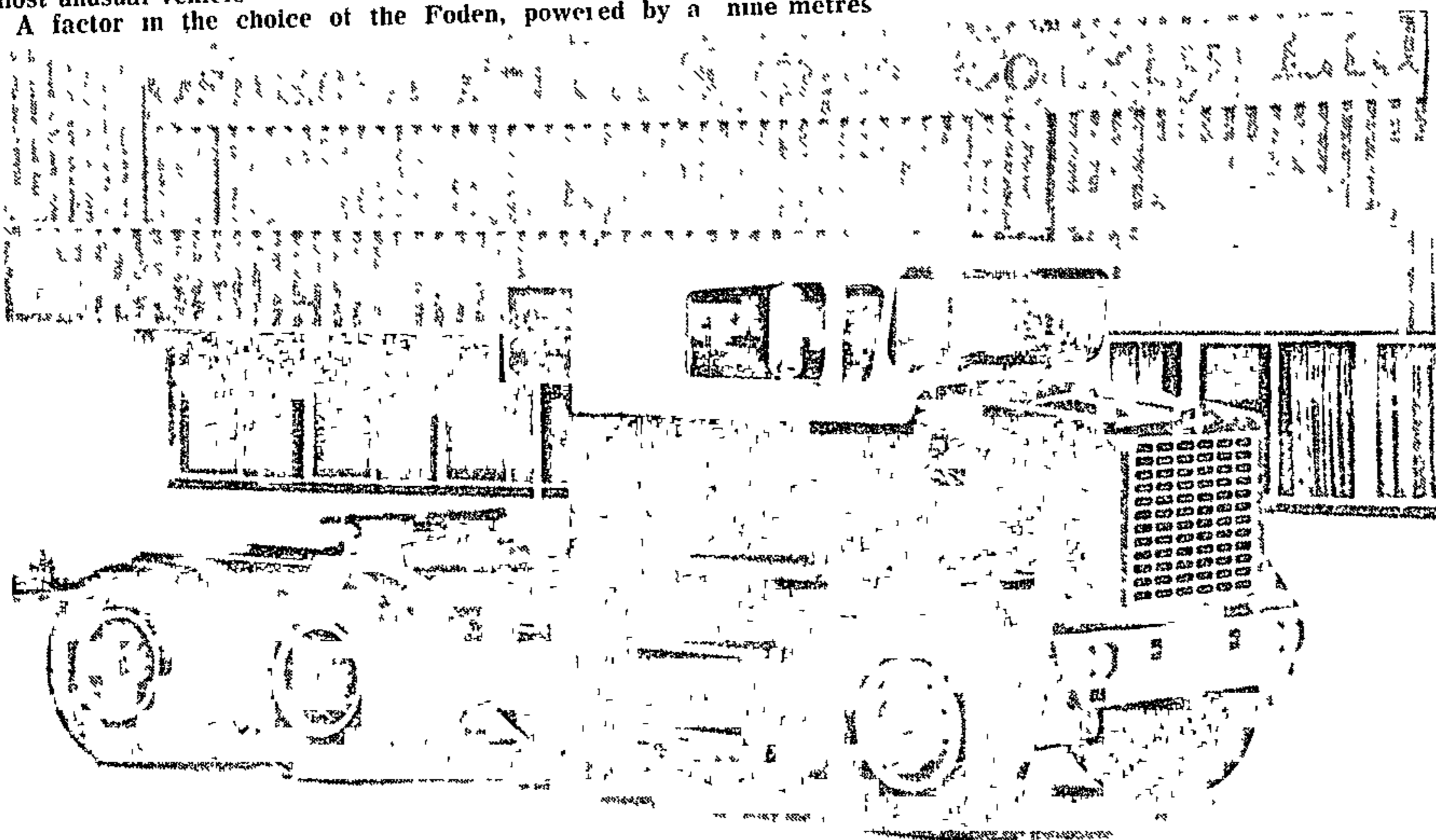
Cummins NTE 290 engine, for this application was that all the components are regular items from the heavy range of vehicles manufactured by Foden in South Africa which ensures immediate availability of parts

The alternative would have been a fully imported truck which would have put the costs up even further Foden's used about 70 percent local content in the chassis which meant a considerable saving in foreign exchange.

The unit was built to the order of Candac Construction who re-built and mounted the Hughes Auger pile rig themselves. The unit has a mass of 30 750 kg and has a drilling capacity of 1,8 m in diameter and a depth of up to 36 m

The overhang of the rig exceeds the front of the cab by

nine metres



## The magnificent Oshkosh 'S'

**POWER, performance, economy, safety — those are the main features of the new Oshkosh S-Series.**

Barlow Rand first introduced the "R" series, then the "E" series and are now introducing the magnificent "S" series 6 x 4 truck tractor with 290 or 350 caterpillar economic power with a Cummins engine optional

The "S" has been designed and built in Paarl and is the result of three years' research and development. Prototypes have been on the road for over a year. During this time they were thoroughly tested in various applications and conditions to produce a product of a high standard, economy, safety and versatility for the industry to be backed by the finest parts and service organization available in the Republic and SWA/Namibia

The "S" has a new shape with the latest cab refinements. Luxury trim is particularly impressive. The cab is comfortable with the emphasis on safety and good all round driver visibility. It is cool in summer and silent for driver acceptance and efficiency. Cab heating is excellent for winter driving. Easy all round accessibility to the engine has been a "must" for Oshkosh engineers. The latest safety devices have been incorporated for driver and owner benefit. A Kienzle tachograph model of customer choice is standard. Sleeper cab models are available on a regular delivery basis.

The Oshkosh "S" features a premium driveline configuration of the Fuller RT12509 transmission and Rockwell SSHD tandem final drive with a standard differential ratio of 4.111:1

Allison heavy duty automatic model transmissions will be

available as optional in both power ranges and diesel engine offered

Particular attention was given by Oshkosh engineers to the design and incorporation of a smooth, resilient comfortable ride by the fitting of the Rockwell reactive two spring six torque roll bogie suspension and various other refinements developed during the research and testing period

The power plant offered is the Caterpillar Model D3406 14.6 litre direct injection, turbocharged, economy diesel engine which produces 216 kW at 1900/rpm and 1356 Nm of torque at 1200/rpm. It has a torque rise of 25 percent and an excellent fuel consumption curve. Test figures per 100 km were impressive under varying conditions, loads and different routes involving a certain amount of hilly and mountainous country. Optional power is the Cummins big camshaft economy 350 or 290 model diesel engines

### Choice of two rear axles:

(a) 20 000 kg capacity with a gross combination mass of 66 240 kg

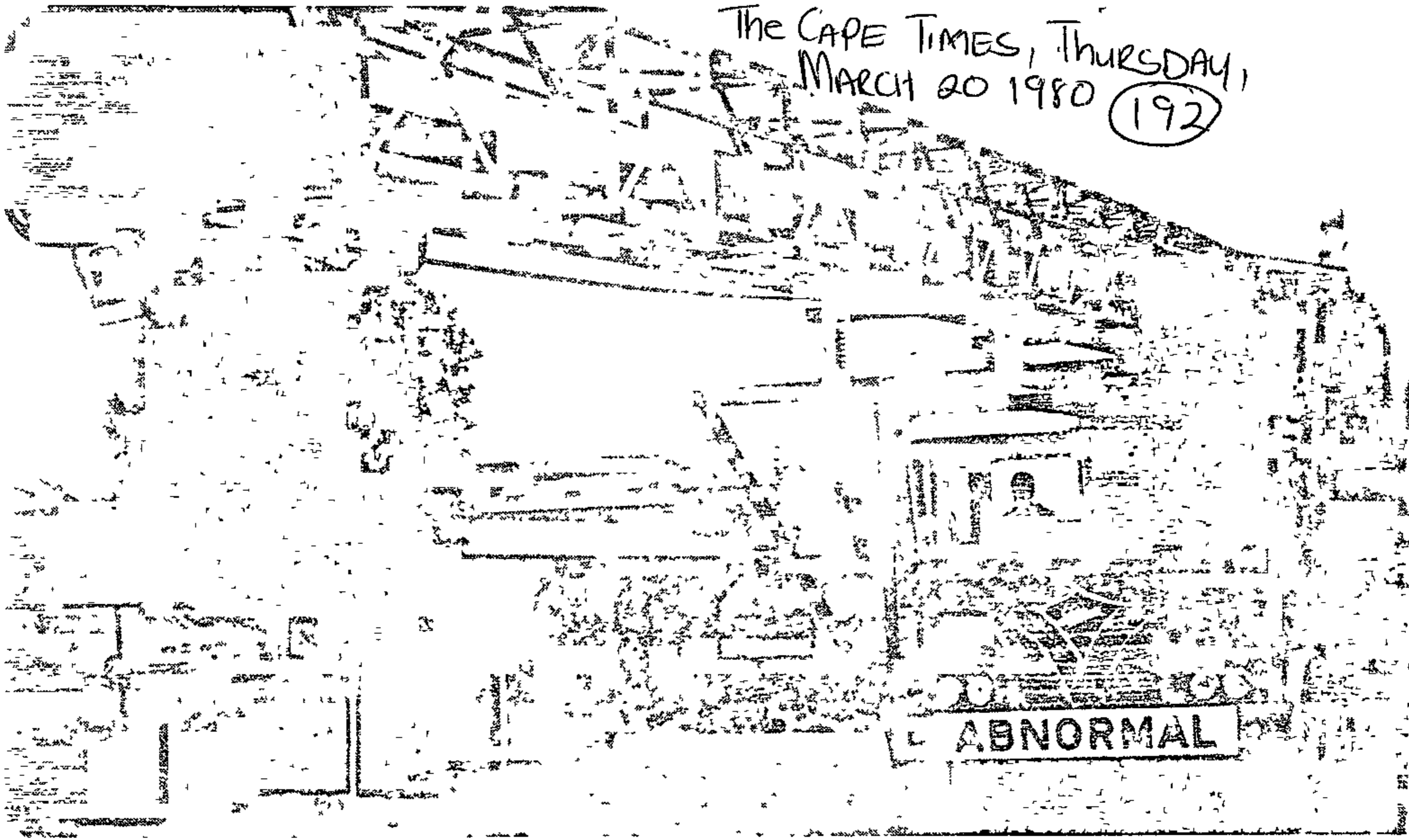
(b) 21 000 kg capacity with a gross combination mass of 68 000 kg which will give a payload of 45 tons under permit

The magnificent "S" is versatile and ideal for most five or seven axle rigs such as tankers with all products, reefers, 12,5 m flat decks, cattle trucks, trailers, bulk feeders and heavy earth-moving machine lowbed trailers

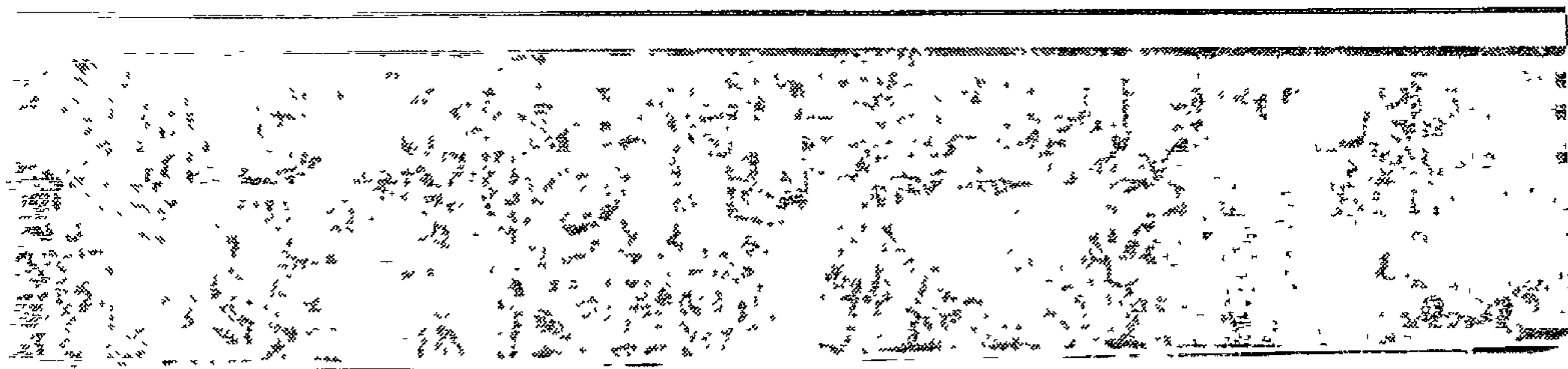
The "S" is built in Paarl by Oshkosh Africa (Pty) Ltd and distributed and serviced by the Barlow Rand comprehensive network of dealerships throughout the Republic and SWA on a 24-hour basis

# NEG 4830

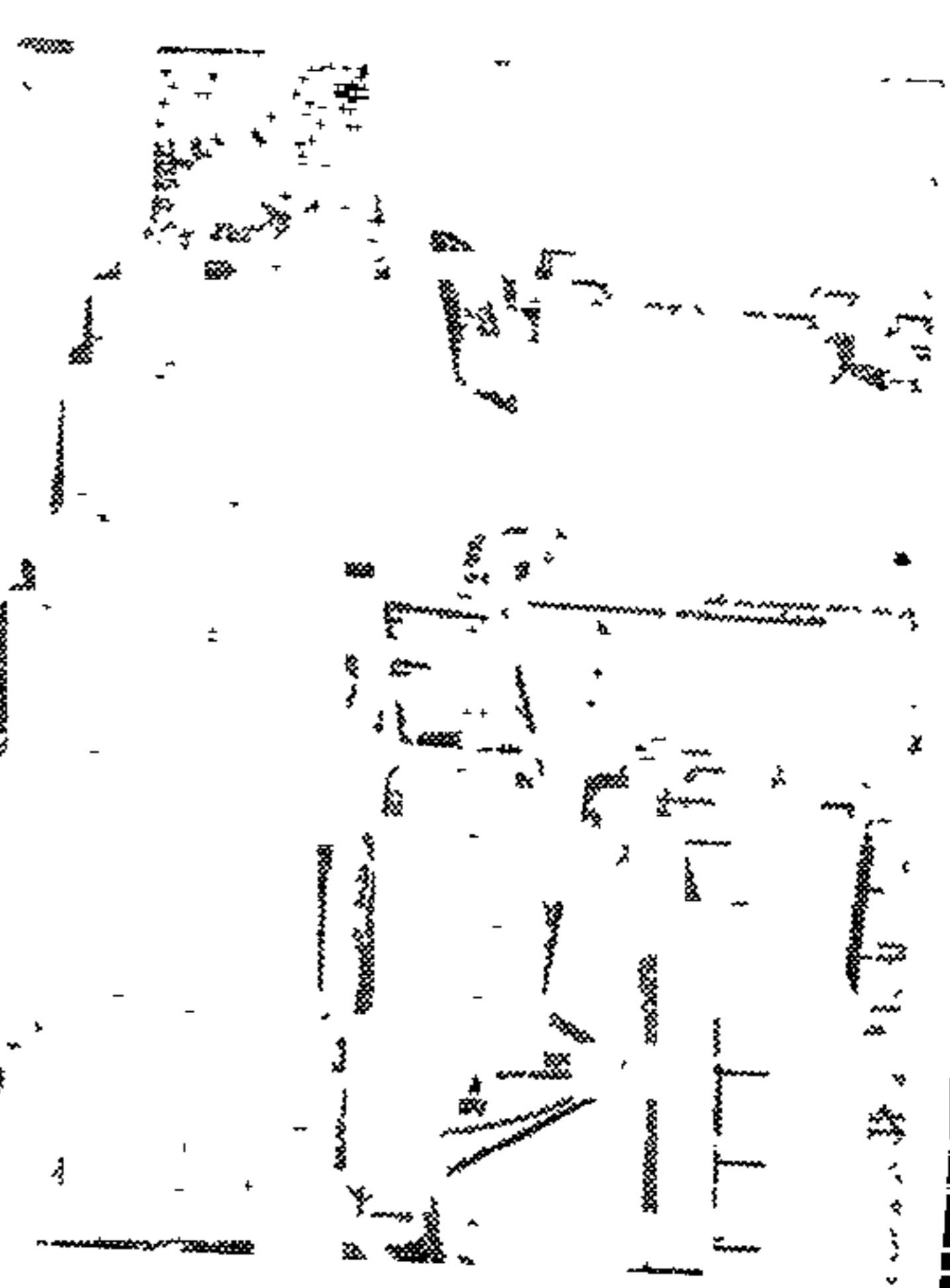
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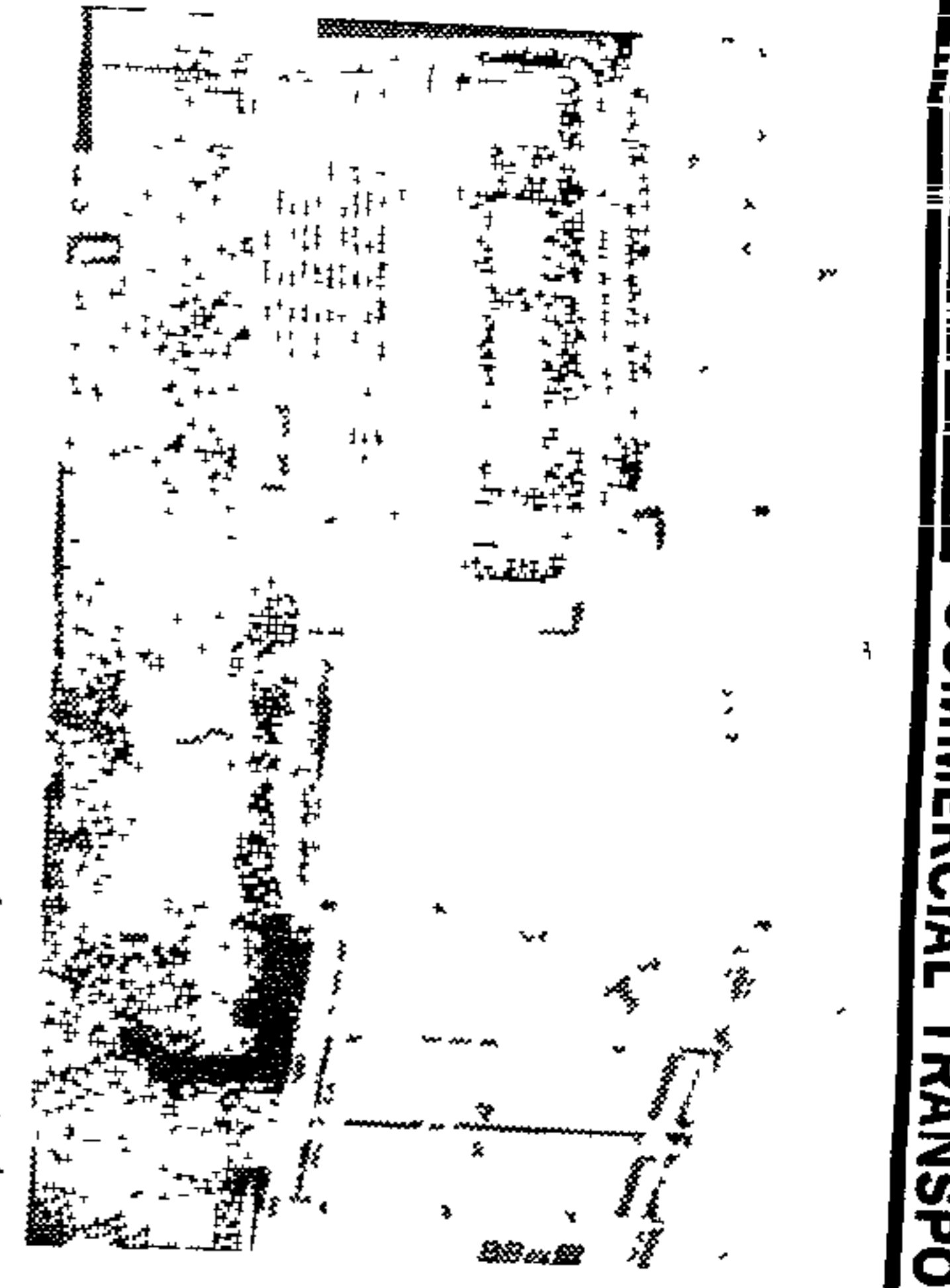
ABNORMAL



ABNORMAL



The ERF 66cu 290B 6X4 tractor



One of the 36 luxury passenger buses ordered from International Harvester by South African Railways.

RDM 20/3/80. The Oshkosh E Series

# The Specialists

192

THE HEAVIER sector of the market is dominated by the specialists about seven companies in all, who, although they manufacture comparatively small numbers of vehicles produce the biggest and most costly heavy commercial giants one sees on the road today OSHKOSH

Oshkosh last year sold 213 vehicles in the 12 501 to 15 000 kg and the over 20 000 kg ranges their most popular model being the E 1323 T280, with 46 sales

Since its entry into the South African market in the late 60s, Oshkosh has pursued a vigorous policy of import replacement and support for a local content programme

First of the Oshkosh vehicles to be manufactured at its Paarl plant was the R-Series low-bed hauler which has made significant inroads into the heavy on-off highway sector of the market.

Although a tractor

suitable for long distance on-highway operation, "lowbed" type heavy haulage and heavy duty off-road service. To further increase flexibility, two rear axles are available — one for standard and the other for extra heavy duty operation MALCOMESS-SCANIA

This company sold 124 vehicles during 1979 in the 12 501 kg to 15 000 kg range (36 sales) and the over 20 000 kg range (88 sales), their most popular model being the LBT111 HS31 with 43 sales. Total turnover was close on R10-million

Although Scania has been seen on South African roads for the past 16 years, it was only in 1973 that a properly constituted

mass of 19 500 kg and a manufacturer's gross combination of 48 metric tons

The 111 series also has 6X2 units, having a gross combination mass of 48 tons, as well as the 6X4 vehicle — the company's best seller

Top of the line is the Scania LBT 141, fitted with a 14-litre direct injection turbo-charged four-stroke diesel engine, having a net rated kilowatt factor of 276

Specialist heavy duty truck manufacturers, with 126 sales last year amounting to R8,75-million. The first ERF trucks were

signed for on and off highway operation

Most popular models in their range are the three-axle highway tractors powered by the Cummins BIG CAM II turbo-charged diesel engine. These units usually operate with a twin combination trailer at a gross train weight of 50 tons

ERF has new models in the pipeline with two-, three- and four-axle configurations powered by the Atlantis engine. These models will be available in the latter half of 1980. New bus chassis are also in the process of being designed and developed FODENS

units. In the 10 001 to 12 500 kg class 76 units were sold, the most popular model being the Acco 1600 freight carrier. The Acco 1840 freight carrier was the most popular model (226 units sold) in the 12 501 to 15 000 kg range, which sold 353 units. In the over 20 000 kg range 123 units were sold, most popular model being the Paystar 5070 tractor/truck with 84 sales

With the recent delivery of 36 luxury passenger buses to the South African Railways, International Harvester have moved into an entirely new field in the South African market

Oshkosh introduced the E-Series which enabled it to also compete in the two-axle sector catering for fast on-highway haulage. The trucks in these two sectors range in power from 172 kW to 280 kW and have gross combination masses from 30 000 kg to 95 000 kg.

The newest addition to the range, the S-Series, combines the best features of the cab-over engine configuration (manoeuvrability and visibility) with the ruggedness and reliability of normal control vehicles.

According to Oshkosh sales manager, Mr John Miller, the S has been rightly termed the first truly South African truck in that it is first in its class to be engineered for local, rather than American or European, conditions.

Mr Miller said the S was

opened

Under the new managing directorship of Mr Erno Lehtonen, who took over in 1977, Scania, which was then experiencing a "down-hill tumble" in the truck market, underwent a complete transformation.

Client relationships have vastly improved and credibility in the industry is now a vastly different matter to the situation which prevailed previously. Sales figures for 1979 showed an 800% improvement over those of the previous year.

The Scania line-up begins with the Scania LB 81, a 151 kilowatt machine with a gross vehicle mass of 16 500 kg, eminently suitable for use as a four-axle articulated unit with a payload of approximately 16 tons. The range extends into the Scania LB 111 unit, a 4X2 truck tractor with a 224 kilowatt rating and a gross vehicle

second, World War, first by appointed distributors and then by a specially formed subsidiary of the British company, ERF South Africa. Present managing director is Mr Dai Davies, who started with ERF in the UK as an apprentice in 1954.

One of ERF's main customers in South Africa is the South African Railways South Africa is ERF UK's largest export market.

ERF manufacture a wide range incorporating the two-axle bus chassis, two- and three-axle tractor chassis, and three- and four-axle rigid models, with Gardner, Cummins, or Rolls-Royce power units.

The company also manufactures special vehicles to suit customers' requirements up to a gross train weight of 150 tons. These vehicles are available with special engines, axles and transmissions and are de-

worth r4.7-million. Orders from the South African Railways for 1980 total more than R3-million. Best selling model for 1979 was the Fodens 6AC6/50, with 26 sales.

Fodens exported their first vehicles to South Africa in 1946. Their agents continued exporting until in 1951 Fodens opened their own branch in Johannesburg. Since 1971 they have been operating from Alrode in Albeton.

At first complete vehicles were imported into South Africa, followed by kits and then the present day level of component unit packs, with a local content increasing each year and running at present up to 45 to 70% for on-off road vehicles. They are at present engineering the Atlantis engine for their chassis installation.

Basic engineering designs which have earned Fodens a world-wide reputation have been adapted to suit local needs. Foden trucks have played a part in some major projects with the Department of Water Affairs, South African Railways, Escom, and Sasol.

Their 6AC35/65 6X4 truck tractor was the winner of the Blue Riband Award last year, with a productivity rating 6.6% better than the previous winner.

Fodens have developed many advances in automobile engineering with dump trucks, rear-engined buses, two-stroke engines, tilt cabs and low-line crane carriers to name but a few. Their South African subsidiary has also led the field with the introduction of semi and automatic dump trucks and road vehicles, the two-spring bogie, and rubber suspension. **INTERNATIONAL HARVESTER**  
Last year's sales were 552

react we, in announcing the transaction, said the buses were based on the MB200 — "one of the most popular units in the Benelux countries."

The buses are powered by 188 kilowatt six-cylinder turbo-charged engines with a front axle mass of 7 100 kg and a rear axle mass of 11 600 kg. They are equipped with power steering, fully automatic gearbox, air conditioning and a safety feature incorporating four separate braking systems.

International Harvester recently developed a new drivetrain concept named "Magnum-Power" which selects major components for its heavy-duty S-Series and Pystar construction truck models.

The newly announced concept — not yet available in South Africa — follows an 18-month study to determine the most efficient components, engines, transmissions, and rear axles in terms of performance, economy, serviceability and operating simplicity.

Magnum Power engines consist of Cummins or Detroit diesel engines in low to medium horsepower versions (230-300HP) with moderate to high torque rise. The concept offers either a seven-speed or eight-speed plus overdrive single-stick Fuller Transmissions that offers driver simplicity in shifting operations and features a "granny gear" with 20.90 to 1 Lo Lo in one version and 14.63 to 1 Lo in another.

Two IH rear axles incorporated in the concept are the RA-472 (18 000 kg) or RA-474 (21 000 kg). These two axles feature hypoid gear mesh at the ring gear and pinion. The gear mesh strengthens the gears and places the pinion deep in the oil sump for excellent lubrication and longer life.

Frankpile drilling rip mounted on a Foden heavy duty chassis — with a local content of 70%

#### VSA MOTOR DISTRIBUTORS

A relatively small operator with 28 sales last year, VSA is positioning itself to make concerted inroads into the bus and truck market following the company's recent reformation. With assembly and administrative problems ironed out, the support of a band of satisfied customers, the enviable reputation which Volvo trucks have on the market for durability and long life, and the recent opening of a branch office in Cape Town, the future looks good for this company.

Trucks are being assembled at the CAMEC plant in Durban, except for the cabs — with jigs of 100% local content — which VSA assemble at headquarters in Johannesburg.

VSA specialise in the heavier end of the market with trucks designed for long-distance haulage. Volvo are particularly well-known for the emphasis they place on cab comfort — designed to place minimum strain on the driver on trips lasting 10 days or more, often through hostile environments.

The flagship of Volvo's line, the F12 Globetrotter, has a cab with optional extras such as a fridge, and a combined table and equipment box which features a stainless steel sink, a 40 l water tank with an electric

pump, a set of saucepans and a frying pan, and a two-burner paraffin cooker! The cab can be equipped with one or two bunks.

"Many operators do not believe in pampering their drivers. However some of Volvo's models are designed to operate over extremely long distances, through several different countries, where food or accommodation might not be readily available," a spokesman said.

All cabs manufactured by VSA are sleepers with air-conditioning as a standard fixture. VSA deal in the N series (the N10 and N12 — bonneted versions) from engines ranging in power from 155 kW to 243 kW. The other F-Series will have the same engines and VSA stresses the advantages of commonality of spares shared by trucks of both series. There are both rigid and mechanical horses for both types.

One feature of the Volvo engine is the high power output for its size — intercooling, which has already been introduced in Europe, should increase this even further (by as much as 30 HP). Volvo also have more than 20 years' experience in turbo-charged engines, having been one of the first manufacturers to enter the field.

# Commercials are indispensable to modern economy

172  
WDM  
20/3/80

COMMERCIAL vehicles cater for a relatively specialised sector, but are indispensable to any modern economy

In South Africa the commercial vehicle of the '80s will have to meet many demands — they must be capable of covering our vast distances both inside the country and across our borders, while at the same time maintaining fuel economy and good handling on different types of road

Commercial vehicles in South Africa are here to complement the small motor vehicle — indispensable for personal transport. They include buses, ranging from light 10-seaters to giants carrying upwards of 100 people in air-conditioned comfort and trucks ranging from light bakkies to massive haulers of loads of hundreds of tons.

The importance of the CV market was illustrated last year when South Africans bought nearly half as many commercial vehicles as they did cars for their own personal use (101 000 commercial vehicles as opposed to 213 000 cars).

The biggest proportion of commercial vehicles sold are the bakkies and light trucks, costing about the same as popular cars. However these sales are balanced by those of the heavy commercial vehicles which, although there are comparatively few on the road, are costly pieces of machinery.

According to the National Association of Automobile Manufacturers of South Africa (NAAMSA) of a total of 100 797 CVs sold last year 85 753 were the light commercial vehicles — panel vans and bakkies which attract a large following in South Africa.

South Africans spent R212 528 000 on buying 54 308 bakkies. The total value of light commercial vehicles sold, including bakkies, amounted to R415 396 000. Heavy commercial sales amounted to R304 310 000.

Passenger cars, the biggest sector of the market amounted to

## Reports by JEREMY BROOKS

R1 348 610 000. So the total value of new vehicles sold in the country was R2 063 316 000 — and bakkies accounted for more than 10% of this.

One out of every four private buyers of bakkies is black.

The escalating cost of vehicles and fuel have persuaded a number of operators to move towards lighter, less expensive trucks — a dangerous move, according to Ford South Africa's truck marketing manager, Mr Pat Killen.

"Operating conditions in this country require rugged trucks owing to a combination of altitude variations, relatively long distances, high ambient temperatures and less skilled drivers," he said.

"The operator loses sight of these facts and considers only the original purchase price and the possible fuel saving which he assumes a lighter constructed and lower powered truck will give him. Consequently he runs the very real risk of increasing his operating costs in the longer term."

In South Africa there are about 18 commercial vehicle manufacturers ranging from the giants to more specialised smaller concerns.

According to NAAMSA figures, Toyota took the lion's share of the market last year with 25 345 sales. Following closely was Datsun Nissan with 22 615 sales with Ford in third place with 14 117 sales.

A large proportion of manufacturers, at least seven, sell less than 250 units a year but these small numbers include some of the most highly specialised and costly vehicles on our roads today.

# 5% growth in truck market predicted

FORD South Africa is predicting a growth of five percent in the truck market in 1980 according to managing director, Mr Brian Pitt, who believes that most of this growth will be in the heavy truck sector.

"The heavy truck industry growth will be stimulated by factors such as the anticipated Government action to stimulate the economy as a whole which will result in a recovery in the construction industry and the shelving of the Government's plan to cut diesel fuel supplies to bulk users by 20%," he said.

"The major portion of the expected growth should be in the standard duty sector (trucks over 5 000 kg but with a power output of below 145 kW).

Mr Pitt said Ford expect the next decade to be exceptionally demanding but the company would be operating from a base of substantial strength and be in a position to capitalise on opportunities that lie ahead.

This year, as far as commercial vehicle manufacturers are concerned, should prove an exciting year with motor companies jockeying for position in an economy which for the first time in a number of years shows signs of a definite recovery.

Toyota, the front-runners, divide their sales up as follows: Hi-Lux, 9 799, Hi-Ace, 4 603, 1 200 Pick-up, 3 353 and Dyna, 2 006.

Motor manufacturers indicated that they were all poised to take advantage of a market which they predict will show a

LAST year total commercial vehicle sales amounted to R851 000 000. Figures released by Toyota break up the sales:

	Sales	Avg Retail Unit Selling Price	Total Value
Light Passenger Pick-ups	16 331	R3 900	R64 000 000
Medium Pick-ups	31 392	R4 400	R138 000 000
De Luxe Pick-ups	7 709	R5 000	R39 000 000
Light buses	8 816	R7 800	R63 000 000
Town delivery vans	3 428	R4 500	R16 000 000
Panel vans	4 581	R7 000	R32 000 000
Light trucks	8 777	R8 000	R70 000 000
Medium buses	192	R15 000	R3 000 000
Off road vehicles	5 883	R9 500	R58 000 000
Un grouped vehicles	647	R7 000	R6 000 000
<b>TOTAL LIGHT COMMERCIALS</b>	<b>88 763</b>		<b>R476 000 000</b>
<b>TOTAL HEAVY COMMERCIAL</b>	<b>15 044</b>	<b>R25 000</b>	<b>R376 000 000</b>
<b>TOTAL COMMERCIAL VEHICLES</b>	<b>100 797</b>		<b>R851 000 000</b>

substantial improvement this year.

Total Leyland heavy commercial sales for 1979 amounted to 1 258 units worth an estimated R45-million. Vehicles which proved the most popular were the Terrier and the Boxer with greatest demand directed toward the Eland and Super Eland models.

Leyland plans to increase sales this year but could not release any forecasted figures.

General Motors' director of vehicle sales and service, Mr Jim Fry, said his company's prediction for total industry truck and commercial sales for 1980 was 110 000 units.

General Motors anticipated taking 13% of this market and with new commercials and trucks to be introduced later during the year, was confident that this would be achieved.

## Putco goes for Rolls Royce Victory MKII

THE FIRST 20 Leyland Victory MKII buses powered by Rolls Royce diesel engines have been placed in service by Putco.

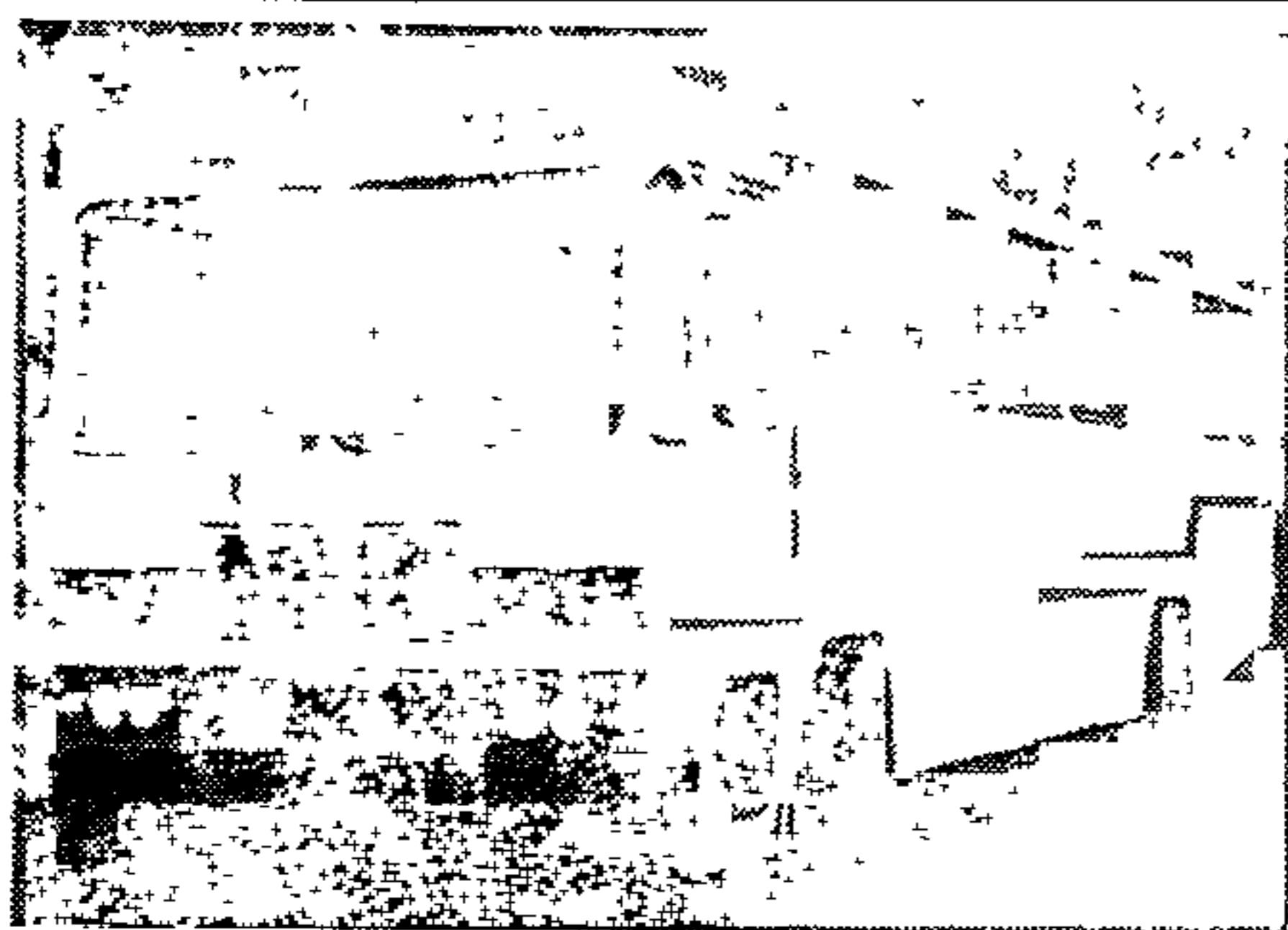
Rolls Royce distributors in South Africa, Grosvenor Industrial Engines, have worked closely with Putco to ensure that the Eagle 220 engines are suitable for service on arduous black routes.

A prototype bus has been operating for the past two years proving the suitability of the power train for such a demanding stop-start application.

The Rolls Royce Eagle MKIII 220 engine is a vertical 6-cylinder, 4-stroke diesel and is normally aspirated even at the high altitudes experienced on the Reef.

Two years ago Putco purchased two buses with Rolls Royce engines. One has a vertical format and the other a horizontal format. Both these buses have serviced the city routes with tremendous success and Putco have ordered another 125 units.

One feature of the Eagle MKIII is its low mass which has meant lively performance and economy.



Sigma Power, besides its other operations, is also moving into the lucrative bus market. This front-entry, medium-class bus is the first to be built in South Africa on a Mitsubishi chassis. Using the highly economical diesel-powered Mitsubishi FM 215L long wheelbase unit, it is designed for small town operation and as a staff or school bus. Interior configuration allows for from 45 to 56 seats. Mitsubishi distribution is handled by Sigma Power Corporation.

● From previous page the SPZ580 increasing their sales by 32,6%

#### SIGMA

Sigma last year took 10,7% of the commercial market with 10 854 sales.

Most popular model in the light sector, where Sigma sold 10 484 units, was the Mazda B1600 truck with 3 850 sales. In the heavy sector, with 370 sales, the most popular model was the Mitsubishi FM215L which sold 213 units.

An order by the South African Railways for 171 Mitsubishi trucks, worth about R3-million, is the latest indication of the market penetration of this new truck range which has only been available in South Africa since mid-1979.

Three Mitsubishi models are currently available in South Africa and they slot well into the 10 000 to 15 000 kg area. They include drop-siders, tippers, vans and flat-beds.

Market penetration has been so good that Sigma have brought in from Japan a few Mitsubishi FV truck-tractor units and placed them with selected operators for proving trials under South African conditions.

Sigma Power Corporation also distributes the Mack truck in South Africa and recently completed an order for 13 trucks and trailers, worth 1,4-million, for Sugar Transport Limited of Port Louis, Mauritius.

The deal, which was financed by the Industrial Development Corporation, is the first of its kind for South Africa.

Both Mitsubishi and Mack are now being assembled at the big modern International Harvester plant in Pietermaritzburg.

#### VOLKSWAGEN

Volkswagen, although the company restricts itself to the light commercial sector of the market, has a popular range of pick-ups, small buses, and panel vans.

Last year Volkswagen sold 4 120 units of 2 500 kg or less, their most popular model being the 2000 L Bus, with sales hitting the 2272 mark.

During 1980 a considerable part of the R46-million being invested by this company in South Africa, as part of a R100-million three-year investment

programme, will be spent on introducing their new commercial range.

Though the appearance of the new range still basically conforms to the Volkswagen image, there are some distinct differences.

The models are longer, wider, and have other changes which mean considerably increased interior space. Frontal area is greater than that of the old models but it is claimed that air resistance is no higher because of the steeply sloping windscreen and other aerodynamic improvements.

#### LEYLAND

Leyland continues to remain strong in the commercial market with 3 243 sales, or 3% of the market last year.

In the light commercial sector, with 1 985 sales, most popular model was the Landrover 109-inch four-cylinder with 580 units sold. In the heavy sector, with 1 258 sales, most popular model was the Victory J Tram Bus, with 287 units sold.

This company has had more than its fair share of trouble, particularly in the car sector, both in its British home base and in South Africa. However Leyland still remains very strong in the commercial vehicle sector with its range of large trucks and buses and the ever-popular Landrover.

Leyland is by far the biggest manufacturer and supplier of buses in South Africa. There are at least 5 000 Leyland buses in use in this country by many of our biggest operators such as Putco, City Tramways, Cape Town, United Transport Holdings, and the Pretoria, Johannesburg, and Durban Transport Departments.

At present there are an estimated 50 000 Leyland heavy vehicles operating in South Africa.

Best-sellers in the volume sector are the highly-versatile Terrier and Boxer range, with greatest demand for the Eland and Super Eland models.

#### FIAT SA

Fiat, a relative newcomer to the market, last year sold 1 858 commercial vehicles, all in the light sector. Most popular model was the Fiat 128 pick-up which sold 1 526 units.

Launched in June, 1978, the Fiat 128 bakkie has been very

# Some manufact introduc

DELAYS by the motor industry in re-engineering vehicles to accept the Atlantis Diesel Engine range, due to come on stream in July next year, could lead to some manufacturers facing unnecessarily tight introduction deadlines.

A spokesman for ADE said that the scheme was first announced by the Cabinet in November, 1978, giving the industry more than 2½ years to re-engineer vehicles to accept the ADE range.

At the time the Minister of Economic Affairs, Mr Chris Heunis, said ADE would become the only official diesel engine manufacturing scheme in South Africa. He said any other project of a similar nature would be "actively discouraged". He also announced that the necessary protection would be created to ensure the viability of the scheme.

"Industry has apparently chosen to regard the announcement by the Board of Trade of the protection package as the official confirmation of the scheme, instead of reacting promptly to the Minister's initial announcement," the ADE spokesman said.

He said the effect of this might be that some manufac-

turers now faced introduction deadlines that had become unnecessarily tight.

Meanwhile ADE announced they had landed their first major order to the value of R350 000, placed by International Harvester. The order is for 71 six-cylinder turbo-charged diesel engines to be used by the South African Railways in truck tractor applications.

It would appear that the fears expressed by ADE do not apply to the industry as a whole.

Toyota/Hino have announced their "full commitment" to the ADE programme having had prior experience in using local diesel engines of European design both in Korea (Hino) and Brazil.

Japanese engineers will soon be visiting their manufacturing company — Motor Assemblies in Durban — to observe tests on trucks with the ADE engines and a prototype installation in the Hino bus range.

The ADE implementation date of mid-1981, for all models simultaneously, has been criticised by most manufacturers.

The date of the CKD specification is being finalised by the industry.

With nine months' development, in parallel to the ADE day access to the market.

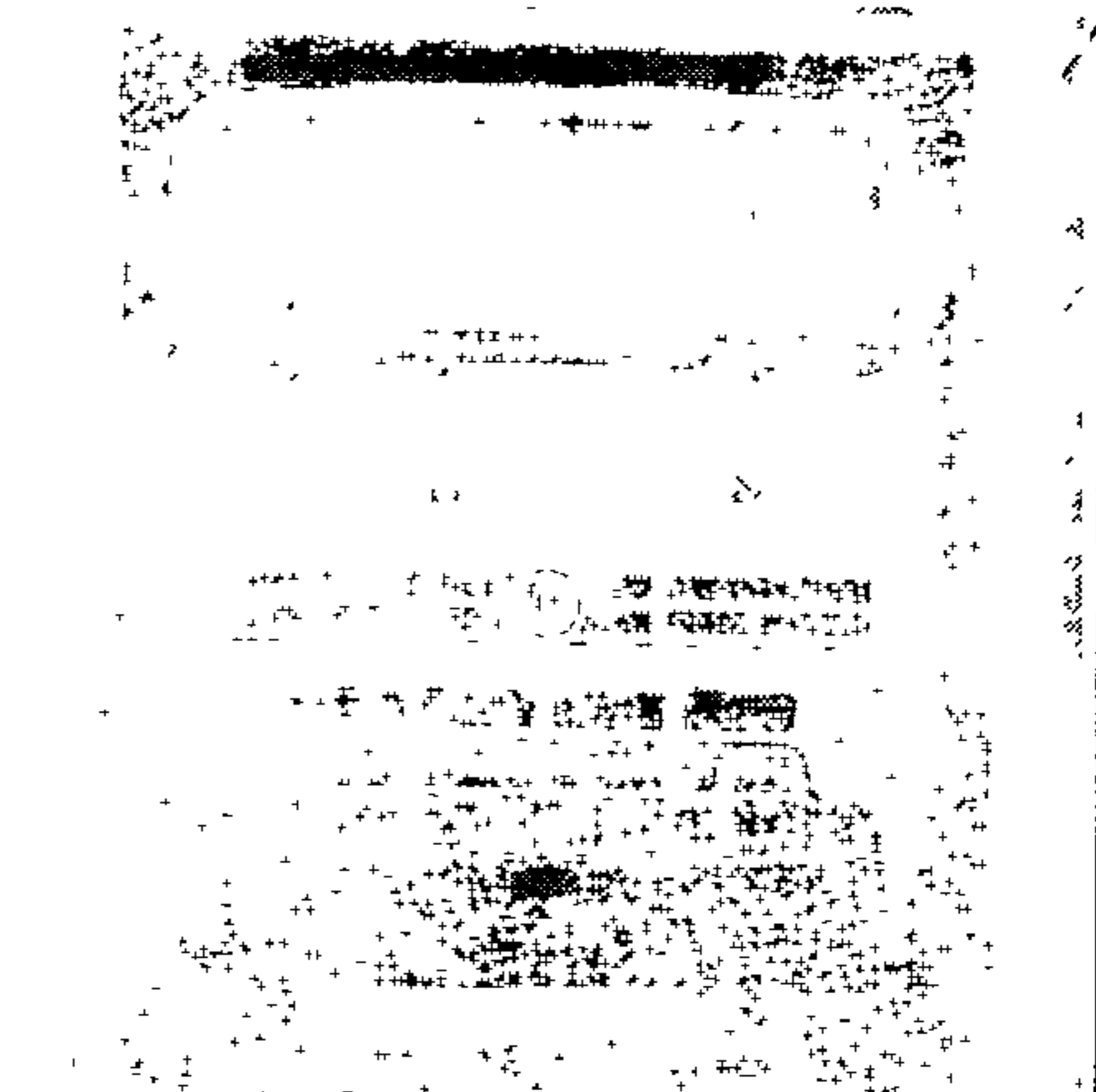
Officially it has been clearly driveline engineering to Toyota.

hicle projects nullified, and if use of components is necessary.

when major cur overseas.

Oshkosh Africa that once the lantis plant is it will be a local content step further, South Africa.

"home-grown" Leyland participating fully in the project. The "exit stage" of the project to adapt complete model range.



The Leyland Eland has earned a legendary reputation in South African operating conditions since its introduction in 1968.

successful in the half-ton pick-up market, with 1 526 being sold last year.

The 128 bakkie (the only Fiat product of its kind worldwide) was specially designed for the South African market and is the only half-ton bakkie to fea-

ture front-wheel drive, giving a deeper than average loading shelf. In addition it is the only bakkie to feature independent suspension both front and rear.

The 50-litre fuel tank gives the vehicle a range of 847 kilometres.

## A hired fleet may cost less

COMPANIES should take a long hard look at their transport fleets and decide whether a hired fleet could be more effective, says Mr Derek Corin, managing director of Rent-a-Bakkie.

Pointing out that operating costs for a typical fleet had

escalated by more than 40% in the past three years, Mr Corin said "Most people are aware of the impact which fuel costs have made on the fleet owner. However there are many hidden costs which are not normally budgeted to the transport department in a company.

"These include executive, clerical and supervisory time, the cost of back-up vehicles and the cost of monthly transport cost analysis."

In addition to these hidden costs, Mr Corin believes that there are still some companies which do not take into account items such as interest on investment, breakdown costs and administrative costs.

"The cost of your fleet is, however, only a slice of your transport cake. It is therefore essential that companies take a long hard look at the overall effectiveness of their transport departments. Here it may be necessary to ask yourself whether you in fact need your own transport fleet or whether a hired fleet may be more effective.



# 192 Truckers face tight on deadlines

is severe as must be finished this year models, nine must run completion competing for resources.

has not yet on other's Accord-expensive vehicle ADE will be to be repeated local components, or changes oc-

has indicated labouring At full production to take the programme one producing completely big truck

it would be part of the ADE programme was already advanced engines to its commercial

A spokesman for General Motors said it was conceivable that the major expense associated with the re-engineering of vehicles to take the Atlantis engines will result in some reduction in the number of models

Rationalisation of this nature could be beneficial to both the manufacturer and the user, but conversely could also lead to a smaller option available to the consumer, he said.

General Motors, once it had completed its re-powering programme, would continue to offer a comprehensive range of trucks designed to meet the varying South African requirements

Datsun-Nissan's marketing director, Mr Brian O'Connor Wegner, said his company's attitude towards local content, with regard to passenger and light commercial vehicles, was well-known Datsun's approach to heavy vehicles would be just as strongly biased in favour of local content.

Indications were that the Government was determined to be independent of the import of

heavy commercial vehicles Further local developments, such as transmissions and rear-axles, were already being discussed

"Naturally this will develop a rationalisation throughout the trucking industry Various manufacturers can be expected to withdraw from the South African market which in turn will increase the sales volumes to the manufacturers who support the local development programme," Mr O'Connor Wegner said.

Datsun-Nissan's commitments and risks involved in the heavy commercial industry had not gone uncalculated.

"We came to the conclusion that the South African trucking trade of the future is going to be a bright and prosperous one We have a highly-motivated and trained dealer network to provide the kind of after-sales service that keeps our customers happy and their vehicles on the road

"Even when the last Nissan engine is sold, we shall provide parts for that engine for at least a further 10 years"

46	160163J	3	( 50)	UP	HISTORY OF W.F. I
48	1544460	1	(-54)	UP	HISTORY OF W.F. I
50	155070E	1	( 52)	UP	HISTORY OF W.F. I
52	159713B	1	( 49)	UP	HISTORY OF W.F. I
54	162616W	7	( 41)	UP	HISTORY OF W.F. I
56	150022N	3	( 49)	UP	HISTORY OF W.F. I
58	134496R	7	( 41)	UP	HISTORY OF W.F. I
60	157654N	7	( 41)	UP	HISTORY OF W.F. I
62	157553D	7	( 41)	UP	HISTORY OF W.F. I
64	157553D	7	( 41)	UP	HISTORY OF W.F. I
66	157553D	7	( 41)	UP	HISTORY OF W.F. I

49	154446R	STAGMAN	SHARYN LEE
51	155070E	STANDER	LINDSAY ELLSEN
53	159713B	STANFORD	PAIFLA MURIEL
55	162616W	SULLIV	DEBORAH MAUREEN
57	150022N	SKINNEY	ROGER EDWARD
59	134496R	TAYLOR	SHEREE KATH
61	157654N	TEDOUCCO	SUSAN JAUQUELINE
63	157553D	TRIEH	YOLANDE

# Naamsa to lift ban for huge show

Staff Reporter

NAAMSA the national association of South African motor manufacturers, has agreed to allow its members to take part in the huge international transport show, ITEC 81, to be held at Milner Park, Johannesburg, next year.

Naamsa policy in the past, according to an agreement amongst its members, has been to abstain from all trade

exhibitions

However an exception will be made with ITEC which will be far larger than any previous exhibition held in South Africa covering every conceivable aspect of the transport industry including road, rail and air

Millions of rands worth of equipment will be on show at the exhibition, including the largest display of locomotives ever seen in Southern Africa

Sweden, Japan, America, Britain and Japan are all expected to be represented

Naamsa director, Mr Frank Locke said yesterday 'We felt that ITEC was not a motor show, as such but a general presentation of what South Africa has to offer in the transport field'

Mr Locke said manufacturers generally felt trade exhibitions placed a strain on re-

sources and manpower with very little return They had therefore decided as a group not to participate in them

'If one company agrees to participate in one of the many small trade shows in the country, other companies feel obliged to step in as well It's a wasteful way of utilising resources and manpower bringing in very few results'

See Pages 11 - 15

## EXAMINATION RESULTS IN FACULTY ARTS

AS AT 29 02 80

YEAR : 1

BACHELOR OF ARTS

STUD NO	SURNAME	FIRST NAMES	COURSE	DESCRIPTION	SYMBOL
1620048	BURNE	SUZANNE ELIZABETH	106103	ECONOMICS IA	F
158955C	CAKO	SALLY-ANN	107101 116120 114101	ENGLISH I (PRE-1980) DRAMA I CULTURAL HISTORY OF W.E. I	F 2- 3
162195Z	CHAIT	CHERYL	102101	AFRIKAANS	UP
153965D	CLARKE	PENELOPE JILL	103202	SOCIAL ANTHROPOLOGY I (PRE-1980)	UP
157789K	COHEN	DAVID	104101 110101	ARCHAEOLOGY I HISTORY I	2- F
156503M	COLLIER	LINDSEY JEANNE	911101 916103	MATHEMATICS I M102 AVIATION BIOLOGY (HALF COURSE)	UP UP
1530990	COLLINS	BEVERLEY RAYMOND	116120	DRAMA I	F
153621E	COUCHEK	ROBERT GEORGE RENESON	004101	PSYCHOLOGY I	UP
158572X	COURIENAY	COLETTE	107101	ENGLISH I (PRE-1980)	3NX
153796V	DAVIS	CASSANDRA ELAINE	107101	ENGLISH I (PRE-1980)	3NX
140457M	DELAHUNTY	ANNA TERESA	993101	GEOMETRY I	ABS
102384E	DOMAN	MICHAEL EDWARD	106102	ECONOMIC HISTORY I	F
1559310	DUPLESSIS	MARGIA ELIZABETH	107101	ENGLISH I (PRE-1980)	3
158919N	DUNCAN	ANDREW SYMON	003101 004101	SOCIOLOGY I PSYCHOLOGY I	F F
156415K	ERASMUS	ARNO JACQUES ERASMUS	901101 910106	COMMERCIAL LAW A STATISTICS IC (HALF CRSE)	F F
162310Z	EVANS	GAVIN MARK READ	101103	AFRICAN INTENSIVE (XHOBA)	3
161480X	FAFAK	GIULIETTA	107101	ENGLISH I (PRE-1980)	3NX
153863I	FARUHHAR	GILLIAN DEBORAH	115101	ENGLISH I	UP
152866J	FARRELL	MICHAEL BRUCE	004101	PSYCHOLOGY I	UP
157359I	FINLAY	PAMELA JOAN	105104 115102 115103	ECONOMICS I FRENCH INTENSIVE ITALIAN INTENSIVE	UP UP UP
159744K	FIUKAVANTI	LUIGINA	214102	PHYSICS I	UP

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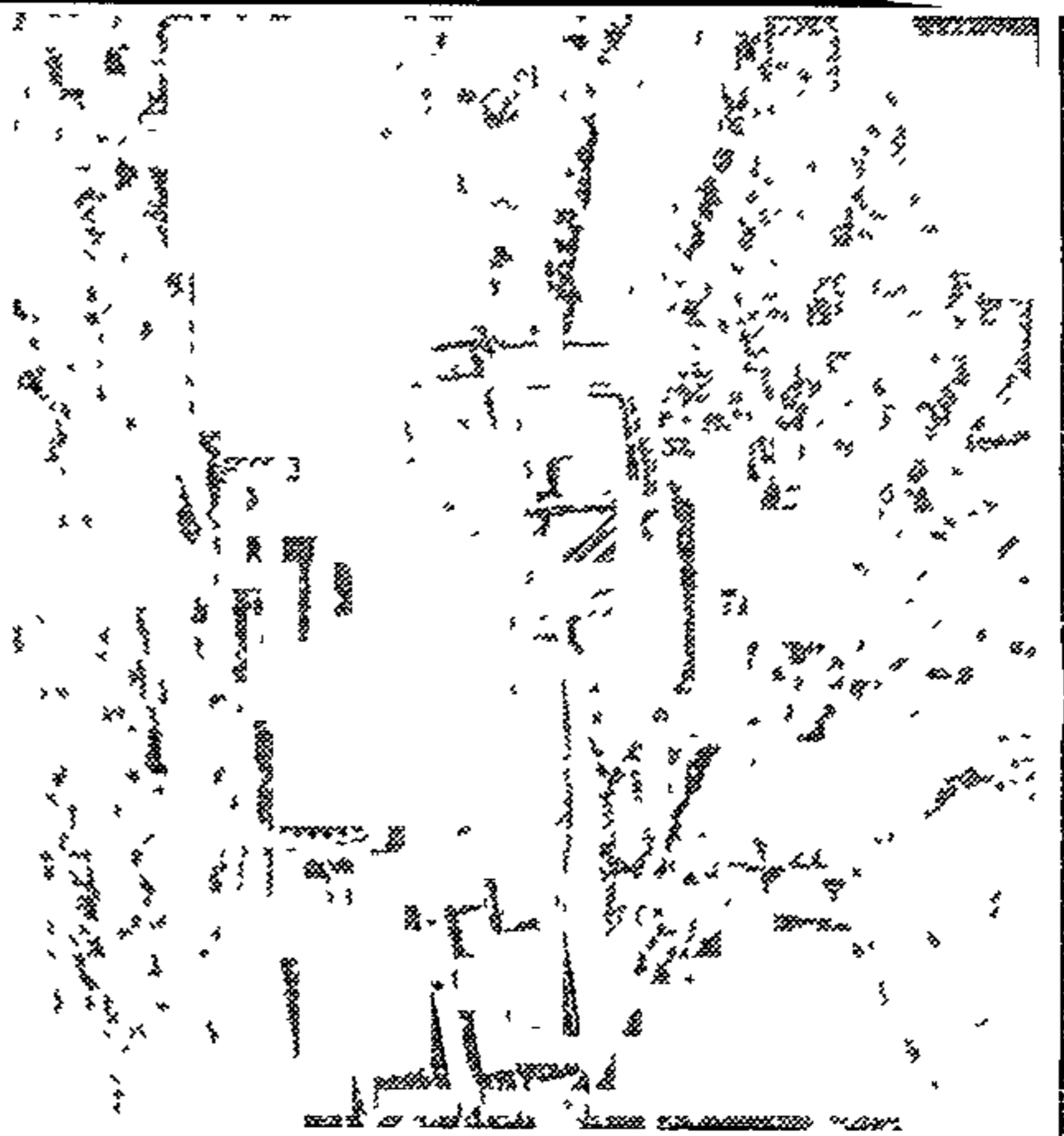
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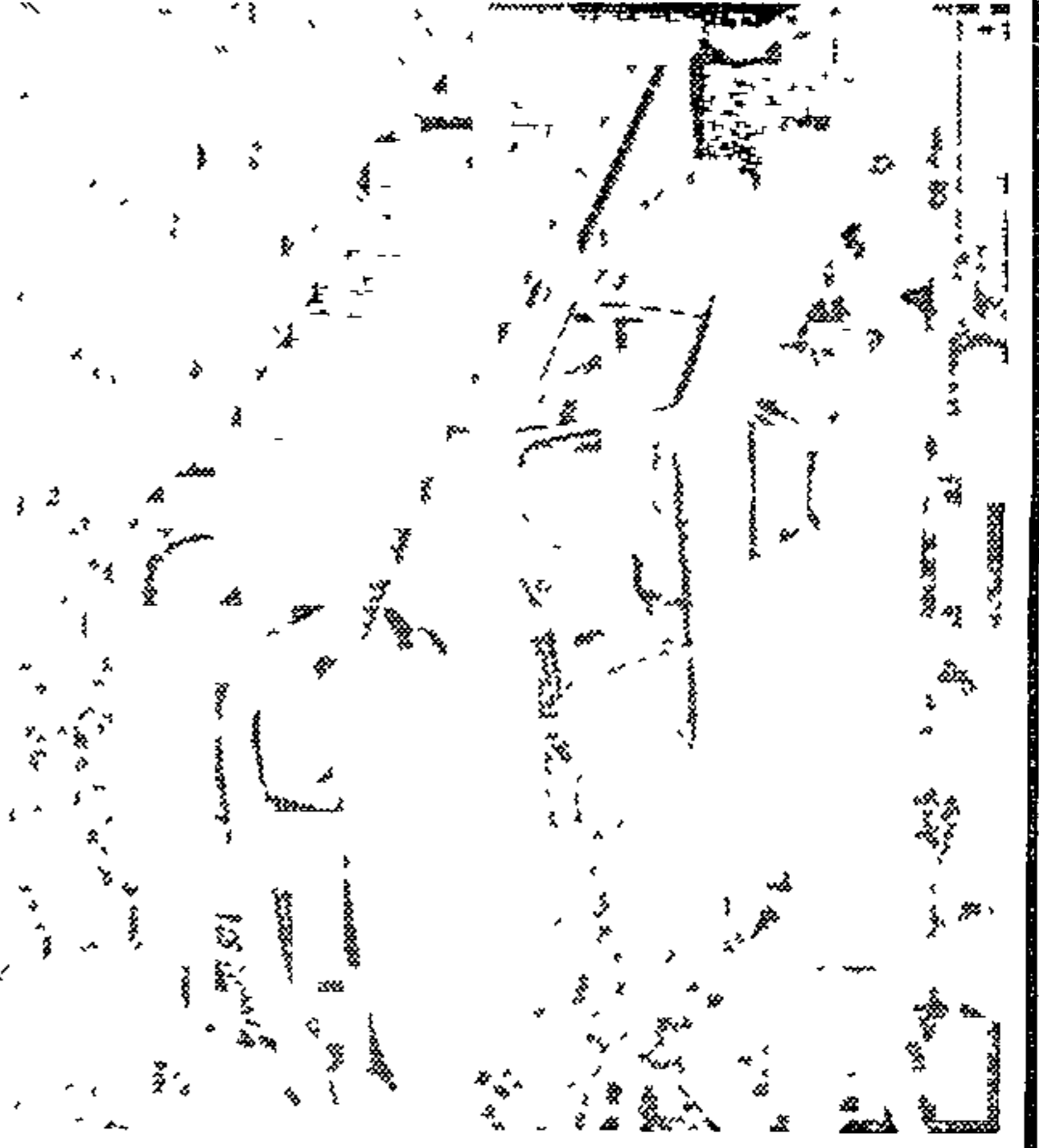
● See Pages 11 - 15

IME	FIRST NAMES	COURSE	DESCRIPTION	SYMBOL	AS AT	29 02 80	PAGE	1	13010
	NASLEY	004101	PSYCHOLOGY I	2	(61)	1	085913f		
	KATHRYN JANE	115101	FRENCH I	F	(34)	7	152249N		
	GARRY JOHN	004101	PSYCHOLOGY I	UP	(54)	1	154500U		
	ZULEIGA	911101	MATHEMATICS I M102	F	(44)	1	157349G		
	FUAD	104101	ARCHAEOLOGY I	UP	(55)	1	155374K		
	MARIA JOAO CAROLINA	115101	FRENCH I	F	(39)	1	153885R		
	CLIVE ANTHONY	107101	ENGLISH I (PRE-1980)	3NX		1	162594H		
	HENRY NICHOLAS	110101	CULTURAL HISTORY OF N.E. I ABS	UP	(51)	1	117046Z		
	CRAIG KEIN	004101	PSYCHOLOGY I	UP	(53)	1	157724P		
	LINDA JEAN	101103	AFR LANG INTENSIVE (XHOSA) HISTORY OF ARI I	ABS		1	162809K		
	CAROLINE ALISON JANE	106104	ELONOMICS IB	UP	(61)	1	153940B		
	CLIVE CARL	107101	ENGLISH I (PRE-1980)	F	(37)	7	115210D		
	SYLVIA MARITA	115102	FRENCH INTENSIVE	F	(36)	1	159729U		
	MARK DAVID	110101	HISTORY I	UP	(51)	1	155052K		
	LORELLE	117101	POLITICAL SCIENCE I	3	(52)	1	138311N		
	KIM	107101	ENGLISH I (PRE-1980)	3NX		1	161780Y		
	MICHAEL CLIFFORD	106104	ECONOMICS IB	UP	(53)	1	157700N		
	MARTIN FRANCIS CORNELIUS	117101	POLITICAL SCIENCE I	ABS	(44)	1	153399N		
	TIMOTHY JOHN	107101	ENGLISH I (PRE-1980)	3NX	(42)	1	162250J		
	IMOGEN ALETHEA	910103	ANIMAL BIOLOGY (HALF COURSEUP)	3	(50)	1	150215G		

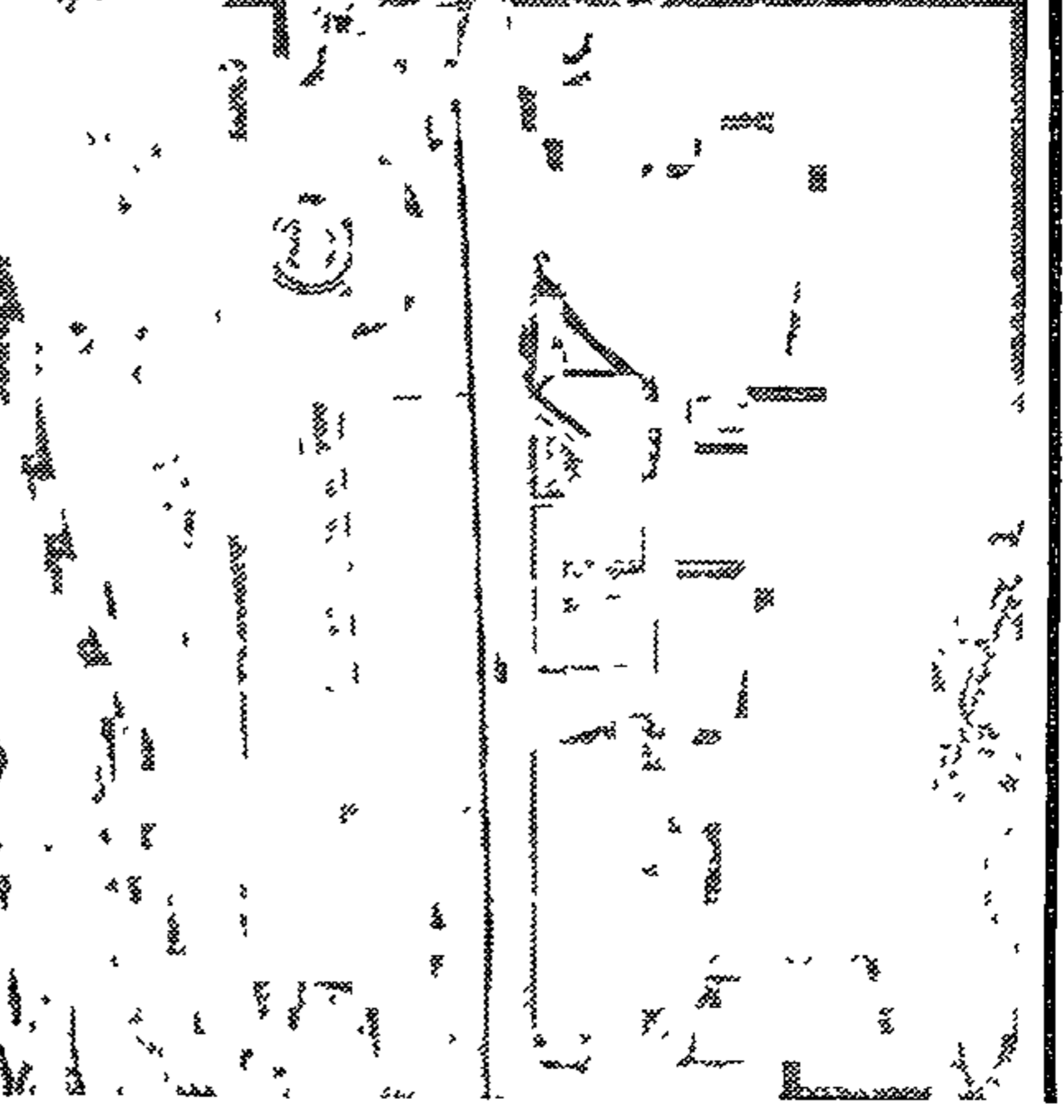
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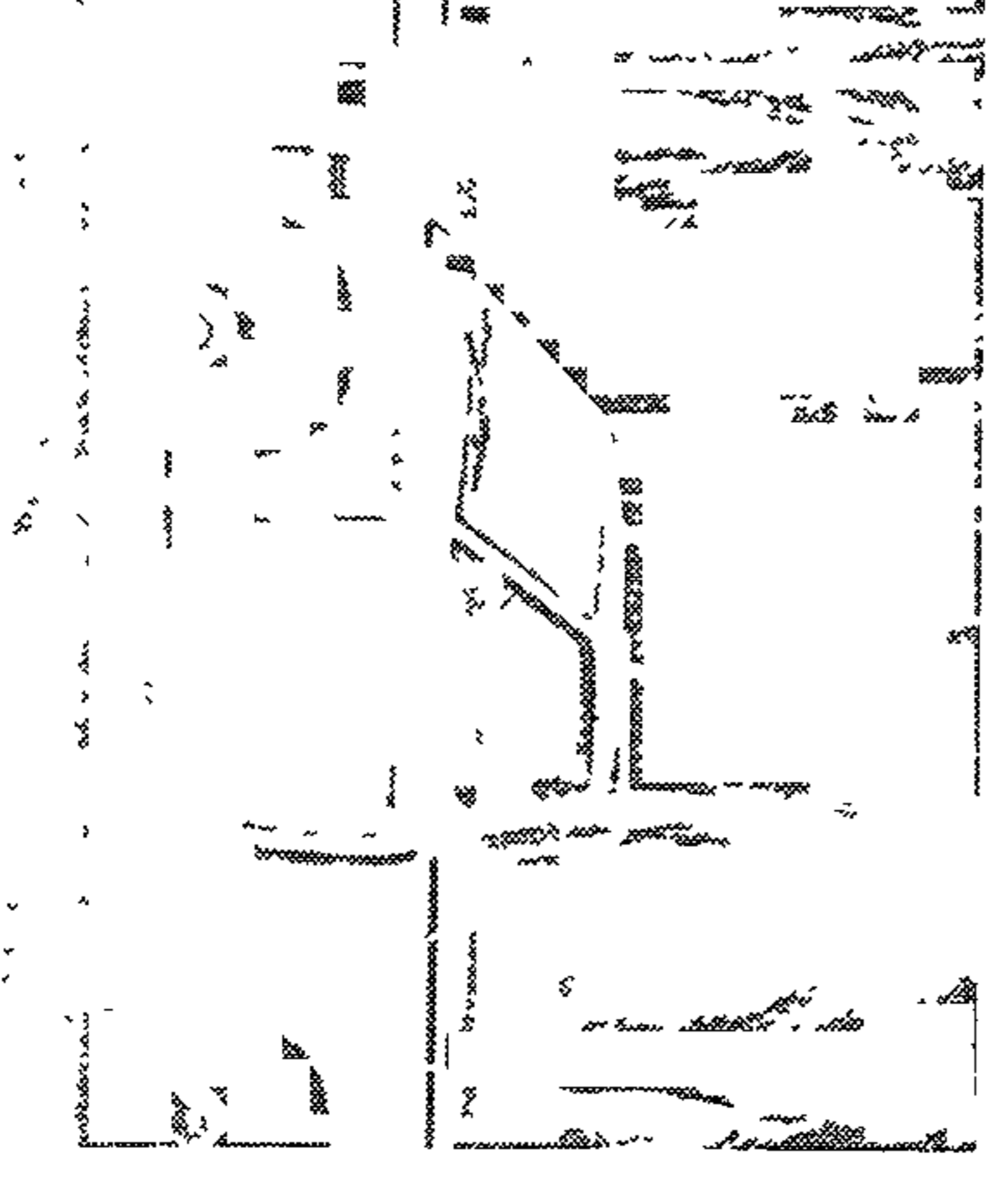
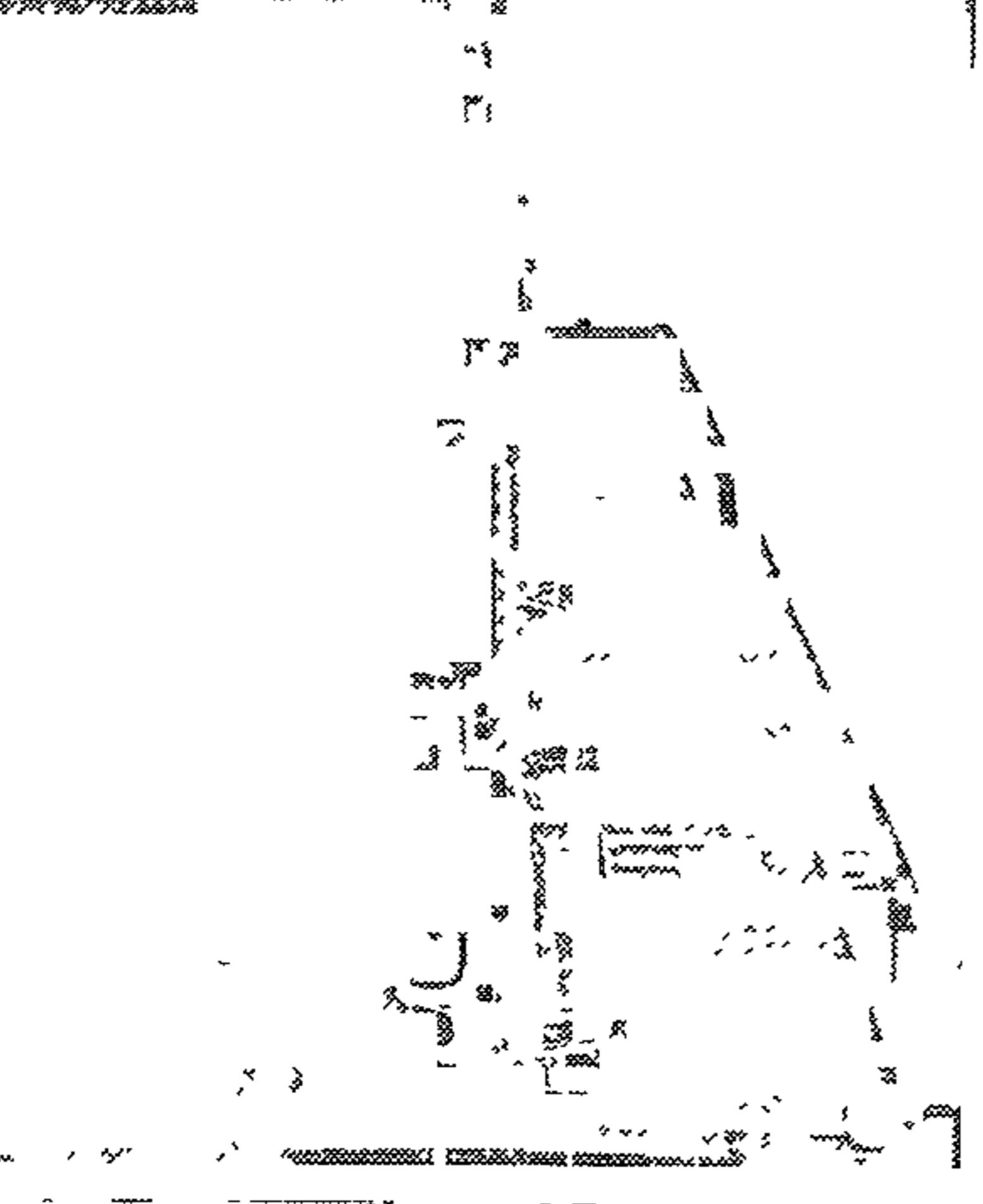
The Toyota Hi Lux 4WD



The Isuzu KB40 four wheel drive pick up petrol or diesel



The Fiat 128 bakkie



# All-rounders the biggest producers

RDM 20/3/80  
 (192)

ABOVE The Datsun 680 diesel bakkie. The 680 bakkie, now available in both petrol and diesel versions, comes with a short wheelbase (standard body) and long wheelbase (long body)

ABOVE CENTRE A picture that tells the Louisville success story — a single order Louisville LNT 9000s, with a retail value of more than R600 000, delivered to Tornado Transport in Pretoria

ABOVE LEFT: Considerably more load space is a feature of both the new Volkswagen pickup and panelvan. Mechanical improvements have greatly improved the ride, handling and manoeuvrability of these units

THE BIGGEST manufacturers of commercial vehicles, in terms of volume, are the all-rounders who are the car manufacturers. Not surprisingly, their commercial vehicles generally cover wide sectors of the highly complex CV range

## TOYOTA

Toyota remains the front-runner in the commercial vehicle market, with a total of 25 345 sales, or 25% of the market for last year

for the company sold 23 684 models in the 5 000kg or less range, with the Hi Lux 1600 SWB predominating. In the heavy sector there were 1 661 sales, the majority being in the 10 001 to 12 500 range, with the most popular model being the DA110 tipper (523 sales)

Toyota's best selling commercial line is the Hi Lux, first introduced in 1969. The Hi Lux success story was illustrated last year with the sale of the 100 000th bakkie in South Africa. A total of 9 799 Hi Lux models were sold in 1979.

One of the latest additions to the Hi Lux stable is the Hi Lux 4WD. Already well-established leaders in the field with the Land Cruiser, Toyota foresaw the need for a smaller unit and cleverly adapted a four-wheel drive transmission on the two-litre version.

While the company's tried and tested D-Series range — updated during last year — continued to represent the bulk of Ford heavy truck sales, it was the giant Louisville range which took star billing.

With single day orders of 45 trucks — in October — and record sales of up to 13 units to one operator (to Tornado Transport in Pretoria in May), the Louisville increased both its sales and penetration in 1979.

The Louisville Line — winner of SA Transport's Blue Riband Award — has proved itself ideally suited to the harsh operating conditions in South Africa, powered by a choice of NTC 230, 290, or 350 Cummins turbo-charged diesel engines, Rockwell axles and Hendrickson suspension.

truck market which gave GM an increase of 10,1% over the previous year.

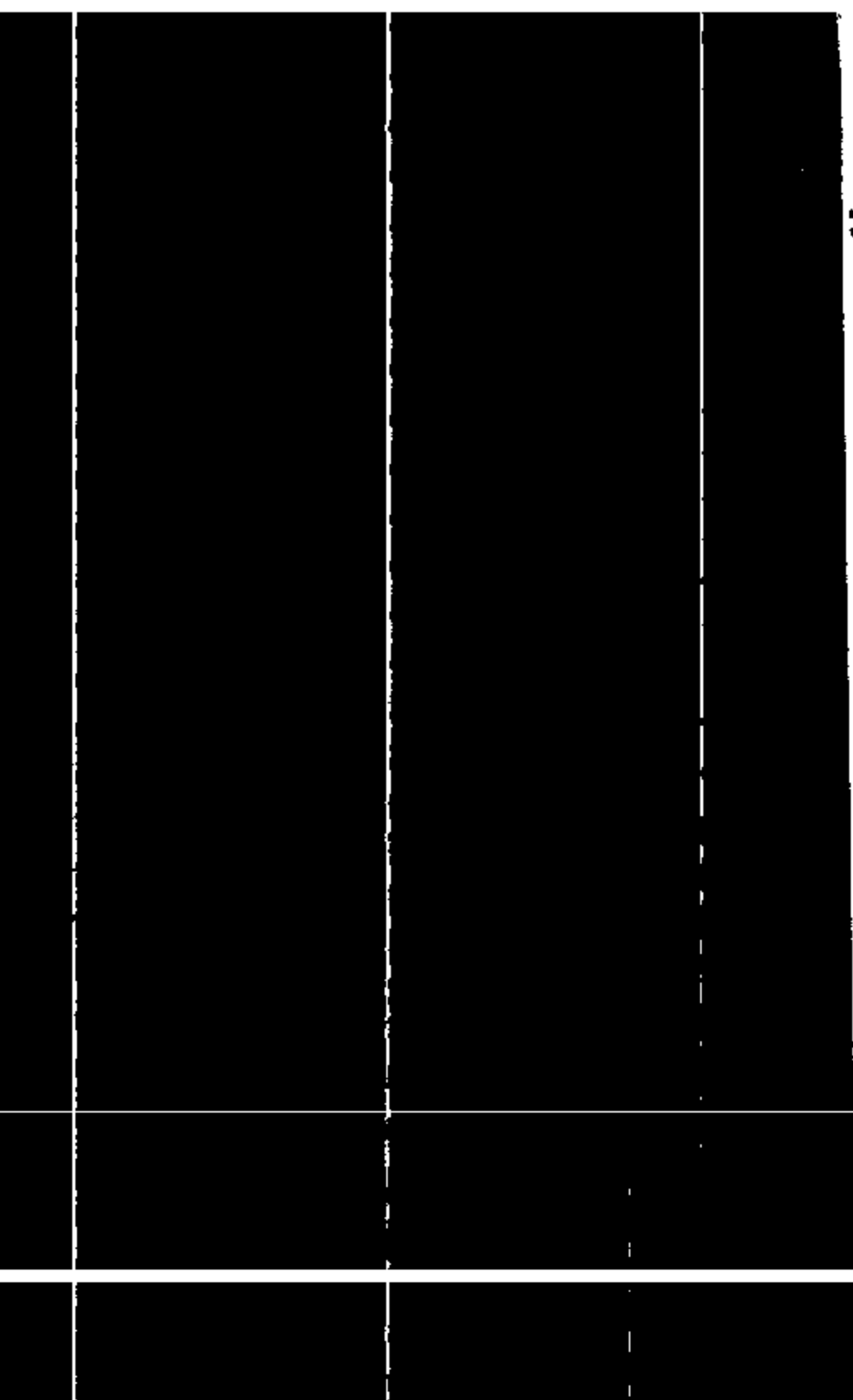
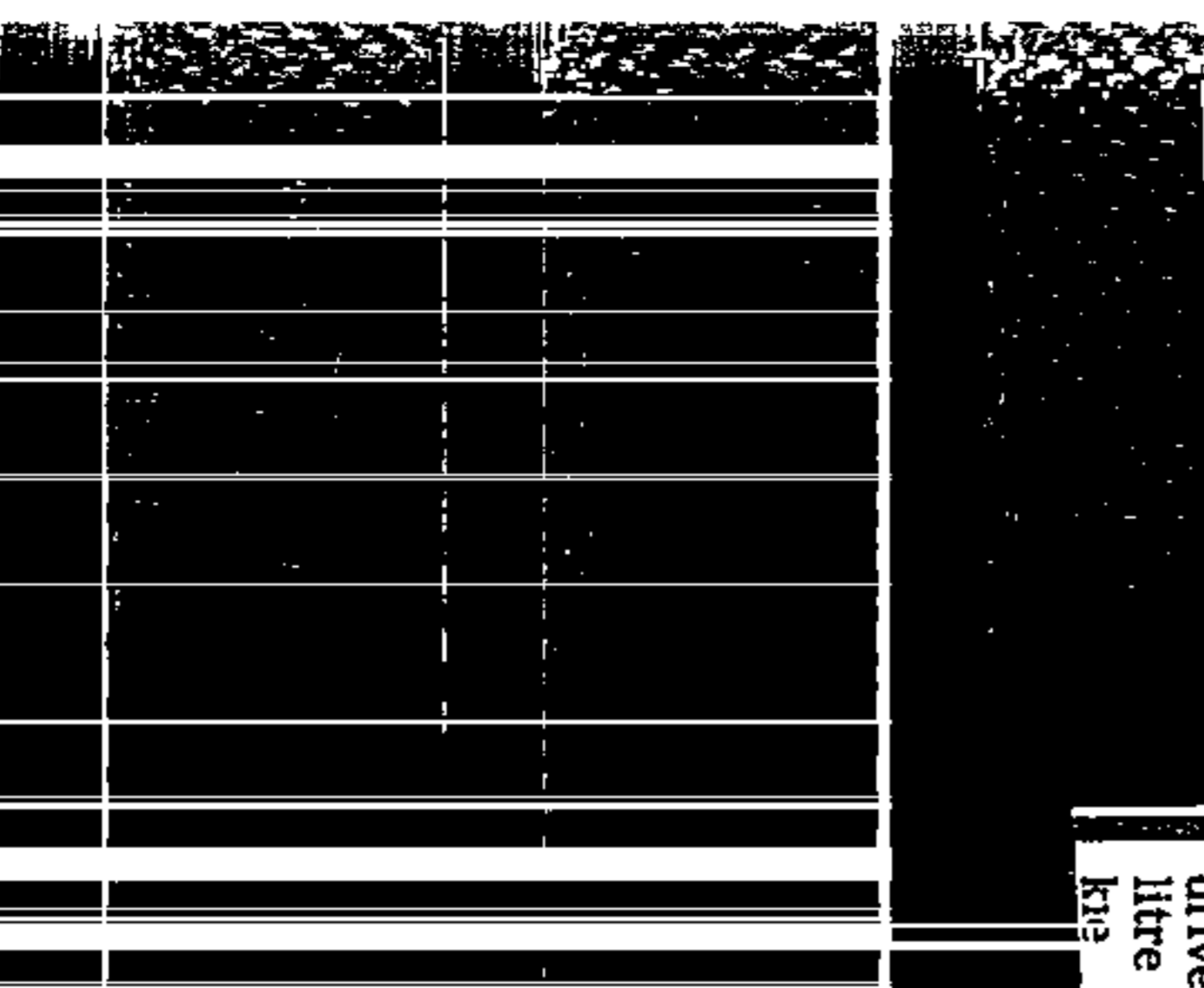
In the light commercial sector there were 10 806 units sold, the most popular model being the Isuzu KB20 (5 352 sold).

In the heavy sector there were 1 952 units sales, the most popular model being the Isuzu SBR422.

The Isuzu KB series contributed largely to General Motors success, taking in fact 70% of the company's sales. Among the heavier units the Isuzu SBR422 continues to show a high acceptance in the 7 500 to 10 000 kg segment of the market, increasing sales last year by an outstanding 61,8%.

Its bigger brother, the Isuzu JCR500 also continued to do well and remained in popular demand.

156415R	ERASMUS
152310Z	EVANS
161480X	FAFAK
153365T	FARRELL
152866J	FARRELL
157359T	FITZPATRICK
150744K	FICKAYE



The four-wheel drive running gear is derived from the thoroughly proven Land Cruiser components with a beam driving axle in front, free wheeling hubs, and mounted on semi-elliptic leaf springs

The live rear axle is also mounted on semi-elliptic leaf springs and both have telescopic shock absorbers. Adequate clearance is provided between the chassis frame and the axles to allow for considerable travel.

#### DATSUN-NISSAN

Datsun last year sold 22 615 commercial vehicles, of which the majority (20 831) were in the light sector. Their most popular line was the 120Y pickup, of which they sold 9 343.

In the heavy sector they sold 1 784 units, mostly in the 10 001 to 12 500kg range (886 units). Most popular model was the Nissan 812 with 436 sales.

Datsun bakkie fans in South Africa already number more than 200 000. These numbers should increase substantially with the introduction of the very latest from Datsun-Nissan — the 1400 bakkie, in conjunction with the 1400 panelvan.

Both these vehicles replace their equivalents in the 120Y series, while retaining many of the features which made the 120Y so successful.

Very similar in outward appearance to its predecessor, the new bakkie has a 1400cm<sup>3</sup> engine, a big capacity and improved torque. Power output has been increased by 24% — making the 1400 the most powerful bakkie in its class on the market.

A more powerful engine than the 120Y version, a big load area and a low loading sill make the 1400 panelvan an attractive proposition for those requiring power combined with an accessible loading area and good looks.

In a move to expand its range of diesel vehicles available to the public, Datsun recently announced a diesel version of its popular 680 one-tonne bakkie, available this month.

This is the third diesel variant to be announced by the company in recent months. First came the diesel version of the 2 and 2½-tonne Caballs, and then the diesel Civilian 25-seater bus.

#### FORD

Spearheaded by growing sales of its Louisville Line of line-haulers, Ford South Africa gained third position in the 1979 truck market with 14 117 sales (14% of the market).

In the light commercial sector there were 11 746 sales, the most popular model being the 1600 (5289 units sold). In the heavy sector, with 2 371 sales, the most popular model was the D0910 (485 units sold).

#### GENERAL MOTORS

Last year was an encouraging year for General Motors, selling a total of 12 758 units in the commercial vehicle and

General Motors also continued to shape well in the over 20 000 kg segment of the market with the Isuzu SPZ 440 and

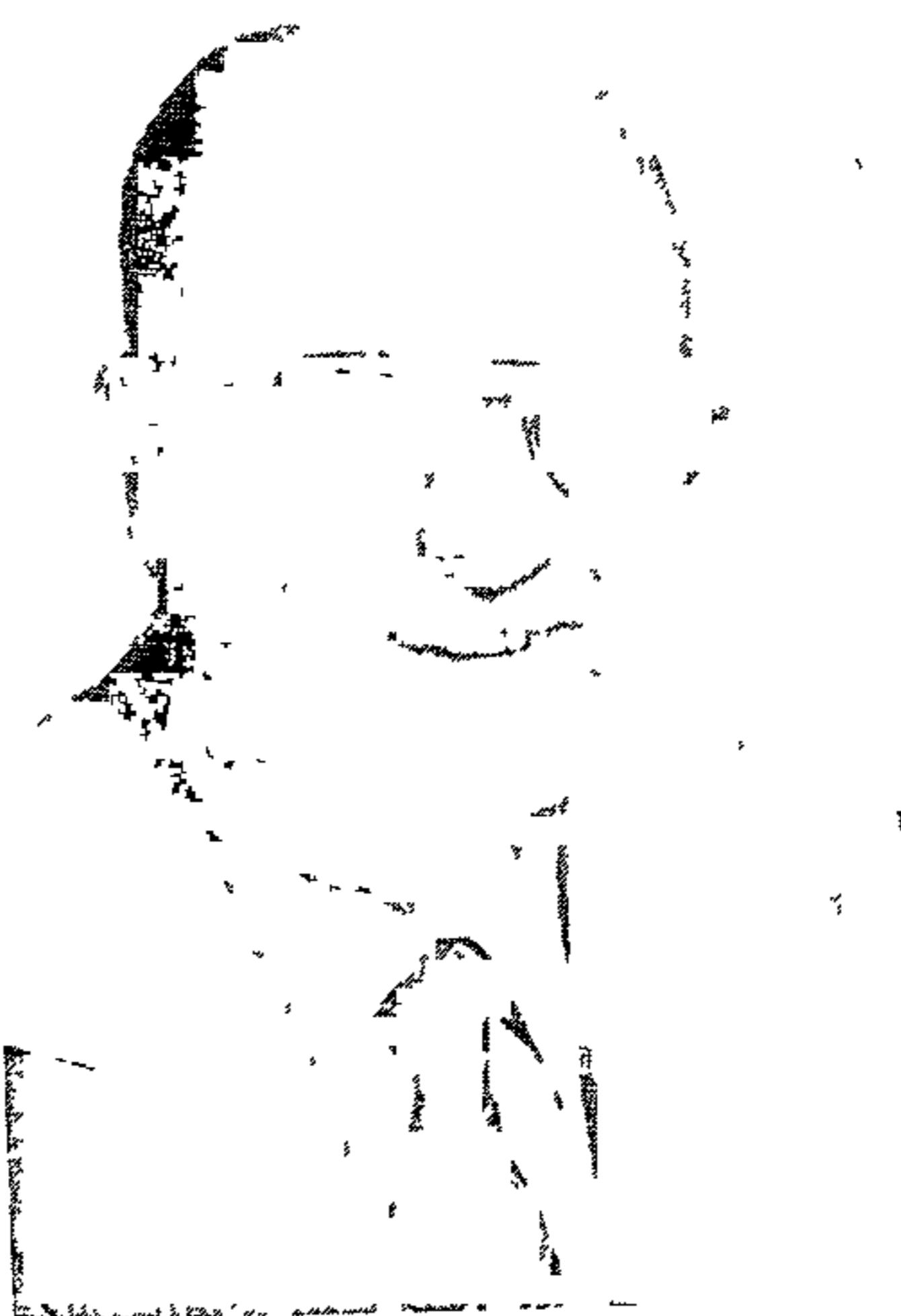
● To next page

f Fichtel & Sachs (F & S) It so happens  
 - that the Daimler Benz engines are mar-  
 s ried to their ZF gearboxes by F & S  
 v clutches Pierre de Villiers, MD of San-  
 t dock Austral which runs Genmin's gear-  
 box and axle companies, says that F & S  
 has already spoken to him about making  
 its clutches here but that, 'where there  
 are existing facilities, we would rather  
 sub-contract out the work than put in new  
 plant ourselves, provided we are satisfied  
 with the quality standards'

Next year, manufacturers will have to  
 assemble engines from the Western Cape,  
 axles and gearboxes from the Reef and  
 other components from overseas So far  
 nobody in the industry is prepared to  
 speculate on what effect this will have on  
 truck prices next year

Under the wing of Sandoc Austral is SA  
 Axles to produce axles, and AS Transmis-  
 sions & Steering to produce transmissions  
 and steering boxes

Like ADE, Sandoc Austral will first as-  
 semble imported CKD kits and then  
 gradually phase in locally made compo-  
 nents



**MOTOR INDUSTRY**  
**Grinding on**

① (u)  
 28/3/80

General Mining's proposed gearbox and  
 axle plant in conjunction with Zahnrad  
 Fabrik (ZF) of Germany could "bloody" a  
 few noses in the industry

Genmin industrial division GM George  
 Clark has made it plain that he is looking  
 for government protection to prevent a  
 situation of "excess capacity which is the  
 curse of sophisticated engineering in SA"  
 Of the two local companies in the field  
 Borg Warner is safe as it produces axles  
 for light vehicles whereas Genmin is going  
 for the heavy truck market But Eaton  
 Kent's plans for a local heavy axle plant  
 look like being scotched

The Genmin and Atlantis Diesel En-  
 gines (ADE) schemes slot in well because  
 the ADE Daimler Benz type diesel en-  
 gines for trucks and the Genmin power  
 transmission trains were originally de-  
 signed for one another in Germany

This makes Girlock another likely Gen-  
 min victim Girlock makes truck clutches  
 under licence from German company

**Sandoc Austral's De Villiers**  
**aiming for 100% local content**

So far the new factories exist only on  
 paper but De Villiers is confident he will  
 be able to deliver the goods by July 1981  
 which is the switch-on date for ADE  
 engines Says he "We have ordered the  
 machines for the factory, bought the  
 ground and are sending round our engi-  
 neers to ascertain the needs of our cus-  
 tomers We are aiming for a 100% local  
 content by March 1983"

All this points to hefty price increases  
 for trucks next year For like ADE en-  
 gines Genmin gearboxes, steering boxes  
 and axles will cost more than the present-  
 ly imported units Costs of transporting  
 components to the truck builder's factory  
 and assembling them will also go up for at  
 present trucks are being built from par-  
 tially assembled kits delivered in one box  
 from the overseas parent factory

# Toyota's R40m drive ahead

Dr A J J Wessels, chairman of Toyota, shares the general optimism that 1980 and 1981 will be years of steady growth, and Toyota is fully equipped to utilise the opportunities which will flow from this economic revival

While he feels that the oil crisis is not over yet,

there are some indications that 1980 might see more stability in oil prices than we have seen for some considerable time. He feels the action of increasing the petrol price to 54c a litre as a wise Government decision in the long term, and should provide a cushion against any major increases

*192 Star 1/4/80*  
during 1980  
The company will invest some R40m over the next three years in order to remain competitive. A large portion of this capital expenditure will be for tooling to meet phase five of the local content requirements for passenger cars and light commercial vehicles



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**ATLANTIS Diesel dilemma**  
Em HILLSD

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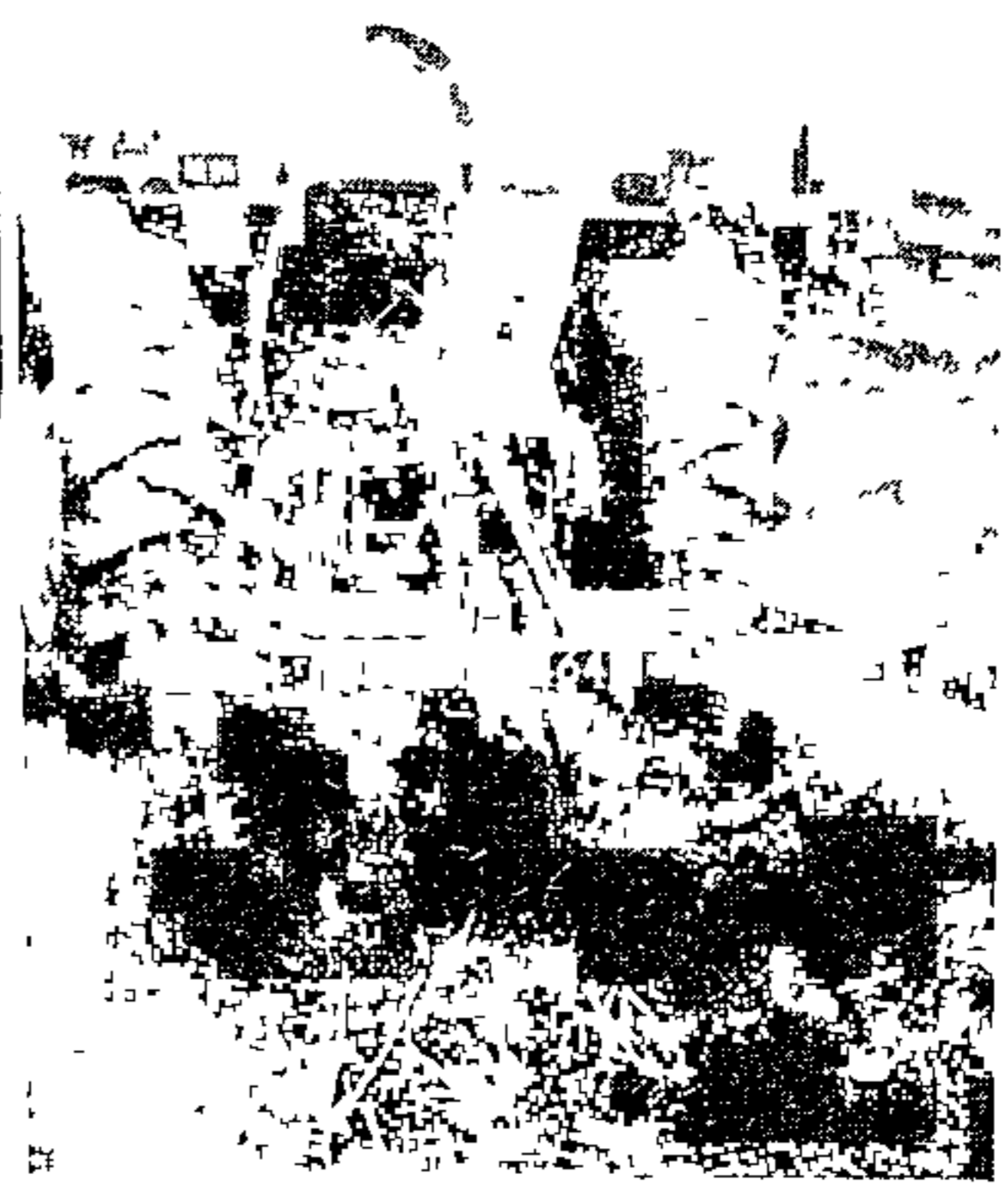
Government's protection package for the Atlantis Diesel Engine (ADE) plant raises more questions than it answers, says Bill Rautenbach, chairman of the SA Tractor Manufacturers' Association and director of Ford's tractor operation

The long-awaited regulations impose an excise tax on all trucks and tractors powered by diesel engines between 2 000 cm<sup>3</sup> and 7 000 cm<sup>3</sup>, not produced as part of government programmes

One of the snags is that the engines to be protected are defined in terms of their cubic capacity ADE has always defined the engines to be made in terms of their power output in kilowatts

This is a nasty surprise for the industry which has assumed that imported vehicles with engines out of this category will be exempt from excise Plans of some manufacturers to import tractors with these engines may now have been scuppered

Says Rautenbach "Ford has turbo-charged tractors with high power output but their engines are smaller than 7 000cm<sup>3</sup> According to the regulations these tractors will now be taxed, but competitors' tractors which produce the same power from engines larger than 7 000 cm<sup>3</sup> will be exempt This will encourage bigger, less efficient engines"



**Deutz tractor engines . . will they be exempt from excise?**

Another point of confusion is the position of the air-cooled Deutz Diesels Deutz has for some years been producing industrial diesels with a 65% local content as an approved manufacturer, and only a few weeks ago, government approval of its industrial engine programme was reconfirmed With only minor adjustments these engines could be fitted to Deutz tractors Despite ministerial statements that ADE would be the only diesel engine factory allowed in the country, Deutz officials are confident their engines will also be exempt from the excise

If this is so, Deutz tractor sales could increase markedly from the present level of 397 units a year (3,7% of the market) The Deutz engine will also become the only alternative tractor engine to ADE's Perkins ADE's Mercedes-Benz engines are not suitable for tractors

"Deutz is indulging in wishful thinking," says Neville Cohen, Ford's director of manufacturing "Even though Deutz has approval for its stationary engine programme, its tractor engines will not qualify for the rebate, no matter how similar they are to the stationary engines"

Cohen is resigned to going the whole way with ADE He says "The regulations did not contain any surprises and it would be fruitless to try to cost out the feasibility of paying the duty and using imported engines instead of ADE engines, because the minister has said that he will, if necessary, increase it"

45	47	49	51	53	55	57	59	61	63	65
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MONDAY, APRIL 7, 1980

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# MAKE IT SIMPLE

Source: ESCOM

THE NEWS that two of the country's biggest chemical groups plan to manufacture motor fuels on a scale that eventually could make South Africa self-sufficient in this vital commodity points to the quickening pace with which the country's industrial and technological resources are mobilising to meet the energy crisis

If the reported expectations of AECI and Sentrachem are fulfilled, then another 1 100 000 tons of home-produced motor fuels will be added annually to the projected capacity of Sasol 1 and Sasol 2 - enough to enable the country to cut its oil imports to a relatively token amount. With such an impressive new prospect being aired it would be gratifying to know that Government policy-making concerning the energy situation was geared to the same high level of efficiency and advancement.

Unfortunately that does not seem to be the case. On the contrary, reports abound on the lack of co-ordination in the Government's energy programme. A report just issued by the Energy Research Institute of the University of Capetown has echoed a criticism often expressed by Opposition spokesmen in Parliament - that the energy scene in South Africa is blanketed with excessive secrecy. One effect of this is that energy

analysts in the private sector are being deprived of essential statistics and other information which scarcely need to be cloaked in secrecy. Frequently this data is culled from outside sources. Moreover, although the Government has given the green light to private enterprise to manufacture motor fuels, and it is clear that private industry will have to play a key role in the country's energy future, there is no meaningful machinery to give this sector a say in policy matters.

One spokesman in the private sector has pointed out that there are some 16 different committees, departments, institutions, boards and Government undertakings that are concerned with energy affairs. So the set up for energy here is unfortunately so fragmented that effective and co-ordinated planning and action is almost impossible.

To all intents and purposes bureaucracy has taken over. And unless something is done to loosen its grip its deadly tentacles will reach out to strangle initiative wherever it is found. What is needed, surely, is some central energy authority to which all sectors can relate. The present cumbersome structure of the Government's planning advisory committee seems to be doing more to bemuse than give clear direction.

COST BREAKDOWN OF DISTRIBUTION UNDERTAKINGS (CENTS PER kWh) - 1976

TABLE 3

	Cape Provincial	Eastern Transvaal	Natal	Rand/OFS
			0,059	
			0,359	0,345
			0,435	0,416
			0,019	0,001
			0,852	0,762
			0,035	0,024
			0,120	0,097
			0,113	0,060
			0,268	0,171
			0,008	0,002
			1,128	0,935

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# Alderson forecast record sales

233 192

BY PAUL DOLD  
Financial Editor

C.T. 8/4/80

THE Cape Town consortium of David Abbott and Johan van der Burgh seem to have acquired control of Pretoria motor dealer Alderson and Flitton at a propitious time judging from today's report.

The board says that trading in all divisions is buoyant and profits for the second half should substantially exceed those in the first half and the final dividend is likely to be higher than the interim.

Provided sufficient stock is available car sales are expected to reach record levels.

In the first hint of expansion since the consortium bought its 41.5 percent in March, share holders are told that the group is investigating the establishment of additional outlets.

It is the long term objective to broaden the earnings base of the group into other areas but at the same time strengthen its traditional areas of operation. Thus it looks as if shareholders will not have to wait long for further news and heavy emphasis will be on expansion.

The company has both the Sigma franchise and General Motors and the latter with its new Opel could prove particularly interesting.

The consortium is making a stand-by offer through its stockbroker Davis Borkum & Hare to minorities at 60c a share the same price at which it bought its stake from the Richards - Kholi family interests.

As the share price is well above this level currently around the 79c mark few minorities can be expected to take up the offer. The shares have been steadily moving up in fairly high volume and even the

present price is a discount on net asset value.

The quality of the deals which emerge over the next few weeks will be a definite indicator on share price prospects. A series of outstanding deals could push the price well ahead.

While industrial shares generally may be looking a bit lumpy Alderson is a special situation and should prove a rewarding investment and downside potential looks limited on yield prospects.

The group earned 3.2c in the first half and paid a 1c interim. Earnings of 12c a share for the year look within reach with a 5 - 6c dividend. Thus the share is on a prospective minimum yield of over six percent and possibly as high as 7.6 percent depending on trading for the remainder of this year.

Judging from the bullish tone of the latest statement and with the economy now moving swiftly ahead and car sales booming, Alderson is set for growth.

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**MOTOR INDUSTRY**  
**Casting the die**

Em 11/4/80  
192



There is little doubt that Industries Minister Schalk van der Merwe is committed to granting Atlantis Diesel Engines (ADE) every ounce of protection it'll require to be viable

In announcing the protection proposals for ADE diesel engines, he takes cognisance of the fact that ADE is not entirely happy, and says he will not hesitate to take additional steps if they prove inadequate. Truck manufacturers will be subject to a 30% excise duty (or countervailing customs duty) on entire vehicles. In effect, this means that, with engines making up 25%-30% of a truck's value, ADE will be getting up to 100% protection on its engines.

Van der Merwe doesn't stop there either. The duties have been slapped on all trucks, including petrol-driven vehicles. This is an obvious attempt to stop a drastic move to petrol driven engines, especially in the light to medium categor-

ies — a protective measure for ADE which is open to question considering SA's liquid fuel shortage involves diesel.

Says GM's Lou Wilking "If they hadn't done that, there'd have been an immediate swing to petrol engines. We can only assume that local builders of petrol engines for trucks will have their programmes approved in terms of the proposals and will be granted the same high level of protection."

The effect of all this, says Wilking, will be that "come October 1 1981, when the proposals take effect, the price of all trucks will go up 30%." He adds "If the introduction of sales tax saw a pre-buy, there's going to be one hell of a rush this

**ADE . . . riding the truck manufacturers?**

time."

ADE's concern about the proposals being inadequate, says chief executive of finance, Otto Scholtz, is that "a lot of escape routes could crop up." He adds that the deletion allowance is one loophole manufacturers could take advantage of.

This seems to be the thinking of manufacturers too, who are hastily doing their sums as they compute whether it will still pay to import CKD kits with engines. ADE lets out that the premium on its engines will be between 10% and 15%, but manufacturers think it'll be more like 30% in the end. It could therefore pay to continue importing engines, in which case it's a sure bet that ADE will go back to

Van der Merwe although, as Scholtz says, "we sincerely hope this will not happen."

What really raises manufacturers' hackles though is the high level of protection which ADE expects, and is getting. "This hardly goes along with the Prime Minister's commitment to free enterprise and allowing the private sector a bigger slice of the action," says one

...gits on, they added. | without explanation

# East Cape motor firms boost sales

11/4/80 DD (192) 30

**PORT ELIZABETH —** Sales of new cars by the three manufacturers in the Port Elizabeth-Uitenhage region last month amounted to 10 148, their best performance since the buying spree in June, 1978, to beat the introduction of general sales tax, when they sold 11 642 units

sales of 4 595, the best figure since the buying spree in June, 1978, when it sold 5 091. Sales of its Golf reached 2 936 last month, the best since its introduction

Ford sales last month were also the best since June, 1978, when it sold 4 594 new cars, but then the Cortina outsold the Escort by 2 940 to 801, a record for Cortina.

Last month Cortina sales amounted to 1 714, the best since November last year when 2 341 were sold. Granada sales, which had dropped to 181 in July after the steep petrol price rise the previous month, climbed to 376 last month.

GM is naturally pleased with the performance of the Kadett on which it had pinned its hope for a come-back as an industry leader.

In the absence of other industry figures it is difficult to establish a buying pattern, but the experience of the Eastern Cape manufacturers suggests that while the demand for small cars continues, there is again an increasing demand for medium to large luxury cars — DDC

General Motors pushed up sales by 52 per cent from 1 270 new cars in February to 1 929 last month, with the new Kadett contributing a significant 749 units in only seven selling days since its launch late last month, for the company's best performance since April last year when it sold 2 105 new cars.

Ford sales improved by 37 per cent from 2 645 new cars in February to 3 624 last month when they were 29 per cent up on the 2 808 sold in March last year. Sales of its Escort last month reached 1 534 units, the best month since its introduction 12 years ago.

Volkswagen, which has been exchanging the lead in car sales with Sigma for some time, put up another creditable performance last month with new car

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Risk Allocation by Ownership Allocation

the insurance premiums an insurance company could get from voluntary insureds.

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Insurance: Pooling Risks

152 (192)

# Leyland head tells of 'dissatisfaction'

Own Correspondent

**PORT ELIZABETH** — The chairman of British Leyland, Sir Michael Edwardes, said at the weekend he understood the dissatisfaction felt by striking workers over inadequate pay increases.

Speaking at a press conference in Grahamstown, where he had earlier received an honorary doctorate of law degree at Rhodes University, South African-born Sir Michael said pay increases of five percent to unskilled Leyland workers were "bound to cause a reaction" when other companies were granting increases of between 10 and 20 percent.

"While I understand their dissatisfaction, I have no sympathy for any employees who reject change when to do so puts their jobs at stake," he said.

British Leyland, which employs 160 000 workers, paid five percent increases to 76 000 workers and 10 percent to 10 000 skilled men.

## Stringent measures

Sir Michael said that whether the company survived or not would depend on how employees responded to the stringent measures that had been imposed as part of what has been

come Leyland's "austerity programme".

He made it clear that these measures, coupled with pay increases imposed without agreement from the unions, were essential for the survival of the nationalized company.

Sir Michael denied that the implementation of wage increases without union agreement constituted an affront to workers. "The increases were implemented after five months of negotiation involving 17 meetings with union officials. The shop floor was getting restless about increases which had to be backdated so we went

ahead and implemented them." He said what union leaders agreed to or did not agree to did not always reflect the views of the work force. "Last year 87 percent of the work force voted in favour of our recovery plan in spite of the redundancies it created."

## 11 800 on strike

About 28 000 workers have been laid off while another 16 000 are on short time. There are 11 800 workers on strike at the moment, which Sir Michael described as a "fraction of our total work force".

Asked whether British

Leyland could maintain its recovery momentum, in which it captured 23,74 percent of the British car market in March, Sir Michael said the biggest indication of success was that "we are still in business". He said the sky was the limit for Leyland South Africa as long as it continued to show that it could be profitable. Sir Michael said

Leyland South Africa had about 12 percent of the local truck market and the bulk of the four-wheel drive market. "As a car business, it is not big, but as a truck business, the sky is the limit."

# Car plants working at capacity to meet soaring demand

CT, 12/4/80

(30) (192)

BY PAUL DOLD  
Financial Editor

JUDGING from car sales, the economy is moving firmly towards a boom with most manufacturers reporting that demand is soaring across the range. Most plants are already working flat out and some are reported to be working overtime.

The full nation-wide car sales figures to be issued in a few days are widely expected to show a continuation of the strong trend in the first two months

Marketing managers are hastily revising even their most optimistic forecasts of the total car market this year and many dealers, according to one industry source, are pleading for additional stocks

Already delivery lead times are widening fast and delivery

delays could emerge as plants struggle to meet demand. Both fleet owners and the ordinary private motorist who may be considering buying new cars would be well advised to enter the market as soon as possible judging by production reports from several leading manufacturers

And the sharp increase in sales has occurred well ahead of public service pay rises and the heavy tax cuts in the Budget, and it seems reasonable to predict that a new car will become a fairly high priority among many families as pay packets increase from July 1

Hire-purchase repayments have been lengthened and there is ample money in the banking system to finance purchases. Finance houses and the banks are engaged in a fierce rate war with many houses trying to undercut rivals as liquidity mounts in the economy

The ability of the local industry to satisfy dealer orders will depend to a large extent on shipments of key parts from overseas plants

Demand for commercial vehicles should also rise sharply as firms expand during the economic upswing

A survey of the big Eastern Cape plants shows that all the manufacturers are working to capacity and a similar picture is bound to emerge from up-country plants such as Sigma

Ford says that there has been an 'exceptional demand' for its cars in the first quarter with the result that the dealers' stock position as at the beginning of April is down to 15 days as against the 35 days average last year

The demand has been particularly heavy for the Escort car line and dealer stocks have been cut to nine days at

the start of the month," a spokesman said

Ford's plants are operating at capacity to meet the demand and the factory shipped more than 4600 cars to dealers last month but demand still continues to exceed supply on all the range

Volkswagen has raised its forecast of the total car market from the 230 000 at the start of the year and 235 400 at February to 250 000 total

A spokesman said demand was extremely strong and the work force had been increased by 800 since January

"The Golf is selling very well and particularly the new Microbus," he added

For General Motors the past month saw its sales take off mainly due to its new Kadett (which has an imported German engine) and looks like being one of the most successful small car launches ever. But even ignoring the Kadett, demand is being felt across the entire GM range a spokesman told me this week

Thus, while demand will be focussed on small cars, the large models are benefitting as well. And this, in turn, should mean higher profits for the manufacturers

So heavy has the demand been for the Kadett that GM will probably have to ration supplies for most of this year due to constraints on the supplies of the engine from the German plant

The recent Standard Bank review has forecast that bottlenecks will occur in the industry as demand picks up this year towards the boom sales of 1973 - 1975. The bank predicts sales of 240 000 and 120 000 commercials which would be rises of 12.5 percent and 19 percent

This figure looks extremely conservative given the strength of the demand ahead of the tax cuts but bottlenecks could well occur leading to a reduced ability to meet the market

The boom in car sales is bound to arouse renewed stock market interest in the motor sector

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1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for ensuring the integrity and reliability of financial data.

2. In the second section, the author outlines the various methods used to collect and analyze data. This includes both primary and secondary data collection techniques, as well as statistical analysis to identify trends and patterns.

3. The third part of the document focuses on the challenges faced in data collection and analysis. It highlights issues such as data quality, sample bias, and the complexity of interpreting large datasets.

4. Finally, the document concludes by discussing the implications of the findings and the need for continued research in this field. It suggests that further exploration of data collection methods and analysis techniques is necessary to improve the accuracy and efficiency of the process.

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Daily Exp. 14/4/80 (61) (152) (192)

# Edwardes defends action over pay

GRAHAMSTOWN — The Chairman of British Leyland, Sir Michael Edwardes, said at the weekend he understood the dissatisfaction felt by striking workers over inadequate pay increases.

Speaking after receiving an honorary doctorate of laws degree at Rhodes University, South African born Sir Michael said pay increases of five per cent to unskilled Leyland workers were "bound to cause a reaction" when other companies were granting increases of between 10 and 20 per cent.

"While I understand

their dissatisfaction, I have no sympathy for any employees who reject change when to do so puts their jobs at stake."

British Leyland, which employs 160 000 workers, paid five per cent increases to 76 000 workers and 10 per cent to 10 000 skilled men — well below Britain's 19 per cent inflation rate.

Sir Michael said that whether the company survived or not would depend on how employees responded to the stringent measures that had been imposed as part of what has become Leyland's "austerity programme".

He made it clear, however, that these measures, coupled with pay increases imposed without agreement from the unions, were essential for the survival of the nationalised company.

"We will not be over our problems until the whole complex deal is accepted"

Sir Michael, dubbed the "Napoleon of British industry", denied that the implementation of wage increases without union agreement constituted an affront to workers.

"The increases were implemented after five months of negotiation, in-

volving 17 meetings with union officials. The shop floor was getting restless about increases which had to be backdated so we went ahead and implemented them"

He said what union leaders agreed to or did not agree to did not always reflect the views of the work force.

"Last year 87 per cent of the workforce voted in favour of our recovery plan, in spite of the redundancies it created"

Sir Michael described the 11 800 workers on strike at the moment as a "fraction of our total work force" — DDC

the insurance premiums an insurance company could get from voluntary insureds.

Risk Allocation by Ownership Allocation

Though many hazards are not formally insurable, other methods are used to escape the risks. You can't buy insurance against these risks, yet you can insure for some of these events. For example, the risk of an oil-well's unexpectedly drying up can be transferred to someone else. Just sell the well to him. You will get the present value of that oil that other people expect is there. If the oil well does dry up, the buyer bears the loss, not you; if it lasts longer he gets the profit.

By choosing not to own certain goods, you avoid the hazards of changing values (profits and losses) of those goods. With a private-property system, risks can be transferred to the most willing, optimistic people—the new owners. People can exchange ownership entitlements to goods and the risks to bear on them on a selective, discretionary, personally preferred basis. By renting a house monthly instead of owning one, you avoid having so much of your wealth depend on the

Because of risks of losses of wealth from physical damage (such as from fire or flood or theft), people often insure. They share losses by spreading them over the group that bears the losses in the form of sure, regular, small fees, called the insurance premium. These accumulated premiums are supposed to be large enough to pay sufferers of any insured, actual losses. In general, insurance takes each person's small chance of a large loss for the certainty of a small loss—the insurance premium.

Insurance also may induce people to change the probability of the contingent event. Each insured person is often required to take special precautions as a condition of getting insurance. Otherwise, precautionary incentives might be reduced with insurance, for without insurance, we may devote more resources and care and anxiety to protection than with it. So insurance may either decrease or increase total social accidental losses. Yet even if total losses are greater with insurance than without (as they may well be), the avoidance of precautionary resource-use and the reduction of anxiety may exceed the increase in accident losses.

Some accidental losses are not insurable because they are not accidental enough. Insurance against bad business or loss of customers would entice a retailer to be less productive while relying on the insurance to indemnify him for his increased shirking. He could then easily and covertly

# Leyland to stay in SA

Leyland will stay in South Africa

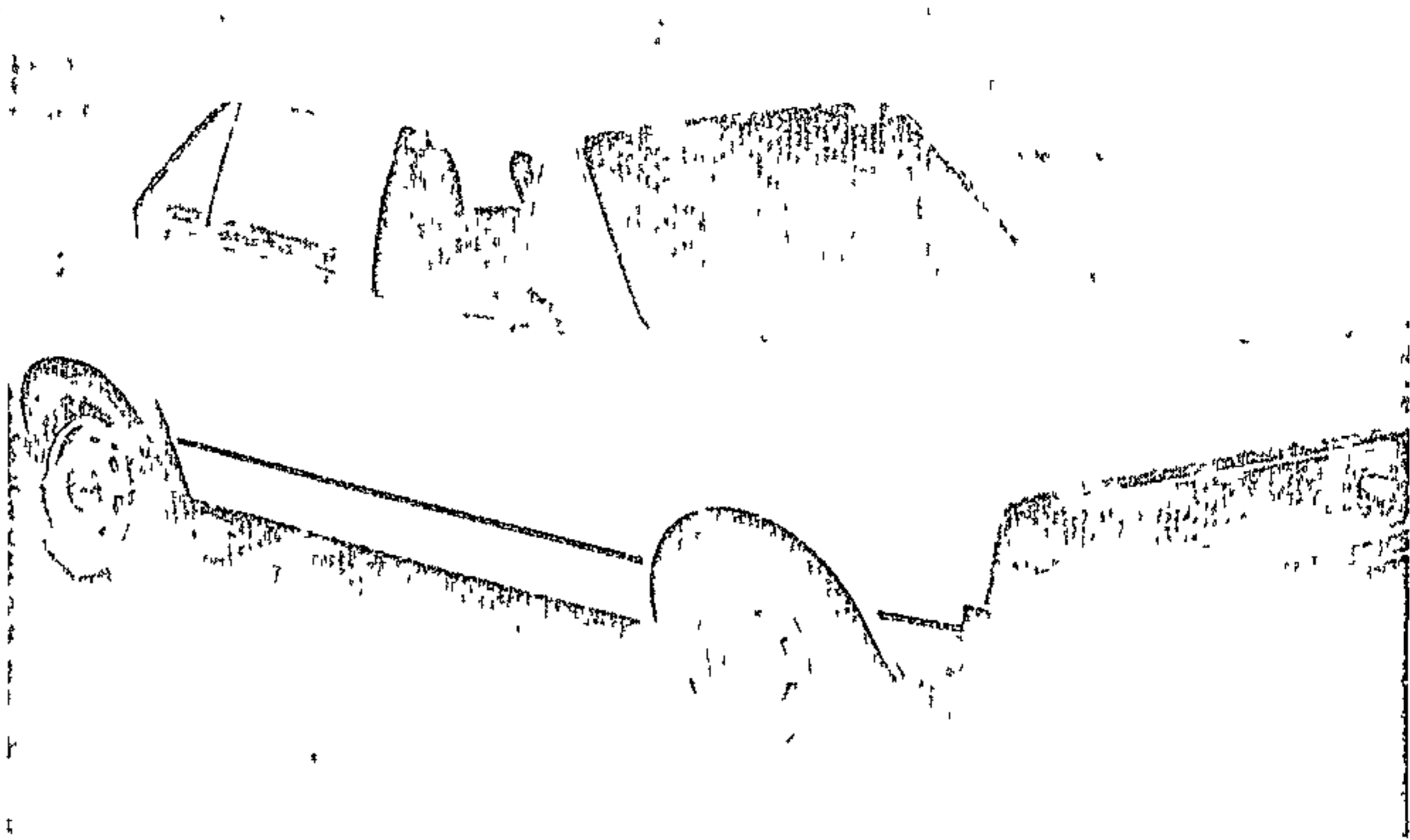
Sir Michael Edwards, chairman of British Leyland, said in an interview in Johannesburg yesterday that the local Leyland unit had recovered to such an extent and would make so much profit this year, that there was no question of closing down in South Africa.

About a year ago, Sir Michael had said in Cape Town that if the company could not come right, it would be closed.

Sir Michael said new car-model ranges would be introduced in South Africa — with the Mini making a reappearance on the local market about the middle of this year.

Sir Michael ascribed the turnabout in Leyland South Africa to a smaller operational base, increased productivity and more streamlined management. With fewer factories — two have been closed — and less staff, Leyland were producing as many cars and trucks as before, he said.

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**Volkswagen Golf ahead in the local alternative fuel stakes**

According to Volkswagen product manager Waldemar Geiger, the engines had to be redesigned and a number of components substituted to enable the two cars to run on M100 (pure methanol).

Volkswagen 1600 engines, fitted with special carburetors, were used. And modifications to the engine, carburetor, accelerator pump, fuel lines, manifold system and ignition system were necessary.

Changes were required because of the combustion characteristics of methanol and natural rubber substitutes replace synthetic plastic and rubber components.

Geiger claims 'No great cost was involved. When standard production of these cars gets underway, even these marginal cost factors will be greatly reduced.'

Modifications to the carburetors focused on

The doubling of the fuel jet area, the reduction of air correction jets to approximately a half to one-third of that used for petrol, and an increase in the delivery volume of the accelerator pump.

These modifications were vital, as it takes approximately twice as much methanol as petrol to produce the same energy.

Geiger stresses that 'this does not necessarily mean the methanol-powered engine's fuel consumption will be double that of its petrol counterpart. The engine operates more efficiently on methanol due to the higher compression ratio. The torque is also improved by approximately 12%.'

Modifications were also carried out to the ignition and spark timing and fuel system among other items.

Says Geiger, 'Development is also required in additional areas. These include carburetor adjustment, improving performance from cold start, prevention of vapour lock on hot days, and so on. But we can achieve these improvements at a relatively low cost.'

Shell's participation was motivated by a need to obtain experience in handling methanol on a commercial basis.

AECI regards methanol as an exciting replacement for petroleum-based chemical feedstocks, in addition to being a very good motor fuel.

It has operated the only coal-based low-pressure methanol plant in the world for about five years - a plant which now produces some 60,000 t of methanol a day. Although this is not much, AECI could produce vastly increased quantities should it decide to build a fuel methanol plant.

The existing plant is attached to a 1,000 t per day ammonia plant and draws synthesised gas from its Koppers-Totzek gasifiers. The technology used for the manufacture of ammonia is very similar to that used for the production of methanol.

A fuel methanol plant would probably be designed along similar lines to AECI's No. 4 ammonia plant.

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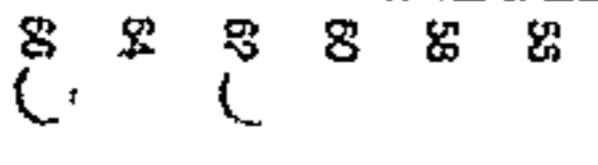
**ENERGY Silver streak**

The most innovative exhibits at this year's Rand Show are almost certainly the AECI Volkswagen/Shell methanol-powered, Golf 'Silver Streak' cars.

These are the first SA vehicles designed from the start to run on pure methanol.

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JOHANNESBURG —  
Leyland will stay in South Africa

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Sir Michael, who returned to London later yesterday, said new car model ranges would be introduced in South Africa — with the Mini making a reappearance on the local market about the middle of this year

Sir Michael ascribed the turnabout in Leyland South Africa to a smaller operational base, increased productivity and more streamlined management. With fewer factories — two have been closed — and less staff, Leyland were producing as many cars and trucks as before, he said

Both Sir Michael and Mr Leslie Wharton, managing director of Leyland South Africa, paid tribute to the Atlantis diesel project in Cape Town — SAPA

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ontrol for Profit?

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14 fish when the crew size is four (or five) people.  
Thus the potential gain (formerly obtained and re-  
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sipated by overcrowding the boat.  
Overcongestion can be shown graphically in  
Figure 9-1. The social gain is indicated by the  
plus-marked area, representing the "marginal  
products on board" in excess of the "marginal  
products sacrificed on shore," maximized (at 14  
fish) with five people on board. With more people,  
the marginal product on board will not match  
that on shore. That potential loss is represented  
by the shaded area below the marginal product

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happened to the extra 14 fish? They aren't  
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our example, eight people would be on board  
catch (which each gets) exceeds that on shore. In  
crowd onto the boat as long as the average  
use streets, parks, and the beach. People will  
Now anyone can board the boat, just as he can

# Leyland to stay in SA — and expand

CT. 15/4/80 (BT) 192

**JOHANNESBURG.** — Leyland will stay in South Africa. Sir Michael Edwardes, chairman of British Leyland, said in an interview here yesterday that the local Leyland arm had recovered to such an extent, and would make so much profit this year, that there was no question of closing down in South Africa.

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Leyland South Africa to a smaller operational base in increased productivity and more streamlined management. With fewer factories — two have been closed — and fewer staff, Leyland were producing as many cars and trucks as before.

Leyland would also spend several million locally generated funds on expansion and would enter the field of engine

component manufacture. Both Sir Michael and Mr Leslie Wharton, managing director of Leyland South Africa, paid tribute to the Atlantis diesel project in Cape Town.

Mr Wharton said there were excellent relations between his company and Atlantic diesels. He envisaged a large number of these engines would be used in locally-manufactured Leyland vehicles. Sapa

By renting of  
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Though many hazards are not formally insurable, other methods are used to escape the risks. You can't buy insurance against your oil well going dry, or not finding gold on your land, or having other people's tastes and demands shift away from your services, or divorce, or dull children, or marital infidelity. You can't buy insurance against these risks, yet you can insure for some of these events. For example, the risk of an oil-well's unexpectedly drying up can be transferred to someone else just sell the well to him. You will get the present value of that oil that other people expect is there. If the oil well does dry up, the buyer bears the loss, not you, if it lasts longer he gets the profit.

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Risk Allocation by  
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the insurance premiums + insurance company could get from voluntary insureds.

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Insurance: Pooling Risks

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Mack 'is

here

to stay'

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Mack trucks, which has a 29 percent share of the heavy truck market in the U.S. has no intention of withdrawing from the South African market.

As a producer of a "totally engineered" truck there had been speculation that once the Atlantis diesel engine programme in the case begins there would be no place for Mack products in this country.

Mack is in South Africa to stay" says Mr Alfred W Pelletier, chairman and president of Mack who visited South Africa recently for discussions with the SA Mack Corporation of Isando.

The South African heavy vehicle market is a growing one and is important in our overall international programme.

"We are determined to continue in this market, and indeed to increase our market share.

"This naturally involves us in the Atlantis diesel engine programme and we are making the necessary arrangements for the installation of Atlantis engines in Mack trucks in line with the local programme requirements," said Mr Pelletier.

The engineering and development work required

for Mack participation in the Atlantis programme is already underway at the company's headquarters in Allentown, Pennsylvania.

Says Mr John B Grant, managing director of Sigma Power "Mr Pelletier has now clearly spelt out Mack's total commitment to the future of South Africa."

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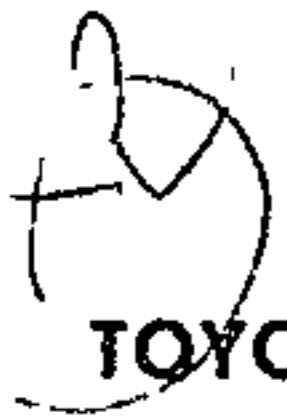
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TOYOTA

Fm 192 15/11/80

## In the fast lane

**Activities** Holds the franchise for the import, assembly, and manufacture of Toyota, Hino, Renault, and American Motors vehicles in SA through various subsidiaries. Effectively controlled by Wesco.

**Chairman:** Dr A J J Wessels, managing director C S Adcock

**Capital structure** 4,1m ordinaries of 16,67c. Market capitalisation R23,4m

**Financial:** Year to December 31 1979. Borrowings long- and medium-term, R2m, net short-term, R38,6m. Debt equity ratio 57,5%. Current ratio 1,3. Net cash flow R9,7m. Capital commitments R10,5m

**Share market:** Price 590c (1979-80 high, 590c, low, 135c, trading volume last quarter, 188 000 shares). Yields 19,0% on earnings, 4,7% on dividend. Cover 4,0. PE ratio 5,3

	'76	'77	'78	'79
Return on cap %	6.9	6.1	9.0	11.7
Turnover (Rm)	152.9	152.4	194.8	235.7
Units sold (000)	40	33	38	44
Market penetration (%)	13.4	12.9	12.5	14.0
Gross profit (Rm)	7.8	5.5	10.4	13.2
Gross margin %	5.1	3.6	5.3	5.6
Earnings (c)	55.4	24.8	75.3	112.2
Dividends (c)	25	6.25	20	28
Net asset value (c)	1 133	1 152	1 201	1 730

Toyota was the star performer on the motor sector last year, recovering from a mid-year profit decline to an overall 49% earnings improvement. The turnaround came with the motor industry's sharp recovery in the latter part of the year, and also reflects the stronger rand and the success of the Toyota small car range.

At end-June, earnings were down 82.7% at 5,7c (32,9c), though the decline appeared more marked because the previous



Toyota salesmen . . . pushing to increase market share

year's figures included the benefits of the pre-gst buying. The interim dividend was passed. Earnings for the full year were 112,2c (75,3c) after a second-half profit of 106,5c (42,8c). From this, a higher covered 28c (20c) dividend was declared. With the optimistic outlook for the motor industry this year, chairman Albert Wessels is confident of 'satisfactory growth and profitability, which augurs well for another dividend hike, despite a fairly heavy capex programme in the next three years.

Last year's profit advance stemmed from an increase in unit sales, new vehicles introduced, improved efficiencies and marketing advantages. Total unit sales rose 16% for a record market share. In the passenger car market, Toyota benefited from the fuel-efficient Renault, which improved its share of the market to 1,5% (1%), while the total passenger line-up improved penetration to 7,3% (6,9%). In the light-commercial market Toyota's market penetration at end-1979 was a dominant 27,6% (23,9%), while heavy vehicle market share improved to 11% (10,4%).

This better loading at manufacturing and assembly facilities, a more-favourable rand/yen exchange rate, and low local interest rates meant Toyota entered 1980 in a strong position. Total borrowings were reduced to R40,6m (R58,6m), which incurred a total interest bill of R5,6m (R5,4m) — reflecting the repayment late in the year of some of the debt. Interest was covered 2,3 (1,9) times by gross profit.

Long- and short-term borrowings were equivalent to 3,8 (6,2) times gross cash flow. At end-December, Toyota had used only 54,2% of its total borrowing facilities, which leaves adequate finance available for the R40m capex programme over the next three years. The funds will go towards tooling up to meet Phase five of the local content programme for passenger and light commercial vehicles. Wessels says the commitments will be met from cash flow, borrowings, and supplier credit where possible. So no undue dividend restraint appears likely.

Toyota has gained representation in 30 new areas, which should help towards a further increase in market penetration. The company has also appointed eight dealers in black areas as part of a programme announced in the previous annual report.

Wessels does not expect any serious oil price upsets this year, though he thinks the uncertainty still affecting the market will help keep demand for smaller vehicles and fuel efficient vehicles strong. He also supports forecasts that the motor industry can look forward to strong demand in 1980 and 1981.

In the past year the JSE motor sector has risen nearly 60% in anticipation of the sales boom. At 590c to yield 4,7% the share is more than four times its price of

a year ago. But if the optimistic forecasts for the next two years are met, there could be further upside potential in the shares.

— P. S. Kitala

## MOTOR INDUSTRY

192 FM 18/4/80

# Pretoria gives Honda the nod

The Board of Trade and Industries, as well as the Department of Industries, has recommended that UCDD — manufacturer and distributor of Mercedes-Benz in SA — should be allowed to go ahead with local production of Honda light cars and pick-ups

As the *FM* went to press this week, a letter informing UCDD of the position was awaiting the signature of Industries Minister Schalk van der Merwe

This was confirmed by the Secretary for Industries, Philip Theron

While Theron is not in a position to bind the Minister to a departmental recommendation, the *FM* understands from other sources that Van der Merwe has been sympathetic to UCDD's case from the start

So it looks as if UCDD chief executive Morris Shenker will get the nod to fly to Japan to seal final details with the Honda organisation

Shenker tied up an agreement in principle with Honda last year, but both parties agreed to wait for government sanction before getting down to the fine print. No problems are anticipated, however, and if things continue to run smoothly, the first Honda vehicles should be coming off UCDD's production line in about 18 months

UCDD has yet to decide on which models it will bring to SA, but the small Honda Civic, a replacement for the mid-engined Accord, and a small commercial vehicle are two likely contenders

## Meeting Phase V

The company could probably have persuaded government to allow a temporary relaxation of Phase V regulations to permit importation of Honda for a brief period, but has decided to go ahead on the basis of 66% local content. That is why there will be such a lengthy delay. On the other hand, Honda is not coming close to meeting demand for its fuel-efficient cars around the world. The shortfall is particularly critical in the US where customers presently have to wait up to six months for delivery of Civics and Accords — and pay heavy premiums to unscrupulous dealers. Thus, whether Honda would favour SA on exports is doubtful

Next year will clearly be a busy — and expensive one — for UCDD. The company is to introduce the new S-Class Mercedes-Benz, and tooling-up alone will cost close to R20m. Tooling up for the Honda models will also cost a fortune, but UCDD will have no shortage of willing backers on that venture

Honda itself could come up with whatever cash is necessary. Because of really tight limitations on space in Japan, the company is having to expand overseas to meet the international demand for its products

Only this year Honda announced that it will sink \$200m into a new car manufacturing plant in Marysville, Ohio — the first Japanese car assembly plant in the US. Furthermore, Honda relies on exports for 68% of its car sales, compared with 40% for Toyota and 44% for Nissan

Ironically, Japanese automobile exports to the US prior to the announcement of the Marysville plant caused an enormous amount of strain on US-Japanese trade relations, to the point that sanctions were feared

whether any serious objections were lodged with government following the gazetting of UCDD's application two months ago

Whether they were or not, however, government has acted speedily in coming to a decision on the Honda question. It's the kind of approach that will certainly have impressed UCDD's potential Japanese partners, and industry generally



Van der Merwe only his signature needed

As the *FM* understands it, Honda has now developed a plan for foreign plant development to protect it against trade sanctions, should they be invoked

When the Honda executive team visited SA last year, they talked to virtually every local manufacturer. It appears, however that, while most had some spare capacity, the ideal partner was UCDD, whose East London plant was most compatible with the Japanese company's South African requirements

The *FM* has been unable to ascertain



stands that Sigma will release these sometime next week, but is "not rushing them"

Of the rest, however, VW still leads the pack with 26% (4 434 units) of the market, followed by Ford with 30.51% (3 624) and Toyota/Renault with 12.38% (2 187), which has pipped Datsun by a mere 17 vehicles. Despite the successful launch of its new Opel Kadett, which sold a commendable 749 units since shipping commenced on March 17, General Motors, with 10.9% of the market, still lingers at fifth position.

Commercial vehicle sales growth continues to outstrip that of passenger cars. March figures are up 18.58% on last year, and Toyota, with 27.41% of the market, is still the leader. Datsun (26.43%) follows.

All this augurs well for the industry, which from month to month is hastily having to revise (upwards) its projections for the year. Says VW's Ruben Els: "At the end of last year we forecast 230 000 units for 1980, but after February's performance, pitched it at 240 000. Then came the Budget and we were suddenly looking at 250 000." But the big thing, stresses Els, will be manufacturers' ability to supply.

#### All-time record

GM's Lou Wilking agrees "There is enough demand to hit an all-time record of 250 000 cars, but supply is the question." GM, which took on 775 additional employees to bring its total work force up to 4 200, has doubled production to meet demand. "What manufacturers are selling today, they planned last August or September," he adds.

The view that manufacturers might have underestimated the sales revival, and may not have sufficient stocks on hand to meet demand, is also voiced by the Standard Bank in its March economic review. This, it says, could lead to longer delivery times and the scrapping of dealers' discounts to buyers.

Ford, for one, agrees. "The capacity of local component manufacturers shortages of imported stocks because of long lead times in the overseas ordering pipeline, and shortages of skilled labour, will all play a part in inhibiting growth," says a spokesman.

Ford, with 1 534 Escort sales for March (the highest since that model's introduction 12 years ago), has taken on 700 extra workers to push its staff complement up to 5 418. As a further indication of the increased activity in the industry, VW has taken on 800 more workers and its 6 000 strong labour force is "now in an over-time situation".

Leyland has also shown its confidence in the automobile industry, and chairman Sir Michael Edwardes has indicated that profits for the first quarter of the year are sufficient for the company to commit itself to staying in the country. The gauntlet was thrown down last year when Ed-

wardes said that if a profit wasn't shown in 1980, the troubled UK manufacturer would pull out of SA.

Leyland will also be making further investments in new models, and will take up where it left off at the outset of the abortive merger with Sigma. The Mini line was discontinued at the time because it would have competed with the Mazda 323, but, along with some Rover models, will be reintroduced. At the time it was withdrawn, the Mini was notching up monthly sales of about 450 units.

The company, which has pushed its truck market penetration to 13.8% from 7.3% last March (current order book, it is claimed, is in the region of R58m), will also be co-operating closely with Atlantis Diesel Engines, and will in fact fit ADE engines to some of its Land Rovers.

But while the motor industry's outlook improves, the continuing irritation caused by Sigma publishing its results after Naamsa figures are released, could pose problems. Some manufacturers claim that Sigma gains an unfair advantage in holding back and there are even allegations that it juggles its figures to pip its nearest rival each month.

This has led to threats by manufacturers that they may not release results at all. Naamsa itself "will continue publishing through June" after which monthly sales figures could be suspended. "This," says president Brian Pitt, "could lead to the position where the data bank could just disappear."

This will be a blow to analysts who see motor industry trends as a valuable barometer for the economy as a whole. Pitt, who "can't understand why Sigma won't publish its numbers along with the rest", hopes that time will heal the rift between Naamsa and Sigma, and that the company will rejoin the association.

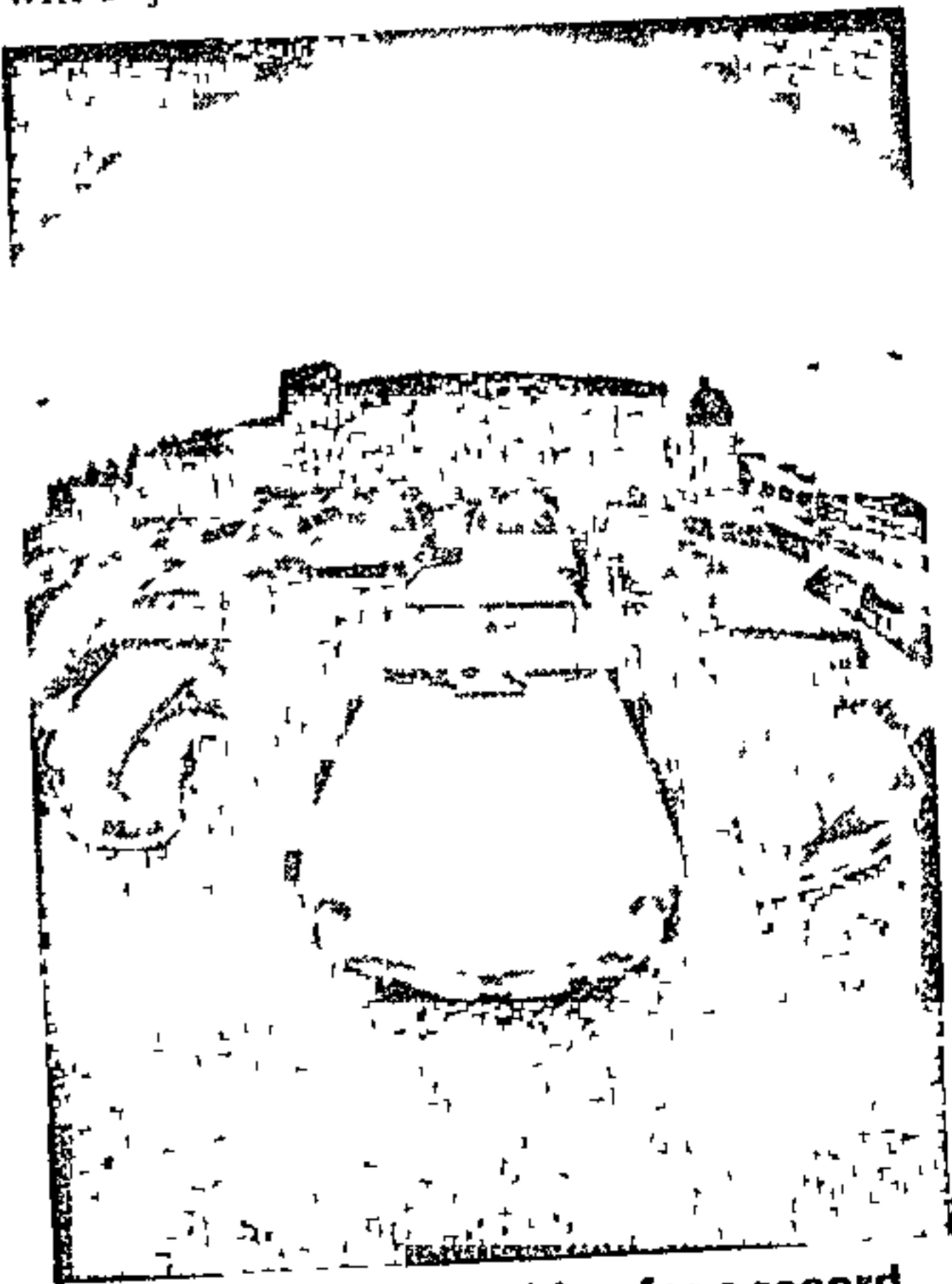
## MOTOR INDUSTRY 2

### A driving force

Even without the latest Sigma sales figures, the March returns from the motor industry show that it is well on the way to recovery, and growth in sales continues at a healthy pace.

According to the National Association of Automobile Manufacturers of SA (Naamsa), passenger car sales (excluding Sigma) at 17 672 are up 10.54% on the corresponding figure for last year.

Sigma, which "has no reason for being in a hurry to publish sales figures" and is "not going to break its back collecting them", will make its sales returns known when we feel like it. The FM under-



Car sales . . . reaching for a record high

.ND 19/4/80

# Leyland, union leaders agree on pay deal

LONDON - British Leyland's management reached agreement with union leaders yesterday on a new pay and conditions deal ending a dispute which threatened to halt all production at the state owned motor giant.

They announced agreement in a joint statement issued after nine hours of talks.

A total of 18 400 workers were on strike by yesterday in protest against the management's plan to rejuvenate the ail-

ing company.  
Mr Moss Evans, leader of the Transport and General Workers' Union, said after the meeting the management had withdrawn its threat to sack the strikers.

"The package remains as it is, but what we have got from the company is a code of conduct."

Mr Evans said this meant full consultation between the company and unions during the process of implementing the new deal - SAPA RNS.

(152)  
(112)

# Union bid to oust executive

1972

An action committee of motor workers will meet at the Holy Spirit Church, KwaZulu, on Sunday to discuss the next move in the workers' efforts to oust the present executives of the United Automobile, Rubber and Allied Workers' Union.

The chairman of the action committee formed by workers at a meeting at the weekend, Mr Dumile Makanda, yesterday said union bosses refused to accept a no-confidence vote in them passed by the workers.

The union officials first agreed to hand union property to the action committee, but later changed their minds.

"They claimed that the union officials were voted out constitutionally" said Mr Makanda.

"However, we are not accepting that. We elected them as office bearers so we cannot see how our demand for them to go could be unconstitutional."

Mr Makanda and workers were dissatisfied with the manner in which union executives handled the recent labour dispute at Ford Motor Co which led to the dismissal of hundreds of workers.

He said the union failed to function during the dispute and left it to workers under the leadership of Mr Government Zenu to fight for reinstatement.

Workers were also dissatisfied with the union officials because

of the manner in which the terms of office of six of the fifteen members were terminated by the others because of their alleged failure to attend monthly meetings.

"The workers were not satisfied with this because they are aware that the six people in question had not been notified about meetings" said Mr Makanda.

He said the meeting on Sunday would discuss the matter again and would find ways to counter the union officials' refusal to budge.

Mr John Mike, president of the union, was out of town and could not be contacted for comment.

Argus 23/4/80  
Car industry (192)  
is losing money

John D'Oliveira

**WASHINGTON. — Once they were the colossi of the American corporate scene: General Motors, Ford, Chrysler, Studebaker, Packard, Hudson . . .**

But, even more, they were as much a part of the American way of life as the proverbial apple pie. Cars were designed and built as if American parameters were the only ones in the world, as if rising American prosperity could sustain planned obsolescence forever, as if gasoline would cost 20 cents a gallon until the end of time, as if the Japanese were little yellow men who could only make had copies of American designs.

Of course, all these assumptions have been proved wrong and what remains of the American automobile industry is either sick or worried — or both.

This is heavily underlined by the latest statistics. General Motors is still number two on the list of corporate giants in terms of sales (66,3 billion dollars in 1979) and fourth in terms of profits (2,9 billion dollars in 1979).

Ford ranks fifth in terms of sales (43,5 billion dollars) and 12th in terms of profits (1,17 billion dollars).

Chrysler barely makes the top 25 in terms of sales, ranking 22nd (12 billion dollars) and does not in terms of profits.

But the statistics are ominous for both General Motors (sales up five percent and profits down 18 percent) and Ford (sales up two percent, profits down 26 percent). And everybody knows that Chrysler is battling for its life.

In a recent edition, Business Week examines the performances of American corporations and concludes that the automobile industry with an overall drop in profits of 26 percent between 1978 and 1979 is one of the

worst — beaten only by the losses of the steel industry (30 percent), the appliance industry (31 percent) and airlines (59 percent).

General Motors is the healthiest of the Big Three and has maintained its percentage of the cars sold in the United States at about 46 or 47 percent. Ford has maintained its share at between 22 and 23 percent.

Chrysler has lost (down from 15,1 percent in 1969 to 10,1 percent in 1979), the European imports have lost (down from 8,5 to 6,3 percent) and American Motors has lost (down from 2,5 to 1,5 percent).

The only winners, it seems, have been the Japanese who increased their share of the American market from 1,9 percent in 1969 to 11,7 percent last year.

When one examines the statistics of domestic cars versus foreign cars, the situation becomes even worse (because so many of the cars sold by big United States manufacturers are actually imported from either Europe or Japan).

In 1955 Americans bought 7,5 million cars of which only 58 000 (or 0,8 percent) were imported. By 1965 the imports had crept up to 569 000 (6,1 percent). By 1975 they numbered \$1 587 million (or 18,4 percent) and last year they came close to 2,5 million (23,2 percent).

Industry watchers predict the importers will sell more than 2,5 million cars this year — grabbing 25 percent of the market.

No wonder that Chrysler is a cripple, that Ford actually lost money on the cars it made in the United States last year and that General Motors is worried.

# CDA to make DD 26/4/80 Honda (192) cars?

DAVID DENISON  
Business Editor

EAST LONDON — The government has given the go-ahead for UCDD — manufacturers and distributors of Mercedes-Benz in South Africa — to produce Honda light cars and pick-ups at their CDA assembly plant here.

This was confirmed yesterday from Cape Town by Mr J. P. Snyman, a senior official in the office of Mr Philip Theron, Secretary for Industries.

The announcement undoubtedly means a significant number of new jobs will be created in East London and portends considerable expansion of CDA's existing production capacity at their West Bank plant.

Mr Snyman confirmed the Minister of Commerce and Industries, Dr. Schalk van der Merwe, put his signature on a letter posted, in his own words, "a week ago" to UCDD in Pretoria, formally granting approval for UCDD to pursue their negotiations with the Japanese manufacturers and noting the government had no objection to UCDD's application for the requisite permission to go ahead.

While the government's formal approval is obviously a giant step forward for UCDD — and CDA — the two principals just as obviously still have a long way to go before the deal is ratified and CDA can start assembling Honda cars and light delivery vans in East London.

DD 26/4/80  
DC

# Pay a factor in strike — prof

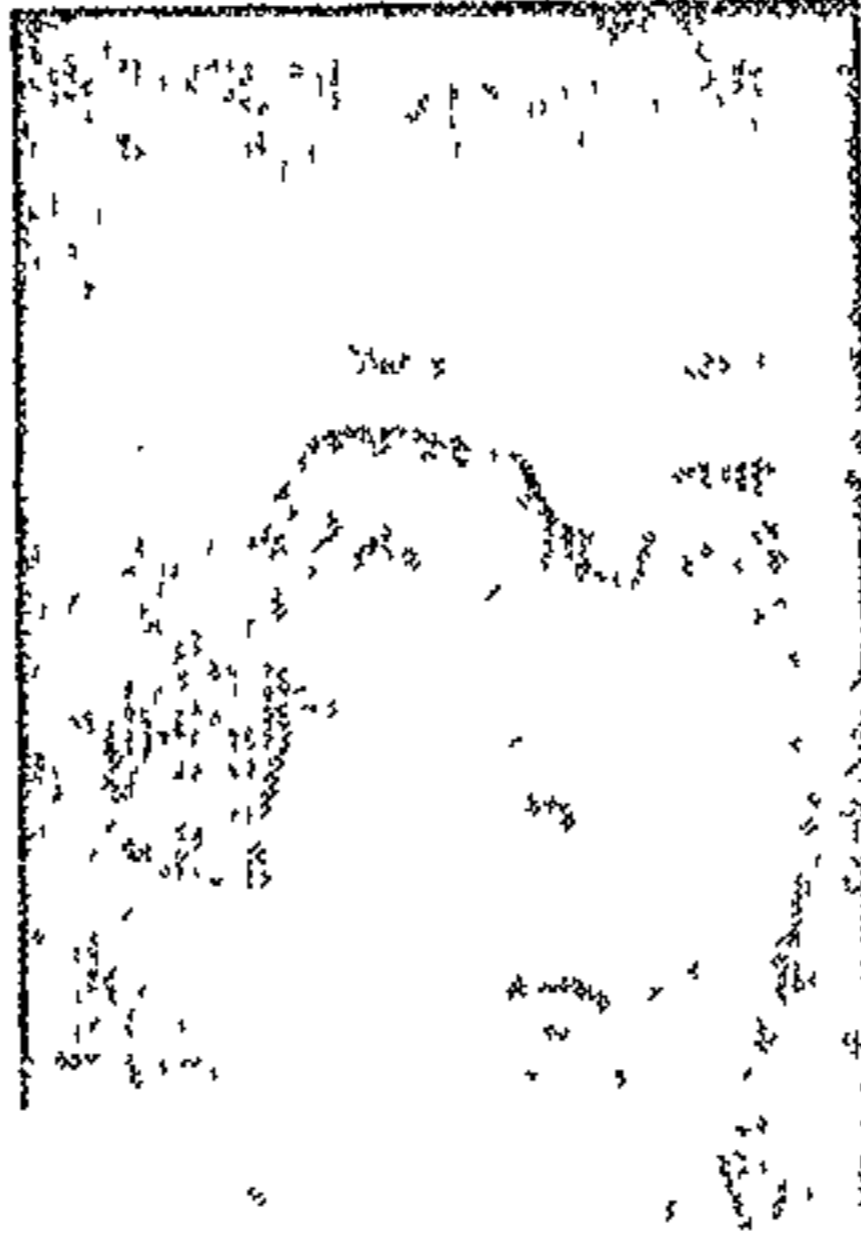
EAST LONDON — Working short time resulting in some workers having a monthly take home pay of R110 was one of the major contributing factors to the strike at Ford Motor Company in Port Elizabeth at the end of last year

This was said by Dr Marianne Roux, a lecturer in sociology at Rhodes University, at a lunch-hour forum organised by the Border regional branch of the South African Institute of Race Relations here yesterday

She said the strike largely reflected the worker management state relationship in South Africa

It was a clear demonstration of a demand by blacks for a bigger stake in the economy

At issue was the clash between white fears and



DR ROUX

blacks' rising expectations

"It showed on the part of the workers an awareness of the large political issues in the country," she said

Dr Roux said at the

beginning of the strike, Mr Ihozamile Rotha, the now banned Pcho leader whose dismissal by a foreman at Ford started the strike, was regarded as a threat by white supervisors

Blacks had counter reacted as they felt their leader had been victimised

Dr Roux emphasised the close bond between economic and political issues in the disturbances at Ford

"Both within and outside the work place there were strong forces binding the workers together and blurring the difference between the so-called industrial and political issues," she said

Ford was seen as being part of white domination and the counter action was to down tools as one man — DDR

US car

Argus 25/4/80

firms lay

(62) (33) (172)

off workers

PETROIT — The two biggest US motor manufacturers, hit by a sharp drop in sales, announced they were temporarily laying off nearly 25,000 more workers next week.

General Motors said it would stand down 12,750 workers at five plants for one to two weeks.

Ford said it would lay off 12,050 workers for two weeks at six plants and also keep idle for another week 5,700 men stood down last week at two other plants.

The new layoffs follow a 32 percent drop in sales in mid-April.

In addition, 220,000 workers have been stood down indefinitely. — Sapa Reuter.

DO. 29/4/80  
New bid to oust  
PE union leaders

PORT ELIZABETH — Workers at the Ford factory here are pressing ahead with attempts to remove their local union leadership from office. They have demanded a general meeting of union members to discuss ousting office-bearers.

The union is the black United Automobile Workers, which is affiliated to Fosatu. One of the targets of the campaign is Mr John Mke, president of Fosatu, which is regarded as a "militant" organisation by employers.

The chief cause of the dissent is the recent strike at Ford Dissenters, most of whom belong to the Port Elizabeth Black Civic Organisation, claim that local union leadership was "pro-management" during the strike.

At a meeting at the weekend, the dissidents decided to send a letter to the union, demanding a general meeting of members to discuss removing the union's Port Elizabeth branch executive.

Earlier this month, workers adopted a no-confidence motion in the executive and demanded its resignation. But the executive refused to resign.

saying its dismissal was unconstitutional.

At the weekend meeting, Mr Dzimile Makhanda, who heads an action committee which is attempting to remove the union leadership, said his committee had decided "to adopt a more constitutional approach".

They had decided to write to the branch executive demanding a general meeting within 30 days. If this was not complied with, workers would elect their own executive.

If the present executive refused to hand over the branch's property to the committee, legal action would be taken, Makhanda said.

The chief reason given for the move was dissatisfaction with the handling of the Ford dispute. But other claims made at the meeting were that six members of the branch committee had been "unconstitutionally" sacked and that workers were dissatisfied with the executive's last financial report.

Dissatisfaction with the running of the union was also expressed.

Union officials were unavailable for comment yesterday -- DDC



## MOTOR INDUSTRY

# Just not figuring

192 FM 25/4/80

Sigma's refusal to publish its monthly sales returns along with other motor manufacturers has led to the industry approaching government — and a rebuff from the Minister. And now Sigma's attitude could well result in other manufacturers discontinuing the practice of publishing figures.

The National Association of Automobile Manufacturers of SA (Naamsa) recently approached Industries Minister Schalk van der Merwe, to ensure that monthly statistics (vital to the industry because of a six to nine months ordering pipeline) continue to be published.

The FM understands that Van der Merwe declined to intervene. Says Industries Secretary Philip Theron: "The Minister can't interfere in what is an entirely private matter. This is a free economy, and we can't force companies to publish statistics. Although we would very much like statistics as published previously, I don't think that the authorities will take steps to enforce publication."

Since withdrawing from Naamsa (ostensibly over lack of Naamsa support for its application for exemption for ultra-light vehicles from Phase V local content requirements) Sigma has continued to publish figures independently. However, this has been on an erratic basis and invariably after Naamsa figures have been published, causing concern in Naamsa that



Theron . Minister can't interfere in a private matter

Sigma could be juggling its returns to suit its own ends.

Some manufacturers feel that Sigma could thus gain an unfair advantage in a highly competitive market and have indicated that should matters not improve, they will no longer file returns. Naamsa's official attitude has been to continue through June, after which the matter will be re-assessed.

Another bone of contention is that when Sigma does publish, it only issues a global figure and not a geographical breakdown, as do Naamsa members. Says Naamsa president and Ford MD Brian Pitt: "Details by licensing district are essential for dealership planning, and if members were to stop submitting returns over this issue, the Naamsa data bank could disappear entirely. This would be a blow, not only for the motor industry but for economists as a whole."

### Sigma advantage

Awareness of competitors' sales trends in specific areas gives Sigma a distinct advantage in that it knows where to direct the marketing effort. This is what irks, more than anything else, and although manufacturers are only willing to talk off the record (they still officially uphold the Naamsa credo of not knocking competitors) they believe that Sigma is deliberately being obstructionist.

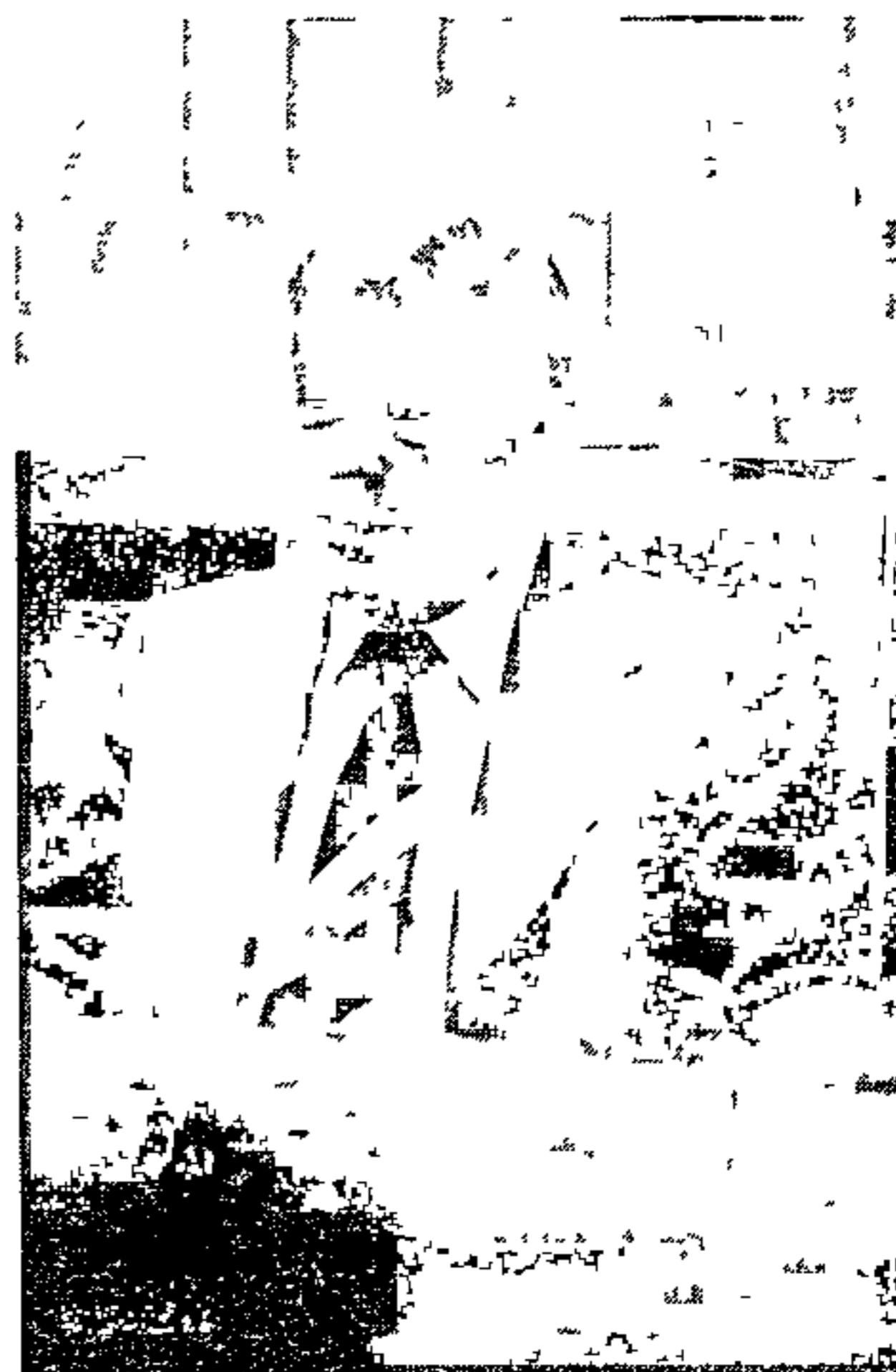
"Perhaps they want Naamsa, on bended knees, to ask them to co-operate. Sure as hell they don't want to lose face," says one.

Sigma released its returns this week, but as it is "introducing a whole new system", only discloses sales for the first 25 days of March. Total car sales for the period are 3 446 and commercial vehicles 674, but because they don't reflect a complete month, are not that informative.

Estimates however put Sigma's likely car sales for March at about 4 200 units, which would push the total to 21 872 cars, up 8.59% on March last year. Sigma's market share would then be 19.2% in second place to VW's 21% (4 595) and ahead of Ford (16.57%, 3 624).

"Whether they have done this to continue confusing the issue, or to attempt to conceal a slide in performance, remains to be seen," says a competitor. Sigma's Dave Clapham says the company will now account for sales up to the 25th of each month, and it is understood that Sigma will publish full monthly figures from April.

Sigma may even publish its results before Naamsa and rob critics of a lot of



Adcock . incomplete statistics a nuisance

their ammunition.

Nevertheless, the geographical breakdown bugbear exists. "We've never given any thought to not releasing figures," says Toyota's Colin Adcock "but I must admit, in terms of detailed planning, incomplete statistics are a nuisance."

# Vehicle sales reflect increased confidence of consumers

STAR 30/4/80

192 30 +28

Vehicle sales in the first quarter of this year compared with the corresponding period of last year indicate a dramatic increase in consumer confidence.

There have been significant increases in the sales of both passenger and commercial vehicles in the first quarter, and the indication is that the trend will be maintained through the rest of the year.

Toyota has had the most dramatic rise in both passenger and commercial sales, and has moved itself from fifth to second place in overall sales.

Volkswagen takes over

the lead from Sigma in total market sales in the first quarter with a total of 14,375 units. Toyota, 148 units behind Volkswagen, is in second place and Sigma with 14,039 fills third spot. Datsun is fourth and Ford fifth.

Toyota has made dramatic inroads in the passenger car market, increasing its volume by 59.7 percent in the first quarter. This moves Toyota into fourth place in the passenger car market.

Volkswagen maintains first position with a 19.3 percent increase, followed by Sigma, whose sales rose by 8.6 percent and Ford, which lifted its

sales by 7.7 percent.

Datsun drops to fifth place in the passenger car market.

The only losers in unit terms in the higher passenger car market are Mercedes Benz and Fiat.

In commercials, which rose 19.8 percent in the first quarter, Toyota, which has dominated the sector for the past seven years, has further strengthened its position by lifting its sales by 44.4 percent. This gives Toyota nearly 27 percent of the total commercial vehicle market.

Datsun increased its sales of commercials by 26 percent.

2

# MANUFACTURING - MOTOR INDUSTRY

2 MAY 1980 — 30 AUGUST 1980

~~SA 1000~~  
1000  
ETHANOL  
POWERED  
VEHICLE

Correspondent

1000 Ethanol - Vol 10  
value of ethanol has as a  
result of the ethanol powered  
car

It is the first to be built by a  
South African manufacturer  
The car's design has been  
developed to an advanced  
stage

The manufacture of the car  
comes on a month after the  
announcement that the state  
will introduce a 100% ethanol  
fuel methanol research pro-  
gram which will produce  
methanol powered cars

The company's managing di-  
rector Mr Peter Searle said  
yesterday that more ethanol  
powered Passats were nearing  
completion for use in the com-  
pany's own research  
programme

The engine used in the Pas-  
sat was imported from Brazil  
and modified for local condi-  
tions by Volkswagen's techni-  
cians in Uitenhage. The 1500cc  
engine is equipped with high  
compression pistons - which  
increases the compression ratio  
to 19.5:1 - and a special car-  
burettor and distributor

Not that the large-scale  
production of alcohol fuels in  
South Africa is becoming a re-  
ality the effects of the world  
oil situation become less sig-  
nificant for the economic well-  
being of the country. We are  
ready have the technology to  
produce vehicles that are able  
to operate on pure alcohol fu-  
els Mr Searle said

# Toyota heads for record as car sales boom

ST 3/5/80  
192

BY PAUL DOLD  
Financial Editor

TOYOTA is heading for a record year due to booming demand for its range of cars and commercials and the weakening of the yen against the rand.

Motor industry sales figures for the first quarter of the year show that Toyota's passenger car sales, which include Renault, soared by close to 60 percent — the largest percentage increase in the market — moving the group into number four on the sales log.

Industry passenger sales were 12,5 percent up on a year ago.

Volkswagen which maintained its premier total sales position with a rise of 19,3 percent was followed by Sigma with 8,6 and Ford with 7,7 percent.

Toyota, which dominates the commercial market, boosted sales of commercials by 44,4 percent and now claims to hold nearly 27 percent of this segment. Industry sales were up 19,8 percent. Datsun, Toyota's main rival, boosted sales by 25,9 percent.

Over the total market, Toyota is a mere 148 units behind the leader Volkswagen, with Sigma third, Datsun fourth and Ford fifth.

Managing director, Mr Colin Adcock, is forecasting 250 000 sales for the industry, which, if achieved, will be an all-time record, beating the previous high by 32 000.

In spite of supply constraints and bottlenecks in the industry he feels the 250 000 mark is



Mr Colin Adcock steering Toyota to record profits

feasible but doubts whether the figure could be pushed to 260 000.

He says the industry generally is desperately short of imported stock and points out that Toyota itself, over and above its normal supplies, requires some 4 500 vehicles purely for the supply pipeline purposes which is currently around seven months ex-Japan.

His forecast for commercials is 107 000, which will be a good year but not necessarily a new peak, and heavies sales of 20 000 which will provide the

best figures since 1975.

Stock market sources believe Toyota will be launching a new version of the highly popular Corolla this year. The model, which was first marketed 4½ years ago, has proved to be the group's top seller and judging from the normal life cycle is probably due for replacement. Mr Adcock declined to comment on planned new models.

Toyota's tremendous sales performance is good news indeed for shareholders.

While earnings in the first half of this year should climb impressively the second half will be even better.

In 1979 group earnings per share were 112,2c with dividends of 28c. This compares with the previous year's 75,17c and dividends of 20c. While the yen factor hit the group hard some two years ago, the position has now been reversed and the exchange rate should have a positive impact on profits.

Apart from boosting earnings the weak yen will also allow the group to hold price rises down to lower levels than would have been the case, further bolstering market penetration. And this year Toyota should have the advantage of both the car plant and the marketing arm making substantial profit contributions.

# MAN AAN DIE ROER

## 'n Marathon bang hy nie

**Deur FRANZ ALBRECHT**  
OP 'n naweekoggend hardloop hy tot 70 kilometer vir oefening In die week draf hy soggens tot 15 kilometer In die ses Comrades-marathonne waarin hy die afgelope paar jaar deelgeneem het, het hy drie silwermedalies verower En hy is 'n uitvoerende direkteur van die grootste sake-onderneming in Suid-Afrika.

Dié man is mnr Chris Griffith, 48, voorsitter van die S i g m a -Motorcorporasie, 'n uitvoerende direkteur van Anglo American en voorsitter van dié maatskappy

se nywerheidsafdeling Onder hom ressorteer die maatskappy se motor-, papier-, hout-, ysterlegering- en vervoerbelange Hy is voorsitter van maatskappye soos Mondri, SA Forest Investments, Bruynzeel Plywoods en SA Board Mills, en 'n direkteur van vele ander

Dat die maatskappy se motorbelange onder sy bestuur val — afgesien van die ander nywerheidsbelange — kan nie meer gepas wees nie. As voorskootse kleuter het hy op besige Johannesburgse paaiemotors bestudeer totdat hy elke soort kon

utken Boonop was hy 2½ jaar lank — vanaf sy dertigste jaar — self 'n renjaer wat menige oorwinnings op renbane oral in die land behaal het. Hy is die man wat Sigma vir Anglo op die been gebring het.

Ander nywerheidsbelange van Anglo, het ook die afgelope paar jaar onder mnr. Griffith se bestuur sterk op die voorgrond getree. Belange soos Mondri, Freight Services en SA Forest Investments

Dit is hierdie prestasies wat 'n mens laat glo wonder neer hysé: „Ek is nie bang

om nuwe dinge aan te pak nie”

Die welslae wat mnr Griffith in die nywerheidsafdeling behaal, skryf hy toe aan die toewyding waarmee hy en ander hulself inspan, onberispelike aandag aan die fynste besonderhede, deeglike beplanning, kommunikasie met mense, en die vermoë om hulle te motiveer. „En,” voeg hy by, „'n mens moet hoë standaarde stel.” Dat hy dit self doen, is nie te betwyfel nie Met sy hardlopery het hy op betreklik hoë ouderdom begin, maar hy het al die Comrades-marathon in 7 uur en 14 minute afgelê

Die verhaal van Sigma is 'n tipiese Griffith-suksesverhaal. Toe die maatskappy op 2 November 1976 gestig is, het die twee destydse vennote — Illings en Chrysler Suid-Afrika — gesamentlik gesede plek in die plaaslike motorvervaardigingsbedryf bekleë

In Desember verlede jaar — drie jaar daarná — het Sigma die eerste plek onder motorvervaardigers bekleë met maande-

likse verkope van 5 119 eenhede en 'n jaarlikse verkoopswaarde van 58 866 voertuie. Gedurende 1979 het Sigma sy 100 000ste voertuig vervaardig

Mnr Griffith se toetrede tot die motorwêreld het in 1966 begin toe hy as 'n bestuurder in die nywerheidsafdeling aangestel is net ná sy terugkeer uit Amerika waar hy drie jaar in Anglo se New Yorkse kantoor diens gedoen het Vóór dit was hy sedert 1953 vir vier jaar aan die Londense kantoor verbonde en het hy sewe jaar in verskeie afdelings in Suid-Afrika gewerk

Hy het eers na Anglo se aandeel in die motorhandelaarsaak McCarthy Rodway omgesien. Dié het 'n belang in Illings gehad. In 1970 het Anglo die McCarthy-familie se aandeelhouing in Illings uitgekoop.

'n Stewige handelaarsnetwerk is deur Illings op die been gebring, maar die beleid is gehandhaaf dat Anglo nie self motors sou vervaardig nie, en Toyota het onder kontrak die Mazda-reeks vervaardig Toyota het egter ken-

nis-gegee dat hy die kontrak in 1975 sou opsê

Mnr Griffith het van hierdie geleentheid gebruik gemaak om same-sprekinge met Chrysler aan te knoop met die oog op 'n moontlike oornam van die plaaslike belange Hoewel die samesprekinge op 30 September 1975 vir die eerste keer aangeknop is en eers in Julie die volgende jaar intensief voortgesit is, sê mnr Griffith dat hy al in Augustus 1975 vol vertroue was dat 'n ooreenkoms bereik sou kon word.

Sigma is op 2 November gestig en sy motorvervaardigingsaanleg is nou een van die modernste in die bedryf Die blytsverkopers is die Mazda 323, Colt Galant en Peugeot 305

Sy ondervinding van motorren help hom oëndig bates om die regte motors vir die Suid-Afrikaanse publiek te kies, sê mnr Griffith Hy en sy besturende direkteur, mnr Fred Butler, gaan gewoonlik self oorsie om nuwe prototipe motors te toetsbestuur voordat dit in Suid-Afrika vervaardig word

Hy is ten volle vertrouwd met die tegniese eienskappe en vaardighede van motors en terwyl hy toetse oorsee aflê, kom hy gou agter watter modelle die geskikste vir Suid-Afrikaanse toestande sal wees Soms beveel hy wysigings en verbeterings aan, wat die vervaardiger dan oorsee aanbring, voordat die model plaaslik vervaardig word

Mnr. Griffith, is in Johannesburg gebore en het by St Andrew's College in Grahamstad skoolgegaan Hy het eers siviele ingenieurswese op Wits gestudeer voordat hy ná 'n jaar met 'n Rhodes-beurs na Trinity College op Oxford is. Hy het 'n MA-graad op Oxford behaal.

Daar is met tye meer kinders in mnr. Griffith se huis in Johannesburg as in die standaard-huissiesin. Hy is vader van vier — drie dogters en 'n seun — en stiefpa van nog vier — twee dogters en twee seuns. Behalwe vir sy hardlopery, ry hy graag wind-branderplank saam met die jongklomp.



MNR CHRIS GRIFFITH, argitek van Sigma en nou hoof van die grootste motorvervaardiger in Suid-Afrika



192

## R50m loco contract <sup>(192)</sup>

PORT ELIZABETH — General Motors has secured an order exceeding R50-million for 100 main-line diesel electric locomotives from the Railways. They will be built at the company's plant at Alocs, near Port Elizabeth. **GM**

The general manager of GM's electromotive division, Mr Lutz Elsner, said that the workforce at the plant would have to be trebled. **5/5/80**

"The order is for the heaviest and most powerful locomotives to be operated by the South African Railways."

Manufacture would start towards the end of the year and the first delivery would be in May next year. The contract would run to August 1982.

"The new order will increase our present production from three units a month to 10 a month."

The plant is executing an order of 50 shunting locomotives for the SAR — Sapa

# Motor industry reviving up

During the past few months the motor vehicle industry in South Africa has been faced by a particularly strong upsurge in demand

An increase in activity had been widely expected, but it appears manufacturers and retailers have been surprised by the intensity of the upward trend and as a result the market is already showing signs of tight supply

This has shown up through lengthening delivery periods for cars and light commercials, though not yet for heavy commercial vehicles.

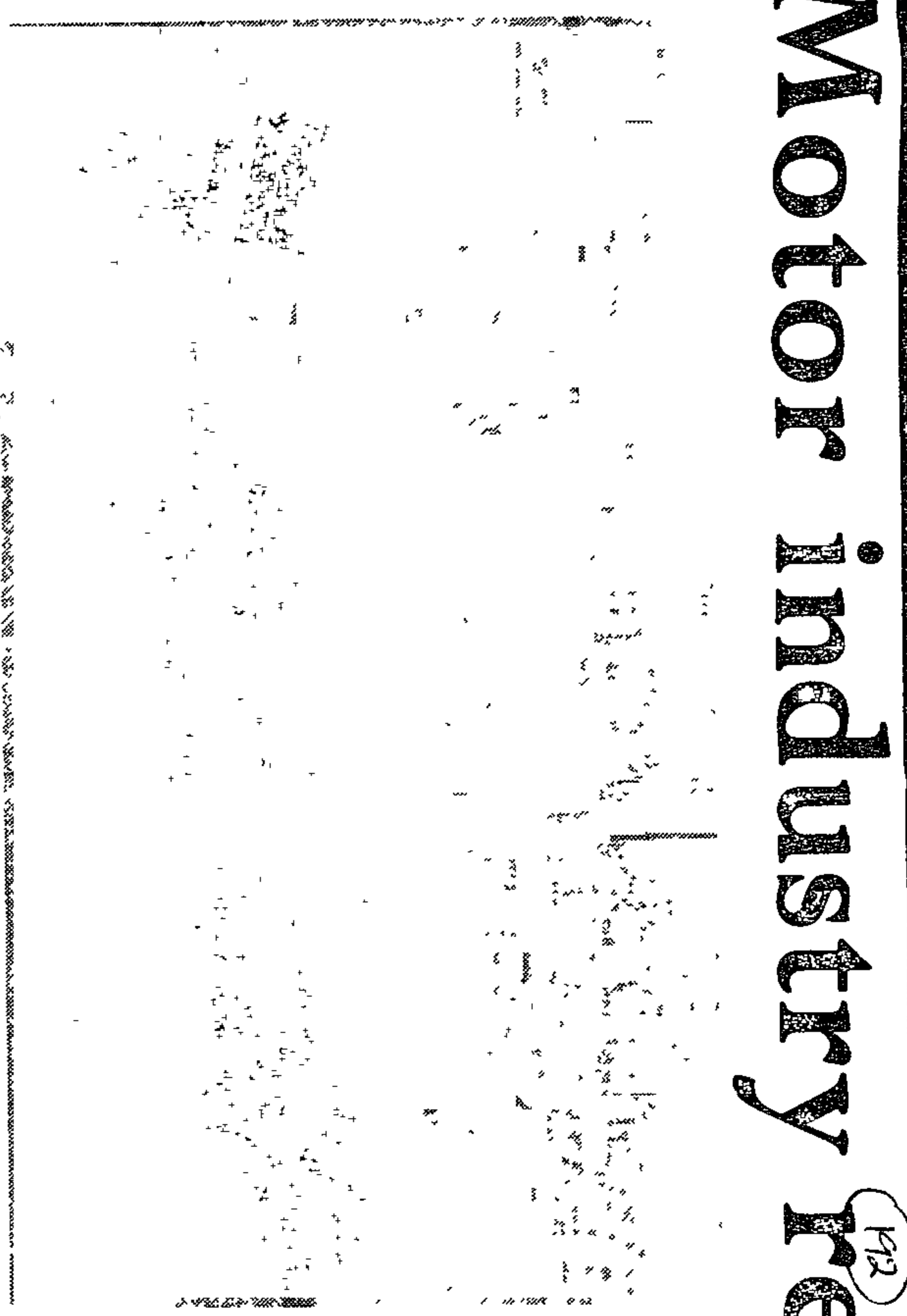
The used car market, too, has become very active with prices moving ahead sharply. If current trends in demand persist there is some danger that supply bottlenecks will become significant in a number of areas.

Last year the industry recorded a moderately satisfactory 4.2 per cent increase in new car sales to 213 270 units and a 1.8 per cent rise to 100 809 in new commercial vehicles sold.

Sales have been moving ahead much more rapidly in recent months and an extraordinary large jump in sales during February pushed new car sales to levels some 25 per cent higher than a year ago and commercials 27 per cent higher. Car sales of some 240 000 units and commercial vehicle sales of 120 000 for this year are now within reach. That would represent percentage increases of 12.5 per cent and 19 per cent respectively.

This positive prospect comes after several years of poor performance (even last year's improved sales totals are still below 1973, 1974 and 1975 levels) and is attributable to positive changes in a number of factors influencing demand.

These include overcoming the negative effects that accompanied the fuel crisis early last year which resulted in two large petrol price hikes (a total increase of more than 60 per cent) and severe temporary physical restrictions on speed and fuel-selling hours. The more favourable conditions for the car market were enhanced by a generally improving economic climate.



Manufacturers are optimistic about a swing back to bigger cars — and little wonder with this added attraction.

The gathering pace of the economy led to higher employment (which correlates closely with vehicle purchasing), Christmas bonuses (a factor in finding downpayments),

**The latest issue of the Standard Bank Review turns the spotlight on the buoyant car market, but warns the buoyancy could herald supply bottlenecks soon. It also spotlights the awakening of a sleeping giant — the black buyer.**

salary increases early this year were more substantial than they had been for some time, and the effect of last year's income tax reductions and loan levy repayments had worked through.

In addition to these economic factors, a large number of cars bought in the peak years — 1973, 1974 and 1975 — had become due or overdue for replacement. The used car market (which has a strong influence on the new vehicle market) took off sharply, credit conditions were very easy and hire purchase periods were ex-

tended from 36 months to 42 months. In the commercial market, too, greater vehicle demand reflected the general upswing in the economy and high li-

quidity. Prospects for further expansion of demand depend on the continuation of conditions that were responsible for the revival. A basic requirement is the absence of further shocks concerning petrol availability and cost, continuing economic upswing to underpin expansion of personal incomes, and positive cash flows.

At present an increase in petrol prices appears unlikely and the tax cuts and other measures provided for in the Budget are almost certain to bring about favourable car market conditions. If demand remains strongly positive, as seems likely, one of the effects will be the probable emergence of bottlenecks on the supply side. Because of an underestimation of the strength of the industry now faces the prospect of at least three and perhaps more areas of difficulty. Shortages of imported stock are likely to emerge because a third or more of all components are imported and have to be ordered six to nine months in advance. Shortages of local components because, though lead times are shorter and there is currently some spare capacity, it is expected the slack will be taken up quickly and capacity problems will appear. Substantial shortages of skilled labour since the industry is already experiencing problems in this area. Firms are already working 10-and-11-hour shifts and would be unable to provide teams for double shift work.

cial vehicle area, while there is no local content programme as such, the drift in government policy appears to be in that direction. Manufacturers expect to be required to use locally produced diesel engines when the plant at Atlantis comes into production next year. Extra investment will be required to fit these engines to chassis not originally designed for them. Since these are longer term difficulties the most probable prospect for the industry this year therefore arises from a continuing acceleration of demand and the appearance of at least some bottlenecks in supply. For individual manufacturers — there are 18 altogether (11 in cars, 16 in commercial vehicles and nine in both) — there are other considerations. Their profitability will depend on how well each company's products fit the currently dominant market trends. Important factors are the continuing strength of the small car sector, the popularity of manual drive cars against automatics, the ascen-

But other problems loom beyond these short-term problems brought about by sharply rising demand. Among these is the local content programme which could also constitute a constraint. Car manufacturers generally are already meeting the required percentage of local content. However, progressive tightening in implementing existing rules could find some manufacturers in difficulties when new models are introduced. That could lead either to delays and possible shortages or to penalties being incurred, either of which would affect the industry's profitability.

In the case of light commercial vehicles the industry has been granted a temporary reprieve — the 66 per cent requirement due to have come into force in January has been postponed until the end of next year. Some manufacturers who have not already made the necessary investments will not now be under pressure. In the heavy commercial vehicle area, while there is no local content programme as such, the drift in government policy appears to be in that direction. Manufacturers expect to be required to use locally produced diesel engines when the plant at Atlantis comes into production next year. Extra investment will be required to fit these engines to chassis not originally designed for them. Since these are longer term difficulties the most probable prospect for the industry this year therefore arises from a continuing acceleration of demand and the appearance of at least some bottlenecks in supply. For individual manufacturers — there are 18 altogether (11 in cars, 16 in commercial vehicles and nine in both) — there are other considerations. Their profitability will depend on how well each company's products fit the currently dominant market trends. Important factors are the continuing strength of the small car sector, the popularity of manual drive cars against automatics, the ascen-

strong and shows no sign of abating. The trend away from automatics back to manuals should also be reinforced in the year ahead. Automatics, which tend to consume more fuel, have been losing ground steadily since they peaked in the early 70s. In 1979 the split was 79 per cent manual, 21 per cent automatic. Four-cylinder cars moved even further into the lead in 1979 and there is no sign of a swing back. Last year they took 86 per cent of the market with six-cylinder cars following a very poor second with 10 per cent. In 1975 the figures were 76 per cent and 23 per cent respectively. One of the most pertinent features is the wakening of a sleeping giant — the black motorist. The long-awaited development of this market in all segments — cars, minibuses and commercials — though not a specially significant factor in the current upsurge, now seems to be in progress. It is characterised by a steady movement up-market rather than a sudden wave of new vehicle buying. The vanguard of black purchasers has been moving steadily first through the cheaper and then the more expensive reaches of the used car market. It is now appearing with growing frequency in the market for small new cars and minibuses. Overall the prospects are good for those companies in the motor industry geared to take advantage of the rapid pace of the economy's revival. For those elements of the industry that have been struggling the likelihood of increased activity in 1980 will provide some respite. In the long run, however, a question mark remains behind profit prospects unless further rationalisation takes place or extensive export markets are opened up. On the face of it, there are still too many manufacturers making too many models in too small quantities for good long-term profitability.

The wakening giant — sales to black motorists.



# Sigma's

# Wages

Post  
9/5/80

# go up

192  
~~191~~

By JOE THOLOE

THE SIGMA Motor Corporation will increase its minimum pay from 65c to R1 an hour from Saturday.

Workers in the higher grades will also get increases varying according to the grade, bringing the workers getting increases to almost 3 000

The increases are the result of an agreement the corporation has just negotiated with its liaison committee.

In a statement yesterday Sigma's Roger Houghton said "The minimum wage of R1 an hour will apply during the eight-week training period and the worker's wage will then go up to at least R1,04 an hour This could be higher, depending on the job to which the worker is transferred after the training period

### LIVING LEVEL

"Increases for other black hourly-paid workers vary according to grade, with the smallest increase being 16 percent"

Mr Houghton said Sigma's wages were now highly competitive in the Pretoria area And the minimum wage was well above the Government's minimum living level and approach the supplementary living level of the University of South Africa

Up to now the minimum pay in the motor industry in the Pretoria area has been lower than that in the Port Elizabeth-Uitenhage area The official minimum wage in the Port Elizabeth-Uitenhage area has been R1 since August last year

But the three companies there — Volkswagen, Ford and General Motors — are in fact paying R1,15

An official of the National Union of Motor Assembly, Rubber and Allied Workers and its sister union the United Automobile, Rubber and Allied Workers, yesterday said the unions were negotiating to have the PE minimum increased.

pm 4/15/80 (192)

### SHAPELY FIGURES

Sigma, which now computes its vehicle sales returns for the month up to the 25th, has pipped Naamsa in releasing its April figures (Naamsa's figures will be released next week)

These reflect the growing and buoyant state of the car industry

Although the total car sales figure of 5 015 is not directly comparable with March's 3 446, which was calculated over a 25-day period only, there has no doubt been a "great improvement", says Peter Moss, Sigma's director of sales and marketing

"There has been better availability and the short supply situation is lifting," he says

The commercial sales figure of 727 is also an improvement on 674 — March's sales over a 25-day period

Last month, Sigma released its figures a fortnight after Naamsa, although it had never had difficulty in meeting Naamsa deadlines in the several years it was a member of the industry body

Asked if Sigma intended releasing its figures before Naamsa from now on, Moss replied curtly "We'll release figures when we've got them"

How we see the disparity of the correct  
for taxes yr with increase and aggregate  
demand from AD, PDB and thus necessary  
in the future as discretionary gap  
The government's view is that the discretionary  
gap by cumulating which is a  
made a mixture of these policies  
OK but without explicit SIS

FM 4/8/80  
MOTOR INDUSTRY 192

## Pandering to profits

Fiat is planning to introduce Europe's biggest selling light car to SA. In a statement which can be seen as a re-affirmation of its intentions in the local market and a commitment to increased capital investment, the Italian motor manufactur-

Financial Mail May 9 1980

er says it will introduce the 900cc Panda locally, and hopes to begin production in two years' time.

The Panda could well be the beginning of the new generation of ultra-light cars on the SA market. Fiat MD Dr Gian-Carlo Barsotti says Pandas complying fully with the 66% Phase V local content requirements should be in production within two years and that studies for the local content plan have already begun here and in the company's Turin factory.

This puts paid to the chances of the slightly larger Fiat Ritmo making its appearance in SA. Says Barsotti: "It would not pay us to produce more than three car models for SA. If we produced the Ritmo as well as the Panda, we would have to get rid of either the 128 or the 131 model. The 131 is our medium-sized car and the 128 forms the basis of our bakkie. They are both proven sellers, whereas the Ritmo is not. It would also be the late-comer to a market already being contested by the Renault, Golf, Mazda 323 and Kadett."

Of a very simple design, the Panda has a 900cc engine said to be extremely fuel efficient. Its simple design will greatly facilitate local production, says Barsotti, and the engine will be locally produced to better exploit the company's engine machining plant.

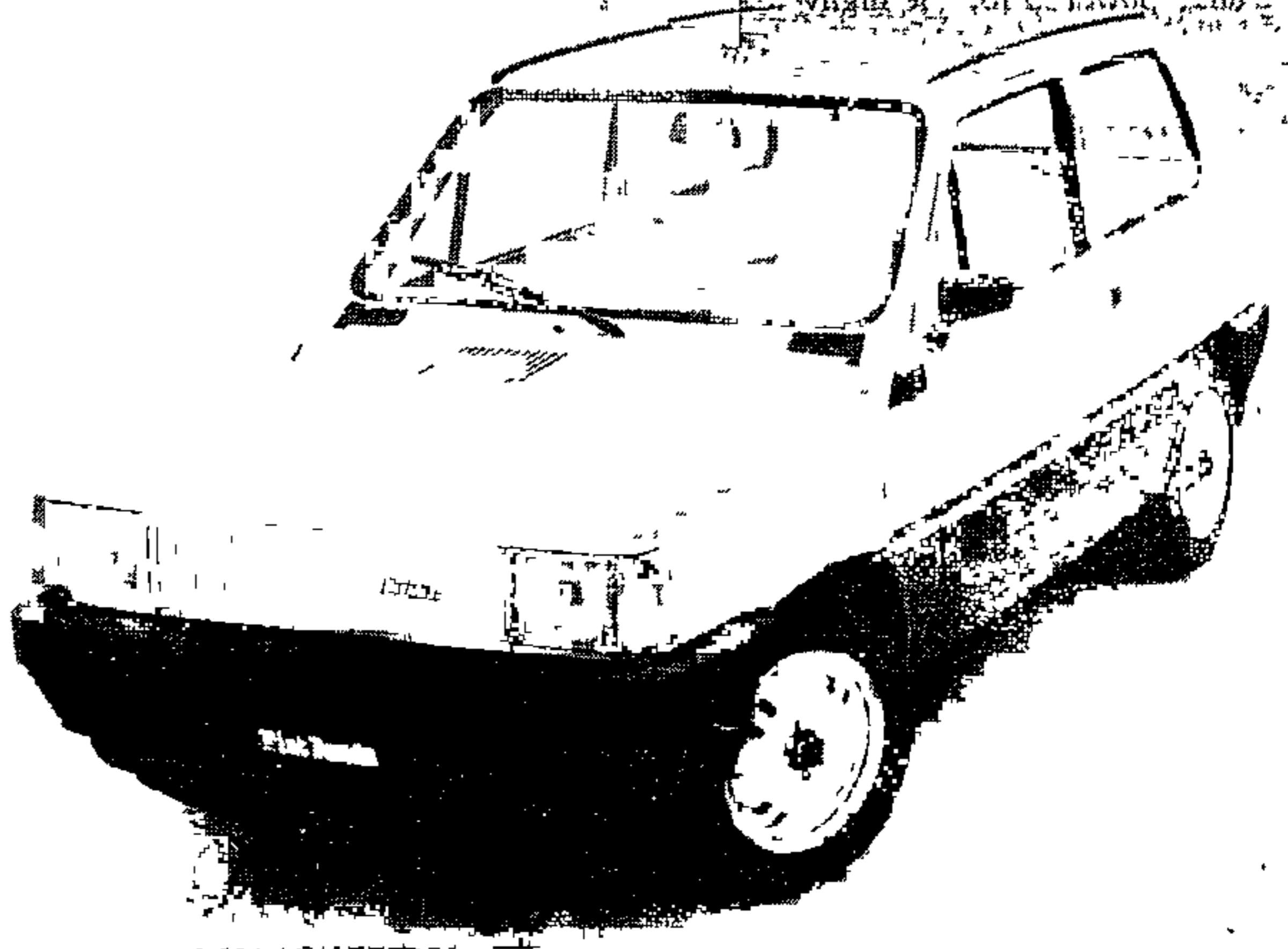
"The interior and its instrumentation is

almost spartan," he says "but it could easily be made more elegant and sophisticated if necessary. It will sell for far less than any car on the market."

Barsotti is confident of "a huge sales potential" for the Panda. "Italy has had a

crisis since 1912," he says, "and so we are experts in producing cars which do not waste petrol. About 50% of the cars on Italian roads have engines of 600cc or less, and most of them are Fiats."

He is also not scared of competition



Fiat's Panda design will make local production easier

from other car makes in this class, such as the Citroen Dyane, Honda Civic and the ageing Mini, as the Panda has already become Europe's best seller.

The Panda is available with a choice of two engines in Europe - an air-cooled 600cc and a water-cooled 900cc. Fiat decided to use only the larger engine for SA after local tests on both showed the smaller one to be underpowered for the highveld.

# Atlantis deal will add to inflation

74 45 192  
Sun Times (Bas Times)  
11/5/80

TRANSPORT and farming costs are primed to rocket

Truck and tractor makers fear prices coming from the State-sponsored Atlantis Diesel Engines company will add millions of rands to showroom mark-ups annually

Virtually no business or household will escape the inflationary consequences which will result from this upward twist in diesel power prices

Industry sources add that this burden could increase if protection given by the Government proves insufficient for diesel units supplied through the R300-million manufacturing project 50 km north-west of Cape Town

ADE managing director, Hartmut Beckurts tells me "We are finalising our cost structure for engines based on the latest market forecast"

Approval by his board is sure to add millions of rands to national expenditure while the Government pushes through its plan for local manufacture of strategically needed engines

Truck and tractor makers forced to fit Atlantis units esti-

By BILL CAIN

mate that the price of new diesel-powered vehicles will rise dramatically

At least the ADE price-list will put them out of their pricing misery

Manufacturers have been sweating for months over future selling costs of their vehicles

They are unable to fix firm delivery prices because it is not yet known how much ADE will charge for its engines

Mr Beckurts says his price-list will be handed in this month

He adds that an up-to-date market survey on unit demand — for the phasing in of Atlantis engines during 1981-82 — will be completed by the end of this week and sent for scrutiny to the Department of Trade and Industries

Both the price list and survey will then be published

To ensure that the project is successful all 2 000 cm<sup>2</sup> to

22 000 cm<sup>2</sup> trucks and tractors — including petrol-driven — will run into excise duties starting at 30% from October 1981, if they are powered by units not supplied by ADE

Industries Minister, Schalk van der Merwe, makes it plain that if this protection proves insufficient, excise penalties will be increased until other suppliers give up

Truck and tractor manufacturers are resigned to playing to new rules but are upset at the regulations being changed once the game has started

Particularly aggravating is the 30% excise duty being imposed on the price of completed vehicles after being led to believe that only the diesel power component would be subject to penalties

On a R45 000 truck, for example, the diesel component accounts on average for R10 000

A 30% rise on the whole unit

will push the price to R58 500 if the engine is imported. Manufacturers say the excise protection should be added only to the diesel engine to bring the total selling price to a manageable R48 000

Doing the calculation the way Mr Van der Merwe has laid down, brings 13 000 trucks upwards of 10 tons each into the excise net along with the 14 000 annual tractor market

Industries taking around 20 000 static diesel engines — for generators and pumps — will have to cough up. Many other users, too, will have to get their diesel power plants through ADE as traditional supplies are squeezed out

The new rules also mean that suppliers will be paying duties — previously reserved for import protection — on components such as tyres and cabs manufactured locally

There seems little likelihood of this double penalty being

□ To Page 3

## Atlantis deal inflationary

□ From Page 1

lifted until ADE has eliminated local diesel engine competition

This month's prices and market forecasts will at least give vehicle suppliers bases on which to make quotations

Customers will eventually be restricted to having trucks and tractors fitted with diesels from a total selection of 11 Mercedes Benz or Perkins units

Until ADE is in full production, with a target 50 000 engines from its new plant in 1985, it will import diesels needed by heavy vehicle manufacturers

Mr Beckurts says "It is our objective to establish a close and sincere relationship with all our future customers, to keep them informed at all times of our planning and pricing policies"

Tractor suppliers, whose market has shrunk from 19 000

units in 1975 to an expected maximum 14 000 this year, seem to be in for an even harder time

There is no great opposition in the two industries to the argument that SA needs its own diesel engine industry for strategic reasons

The cost to individual manufacturers, hauliers and others hit directly or indirectly by what looks like a severe transport price rise will not be so easy to explain

# 66% enough for local content

192 20

RDM  
16/5/80

Own Correspondent

**PORT ELIZABETH** — Further mandatory increases in the local content of vehicles will not be in the interest of the industry or the economy, says the managing director of Volkswagen in Uitenhage, Mr Peter Searle.

He says the local content programme has achieved the objectives set by the Government. To go beyond the present 66% programme would need heavy capital investment without increasing employment materially.

"The fact that South Africa still imports up to 34% weight of its vehicle components gives it bargaining powers overseas where jobs are at stake and have to be protected. This bargaining power would fall away if South Africa became totally independent of overseas sources."

The reasons for introducing a local content programme nearly 20 years ago were to build up foreign investment in South Africa, to bring overseas expertise here, build up employment and found a component industry. This had been achieved, he said.

Volkswagen supported the 66% level, but it was not in favour of further mandatory increases.

Existing incentives allowed manufacturers to go beyond this level if they found it economic. Rapid technological changes overseas could not be applied totally in South Africa because of the difference in sales volumes, and a mandatory higher local-content level would make it costly for manufacturers to keep pace with the rest of the world.

The cost of tooling up for new models would make it difficult for manufacturers of low-volume cars to continue production, said Mr Searle.

Sales of new cars in South Africa are expected to grow by at least 10% next year and sales of trucks and commercial vehicles by even more, says Mr Clive Warrilow, marketing director of VW.

He expects small cars to take between 50% and 60% of the market next year. Based on the current prediction of 250 000 new car sales this year and 118 000 commercial vehicles and trucks, this would give a total vehicle market of more than 400 000 units next year, with cars accounting for at least 275 000 units.

Mr Warrilow said he believed that car sales would gain further momentum next year because tax relief would apply only from July this year, public-sector salary and wage increases had not yet been applied fully, and higher profits would lead to demands for substantial salary and wage increases in the private sector which would be met.

"There is a direct correlation between private consumption expenditure and car sales. Over 20 years it has been found that for every 1% increase in spending, there has been a 1.4% increase in the vehicle population."

He said the sales slump in 1976 and 1977 had caused a huge delayed demand for new cars "far beyond the market that is now being talked about."

In addition the black car market was growing at a considerable pace. Black car owners were trading up to new cars or late model used cars and those entering the market were going for older models. This had caused a demand for used cars, making it easier for new cars to be sold.

Dealers were giving bigger trade-in prices, even on older models which were no longer

scrapped but reconditioned

There had also been an improvement in the minibus market which had grown from a monthly average of 500 in 1978 to nearly 800 in the last quarter of last year.

Breaking down the new car market in the long term, he said large luxury cars would account for about 20% and small, fuel-efficient cars for 55% to 60%, with medium-sized cars taking the balance.

Referring to the introduction of front-wheel drive, transverse engine models this year and another next year to make a total of five on the South African market, he thought there would be room for all, but he foresaw difficulties for the survival of conventional small cars.

Mr Warrilow said VW would import a number of luxury Siroccos. The Golf Cabriolet would be assessed for local manufacture and a few Audi Quattro four-wheel drive cars would be brought to South Africa for demonstration.

14/5/80

Fm

~~22~~ ~~23~~

192

## PEUGEOT FACTORY

# Defence Force moves in

The comings and goings of helicopter-borne army brass has been the talk of Natalspruit for months. Now the secret's out - the Defence Force has bought the old Peugeot/Citroen factory in Alberton for R4m.

An army spokesman confirms the deal and tells the *Fm* that the huge layout will be used primarily as storage space. There will be plenty of it.

The developed portion of the site alone contains some 70 000m<sup>2</sup> of covered floor space in five industrial buildings. That approaches the size of the trading area of Eastgate and spacewise, is believed to be the biggest deal of its kind concluded in SA.

Total site area is equally impressive - 50 ha of non-contiguous land situated in both Alberton and Germiston. Defence says there is plenty of room for its needs with storage as its main goal. It has been interested in the property for at least 18 months and took an option six months ago.

The Peugeot/Citroen operation moved out about a year ago when the group tied up with Sigma. Since then the buildings have been systematically stripped of the trappings of motor manufacture and are now "clean" and awaiting the arrival of the Defence Force.

The plum deal has been clinched by John Penny (of John Penny Pty) who has held sole agency since 1978. Penny says he played a hunch a couple of years back by deciding to have an in-depth look at what was happening in the motor industry.

"The rationalisation going on at the time convinced me that things were on the move," he says. "It certainly paid off."

The deal is believed to have been struck a little below original valuation, but Penny points out that it's a custom-built property with very few potential takers.

In the event, Peugeot/Citroen have probably done well to get out of it with R4m. The alternative was to sit with unproductive premises and substantial holding costs without enhancing the prospects of a better deal.

For its part, Defence has obviously struck a hard bargain and still obtained precisely what it was looking for.

## The boom continues

The latest car sale figures have reinforced manufacturers' optimism that 1980 will be a record year for the industry.

According to the National Association of Automobile Manufacturers of SA (Naamsa) and those released independently by Sigma, passenger car sales figures for April, at 22 642, are up 27,83% on the corresponding figure for last year.

The resurgence of the economy is also reflected in the commercial vehicle sales of 9 323, an increase of 6,71% on last April. Ford predicts that the total commercial units sold in 1980 will reach 120 000 compared to the 100 000 for last year — an increase of 20%.

However, it is the small cars that continue to dominate the market with Volkswagens Golf — 3 121 sales — leading the field followed by the Mayda

323 and Ford Escort with 2 924 and 1 222 units respectively. In 1979 96 340 small cars were sold, comprising 45,29% of the total market. In the first quarter of 1980 28 250 units were sold and Ford predicts that small car sales will comprise 48% of the total market this year, topping 50% next year.

Sigma retains its place at the top of the car sales league with 22,2%, followed by Volkswagen and Ford.

While Datsun displaces Toyota at the top of the commercial vehicle league with 27,42% of the market, its penetration of the passenger car market has dropped by 1,32%, placing it behind GM and Toyota-Renault.

Although total April sales are up on March 1980 this doesn't present a completely accurate picture in that Sigma's March figures only account for sales over 25 days (FM April 25).

### APRIL CAR SALES

	1980 April	% of Market	1980 March	% of Market	1979 April	% of Market
Sigma	5 015	22,15	3 446	16,32	3 337	18,84
VW	4 582	20,24	4 595	21,76	3 176	17,93
Ford	2 914	12,87	3 624	17,16	3 435	19,39
GM	2 576	11,38	1 929	9,13	2 105	11,88
Toyota-Renault	2 387	10,54	2 187	10,36	1 362	7,69
Datsun	2 158	9,53	2 170	10,28	1 873	10,58
BMW	1 004	4,43	855	4,05	704	3,98
UCDD (Mercedes Benz)	601	2,65	801	3,80	602	3,40
Fiat	547	2,42	589	2,78	371	2,09
Alpha Romeo	500	2,21	603	2,85	260	1,47
Leyland	352	1,55	319	1,51	481	2,72
Other	6	0,03	—	—	6	0,03
April total	22 642 (27,83% up on 17 712 last year)					
Jan-Apr total	82 083 (16,35% up on 70 549 last year)					
Mar total	21 118					

### COMMERCIALS

	1980 April	% of Market	1980 March	% of Market	1979 April	% of Market
Datsun	2 556	27,42	2 520	24,85	1 806	20,67
Toyota	2 481	26,40	2 604	25,68	2 069	23,68
GM	1 131	12,13	1 071	10,56	1 408	16,12
Ford	1 079	11,57	1 641	16,18	1 389	15,90
Sigma	664	7,12	604	5,96	935	10,70
VW	473	5,07	444	4,38	411	4,70
Leyland	296	3,17	482	4,75	105	1,20
UCDD	274	2,94	374	3,69	304	3,48
Fiat	116	1,24	109	1,07	151	1,72
Int Harvester	62	0,67	74	0,73	35	0,40
Man	51	0,55	69	0,68	45	0,52
Oshkosh	29	0,31	16	0,16	0,16	0,18
Vetsak	20	0,22	12	0,12	19	0,22
ERF	17	0,18	12	0,12	11	0,13
Fodena	14	0,15	18	0,18	12	0,14
Malcomess-Scania	13	0,14	9	0,09	6	0,07
Magirus-Deutz	8	0,09	10	0,10	15	0,17
VSA	3	0,03	1	0,01	—	—
Others	56	0,60	70	0,69	—	—
April total	9 323 (6,71% up on 8 737 last year)					
Jan-Apr total	38 203 (16,34% up on 32 837 last year)					
Mar total	10 140					

FM  
TRACTOR INDUSTRY 23/5/80  
A rose is a rose (192)

Tractor companies are enraged by an ad campaign for Massey Ferguson (MF) tractors which they claim exploits the fact that other tractor makes will soon have to switch to the engine MF has been using since 1952.

That will happen in October next year, when all locally made tractors will have to fit the Atlantis Diesel Engines (ADE) version of the range of Perkins-type engines used by MF.

MF's ad proclaims its tractor has been designed around the Perkins engine for years, and that the power train, gear ratios, hydraulics and power take off "is designed in perfect harmony, to complement the remarkable efficiency of this engine."

The implication that MF tractors will be better than makes which were designed for other engines is not easily refuted. Some of MF's rivals have used it as a reason for requesting a relaxation of government's protection package for the ADE engine and others have claimed it has cost them millions to adapt their own tractors to the different engine.

But government is determined that the industry, which last year sold less than 10 000 units, should use only one type of engine, and Industries Minister Schalk van der Merwe has promised punitive duties to manufacturers importing their own engines rather than buying the local product. The directive comes into effect next Octo-

ber when the first ADE engines start coming off the line.

MF rivals privately claim that the MF ad campaign is in breach of a special industry agreement which forbids manufacturers exploiting, for marketing advantage, the fact that their's is the chosen engine. They also question the right of MF to use the name Perkins as they say that the engines made by ADE will be called Atlantis and not Perkins.

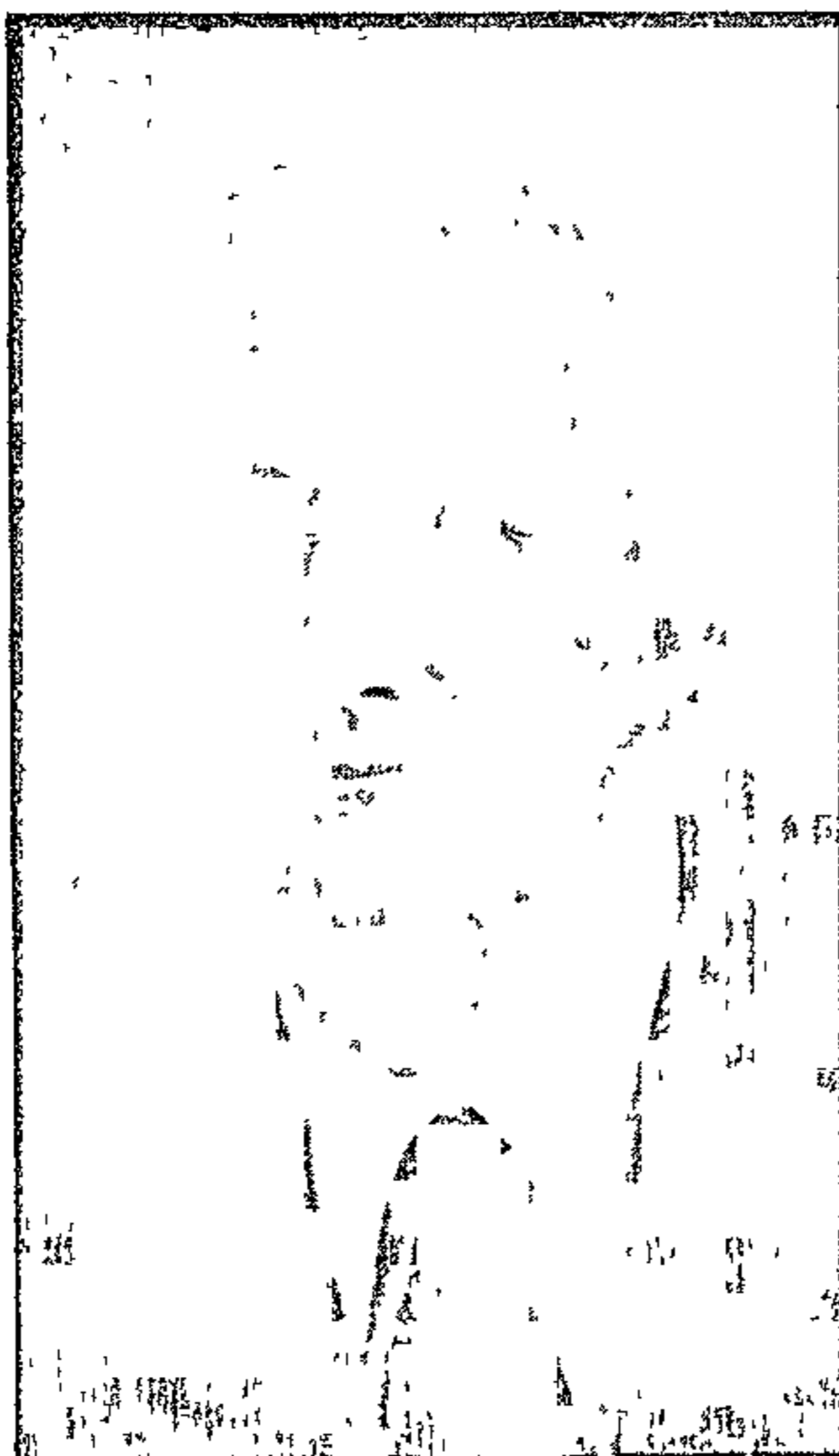
Despite their displeasure, none of them dares to individually and publicly complain about the offending campaign and breach of agreement. To do so could endorse MF's implied claim that its tractor engine combination is indeed superior to others. But the SA Tractor Manufacturers Association could well take up the matter with the IDC which has backed the ADE project and was a party to the agreement on the use of engine names in advertising.

Although the IDC has previously disciplined certain distributors for exploiting the engine issue, the signs are that it will now try to wash its hands of the matter. An IDC spokesman says "At this stage we have very little hold on the parties involved because we made the original agreement with Daimler Benz and Perkins. Since then the Perkins and Massey Ferguson operation in SA has been bought by Federale Volksbeleggings which has formed FedMech, so we are no longer dealing with the same people."

FedMech is unrepentant about the incident. Says marketing director John Turpin "It is a perfectly factual ad which sets out the relationship between MF and Perkins. It's not in breach of any agreement that I know of and I hope it arouses as much interest among our customers as it has among our competitors."

Replying to allegations that his ad misleads by misuse of the name Perkins, he quotes Shakespeare

*What's in a name?  
A rose by any other name  
Would smell as sweet*



Turpin unshaken by competitors' rage



Só het ek destyds in die Times beskryf. Sedertdien in ons land gebeur is nog hoop. Verscening is moontel.

### Ford strike averted

PORT ELIZABETH — A strike was narrowly averted at the Ford Motor Company after workers threatened to down tools because their bonuses were not paid to them. The chairman of the Workers Committee, Mr Government Zini, and committee members managed to get the workers to call off the proposed strike while they were still negotiating with Ford management.

En in die lig van t' certuiging. Daar erheid is die sleu-

Dit bring ons by die prakt. Daar word gepraat van n ke vccr die einde van die jaar. Di corwinning selfs al sou die Nas

Dit beteken dat mnr. Botha ocr die volgende vyf jaar te ont. Maar dié beleid is nog stee-likheid onaanvaarbaar. Dit moet heidsrealiteit.

*Cape Herald  
24/5/80*

osing. Miskien nog verseker van n ndaat om sy beleid rtneid is in werk-

As die volgende verkiesing net maar nog n apartheidsverkiesing is dan sal dit eintlik netso irrelevant wees as dié verkiesings wat Ian Smith in die laaste dae van UDI gehou het. So'n verkiesing sal n bietjie tyd wen en uiteindelik baie bloed kcs.

Daar is egter n ander reël die volgende verkiesing, kan aan die Eerste Minister mandaat gee om apartheid af te sê en formeel te begrawe. Dit kan die groot versoeningsverkiesing wees. Dit kan die begin word van wit/swart saamwerking, as gelyke en volwaardige burgers van n land met geweldige rykdom en mensepotensiaal;

Maar dan moet P.W. Botha nu die leiding neem. As die Eerste Minister vanuit n posisie van nags aan die blanke kiesers van Suid-Afrika sê "mense, nou moet ons onbevrees voertoe," dan glo ek die meerderheid sal volg. Die tyd het aangebreek. Die Eerste Minister moet nou doen wat Dirk Mudge in Suidwes gedoen het. Goed, die Nasionale Party sal skeur, daar sal mense wees wat nie wil saamloep nie. Maar hiervan is ek certuig: die meerderheid Afrikaners, die meerderheid Engelssprekendes, net ander woorde n wit meerderheid, sal vir P.W. volg netsoos die meerderheid van blankes vir Mudge gevolg het.

Is dit n onrealistiese droom? Ek glo nie.

Maar dit kan net gebeur as die Eerste Minister self die leiding neem. Dit kan net slaag as apartheid finaal begrawe word. Dit kan net bewaarheid word en vrede en saamwerking bring as die meerderheidsrealiteit eers aanvaar en erken word - as swart Suid-Afrikaners heel en al vry gemaak word.

volg

MOTOR INDUSTRY

FM 30/5/80

192



# Diesel dictatorship

Local motor component sales are set to almost double by 1985 as a result of the Atlantis Diesel Engine (ADE) project. This year the market is worth R681,8m and the ADE project should push it up another R600m by 1985.

A spokesman for IDC, which is backing the R308m ADE scheme, says that ADE will buy R1 2m of engine components each working day (R286m a year) from the local industry during 1985, which will give a 65% by value local content. Says he, 'The fact that we are totally committed to buying from SA suppliers will give a lot of stability to the industry.'

Manufacturers of non-engine components will also cash in on the boom. For truck and tractor manufacturers will stop importing almost completely-assembled vehicle kits, as they do now, and will shop around more for local components. By 1985 their purchases of non-engine components could come to more than R300m a year.

The ADE factory will employ 1 600 workers and it will create 2 500 new jobs in engine component factories. Almost the same number of new jobs could be created in factories of non-engine components.

ADE will make only 11 different basic diesel engine designs which have high parts interchangeability. These will replace the 200 different engines which are presently imported. Production runs on some components will be very high — often much higher than the production runs for similar items produced now for the car and light commercial industry. These volumes should bring down component costs for cars and light commercial vehicles.

The scheme will encourage technical know-how agreements between local and overseas companies, such as the deal between the British Concentric Pumps company and a local firm for the manufacture of oil pumps. Similar agreements on fuel injectors, turbochargers, valves and forgings are in the offing.

These agreements should attract foreign capital, as existing component factories are expanded and improved to produce greater quantities of high-technology items.

Having to buy their engines locally and then fit them to vehicle chassis will also force the truck and tractor companies into a greater degree of self-sufficiency. Up to now most tractors and trucks have been imported in kits which demanded little expertise to assemble, and a pitifully low local content beyond tyres and batteries.

The ADE project is likely to drive a number of makes and models off the market. The 12 different makes of tractor sold only 10 506 units between them last year — all of them imports. As this is less than the entire output of many single European and US factories which produce

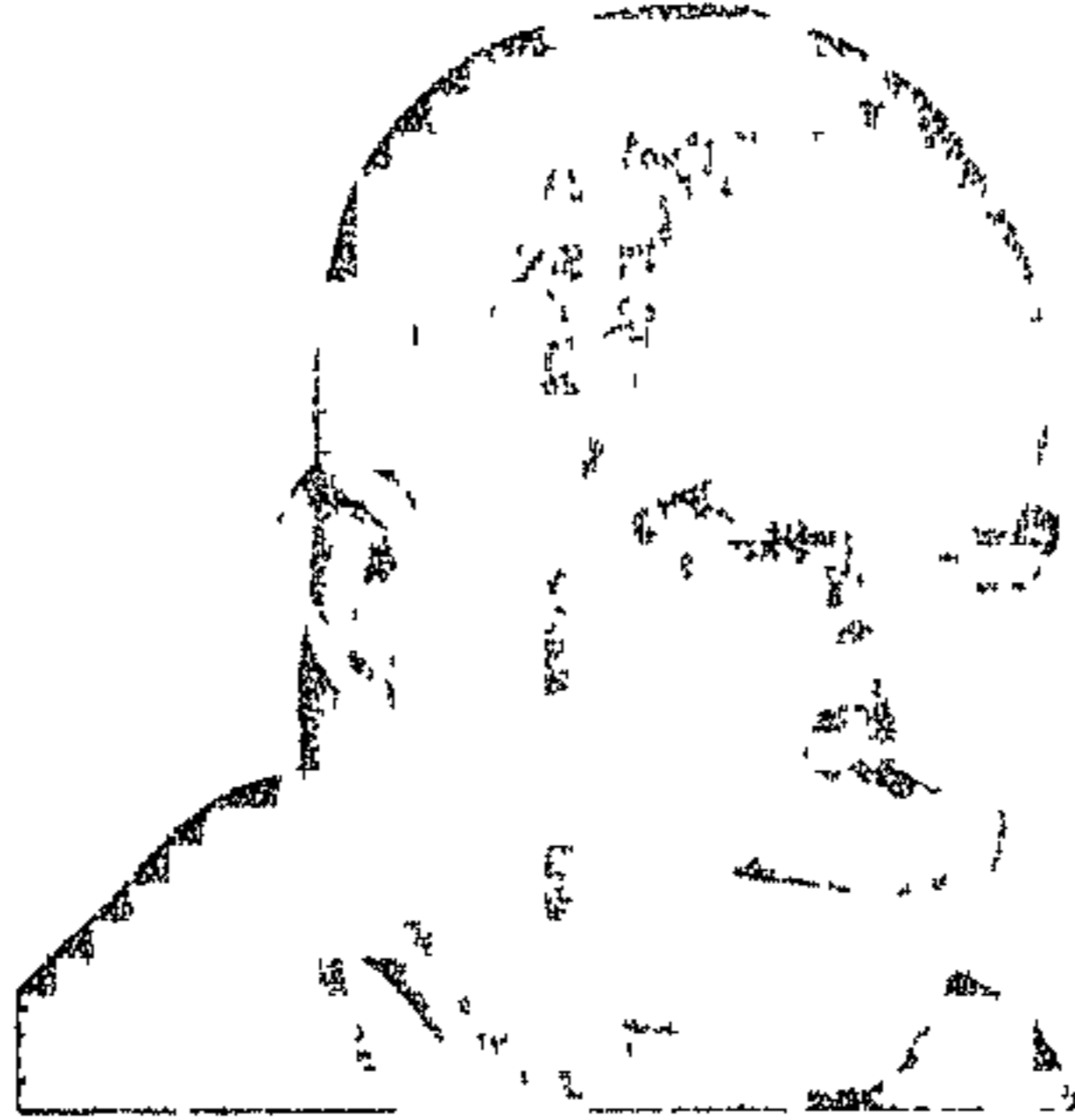
the vehicles minus engines and other components.

Although purchase prices will rise, spares should become cheaper. It is no secret that many companies sell their trucks and tractors at just above cost, and make their profits from sales of high-markup spares sold to a captive market. When all makes are using the same range of engines, the high production volumes will cut costs of spares and distributors will be able drastically to reduce their inventories. The standardised engine designs will also bring down workshop and mechanic training costs.

In addition, truck and tractor operators now tied to franchised distributors, will be able to shop around among competing distributors for the best prices for identical parts. A private spares industry may even develop as distributors bypass ADE and buy spares such as pistons, con rods and bearing shells direct from the component manufacturers. These items will not be endorsed by ADE, and may be of inferior quality, but should help keep down prices of the genuine article.

Total costs to operators may therefore not be significantly affected and price escalations on vehicles with the local engines should be smaller than they would have been on imported vehicles.

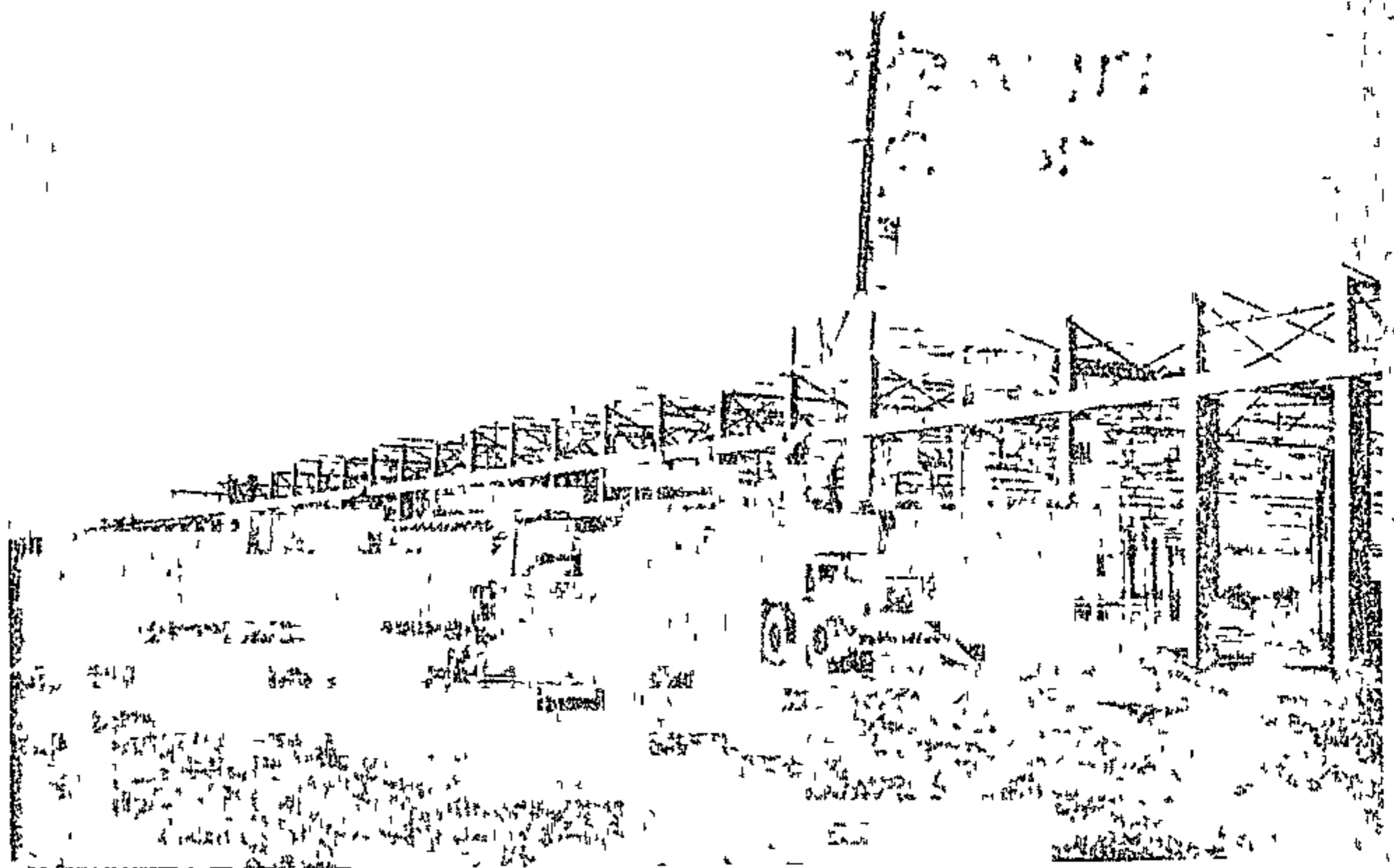
Even though the giant factory at Atlantis has barely reached roof level, operator training starts next April — just three years from the date that the then Economic Affairs Minister Chris Heunis asked the IDC to investigate supplying the coun-



Atlantis MD Hartmut Beckurts  
... spending R1m a day

only one make, there are bound to be casualties here.

The ADE programme will push up prices of trucks and tractors — some say by as much as 30%. ADE engines will cost about 10% more and manufacturers will have to bear extra costs of installing these engines in their vehicles. They may lose further from low deletion allowances given by their overseas suppliers for buying



ADE project under construction ... sparking a components boom

try's diesel engine needs

The IDC invited all companies selling diesel engines in this country to prepare proposals for local manufacture. Five responded — significantly, none were from the US or Japan. Daimler-Benz and Perkins were finally chosen because they already had high market shares in SA and the rest of the world, while they had low capital, components and manufacturing costs in SA, along with relatively good fuel consumption. Their modular engine design was another plus factor as it allows great interchangeability of parts.

So far ADE has signed only a few agreements with local component manufacturers although many are said to be close to conclusion. One of the first was with Leyland for the supply of flywheels and ring gears. Leyland was one of the unsuccessful contenders for the engine manufacture scheme.

Other agreements have been made for engine castings and "interface components" which had to be specially designed for the SA market to match the ADE engines to the different makes of vehicles they will be fitted to. They include items such as clutch bellhousings, manifolds and engine mountings.

ADE's agreements for the supply of fuel injectors will be closely watched as they could indicate its thinking on the methanol question. If diesel engines are to continue to run on diesel fuel, conventional injector technology will suffice. But if the methanol route is followed a variety of options are opened.

The ADE project is undoubtedly a massive intervention by the authorities into the private sector, and it will shake up an entire industry, crushing some makes and enhancing the fortunes of others. But IDC claims it will attract capital, improve self-sufficiency and expertise, save foreign exchange, create thousands of jobs, and ultimately keep down prices through greater volumes of vehicles.

# Toyota to raise output (192) RDM

29/5/80.

Industrial Reporter

TOYOTA is to boost production at the end of the year to break the supply bottleneck

A feature of Toyota's returns in the April car sales statistics was its inability to meet the demand. The company, in common with several other motor manufacturers, seemed to have been taken by surprise by the upturn in the first quarter.

The increase in Toyota's production volume is to take place at the company's plant at Prospecton, Durban, and is planned to push the daily unit average up to 319 from 240.

About 500 more hourly-paid workers will be employed.

Toyota's group marketing director, Mr A J Wessels, said yesterday the company's restricted vehicle supply position was likely to persist through May, but should improve from

June

Plant utilisation at the Prospecton plant averaged 62% last year, but was expected to average 90% this year.

In the second half of the year utilisation of more than 100% was expected.

• Toyota's truck assembly plant at Prospecton, now leased out to an industrial tenant, will be reopened at the beginning of next year, says Toyota's managing director, Mr Colin Adcock.

He said the plant would not be used only for truck assembly, but might be partially given over to parts storage and seat manufacture.

Toyota had invested R2-million in additional facilities to produce trim components, brake drums and flywheels at Prospecton. Production would start in July.

# Cops gas strikers

Post 26/5/80  
152  
176  
192

**POLICE YESTERDAY** used a sneeze machine and dogs to disperse more than 1 000 Goodyear workers gathered in front of the company's Uitenhage plant on the eighth consecutive day of industrial unrest in the town.

The incident follows an Industrial Council decision on Tuesday to reject workers demands for minimum pay of R3 an hour.

Conflicting accounts of yesterday's incident have arisen with police and management claiming some workers tried to prevent others from returning to collect severance pay and others claiming they were unfairly dispersed while awaiting a report back from their representatives.

The Eastern Cape Divisional Police Commissioner, Brig P van Rensburg, said workers outside the company's gates were told the gathering was illegal. However, police warnings were ignored and a sneeze ma-

chine was used to scatter the workers who drifted off towards their homes.

Mr Peter Selley, public relations officer for the company, said some of the workers attempted to stop others from collecting severance pay owing as a result of the four-day strike that has paralysed the plant.

Workers left at the gates of the factory said they had been waiting for a report from their representatives about the course of the negotiations on Tuesday on the pay issue.

## Workers disappointed

One worker said he had been told by a management official to wait at the gate so as he could collect his severance pay.

"The next minute police gave us two minutes to disperse and then used their machine."

The workers expressed disappointment that the management had not conceded a wage increase especially in the light of the increases gained by the motor workers through their Industrial Council.

Yesterday morning workers were given pamphlets from management telling them of the rejection of their pay demands and advising they could re-apply for employment from today.

The notice said re-employment would be on the basis of merit.

Elsewhere in Uitenhage the situation was reported to be calm yesterday after nearly a week of strikes, street processions and stoning incidents in the townships.

A SKF Bearings spokesman said all workers were back at the plant yesterday and they expected a pay agreement to be reached within the next few weeks.

Dorbyl employed new workers on Tuesday after 46 were considered to have dismissed themselves by refusing to work.

Link construction reported 50 percent of their staff had returned to work at the Kwanobuhle Site and 15 percent at Rosedale.

# Durban plant to reopen

N.M. 31/5/80

192

**Financial Editor**  
MOTOR Assemblies truck  
assembly plants at  
Prospecton, which was  
closed about two years  
ago when the motor indus-  
try was hit by the reces-  
sion, will be reopened in  
January.

This was announced at  
the plant yesterday during  
a luncheon given by Mr  
Colin Adcock, managing  
director of Toyota South  
Africa Ltd.

The decision to reopen  
the plant has been taken  
because the market for  
trucks is expanding and  
more room is required in  
the main plant.

ASSENG FM 6/6/80  
Motor spin-off

192

Riding sidecar on the motor industry upswing, Asseng has announced improved profits on the manufacture and sale of motor components for the half-year to end-March. And with Chairman Peter Dace predicting that the industry's buoyancy will continue for some time the company is revving up for record year-end results.

The interim results reflect contributions from last year's acquisitions NF Die Casting and Rowen SA — turnover rose 28% to R39m (R30m) — but Cymot has yet to perform satisfactorily. Costs have continued to rise more sharply than price increases in a competitive environment, resulting in lower margins and a diluted 25% growth in pre-tax profit to R2.7m (R2.2m). A marginally lower tax rate saw net profits translated into earnings of 44.2c (35.7c). No material change in sales contribution by division occurred.

Financial Mail June 6 1980

the same  
liquidity trap  
is the

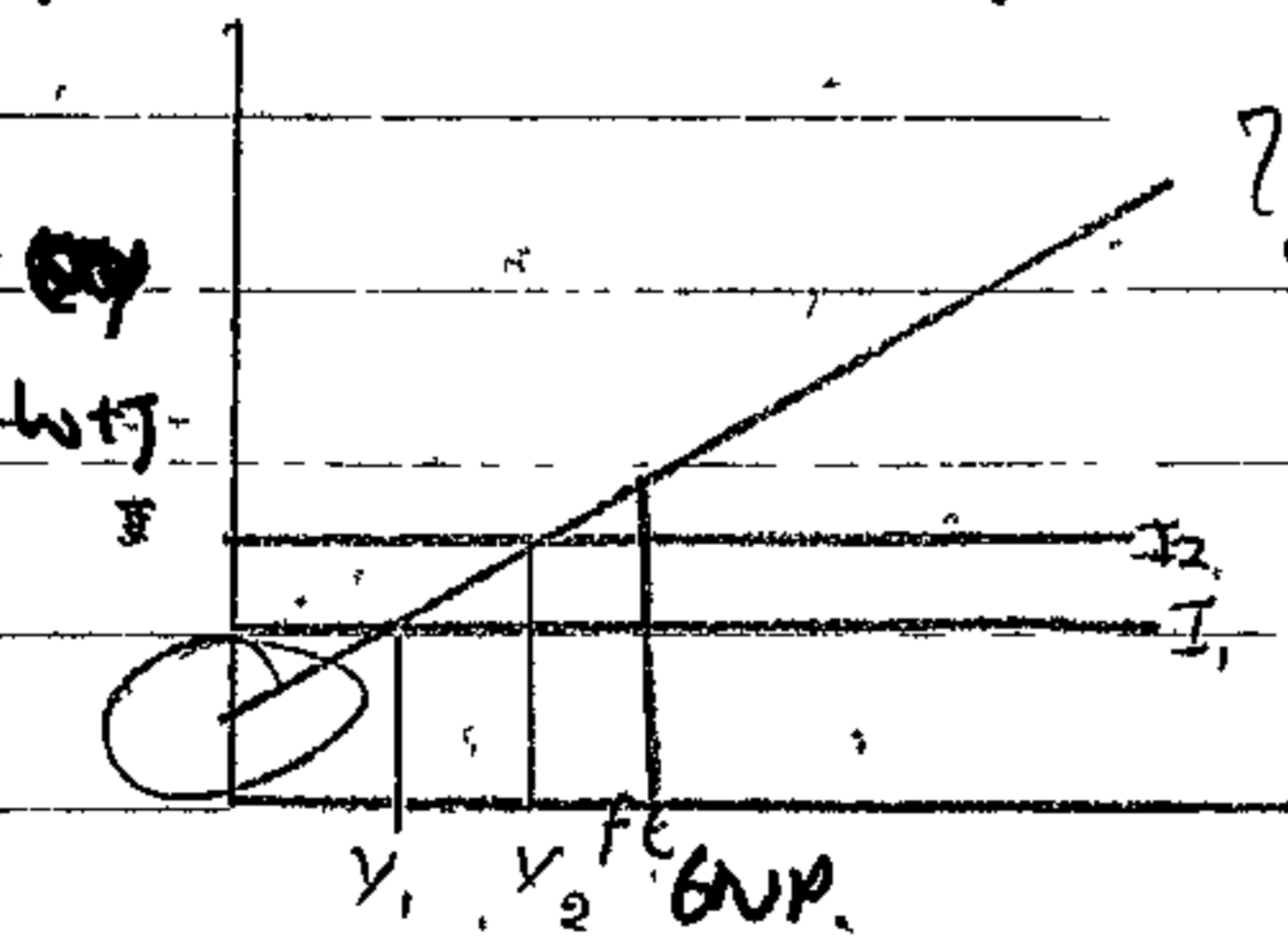
The company has dispelled its image of a lack-lustre dividend payer by announcing a 12c (9c) interim. This came despite the higher number of shares in issue after an executive stock option scheme, and indicates a policy of higher payouts.

Dace asserts that there are no plans for further acquisitions in the second half of the year, but that the existing operations will be consolidated and extended. Nevertheless, a higher proportion of earnings usually accrues in the second half, and with tax rate and other ratios expected to remain consistent, year-end earnings of 110c are predicted. A conservatively covered 35c total dividend would put the share at 460c on a 7.6% yield, one of the highest in the sector. In this case, it should be worthwhile to stay along for the ride.

Fiona Hals

Keynesians argue that the marginal  
tendency to consume is extremely melastic. But is  
a large decrease in the  $i$  rate will  
will include only a small increase in  
the  $i$  rate of  $I$  from  $I_1$  to  $I_2$ .

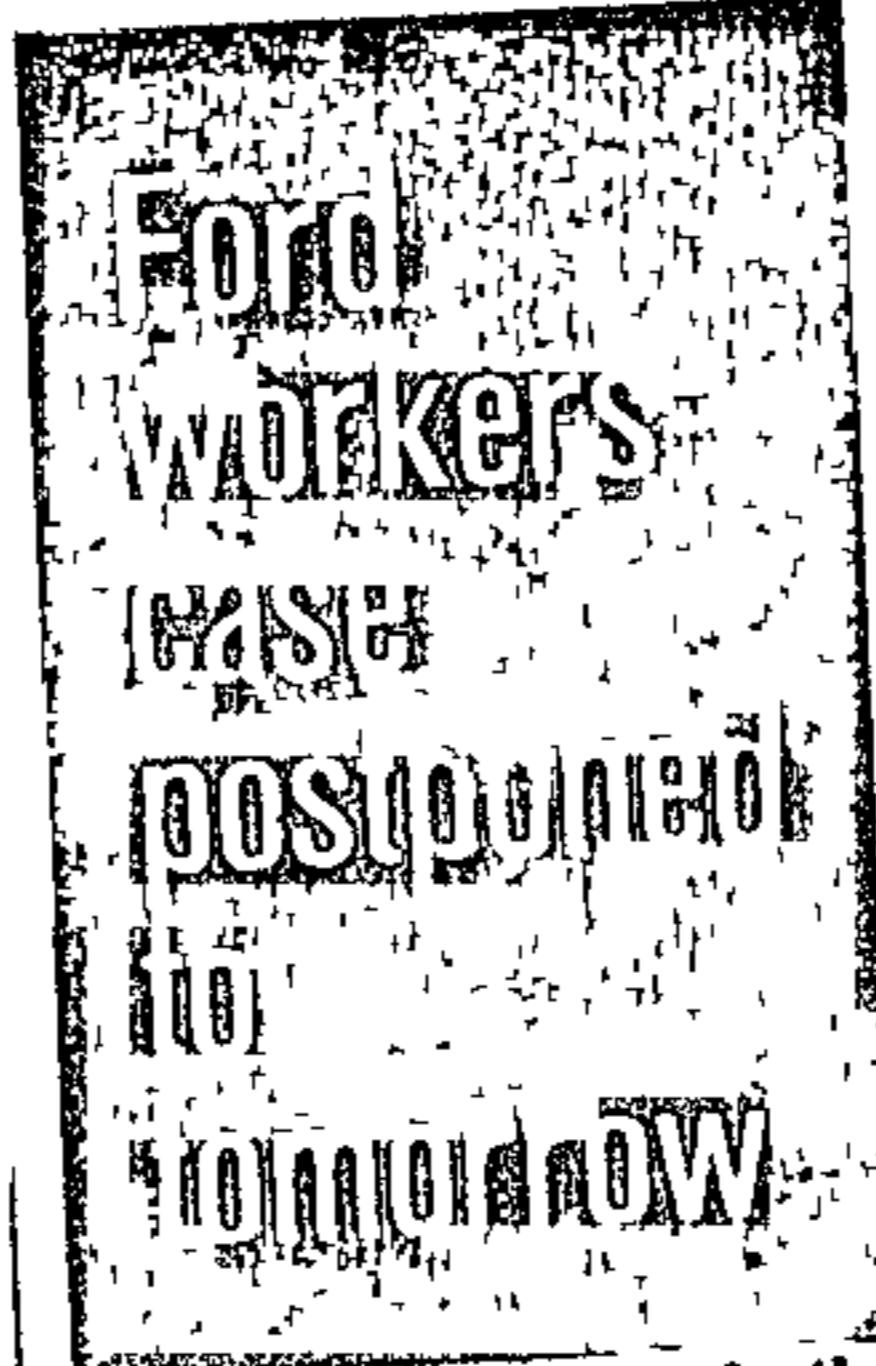
The Keynesian's third linkage is the  $i$  rate - GNP linkage.  
Here we see that an increase in  $i$  from  $I_1$  to  $I_2$   
leads to a larger increase in GNP, by the size of  
the multiplier. GNP rises from  $Y_1$  to  $Y_2$ .



But since the investment rate increases by only  
a small amount due to an increase in  $M_s$ , the  
effect of an increase in  $M_s$  according to the Keynesian,  
is only a small increase in GNP. In summary,  
 $\uparrow M_s \rightarrow \downarrow i \rightarrow \uparrow I \rightarrow \uparrow GNP$ .

11 8 JULY 1959

The Post



THE HEARING of the case of eighteen Ford Company workers who appeared before Mr J S Knoesen in the Port Elizabeth Regional Court on Monday has been postponed to Thursday ending the application of removal of trial to Humansdorp.

Amongst the men are Mr M Gqamlana (27), Mr B Kulati (30), Mr T Keli (30), Mr V Borongo (27), Mr S Moyana (23), Mr W Twebe (27), Mr S Koti (27), Mr L Dladla (28), Mr S Landuh (29), Mr G Sogoni (24), Mr R Nkam (24), Mr F Fontein (25), Mr M Mnyobe (26), and Mr Z Ndongeni. The case followed a strike at Ford in November last year.

#### GROWDS

Applying for the trial to be moved, the prosecutor Mr A le Grange, said that because big crowds might attend hearings and in "the present climate of unrest" the functions of court be disturbed and witnesses tampered with, the move would be a precautionary measure.

Mr I Falham said that his instructing attorneys, Mr H Fischat and Mr I Sogoni, had not been approached about the move.

He said the move to Humansdorp would mean considerable expense to the accused, their relatives and friends who wanted, as was their right, to attend the proceedings.

Bail for accused was extended. Mr P N Langa appeared with Mr Falham.



# Speeding up local content

Government has issued a new directive to truck manufacturers to fit locally made powertrains (transmissions) to their vehicles by next October

The industry, scrambling to accommodate local Atlantis (ADE) diesel engines by the same deadline, reckons the new move will put an additional 20% premium on local manufacture, on top of the 30% estimated for using local engines

Manufacturers knew such a move would follow the use of local engines, but few expected it so soon, and at such short notice

The suddenness of the move indicates that it originates from cabinet level rather than from the Department of Industries and Commerce where staffers are better acquainted with the capabilities of the industry

In a letter to NAAMSA last month, Industries and Commerce Minister Schalk van der Merwe said the change must be made in the "shortest possible time" to coincide with the ADE switch-on date although he concedes that it will entail "major adjustments and cost premiums"



Clark . . . some people are as mad as hell

The move is the latest in government's crash programme to make the country self-sufficient in diesel-powered vehicles. Insiders say that the changes to local content so far decreed will raise production costs about 50% above present levels as it is estimated that the duty protection only just exceeds the costs of fitting the locally made items

Government has already placed a 30%

duty on trucks fitted with imported engines, and the General Mining subsidiary, AS Transmissions & Steering Boxes, has applied for a 15% duty on trucks fitted with imported gearboxes instead of its own ZF gearboxes. SA Axles, the Genmin subsidiary which will produce AP axles, is soon likely to ask for a 20% duty on trucks fitted with imported axles

Locally made steering boxes will probably be the next to get protection

NAAMSA's heavy truck subcommittee chaired by Toyota's Colin Adcock will meet next week to hammer out a united front to put to the minister and until then industry leaders are reluctant to be quoted although feelings are running high

A spokesman for one company says, "We were given a lot more time on the ADE engine deadline and still may not meet it. It will be downright impossible to meet this one. What is more we have spent R600 000 on adapting our chassis and powertrains (clutch, axle assembly, propshaft, differential, etc) to the ADE engine. Half of this has been wasted because we must now use another powertrain

"Our parent company overseas may decide that this market is not worth its while, because there will be little else it can sell us other than chassis and instruments"

## R60m investment

Says Genmin's George Clark, who is overseeing the group's R60m investment in powertrain production facilities, "I know that some people in the industry are as mad as hell about this decision, but it does not make sense for the country to be self-sufficient in diesel engines unless we can also manufacture the rest of the truck"

Apparently Genmin confirmed its orders for the plant machinery only after government had given the nod last month that its investment would be protected from local and overseas competition. "It's a narrow deadline for the truck industry," says Clark, "but there is just as much pressure on my people who will have to work 12 hours a day"

Sitting pretty amid the uproar are Mercedes and MAN which use the Mercedes-type engine made by ADE and the ZF gearboxes and AP axles made by Genmin. They will not have the expense of tailoring their trucks to basic components designed for other vehicles, and will not have to market relatively untested hybrids like all their competitors. This should bring them a long term market leadership and force a number of other makes out of business



Van der Merwe . . . change must be made quickly

Fleet operators who hope to get in quickly and buy before prices go up after next year's change to local content, may be disappointed as the industry is already struggling to keep up with the present boom-time demand. And in these conditions creeping price escalations could soon start

12/6/80 NEWS

# Textile industry one of best <sup>(192)</sup> performers — bank

Argus Correspondent

**JOHANNESBURG.** — The domestic textile industry has staged a remarkable recovery in recent months to become one of the economy's best performers, Standard Bank says in its latest monthly economic report.

It says, future growth in domestic textile production can be expected to exceed that of the rest of the economy

A major reason for this lies in the industry's improving capability to satisfy virtually all segments of the market at fairly competitive prices, qualities and delivery periods

Substantial increases in textile consumption by blacks are likely to be

brought about by higher living standards.

However, there are limits to the potential increases in the domestic industry's market share.

#### IMPORTED

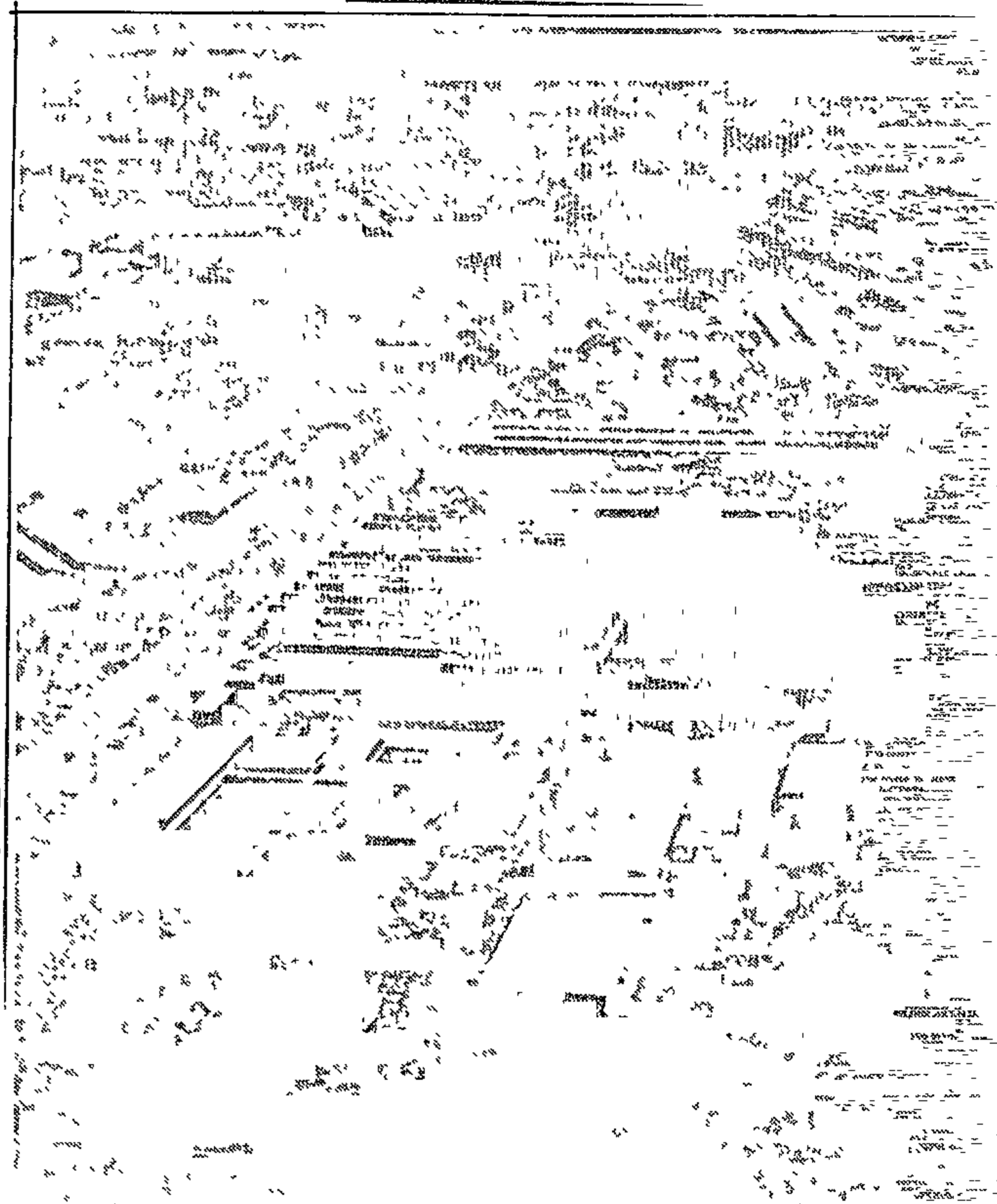
About 80 percent of the domestic textile requirements are produced locally and the rest imported.

Given the current size of the market 5 to 10 percent of the imports can be replaced. The rest, however, are of too highly specialised a nature to be economically produced by the local industry.

In February the volume of production was 18 percent higher than in February last year, and the level of output was one of the highest recorded

The value of the industry's sales in that month was about 30 percent higher than the same month last year. But the rapid improvement has led to substantial pressure on both production facilities and the work force.

X



The BMW plant at Rosslyn, near Pretoria, which is to be extended at a cost of R52-million. The extra capacity is scheduled to come on stream in mid-1983.

# BMW move a shocker for Tswanas

By SIMON WILLSON  
Industrial Reporter  
BMW's decision to extend its plant in Rosslyn, Pretoria, rather than establish a new factory on a separate site is a blow for the BophuthaTswana Government, which had been wooing the German auto giant for four months for a factory in the former homeland.  
The BophuthaTswana National Development Corporation started courting BMW soon after the car company's chairman, Dr Eberhard von Kuenheim, announced in February that BMW was to expand its South African subsidiary's production.  
It soon became clear that BophuthaTswana was on the

short list as a site for the new production facilities, but over the weekend it was announced that BMW was simply going to buy some land next to its existing factory to expand on, and was forgoing the more dramatic alternatives for the time being.  
Extensions worth R52-million are to be set up on a 4 ha site which BMW has bought directly adjacent to the Rosslyn plant. The new facilities are scheduled to become fully operational in mid-1983.  
The company's present labour force of about 1 300 is to be increased by nearly 800 to boost the firm's present vehicle output of 800 units a month. The company says existing de-

mand for its cars could absorb 20% greater output.  
BophuthaTswana was considered as a possible site for BMW's expansion for several reasons. The tax incentives offered by the development corporation were one advantage, another was the independent homeland's comparative proximity to the Rosslyn plant, and a third was the fact that a large proportion of the Rosslyn workforce comes from Garankuwa, a BophuthaTswana town only about 15 km from Rosslyn.  
But BMW's decision to forsake new factories and expand at Rosslyn is essentially a short-term, stop-gap measure designed to meet increasing ex-

port opportunities from South Africa. It will actually create the facilities and the infrastructure which will make further, more remote expansion much easier later in the decade.  
"The attractiveness of the financial rand together with the Government's recently-announced export incentives, have provided an additional stimulus," Dr Eberhard von Koerber, managing director of BMW SA said.  
"We believe exports will play an increasingly important role in our local operations as soon as the additional production capacity has been created."  
BophuthaTswana could well have been a great deal higher on the list when it comes to

selecting a completely new site to meet domestic South African demand in a few years' time.  
From BMW SA's 12 000 units a year output nearly 2 000 cars are exported. Exports began in 1978 with 1 150 units, rising to 1 230 last year and are expected to be just under 2 000 this year.  
In South Africa's annual market of just over 200 000 cars — competed for by 10 major manufacturers — BMW had a market share of 3.9% last year with its 8 271 sales.  
In the first four months of this year BMW's market share has exceeded 4% and its output of 4 200 vehicles over the first five months of the year are 20% up on the same period last year.

192  
RDM 10/6/80

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## REACHING FOR THE SKY

No-one is enjoying the effects of the motor industry boom more than General Motors, whose May sales are 180% up on the same month last year. Experiencing its most successful month since December 1974, the company sold 2 917 passenger cars, an increase of 13,2% over April.

According to the National Association of Automobile Manufacturers of SA (Naamsa) and those released independently by Sigma, passenger car sales figures for May, at 22 251, are up 38,97% on the corresponding figure for last year.

Similarly, commercial vehicle sales continue to pick up with this month's

10 000 sales up 27,57% on last May.

Small cars continue to dominate the market. Leading the field is Volkswagen's Golf — with sales of 4 315 units. Mazda 323 with 2 597, and Opel Kadett with 1 805 units. Sales of the Kadett are 17,5% up on last month.

Sigma retains its place at the top of the car sales league with 22,15% followed by Volkswagen and Ford.

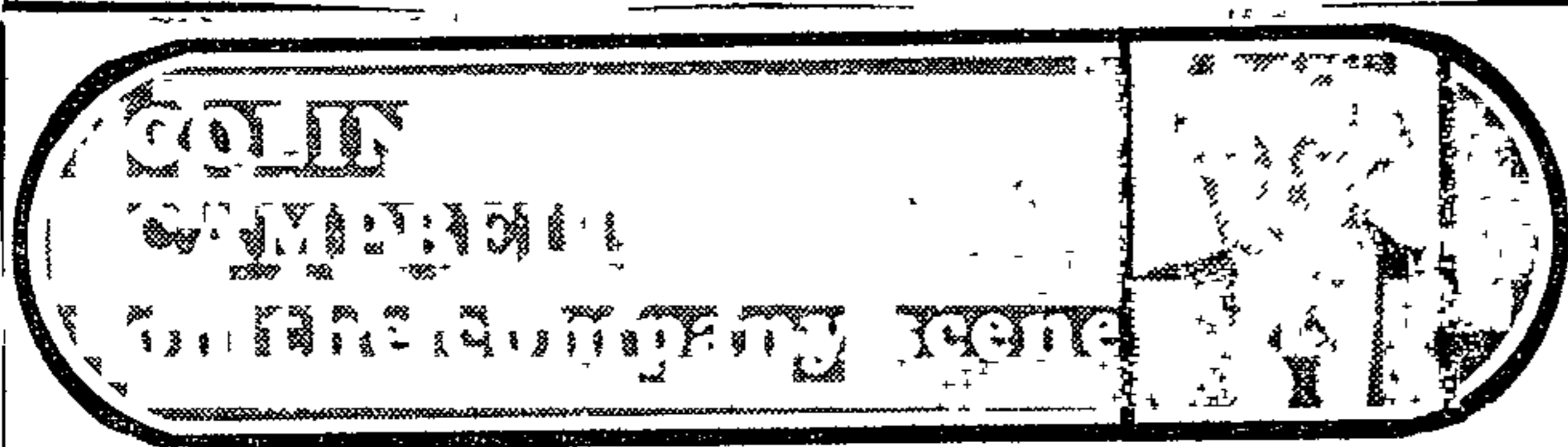
In the medium car market, the new Datsun Stanza chalked up sales of 1 530 units pushing the Ford Cortina with 1 445 sales into second place. Ford predicts that if the present trend continues, total passenger car sales for 1980 will reach a record 240 000.

### MAY CAR SALES

	1980 May	% of Market	1980 April	% of Market	1979 May	% of Market
Sigma	4 607	20,71	5 015	22,15	3 496	21,83
VW	4 315	19,39	4 582	20,24	3 325	20,77
Ford	2 960	13,30	2 914	12,87	2 806	17,53
GM	2 917	13,11	2 576	11,38	1 042	6,51
Datsun	2 711	12,18	2 158	9,53	1 607	10,04
Toyota-Renault	2 065	9,28	2 387	10,54	1 381	8,63
UCDD (Mercedes Benz)	809	3,64	601	2,65	559	3,49
BMW	702	3,15	1 004	4,43	715	4,47
Alpha Romeo	462	2,08	500	2,21	320	1,99
Fiat	436	1,96	547	2,42	545	3,40
Leyland	261	1,17	352	1,55	208	1,30
Other	6	0,03	6	0,03	7	0,04
May total	22 251 (38,97% up on 16 011 last year)					
Jan-May total	104 334 (20,53% up on 86 560 last year)					
April total	22 642 (May 1,73% up)					

### COMMERCIALS

	1980 May	% of Market	1980 April	% of Market	1979 May	% of Market
Datsun	2 949	29,49	2 556	27,42	1 750	22,32
Toyota	2 517	25,17	2 461	26,40	1 893	24,15
Ford	1 267	12,67	1 079	11,57	1 202	15,33
GM	1 191	11,91	1 131	12,13	805	10,27
Sigma	545	5,45	664	7,12	856	10,92
VW	475	4,75	473	5,07	297	3,79
UCDD	360	3,60	274	2,94	337	4,30
Leyland	242	2,42	296	3,17	318	4,06
Fiat	134	1,34	116	1,24	185	2,36
Int Harvester	77	0,77	62	0,67	59	0,75
Man	65	0,65	51	0,55	51	0,65
Oshkosh	50	0,50	29	0,31	15	0,19
Erf	19	0,19	17	0,18	12	0,15
Fodens	14	0,14	14	0,15	12	0,15
Malcomess-Scania	14	0,14	13	0,14	16	0,20
Vetsak	10	0,10	20	0,22	13	0,18
Magirus-Deutz	6	0,06	8	0,09	15	0,19
VSA	2	0,02	3	0,03	3	0,04
Other	63	0,63	56	0,60	—	—
May total	10 000 (27,57% up on 7 839 last year)					
Jan-May total	48 201 (18,50% up on 40 676 last year)					
April total	9 323 (May 7,26% up)					
April 31 965						
May 32 251 — 0,89% up						



# Car sector in overdrive

192 15/8/80 SUN TRAIL (FIN)

THIS week's motor sales figures from the National Association of Automobile Manufacturers (Naamsa) coupled with bullish forecasts that the motor industry can expect a record year for sales this year has focused attention on the motor sector of Diagonal Street.

It is quite clear from the share price movements since January that the market and investors have come to live with the oil situation and with speed restrictions. Every share in the motor sector has moved ahead since the beginning of the year, and though the sectoral average dividend yield has been driven down to only 5,7 percent, there are still some attractive yields to be had.

Results so far from motor-related companies have been good — notably Saficon and Safic recently — so there seems little reason why companies yet to report should not also be disclosing good profits.

On the gold front, Gold Fields continued the good run of June gold mining dividends and all payments were in higher ground — but though there was immediate market reaction, the gold board was again under the influence of the bullion price. However with the end of June quarterly gold mining reports just around the corner, gold

shares in general are likely to remain very much a lively market sector.

It has been a good and solid week for industrial company results. Metal Box turned out a sales increase of 27 percent to R273,6 million for the year ended March and a net operating income which was 46 percent higher at R25,67 million. Earnings were 41 percent up at 47 cents a share and there was a 20 percent increase in the total dividend from 25 cents to 30 cents a share, to give a dividend yield of 5,9 percent on this week's share price.

And results from Russell Holdings again demonstrated how well companies are doing at the shop level. There was a sales increase of 23 percent and a net profit increase of 46,4 percent. Year end net earnings rose from 46,8 cents to 67,2 cents a share reflecting the buoyant state of the economy and increased consumer confidence.

The dividend rises from 11 cents to 16 cents a share, which therefore holds the cover at a respectable 4,2 times — something which may slightly disappoint the market.

Though there may well be prudence in retaining funds because of inflation and to fund stock levels, the generally bright outlook for the economy has raised shareholders' expectations that companies should be seen to be generous come dividend payment time.

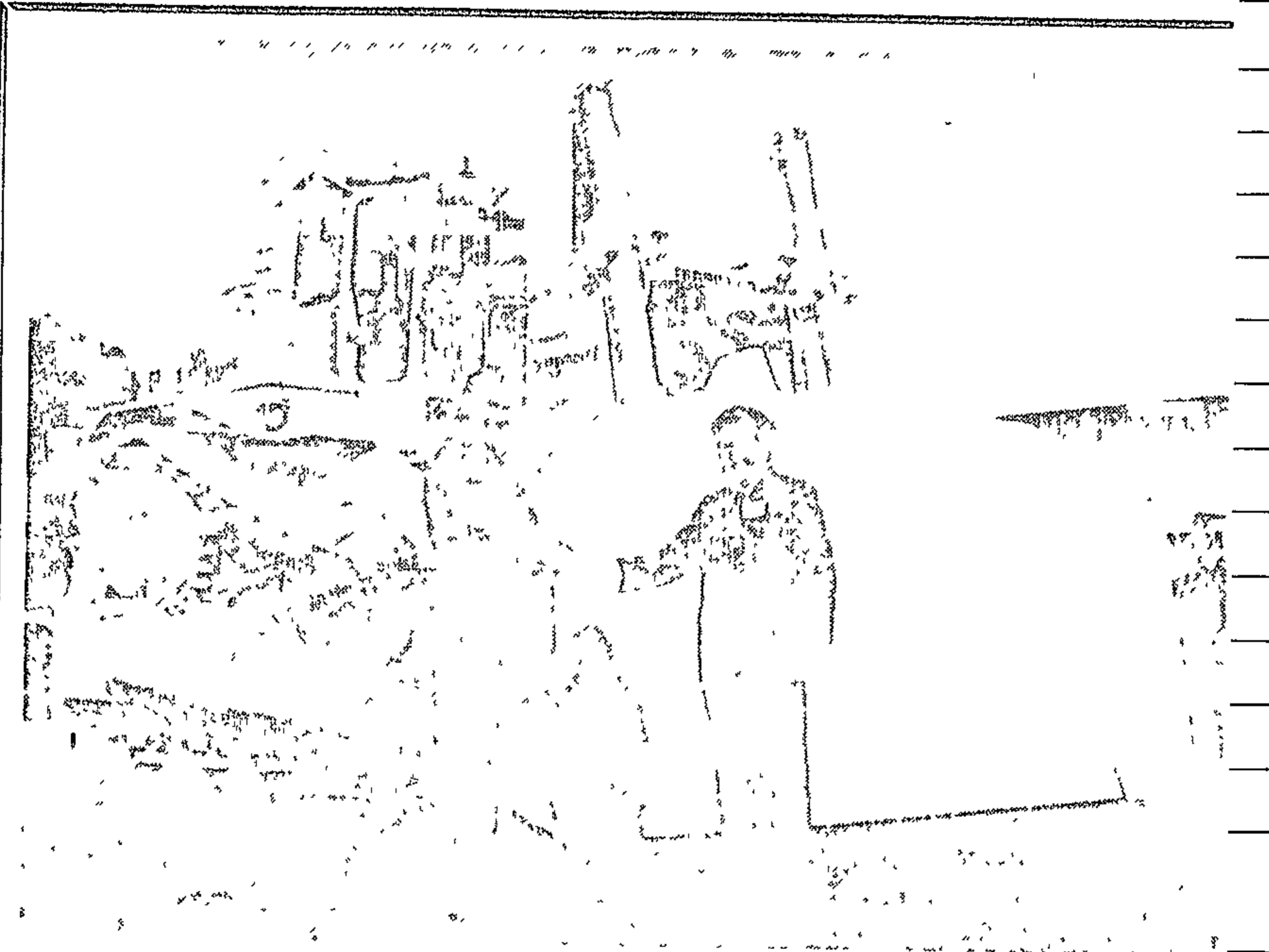
Friday's news that building societies are to

pay more for their deposits on the long end could well sway some investment funds away from the market, though if companies are seen to be paying generous dividends the flow out of the market is not expected to be that serious.

On the banking front merchant banker Hill Samuel announced details of its proposed rights issue to raise R2,8 million via a 14-for-100 issue at 320 cents each. The rights give an effective dividend entry of 8,6 percent on the assumption that the dividend will be at least 27,5 cents a share. And in view of the steady improvement noted at Hill Samuel in recent times, — now that it is shot of its property and insurance interests, and in view of the promising market opportunities in its banking field which lie ahead — it seems that the rights will certainly prove attractive. The shares currently offer a dividend yield of 7,5 percent — which make them attractive for dividend income and the potential for yet further capital appreciation.

Next week sees the annual report of South African Breweries. The board has already said that it expects the consumer boom to continue and therefore SAB should be able to forecast a good earnings growth for the year ahead. A dividend increase should also follow.

Barlow Rand is going for a listing on the Frankfurt Stock Exchange, which should add additional international lustre to an already well known and respected investment.



Mr Dave Reynolds (left), managing director of Reynolds Plant Hire, accepts a Caterpillar D10 from Mr Steve Saayman, managing director of Barlows Tractors and Machinery. This is the first D10 — the world's largest earthmoving tractor — to be sold to a plant hire company in South Africa.

# Barlows and Reynolds in R3,1m plant-hire package deal

STAR 16/6/80 192

Barlows tractor division has broken new ground in the rapidly expanding plant hire field with the sale of the world's biggest bulldozer, a Caterpillar D10, to Reynolds Plant Hire.

The half-a-million rand D10 is the centrepiece of a R3,1m package deal between Barlow's tractor division and Reynolds which includes 27 other Caterpillar machines.

This biggest single order of heavy earthmoving machinery by a plant hire firm in South Africa underlines the increasing upturn in the plant hire market.

Confirming his company's new plant acquisition, Mr Dave Reynolds said the combined purchase was part of their expansion programme which was geared to the tremendous growth in the

plant-hire field. "It is a significant addition to our fleet as we are placing emphasis on bigger machinery to provide the widest possible range to meet any job requirement. Its size and earthmoving capacity favours the mining industry and the large-scale removal of overburden."

The purchase of the D10 marks a significant milestone for Reynolds Plant Hire.

Fifteen years ago Dave Reynolds bought his first piece of machinery — a 60 kW bulldozer. This early machine is dwarfed by the massive D10. Powered by a twin turbocharged and after cooled V12 (at D348 diesel engine) the D10 produces 522 kW enabling it to move nearly twice as big a load as the next largest Caterpillar track-type tractor.

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Naamsa

STAR

16/6/80

opposes

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Genmin

192

192

application

An application to grant protection to Genmin's truck gearbox and axle subsidiaries has resulted in Naamsa's heavy vehicle sub-committee chairman, Colin Adecock, totally opposing the application.

Adecock says the decision reached by the Department of Trade and Industries was reached without reference to the industry and that while Naamsa has never opposed the local content programme, the granting of sole rights to the Genmin subsidiaries can create a situation where certain manufacturers could have a major advantage over competitors.

In addition, Naamsa has emphasised that the request to manufacture gearboxes and axles to coincide with the launch of the Atlantis diesel engine programme was totally impractical and would delay the project if implemented.

# Work stops as 3500 demand more pay

STAR 16/6/80 (192)

**Own Correspondent**  
**PORT ELIZABETH —**  
Production at Volkswagen in Uitenhage came to a halt today when 3500 black workers walked out after demanding higher wages.

A spokesman for Volkswagen said the workers had submitted a statement to the management demanding a basic wage of R2 an hour.

The present minimum rate paid by the company is R1,15 an hour.

The spokesman said the

rate which applied to all Eastern Cape vehicle manufacturers was the highest for any industrial council in the country and the highest in the motor industry.

Management is now negotiating with representatives of workers to discuss their demands.

"New wage rates are being discussed with the industrial council as new rates are being negotiated for Volkswagen, Ford and General Motors," the spokesman said.



Naamsa <sup>STAR</sup>  
opposes <sup>16/6/80</sup>  
Genmin <sup>(192)</sup>  
application

An application to grant protection to Genmin's truck gearbox and axle subsidiaries has resulted in Naamsa's heavy vehicle sub-committee chairman Colin Adcock, totally opposing the application.

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# VW strike blamed on meeting ban

*NUMAWR 192 RDM 17/6/80*

By STEVEN FRIEDMAN  
Labour Reporter

THE entire black and coloured workforce of nearly 4 000 at the Volkswagen plant in Uitenhage struck yesterday in support of wage demands

Unionists believe the strike was sparked by a proclamation issued by Uitenhage's chief magistrate banning a weekend indoor meeting at which union representatives were to have reported back to workers on wage negotiations

"I am positive that the strike would not have occurred if the meeting had not been banned — thus preventing us from informing workers of the progress of wage talks," Mr Fred Sauls, general secretary of the National Union of Motor Assembly and Rubber Workers (NUMAWR) said yesterday

NUMAWR is affiliated to the Federation of South African Trade Unions (Fosatu)

Report-back meetings are planned for Ford and General Motors workers later this week and there are fears of new unrest if these are also banned

The Volkswagen strike follows an hour-long stoppage by drivers at the plant three weeks ago

Meanwhile the general strike of black Cape Town meat workers entered its fifth week A

strike by 650 workers at Western Province Preserving in East London has ended, according to a company spokesman. Workers were protesting against the liaison committee system

Yesterday morning all black and coloured workers at the Volkswagen plant left the factory and demanded that wages be increased to R2 an hour, according to a Volkswagen spokesman, Mr Reuben Els

He said the minimum at present was R1,15 and added "This is the highest in the Eastern Cape area"

Later in the morning workers decided to return home and are expected to gather at the factory this morning to be addressed by union officials, who will request a mandate to continue negotiations for another week

Talks between management and union representatives took place yesterday and will continue today, Mr Els said. He said workers were expected to return to work this morning

Volkswagen recognises both Mr Sauls's union and the black United Auto Workers Union, another Fosatu affiliate. The Eastern Cape motor industry is one of a handful in which black union representatives have an unofficial voice in the indus-

try's industrial council, at which wage levels are discussed

Mr Sauls said yesterday that workers had mandated their union to demand a minimum of R2 an hour for unskilled workers, R2,75 for semi-skilled and R3,50 for skilled workers

These demands had been discussed at an industrial council meeting and the union had planned to report back to Volkswagen workers on Sunday. But a proclamation by the chief magistrate late on Saturday night banned the meeting

"Workers believed this was an attempt to prevent their voice being heard and suspected management had a hand in the ban. This appears to have sparked off the strike," Mr Sauls said. He said union officials did not believe there was any management involvement in the proclamation.

Negotiations at the industrial council were at an early stage, Mr Sauls said, and "the offer employers had made was by no means final — we were nowhere near deadlock and we would have advised workers to authorise further negotiations"

He was confident that workers would have given the union a mandate to continue negotiations had they been allowed to meet, he said

CANDIDATE MUST enter in ) the number of each question l (in the order in which it has vered), leave columns (2) and

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8	

### NOTE CAREFULLY

- 1 Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering
- 2 Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used
- 3 Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book (s) are used

### WARNING

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

# Strikes spread 4 350 Cape Times R/6/80 mow out

Own Correspondent

PORT ELIZABETH — Strike figures at Uitenhage factories swelled to about 4 350 yesterday when black workers at two factories joined the 3 500 who downed tools at Volkswagen on Monday and who marched through the centre of the town yesterday.

Work came to a standstill at the Hella automotive lighting equipment plant when 700 assembly line workers, 670 of them women, were sent home at lunchtime.

At SKF Bearing Manufacturers about 150 workers were sent home when they refused to go back to work after lunch.

Hella's managing director, Mr Fred Polasick, said workers started to gather in groups from 9.30 am. They later demanded an hourly rate of R5.

"This was absurd. Later most of the women expressed fears of being beaten up if they did not leave. For their safety I decided to close the factory and send them home."

At Volkswagen, where workers have demanded a minimum R2 an hour, the plant has been closed until further notice.

Management said in a statement to workers late yesterday that negotiations with union officials would continue.

Earlier the Volkswagen public affairs manager, Mr Ruben Els, had said workers were addressed by the secretary of the United Automobile Rubber and Allied Workers Union, Mr Fred Sauls, after gathering on the factory floor after 8 am.

Workers rejected calls to carry on while negotiations were in progress and left on their own accord. They were told management needed more time to consider the demand.

Mr Els said the strikers would not be paid during the stay-away.

# Police active as strikers

APL TIMES  
19/6/80

## grow to 5 000

Own Correspondent

PORT ELIZABETH — Police used teargas and dogs to disperse striking workers in Uitenhage yesterday as labour unrest spread, bringing the number of workers on strike to more than 5 000

Among new firms hit by strikes yesterday was Borg-Warner, a transmission plant, where the total black and coloured workforce walked out after lunch following their rejection of a wage offer.

Another firm, Link Construction, closed both its township depots after workers at one depot went on strike, and the Volkswagen plant closed till further notice

Borg-Warner is the third major motor-component factory affected, the others being Hella, which manufactures electrical equipment, and SKF Bearings, a ball-bearing plant

A spokesman for Borg-Warner said 250 black and coloured workers walked out after lunch and the rest of its black and coloured workforce of 250 was not expected to turn up for nightshift. A minimum wage of R2,50 an hour for sweepers was demanded

The present minimum rate

prescribed by the industrial-council agreement for the steel and engineering industry is R1 an hour

A Volkswagen spokesman, Mr Reuben Els, said the factory had been closed till a new industrial council agreement was reached in the industry

He said the 3 500 strikers among the factory's black workforce of 6 000 would not be fired but would not be paid during the closure

A spokesman for SKF claimed workers had rejected management's offer to increase the minimum starting rate of R1,15 an hour to R1,70, and were demanding R2 an hour

However, a worker representative said workers had moderated their wage demand "some days ago" and were now demanding R1,65 an hour

He complained that "our demands are being exaggerated to make us appear unreasonable"

Sources in the motor industry claimed the strike wave was not primarily over wages

One spokesman said workers were striking to bring attention to "political, economic and social grievances"



# UNIVERSITY OF CAPE TOWN EXAMINATION ANSWER BOOK

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

All answer books must be numbered

Number of books handed in	3
Number of this book	3

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~~19/6/80~~ 19/6/80 ~~ARCUS~~ ARCUS  
**Strikers lose jobs,  
VW plant still shut**

**Argus Bureau**  
**PORT ELIZABETH —**  
 D The black strike in Uitenhage took its first toll among workers today when about 250 lost their jobs at one company.  
 D The Volkswagen plant in Uitenhage, where the strike started on Monday with 3 500 workers downing tools, is still closed and at three other factories the strike is believed to be continuing.  
 S The UCM Milling Company in Uitenhage — belonging to an Asian group with two other concerns, the Spirvin Bottling Co-

poration and Uitenhage Candle Manufacturers — today told 250 workers they had terminated their services by continuing to strike.  
 The managing director, Mr Adam Musa, said the workers turned up with 'some hobos not employed by the company'  
**INTIMIDATION**  
 They were told to be back at work by 10 am, but then started getting 'rowdy' They were told they had lost their jobs and could reapply on Monday.

Mr Musa said work returned to normal at Theunsus Transport, where about 30 blacks refused to work yesterday. He believed they stopped because of intimidation.  
 At the Hella automotive lighting plant, where many of the 700 black workers had been on strike since Tuesday, the situation has returned to normal, according to reports.  
 At SKF bearing manufacturers, about 130 blacks on strike since Tuesday, stand to lose their jobs if they do not return tomorrow.

**NOTE CAREFULLY**

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# Uitenhage labour unrest spreads

UITENHAGE — Police here went into action seven times in 18 hours to disperse crowds of strikers and stone throwers

In most of the cases between Tuesday night and early yesterday afternoon teargas or tearsmoke was used but there was one police baton charge, a round of birdshot was fired at a group of youths and dogs were used to disperse mainly women workers at the Hella factory

Police said there was sporadic stoning of vehicles on Tuesday night. About 100 youths who gathered in Kabah township were dispersed by police using batons and tearsmoke

Volkswagen workers who gathered at the factory gates to be told of the indefinite closure of the plant yesterday morning were dispersed by riot police who fired canisters of tearsmoke

Riot police kept a close watch on the vanguard of workers, who were addressed briefly by members of the

workers committee and then walked through the business district singing freedom songs

The strikers were dispersed with tearsmoke for the second time after gathering around a worker injured when hit by a passing car on the outskirts of town

Confusion reigned at the Hella factory when about 700 mainly coloured women who, after being urged by management to return to work, started moving towards the gates

Other workers called them back, but management then ordered them all to leave

Police dog handlers then charged the workers inside the grounds and fired canisters of tearsmoke after they had moved out

A spokesman for the workers said they had gathered in the factory at 6.30 a.m. to present wage demands, but a director they wanted to see did not arrive

At the offices of the United Automobile and Allied Workers' Union, six women displayed to union officials scratches and bites which they said they had sustained during the police charge

The divisional commissioner of police in the Eastern Cape, Brigadier E. S. J. van Rensburg, described Uitenhage as a "hot spot" and said police reinforcements had arrived on Tuesday night and yesterday morning

Among new firms hit by strikes yesterday was Borg Warner, a transmission plant, where the total black and coloured workforce walked out after lunch following rejection of a management wage offer

And a construction company, Link Construction, closed both its depots in coloured and black townships after workers at one depot went on strike

Another factory joined the labour unrest when about 250 workers at a candle factory went home after demanding higher wages — DDC

# Teargas used on strikers as more join in

By RIAAN DE VILLIERS  
Labour Correspondent

POLICE used teargas and dogs to disperse striking workers in Uitenhage yesterday as labour unrest spread, bringing the number of workers on strike to more than 5 000

Among new firms hit by strikes yesterday was Borg-Warner, a transmission plant, where the total black and coloured workforce walked out after lunch following a rejection of a management wage offer

And a construction company, Link Construction, closed both its depots in coloured and black townships after workers at one depot went on strike

In another development, the Volkswagen plant, where the strike wave began on Monday, was closed down until further notice

Borg-Warner is the third major motor component factory to be affected, the others being Hella, which manufactures electrical equipment, and SKF Bearings, a ball-bearing plant

Sources in the motor industry yesterday expressed fears that the strikes could soon affect production at other motor manufacturing plants

A spokesman for Borg-Warner said yesterday 250 black and coloured workers walked out after lunch and the rest of its total black and coloured workforce of 285 was not expected to turn up for night-shift

Workers gathered on the lawn outside the plant after meeting in the canteen during lunchtime, where black and coloured shop stewards demanded a minimum wage of R2,50 an hour for sweepers, the lowest paid workers

The present minimum rate prescribed by the industrial council agreement for the steel and engineering industry is R1 per hour

Management made a counter offer but workers rejected this and walked out

Production was continuing with the help of white staff but was 'obviously affected', the spokesman said

He added "This is no longer a company problem alone but

has become an area problem."

A Volkswagen spokesman, Mr Reuben Els, said the factory had been closed until a new industrial council agreement was reached in the motor assembly industry

The closure was announced to a group of about 200 workers outside the factory yesterday morning

He could not say when the factory would reopen but added that negotiations were in progress and the firm hoped the wage issue would be settled as "soon as possible"

He said the 3 500 strikers among the factory's black workforce of 6 000 would not be fired but would not be paid during the closure

The plant had lost a "few hundred units" during the past few days

At SKF, a company spokesman claimed workers had rejected a management offer to increase the minimum starting rate of R1,15 an hour to R1,70. She said workers were demanding R2 an hour, as are Volkswagen workers

However, a worker representative at the plant said yesterday workers had moderated their wage demand "some days ago". They were now demanding R1,65 an hour, he said

He complained that "our demands are being exaggerated to make us appear unreasonable"

Workers were told they would be fired unless they were back at work tomorrow morning. According to management, production is continuing with the help of white personnel, including office staff

Meanwhile, sources in the motor industry claimed the strike wave was not primarily over wages

One spokesman said workers were expressing "political, economic and social grievances", and were using the strikes as a way to compel attention

A source in industry in Port Elizabeth said the strikes were being viewed with a "great deal of concern" as they could spread easily

Another spokesman said "The strikes are obviously not about economic issues, but political issues. We will just have to sweat it out"

# Options open to Gaydon holders

232  
192  
RDM 19/6/80

By ELIZABETH ROUSE

**THE TAKEOVER** of Gaydon Southern Holdings, the holding company of the car parts group Quinton Hazell Superite, by a consortium headed by Mr Isaac Kaye and Mr Peter Goldberg presents minority shareholders with six options

Basically, the offer depends on three options. Gaydon minority shareholders can either accept an offer of 68 Quinton Hazell Superite (QHS) shares for every 100 Gaydon shares held at a price of 60c a QHS share, payable in cash, or accept an offer of 44.2c a Gaydon share, or reject the offers.

Through the offer of QHS shares, Gaydon shareholders, who have invested in Gaydon so as to participate in QHS, maintain their proportionate share in QHS.

This side of the deal is tied up with the disposal by Gaydon of its 56% interest in QHS.

But the crux of the deal is the consortium's acquisition of Burmah Oil South Africa's 89% holding in Gaydon. This holding has been acquired by the consortium at 44.2c a share and the consortium is making a similar offer to Gaydon minorities.

They will also get an interim dividend of not less than 1c a share, to be declared on July 1.

This offer price is in line with expectations as offers for cash shells are always pitched at net asset value prices. It was predicted that the offer price would be well below Gaydon's pre suspension market price of 68c.

After the takeover, Gaydon will have net assets of about R2 350 000 or 41.4c a share, represented by cash. The listing will be retained and the consortium will "seek suitable investment opportunities for the company".

At this stage an earnings projection is impossible, but judging by Mr Kaye's record, a ride with Gaydon shares could be exciting.

The two offers, the opportunity to buy QHS shares and the opportunity to sell Gaydon shares, are not dependent on each other.

Gaydon minorities may retain their Gaydon shares, accept the offer of 44.2c a share or sell their Gaydon shares after relisting.

The shares will be reinstated on the Johannesburg Stock Exchange today.



# STRIKE CRISIS AS RIOTING SUBSIDES

RDM 20/6/80

## POLITICAL STAFF

LABOUR unrest spread in the Eastern Cape yesterday, but relative calm returned to the Western Cape after five days of violence which left a trail of death, injury and damage.

In Uitenhage, focal point of the strike ferment, at least two people were wounded by birdshot yesterday.

Police said they twice had to shoot their way through barricades in the black townships during a day marked by stone-throwing incidents.

Teargas was also used in four police actions in the townships and once in the industrial area, which police declared a "problem area".

In what observers view as the worst wave of labour unrest since 1973, workers at four more factories in Uitenhage went on strike, further disrupting production in the motor industry and bringing the number of strikers to 7 000.

Stoppages also occurred at individual factories in Port Elizabeth, East London, and Elandsfontein on the East Rand.

The strike by Cape Town meat workers continued.

The Western Cape was relatively calm yesterday, but sporadic violence continued in Elsie's River, where a number of cars were reportedly stoned.

Late yesterday afternoon, traffic police closed a part of Midderburg Road near Cape Town's D F Malan Airport because of stoning.

But the Cape death and injury toll is still unclear.

The Minister of Police, Mr Louis le Grange, said in a statement last night that 30 people had died since Monday.

Of these, 28 died in the Western Province, he said, one in the Boland and one in the Free State.

However, the Rand Daily Mail's sister newspaper, the Cape Times, last night stood by its figure, calculated from information from hospital sources, of at least 42 deaths in the Western Cape.

Lifting the police clampdown on details of the unrest toll, Mr Le Grange said 174 people had been injured — 100 of them victims of knifings and stone-throwing incidents.

It was not yet known what the main causes of death were, "but this will be determined during post-mortem examinations which are presently being held".

The majority — 144 — had been injured in the Western Cape, 14 in the Free State, 14 in Soweto and two in the Boland, he said.

Meanwhile in Durban, the Director of Indian Education, Mr Gabriel Krog, announced that the estimated 10 000 Indian pupils suspended from school would be allowed unconditionally to return to classes.

The announcement was widely welcomed by Indian political, teachers' and parents' groups in Natal.

And in Cape Town, it was announced that Dr Erika Theron, who headed the Theron Commission of Inquiry into coloured affairs, would lead a six-member group to see the Prime Minister today for talks on means of easing the present tension in the Cape Flats.

Others in the group are Ds Dawid Botha, Professor Richard van der Ross, rector of the University of the Western Cape, Mr A J Arendse, Director of Education in the Department of Coloured Affairs, Dr Frank Quint, senior inspector of schools, and Dr I D du Plessis, noted writer.

In Johannesburg, police were called to Lenasia's Trinity High School, where there was an angry confrontation between staff members and parents when 600 boycotting pupils arrived as examinations began.

Police said parents and pupils dispersed without any action being taken.

In the Western Cape, there was an almost total boycott of classes by coloured pupils on the last day of term yesterday.

Principals had little hope of a return to normal next term.

• A majority of University of Natal medical students had resolved to continue boycotting lectures until the end of the year, a Student Representative Council member said yesterday.



# Over 7000 on strike as labour unrest spreads to more firms

By RIAAN DE VILLIERS  
Labour Correspondent

LABOUR unrest in Uitenhage spread to four more factories yesterday bringing the total of black and coloured workers out on strike to over 7000 and severely hampering production throughout the motor industry. Work stoppages started or continued in several other centres.

New plants in Uitenhage hit by labour unrest include the Goodyear tyre factory, which has been shut down until Monday after fruitless wage negotiations yesterday.

Workers also went on strike at National-Standard a steel wire firm Gubb and Infgs, a wool-washing plant and Guestro Industries the fourth motor component plant to be affected in other developments yesterday.

A short work stoppage occurred at the Koo factory in East London against a background of growing worker dissatisfaction in the area with the liaison committee system.

- A work stoppage at Steel Pipe Industries in Elandstontain near Johannesburg continued after management told workers to accept the dismissal of their works committee chairman and return to work, or be paid off.
- The strike by Cape Town meat workers continued.
- A brief work stoppage took place at the Coca-Cola plant in Port Elizabeth.
- Ford shut down its Cortina

## 'Meeting ban action'

By STEVEN FRIEDMAN  
Labour Reporter

A BAN on a union meeting over the weekend triggered off "long-standing frustrations over wages" and led to the strike wave in Uitenhage, a key East Cape town, said yesterday.

In an interview yesterday, Mr Fred Sauls, general secretary of the National Union of Motor Assembly and Rubber Workers, said wages in the area were "not enough to live on — even if they do conform with poverty datum levels."

He also rejected suggestions that political organisations were behind the strike wave.

Mr Sauls, an advisor to the United Auto Workers Union, which has members in most of the strike-hit plants, has been trying to negotiate a settlement.

Most minimum wage levels in the area are above the various poverty datum lines drawn up by researchers and this has led some observers to suggest that wage grievances are not behind the strikes.

Mr Sauls said yesterday that some local

employers did not pay above these levels. But he added, "Many employers regard the pdls as some sort of bribe. Their magic figure is R1 an hour and if they're above that they think they're paying very well."

He said that the ban on a union report-back meeting over the weekend "set off the chain reaction we are seeing." Workers in the area worked near each other and they all lived in the same townships. Frustration at Volkswagen spread to other workers.

"I am 90% sure there would have been no strikes if the meeting had not been banned. Workers simply lost patience with negotiation after this happened and the Volkswagen action convinced others to do the same," he said.

Mr Sauls confirmed that at least nine factories were out on strike and negotiations at most factories were being conducted by worker committees.

These committees, he said, were all attached to the United Auto Workers Union or other Fosatu-affiliated unions in the area.

plant due to a shortage of components until Monday.

● UCM Milling another Uitenhage firm yesterday dismissed its entire black workforce of 250 and a company spokesman said it had begun to employ new workers.

However the management at Hella one of the strike-hit component firms in Uitenhage said yesterday that staff had returned to work and production was back to normal.

Management agreed to a request for the morning shift to join the talks and production was stopped at 9:30am.

Workers demanded a minimum starting rate of R3 an

hour instead of the present R1.10. Management rejected this and when no agreement was reached by 12:30pm asked the workers to leave.

The plant would be closed until Monday, morning when workers who did not return to work would be subject to normal disciplinary procedures — which could include dismissal — a management representative said.

Production at Natal-Standard

standard was brought to a standstill when workers walked out after negotiations with management during which they demanded a minimum starting rate of R2 an hour.

A management spokesman said the company would not dismiss workers but was available to negotiate with the workers committee until a settlement was reached.

A spokesman for Borg-Wainer in Uitenhage said shop stewards agreed to ask workers to return at a meeting yesterday morning after the firm offered to implement immediately wage increases due in terms of the steel and engineering industrial agreement on July 1.

He added: "We are fairly confident the workers will return."

During talks with worker representatives SKF management agreed to postpone its deadline for workers to return from today until Monday.

Workers are demanding a minimum wage rate of R2 an hour while management has offered a minimum of R1.40 and an average of R1.82. The current minimum rate is R1.15.

A spokesman for Volkswagen where the strike broke out on Monday said discussions with unions were still in progress but the situation was unchanged.

Link Construction said its strike-affected plants would remain closed until workers specified their demands.

MOTOR INDUSTRY

# Stand by for shortages

FM 20/6/80  
192

**Shortage of stock** is now hitting all but one SA motor manufacturer as demand continues to soar. It is estimated that at least 10 000 car sales won't be made this year because of manufacturers' inability to supply. And the single exception Volkswagen, this week shut down its Uitenhage factory because of a labour dispute.

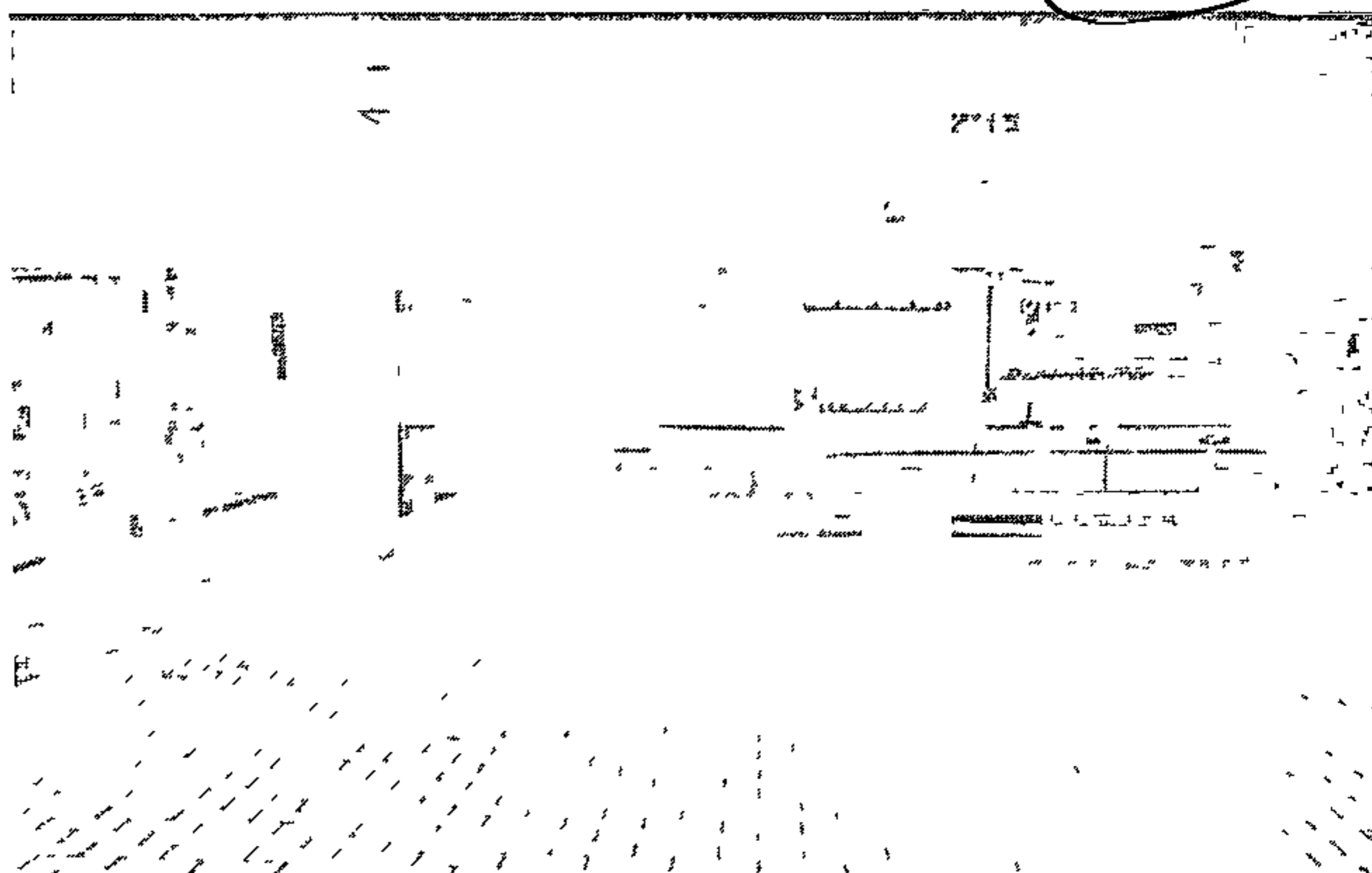
"Already," says Brian McCarthy, chairman of the giant McCarthy retail group, "there's a R60m backlog of orders — to supply orders for 10 000 cars — and it's likely to get worse as demand continues rising."

"Almost every manufacturer is unable to supply demand for at least one model in its range," says McCarthy. He does not blame the industry for the shortage and points out that lead times on manufacturing programmes are six to nine months. "In September last year none of us had any idea that the market would take off like this, as the April fuel crisis was still with us," he says. "But then the speed limits were raised, petrol selling hours were extended, and minimum hp deposits were lowered and repayment periods extended. All this built up confidence which gave more momentum to this year's boom."

The boom has started a salesman's picnic as many dealers have not increased sales staff in line with increased sales. This has meant extra commission for salesmen as buyers fall over one another to get on to waiting lists up to three months long for the more popular models.



**McCarthy . . . the industry is not to blame**



**Car showroom when will it be full?**

Slower-selling models are also benefiting as some buyers, unwilling to wait for what they really want, are taking second best. And manufacturers should have no problems with unwanted "runouts" on their hands — models which are to be discontinued such as the Datsun 140 series, the Ford Escort range and the Toyota Corollas. Insiders predict that Corollas may even sell out before their replacements are phased into production.

Demand is also overflowing into the used car market and Motor Industries Federation director Danie van Huysteen reports that good used cars are also very scarce.

"Our members are operating hand-to-mouth on low stock levels and are finding it very frustrating not being able to get the new cars they know they can sell," he says. "But they are, on the whole, satisfied with the quota system some manufacturers have introduced and they feel that it is being fairly applied."

Van Huysteen believes that the industry will have caught up with demand by next year, and that by the second quarter, "we will have cars running out of our ears again." For this reason, he appeals to dealers to gain maximum benefit from the boom by not giving excessive discounts and not harming their image of giving good customer service.

Small cars which now have about half of the market in volume terms are in shortest supply, with GM's new entry, the Kadett, probably being the most scarce. A GM spokesman says that the company can produce only 12 000 Kadetts during 1980

and that sales for last month came to 1 800 units. "This means that we can produce an average of less than 1 500 units a month for the rest of the year," he says. "Sooner or later the demand will catch up with us."

Main bottleneck in the supply of Kadetts is a shortage of engines and gearboxes which are made in Germany where local demand for small cars is also booming.

Some variants of Sigma's Mazda 323 are also in short supply, and Sigma staffers say, "We don't even have to try to sell them."

Some medium-sized cars have also experienced unexpected sales takeoffs and models such as Rekords, Gallants, Peugeot 504's and Datsun Stanzas are scarce.

Luxury vehicles, too, are in short supply and a spokesman for UCDD says that the waiting list for a new Mercedes 280 E is about three months.

### Coping

Of all the major manufacturers, Volkswagen is probably coping best, and it reports that only the new VW Kombi commercial vehicles are in short supply. All car models, including the popular Golf, are freely available. The main reason for this, it seems, is that as far back as August last year, the company was basing its plans on total industry sales of 250 000 units for this year. But this situation could be shortlived unless VW resolves its labour dispute which has closed the Uitenhage factory. It is still anyone's guess when production will start again.

Heavy truck sales are also in for a

record year of around 18,000 units, although supply is even tighter than for cars and delivery times on some models are more than three months. Most of these vehicles are imported in crates and fitted with locally made bodies. John Hodgman, president of the SA Vehicle and Bodybuilders Association, says that output is limited by a shortage of imported chassis to build on. Bus chassis are particularly scarce as there is at present a world-wide boom in bus sales.

Next year supplies of new trucks will be limited to about the same as they are this year. But demand will be pushed up by the rush to buy before prices go up an estimated 50% in October, as the result of the local content programme for engines and powertrains (see *FM* June 6). After that there should be a surfeit of the new SA-sourced trucks - but at a price. Sales for 1982 are expected to fall to about 16,500 units.

starts buying local engines in October next year is "totally impractical" and that it could delay the launch of the new engines. ADE has not gone so far as to support this statement but has at least pledged to support Naamsa in its efforts to avoid anything which may be detrimental to the engine programme

"Any delay in our startup schedules will cost us money," says an ADE spokesman.

Truck men say that Japanese trucks will suffer most from the local content programme. Firstly, they will have to redesign their trucks around engines and powertrains built for European (Mercedes Benz and MAN) trucks. Secondly, they could lose some of their price advantage over these makes, as the Japanese engines and powertrains they currently use cost less.

Although the local content programme should push up costs of all trucks, an executive from a Japanese truck company estimates that costs of Mercedes and MAN trucks will go up by only 20% while costs of Japanese trucks will go up by as much as 50%. Mercedes Benz is already firm favourite as leader of the truck market in the Eighties, and some truck dealers are predicting that its market share will rise from the 27,3% it had last year to more than 33% in 1981.

"We fully appreciate the need for SA to become self-sufficient in trucks," says

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TRUCK INDUSTRY  
S...  
FM 20/6/80  
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strange bedfellows

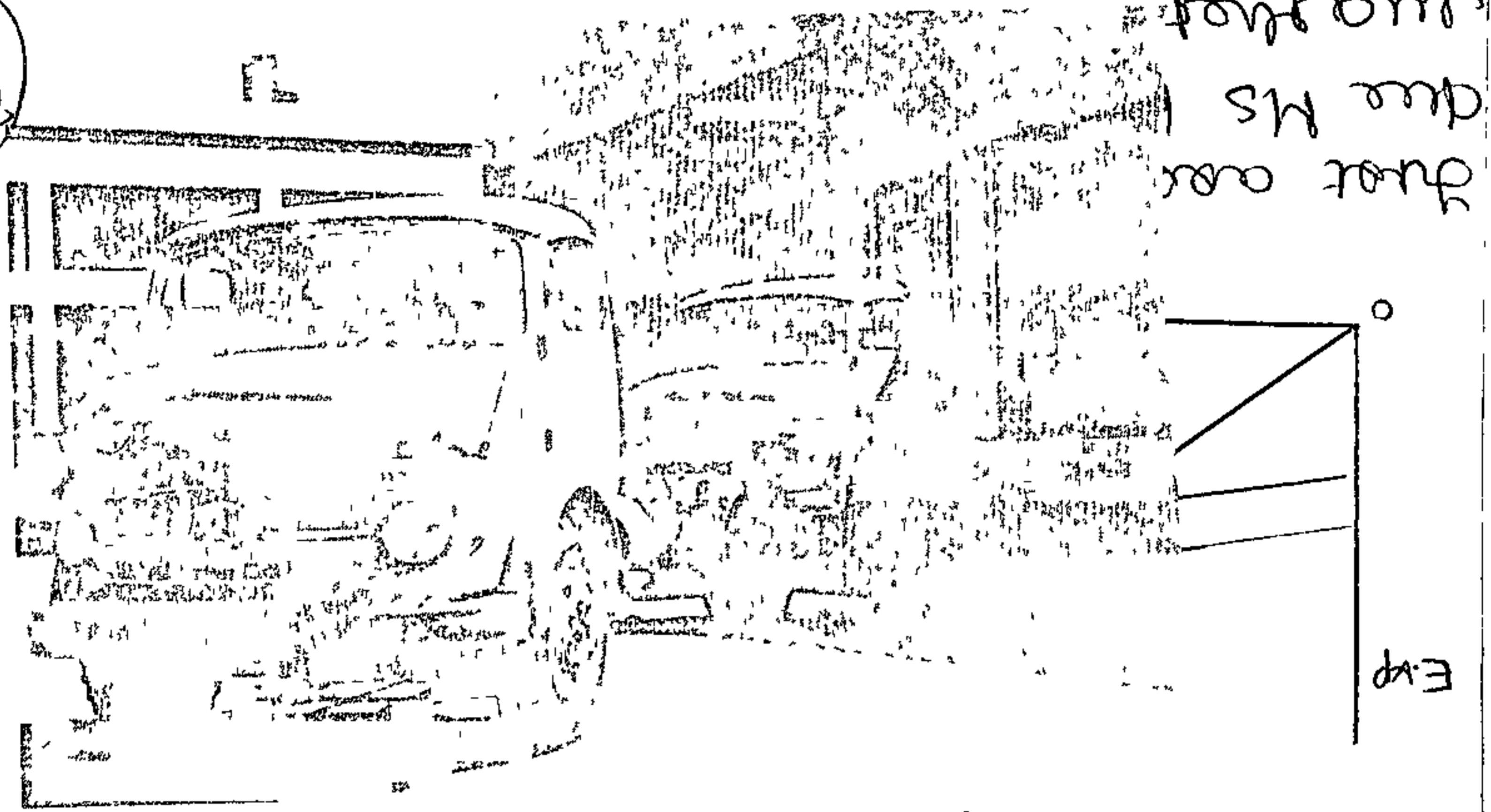
Naamsa's recent statement that it is totally opposed to General Mining's government-sanctioned monopoly to make gearboxes and axles (powertrains) for trucks is hardly surprising (see FM June 6). What is surprising is that for once, Naamsa, which represents truck builders, finds itself in agreement with Atlantis Diesel Engines (ADE), which has the monopoly to make diesel engines.

Naamsa says that government's plan to make the industry start buying locally-made powertrains at the same time as it

Wagner reports monetary and a weaker  
 adjustment down fiscal policy in  
 influencing the economy's income  
 and output growth levels. However the  
 monetarists believe the opposite. A  
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Bert Wessels of Toyota but we think  
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 panies is not the way to do it. ADE and  
 General Mining will have no competition  
 and their prices are bound to go up in  
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 Wessels believes a local manufacturing  
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 a levy of about 5% on all trucks fitted with  
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**Mercedes trucks set to dominate the market**



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# Firms paralysed

**UITENHAGE** — The Eastern Cape's economic backbone, the motor industry, was severely hit yesterday when labour unrest spread here.

A combined 7 000-strong striking workforce has paralysed seven factories here and observers view it as the worst labour unrest to hit South Africa since the Durban strikes in 1973

In East London nearly 800 workers at the Langeberg Ko-op downed tools yesterday

They alleged management failed to deal with their trade union

However, the workers returned to work five hours after the stoppage when management discussed the issue with representatives of the

African Food and Canning Workers' Union

The manager of Langeberg, Mr J R Burg, said the problem had been "sorted out" and the company had agreed to fly up a senior personnel officer from Cape Town to meet the union executive

"The workers downed tools during the morning tea-break because they wanted to know our attitude towards their union," Mr Burg said yesterday

"We discussed the matter with them and answered their questions, as well as talking to the executive members of the AFCWU

"Everything was sorted out and the people were

back at work by about 3 15"

The general secretary of the union, Mr Jan Theron, said the workers had only gone back on condition the union executive could meet the senior personnel officer from Cape Town

Mr Theron said they had also been "angered" by security police presence at the factory

Mr Burg disputed the claim that the company was ignoring the union

"We have been dealing with the AFCWU since February so I don't see how they can say we are ignoring them," he said

The head of the security police here, Col A P van der Merwe, confirmed his

officers were at the factory and had discussed the situation with the trade union officials

Goodyear is the latest Uitenhage plant to be hit. It has been shut until Monday after fruitless wage negotiations with 600 workers

A management spokesman said production was stopped at 9 30 am and a mass meeting was held where workers were invited to elect five representatives to put forward wage proposals. But they decided to negotiate en masse

They demanded a minimum starting rate of R3 an hour instead of the present R1,10. Management rejected this and when no agreement was

## EL workers strike then return

reached by 12 30, management asked workers to leave

The other new Uitenhage plants hit were National-Standard, a steel wire firm, Gubb and Inggs, a wool-washing plant, and Guestro Industries, the fourth motor component plant to be affected

Developments at other Uitenhage plants were

A spokesman for Hella, the motor vehicle light fitting firm, said workers had returned and production was normal. But Ford announced their Cortina plant would shut until Monday because of the shortage of parts normally supplied by Hella

A spokesman for Volkswagen, where the strike broke out on Monday, said discussions with unions were still in progress but the situation was unchanged

In other developments around South Africa yesterday

The work stoppage at Steel Pipe Industries in Elandsfontein, Johannesburg, continued after management told workers to accept the dismissal of their works committee chairman and return to work or be paid off.

The strike by Cape Town meat workers continued, and

A brief work stoppage took place at the Coca-Cola plant in Port Elizabeth — DDC

Union protests, page 2

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PUBLIC FINANCE

Answers



# White workers

'on their  
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ADM 16/6/80

Own Correspondent

GRAHAMSTOWN — White workers at Ford were becoming aware that the State was no longer prepared to intervene on their behalf, a Rhodes University sociologist, Dr Marianne Roux, said in Grahamstown last week.

Dr Roux, who researched Ford's labour practices in terms of the Sullivan Code of Principles last year, said the white worker's feeling of insecurity may also have been aggravated by the Government's acceptance of the Wiehahn recommendations.

Delivering a paper on industrial unrest at Ford, she told a meeting of the Black Sash that whites felt there was a growing distance between their interests and those of the State.

A widely-publicised and anticipated white backlash, to black workers' action did not last long, she said.

However, this did not mean that white workers were accepting black advancement. Rather, they were aware of changing State attitudes towards the white working class.

Dr Roux said that the main reason for the strike at Ford's Cortina plant was the decline in real wages since 1971, coupled with a short working week.

This resulted in a cutback of almost 32% in the weekly take-home pay of hourly paid workers, she said. "Given the decline in their real wages, it is not surprising that changes such as the integration of eating, toilet and working facilities are regarded as being merely cosmetic."

Dr Roux said workers believed these measures had been implemented for the benefit of visitors and to please directors of Ford in America, but otherwise did "little more than distract attention from the more fundamental problems of economic and social justice in the company and the community."

# Strikers

w/ ARBUS

reject

21/6/80

new VW

pay offer

REPRESENTATIVES of the 3 500 Volkswagen workers on strike over wage offers last night rejected the company's latest offer.

The national organiser of the National Union of Automobile and Rubber Workers, Mr Brian Fredericks, said the confidential and informal offer had been rejected at a meeting of the union with workers, attended also by the affiliated United Automobile Workers' Union.

### R2 DEMAND

When downing tools at the plant on Monday, black workers demanded a R2 an hour basic wage

A meeting of the Industrial Council for the Automobile Industry will be held on Tuesday to discuss the wage issue

*important*  
*new VW*  
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# Car plant strikers reject pay offer

## Further bar on press

PORT ELIZABETH — Police imposed further restrictions on reporting of industrial unrest in Uitenhage yesterday by barring photographers from taking cameras into the town

The blanket ban on photographers came with yesterday's announcement by the Divisional Commissioner of Police in the Eastern Cape, Brigadier E S J van Rensburg, that the entire Uitenhage district had been declared an operational area

Journalists now need permission from Brigadier Van Rensburg to work in Uitenhage and have to be accompanied by the officer commanding operations in Uitenhage or a member of the security police

An Eastern Province Herald photographer, Mr Basil Hall, had to leave his cameras at Brigadier Van Rensburg's office before being allowed to take a reporter to Uitenhage

Journalists entering 'operational areas' must obtain daily authorization from Brigadier Van Rensburg

● Press ban 'irresponsible', page 2

Own Correspondent

**JOHANNESBURG. — Three giant Eastern Province motor assembly firms yesterday made a new wage offer to trade union officials in a bid to end the strikes by 7 000 workers, but their offer was rejected.**

The offer was made by Ford, General Motors and Volkswagen, who are employer parties on the local Industrial Council for the Motor Assembly Industry, in a meeting with officials of the National Union of Motor Assembly and Rubber Workers and the United Auto Workers' Union

But it was rejected last night by the joint committee of the two unions at the Volkswagen plant in Uitenhage, where the strike wave began on Monday. A union official said the offer was so far below the union's demand for a minimum rate of R2 an hour that the committee felt there was no chance that workers would accept it

A special meeting of the full industrial council has been called for Tuesday, but the committee's rejection of the wage offer has set back hopes for a speedy settlement of the Volkswagen strike

Police yesterday opened fire with birdshot on strikers in Uitenhage and used tear-gas to disperse 1 000 strikers who marched through the town after collecting their pay. One man was wounded in the legs and several were arrested

Two strike-hit firms, Goodyear and National-Standard, announced that workers who did not return on Monday would be paid off

Employers have suggested that the strikes are politically motivated, but union officials insisted that the strikes were triggered off when a report-back meeting for Volkswagen workers on industrial council negotiations was banned last Sunday

The general wage demand by striking workers in the area, — a minimum of R2 an hour — is the demand submitted by the unions

The strikes did not spread yesterday, and all workers at the Borg-Warner motor component plant returned to their jobs

CAPE TOWN

21/6/80

(153) (27/5) (192)

# Alfa SA to export 5 000 cars

192  
21/6/50

ALFA Romeo South Africa intends to export about 5 000 cars next year, says Dr Vito Bianco, the managing director.

He said this would be only the beginning of a major export drive from Alfa's assembly plant Brits Engineering Industries.

'We anticipate that the export earnings to South Africa will be an excess of R40-million in 1981. But this could rise to upwards of R120-million.'

Dr Bianco said the Brits fac-

tory was the only Alfa plant outside Italy to manufacture cars with a substantial local content.

'Now that we have reached the stage where our quality is comparable with if not better than any other manufacturing plants Brits will supplement production volumes from the various Italian factories.

'Accordingly, once export production gets under way Brits will fall under our head office from where international

sales of cars coming off the South African assembly line will be controlled.

The company was doing well as South African sales of new Alfa Romeos were at near-record levels.

'We anticipate that we will produce 7 000 units this year. For the first five months of this year we have often been in a short supply situation.

'The factory has the ability to turn out up to 12 000 cars a year and so the cost of estab-

lishing the additional capacity for export will be comparatively small in relation to the benefits that will accrue.

'I fully anticipate that it will not be too long before we are assembling 24 000 cars a year although this will require us to invest in extra capital equipment.

'We have airfreighted a number of our export prototypes to Europe for exhaustive tests and analysis and approval has been obtained from a

number of countries. As these qualifications are so stringent South African motorists will receive the benefit of export quality, Alfa Romeos.

'There is a strong need for further export incentives over and above those that now apply to the South African vehicle manufacturing companies. If we are to become a force in world markets we must obtain the same assistance from the authorities as exporters elsewhere in the world get from their governments. — Sapa

# Police open fire on Uitenhage strikers

By RIAAN DE VILLIERS  
Labour Correspondent

POLICE opened fire with bird-shot on striking workers in Uitenhage yesterday as industrial unrest continued

Police also used teargas to disperse over 1 000 striking workers who marched through the town after collecting their pay at stricken motor industry plants

One man was wounded in the legs and a number of arrests were made, police confirmed

In another development three giant Eastern Province motor assembly firms yesterday made new wage offers to trade union officials in a bid to end the unrest

The police action came as workers entered the black township of Kabah accompanied by a convoy of riot vehicles and an armoured car. Earlier workers massed in front of the shut down Goodyear plant after collecting their pay packets with police standing by

At midday the area appeared calm but the atmosphere was described as very tense by trade union officials

Two strike-hit firms Goodyear and National-Standard announced that workers who failed to return to work on Monday would be paid off

Yesterday's new wage offer was made by the three employer parties to the local industrial council for the motor assembly industry — Ford, General Motors and Volkswagen — in a meeting with officials of the National Union of Motor Assembly and Rubber Workers

and the United Auto Workers Union

A special meeting of the full industrial council has been called for next Tuesday. The offer was to be submitted to the joint committee of the two unions at the Volkswagen plant in Uitenhage — where the strike wave started on Monday — last night

It was not known whether the committee was likely to accept the offer

Employers have suggested that the strike wave has been mainly politically motivated. But union officials have insisted that the strikes were triggered off when a report back meeting for Volkswagen workers on industrial council negotiations were banned last Sunday

The general wage demand by striking workers in the area — a minimum of R2 an hour — is the demand submitted by the unions during negotiations which started some time ago

Strike-hit firms were reduced to nine as all workers at the Borg-Warner motor component plant returned to work

Three companies unaffected by the strikes, as well as the Uitenhage municipality sent workers home claiming they feared for their safety

Another component firm Hella announced it had dismissed the majority of its workforce on Wednesday after they had refused to return to work. It said all plant operations had resumed from Thursday onwards

A second firm UCM Milling has paid off striking workers

and started re-engagements

A spokesman for National Standard said yesterday workers were told they would be paid off if they failed to return to work on Monday morning

Managements said it would be prepared to negotiate with workers after they had returned to work

The steel and engineering industry wage increase for July 1 had been brought forward and management would also be prepared to negotiate further increases as well as incentive bonuses

Workers were also paid at SKF where production was said to be continuing with the help of white office staff

At Goodyear workers remained massed outside the factory gates after being paid and repeated demands for a minimum wage of R3 an hour

A management spokesman said there were no negotiations as the workers had not yet elected representatives. He added the firm hoped representatives would be appointed on Monday after workers had returned so that the matter could be thrashed out

A spokesman for Ford and General Motors in Port Elizabeth said yesterday the unions were in control of the situation through shop stewards and were in the throes of negotiations with managements

The Volkswagen Workers Council ending a two day meeting at the West German parent plant in Wolfsburg declared its solidarity yesterday with black workers on strike in South Africa

193 (257) (243) (172) (215)  
Police bid

RDM  
21/6/80

# to black out strike area

## POLITICAL STAFF

**POLICE** yesterday declared the whole of Uitenhage an "operational area" as unrest again flared among striking workers who have brought key factories in the motor industry to a standstill in the Eastern Cape.

Birdshot and teargas were used by police on more than 1 000 striking black and coloured workers who marched through the town after collecting their pay at stricken motor industry plants

A coloured man was wounded in the legs and two arrests were made, police said.

The Divisional Commissioner of Police for the Eastern Cape, Brigadier B S J van Rensburg, confirmed that newsmen required his written permission to enter any "unrest area" and then only under police escort

He said he was acting on instructions from the Commissioner of Police, General Mike Geldenhuys, but declined to say under which law the action was being taken

A Rand Daily Mail correspondent in Port Elizabeth said police termed the whole of Uitenhage an "operational area" and photographers were banned. The affected area included white as well as industrial sections

Reporters could only enter trouble spots under police escort yesterday morning and were not taken to the industrial area, which was completely cordoned off

The requirements for Press entry into the area caused considerable confusion among journalists

The Minister of Police, Mr Louis de Graaff, was yesterday reported as saying that the ban on journalists and TV cameramen entering unrest areas applied only to black areas where permits were needed

He said there was nothing to prevent media representatives entering coloured and Indian areas, where entry permits were not needed

Sapa reports that a Port Elizabeth newspaper photographer, Mr Mike Holmes, was arrested in the centre of Uitenhage during the strikers' march through the town

He was released, but his camera and film were seized

However, a spokesman for the Police Directorate of Public Relations denied that Mr Holmes was arrested but confirmed the confiscation of the camera and film

With 7 000 workers from nine factories on strike, three giant Eastern Province motor assembly firms — Ford, General Motors and Volkswagen — made fresh wage offers to trade union officials yesterday in a bid to end the strikes

But the offer was rejected last night by a union committee at Volkswagen

A union official said the offer fell so far short of the union's demand for a minimum wage of R2 an hour that the committee felt there was no chance of workers accepting it

During the march by striking workers, trouble broke out only after they had entered the black Kabah township

Police used teargas during isolated incidents of stone-throwing and shotgun fire was heard on at least 10 occasions

Riot police under the command of Colonel E Pretorius accompanied the marchers through the town. Teargas was first used at the entrance to Kabah township when the chanting demonstrators ignored a police order to disperse

Police vehicles were stoned and it was later established that powerlines in the township had been tampered with

Stones smashed a number of shop windows

Meanwhile, the official death toll in this week's unrest has risen to 32

The police PRO, Lieutenant-Colonel Leon Mellet, said two more people had died, one in a Bloemfontein hospital and the other in a hospital in the Cape

According to the official toll, in the unrest so far 29 people have died in the Western Cape — one in the Boland and two in Bloemfontein

In the absence of an official list, two Cape Town newspapers have traced the names of 16 people killed since Sunday

Other developments yesterday

• The entire work force of 80 at the KBW valve factory in Prospecton, near Durban, were paid off after a two-day strike over a pay dispute

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# Now, the 'poverty' pay-off

Production is halted at SA's only car valve company after accusation of paying blacks poverty wages



By TICKS CHETTY

The KBW Valves factory — a part of one of the 26 British companies which stand accused of breaching the EEC code of conduct by paying black workers poverty wages — paid off its entire staff this week after a pay dispute. The staff of 80 Indian and African workers at the

factory at Prospecton, near Durban, were handed their wages on Friday afternoon after a two-day strike for higher pay.

KBW Valves is a member of the Associated Engineering Group — one of 26 British companies accused in a report in the London Sunday Times and published in the Sunday Tribune last week. Production at KBW

motor car valve manufacturing company in South Africa, has now come to a complete halt. According to a company spokesman the production stoppage is costing it R2 500 a day.

Striking workers told the Sunday Tribune they wanted the starting rate to be increased for all from R41,40 to R70 a week.

They also wanted allowances for 6am to

2 30pm shiftworkers. Allowances, according to the workers, were now given only to those who worked from 2 30pm to 11pm.

They said they refused to work when their request for a 20 percent increase was refused by management.

Mr Elwyn Seekings, the factory manager, said the workers had made no clear demands except to say

they wanted more money. "I am prepared to negotiate with the workers but they must get back to work first," Mr Seekings said.



Elwyn Seekings, factory manager

said. He added that the workers had refused to appoint a spokesman or a group to discuss the pay dispute.

Commenting last week on the London report that 60 workers of Associated Engineering were earning poverty wages, Mr Morris Edwards, the managing director, said this figure probably applied to untrained juvenile or pensioner workers.

"No trained worker is earning less than the SLL," he said.

A spokesman for BICC (Scottish Cables) this week responded to the report that 833 of their workers were being paid poverty wages.

"The average wage is 50 percent above the minimum living level of R167 50 a month set by Pretoria University," he said.

*Sends Tribune.*

# Motor firms in

# crucial wage

# talks today

By RIAAN DE VILLIERS  
Labour Correspondent

THE three giant Eastern Cape motor manufacturers meet union representatives of thousands of striking workers today in crucial wage talks which could have far-reaching effects on labour unrest in the area.

A settlement could end the strike at Volkswagen which triggered off further unrest in Uitenhage last week, seriously disrupting the motor and motor component industry.

But as employers and unions prepared for their talks in Port Elizabeth this morning, informed sources expressed fears of a continued deadlock which could lead to black and coloured workers at Ford and General Motors joining the strike.

Union committees at Ford and GM have expressed "complete solidarity" with fellow union members on strike at VW and have reiterated union demands for a minimum wage of R2 an hour.

A mass meeting of Ford and GM workers is to be held tomorrow night and union officials have described the atmosphere at the two plants as "very tense".

Representatives of the three firms will meet representatives of the coloured National Union of Motor Assembly and Rubber Workers' Union and the black United Auto and Rubber Workers' Union at a special motor assembly industrial council meeting.

The Rightwing white Yster

en Staalwerkersunie will also be involved in the talks.

An employer source said yesterday acceptance of the black and coloured union demand would mean a "massive" 90% increase from the present minimum wage of R1,15. Describing the demand as "unrealistic", he expressed fears of a deadlock which could lead to further strike action.

A union spokesman said the demand was reasonable and based on what workers actually needed to live on.

But he added, "We will try to compromise if need be. We don't like the idea of further strikes. We are hoping to reach agreement but everything will depend on what the employers will offer."

In other developments yesterday

- Over 1 000 workers at the Goodyear tyre factory in Uitenhage lost their jobs when they continued to strike after negotiations with management.

- Workers at several smaller Uitenhage firms returned to work after talks with union men and officials of the Federation of South African Trade Unions (Fosatu) over the weekend, and more workers have agreed to return today.

- About 180 black workers went on strike at the Natal Thread Company at Hammarsdale in protest against a new shift system.

Police yesterday directed the dispersal of striking workers from Uitenhage's industrial area.



192

22/6/80 SUN TRIB

# UNION HOPES FOR RIPPLE FROM THE

192

By MAUREEN GRIFFIN

IF the strike at the Volkswagen factory at Uitenhage succeeds, wages in the entire Eastern Cape motor industry will increase.

It could mean employers in other areas will have to pay auto workers more.

When wage dissatisfaction erupted into a strike at Volkswagen on Monday, the company became a strategic target for union leaders in the relentless battle between the motor industry's labour and its management, the Sunday Tribune learned this week.

Union officials estimated this week that the strike, which started when 3 500 workers at Volkswagen's Eastern Cape factory downed tools, will last about seven weeks.

They predict that the company will be unable to find replacement labour in the face of rising black solidarity and will be forced to give in to wage demands of a minimum of R2 an hour. The present minimum wage in terms of last year's Industrial Council agreement is R1 an hour in the Eastern Cape.

A union message to be circulated among Volkswagen workers tomorrow tells them that because the latest offer made by management is unacceptable "it is not possible for us to recommend your return to work".

The dispute has spread to other companies in Uitenhage, where an estimated 70 percent of the black and coloured labour force is on strike.

Ford and General Motors in nearby Port Elizabeth have appealed to their workers to remain calm after their branch executive committees released a Press statement expressing support for union members on strike

at Uitenhage and stressing that union demands for a minimum wage of R2 an hour should be pursued.

Durban-based Mr Brian Fredericks, national organiser of the National Union of Motor Assembly Workers' said in Port Elizabeth "When Volkswagen accedes to our demands for a R2 an hour minimum wage it is likely that General Motors and Ford will also up their minimum wage.

"The message we are circulating in the townships tomorrow instructs people not employed not to look for work at Volkswagen.

"Clearly the workers are going to stay out, even though they're not getting paid during the strike. We believe it is impossible for Volkswagen to hold out. Seven weeks of production is about 12 000 cars and there is already a back-log on cars"

Volkswagen management has refused to accede to wage demands. The factory has been closed.

Offers management have made to the union — the amount has not been made public — have been rejected and a request for more time to consider their demand has been spurned by workers.

Mr Ruben Els, public relations manager of Volkswagen, said that although the agreed minimum is R1 an hour, the company pays workers R1,15 minimum.

Striking workers, who have throughout the week marched through the streets of Uitenhage, chanting and giving black power salutes, have stated repeatedly that they will not return to work for anything less than a basic R2.

The processions have been closely watched by riot police, who have used teargas and bird-shot to disperse them. On Wednesday police used dogs to disperse workers on the premises of Hella, an automotive lighting factory.

Yesterday was quiet as riot squads patrolled the townships.

# PAY-RISE VW STRIKE

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DM 24/6/80  
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# Foreign aid for strikers at VW

London Bureau

THE International Metalworkers Federation is sending R25 692 to help support the strike of black and coloured workers employed by Volkswagen in South Africa.

The money is being sent to two IMF-affiliated unions "to ensure that the workers are not starved back to work," said IMF general secretary, Mr Herman Rebhan.

The funds are being directed to the United Automobile Workers of South Africa, the National Union of Motor Assembly and Rubber Workers.

But a spokesman for the National Union of Motor Assembly and Rubber Workers' Union emphasised last night that the unions had made no requests for financial assistance to the IMF.

The workers have been on strike since June 16.

Mr Rebhan also sent out financial appeals for strike help to unions in West Germany, the United States, Britain, Sweden, Japan, Holland, Australia and Austria.

Although the initial sum can be regarded only as a token gesture of support, this international appeal is likely to raise a good deal more money.

In a statement yesterday Mr Rebhan said: "It is important that this strike is not lost because of a lack of funds."

"It is one of the biggest challenges to a European multinational in South Africa. The strike is being handled responsibly by the local trade union leaders and is a major event in the struggle for equal rights, trade union recognition, better wages and working conditions."

"We categorically deny the rumours that the strike is motivated by reasons other than for fair pay and for recognition of basic trade union rights. This strike has the support of IMF unions throughout the world."

The IMF embraces 14 million metalworkers, including 3 million motor workers, in 70 countries in the non-communist world.

# Crucial

# labour

# talks

DD 24/6/80

PORT ELIZABETH—Two vital meetings being held today could settle the outcome of labour-management pay disputes affecting thousands of black workers in strike-ridden Uitenhage

The talks with industrial councils for the motor industry affect the pay packets of almost 5 000 workers — 3 500 of them at Volkswagen who are sticking to their demand for R2 an hour minimum wage and 1 400 at Goodyear where the demand is for a minimum R3 an hour

The current rate at Goodyear is R1,10

A pamphlet to all Volkswagen workers at the weekend from the branch executive committee of the United Automobile Rubber and Allied Workers of South African said Friday's management offer was unacceptable

At Goodyear, where the deadline for strikers to report for their normal shifts was yesterday, the number regarded as having dismissed themselves by late yesterday afternoon was 1 050, said the public relations manager, Mr. Mike Selley

Mr Selley said about 800 workers arrived for the first shift yesterday morning and immediately downed tools. After talks between seven worker representatives and management, the proposals were put forward.

A special meeting of the industrial council for the tyre and rubber manufacturing industry today will discuss the demands —

DDC

# PE strikes still on

STRIKES WERE still reported to be continuing at nine Uitenhage factories yesterday. The strikes started last week and involved thousands of workers.

And in Port Elizabeth there was still unrest at some major concerns but the situation last night could not be confirmed.

At one of the biggest local industries, Goodyear Tyre and Rubber Company, about 600 workers who arrived yesterday in the face of a work or be dismissed ultimatum refused to go back to work.

The public relations manager, Mr Mike Selley, said while the mass of

workers waited outside a committee of seven worker's representatives met management and presented a wages demand and list of domestic grievances.

The company said it would only negotiate through the Industrial Council which would meet at lunchtime today.

After the workers were told of this decision they went to lunch in the company's cafeteria and it was clear they would return to work.

A spokesman for Ford Motor Company in Port Elizabeth said its Struan-dale, Port Elizabeth, assembly plant reopened yesterday morning after a forced closure last week

through Uitenhage's labour unrest.

The following companies in Uitenhage were reported to still have worker's unrest, Volkswagen, Volkswagen Good-year SKF Bearing Manufacturers, Link Construction, National Standard Wire Gubb and Ings Cape of Good Hope Woolcombers Civic Construction and Guestro Industries.

At Volkswagen the 3000 black workers who downed tools a week ago in support of their dem-

to Page 4

## 'Ford plant re-opened'

Post 24/6/80

and for an 80 percent wage increase were still out.

A meeting of the Eastern Cape branch of the Motor Industrial Council, scheduled for July 4, has been brought forward to today to allow industry representatives their first formal opportunity to negotiate with the strikers.

On the one side of the table will be management executives from Volks-

wagen, General Motors and Ford while on the other will be white workers represented by the Iron, Steel and Allied Industries Union, the coloured workers represented by the national Union of Coloured Automobile and Rubber Workers.

The black workers in the motor industry do not have a registered trade union but will be assisted at the meeting by a member of the Department of Manpower Utilis-

ation.

The strike, initially aimed at VW, spread late last week to 10 companies and involved 7500 workers. If the men are successful in their demands it will add millions of rands

to the motor industry wage bill and is bound to result in an increase in the cost of motor vehicles.

Yesterday Ford reported that it had re-opened its Cortina plant at Struan-dale.

# Crucial labour talks

PORT ELIZABETH — Two vital meetings being held today could settle the outcome of labour-management pay disputes affecting thousands of black workers in strike-ridden Uitenhage.

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A special meeting of the industrial council for the tyre and rubber manufacturing industry today will discuss the demands —  
DDC

# Increases offered to striking workers

152  
192  
176

CAPE TIMES  
25/6/80

From RIAAN DE VILLIERS

**JOHANNESBURG. — Three Eastern Cape motor employers yesterday offered substantial wage increases to thousands of workers in an attempt to end the spate of strikes in the area and ward off further labour unrest.**

Full details of the offer were released in a statement after yesterday's crucial wage talks between employers and trade unionists in Port Elizabeth.

Attention has now shifted to mass meetings to be held today at which black and coloured motor workers will decide whether to accept the offer.

Trade unionists will meet striking Volkswagen workers today and will address a mass meeting of Ford and General Motors workers tonight.

The wage offer was described as 'massive' by an employer source yesterday. However, it does not immedi-

ately meet worker demands for a minimum wage of R2 an hour, and fears persisted yesterday that Ford and GM workers could join VW workers on strike.

Unionists would not comment on the offer before today's report-back meetings. Employer sources emphasized that the wage offer was 'final'.

Meanwhile, workers at all the strike-hit firms in Uitenhage except Volkswagen and Goodyear were believed to have returned to work yesterday. Some firms have been selectively re-employing workers after paying them off.

Details of the motor employers' offer was released in a statement issued after yesterday's meeting of the industrial council for the motor manufacturing industry in the Eastern Cape.

The offer entails a series of four six-monthly minimum and across-the-board increases over the next 1½ years.

Average wages will increase by almost 20 percent next month, about 15 percent in January, 12 percent in July next year, and 10 percent to 12 percent in January 1982, employer sources said.

Minimum wages will increase to R1,40 next month and will reach the union demand of R2 an hour in January 1982.

Workers are to receive either the across-the-board increase or new minimum rates, whichever is the greater.

Increases in shift premiums, short-time pay and end-of-year gratuities have also been offered.

The immediate increase of the lowest minimum rate to R1,40 will boost the lowest wages at the motor plants to about R263 — higher than the Household Effective Level for the area, which in turn is 50 percent higher than the Household Subsistence Level (or Poverty Datum Line).

## 'Does not differ'

The current minimum rate of R1,15 amounts to a monthly wage of about R216, which already exceeds the PDL of R168.

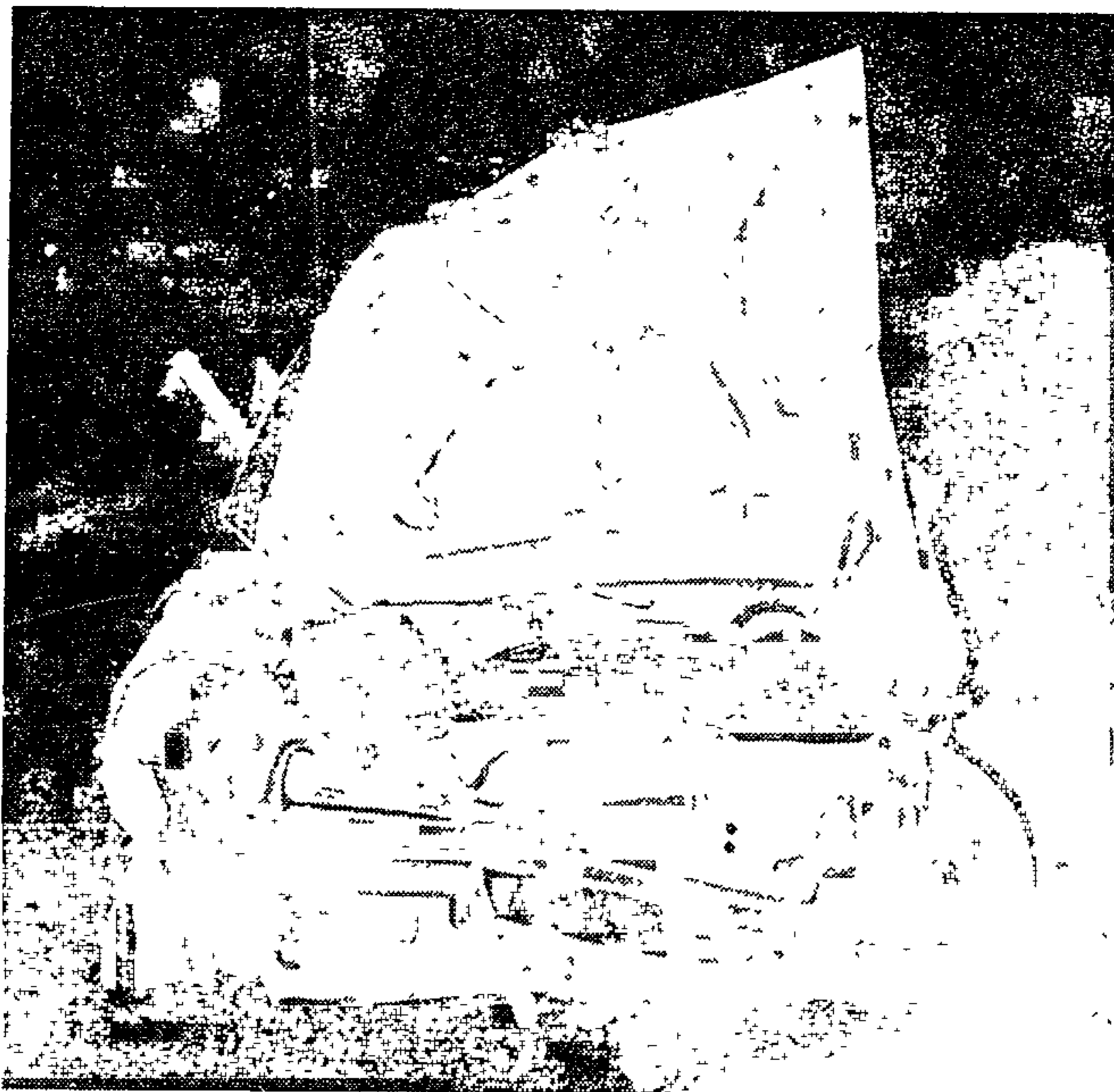
According to the statement, it was agreed that the proposal would be taken back to union members and the council would meet again next Friday.

The council unanimously called on strikers at Volkswagen to return to work "as soon as possible".

Unionists would not comment on whether workers were likely to accept the offer yesterday, but it is believed that it does not differ substantially from that made to unions at an informal meeting last Friday. That offer was rejected by a union committee of Volkswagen workers.

In another development, a meeting of the industrial council for the tyre and rubber industry yesterday unanimously rejected a wage demand by striking Goodyear workers for a minimum of R3 an hour.

Goodyear will begin re-employing workers tomorrow after paying off all workers who failed to return on Monday.



CARS are stolen in the Peninsula every night — and some of them end up looking like this . . . others are stripped for parts.

25/6/80 ARCLUS

# Manpower the key, says Brian Pitt

Keith Macfarlane

**A SHORTAGE** of skilled manpower would stop the South African motor industry from reaching its full potential this year, as the supply of components would be inhibited, Brian Pitt, managing director of Ford South Africa told me in an interview.

The fact that labour were picking their time to make their feelings felt could not be underrated, and a lack of opportunity for political expression was coming out in labour.

'The upward trend in the motor industry should stay to the end of the year as all the economic forecasts show a growth of between five and six percent this year,' he said. 'There is nothing at present that says that that this should not happen.'

'I don't believe that the car industry is going to achieve its full potential this year because of lack of skilled labour which is reaching back into the availability of parts. Suppliers are running into trouble and we are not unique. This is an industry problem.'

'At Ford we are living from hand to mouth as we have a policy of not building cripples because it doesn't do the overall quality any good. So we haven't run into the decision point yet — but if you get a gap in the plant of an hour or so it doesn't help our labour performance. And I think it's going to get worse because we are over-extending the suppliers.'

'As far as parts are concerned I have been a very strong pusher on complementation, getting a quid pro quo on imported parts for parts or engines we export.'

'I've said before, and I've told the ministers concerned that the country's export incentives are inadequate. Now, they've just changed some things in that area, but I think that in the industry they



**BRIAN PITT** of Ford.

are still inadequate as I think that complementation still plays a very big part in the world industry as a whole.

'The Ford Motor Company can build a stamping plant in one place and an engine plant in another and they complement each other. But here there is no incentive for us to do it — and that's the problem. And I've told them that we've got an engine plant here and that our corporation needs capacity for the engines we build — but the corporation will also look at other places. And where the export incentives are better — that's where they'll put the order.'

'Latin America is the place I always quote. They

have a tremendous export incentive programme — some of it is tied into import quotas and that kind of thing, but it's a very good return in respect of what you get for what you export.'

'As far as Honda's entry to the South African market is concerned I think it's unfortunate that there will be one further entry to a market that can't really afford the numbers here already. But you can't argue the UCDD position — the Honda is a small car.'

'I think that for their dealers there is a profit opportunity there and I think that dealers need volume. You can say that they are making money on a relatively low volume of sales, but in the car business you still need to get volume for the salesmen.'

'UCDD got no concessions from the Government on local content and if they bring the Honda in they are going to bring it in under the rules I am assuming that Honda will do a lot of the tooling.'

'But our biggest problem is still labour. The industry is reasonably healthy but it's going to be restricted this year because of supply shortages, resulting from a shortage of skilled labour. I think that they can increase output — you can always run additional shifts, but you still need people. And you can't underestimate the fact that labour are picking their time to make their feelings felt and that a lack of opportunity for political expression is coming out in labour.'



# Motor firms offer 'huge' pay rises

By RIAAN DE VILLIERS  
Labour Correspondent

THREE Eastern Cape motor employers yesterday offered substantial wage increases to thousands of workers in an attempt to end the spate of strikes and ward off further labour unrest.

Full details of the offer were released in a statement after crucial wage talks between employers and unionists in Port Elizabeth.

Attention has now shifted to mass meetings to be held today when black and coloured motor workers will decide whether to accept the offer.

Trade unionists will meet striking Volkswagen workers today and address a mass meeting of Ford and General Motors workers tonight.

The wage offer was described by an employer source yesterday as "massive". It was also emphasised that it was a final one.

But it does not immediately meet worker demands for a minimum wage of R2 an hour, and there are still fears that Ford and GM workers could join VW workers on strike.

Meanwhile, workers at all strike-hit firms in Uitenhage, except Volkswagen and Goodyear, were believed to have returned to work. Some firms have been selectively re-employing workers after paying them off.

The motor employers' offer yesterday entails a series of four six-monthly minimum and across-the-board increases over the next 18 months.

Average wages will up by almost 20% next month, about 15% in January, 12%-14% in July 1981, and 10%-12% in January 1982, the employer sources said. Minimum wages will increase to R1,40 an hour next month and reach the union demand of R2 an hour in Janu-

ary 1982.

Workers are to receive either the across-the-board increase or new minimum rates, whichever is the greater. Increases in shift premiums, short-time pay and end-of-year gratuities have also been offered.

The immediate increase of the lowest minimum rate to R1,40 will boost the lowest wages at the motor plants to about R263 — higher than the Household Effective Level for the area, which in turn is 50% higher than the Household Subsistence Level (or poverty datum line).

According to the statement, it was agreed that the proposal would be taken back to union members and the council would meet again next Friday.

The council also unanimously called on striking workers at Volkswagen to return to work "as soon as possible".

Unionists would not comment on whether workers were likely to accept the offer.

But it is believed it does not differ substantially from that made to unions at an informal meeting last Friday — which was later rejected by a union committee of Volkswagen workers.

In another development, a meeting of the industrial council for the tyre and rubber industry yesterday unanimously rejected a wage demand by striking Goodyear workers for a minimum of R3 an hour.

Goodyear will begin re-employing workers tomorrow after paying off all workers who failed to return to work on Monday.

Striking workers at SKF Bearings returned to work yesterday after union negotiations with management.

Workers at National-Standard also returned yesterday after negotiations on Monday.

# Car Workers

## to Decide

THE STAR 25/6/80

## Wage Offer

192

More workers in the East-  
ern Cape, 3 500 of whom  
are on strike at Volks-  
wagen, will decide tonight  
and tomorrow whether to  
accept a new pay increase  
of 21 percent  
plus other  
benefits was  
made yesterday at a meet-

ing in Port Elizabeth of  
top management of V.W.,  
Ford and General Motors  
and worker representa-  
tives.  
Police today used tear-  
gas to disperse a crowd of  
about 1 200 dismissed  
Goodyear tyre plant wor-  
kers, outside the gates of

the company's Uitenhage  
plant

According to reports,  
banners were also used but  
police at regional head-  
quarters gave no details

The area surrounding  
the plant was said to be  
closed off by riot po-  
lice. Armed police were  
on guard and there was a  
strong contingent at the  
entrance to Kabuh African  
town up. The situation  
was said to be very tense

The public relations ma-  
nager of Goodyear, Mr  
Mike Selley, said po-  
lice acted to disperse  
crowds outside the com-  
pany's plant

He said the workers  
arrived at the plant and  
a large number indicated  
that they would not collect  
their severance pay

### UNRULY CROWD

They tried to prevent  
others from doing so and  
when the crowd became  
unruly police intervened

Things were quiet again  
by this afternoon, police  
reported

At Goodyear, where ma-  
nagement sacked 1 200  
workers when they re-  
fused to return to work, a

There are some advantages in the tidying-up business — plenty of fresh air, sun-  
shine and the opportunity to find out how the other half lives

tyie assemblers were being paid off today and that the company would start rehiring tomorrow

The giant VW plant in Uster was idle today, and a spokesman said that union representatives were due to put the offer of R1,40 an hour -- up from R1,15 -- to the men tomorrow

Assemblers at Ford and General Motors in Port Elizabeth have planned a mass meeting for tonight to hear a report-back from their union executive

Goodyear employees demanded an increase from R1,10c an hour to R3, and those at VW asked for R2 an hour

Last night the rubber industry rejected the R3 an hour demand

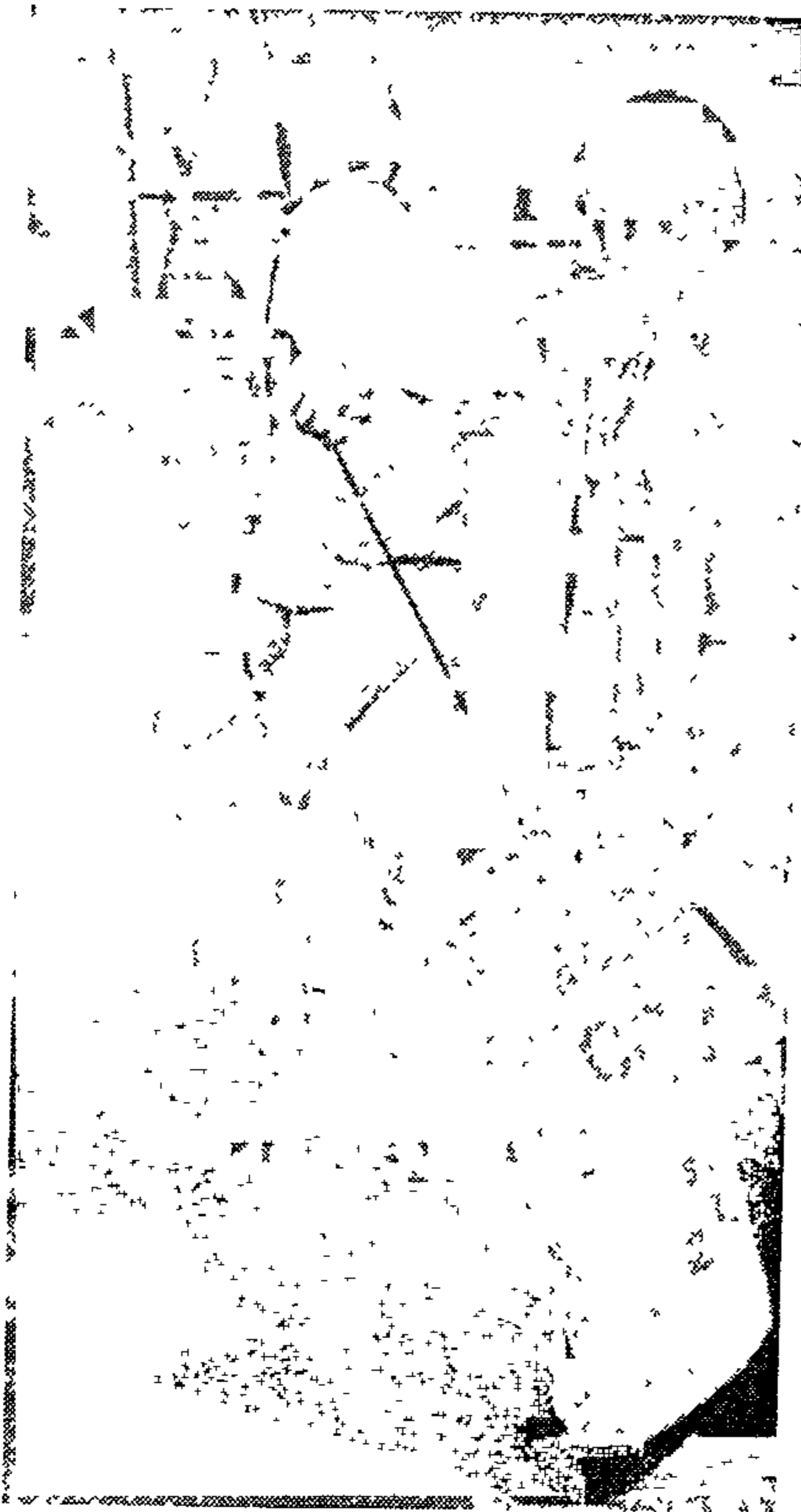
Although the offer has been described by some employer sources as "mas-sive" it does not immediately meet worker demands for a minimum wage of R2 an hour

#### WAGE PROPOSALS

The new scales will give the workers the basic R2 an hour minimum wage they requested -- but only in 1982

The offer is for a R1,40 an hour minimum wage next month, rising by a further 20c an hour in January and July next year to finally reach R2 an hour in January 1981.

The new R1,40 minimum is coupled to an across-the-board increase of 12c an hour. By 1982, this will be 38c an hour. Similar increases throughout the grades to a maximum R1,06 an hour for the highest grade grade 8, is included in the wage deal package



ARMED with a sharpened wire and a sack operation rubbish collection gets under way.

YOU gotta sorta get it at the right angle and ...

192

~~192~~

Argus 25/6/80

## White collar labour in Uitenhage

THERE are a lot of white collar staff in the Uitenhage industrial area who will be

glad when the labour unrest is over

To keep the factories going and carry

out essential duties office staff have been brought on to the factory floors and the grounds surrounding them to keep the wheels turning even if very slowly.

At least one factory has employed schoolboys to keep things going.

At others the office staff are discovering what it is like to empty dustbins and do other essential chores.

25/6/80 AR445

# 50 pc of strikers in jobs

# WORK RESTARTS AT MOST CAR FIRMS

192

(From Peter Goosen and Cassie du Plessis)

PORT ELIZABETH. — Production at all but three labour troubled companies in Uitenhage and Port Elizabeth was reported to be back to normal today, while about 50 percent of the more than 3 000 black workers who lost their jobs through strike actions, were re-employed.

- work
2. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
  3. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
  4. Names must be printed on each separate sheet (e.g graph paper) where sheets additional to examination book(s) are used.

2. Candid.
3. No part
4. All ansv

Any dishonesty will render the candidate liable to disqualific the University

EDSON 15255

The only plants where work was standing still are the giant Volkswagen and Goodyear tyre and rubber factories and the two construction sites of Link Construction, all in Uitenhage

The deputy town clerk of the Uitenhage Municipality, Mr R Williams, said today that the Town Council had decided to increase the wages of all municipal employees who did not down tools by five percent from July 1

### Loyalty

He said this step was taken in recognition of their loyalty and that about 600 workers would be affected. The 90 workers of the electricity department who walked out had been dismissed, but were free to reapply for work

The only other companies where wages were increased during the unrest were at Borg Warner Motor Components, where a 12 percent increase was brought forward to July 1, and the three big motor companies, Ford, General Motors and Volkswagen which are affected by the new wage agreement reached yesterday by the local Industrial Council for the Motor Industry

Earlier police used tear smoke to disperse a large

crowd of dismissed Goodyear Tyre and Rubber Company workers when problems started with their paying out outside the gates of the company's Uitenhage plant

According to reports, batons were also used, but police at the regional headquarters had no details about the incident

The area surrounding the plant was said to be cordoned off by riot police. Armed police were on guard all over town and there was a strong contingent of them at the entrance to Kabah black township. The situation was said to be very tense

The public relations manager of Goodyear Mr Mike Selley, confirmed that police acted to disperse crowds outside the company's plant about 8 15 am today

He said about 1 200 workers arrived outside the plant this morning. A large section indicated that they would not collect their severance pay. They tried to prevent others from doing so and when the whole crowd became unruly police started to disperse the crowd.

### Leaflets

Later small groups of workers trickled back to collect their pay.

When the workers arrived, leaflets were distributed telling them about the outcome of the Industrial Council negotiations about their wages.

The workers were also informed that Goodyear would start employing a new black labour force from tomorrow until Tuesday and that those dismissed were free to seek re-employment.

Meanwhile the Eastern Cape motor industry is

(Continued on Page 3, col 2)

(Continued from Page 1)

25/6/80 AKYAS

# Workers

an hour minimum wage they asked for, but only in 1982

The offer is for a R1.40 an hour minimum wage next month, rising by a further 20c an hour in January and July next year finally to reach R2 an hour in January 1981

The new R1.40 minimum is coupled to an across-the-board increase of 12c an hour. By 1982 this will be 38c an hour. Similar increases throughout the grades to a maximum R4.06 an hour for the highest grade grade 8, is included in the wage deal package

Union executives will put the new wage offer to workers at Ford and General Motors tonight

waiting anxiously to see whether it thousands of workers will accept a multi-million rand wage package deal which represents the biggest wage increase in the industry's history

Most of the strike hit factories are back in production

The chairman of the Industrial Council for the automobile manufacturing industry (Eastern Province) Mr Alan de Kock has announced that the Eastern Province Automobile Manufacturers' Association representing Volkswagen, Ford and General Motors have made a final offer to workers which includes new minimum wage scales and across-the-board increases

The new scales will give the workers the basic R2

and at Volkswagen tomorrow

In the meantime the Industrial Council has appealed to the 3500 striking Volkswagen workers to return to the factory

Mr Mike Selly for Goodyear said today that the re-hiring of workers would start tomorrow. It would be on merit but long service workers would not lose pension benefits

Workers would lose some wages their attendance bonus of R5 and their end-of-the-year bonus was in jeopardy

Workers were getting their minimum R110 an hour basic pay and a recently concluded agreement made provision for a twelve and a half percent increase. It also laid down wage reviews next year in March and October

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# Strikes at

# Ford, GM

# are averted

By RIAAN DE VILLIERS  
Labour Correspondent

STRIKES at Ford and General Motors were narrowly averted at a stormy meeting of more than 2 000 workers in Port Elizabeth last night

Workers rejected a pay offer of a minimum of R1,40 an hour and repeated their demand for a minimum of R2 an hour

But they heeded calls by union leaders not to strike but to wait until their unions had put their renewed demands to the next industrial council meeting for the motor manufacturing industry next Friday

Unionists told them they could declare a legal dispute at the meeting if the employers refused to accept the demand

It is believed unionists told the crowd an immediate strike would be illegal and that the unions did not have the funds to support strikers

Meanwhile, violence flared in Uitenhage again yesterday when police used teargas, a sneeze machine and dogs to disperse about 1 000 striking workers who had gathered outside the Goodyear tyre plant

Claims that two workers had been hospitalised due to dog bites could not be confirmed

Unionists did not meet Volkswagen workers yesterday as originally planned and will address them today at a mass meeting to be held on the plant's premises

The incidents at Goodyear followed a decision by the industrial council for the tyre and rubber industry on Tuesday to reject worker demands for a minimum wage of R3 an hour

There were conflicting accounts of the incident with police and management claiming some workers tried to prevent others from collecting their severance pay

Workers claimed they had been unfairly dispersed while awaiting a report-back on the industrial council meeting from their representatives

A spokesman for the Federation of South African Trade Unions (Fosatu) yesterday sharply criticised Goodyear for failing to make provision for a report-back to workers

He said Volkswagen had applied for a permit for today's meeting, which had been granted

"We appealed to Goodyear to make provisions for a legal meeting precisely to prevent incidents — but the firm refused," he said

Police dispersed workers after telling them the gathering was illegal

A Goodyear spokesman said the company had prepared leaflets explaining the industrial council decisions and announcing it would start re-employing workers today

Workers in small groups started to collect their pay but were stopped by "elements in the crowd"

Police then warned them to disperse and took action when they failed to do so, he said

Workers started returning in smaller numbers later in the morning and by yesterday afternoon about 350 had been paid off

He said severance pay for others would be dealt with as they turned up for re-employment, which would be spread over about four days

A worker representative at Goodyear said yesterday representatives had been told they would be arrested if they attempted to address workers.

"We had no chance to address them or persuade management to get a permit for a legal meeting," he said



192  
RDM 25/6/80

# Fosatu halts strike funds from abroad

By RIAAN DE VILLIERS  
Labour Correspondent

THE International Metalworkers' Federation (IMF) will no longer send funds to South Africa to help support striking workers at Volkswagen's Uitenhage plant

The funds have been stopped at the request of the Federation of South African Trade Unions (Fosatu), to which unions representing the VW strikers are affiliated

Announcing this yesterday, Fosatu's general secretary, Mr Alec Erwin, said the organisation had asked for the funds to be stopped because of the Fundraising Act. The Act prohibits overseas donations to South African organisations without Government permission

The donation of R25 000 to help striking workers was announced on Monday by Mr Herman Rebhan, IMF general secretary, who said it was being sent to ensure workers "would not be starved back to work"

The money was to have been sent to the coloured National Union of Motor Assembly and Rubber Workers and the black United Automobile and Rubber Workers' Union, whose members are on strike at VW

Mr Rebhan also said further funds for strike help would be requested from metal unions in eight other countries.

The announcement has led to

accusations of "overseas meddling" in South African labour affairs

Yesterday Mr Erwin said Fosatu had contacted the IMF after hearing the announcement and pointed out that South African organisations were prevented from receiving funds from abroad in terms of the Fundraising Act

He said the impression had been gained that the IMF had already sent the money but it emerged from further discussions yesterday morning that the funds had not been sent and the IMF had decided not to do so.

Fosatu was recently prohibited from receiving funds after applying for permission, in terms of the Act.

Mr Erwin pointed out yesterday that the IMF donation was not prohibited in terms of the ban on Fosatu but in terms of the Act itself

He added Fosatu was taking further steps to clarify the recent ban.

At the time, legal experts said in addition to prohibiting Fosatu from receiving funds from overseas or other organisations in South Africa, it could also prevent it from receiving funds from its affiliates — which would cause it to disband.

But Mr Erwin said yesterday latest legal opinion indicated the ban "probably" did not prevent it from receiving affiliation fees



# Striking VW workers reject 40% pay offer

By RIAAN DE VILLIERS  
Labour Correspondent

THOUSANDS of Volkswagen workers yesterday rejected a 40% pay increase offered by motor employers earlier this week and decided to stay on strike until next Friday's pay talks

Despite this, Volkswagen later announced it was re-opening its stricken Ultenhage plant, today in an attempt to restore production. A spokesman said it was hoped most workers would return.

And in an attempt to induce workers to return, Volkswagen also announced it would implement the wage offer from Tuesday, even though it had been rejected.

More than 3 000 black and coloured VW workers rejected the pay offer at a mass meeting addressed by union leaders yesterday morning. Their decision follows the rejection of the offer by Ford and General Motors workers at a meeting held on Tuesday night.

Ford and GM workers wanted to go on strike as well but, on the advice of union leaders, they decided to wait for the outcome of next week's crucial industrial council meeting for the motor manufacturing industry.

In a statement, Volkswagen said it had not paid off any striking workers up to now as it had "good reason to believe" the majority wanted to return to work. However, intimidation was a "factor" which did not make the situation easy for them.

It pointed out that the increase in the starting rate to R1,40 an hour in terms of the rejected employer offer would mean a 40% increase over the previous minimum.

The lowest paid workers at the company would earn R259 a month plus R31 more if they were shift workers.

Workers who failed to return would forfeit the benefits of this "considerable increase", the statement added.

A company spokesman said there were no plans to pay off workers at this stage.

A spokesman for the National Union of Motor Assembly and Rubber Workers said yesterday some VW workers at the meeting indicated they wanted to return to work.

But the majority was in favour of staying out, despite the fact that union men pointed out that unions had no funds to support them. The workers reiterated their demands for a minimum of R2 an hour.

The union spokesman confirmed that the coloured National Union of Motor Assembly Workers would declare a formal dispute if next week's pay talks broke down, which could lead to legal strike action by coloured workers at Ford and GM as well.

The black United Auto Workers' Union is not yet registered and is only informally represented at the industrial council. Black motor workers therefore cannot strike legally.

But the spokesman said black workers would "undoubtedly" join coloureds in a strike.

Some employer sources have little hope of a settlement in view of the discrepancy between the workers' demand and the employer offer.

But the union spokesman said yesterday there was "room for further negotiation" despite employers saying their offer was final.

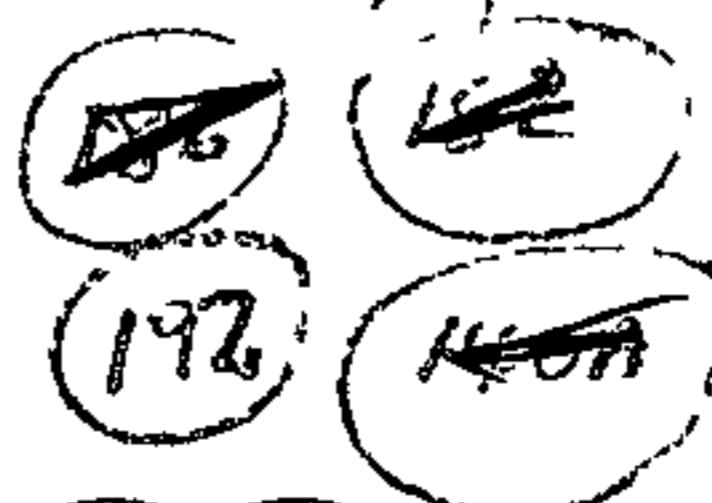
RDM 26/6/80

# EC Cape Strikers

# reject pay offer

APR TIMES

26/6/80



Own Correspondent

**PORT ELIZABETH.** — Port Elizabeth motor industry workers last night rejected their employers' compromise offer of a minimum wage of R1,40 an hour.

At a stormy meeting in Gelvandale, hundreds of Ford and General Motors workers expressed solidarity with the 3 500 Volkswagen employees who have been on strike for nine days.

Unionists will meet Volkswagen workers today at a rally on the plant premises to discuss the compromise offer which was made by the Eastern Province Automobile Manufacturers' Association at a meeting of the Industrial Council for the Automobile Industry on Tuesday.

In terms of the offer, which applies also to Volkswagen, workers would receive a minimum wage of R1,40 an hour from July 1, rising to R1,50 in January 1981, R1,80 in July 1981 and finally R2 by January 1982.

Several speakers last night said that workers should down tools today if their demand for a R2 an hour minimum wage was not met.

However, officials of the National Union of Automobile and Rubber Workers persuaded workers to allow them to take the matter back to the Industrial Council on July 4.

### 'Unacceptable'

The meeting decided that if employers did not then meet their demands for what they called "a decent living wage", they would declare a dispute.

Mr Freddie Sauls, a union official said that his team had suggested R2 for unskilled workers, R2,75 for semi-skilled and R3,50 for skilled workers. The employers' offer was unacceptable, he said, but it was the highest they would go.

Calming speakers who said that they wanted to down tools immediately, Mr Brian Fredericks, chairman of the union, pleaded with workers to support the union in its efforts through legal avenues.

Violence flared in Uitenhage meanwhile, when police yesterday used tear-gas, a "sneeze machine" and dogs to disperse about 1 000 strikers who had gathered outside the Goodyear tyre plant.

Claims that two workers had been hospitalized due to dog bites could not be confirmed.

Other Uitenhage industries previously affected by the labour unrest reported that production was back to normal yesterday.

Link Construction, which paid off 700 workers on Monday after they had downed tools, began rehiring workers yesterday.

A spokesman for SKF ball-bearings said that 130 strikers returned to work yesterday. Workers had demanded R2,05 an hour and SKF made a compromise offer of R1,40 an hour,

excluding bonuses.

Gubb and Inggs reported normal production yesterday after 700 strikers returned to work on Tuesday. A union spokesman said textile workers wanted R1,50 an hour.

Guestro Industries, a manufacturer of motor components, said all 650 strikers were back at work.

National Standard wire manufacturers, where 120 workers downed tools last week, reported normal production with all 120 workers back

STAR 27/6/80

# VW workers ~~155~~ trickling back <sup>192</sup>

By Harvey Thomas,  
Motor Editor

The giant Volkswagen factory in Uitenhage reopened today — but only 200 of the 3 500 striking assembly line workers returned to work

The men are holding out for a pay increase to R2 an hour — up from R1,15c. Yesterday afternoon they rejected an offer of R1,40c but VW announced it would open its plant today in an attempt to restore normal production.

And, to encourage workers to return, the company added that it would implement the wage offer from Tuesday even though it had been rejected

Today the move seemed to have failed as an hour after normal starting time, a company spokesman reported that "only 200" had shown up for work

"They are trickling in," he said

The VW strikers decided at a mass meeting yesterday to stay away until the next meeting of the Eastern Cape branch of the industrial council

on July 4

Elizabeth Wilson, Labour reporter, reports that if motor employers in the Eastern Cape were to come up with an offer of "close to R2 within six months," workers would "be prepared to look at it"

This was said today by Mr Brian Fredericks, national organiser of the National Union of Motor Assembly and Rubber Workers

He said union observers had been counting the number of VW workers who returned to work at the factory today. The few who returned, he said, were mostly workers in the higher categories. These included toolmakers who were earning between R3,15 and R3,25 an hour.

"Most workers, he said, agree they should stand together on the pay issue regardless of what they were earning as individuals

● Mr Alec Erwin, general secretary of the Federation of South African Trade Unions, claims Goodyear is "not helping labour tensions" by applying what he terms a "process of selective re-employment"

# VW hopes high, but staff still stay away

Cape Times 27/6/80  
192  
Own Correspondent

**PORT ELIZABETH.** — Volkswagen in Ultenhage hopes that most of the 3 500 striking workers will return when its plant reopens today in spite of their decision at a mass meeting yesterday to continue the stay-away.

At first, there was a clear split between the strikers during the tense meeting in the plant's car park.

Some said they wanted to return to work pending resumption of an industrial council hearing on July 4.

When they pressed for support of their stand, a confused debate ensued. A vote by show of hands was deadlocked, with about half the workers yelling their support for a continued stay-away until their demand for a R2-an-hour minimum was met.

A worker then climbed a fence and told the crowd that if they returned to work on Monday they "might as well forget about the R2" because it would look as if they had accepted the offer.

There was a dramatic change of opinion as the crowd started raising clenched fists in sudden unanimity.

They then decided to continue the strike and mandated officials in the National Union of Automobile and Rubber Workers Union to tell the industrial council that they rejected the employers' compromise offer of R1,40 an hour.

The crowd dispersed without incident.

# Strike firm open today

UNIONBACH — Despite the apparent rejection of the return to work call at yesterday's union meeting of employees, the Volkswagen factory would open today in an attempt to resume normal production.

This was said by the managing director of VWG, Mr. Peter Searle, in a statement yesterday.

"At a time when the union has made it clear that they have little or no money to compensate Volkswagen workers for the wages they are losing, and when, at the same time their fellow workers in the same industrial council, who are making the same demands, are working and are

earning good money, a continuation of the strike at Volkswagen seems to make little sense," Mr. Searle said.

"Up to now we have not terminated the services of any of our employees who are on strike as we have good reason to believe that the majority of our work force are keen to return to work."

Mr. Searle said the new minimum starting rate of £140 would become effective from July 1 despite its rejection at yesterday's meeting.

Fringe benefits were equal to about 30 percent of workers' pay.

Negotiations would continue in the Industrial Council, and a meeting was scheduled for July 4, he said — Sapa

(192)

# VW hoping for workers' return today

~~192~~

DD 27/4/80

**UITENHAGE** — Volkswagen hopes that most of the 3 500 striking workers will return when its plant here re-opens today in spite of a decision at a mass meeting yesterday to continue the stayaway

There was at first a clear split between the strikers during the tense meeting in the plant's car park

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A worker then climbed a fence and told the crowd that if they returned to work on Monday they "might as well forget about the R2" because it would look as if they had accepted the employers' compromise offer of R1.40 an hour

There was a dramatic change of opinion as the crowd started raising clenched fists in sudden

unanimity. They then decided to continue the strike and mandated officials of the National Union of Automobile and Rubber Workers Union to tell the industrial council that they rejected the employers' offer

The crowd dispersed without incident. Singing freedom songs above loud car hoots, they boarded buses that had been summoned by Volkswagen at the request of union officials

Pamphlets prepared by the management and distributed at the meeting said that employees would not be paid for the period they were off work. From the time they returned employees would be paid at their existing rates of pay which would be increased from next Tuesday

Union officials, who last night met the management to inform them of the meeting's decision, said the company was not prepared to commit itself on the demand

Production figures at Volkswagen are estimated to be down by 2 500 vehicles. Estimated turnover affected is about R7 million — DDC

Seven...



**Motor industry workers' resentment may erupt again**

CAPETOWN 28/6/60  
192

By ANTHONY DOMAN

CAPUTOWN. — Summering resentment among workers in the Eastern Cape's automotive industry nerve centres seems set to erupt again in spite of proposed wage agreements promising new higher minimum wages.

While Volkswagen's 3 500 striking workers have not yet approved the offer of a R1,40 minimum — they asked for R2 — Goodyear have adopted a hard line and it is believed that they are to pay off over 1 000 workers.

Earlier this week white collar staff manned the production lines and did menial jobs around the factory.

Then, on Tuesday morning, police scattered hundreds of workers outside the Goodyear factory. Many workers seemed confused, some saying that they had 'come to collect their money', others saying they were waiting to be re-employed. The Goodyear public relations manager was not available for comment. People reporting for work at the Volkswagen plant were handed pamphlets informing them of a report back meeting, scheduled for Thursday, on their wage negotiations.

Workers returning home were reluctant to comment on the R1,40 an hour minimum wage offer before they had heard the full story at the mass meeting.

**VANS**

Earlier — at about 8 am — a dozen police vans took up station on a field opposite the Goodyear factory in Durban Road to the accompaniment of jeers and catcalls from the crowd of about 500 gathered outside the factory gates. Other police vehicles were positioned at street corners further away.

Eventually, at 8.12 am, a senior officer drove forward and read the riot act, giving the crowd two minutes to disperse.

Some of the workers then left, but many remained. One of the men leaving said he had been waiting outside the factory since 7 am but had heard no word from the Goodyear management.

'We don't know what's going on,' he said. 'We came here to collect our pay but so far we've heard nothing about it.'

Another said: 'Some people were paid but they didn't get all their money.'

Then the 'sneeze machine' moved into action, sending the crowd scattering down the Main Road and side streets.

During an ensuing baton charge, fleeing people were seen throwing stones at the police — but, within a matter of minutes the area had been cleared.

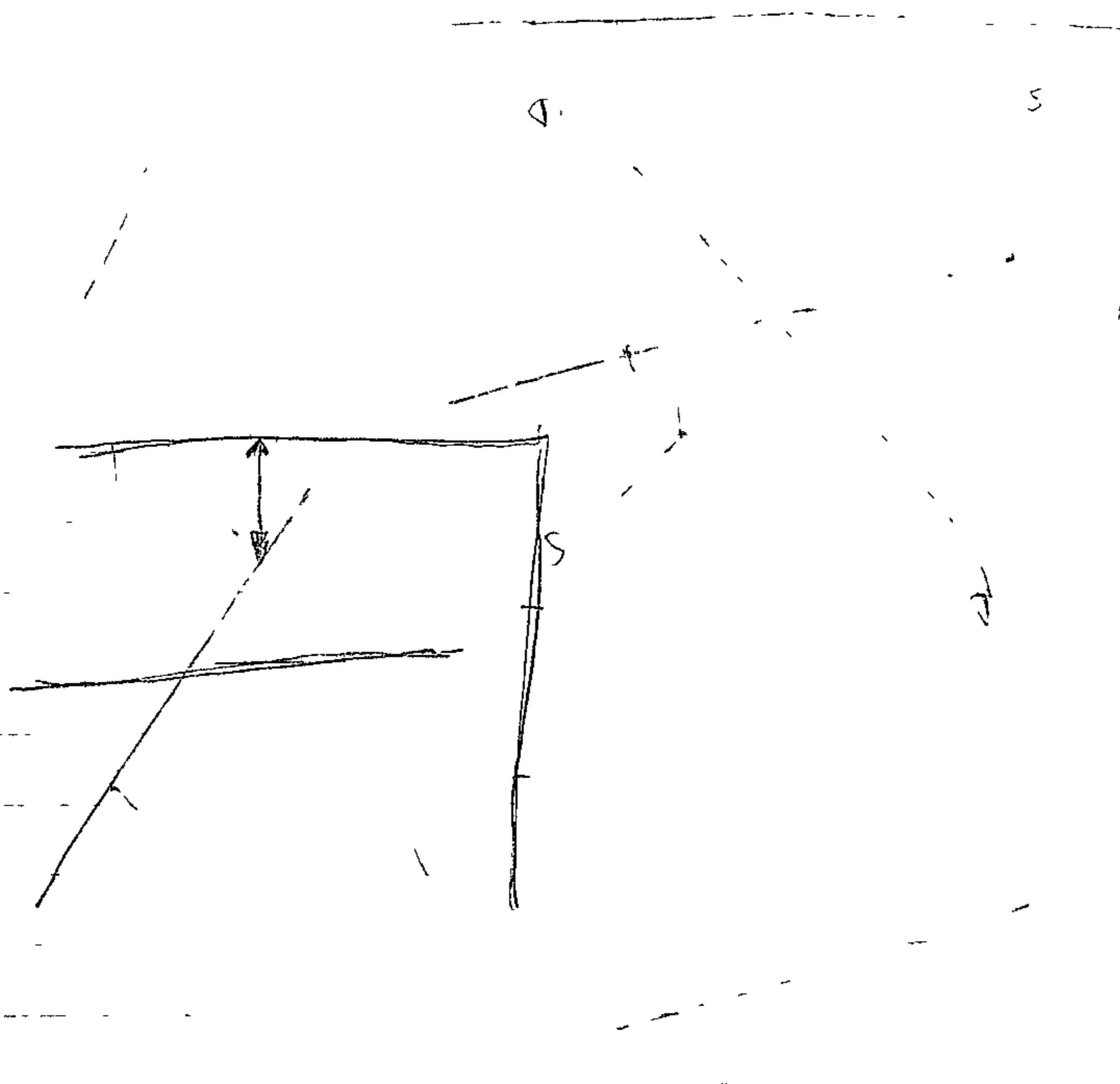
Police later confirmed that two people had been arrested.

# Few return to VW

UITENHAGE — While more than half of the 1 350 former workers had streamed back to the Goodyear Tyre factory yesterday, there was a slow drift back by only about 100 of the 3 500 strikers at Volkswagen

Mr R Els, Volkswagen's public affairs manager, said: "None of our workers were fired Those who return will take up their old jobs"

The secretary of the National Union of Motor Assembly and Rubber Workers of South Africa, Mr Fred Sauls, said negotiations on the Volkswagen workers' R2 an hour demand would continue at Friday's Industrial Council meeting. Goodyear's public relations manager, Mr Mike Selley, said almost 500 former workers who were paid off had been rehired — DDC



# VW workers dash bosses' hopes

By RIAAN DE VILLIERS  
Labour Correspondent

MANAGEMENT hopes that most Volkswagen workers would return when the plant reopened yesterday were dashed as the vast majority of the black and coloured work-force of 3 500 stayed out on strike

A company spokesman said only a "handful" of workers turned up for work yesterday morning and none during the rest of the day

He conceded that the company was "disappointed" at the turnout but added that management was aware of "considerable intimidation", which played a major role

Despite the small turnout, the plant would stay open and the company hoped more workers would return on Monday

The company was also waiting for the outcome of the crucial industrial council meeting for the motor manufacturing industry to be held next Friday

On Thursday, Volkswagen workers decided to stay on strike pending the outcome of next week's crucial wage talks

The also joined Ford and General Motors workers in rejecting a management pay offer and reiterated their backing for their unions demand for a minimum wage of R2 an hour

Mr Fred Sauls, secretary of the National Union of Automobile and Rubber Workers, said yesterday the union estimated only about 60 VW workers had returned, which demonstrated the 'high degree of solidarity' among workers

Volkswagen announced on Thursday it would reopen its plant yesterday in an attempt to restore normal production, adding it believed most workers were keen to return

As an inducement to workers to return, it also announced it would implement the rejected employer wage offer from next Tuesday

Sapa reported yesterday that Volkswagen production was down by an estimated 2 500 vehicles this far, while turnover was affected by about R7-million

Meanwhile, Goodyear yesterday continued to pay off and re-employ members of its 1 400-strong work-force who ignored a deadline to return to work earlier this week

A company spokesman said it expected to have re-employed 700 workers by last night. Only 65 out of 1 361 dismissed workers had not yet collected their pay. Re-employment would continue next week. At this stage the company is only taking on former workers

# Assembly

workers

still out

at VW

STAR 30/6/80  
192

Motor Editor

The striking Volkswagen assembly workers continued their stayaway today, but the neighbouring Goodyear tyre company in Uitenhage reported that it had re-employed more than half of its workforce.

A spokesman for the VW factory said "considerably more black and coloured workers reported today than on Friday", although most of the assembly line men were still staying away.

They are waiting for a meeting on Friday between the Eastern Cape branch of the Industrial Council and their unions when their demand for a R2 an hour minimum wage will be discussed.

Last week the men rejected an offer of R1.40c an hour — an increase of 40 percent — although VW were already paying, on average, R1.15c an hour.

At Goodyear, today, the plant had rehired about 700 strikers, about half of those who walked out last week.

"We are working as fast as we can to deal with all applications," said a Goodyear executive.

From today, Goodyear will begin working a double 12-hour shift which will mean that those workers already re-employed will benefit by four hours a day overtime.

The Goodyear strikers have demanded an increase in their hourly minimum wage from R1.10c to R2, but when they declined to return to work last week management stated they had "dismissed themselves".

At Ford and General Motors, in Port Elizabeth, the assembly workers decided not to walk out after they had rejected a compromise offer of R1.40c an hour — but they are waiting for Friday's meeting when their demand for R2 an hour will be discussed.

192

*CAPE TOWN 17/7/52*  
**Union men  
due in SA**

**Own Correspondent**

PORI ELIZABETH — The continued strike by most of Volkswagen's 3500 black workers could soon come under the international spotlight

Four representatives of the 15 million-strong International Metalworkers Federation in Geneva and its West German member Igmetail are expected here this week

Yesterday about 200 of the 3000 men who downed tools at the Uitenhage plant on June 16 returned to work

# VW strike may come under world spotlight

*discuss 19/80 (192)*

PORT ELIZABETH — The continued strike by most of Volkswagen's 3 500 black workers could soon come under the international spotlight

Four representatives of the 15 million strong International Metalworkers' Federation in Geneva and its West German member, Igmetail, are expected here this week

The Durban based organiser of the National Union of Motor Assembly Workers, Mr Brian Fredericks, said the delegation from the International Federation, to which his national union and the United Automobile, Rubber and Allied Workers' Union were affiliated, could be here in the next day or two, depending on when they got visas

Asked about the federation's role in the pay negotiations, Mr Fredericks said this was not clear at the moment

"Its interest is obviously that it too would like to see an early solution. Clearly messages of support for the VW workers have been received from federation members all over the world"

Yesterday about 200 of the 3 000 who downed tools at the Uitenhage plant on June 16 had returned to work

VW's public affairs manager, Mr Ruben Els said it was hoped more would return in the next few days

Mr Fredericks said the fact that the company had reopened its doors unconditionally to its workers and had failed to attract most of them back by the employers' compromise offer of a minimum R1,40 an hour indicated that workers were determined to hold out "until employers make a reasonable offer — one that they consider closer to their R2 demand"

"From the feeling of last Thursday's VW workers' meeting, it seems they are determined to hold out for a considerable time. It is also clear that General Motors

and Ford workers are awaiting the result of Friday's industrial council meeting

Mr Fredericks said if employers did not come up with an offer which was considered reasonable, there would be deadlock with no further room for negotiation

"We could call a dispute. It would then be a question of balloting our members to find out what they want to do. The problem is that we are not sure if they will wait that long

We hope the employers will come back with a better offer. The union does not like the present situation any more than they do"

Meanwhile, at

Goodyear, where about 1 350 workers staged two walkouts after stating demands for a minimum R3 an hour, rehiring of sacked former workers continues today

The public relations manager, Mr Mike Selley, said the number rehired was expected to reach 1 000 by last night. Production at the tyre plant would be almost normal by tomorrow

In Johannesburg, workers at Premier Papers mill went on strike yesterday morning, demanding more pay

Work was resumed shortly before noon after management had told workers that it would reply to their demand on Friday

One worker estimated that about 400 blacks were employed at the mill

A company spokesman said senior management had been sent to the mill to establish the cause of the problems

In Durban, workers at the Stellenbosch Farmers' Winery factory briefly walked off the job yesterday after one of their colleagues had a dispute with the management

Mr E. Brill, the regional director, said everything had been cleared up and the workers had returned to work — SAPA DDC

192 ~~152~~ FM 27/6/80

# The system breaks down

The chief lesson to be learned from the Eastern Cape motor industry strikes is that existing government-established negotiation procedures don't work.

The industrial council system tends to be cumbersome, and cannot respond quickly to urgent problems that arise on the factory floor. Liaison committees have also proved valueless.

Take a look at the facts.

The present Volkswagen wage dispute came just five weeks before a new industrial council minimum wage agreement for the motor industry was due to be negotiated. This will update a council agreement of a year ago when minimum wages were upped, over a six-month period, from R1 to R1,15 an hour.

Negotiations through the industrial council seemed, from the workers' viewpoint, to drag on. And what finally triggered off worker impatience was the banning of a union report-back meeting sched-

uled for the Sunday before VW workers walked out. The incident itself was minor but it illustrated the impatience that protracted negotiation engenders. As one worker put it: "We can't go on living on promises alone."

Although industry and union spokesmen both accept the importance (in theory) of a council to co-ordinate activities within industries, they feel the present system does not facilitate quick, effective negotiations.

The problems surrounding liaison committees have been highlighted in the case of VW where negotiations were reasonably orderly, while other companies, such as Hella, Goodyear, Gubb & Jiggs and Cape of Good Hope, have found themselves without recourse to negotiation machinery with workers.

On Tuesday, Goodyear was only 30% productive — using white secretarial staff — after losing 1 250 of its 1 400-strong

workforce. On Monday it abandoned its liaison committee and sent seven worker representatives to negotiate their R3 an-hour wage demand with the Industrial Council for the Tyre and Rubber Industries.

No agreement was reached. Workers were paid off on Wednesday. But management said it would consider applications for re-employment from paid-off workers on Thursday this week.

At Hella, management has employed white students to keep its production lines alive.

Although VW has closed down, both union spokesmen and management seem committed to an early settlement and will meet again on July 4. The company has accepted a union shop steward committee (in preference to a liaison committee) and recognises the presence of both the predominantly black United Auto Workers Union and the Motor Assembly Workers

P.T.O.

Union

Says Alec Erwin, general secretary of the Federation of SA Trade Unions "The strikes highlighted the weakness of the industrial council system, and exposed the worthlessness of the liaison committees."

Employers would do well to heed another lesson from the strikes that when the economy is booming, workers want a part of the action. Wage structures should be re-examined and kept abreast of economic conditions. For the strikes were a response to economic pressures, not political aspirations.

As Brian Matthews, chairman of the Midland Chamber of Industries, says "It's important to divorce what's happening in Uitenhage from the rest of the country. The wage demands must be understood in the context of the economic boom, rising inflation and growing economic aspirations."

While the economy is booming, the workers are finding it hard to make ends meet, at the same time, their expectations have been lifted by the Wiehahn and Riekert reports.

#### Looking rosy

But, warns Matthews "These recommendations have not yet been implemented, and there still aren't adequate channels of expression to eliminate unrest."

SA's motor industry last year enjoyed an unprecedented R2.350m turnover (14% up on 1978), and 1980 was looking even rosier — until two weeks ago.

Volkswagen, which enjoys 21% of the motor car market, is into its second week of non-production after the walkout by 3 500 workers. Inactivity is costing the company R6m to R7.5m a week, and the situation seems ripe for a protracted dispute.

The motor industry's industrial council met on Tuesday without reaching agreement. VW workers' demand for a R2-an-hour minimum wage (a 95% increase from R1.15) was met with a R1.40-an-hour offer from management, together with an urgent call to workers to return to work.

Said one union spokesman "It's going to be hard to persuade workers that this is all the company is prepared to give." Are the wage demands unreasonable?



Black car workers . . . they spurn "promises"

Volkswagen workers are asking for a 90% increase. Goodyear workers a hike from R1.10 to R3, while Gubb & Inggs workers want an increase of 105% (from R1.15 to R2.50).

Although minimum wages in most of the companies affected by the strike (with the known exception of Hella) are above the various poverty datum lines drawn up by researchers, workers dismiss pdl figures as "purely academic."

"We are talking about a reasonable living wage — not merely subsistence living. We want to earn enough to cover basic living costs, such as R20 a month on clothing, R15 on transport, R20 on insurance. A minimum wage of R1 an hour — R170 a month — is simply and plainly not adequate," a worker representative says. The Volkswagen demand for R2 an hour for a 45-hour week would provide a gross monthly wage of R368 — which workers consider reasonable.

VW management has offered to phase in increases at six-month intervals to attain the R2 demand by January 1982, but the workers argue that much of the increase would then be eroded by inflation before they receive it.

Company spokesmen unannouncedly agree on the need to reconsider existing wage structures. But they say the present demands are "impossible" to meet.

As pointed out by Matthews "Workers cannot ask for the doubling of their wages and expect an immediate answer. Obviously, companies have to consider the enormous cost factor involved."

The strikes are far from over. When the FM went to press, there were still about 5 000 workers out, four factories were still affected, and Goodyear and Volkswagen had not yet come to any agreement. VW union and worker representatives were due to report back to workers on Thursday, and the VW factory was expected to remain closed until then.

The motor industry also faces the threat of solidarity strikes by General Motors and Ford workers, which would bring the total number of striking workers to 10 000. It is clear that defusing the situation and, equally important, preventing a recurrence, needs an improvement in wages as well as in dispute procedures.

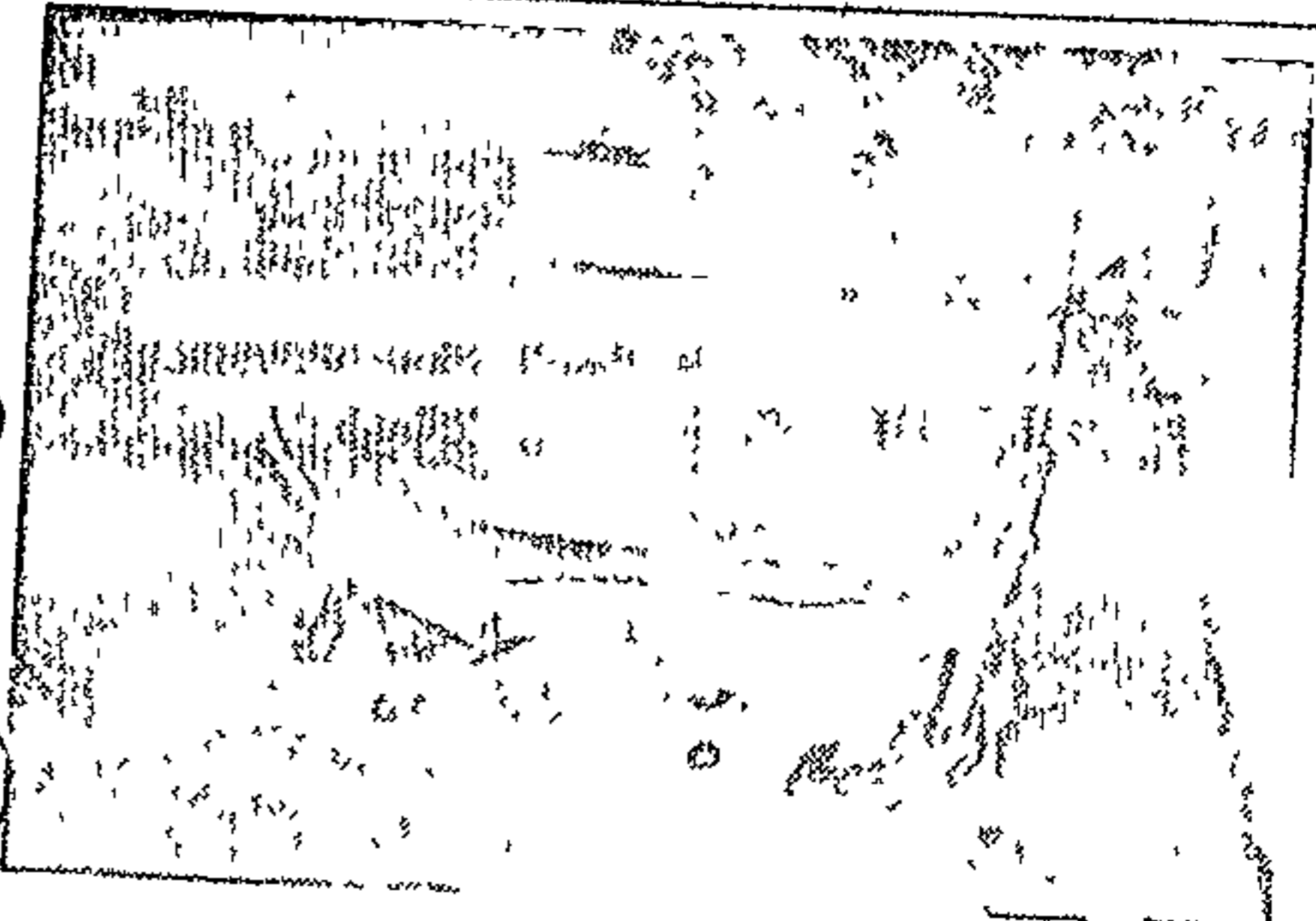
Government and management need to take a closer look at their established negotiation channels. If Uitenhage is to teach any lesson it is likely to be that workers, in a crisis situation, are no longer prepared to wait for action.

What workers might pause to consider, however, is that the capital invested in SA's motor industry seeks a reasonable return. There have been years of losses which shareholders, many of them foreign, have had to bear. These must be made up and decent returns earned or there'll be no new investment and, therefore, no growth in job opportunities. In addition, as the black American economist, Walter Williams, has pointed out, the minimum wage is an enemy of the poor and unskilled, denying them access to the labour markets while at the same time destroying jobs.



# Pay claims will raise car prices

REGUS  
2/7/80  
15R  
192



JODY SCHEKTER — 'the race was my all-time low ...

Keith Macfarlane

**THE latest flexing of the labour muscle in the car industry of the Eastern Cape is not going to do the South African car or truck buyer any good. And further, it has underlined the dangers inherent in putting too many eggs in one basket.**

The motor industry in the Eastern Cape falls into two classes the three big manufacturers — Volkswagen, Ford and General Motors — and the smaller component manufacturers like Hella who make electrical parts, Goodyear who make tyres and Boig Warner who make transmissions.

Between them the three motor manufacturers make rather more than a third of the country's output, with VW and Ford battling it out with Sigma for top spot in the sales charts.

However, when compared with the manufacturers to the north they have one big disadvantage in that their pay rates are higher than the manufacturers in the Transvaal, they say, and further the country's main motor market with more than half the total sales is also in the north so, that the Cape manufacturers have to pay an added premium to get their products to the market place, all of which affects their pricing.

Currently the lowest paid worker in the Eastern Cape receives at least R1,40 an hour — until Monday it was R1,15 which gave the lowest echelon a monthly income of about R220 before any overtime which is paid at time and a half rising to double time. Now the same workers after a 22 percent increase will get R270 a month with over-



time in proportion and it should be remembered that this wage is being paid to the lowest grade of labourer who might well not have been educated beyond Standard One.

The workers are demanding a rate of R2 an hour for their 44 hour week which would give them R381 a month, or with overtime anything up to R450 for an ability to do nothing more than wield a broom.

Of the total cost of a car about 13 percent is accounted for by labour costs within the assembly plant so that if the wage rate goes up to R2 an hour the proportion of labour costs in the total price of the vehicle would rise to between 15 and 17 percent which could put the cost of the vehicle itself up between two and five percent providing none of the costs was absorbed by the manufacturers. However in order to stay competitive they

would probably absorb enough to make the price rise directly attributable to the increased wages to about R100 per vehicle.

As the motor manufacturers watch each other's prices closely any rise in the Cape manufacturers' prices could be greeted by an immediate reaction from the Transvaal of either leaving their prices where they were and getting a greater share of the market by undercutting the competition or by raising prices to a level comparable to those of the competition and making a lot more profit.

For the last couple of years car prices have gone up by between 10 and 12 percent a year usually in quarterly jumps and any wage hikes would accelerate prices. Of course a rise in the basic wage also means that there would be a ripple effect up the wage scale so that all workers would be getting more. The resultant rise in costs would increase the inflation rate because of the motor industry's position as the biggest secondary industry in the country.

\* \* \*

**THE OTHER LESSON** to be learned by the labour troubles at Uitenhage is directly concerned with the Official Mind and its local content policy which demands that all cars should have 66 percent local content by weight. Component manufacturers have been given tax incentives and tariff protection to ensure that they stay in the market place but because of the comparatively small numbers involved in the South African car industry there

has not been a great deal of competition between the specialist component manufacturers most of whom have a virtual monopoly of their particular product.

There is not enough cake for two ignition specialists or for two transmission manufacturers because splitting the market two ways would make it uneconomic for both while there is probably just enough volume to make it profitable for one.

Which is fine from an economic point of view but distinctly sensitive if looked at strategically because any problems at one factory supplying parts to the industry as a whole means that the industry as a whole has to stop until those problems are resolved because it can't get the parts it requires.

It might be able to import them from manufacturers abroad but then of course it is quite likely to have to pay penalties because the local content has dropped below the required level.

It seems to me that the Official Mind should take a long, hard look at the situation it is getting itself into and try to produce some viable alternatives.

Just consider what the situation would be if, in a couple of years' time, the Atlantis Diesel Engine factory making diesel engines for the whole country's cars, trucks and tractors were to have labour troubles which interrupted production. Where then would the diesel engines come from to keep the motor manufacturers going?

# Unions' Geneva HQ bid to settle disputes

~~1981~~ 192  
ADM 1/7/80

By RIAAN DE VILLIERS  
Labour Correspondent

THE powerful International Metalworkers' Federation has sent a representative to South Africa to help settle labour disputes in the troubled Eastern Cape.

The representative, from the IMF's head office in Geneva, is expected to arrive in Port Elizabeth today.

A spokesman for the National Union of Motor Assembly and Rubber Workers of SA said yesterday the IMF saw the current strike at Volkswagen and wage demands at other motor industry plants as "significant developments".

Although the federation had previously expressed its backing for the striking VW workers, the official was expected to try to play a "mediatory role" in the conflict between motor companies and workers.

The union spokesman added "The IMF is as eager to see a settlement as we are."

The coloured National Union and the black United Automobile and Rubber Workers' Union — which represent workers at the three Eastern Cape plants involved — are IMF affiliates.

The IMF recently pledged its support for striking VW workers and announced it would send R25 000 to the two unions to help support the strikers.

But the funds were stopped at the request of the unions' parent body, the Federation of South African Trade Unions (Fosatu), which pointed out that receipt of such funds was prohibited by the Fundraising Act.

Meanwhile, most black and coloured workers at VW stayed out on strike yesterday, despite the reopening of the plant on Friday.

A company spokesman said yesterday that while the number of returned workers had "more than doubled", the "vast majority" were still on strike.

He said the firm hoped more workers would return this week before Friday's industrial council meeting, where unions will continue wage talks with VW, Ford and General Motors.

A union spokesman yesterday estimated that only 160 of VW's 3 600 workers had returned and said the firm had obviously "completely misjudged the situation".

Last week, VW workers rejected an employer wage offer and elected to stay out until Friday's meeting.

The offer has also been rejected by Ford and GM workers, although they have decided not to strike pending the outcome of the crucial meeting.

A union spokesman said yesterday it was hoped employers would table a "more reasonable wage offer" at the talks.

A spokesman for Goodyear said yesterday about 1 000 workers out of 1 300 who had gone on strike had been rehired and output would be "very close to normal" by tomorrow.

• About 200 black workers at the Stellenbosch Farmers' Winery plant in New Germany, Pietermaritzburg, near Durban, stopped work yesterday morning in protest against the dismissal of a fellow worker, and management was negotiating with the liaison committee later yesterday.

# World union officials fly to SA strike area

1925

Own Correspondent

**PORT ELIZABETH.** — The continuing strike by most of Volkswagen's 3 500 black workers will come under the international labour spotlight this week, when two representatives of the International Metalworkers' Federation in Geneva and two from its West German affiliate, Igmetail, are due in Port Elizabeth.

This was confirmed yesterday by the Durban-based organiser of the National Union of Motor Assembly Workers, Mr Brian Fredericks.

His union and the other union involved in the motor plant disputes in the East-

ern Cape, the United Auto-mobile, Rubber and Allied Workers' Union, are both IMF affiliates.

Mr Fredericks was interviewed on his return to Port Elizabeth for Friday's second round of industrial council talks on the VW workers' demand for a R2 an hour minimum wage.

"The international representatives could be here in the next day or two, depending on when they get visas," he said.

"We expect two from Geneva and two from Igmetail, which has considerable membership at Volkswagen in West Germany."

Asked about the IMF role

in the negotiations, Mr Fredericks said this was not clear at the moment.

"Its interest is obviously that it too would like to see an early solution."

Meanwhile about 200 of the 3 000 workers who downed tools at the Uitenhage plant on June 26, had returned to work yesterday.

VW's public affairs manager, Mr Ruben Els, said it was hoped more would return in the next few days.

Mr Fredericks pointed out that although the company had re-opened its doors unconditionally to its workers, it had failed to attract most of them back

with a compromise offer of a minimum R1,40 an hour.

He said this indicated workers were determined to hold out "until employers make a reasonable offer."

He added: "From the feeling of last Thursday's VW workers' meeting, it seems they are determined to hold out for a considerable time. It is also clear that General Motors and Ford workers are awaiting the result of Friday's industrial council meeting."

Mr Fredericks said if employers did not come up with an offer considered reasonable, there would be deadlock, with no room for further negotiation.

"We could call a dispute if would then be a question of balloting our members to find out what they want to do. The problem is that we are not sure if they will wait that long."

At Goodyear, where about 1 350 workers staged two walkouts over demands for a minimum R3 an hour, rehiring of sacked workers will continue today.

The plant's public relations manager, Mr Mike Selley, said the number rehired was expected to reach 1 000 by last night.

He said production would be almost normal by tomorrow.

# Top trade union man visits PE

ARGUS 2/7/80

1824 (192) 1824

Argus Bureau

PORT ELIZABETH.— One of the world's leading industrial trade union officials has arrived here to help to resolve the wage dispute between the local motor industries and the black workers and to bring their strike at Volkswagen to a speedy end.

He is Mr Karl Casserini, assistant general secretary of the 14-million-strong International Metal Workers' Federation, based in Geneva, who will meet representatives of concerned local trade unions to discuss future strategy. He is an expert on collective bargaining, multinationalism and socio-economics.

From interviews with him and spokesmen for the three concerned motor companies, a meeting between him and the companies on the eve of another Industrial Council meeting for the industry on Friday, emerged as a strong possibility.

## TO HELP

In an interview, Mr Casserini said his role was to help, to advise and to provide the trade unions with arguments and facts after gaining insight into the workers' demands.

He would also be happy to meet the top management of the motor companies in Port Elizabeth and Uitenhage — but he would not bargain with them. He would establish facts and leave it to the trade unions, the National Union of Motor Assembly Workers and the United Automobile, Rubber and

Allied Workers' Union to do the bargaining.

The situation in Port Elizabeth and Uitenhage was so important that the general secretary of the federation, Mr Herman Rebhan and the assistant general secretary responsible for Southern Africa, Mr Werner Thonnesen, had applied for visas to come to South Africa to help to solve the problems.

## VOLKSWAGEN

Another official who applied was Mr Albert Schunk, a member of the supervisory board of Volkswagen in West Germany, who is personal secretary to Mr Eugene Loderer, president of the IMWF and the West German affiliate to the federation, Igmetail.

Spokesmen for the three Eastern Cape motor companies have all indicated at least a willingness to meet Mr Casserini.

The majority of workers are still standing by their decision of last Thursday, at a report back meeting of their unions, not to accept a R1,40 minimum wage offer negotiated through the Industrial Council and to stay on strike.

# Top world union man to help in PE

CAPE TIMES 2/7/80

Own Correspondent 1977

PORT ELIZABETH - One of the top men in the world's biggest industrial trade union organization the International Metalworkers Federation which has 11 million members has come to Port Elizabeth to help to bring the week-old Volkswagen strike to an end.

The strike by the 3500 black workers at the Uitenhage plant came into the international labour spotlight with the arrival

of Mr Karl Casserini, assistant general secretary of the Geneva-based federation with affiliates in 70 countries.

In an interview last night he said that his role was to help, advise and provide the trade union with arguments and facts after gaining an insight into the workers' demands.

I would also be happy to meet the top managements of the motor companies in Port Elizabeth and Uitenhage he said.

Approached yesterday Volkswagen's public affairs manager Mr Ruben Els, and it was hoped that the federation and its West German affiliate, Ipmetall would be able to assist in finding a mutually acceptable solution. We would certainly be prepared to meet Mr Els, he said.

General Motors spokesmen could not be contacted.

Mr Casserini whose specialization is social and economic research into collective bargaining said the situation at Volkswagen and the struggle by the National Union of Motor Assembly Workers and the federation's other Port Elizabeth affiliate, the United Automobile Rubber and Allied Workers Union was of great importance to the IMI.

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# SA may rescue legendary MG

3/2/80

By LEICESTER SYMONS  
Motor Editor

THE legendary MG Midget sports cars could well be saved by Leyland South Africa from threatened extinction after flourishing for more than 50 years

The move would be feasible. It should also make the South African company a considerable exporter of cars. The United States has long been the prime customer for MGs, taking about 70% of the total output in recent years.

It was announced in London earlier this week that production of MGs would cease by the end of the year. This followed the failure of a consortium, headed by Aston Martin-Lagonda, to raise the money needed to take over the MG factory at Abingdon in England.

While it would be uneconomical for British Leyland to continue building MGs at Abingdon,

the Leyland SA plants at the Cape have surplus manufacturing capacity. Leyland SA also has a plant to manufacture Mini engines which were the first engines manufactured in this country with locally cast engine blocks.

The Mini is being re-introduced in South Africa and the MG Midget uses basically the same engine.

By taking over the redundant tooling for the Midget body and other components from its British parent, Leyland South Africa could build the car in the country.

When questioned recently about reports in motoring circles that the MG Midget would be manufactured by Leyland South Africa, Mr Leslie Wharton, the company's managing director would neither confirm nor deny the statement. He is at present overseas on holiday.

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# Carmakers face vital union meeting

STAR 3/7/80

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By Harvey Thomas  
Motor Editor

Trade union executives — now advised by an overseas expert — will meet the big three Eastern Cape motor manufacturers tomorrow for crucial negotiations about assembly workers' pay.

At Volkswagen in Uitenhage workers were still "trailing back" after they walked off the job on Monday last week in support for their demand for an hourly minimum of R2

The giant German-owned motor company appears to be basing its hopes on a quick settlement tomorrow but if this is not forthcoming it seems likely that it will be forced to dismiss the 3500 absentees and look for a replacement labour force.

Sources in the Eastern Cape motor industry said today that there could be two scenarios for tomorrow's meeting between the Industrial Council and the

various trade unions now advised by Mr Karl Casson, former assistant general secretary of the International Metal Workers Federation.

● Employers may make a compromise offer a little higher than their recently rejected suggestion of R1,40c an hour. The present minimum is R1 an hour although companies such as VW have been paying more than that.

## DISPUTE

Describing this course as "possible but not very probable" another source said that

● A dispute could be declared leading to arbitration.

Volkswagen is already implementing the higher wage offer of R1,40 an hour but the vast majority of its black assembly line workers have continued their stayaway.

At Ford and General Motors workers voted to stay on the job until the situation was clarified at tomorrow's meeting.

PETER SEARLE

# From another angle

4/7/80 FM  
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decentralization

Volkswagen's managing director, Peter Searle, takes a closer look at the situation created by the present demands by motor vehicle workers in the Eastern Cape and the consequent strike by Volkswagen's workers.

It is well-known that the industrial structure of the Port Elizabeth/Uitenhage area is largely dependent on the motor industry and its allied component suppliers Ford, GM, and then Samad, later to become VW of South Africa, commenced operations in this area for economically sound reasons in the days when cars were assembled almost entirely from imported components and a coastal location

Today's situation is very different. Markets, costs, cash flow and the competitive situation determine a motor company's destiny. Local content requirements have necessitated vast investments, while additional new manu-

facturers and static markets during the Seventies have resulted in an oversupply of capacity. In essence the industry on which the Eastern Cape depends is one highly sensitive to consumer trends and attitudes with manufacturers at all times vulnerable to adverse cost developments.

Labour unrest and wage demands are now threatening to kill the goose that lays the golden egg.

Reef manufacturers, situated nearer to the source of raw materials and the main market, enjoy considerably lower costs for both freight and distribution. Another important advantage, which is not so well known, is the fact that they also enjoy substantially lower unskilled labour costs, especially when compared with the most recent offer of a R1.40 per hour starting rate and further improvements to annual bonuses and fringe benefits made by the Eastern Cape employers.

It is important to note that even before the present wage negotiations, the local motor industry was already paying considerably higher starting rates and average wages for unskilled motor assembly workers than anywhere else in the country. The Transvaal manufacturers operate outside the

industrial council system and therefore they are not under similar pressures.

A recent survey of minimum starting wage rates paid by motor plants outside of the Eastern Cape revealed an industry norm of around 85c per hour at the start of the year. In recent months this rate has been moved up to R1 per hour by most plants.

The Eastern Cape manufacturers are under considerable market pressure. This can best be illustrated by the following downward trend in the combined share of the market secured by Ford, GM and Volkswagen.

- 1960 — 59,0%
- 1970 — 45,8%
- 1979 — 39,6%

This decline in the combined share has occurred for a number of reasons. During the Sixties, for example, the establishment of new manufacturers elsewhere in the country played a role in eroding the share of the former "big three". Then, in the Seventies, increases in the local content programme, combined with rapid escalations in transport costs, severely affected by oil price hikes, resulted in additional pressure on the region.

On the labour front, the Port Elizabeth/Uitenhage manufacturers have long been in the forefront of

## — My Opinion —

developments. Ford, General Motors, and Volkswagen were among the first to recognise black unions, and Volkswagen is still one of only a few motor companies to have a multiracial factory committee consisting of freely elected worker representatives.

The Eastern Cape industrial council was formed in 1968 and has played an important and responsible role in employer/employee wage negotiations. However, the latest demand for a 75% increase in the minimum starting rates, and the subsequent illegal strike at Volkswagen, immediately this demand was rejected, has brought a new dimension to employer/employee relationships.

A study undertaken by Volkswagen of SA into the estimated net cost disadvantages of Volkswagen in relation to a manufacturer situated in Pretoria, revealed the following:

- Net higher cost of local raw material freight costs partially offset by lower freight costs on imported materials R10 per vehicle.
- Net higher cost of distributing the finished product, R71 per vehicle.
- Net plus or minus 20% higher average wage costs for production workers, R70.

On a conservative estimate of 50 000

vehicle sales per annum, these three factors alone amount to an incremental net cost disadvantage to VW of

- Freight on raw materials and components R500 000, distribution costs R3,5m, wages R3m, total net cost disadvantage R7m.

Companies in the north have potentially better cash flows to support investment in local content and new model development.

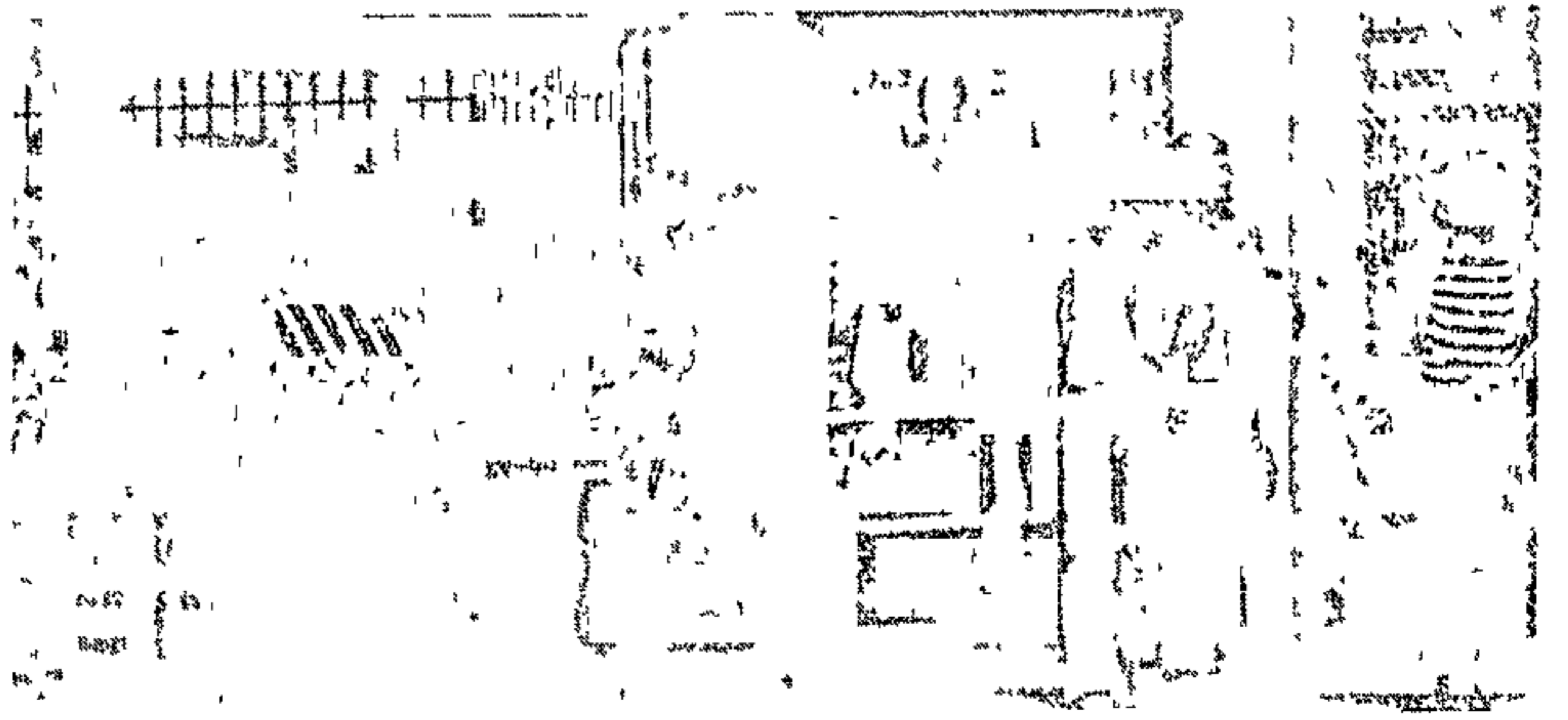
If to these disadvantages is now to be added the substantial cost of strike action, the long-term outlook for Eastern Cape manufacturers of vehicles and allied components is bleak indeed. Union leaders should take heed of the

possible long-term consequences of current actions.

Options remaining to any far-thinking Eastern Cape industrial concern relying on national market coverage are:

- The siting of expansion plans or new projects away from the Eastern Cape, and,
- The partial or total relocation of existing activities nearer the main market to the north.

All three options hold out little hope to the long-term need for additional job opportunities, and the last two options hold little optimism for the future of the Eastern Cape as a whole.





# Talks on

VW strike

Time 4/7/80

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PORT ELIZABETH — The Volkswagen strike situation was discussed here yesterday by management and a senior representative of an international trade union

Mr Karl Casserini, the assistant secretary of the International Metal Workers' Federation, with headquarters in Geneva, met Volkswagen's director of industrial affairs, Mr A O Rademeyer, and management members after urgent discussions with representatives of Volkswagen's works' committee and the two trade unions involved in the wage dispute

The management discussions took place on the eve of today's sitting of the industrial council for the automotive industry to discuss the workers' demand of a minimum wage of R2 an hour

About 400 of the work force of 3 500 returned to work yesterday — Sapa

# CAR MEN

4/7/80 (192) 192

Argus Bureau

**PORT ELIZABETH.** — The three Eastern Cape motor giants have made a new wage offer to be considered by the 10 000 affected black workers. This was disclosed to The Argus after the meeting by the national organiser of the National Union of Motor Assembly and Rubber Workers, Mr Brian Fredericks.

The meeting ended after two hours of discussion. Mr Fredericks left to discuss the latest developments with his union's council.

He said the new offer was complicated and he would not elaborate before meeting union officials.

## Something new

A statement made on behalf of the Industrial Council, by its chairman, Mr Alan de Kock, said the negotiations will continue next Tuesday.

Asked why the discussions were not concluded, he said both parties — the employers and the employees — had something new to consider. He would not elaborate.

This, however, seemed to confirm that a new wage offer was to be considered, and probably implied that the workers' representatives today also came with new proposals.

## Increases

It was learnt unofficially that immediate wage increases as well as a speeding up of the implementation of a scheme to make the minimum wages R2 an hour, were proposed by the motor companies today.

The black workers are demanding a R2 an hour minimum, but at last week's Industrial Council meeting the three motor companies came with a compromise offer of R1,40 an hour and a scheme that could make the minimum wages R2 an hour after 18 months.

No arrangements have yet been made by the workers' union to report back the latest developments to the affected black workers, of whom more than 3 000 are still out on strike at Volkswagen.

## Millions lost

The three weeks of lost production at Volkswagen since the workers downed tools on June 16, have cost the company millions of rands.

If the strike in Uitenhage continues or spreads to Port Elizabeth, where black workers have warned that they will strike for up to seven weeks if their demands

are not met, the losses will be considerable.

KDM 4/7/80.

# VW strike discussed with senior unionist

PORT ELIZABETH. — The Volkswagen strike situation was discussed in Port Elizabeth yesterday by management and a senior representative of an international trade union

The assistant secretary of the International Metal Workers' Federation, with headquarters in Geneva, met Volkswagen's director of industrial affairs, Mr A O Rademeyer, and management members after urgent discussions with representatives of Volkswagen's works committee and the two trade unions involved in the wage dispute

The management discussions

took place on the eve of today's sitting of the Industrial Council for the Automotive Industry, during which a second look will be taken at the workers' demand of a minimum R2 an hour

At the previous meeting, the employer's compromise of R1,40 was rejected

About 400 of the 3 500 employees returned to work yesterday morning. However, they are being warned in a circular by the National Union for Auto, Rubber and Related Workers, that the union will refuse to work with them

"The workers who have returned to work will have to

leave the factory when we come back, and they will not be accepted by any automobile factory in South Africa," the circular states. It adds that they should not report for duty until an agreement was reached

Production has returned to normal at Goodyear, where 1 361 workers were paid off. The reinstatement of workers has almost been completed at the factory, according to a spokesman

He said Goodyear was planning to rationalise its labour situation and would not fill all the vacancies — Sapa

Fm 4/7/80

LABOUR MATTERS

High noon in PE

There are a number of options open to the negotiating parties in today's Eastern Cape Motor Industry's Industrial Council

— in my opinion —

meeting in Port Elizabeth. But precisely what the outcome will be is anybody's guess.

Last week workers from General Motors, Volkswagen, and Ford rejected management's R1,40 an hour minimum wage offer and GM and Ford workers said they would strike should management fail to move closer to their R2 demand.

There are indications that both sides in the dispute are hardening their stance, and VW has fears for the economic stability of the region itself (see previous page). Today's meeting, therefore, has ramifications far beyond individual factory conditions.

The legal position is as follows:

- In negotiations through the Industrial Council, the council must hold three meetings before a dispute can be declared. This will be the Motor Industry council's third meeting.
- Once a dispute has been declared the parties may decide either to go to arbitration or call a strike.
- The strike is not legal until 30 days after the dispute is declared. In this case a strike by black workers would be illegal anyway as their union is not a registered one.
- If no agreement is reached and the coloured and black union and worker representatives are outvoted by management and the white union representatives, workers can refuse to be part of the agreement and refer the case to a court of law.

The outcome could set a precedent in SA labour relations as the Industrial Council has not yet faced a case where one of the parties has refused to comply with the majority ruling.

VW

DAK7.  
DISP  
4/7/80

# strike talks begin

(192)

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Production has returned to normal at Goodyear, where 1 361 workers were paid off. The reinstatement of workers has almost been completed at the factory, according to a spokesman

He added that Goodyear was planning to rationalise its labour situation and would not fill all the vacancies. — SAPA

# New car boom in SA

By GORDON KLING

**THE BOOMING** motor industry in South Africa can no longer keep up with the spectacular surge in demand for new vehicles, which manufacturers believe is still accelerating.

At a time when surplus production has caused assembly lines to be shut down overseas, and when international recession has made it possible to buy even a Rolls Royce off the shelf, would-be owners of basic economy cars in South Africa are being asked to stand

in line for months

Sales of cars and commercial vehicles are up more than 20 percent in the first five months of the year. The latest sales figures available, for May, are 39 percent ahead of the same month a year ago.

"All our vehicles are in short

supply," said a spokesman for General Motors, which is unable to come anywhere near to meeting demand for its new Opel Kadett. "Our forecasts for the market just weren't as good as it turned out, so we got caught with our pants down."

Buyers are not becoming less discriminating, however. GM has had to throw in the towel on its spartan Nomad, once touted as the peoples' car of the Republic, but which failed to live up to sales expectations after adverse publicity on the front suspension.

"The whole industry here has been caught off-sides," conceded an executive at Sigma. "Your supply line is nine months long and nobody could have anticipated the strength of this market that far in advance."

Sigma is ploughing millions of rands into increased production capacity to cope with the upsurge.

The tension generated by the boom is probably highest at strike-bound Volkswagen in Uitenhage, which sold more than 4 000 cars last month.

## Meeting

The public affairs manager, Mr Ruben Els, said yesterday that its pipeline would dry up completely in three weeks if the labour unrest did not end.

Even before the work stoppage, VW was unable to supply enough of the new microbuses and five-speed Golfs, although its planners foresaw the steep rise in the market ahead of most others and the group was basically geared for it.

An industrial council meeting on the VW workers is scheduled for today.

"We're hoping we can find a solution as soon as possible. If the strike continues for a protracted period, we're going to have serious problems at the retail end," said Mr Els.

Ford is also suffering from the troubles at Uitenhage. The company's vehicle sales manager, Mr Keith Butler-Wheelhouse, says it has lost a week to 10 days on dealer orders because of delayed component shipments from manufacturers in Uitenhage. "We can't build up dealer stock to the levels we would like."

## 'Something else'

VW's Mr Els maintains that the South African consumer is not like his counterpart in Europe who will wait for six to eight months for a particular model. "Here, if you can't give him what he wants he goes across the road and buys something else."

Manufacturers expect the market to continue to improve with the introduction of the budget's tax benefits this month. There was also a strong element of buying ahead of price increases. Noting that Sigma and Datsun had just posted higher prices, Mr Butler-Wheelhouse at Ford expected others in the industry to follow within 30 days and another round could be expected before the end of the year.

Nobody is commenting on the cost implications of the labour unrest, but one senior company official said that in spite of this, everybody in the industry was looking to handsome bonuses later in the year.

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4/7/80

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# Out of gear

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fm 4/7/80

No matter what the outcome of Friday's Motor Industries Industrial Council meeting may turn out to be the effects of the Eastern Cape strikes will be felt by the motor industry throughout the country.

The Port Elizabeth/Uitenhage motor companies, Ford, General Motors and Volkswagen, will be hit with larger wage bills no matter what agreement is reached, and possibly face the disruption of solidarity strikes from the entire 10 000 strong work-force.

For an area already under pressure through escalating transport costs and the effect of local content programmes, this could be fatal.

The Transvaal now accounts for 70% of all car sales in SA while decentralisation has meant major component manufacturers have moved up north.

As it is, the EP companies pay up to 30% higher wages than the Transvaal, Natal or Cape. Minimum wages on the Reef range from 90c to R1 a shift while the present minimum under negotiation in Port Elizabeth is R1.40.

Another increase will only further hit company profitability.

But the effects will not be localised. Wage structures in the Transvaal will be under scrutiny if an agreement of more than R1.40 is reached. "The wages on the Reef are so appalling — in some cases a mere 10% above the Minimum Living Level (MLL) — that this spin-off would be most welcome," says a union spokesman.

A Transvaal industry spokesman responds, however. "Wages are applicable to particular markets. PE has been making cars for over 50 years and a bank of experienced workers has been established. Workers in the Transvaal by and large have no motor industry training and as a result, training costs are higher."

It's not quite clear whether market penetration will move in the Transvaal's favour. The Eastern Province (including UDD in East London) accounts for 43% of total manufacture, while the Transvaal accounts for 39%.

While some feel the unrest may give the north openings to capture a greater market share, others argue that improved efficiency in the Eastern Cape might save the day for Ford, GM, and VW.

One area that will be affected will be unit sales. VW has already lost production of some 5 000 units while strikes at Ford and GM could double this figure in a

week.

It's a problem the industry can ill afford. This year demand has outstripped supply and there is a R50m (10 000 unit) backlog of orders.

The question of whether the industry can afford the wage increases is a delicate one (see *Current affairs*). Although it made a R50m loss in 1978, sales and profits have escalated and the turnover figure is reaching pre-oil crisis proportions once more.

Wage costs equal 15% of total costs and while management argues that a 40% increase on this would be too steep to carry workers feel the allocation of money is relative and if other price increases such as steel can be accommodated, wage structures too have to be reconsidered.

Could the problems have been avoided? As pointed out in the *FM* (June 27), the negotiation procedures are proving a major weakness in the dispute.

Added to this has been amateurish behaviour on the part of management and workers alike, who bungled badly in this, their first major industrial dispute.

It seems that management refuses to throw off its paternalistic cloak and still demands control of working conditions. As one worker puts it: "We want to start determining our own conditions of employment."

Management has also consistently refused to provide profit figures at the negotiating table. Union spokesmen argue that a prerequisite for negotiation is for both parties to know what they're dealing with.

Management needs to know why demands are being made and workers need to know why they are being rejected.

As a union organiser says: "We are prepared to adjust our demands according to the company's financial state. It's hardly in our interests to bankrupt the company."

But management insists they represent private companies and are "not obliged to furnish profit figures." Although all three companies are multinationals, they claim they are not given directives from their parent companies.

VW, Ford and GM are all listed abroad but their financial statements do not give a breakdown of foreign subsidiaries — except where special mention is made.

But, in SA it has been an accepted practice that private companies do not

divulge these figures. Says an industry spokesman: "Management feels that workers have no role to play in the decision-making processes of the company. They are not shareholders."

Management, however, appears to want to protect its own interests. "Multinationals are particularly vulnerable to pressure. Neither the parent companies nor the subsidiaries can afford to have their profits made public for fear of repercussions," says a union spokesman.

This attitude, they argue, is indicative of the unsophisticated nature of SA labour relations.

Although an intricate system of negotiation channels — equal to those established in Europe — has been established the authorities have done little to make them acceptable to the vast majority of workers.

"SA is still in the Industrial Revolution stages of development. Although sophisticated machinery is being established (usually a few years after it's due) it doesn't take into account the extraneous factors in SA society," according to a union spokesman.

The Industrial Council system is seen as a means of providing government control, union registration is construed as the government extending a commanding arm over union organisation and the liaison committee system is seen as the child of management.

The high level of unionisation in the Eastern Cape has been a major factor in the disputes. Compared to the Transvaal, union recognition and shop floor penetration are light years ahead.

A number of factors have contributed to this. There are no migrant workers in the Eastern Cape — unlike the Transvaal where 90% of the work force is recruited elsewhere. A migrant labour force lacks continuity which a stable union presence requires.

The Eastern Cape work force is also homogeneous, bringing with it a strong sense of community. There are less communication problems as the area is smaller and meetings are easily organised and attended.

Nevertheless, the Transvaal, with pay scales markedly lower than the Eastern Cape, cannot be regarded as immune to escalating wage demands. It, too, could soon feel the winds of change blowing off the sea.

# Shock, dismay at VW speculation

CAPE TIMES 12/7/80

Own Correspondent

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

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

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

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

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

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

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

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

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



# Car makers unable to meet the demand

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Own Correspondent

CAPE TOWN — The booming South African motor industry can no longer keep up with the spectacular surge in demand for new vehicles which, manufacturers believe, is still accelerating

At a time when surplus production has caused assembly lines to be shut down overseas, and when international recession has made it possible to buy a Rolls Royce off the shelf, would-be owners of basic economy cars in the Republic are being asked to stand in line for months.

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"All our vehicles are in short supply," said a spokesman for General Motors, which is unable to come anywhere near to

meeting demand for its new Opel Kadett

Buyers are not becoming less discriminating, however. GM has had to throw in the towel on its Nomad, once touted as the peoples' car of the Republic, but which failed to live up to sales expectations after adverse publicity on the front suspension

Sigma is ploughing millions of rands into increased production capacity to cope with the upsurge

The tension generated by the boom is probably highest at strike-bound Volkswagen in Uitenhage, which sold more than 4 000 cars last month. Public affairs manager Mr Ruben Els said yesterday the pipeline would dry up completely in three weeks if no way was found out of the labour impasse. Even before the work stoppage, VW was unable to

supply enough of the new microbuses and Golfs

Ford is also suffering from the fallout at Uitenhage. The company's vehicle sales manager, Mr Keith Butler-Wheelhouse, says it has lost a week on dealer orders because of delayed component shipments from manufacturers in Uitenhage. "It's a very tight market situation where we can't build up dealer stock to the levels we'd like."

Manufacturers expect the market to continue to improve with the introduction of the budget's tax benefits this month. There was also a strong element of buying ahead of price increases. Noting that Sigma and Datsun had just posted higher prices, Mr Butler-Wheelhouse at Ford expected others in the industry to follow within 30 days and another round could be expected before the end of the year.

**'We have the strength to bring**

# **Worker power**

Sunday Post  
6/7/1980

CONT.

**"Our strength lies in the economy. We have the strength to bring the economy to its knees."**

Strong words from a General Motors (GM) worker at a meeting in Port Elizabeth last week. And so true. But only now are black workers in South Africa saying this loud and clear, and showing how much power they wield if they stand together.

Volkswagen workers in South Africa are doing just this. Three weeks ago they brought the German-owned motor giant to a standstill, which has cost the company an estimated R6-m to R7,5-m a week.

And the strikers are showing a solidarity which is fairly new on the South African labour scene. Only about 400 workers out of a total of over 3 500 have returned to work since Volkswagen offered a minimum wage rate of R1,40 an hour. The overwhelming majority of strikers rejected the offer, which Ford, GM and Volkswagen managements put to the workers' union officials at an industrial council meeting last week.

The Volkswagen strikers are not the first to realise that much of their strength lies in solidarity. Disputes at Monis and Fattis in Cape Town and Ford last year, and the present meat strike in Cape Town, have revealed the same trend.

Remarkd a labour observer: "Black workers have realised just how much power they have got if they use it in an organised sort of way. It is a sign of the times."

And he added "The Volkswagen strike illustrates the more skilled the labour, the more power it has. Over 3 500 strikers with skills cannot be easily replaced, and this provides them with a great deal of power."

On June 16 Volkswagen workers downed tools, demanding a minimum wage of R2 an hour. They were earning a minimum of R1,15 an hour. Wage negotiations between Volkswagen, Ford, GM, the National Union of Motor Assembly and Rubber Workers (NUMARW) and the unregistered United Auto Workers Union (UAW) were taking place. However, the Government

## **SUNDAY POST Labour Correspondent**

banned a report back meeting to Volkswagen workers on the progress of negotiations. Union officials blamed the strike on this.

Within days workers from 10 other firms followed suit, pushing the total number of strikers up to over 7 000. Wage demands ranged from R2 an hour to R3 an hour. Almost 1 400 strikers from Goodyear were demanding a minimum of R3 an hour — a demand which they could not realistically hope to achieve.

All firms except Volkswagen, dismissed or threatened to dismiss the strikers if they did not return. Strikers finally went back to work at their old rates of pay.

And Goodyear admits to selective re-employment. According to Mr Mike Selley, Goodyear's public relations manager, "we are re-employing on merit. Those with a poor work record are not being taken back". Union officials, however, believed all strikers should have been employed again. By not doing so, they said, Goodyear added to the high tensions in Uitenhage.

Labour experts said Goodyear and the other firms, which re-employed

rather than reinstated their strikers, are an example of the less enlightened employers. Said one: "They rely on the advantages of South African law, which says if workers withdraw their labour, they are no longer employees. This is a negation of the right to withdraw labour. Elsewhere in the world the contract of employment is regarded as suspended during a strike, not cancelled."

When workers are rehired rather than reinstated after a strike, they usually lose all accumulated benefits. Mr Selley said: "Our workers will not be penalised by withdrawing their pension. But they do stand to lose their bonuses."

It is hard to say whether all strikers who returned to work after their employers' ultimatum would have won large wage increases if they had held out.

Many were unskilled workers from small firms and easily replaceable. In fact, UCM Milling dismissed 250 of its workers soon after they struck and started employing others. And workers from the small firms do not have the power of num-

bers as Volkswagen workers have.

In addition, black workers may have the power to bring a factory to a standstill. But if they cannot sustain a strike, worker power is weakened.

The NUMARW and UAW were unable to support the strikers financially. So the chances of staying out on strike for as long as needed, without having to live with extreme hardships, were slim.

It was this which decided Ford and GM workers against an immediate strike when they met last week and rejected managements' offer of R1,40 an hour. But they did not rule out a strike. They only delayed the possibility for another week, when unions and employers were scheduled to meet on Friday.

However, at the Friday meeting no agreement was reached. Further negotiations are scheduled for this Tuesday. By late Friday afternoon Ford and GM workers had not met to discuss the outcome of the industrial council meeting.

The International Metal Federation (IMF), to which many metal unions throughout the world are affiliated, offered UAW and NUWARW R25 000



# 'economy to its knees'



Striking General Tire workers in PE last year and (left) a Ford worker sure of his labour power.

for the strikers. The unions are affiliated to the South African Federation of Trade Unions (Fosatu), which is the largest umbrella body for unregistered unions. Recently the Government ruled that Fosatu could not receive funds from here or abroad, and the two unions feared reprisals from Pretoria if they accepted the IMF money.

Clamping down on funds from abroad for developing-black unions, while allowing overseas investment in companies in South Africa, is unfair and kills equal negotiation, say labour leaders. Mr Brian Fredericks of NUMARW said: "Because we have no funds we can't bargain from a position of equal strength, and the employers know this"

Volkswagen strikers, however, say they are prepared to stay out on strike, even without money from their unions. Mr Fredericks reckons the political consciousness of the workers has a lot to do

with their stand. And this is clear from recent statements by workers in Port Elizabeth. Said one: "The white man wants to build his own house while he breaks ours down." Said another: "The future of South Africa is with us, not with the white man"

Another trend in labour is the increasing community support for strikers. The community rallied be-

for a rise in the minimum wage rate from R1,15 to R2 an hour unreasonable?

Said Mr Fredericks: "It is far from an unreasonable demand. The workers need a living wage. They are earning just above the Household Subsistence Level (HSL), which only allows them to buy the bare necessities."

bour unrest and wage demands are now threatening to kill the goose that lays the golden egg."

Union officials say it is not in the workers interests to destroy the companies. But, they say, the motor giants refuse to disclose profits, so how do they know if the companies cannot afford to pay R2 an hour

But despite cries from

This is true.

So why were the Volkswagen strikers not prepared to go through a normal negotiating channel? Labour observers put it down to the slow and cumbersome negotiation system in South Africa. Said one: "The unions shows that industrial councils (where employers and unions in an industry gather to thrash out issues such as wages and conditions of employment aren't capable of dealing with black labour problems."

They say problems can be ironed out much quicker than they are being otherwise workers patience will run out

And observers point to the motor giants' paternalism, which irks workers today. Said one: "They want to control the labour force in the industry through paternalism and remove the unions to an industrial council."

So once again the economic, as well as the racial divisions in our society come to the fore.

## 'The future of South Africa is with us. It is not with the white man.'

hind Fattis and Monis workers and the Ford strikers last year. And the community backing for the 800 meat strikers in Cape Town is considerable

But in the Eastern Cape the community would be hard-pressed to financially support at least 3 500 strikers, and over 10 000 if Ford and GM workers join the strike. And a car boycott is unlikely to dent car sales

Is Volkswagen, Ford and GM workers' demand

And a labour observer points out that the European Economic Community employment code recommends minimum wages 50 percent above the HSL. Volkswagen, being a German company, is expected to heed the code. And the Sullivan employment code, to which GM and Ford are signatories, suggests a similar wage level

But Mr Peter Searle, Volkswagen's MD, said in the Financial Mail. "La-

firms that large wage increases are not possible, there are growing signs of black workers becoming less tolerant of poor wages. Just prior to the Uitenhage strikes, 6 000 workers from Frametex in Natal downed tools over low wages. And this week Putco workers struck for a R35 a week increase

Mr Searle points out in the Financial Mail that "Ford, GM and Volkswagen were among the first to recognise black unions"

VW car  
7/17/80  
strike

ARGUS

ends

after

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union

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plea

Argus Reporter

PORT ELIZABETH —  
'Everything is back to normal' That is the relieved message from the troubled Volkswagen factory in Uitenhage, where the black work force returned today after a three-week strike

Work attendance was reported as normal by the two other giant Eastern Cape motor industries, Ford and General Motors in Port Elizabeth. Black workers had threatened to down tools if their wage demands were not met by Friday.

The public relations manager of Volkswagen, Mr Ruben Els, said 'Once we have assessed the final situation we shall work out a system of overtime to catch up with lost production'

'CHANGE'

The minimum wage demand of R2 an hour by motor industry workers has not been met, but union spokesmen ascribed the averting of a crisis today largely to a 'change of attitude' by the managements

This led the unions, the National Union of Motor Assembly and Rubber Workers and the United Automobile, Rubber and Allied Workers' Union, to distribute pamphlets on Friday calling on Volkswagen workers to return and General Motors and Ford workers to 'keep it cool' while negotiations were continuing

# VW strike ends as workers stream back

STAR  
7/7/80

~~192~~  
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By Harvey Thomas, Motor Editor

Industrial unrest in the Eastern Cape petered out today as thousands of Volkswagen assembly line workers streamed back to work.

A VW spokesman in Uitenhage said this morning "We have our full complement. We are delighted and production is now back in full swing"

But the apparent worker calm may be just a lull before a further storm as the management of the big three Eastern Cape motor companies, VW, Ford and General Motors have still not come to an agreement with the unions about a basic hourly minimum wage

On Friday the motor companies reiterated their offer of R1,40 an hour — up from the earlier minimum of R1 an hour although certain companies had been paying more. The unions rejected this offer and decided to continue their negotiations tomorrow.

At the weekend union executives circularised the 3 500 striking VW black and coloured workers asking them to return to their posts today. The General Motors assembly men had decided last week not to strike while negotiations were continuing.

Although Volkswagen's decision to implement the new R1,40 basic wage attracted a few hundred workers back to the plant, the company has lost a full three weeks production and will now have to work full shifts to catch up

The decision by the VW workers to return to the factory today means that the strikes at all 10 companies in the Uitenhage area are now over. A fortnight ago there were over 7 000 people involved.

The other major company in the town to have been involved, Goodyear Tyre and Rubber Company, fired its 1 300 strikers by claiming that they had "dismissed themselves" when they declined to return to work. But Goodyear then rehired the men, and is now back in full production.

CAPE TIMES 8/7/80

# PE wage talks resume today

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PORT ELIZABETH — Parties involved in the motor industry workers dispute in the Eastern Cape braced themselves for today's resumption of the crucial talks that will seek a mutually-satisfactory answer to wage demands

More than 3 000 Volkswagen workers heeded their unions' call and resumed work yesterday

The decision by the National Union of Motor Assembly and Rubber Workers of South Africa (NUMARW) to appeal to workers to return to work brought an end to the 20-day strike that has cost Volkswagen millions of rands

The joint call by the NUMARW and the unregistered United Automobile, Rubber and Allied Workers of South Africa,

which is not party to the talks, came after the adjournment of Friday's Industrial Council meeting which was to have discussed the Volkswagen workers R2-an-hour minimum wage demand

The NUMARW will today meet the Eastern Province Automobile Manufacturers' Association, the employer body, to discuss the rejection of the R1,40 compromise offer made by the employers at the last round of negotiations

The all-white South African Iron and Steel Allied Industries Union and representatives of the Central Black Labour Board will also be present

Thousands of workers at Ford and General Motors, also having rejected the offer, are anxiously awaiting the outcome of the negotiations

# Eastern Cape wage row could end soon

By STEVEN FRIEDMAN  
Labour Reporter

A SETTLEMENT of the wage dispute in the Eastern Cape motor industry, which led to a three-week strike at the Volkswagen plant and the recent strike wave in Uitenhage, appears to be imminent.

At a meeting of the motor assembly industry's industrial council yesterday, employers made a new offer to motor unions representing black and coloured workers which will be taken back to workers later this week.

Part of the new offer is employer agreement to a study of workers' living standards which could have far-reaching effects on wage bargaining for lower-paid black workers.

Although it is understood the trade unions were "reluctant"

to take the new offer back to workers, Port Elizabeth sources said last night the unions were likely to recommend that workers accept it.

Workers are therefore expected to agree to the offer thus averting the threat of a second strike at Volkswagen or new strikes at General Motors and Ford.

A statement issued by the council last night says: "It is hoped that final agreement will have been reached within the next week."

At yesterday's meeting, employers increased their previous offer of a minimum rate of R1,40 an hour.

They also agreed that a survey into workers' living standards in the area be conducted by an independent body acceptable to both sides. This study

would attempt to establish the wage needs of workers and could form the basis for future wage awards.

The study is a response to union demands that employers accept the concept of a "living wage" rather than the various poverty datum line surveys on which many companies base their wages.

The unions believe the poverty datum lines do not enable workers to improve their quality of life because they merely calculate the level at which they can continue to exist.

Although neither side has agreed to be bound by the survey, it could have a significant effect on wage bargaining throughout the country by setting a new standard which the unions believe, employers would have to take note of.

# Most new car prices <sup>RDM 10/7/80</sup> go up <sup>192</sup>

Staff Reporter

SEVERAL new car prices went up at the beginning of this month and all car dealers expect further increases in the near future

"Price increases on new cars are imminent and will probably be between 3% and 5%," Mr S Abelkop, joint managing director of Imperial Motors, Johannesburg, said.

Datsun dealers are expecting a "substantial" increase in new car prices soon

Most representatives of the motor industry feel that the price increases are due to normal escalating costs — a factor in which is the recent increase in the price of steel.

All Alfa Romeo models went up R200 as from the first of this month, except the Giulietta which increased by R50. BMWs in the R9 000 to R16 000 range went up by R300 to R500, an increase of about 3%. The Ford Motor Company in Port Elizabeth also announced a general 3% increase in most of their new cars

Volkswagen prices have not yet increased, but are expected to do so within 30 to 60 days

Car dealers do not expect the new increases to affect sales.

"The economy is quite buoyant at present," Mr A Radford, a Johannesburg car salesman, said "I don't think the recent increases will affect sales"



11/7/80 ARUUS

# PE car workers accept wage offer

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Argus Bureau  
PORT ELIZABETH —  
Ford and General  
Motors workers yester-  
day voted overwhelm-  
ingly in favour of the  
latest employers' wage  
offer, bringing hopes  
of an end to labour  
problems bedeviling  
the Eastern Cape

At two union report  
back meetings the workers  
accepted pay offers that  
bring their basic hourly  
minimum up to R1,45 an  
hour

A scale of service atten-  
dance bonuses of between  
3c and 10c an hour will  
be added to workers'  
wages, depending on  
length of service

The union the National  
Union of Motor Assembly  
and Rubber Workers (Nu-  
marw) still has to test the  
opinion of workers at the  
VW plant before it can  
return to the negotiating  
table to formally accept  
the employers' offer

The latest offer by the  
employer group, Ford,  
General Motors and VW,  
was thrashed out at an  
industrial council meeting  
on Tuesday this week  
after union members in  
all three plants had rejec-  
ted a compromise wage  
offer of R1,40 basic rising  
to R2 over 18 months

New scales offered by  
the management will  
mean that a new worker  
giving full attendance  
during the course of the

week will earn a minimum  
of R1,48 an hour in the  
lowest grade

The minimum for a  
worker in Grade 1 with  
more than 10 years' ser-  
vice will be R1,55

Bonuses for shift work,  
gratuity pay and several  
other benefits have also  
been improved. The agree-  
ment will be for two years  
and the increases im-  
plemented within 10 days

At the same time it was  
disclosed that the em-  
ployers have accepted the  
establishment of an impar-  
tial organisation to carry  
out a study — likely to  
take three to six months  
on the union proposals for  
a 'living wage' based on  
the claim for R2

Union leaders also em-  
phasised that negotiations  
with the companies over  
the introduction of a  
closed shop were proceed-  
ing

At a meeting of the  
General Motors workers at  
the Jarman Hall in  
Schauderville, workers ac-  
cepted the firm's offer,  
subject to certain condi-  
tions — that if shop in-  
creases were introduced  
they would have to be  
applicable to all races

The workers also in-  
structed the union to ac-  
cept the offer only if the  
employers clarified certain  
issues in respect of the  
service and attendance bo-  
nus and to have rates for  
trainees investigated

Mr Freddy Sauls, the  
union's national secretary,  
said he was aware of the

fact that workers were un-  
happy with the offer and  
felt it should be rejected

I am one of those who  
feel that way, he said.  
But workers must accept  
that battles are not won  
in one day

'Let's accept the offer  
but let's see it as the

beginning of a new battle  
for better wages'

Mr Sauls said the union  
had made it clear to the  
companies that it was no  
longer interested in talk-  
ing about poverty level  
wages but wanted a fair  
living wage estimated at  
R463 a month

# Workers accept Ford, GM offer

Own Correspondent

PORT ELIZABETH — The two-month wage dispute in the Port Elizabeth motor industry was all but settled last night when Ford and General Motors workers accepted the employers' second offer.

But the reaction of the 3 500 Volkswagen workers to the new offer is still not known.

Mr Freddie Sauls, national secretary of the National Union of Motor Assembly and Rubber workers, said no arrangements had been made for a report-back meeting for Volkswagen workers because the union could not obtain a venue suitable for all 3 500.

The meeting would establish whether VW workers accepted the wage offer. The workers were receiving 'feedbacks' from their in-plant representatives.

The new "package deal", which was until last night confidential, comprised a R1,45-an-hour minimum wage, a weekly service attendance allowance and other general increases.

The increase will come into operation in the next 10 days.

As part of the deal, an impartial organization is to study the union's proposals for a living wage on which workers based their initial demand for a R2-an-hour minimum.

The organization, to be appointed by the industrial council, should be acceptable to the employers and the worker representatives.

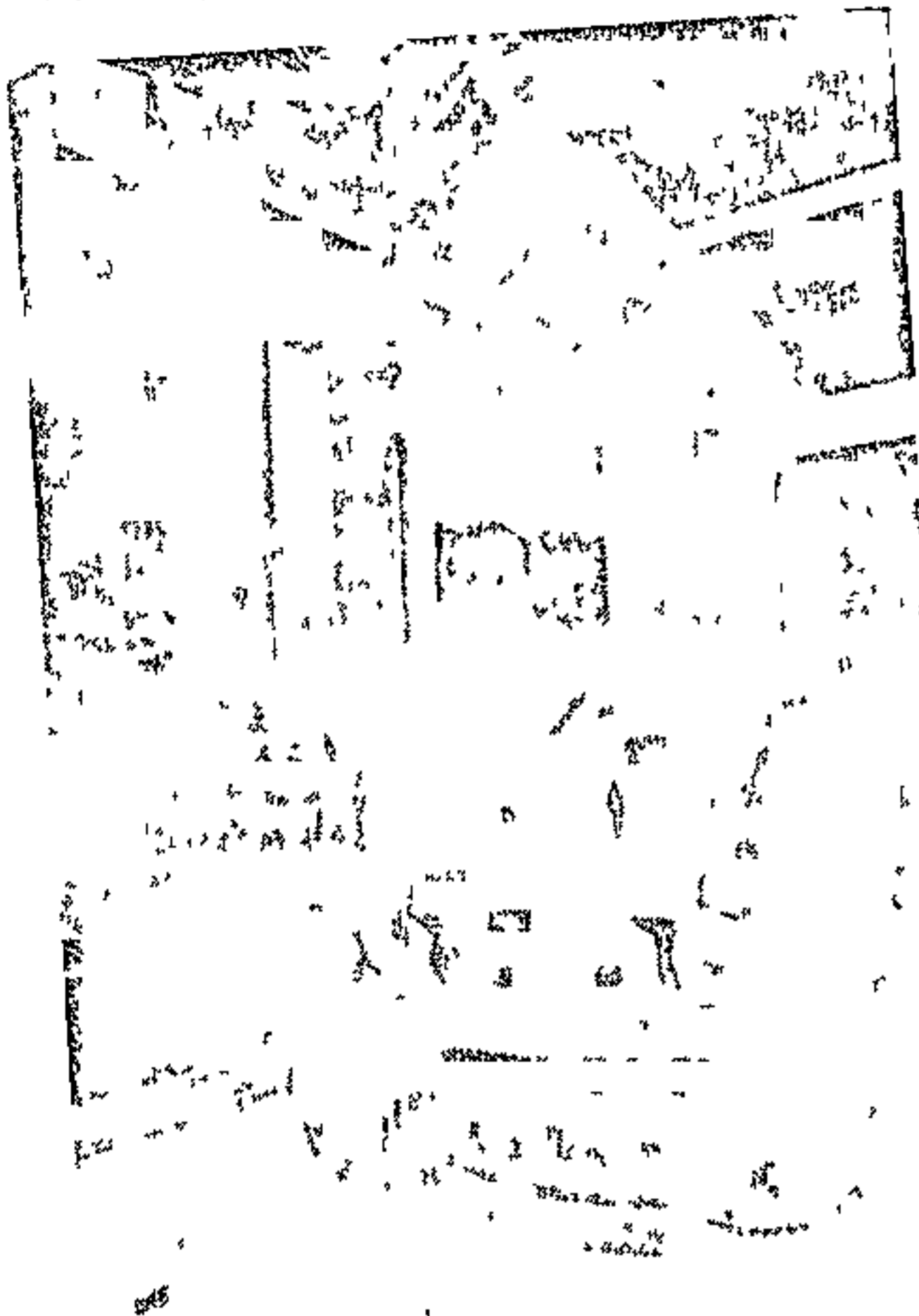
The new offer was made on Tuesday by the Eastern Province Automobile Manufacturers Association, the employer body representing Ford, General Motors and Volkswagen at a meeting of their industrial council.

## TRUCK INDUSTRY

# A spoke in the wheel

192 FIM 11/7/80

The Department of Industries could have a real battle on its hands as truck manufacturers set out to mobilise public support to stop a government-sanctioned monopoly for the manufacture of truck axles and gearboxes (powertrains).  
Study groups in five different truck



Genmin gearbox plant monopoly in the making?

companies are preparing estimates of how this monopoly and the IDC-backed Atlantis Diesel Engines (ADE) monopoly will affect truck costs. From this they will calculate the effect of the resulting higher truck prices on building costs and the costs of staple foods such as bread and milk.

The figures may be released to the press within a few weeks — before the industry again meets Industries and Commerce Minister Schalk van der Merwe to argue against his proposed scheme.

Truck men are in broad agreement that the ADE engine project will add about 30% to the cost of most trucks and that the proposed powertrain manufacturing scheme by General Mining (Genmin) will add another 20%, making the total increase about 50%.

They believe that some of the cheaper Japanese trucks could go up by as much as 70%. This could boost construction and civil engineering costs where contractors use fleets of tip trucks which are bought for a contract and written off on its completion.

If these rough estimates are correct the purchase of heavy trucks will cost the country an extra R225m a year — given a market of 18 000 units costing an average of R5 000 each.

Temperatures are running high as interested parties trade accusations and criticisms. Bill Crill MD of Eaton International which is in danger of being pushed out of the SA powertrain market by the Genmin scheme says that Genmin's R60m investment is an overcapitalisation. And an Eaton spokesman says his company has just put up a similar plant in the UK for only R33m, and it has more than double the capacity of the Genmin plants.

I wish God we had their capacity in our plants, says Genmin's George Clark who clearly takes this claim with a pinch of salt. He adds that Genmin will be making a wide range of powertrains, unlike many specialised factories abroad and hints that a superior quality product demands greater capital investment.

Genmin is also sceptical of Crill's claims that he will go into local operations next week with a full range of gearboxes and axles.

One staffer, who has inside information, says: 'Before he can start he has to get approval from the Reserve Bank, the Department of Planning and Industries, and he has to get import permits. I cannot see this happening as government has already told us that we will be manufacturing for the entire market.'

Market shares presently held by the ZF gearboxes to be made by Genmin and Eaton's Fuller gearboxes are also in dispute. Crill claims a 42% share while Genmin puts the Eaton figure at a bit more than a third of this.

Truck manufacturers still insist that establishing local monopolies is not the best way to develop a self-sufficiency in truck manufacture. Toyota's marketing director Bert Wessels says that manufacturers should be allowed to choose whatever components they consider best for their vehicles — and that the local capability in powertrain manufacture be supported by a subsidy of R20m a year, to be raised by imposing a levy of R1 111 on each heavy truck sold. This would be cheaper to the industry than government's proposed scheme which places a premium of R5 000 on each vehicle and it would maintain the benefits of free competition.

Genmin officials are not impressed with the idea. Says one: 'A subsidy is a no-go because it will encourage too many models. We are the laughing stock of the world because we market so many differ-

ent models in such a small market. What we need is standardisation.

So far truck men have gained one small concession from Genmin: it has agreed not to produce axles for vehicles of less than 12.5t. This means that although at least 15 000 trucks a year will have its gearboxes, only about 5 000 will have its axles.

But this situation cannot last as Genmin must be itching to produce at full capacity. Says an official: 'Even if we produce to full capacity, this investment is not as attractive as an investment in gold.'

## MOTOR SPARES

### Smelling as sweet?

In recent months at least three motor companies have had to sell their goods in competition with cheap 'facsimile' parts imported from Taiwan

Latest victim is motor-light manufacturer Hella. Says Hella MD Fred Polacsek "In the recent past certain fog and driving lights of Taiwanese origin were distributed in the SA market. While these goods and their packaging had our trade-marks printed on them, they were of such poor quality as to bear no resemblance to genuine Hella products."

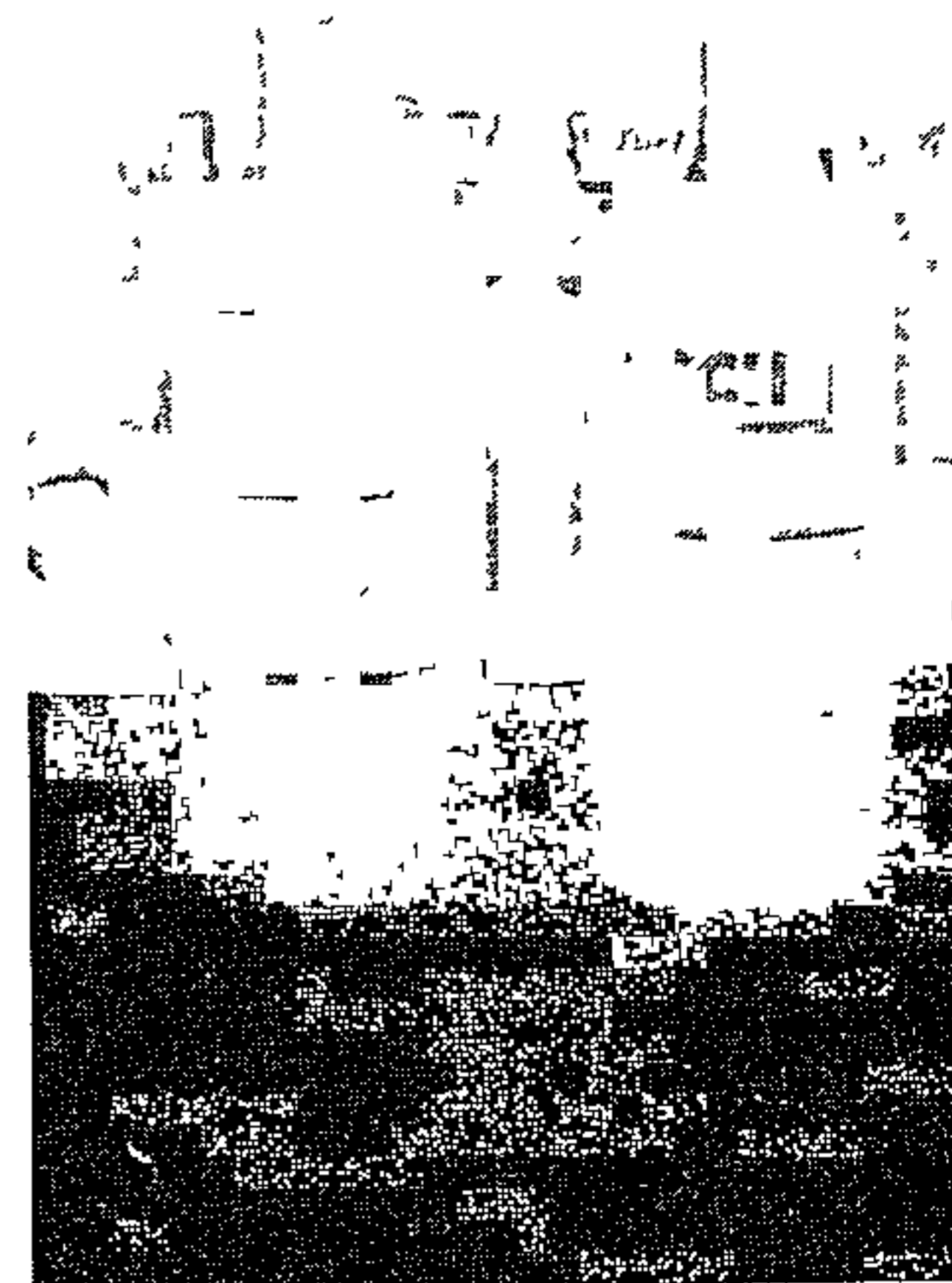
Through its patent attorneys, Hella has had the offending goods removed from the trade and intends to pressure the importer to publish an apology in the national press. Other local companies claiming to be

nt in the same way are Ford and Diesel Electric, distributors of Bosch products. Ford had to contend with a flood of rear light lenses packaged and trade-marked as Ford and selling at well below Ford's recommended price. The quality of some was allegedly so bad that they could not be fitted to the vehicles for which they were intended.

The imitation Bosch coils were, however, superficially identical to the real thing. Says Diesel Electric's Manfred Bleyenheuft "Even reputable retailers like Pick n Pay Hypermarkets were fooled by the fakes, but when we told them the true situation they immediately withdrew them."

Diesel Electric is now considering legal action against a Durban garage for importing facsimile Bosch coils, and two Johannesburg spares dealers for importing facsimile Bosch electrical points.

A spokesman for the Republic of China (Taiwan) embassy says that the export licence of the manufacturer of the Bosch facsimiles has been suspended. He adds "We want trade between our two countries to grow and we will do everything possible to protect foreign trade marks. But we have a free enterprise economy and companies are free to make what they wish. If a foreign company registers its trade mark in Taiwan, no company is allowed to export a product bearing this



Real and fake components which twin gets the chop suey?

trade mark. And if it comes to our notice that a company is exporting a trade-marked product to a country where that trade mark is protected, we will penalise the company by suspension of its export licence."

The offended parties are not impressed

by these assurances.

"I do not know what effect these measures have, because in the last few weeks Taiwanese reps were visiting the local trade and offering them components bearing whatever trademarks in whatever packaging the customer requires," says Polacsek.

"They were offering to make small modifications to items in their catalogues including changes to brand names and manufacturers' logos."

Bleyenheuft says "We informed the Taiwanese authorities that they were infringing our trade marks in Europe more than two years ago. It's been going on ever since even though they keep on saying that they are doing something about it."

Diesel Electric is now trying to persuade the Department of Customs and Excise to tighten up inspections of consignments coming in from the Far East.

Ronald Norwitz, MD of spares distributor Associated Diesel Company says "We buy a lot of good quality spares from the Far East which are sold under the names of their manufacturers or under our own name. But we were once horrified by a company which sent us a sample of its fuel injector in a box bearing the trade mark of a well-known make. We have also been approached by Taiwanese companies with offers to supply parts bearing any logo we specify. Naturally we have refused."

Most damning of all is a letter sent to Johannesburg spares importer M Laschin on August 22, 1979 by Ricomaster Enterprises Corporation of Taipei. Laschin passed this letter to Diesel Electric. It says in part "If there are any new article (sic) you are dealing in please let us know and we'll be delighted to estimate or copy it for you."

It also gives prices of "Fiamm" horns (an Italian brand) and "Bosch" horns, "each in printed box (sic)."

# Better and better for car sales

By SIMON WILLSON  
Industrial Reporter

THE CAR sales juggernaut tumbled on last month to 22 717 — a 2% increase of 453 over the May sales total and a 23% jump over sales in June last year.

The figures represent a continuing upward — although marginally shallower — trend in the 12-month curve, in which May sales increased by 39% over May 1979.

The sales figures, released in Port Elizabeth yesterday by the National Association of Automobile Manufacturers of South Africa (Naamsa), reflect strong underpinning of the vehicle demand surge which began at the end of last year.

Sigma was the top-selling manufacturer last month with 4 641 units, followed by Volkswagen with 4 615 and Ford with 3 760.

Datsun took over fourth place from General Motors with 2 558, and GM was fifth with 2 401.

Sales over the first six months of 1980, at 127 051, were 22 916 (22%) more than the same period last year, and a total of 250 000 sales for 1980 is still a strong likelihood.

The VW Golf was the most popular model, selling 3 093. Sigma's Mazda 323 was second, with 2 549 and the Ford Cortina third with 1 994.

Commercial vehicle sales were up to 10 245 last month from May's total of 10 000. A total of 7 847 commercials were sold in June last year.

Datsun kept its top spot in the commercial list last month with 3 249, beating its record set in May.

Second was Toyota with 2 619 and General Motors was third with 1 356.

Total commercial vehicle sales in the first two quarters

of 1980 were 59 446 compared with 49 523 in the same period last year.

The production hiccups caused by the labour problems in Uitenhage over the last month have not yet worked through to the showrooms. All workers are now back at their assembly lines.

Ford and General Motors workers have accepted management offers, and Volkswagen's labour force is to have the company's latest offer put to it as soon as a mass meeting can be arranged. They are expected to accept.

VW is said to have lost about three weeks' production, and the interruption is sure to be reflected in a stock shortage before the year is out.

The labour problems will compound the existing supply bottleneck caused by the unexpected demand surge at the beginning of the year, which has left manufacturers — who have long and unpredictable lead times — short of components, skilled workers and assembly line capacity.

Still to hit the retail end of the motor industry is the extra disposable income handed out to consumers by this year's tax cuts. It all points to a scramble for cars later this year.

# Police<sup>C.T.</sup> arrest<sup>12/7/80</sup> striking<sup>192</sup> Border<sup>199</sup> Workers<sup>167</sup>

PRETORIA — Police arrested 128 people after about 200 workers at a Border factory went on strike yesterday and tried to intimidate others into joining them according to the Police Public Relations Directorate

The Cape Times correspondent reported from East London that a total of 125 men and a 17-year-old youth appeared briefly in a special Magistrate's Court at Cambridge police station yesterday on charges under the Riotous Assemblies Act

The men and the youth, who were arrested near a factory on the west bank, appeared before Mr N R Oosthuizen

They were charged with attending a gathering of more than 10 people which has been prohibited in terms of a government notice of June 27. No evidence was led. They were not asked to plead and were remanded until Wednesday

All the men are believed to be employees of National Converter Industries who were refused entry to the company's premises this week following a dispute over the operation of a trade union committee

## Queenstown

A situation report issued in Pretoria yesterday by the directorate on the unrest in the country said that about 80 pupils at a school in Queenstown set alight school desks dragged from their classrooms. Police arrested 25 youths

No serious incidents were reported in the Northern Transvaal, but police were investigating the theft of keys from five schools in Atteridgeville

At Mamelodi, near Pretoria, a nightwatchman was overpowered and the keys to a school building were taken from him

The directorate said that in the incidents in which the police were involved, only batons were used and in some cases dogs and tearsmoke

## Ordered

The principal of the Holmeyr High School in Atteridgeville, Mr Joseph Kekana, has been ordered to stay away from the school for his own safety

The regional director for the Department of Education and Training in the Northern Transvaal, Mr P G H Fealstead, confirmed yesterday that Mr Kekana had been asked by the school committee to stay away temporarily. He said demands by pupils that Mr Kekana should be removed from office would not be met

After being told on Thursday that the committee had no power to remove the principal, pupils stormed his office and tried to forcibly remove him from the premises. A member of the committee whisked Mr Kekana away by car

The boycott at the school yesterday entered its fifth day. Schools in the Eastern Cape were quiet yesterday after police dispersed riotous schoolchildren on Thursday and arrested 27 of them

## Teargas used

No pupils turned up yesterday at the Nathaniel Nyaluza High School in Fingo Village near Grahamstown, where police used batons and teargas to break up a gathering

About 500 youths were dispersed at a school in Kwazakele after they had rioted

About 300 youths gathered inside a school hall at Port Alfred and barricaded the doors from the inside with benches. Police forced open the doors after consultation with the school authorities and chased the youths out of the hall

The assistant divisional head of CID in the Eastern Cape, Colonel H J Weyers, said a post-mortem would be held on Monday on the body of Mrs Violet Psile 56, who was shot dead on Thursday during the baton and teargas charge on pupils

Her body had two bullet wounds in the chest and was found in the backyard of a house in the vicinity

Community leaders in Kwamashu met yesterday afternoon to devise ways of breaking the 10-week-old school boycott in the township

The circuit inspector of the Kwazulu Department of Education and Culture, Mr L A Msomi, said yesterday that principals were making arrangements to discuss the situation with the pupils next week. He said no press statement would be issued until Tuesday next week

Thousands of black high school pupils were expected to return to school last Monday, the first day of the third school term. However the boycott continued in a number of high schools in the township

Eight Putco buses were stoned on Wednesday and two on Thursday, according to a spokesman for the company

The Divisional Inspector of Police in the Port Natal Police Division, Brigadier H Mouton said the area was quiet yesterday — Sapa

14/7/80  
**Motor**  
ARMS  
**industry**  
**pay deal**

Argus Bureau

PORT ELIZABETH. —  
Employers and unions in  
the Eastern Cape motor  
industry today reached  
agreement over a com-  
prehensive pay package  
deal.

Volkswagen workers in-  
dicated through their  
shop stewards they would  
accept the latest offer,  
which was made last  
week, bringing them into  
line with union branches  
at Ford and General Mo-  
tors in Port Elizabeth.

The deal provides for a  
R1,45 minimum hourly  
wage in the lowest grade  
— 30 cents above the  
present minimum.

And it allows for an  
escalation of the minimum  
over 18 months to R2 an  
hour in January 1982.

The breakthrough in  
the negotiations came last  
week when Ford, General  
Motors and Volkswagen  
conceded an extra 5 cents  
an hour on the minimum  
rate and introduced a ser-  
vice attendance bonus.

● See Page 4.

FM 11/11/82

WAGE DISPUTES 2  
**End in sight**

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The Eastern Province motor industry wage dispute seems to be drawing to an end

Parties to the wage negotiation, now entering its fourth week, made small but significant concessions in Tuesday's Motor Industry Industrial Council meeting

But the final outcome still depends on whether workers at Volkswagen, General Motors and Ford accept management's offer when union officials report back to them early next week

This week employers made two offers — a new minimum wage offer (the figure will remain undisclosed until the report back meeting next week) and an agreement that a study to re-assess workers' living standards would be undertaken

Union spokesmen are taking the new concessions back to the workers "with reservations" The wage offer does not approach the R2 an hour demand although it is an improvement on management's original R1,40 an hour offer

Judging from the militant approach workers adopted three weeks ago it's unlikely they will accept the new wage offer although the unions will recommend they do so Says a union spokesman "Obviously we will not go against the feeling of the workers but we have no funds to support strikers and will recommend they accept the offer"

Union officials are encouraged by the survey undertaking which could have far-reaching effects on wage negotiations for unskilled and semi-skilled workers throughout SA

The survey will be conducted by an independent body acceptable to both sides Although no details of the study are yet available, it is a commitment to move away from the hypothetical household subsistence level (hsl) figures to a more realistic assessment of workers' living standards

The Eastern Province minimum wages are established according to hsl figures established by the University of Port Elizabeth They have been severely criticised as an inadequate means of establishing decent living wages

"The hsl does not provide workers the opportunity of improving their living standards We want to establish the concept of a living wage and if we can knock the hsl it will serve this purpose for all workers," says Brian Fredericks, national organiser of the National Federation of Trade Unions

Adds Fred Ferreira, Ford's Industrial Relations manager "A new structure is definitely needed to assess living standards"

Although no employers will be bound by the survey's findings they will be forced to take them into account



By STEVEN FRIEDMAN  
Labour Reporter

THE two-month-old wage dispute in the Eastern Cape motor industry has been settled

At an industrial council meeting yesterday morning, unionists representing black and coloured workers agreed to accept a management wage offer which will raise minimum wages in the industry to R1,45 an hour

Service bonuses ranging from 3c to 10c an hour are also included in the agreement, effectively raising minimum wages to R1,48 an hour

The previous minimum was R1,15 an hour

The new agreement also contains automatic pay increases over the next 18 months which will bring the minimum to R2 an hour by January 1982

Employer sources have described the increases under the new agreement as 'huge'

However, unionists argue that the settlement does not yet meet worker needs

An independent survey of workers' living needs — in an attempt to draw up a standard for a "living wage" in the Eastern Cape — will also be undertaken in terms of the new agreement

Worker demands for a R2 an hour minimum sparked a strike at Volkswagen which lasted three weeks and spread to other Uitenhage plants. At the height of the strike wave, an estimated 70% of Uitenhage's black and coloured workforce was out on strike

The R1,48 minimum falls significantly short of the R2 demand. But it falls only slightly short of the amount which the two unions — the (coloured) National Union of Motor Assembly and Rubber Workers and the (black) United Automobile and Rubber Workers — regarded as the absolute minimum that could secure a settlement

However, the two unions were prompted to recommend that their members accept the increase, because they believed the independent survey would prompt significant improvements in the industry's wage structure

Last week, the employer offer was put to meetings of

Wage deal ends  
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workers at Ford and General Motors who accepted it

Attempts to put the proposal to Volkswagen workers were frustrated, however, by the Government's ban on meetings of more than 10 people and by the lack of a venue large enough to accommodate VW's 3 500 workers

The unions agreed to ratify the employer proposal without putting it to a mass meeting of VW workers. However, the unions had apparently tested VW worker opinion by putting the proposal to small groups

These soundings apparently indicated the workers were prepared to accept the offer, and the unions agreed to ratify it

And in Geneva yesterday, the International Metalworkers' Federation (IMF) hailed the wage agreement as a major breakthrough

The IMF general secretary, Mr Herman Rebhan, said "It is also important that all the strikers have been re-engaged without victimisation. I hope this agreement plays a pioneer role for future negotiations for black unions", UPI reports

Mr Rebhan said international solidarity played an important part in obtaining the increases

# Ford engineers geared-up to fit Atlantis diesel engines

CAME TIME 11/7/80

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**TRUCK engineers at Ford are now well into the advanced stage of their programme to adopt locally manufactured Atlantis diesel engines in all the company heavy truck lines.**

Mr Derek Morris, Ford's director of product development, said that soon after the Atlantis engine programme was announced, the company assembled a team of experienced truck designers, engineers and technicians at its new truck engineering facility in Port Elizabeth, to undertake the necessary engineering programme

Pointing out that the

selection of engines from the range available from ADE, had been finalized and with installation engineering now virtually completed, he added that particular attention had been given to the selection of engines to match trucks and to ensure compatible transmission and driveline systems, thus obtaining optimum vehicle performance

"The next phase of our programme will be installation prove-out and durability testing. We have already completed several prototype conversions which have been reviewed with engineers from ADE and we are now ready to commence our prove-out testing

"The changes required to our trucks to accept the

new engines and problems associated with installing these engines have been numerous but in all cases we have been able to find a solution," he said

Referring to the continued availability of Ford parts and service back-up for operators of Ford trucks powered by Ford and Cummins engines after the introduction of the ADE engines, Mr Morris said that it was Ford's established policy to support its customers' needs for as long as necessary

# The Motors From Atlantis

CAPE TIMES

15/7/80

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**THE MASSIVE Atlantis Diesel Engine project, now visibly growing from day to day with more than 800 men onsite, represents the realization of far-reaching and ambitious goals in the face of several tough hurdles.**

Perhaps the most significant achievement — a first internationally for the R260m project — will be the fusing, in one operation of the world's two largest diesel engine manufacturers, Daimler Benz and Perkins.

The physical challenges and problems presented by completion deadlines may be daunting but they fall into insignificance when compared with the logistics and training targets that must be achieved.

By the time ADE reaches full production in 1983, the daily plant throughput of material including components and spares, will be more than 10m. Parts turnover will have reached staggering proportions in order to fill the shelves of dealers throughout the country.

Skilled and highly trained people are going to be needed and ADE alone will employ and train 1500 persons with the component industry that ADE will create absorbing a further 2500.

On the marketing and engineering front, ADE's goal will be to match engine production with market demand. Re-engineering will be undertaken where necessary to achieve compatibility.

The restraints of tough deadlines pose a stumbling block but there is confidence at ADE that the right team has been assembled to ensure the scheme's success and through it the achievement for South Africa of some major benefits.

These include:

\* A reduction from the present variety of more than 200 different diesel engines to 11 models from only five basic blocks, giving rise to better service, lower spares cost through higher turnover and better availability, reduced costs of service training and improved standards of maintenance.

\* The creation of some 4000 job opportunities within ADE and the component industry.

\* Foreign exchange savings for SA amounting, in 1985, to R260m.

The project was launched at the end of 1978 by the Industrial Development Corporation which has underwritten it to a maximum of R260m. R100m has been financed by way of decentralization with the balance provided by the Bankorp consortium as lease finance.

In order to ensure its viability, the Minister of Industry and Commerce and Consumer Affairs, Mr S van der Merwe, has issued recommendations in regard to measures which will protect ADE against outside competition. These become effective after October 1, 1981 by which time most new trucks, buses and tractors will be fitted with an ADE engine.

# 'Workers have to benefit'

Post 16/11/80

**TWO black Trade Unions in the motor industry in the Eastern Cape say workers have to benefit from the boom in the economy and earn a living wage.**

The National Union of Motor Assembly and Rubber Workers of South Africa and the United Automobile and Rubber Workers yesterday said the three motor companies in the area had accepted the concept of a living wage for workers "rather than the subsistence wage levels usually quoted by employers in negotiations in other industries."

The unions and the management of Ford, Volkswagen, and General Motors are now discussing the appointment of an independent commission "to investigate what constitutes a living wage"

On Monday the Industrial Council accepted a minimum wage of R1,45 an hour which will rise to R2 an hour by January 1982.

Workers in the industry had struck demanding a minimum of R2 an hour.

In a statement yesterday the two unions, which are affiliated to the Federation of South African Trade Unions (Fosatu), said in the negotiations they tried to break away from subsistence wages which "allow their families to subsist and not live decently."

"For instance, the household effective level for a family of six is at present R171 a month, but this is a bare minimum for survival.

"The unions were therefore demanding a minimum wage of R2 an hour or R368 a month, which would have brought them nearer to a wage which allow them to live decently.

"The budget for a living wage including rent, basic foods, clothes, transport, furniture, insurance, savings, electricity and education, total R463 a month."

# Seifsa sees boost in orders for cars

By SIMON WILSON  
Industrial Reporter

MORE orders for car parts are the biggest influence in increasing activity in the metal and engineering businesses, says Seifsa

The Steel and Engineering Industries Federation of South Africa's monthly bulletin, reviewing conditions in May, says improved order intake from the car component industry reflecting soaring car sales, is a key factor behind the higher levels of activity being reported in the metal and engineering industries

Two other important sources of industrial orders are building industry suppliers and electric cable manufacturers

Continuing expansion in the mining industry has meant increases in plant use in the basic iron and steel industries and

a further upturn in the construction industry

There were improved output levels in May in the general engineering sector and greater take-up of spare capacity in heavy engineering, which enhances prospects of an increase in workload during the second half of the year, the report says

"In contrast, the structural steel and reinforcing steelwork sectors are not as yet fully benefiting from the upswing in the local economy. In these sectors market conditions continue highly competitive and the volume of short term inquiries remains unsatisfactory

Shortages in certain categories of skilled and semi-skilled labour were beginning to restrain production performance and delivery periods in May

But the report sees a partial solution to the inquiry shortage in the higher rate of increase in real private consumption expenditure during the third and fourth quarters

An increased tempo in the general upgrading of black

townships and some further pick-up in investment activity in the mining and energy-related sectors are also expected to boost orders

The heavy electrical equipment sector, which has been operating well below capacity for a considerable period, now reports an improvement in capacity utilisation with an expected build-up in demand in the medium to long term from mining and general industrial developments, new construction programmes and public sector infrastructural projects, the report says

Seifsa expects a steady appreciation of the rand against the dollar to impact adversely on flat and structural steel export levels. The gathering Western recession is also expected to cut export demand for South African ferrochrome as inventory levels are trimmed in the second half of the year

Rising world oil prices are expected to make certain plastic raw materials more expensive later this year, a factor which is holding back orders from manufacturers

RDM 16/7/80

# 'Living wage' is hailed by Cape unions

RDM 16/7/80.

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By STEVEN FRIEDMAN  
Labour Reporter

EASTERN Cape motor unions yesterday hailed as a "major breakthrough" an agreement in which employers have approved an attempt to calculate a "living wage" for workers in the area.

The unions, the National Union of Motor Assembly and Rubber Workers and the United Auto and Rubber Workers' Union, also released calculations in which they estimate a family of six in the Eastern Cape needs R463 a month to "live a decent life".

Part of the agreement between employers and unions, which ended the two-month-old wage dispute in the Eastern Cape, is a proposal for a survey of workers' living needs which will try to go beyond the various poverty datum lines used by many employers.

The survey is expected to have far-reaching effects on

wage bargaining for lower paid workers.

The Johannesburg Chamber of Commerce's poverty datum line, released this week, sets the minimum needs of a family of five at R213,41.

Nuphar's general secretary, Mr Fred Sauls, said yesterday that attempts to find a body acceptable to both sides to conduct the survey were continuing and a decision should be reached soon.

In a statement released yesterday the unions said the employers — Ford, General Motors and Volkswagen — "have agreed to accept the concept of a living wage rather than the subsistence wage levels usually quoted in negotiations in most industries".

The statement says the poverty datum lines calculate a wage "which only allows workers to exist". One such calculation, the Household Effective Level, stood at R171 a month — "not a wage which allows the

worker and his family to live as human beings".

It said the recent wage dispute in the Eastern Cape had occurred because workers "wished to break away from survival wages".

The worker demand for R2 an hour, or R368 a month, would have "brought them nearer a wage which they consider appropriate for a decent life".

According to the statement, the unions drew up a budget "of the minimum expenses necessary for an acceptable basic living standard".

This estimate totals R463, but the unions had "drastically cut and compromised on expenses in order to present a claim which the industry could reasonably meet". This had led to the R2 an hour claim.

This would still mean, according to the statement, that "workers would have to scrimp and deny themselves and their children some things".

# VW pay increase 'major triumph'

CAPE TIMES 15/7/80

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Own Correspondent

LONDON — The achievement of two black unions in winning wage increases of up to 40 percent for their members employed by Volkswagen South Africa has been called "a major triumph and breakthrough for disciplined trade union industrial action and skilful negotiation"

The general secretary of the International Metalworkers Federation, Mr Herman Rebhan, was commenting after hearing a report from an IMF representative who returned here on Sunday after spending two weeks in South Africa

The IMF assistant general secretary, Mr Karl Casserin, went Port Elizabeth to advise the 3 500 members of the National Union of Motor Assembly and Rubber Workers and the United Automobile Workers of South Africa who had struck in support of better pay on June 16

"This three-week-long strike has brought important benefits, thanks to the discipline and steadfastness of the strikers and the way the union leaders handled both the strike and the negotiations," Mr Rebhan said

"It is also important that all the strikers have been re-engaged without victimisation. I hope that this agreement plays a pioneer role for future negotiations for black unions." He emphasized that the role of international solidarity was crucial

"The pressure our affiliates applied, not just in Germany on Volkswagen, but in letting the South African unions know that they had support outside of the country, was important. We shall maintain that international solidarity, no matter the obstacles put in our way by the South African Government."

# Black car workers flex their muscles

TO the bewilderment of South African employers, black workers are rapidly discovering the strength of their bargaining power.

A wave of illegal strikes over the past weeks in the Eastern Cape town of Uitenhage, 20 miles from Port Elizabeth, has ended.

It appears that the area's three largest employers, Ford, General Motors and Volkswagen, have already come close to accepting workers' demands for a 70 percent increase in minimum wage rates.

The motor industry's new minimum is bound to have a ripple effect on wages at other Eastern Cape companies.

More important, the psychological impact of the motor workers' impending success on workers in other parts of the country is likely to be enormous.

South African employers, and especially the local subsidiaries of multinational companies, will probably be confronted in coming months by increasingly frequent and well-organised industrial action, aimed at raising black living standards and ending race discrimination on the shopfloor.

Johannesburg's black bus transport was paralysed for two days recently by a wild-cat strike by drivers demanding higher pay.

The Eastern Cape strikes at their peak involved 8 000 workers in a dozen companies.

But the workers' main target has been the local subsidiary of Volkswagen, whose wage agreements apply also to Ford and General Motors.

In a remarkable display of solidarity, 3 500 black and coloured production workers at Volkswagen have for three weeks re-

**THE development of black labour power in South Africa's car industry is examined by the London Financial Times' Bernard Simon in Port Elizabeth. Established trade unions which claim to have no political ambitions are being outflanked by more radical groups. As their example is followed elsewhere in the country the impact is likely to be enormous**

sisted management's efforts to cajole them back to work.

The Volkswagen strike, unlike those at the other factories, had been expected for several weeks.

Although Volkswagen is regarded as an above-average employer, an organiser of the United Auto and Rubber Workers' Union, whose members make up 57 percent of Volkswagen's black workforce, said: "Management paid little attention when we passed workers' grievances to them."

An industry spokesman in Port Elizabeth agreed: "Volkswagen selected itself as a target. Dissatisfaction was growing."

The workers began by demanding a minimum wage of R2 an hour, compared with the then minimum of R1.15.

## STRIKE

After the strike started, the company offered (and implemented a R1.40 minimum, at the same time opening the factory to strikers who wished to return to work. Only 400 responded.

Volkswagen was keen to settle the dispute quickly. It has no cars to sell at a time when the South African car market is booming, and was estimated to be losing R7m in sales each week.

The company pushed up its offer at the following week's meeting of the Industrial Council, the industry's wage negotiation body. The new offer comprising attendance bonuses and other fringe benefits comes close to the unions' R2 minimum demand.

The workers had received no strike pay since a Government decree cut their union off from overseas funds last month. They decided to return to work while negotiations continued.

Workers at other factories were as well-organised as those at Volkswagen. At Goodyear Tyre (next to the Volkswagen plant), 1 300 employees walked off the job in support of a R3 an hour minimum wage demand, which even unionists described as "ridiculous." The workers were dismissed, but 1 000 have been re-hired and production is now back to almost pre-strike levels.

Even at Goodyear, however, management has

agreed to review piece-work incentives, allow pay deductions for a black union, and sponsor new education programmes.

The Volkswagen strike was not politically motivated in the sense that the prolonged stoppage at Ford was eight months ago. The Ford walkout was sparked by a management ultimatum to a black civic leader either to curb his political activities or face dismissal.

Wages were the immediate issue at Volkswagen. None the less, the strike had wider significance. Blacks are rapidly realising that industrial action is one of the very few channels open to them for expressing political frustrations.

"They're taking on the system," said an industrial relations expert. Spokesman put it even more succinctly. "Labour power is political power."

The political significance of labour power has meant that established unions in the Eastern Cape, which claims to have no political ambitions, are being outmanoeuvred by more radical groups with essentially political aims.

The motor industry unions (the United Auto and Rubber Workers Union for blacks and the National Union of Motor Assembly and Rubber Workers for coloureds, which, in practice, functions as one body) were completely by-passed during the Ford dispute.

Instead workers' grievances were aired through the Port Elizabeth Black Civic Organisation, whose leaders have since been served with government banning orders.

The organisation's leadership is now more conservative, but its members are still in control at Ford's Cortina plant. The plant's action committee is currently attempting to unseat an official of the black car workers' union.

Black activists took a lower profile in the Volkswagen dispute, but there is little doubt that they, not the unions, were calling most of the shots.

The union's limited influence over Volkswagen workers was illustrated by two appeals by its general secretary during the first few days of the strike, urging them not to take part in an illegal dispute

When Goodyear's management asked strikers to elect seven spokesmen, not one nominee was a union man.

The unions have not been completely powerless at Volkswagen as they were at Ford, partly because black activists have kept a lower profile, and have thus found it useful to work through the unions.

A large proportion of Volkswagen's black workers are members both of their car workers' union and of the Uitenhage Black Civic Organisation. The unions will thus be able to emerge from the dispute with some credibility.

The disputes have taught black activists and unionists that the chances of industrial action succeeding are far higher at foreign-controlled companies than locally owned ones.

SKF, the Swedish-owned ball-bearing manufacturer which was one of the smaller Uitenhage companies hit by strikes last month, was apparently instructed by its parent company not to dismiss strikers.

And although local Volkswagen management insisted it was given a free hand in dealing with the strike, others suspect that German trade union pressure has been an important factor in the company's conciliatory stance, particularly the decision so far not to dismiss strikers. A German trade union official flew to Port Elizabeth to help mediate in the dispute.

South African companies, by contrast, are not as vulnerable to foreign pressure.

The Volkswagen strike has thrown into doubt the yardsticks by which black wages in South Africa have been measured in recent years, namely the regular studies by the University of Port Elizabeth and South Africa to determine poverty levels in different parts of the country.

The Eastern Cape motor industry has paid wages well above these studies' estimated poverty level. But the unions have questioned the validity of the university estimates, which are based on imputed subsistence requirements rather than a family's actual spending patterns.

The University of Port Elizabeth's most recent "household subsistence level" for blacks and coloureds in the Eastern Cape is around R169 a month.

But the union's own survey of 50 families showed that a "decent life without any luxuries" required a minimum monthly income of R368, the income on which its R2-an-hour demand was based.

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### Mistake over shift pay

Sir — In your article "Motor industry out of gear" (FM July 4), you make the following statement "Minimum wages on the Reef range from 90c to R1 a shift while the present minimum under negotiation in Port Elizabeth is R1,40

Surely this must read per hour and not per shift, and I wonder if you could clarify this publicly? Considering the international distribution of your paper, the implications of such an error could have far reaching effects and will only further damage SA's image wherever your paper is read

W Reith, managing director Industrial & Commercial Cafeterias SA (Pty) Ltd

The reader is quite correct The sentence should have referred to a "Reef

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range from 90c to R1 an hour" and not used the word shift This regrettable error was not in the original copy but unfortunately was not spotted after it found its way in — Editor

10/7/80 192  
**Lovelier the second time around**

Runaway demand has caught the motor industry with its pants down this year. In the first half of the year (see Business section), sales of motor vehicles rose 22%. By the end of the year, a record 370 000

vehicles — 250 000 cars and 120 000 commercials — are likely to have been sold, an increase of 18% on last year. And were it not for supply problems (of both local and foreign-sourced components), that fig-

ure could well be 20 000 higher. There are two constraints, says George Simpson, vehicle sales and marketing director of Ford. "The capacity of our suppliers is limited, and there's a short-

Financial Mail July 18 1980.

age of skilled labour. Even during recessions we have difficulty finding skilled labour — now it's worse."

Those sales will not be lost forever. Most probably, they will simply be postponed into the early part of next year and help to hold up 1981's figures. What is more important however, is what happens beyond that.

The last boom in vehicle sales was in 1973, and that was followed by six lean years of decline. This time, thanks to considerably more sensible fiscal management by the government, the economy is unlikely to experience the monumental hangover it went through in the second half of the Seventies. Indeed, some observers are even talking of a decade of sustained growth reminiscent of the halcyon days of the Sixties.

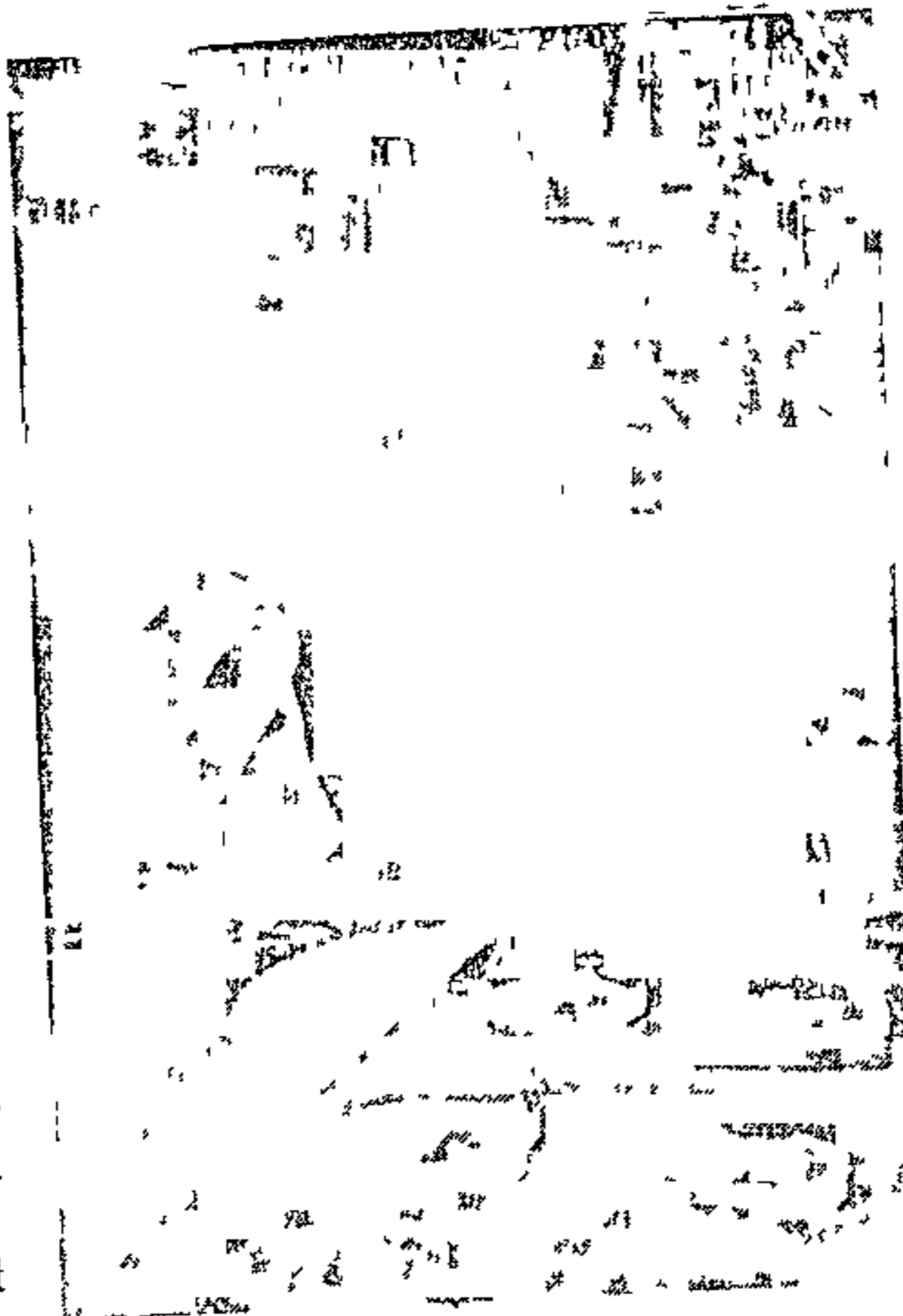
That may be over-optimistic, but even if political and labour troubles continue to beset us during the coming decade, there is evidence of a new vein of steel in the economy and in the business community's state of mind, which could ensure a period of steadier growth.

This is just what is needed to restore some semblance of economic logic to the motor industry, probably the most competitive in the world. There can be few, if any, countries where 11 manufacturers cut and stab for a foothold in a market which a single manufacturer in the US, Europe or Japan would find laughable.

Last year, 213 000 cars were sold in SA — a figure which would justify production of only one mass-appeal model in the major world markets. Here, that market was divided among 35 different model lines.

In the context of the local content programme, motormakers will not be able to make half-respectable profits until the market is at least twice as big as it now is, and the number of manufacturers has been reduced to half.

Many of those who entered the market



Car worker . . . bright prospects ahead

in the past 15 years did so on the assumption that rapid growth, much of it stemming from untapped demand in the black community and in neighbouring states, would be the order of the day. So far, they have been disappointed.

But there has been one good spin-off: one manufacturer, BMW, has entered the export market with encouraging success, and another, Alfa Romeo, has plans to follow suit.

Black demand, too, is beginning to become a force. Surveys have shown that 17% of cars on SA roads are owned by blacks, and although most of the black buying power is concentrated in the used-car market, it has become a force in certain small segments. For example, blacks account for more than half of the new minibuses sold.

The used-car market is also important to the new-car market because unless owners can get good trade-in values for

their vehicles, they are unlikely to be such keen sellers.

There have been interesting trends in car sales this year. The small-car segment has continued to increase its penetration, taking 48% of the total in the first quarter. In April, it topped 50%, and Volkswagen's Clive Warrilow is on record as predicting a small car share of 60% by next year.

General Motors this year introduced its Open Kadett in this segment, Datsun has just launched its new contender, the Pulsar, and in the pipeline are Toyota's Corolla and Ford's Erica.

But it is likely that medium-sized cars, also buoyed by new model launches, will hold their own. There is also a good chance that the top executive car category will now stabilise. BMW's market share this year (3,95%) is better than last year's 3,38%, and although Mercedes Benz took a hard knock from last year's fuel scare, it seems unlikely to sink much below the 3,41% penetration it has had in 1980.

Among manufacturers, it is likely to be a great year for Datsun-Nissan. It is top-dog in commercials so far this year, with nearly 27% of the market, and third in cars. In combined sales, it has risen from fourth last year to second. Datsun, now in its 21st year in SA, has launched five new model ranges this year — the Pulsar, Laurel and Stanza cars, and the 1400 and 1800 pickups.

It is, indeed, very competitive at the top. Last year, Sigma was well clear of the field — 10 000 units ahead of second-placed VW. This year, combined vehicle sales figures are Sigma 30 267, Datsun 29 542, VW 29 279, Toyota 28 263, Ford 25 170.

During the Seventies, there were only three years in which the combined vehicle market grew over the preceding year. Chances are the Eighties will be better, and the industry will find itself on a much sounder footing.

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## Datsun's delight

Government has rewarded Datsun's efforts to meet the local content target for light commercial vehicles by granting generous excise rebates which will benefit Datsun more than any other manufacturer

Earlier this year (FM March 13) government relaxed its local content requirements for light commercials from 66% to 50% when it became apparent that most manufacturers were unable to meet the 1980 deadline. This gave relief to the

industry at large, but brought howls of protest from Datsun, which, in good faith, had spent R14m in gearing up to meet these requirements on time

This gave its competitors a cost advantage of around R300 per vehicle as they were able to import parts relatively cheaply instead of making them here as Datsun was now committed to do

Datsun's relief comes in the form of a 350% increase in the excise rebate on bakkies and vans under 900 kg with local content exceeding 50%. The rebate has now been raised to 1% for every percentage point of local content above 50%. Datsun will benefit most because it has the lion's share of this market and its local content of around 66% far exceeds that of its competitors

Its competitors Ford, Toyota and Fiat, with relatively low sales volumes and low local content, are not likely to glean more than R5,000 a year from the new rebates

Datsun MD Loot Muller will not specify exactly how much it will save him on each vehicle he sells, but allows that "it will give us the return on investment we were originally looking for on these models"

His reticence is understandable because he is probably trying to get government to extend the new rebate to other classes of light commercial where Datsun, through its investment, has achieved a higher local content than its competitors

# Defect: VW calls <sup>192</sup> in 1 400 new cars

*Case Times 18/7/80*

JOHANNESBURG — Volkswagen SA yesterday recalled on a national basis all the 1400 1980 Audi T's which they have produced this year to check for a potentially dangerous defect.

Congratulations poured into the Consumer Mail section of the Rand Daily Mail from the National Road Safety Council, consumers and motorists after the announcement.

The recall followed a lengthy investigation conducted by Consumer Mail and the Automobile Association into five complaints that the accelerators of these cars were jamming. The first was received in February. The recall came less than 24 hours after Volkswagen representatives had held an urgent meeting with Consumer Mail and the AA.

Volkswagen's public relations officer, Mr Ruben Kitz, telephoned Consumer Mail yesterday to say that Volkswagen had located the fault. It affected locally produced cars, manual and automatic T's. The cars cost between R11 000 and R14 000.

18/7/80

Fm

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### JUNE CARS SALES

	1980 June	% of Market	1980 May	% of Market	1979 June	% of Market
Sigma	4,641	20.40	4,607	20.71	4,218	23.44
VW	4,615	20.32	4,315	19.39	4,090	22.27
Ford	3,700	16.29	2,950	13.11	2,723	15.49
Datsun	2,558	11.25	2,917	13.11	1,701	9.68
GM	2,401	10.57	2,065	9.28	1,055	6.00
Toyota-Renault	1,987	8.75	2,711	12.18	1,517	8.63
BMW	807	3.55	809	3.64	653	3.72
UCDD (Mercedes-Benz)	786	3.46	712	3.15	542	3.08
Alpha Romeo	620	2.73	436	1.96	200	1.11
Fiat	371	1.63	462	2.08	554	3.15
Leyland	218	0.96	261	1.17	316	1.80
Other	13	0.05	6	0.02	5	0.03
June total	22,717	(29.25% up on 17,575 last year)	17,575			
Jan-June total	127,051	(22.00% up on 104,135 last year)	104,135			
May total	22,251					

### COMMERCIALS

	1980 June	% of Market	1980 May	% of Market	1979 June	% of Market
Datsun	3,249	31.71	2,949	29.49	1,984	25.28
Toyota	2,510	25.56	2,517	25.17	1,869	23.52
GM	1,558	13.24	1,191	11.91	618	10.42
Ford	1,051	10.25	1,267	12.67	1,158	14.73
Sigma	529	5.16	545	5.45	788	10.04
VW	444	4.33	475	4.75	319	4.07
UCDD	356	3.47	360	3.60	293	3.73
Leyland	229	2.24	232	2.32	258	3.29
Fiat	106	1.03	134	1.34	209	2.63
Other	59	0.58	65	0.65	60	0.76
In. Harvester	57	0.56	77	0.77	28	0.36
Oshkosh	28	0.27	50	0.50	14	0.18
Vetcoak	19	0.19	10	0.10	14	0.18
ERT	17	0.17	19	0.19	12	0.15
Fadona	17	0.17	14	0.14	15	0.19
Magirus-Deutz	10	0.10	6	0.06	10	0.13
Maicom-Scamm	8	0.08	14	0.14	9	0.12
VSA	8	0.08	14	0.14	9	0.12
Other	83	0.81	63	0.63	—	—
June total	10,245	(30.50% up on 7,847 last year)	7,847			
Jan-June total	58,446	(20.45% up on 48,523 last year)	48,523			
May total	10,000					

SA. Legislative  
 of Labour (Skills)  
 of the free for  
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 and maximum wage bands  
 of productivity  
 of the different labour forces due  
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 modes of business  
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**MOTOR INDUSTRY**

**Labour pains end**

10/7/80  
The Eastern Province motor industry wage dispute has come to an end after two months of sporadic strike action and protracted negotiations

This week Volkswagen workers, at the recommendation of their unions, accepted management's minimum wage offer of R1,48 an hour, plus 3c to 10c service charge which bring the effective minimum wage up to R1,48

The agreement also contains a condition which provides for automatic pay increases for workers over the next 18 months to bring the minimum wage up to R1,80 an hour by 1982

The completed negotiations have been hailed as a breakthrough for industrial relations in SA, both by local industrial relations observers and overseas by the International Metalworker's Federation

Says Brian Fredericks, National Organiser for the Federation of South African Trade Unions: "These were the first real negotiations either party was involved in. Lessons have been learnt on both sides which could assist when we face future industrial unrest in SA."

Union representatives feel one of the most notable points of interest was the control unions had over General Motors, Ford, and VW's 10 000-strong workforce. Says Fredericks: "The dispute proved the necessity for shop floor representation. If shop stewards had not been in touch with the workers to the extent they were, the situation would have been uncontrollable."

As a result of the end-of-year Ford strikes, the company has introduced full-time shop stewards — a move unprecedented in SA. Within a few months VW, too, will have allowed its shop stewards full-time off to deal with union/worker problems.

Settlement has been reached, but the agreed survey on worker's living stan-

dards (FMI 11 July) under way still presents a major problem for the unions and management

Union and industry spokesmen predict that consensus on a 'neutral party' to complete the study may be reached in only two to three weeks. They feel the study itself will not be completed for at least nine months.

There's a long process before the study will get under way as both parties will have to agree on what parameters they wish to set. There are a number of philosophical problems to be ironed out, too, says Fred Ferreira, Ford's industrial manager.

He adds: "We want to be certain about the initial stages as this survey will be used as an economic football in future."

Fredericks is optimistic about the survey. It will have far wider ranging effects than just on the Eastern Province motor industry. Although neither party is committing itself to the outcome, they will have to take note of the new figures in future negotiations.

# Top-gear Toyota pays 20c interim

192  
RDM 22/7/80

By HAROLD FRIDJHON

WITH soaring profits for the six months to June 1980, Toyota has resumed payment of an interim dividend with a declaration of a 6,8-times-covered 20c a share. A total of 28c a share was paid for 1979.

Net consolidated income for the group for the first half of the current financial year was R10-million. After tax and deferred tax provisions amounting to R4 500 000, attributable profit was R5 550 000 compared with R230 000 for the first six months of last year. That is, earnings of 136,5c a share against 5,7c.

Mr Colin Adcock, Toyota managing director said last night that provisions against the first half's profits had been treated conservatively.

Boom conditions made it necessary to provide more prudently for bad debts, new-model development and marketing costs had also been treated conservatively.

The turnaround in Toyota's fortunes came in the second half of last year when pretax profits reached R7 473 000 from what was virtually a break-even level.

Using the second half of last year as a yardstick, profits sputtered by a further 34% and if the current levels can be held for the remainder of the year, Toyota looks set to achieving peak profits.

In 1971, earnings were 166,84c a share. This year, these should top the 273c mark.

Granted that inflation makes historic prices and values look ridiculous, the swing round in the company's fortunes restores a position which had been eroded by a declining local motor vehicle market, aggravated by the rand/yen exchange rate which, until relatively recently, had been operating to the detriment of the South African company.

The interim statement says that the group's improved performance was largely attributable to an increase in vehicle sales and to favourable currency rates.

Total retail sales for all products increased from 19 513 units in the first half of 1979 to 28 263 units in the first half of this year. Market share, comparing period against period, rose from 12,8% in 1979 to 15% in 1980.

What is important to note is that market share which already showed signs of improvement in the closing half of last year, is now a higher percentage of a total market which has

grown by 22%. In the first half of this year total vehicle sales amounted to 127 051 units.

Mr Adcock said the group's earlier prediction that the vehicle shortage would be overcome by mid-year had been optimistic and it was now clear that the unprecedented demand for the group's vehicles meant that the vehicle shortage would persist throughout this year.

Based on this statement, there is every reason to expect that the current six months in the motor trade will at least equal results of the first half.

The economy is gathering momentum and with the public enjoying a higher disposable income — and easy credit facilities — motor vehicle sales, private and corporate, should forge ahead.

The strength of the building upturn, too, and hopefully improved agricultural results, should boost commercial vehicle sales, an area in which Toyota is very strong.

The share market has certainly been anticipating better times from this company. Assuming a final of 20c, making 40c for the year, the share price of 740c gives only a 5,4% yield.

On the other hand, with earnings of at least 273c for the year, and even taking into account that retentions will have to be heavy to finance expansions and Phase V developments, a more generous payout seems on the cards.

With the upswing in Toyota's fortunes, investors should not lose sight of Wesco which owns 2 012 200 Toyotas.

Last year this shareholding contributed about R563 000 to Wesco's total dividend income of R669 000. A 40c Toyota payout, alone, could add about 2,9c a share to Wesco's income which would rise from last year's 6,8c to 9,7c.

# Toyota profits

192

W.M. 22/7/80

## Financial Reporter

LARGELY reflecting the turnaround in the motor trade, the only vehicle manufacturer on the JSE list, Toyota, earned a profit of R5 550 000 in the six months to June 1980, compared with R230 000 for the first half of last year.

An interim dividend of 20c a share has been declared from earnings of 136,5c a share.

Toyota's directors said the profit improvement was largely attributable to an increase in vehicle sales and to a favourable rand/yen exchange rate.

Retail sales of Toyota's vehicles rose by 45% from 19 513 units in the first half of last year to 28 263 units in the January-to-June period of this year.



# Leyland bid could give Cape car boom

CAPE TIMES 22/7/80

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23

44

By GORDON KLING

THE LEYLAND motor manufacturing group may soon sign an agreement with Fiat for the manufacture of the Italian group's vehicles at its Blackheath plant near Cape Town, in a development which would probably expand the industrial base of the Cape with the creation of hundreds of new jobs.

Leyland will be the dominant party in the new arrangement, and I understand that it is keen to see the deal go through.

Reliable sources say that an announcement can be expected within the next few weeks. The sources maintain that the agreement will prove a boon to both manufacturers, while bringing substantial new investment to the Cape.

Hightened motor industry activity in the Cape would complement the vast diesel plant being built at Atlantis while consolidating Leyland's operations already strengthened by strong commercial vehicle sales.

The official line yesterday was neither to confirm nor deny the negotiations.

Production at Blackheath has been nowhere near planned capacity for years but conclusion of the deal with Fiat would require substantial expansion of the 2600 member work force at the plant.

Fiat's wide range of low- to medium price cars produced in Pietoria would fit in well with Leyland's reintroduced Mini and Rover.

The Leyland initiative is in line with assurances by the group chairman Sir Michael Edwards that the company is in South Africa to stay.

For Fiat, which has previously talked to Mercedes, Toyota and BMW it would signal an end to continual doubts on its commitment to stay.

Industry sources believe that the deal could well prove a precursor to a Leyland link with Peugeot too. Citing a recent commonality of parts agreement between the two in Europe they believe there are avenues to be explored in South Africa.

The Republic is now one of the brightest spots in the world car market which is reeling under recession in the US.

HEAVY TRUCKS (19D) FM 25/7/80

# Sales roaring ahead

Heavy truck sales for 1980 will set a record which should stand for some years to come. Demand is so great that manufacturers could sell more than they can produce at present.

Sales for the six months to June have roared ahead of last year's by a whopping 39,3%. This pace should continue until December which means that sales of trucks and buses in the over 10 000 kg category will reach a total of 17 700 units valued at R443m.

This is an increase over last year of 5 000 units valued at R125m.

This performance should be nearly equalled next year but after that it is not likely to be repeated for some time. For many of the recent sales are long-overdue replacements for trucks worn out during the recession or once-off additions to fleets which will not be replaced after the present boom peaks out. Added to this, truck prices are set to rise substantially next year when the local content programmes for diesel engines and power-trains come on stream.

Some four truck companies have more than doubled their sales up to June this year over the same period last year. They are Toyota which sold 966 units (479), Leyland with 923 (451), Sigma with 373 (114), and Oshkosh with 176 (64).

The biggest absolute sales increase was recorded by Datsun with 1 343 units sold against 802 last year. This increases Datsun's market share from 13,77% to 16,05% and narrows the gap between second-placed Datsun and market leader UCDD (Mercedes).

Failure to meet the demand was the main reason for UCDD's share drop of more than six percentage points from 28,72% to 22,07% although sales rose from 1 673 units to 1 847 units.

Datsun is also having trouble in keeping up with demand and is rumoured to be holding unfilled orders for more than 800 heavy vehicles.

Relatively low purchase price seems to be one of the main reasons behind the swing to Japanese trucks, and Datsun, Toyota and Sigma are benefiting from this.

Datsun's biggest breakthrough was in sales in very heavy vehicles exceeding 20 000 kg. Sales of the Nissan CW 41P freight carrier have doubled since last year and it now holds 35,9% of its market, having surpassed the Mercedes model which holds 20,9%. The Nissan CW 41HD tipper in this mass category has also done well and now holds 30,8% of its market.

Datsun's next biggest sales increase of

67,6% was in the vehicle category which includes buses. The company now has 23,3% of this market which has been traditionally dominated by Leyland and has just landed an order for 55 buses from the Pietermaritzburg municipality.

Datsun's claims that another reason for its success is that it designs its trucks to withstand rough handling by SA drivers.

Toyota's says that its market share increase from 8,22% to 11,55% comes from better sales of improved models

such as its new Hino 260 heavy truck, 30 of which were ordered by Fluor Corporation for the Sasol projects.

Costing around R40 000, it is powered by a straight six engine which has better torque characteristics and uses less fuel than the old V8 engine while being only marginally less powerful.

Also doing well are the Hino KR series of freight carriers which sell for around R18 000 and the Toyota DA 110 tipper costing R16 700. The DA 110 is market leader

## HEAVY TRUCK SALES

(Over 10 000 kg gross vehicle mass)

Manufacturer	Jan-Jun 1980		Jan-Jun 1979	
	Unit sales	Market share %	Unit sales	Market share %
UCDD (Mercedes)	1 847	22,07	1 673	28,72
Datsun	1 343	16,05	802	13,77
Ford	1 133	13,54	757	13,00
Toyota	966	11,55	479	8,22
Leyland	923	11,03	451	7,74
GM	574	6,86	504	8,65
Sigma	373	4,46	114	1,96
International Harvester	354	4,23	267	4,58
MAN	314	3,75	314	5,39
Oshkosh	176	2,10	64	1,10
Fodens	81	0,97	78	1,34
ERF	80	0,96	64	1,10
Vetsak	68	0,81	95	1,63
Malcomess Scania	65	0,78	60	1,03
Magirus Deutz	49	0,59	92	1,58
VSA	21	0,25	11	0,19
<b>TOTAL</b>	<b>8 367</b>		<b>5 825</b>	

of its class and costs less than most of its rivals. It has sold well since it was updated two years ago.

Leyland seems to be recovering well from the days when marketing budgets were trimmed and customer confidence waned during its abortive merger discussions with Sigma. After selling only R45m of commercial vehicles for the whole of 1979, it now has R58m of orders outstanding for the rest of this year.

Although it remains the country's biggest bus builder, its new orders cover a wide range of vehicles including configurations for long-distance haulage, earthworks and construction, and urban delivery.

Leyland is setting up its own gearbox plant to make Wilson gearboxes under licence from Selfchanging Gearboxes in the UK. This will make it the only SA company outside the government-sanctioned gearbox monopoly in the General Mining fold.

members of the organization, even if one deals with the management and workers

In most industrial organizations nowadays, people from the fields of business administration, industrial and management engineering and operational research have replaced their colleagues from the field of organization. New quantitative techniques have been developed to serve these experts in such that they could not only describe the performance actions, but also *measure* them.

The purpose of studying the actions within the framework of the study of the organizational structure is to establish the effectiveness of each member of the organization and all of them together, that is, to say the economic effectiveness of the organization as a whole. For this purpose, one establishes standards for measuring the effectiveness of individual members of the organization and/or of the organization as a whole. The actions and the results of actions of members of the organization are compared with these standards and on the basis of comparisons one can establish the effectiveness of the individual and of the whole.

**STUDYING THE RELATIONSHIPS BETWEEN MEMBERS OF THE ORGANIZATION**

The second factor of organizational structure is the relationships existing among members of the organization. When one deals with a relationship between two members of the organization, one considers a *required relationship* between them, that is, the facilitating the execution of operations conducted in carrying out of the organizational targets, such as producing or supplying products or services. On the other hand, when one deals with two people connected with each other, one usually considers a *real relationship* existing between them, because of work requirements or because of other reasons (e.g. because of historical circumstances because of conditions created as a result of previous not necessarily conducive to the organization purposes, and mainly, because the two people are personally attracted to each other).

The semantics of the organizational structure distinguishes between these two types of relationships.

**Strikers to lose bulk of bonuses**

By VICTOR MPOD

**THE ENTIRE** black workforce of 1200 employed by Goodyear Tyre Plant in Uitenhage stand to lose as much as 75 percent of their annual bonuses at the end of the year.

This was confirmed by Mr Mike Selley, Goodyear's public relations officer, in an interview with **SUNDAY POST** this week.

But he dispelled reports that the parent company in the United States was exerting pressure for the re-instatement of the 1350 workers who went on strike last month.

When 1350 workers went on strike for a minimum wage rate of R3,00 an hour, all were dismissed by Goodyear. All, with the exception of 100, were re-employed.

Earlier this week there were reports by workers that the parent company was putting pressure on its Uitenhage plant to reinstate them.

Mr Selley said: "About 1200 workers were re-employed in the same jobs and at the same rate of pay."

Mr Selley told **SUNDAY POST** that those re-employed stand to lose their bonuses because of broken service. However, Goodyear claims it decided not to start pension payments anew. If the workers had been reinstated, they would not lose any bonuses or benefits.

The Goodyear workers had a number of basic grievances which still need to be removed. These include:

- Low wages.
- Tardy implementation of the Sullivan code of conduct.
- Dissatisfaction with the attitude of supervisors and foremen to the workers.

mes The relationships on of the organizational tenance of a functional are called *formal relationships* - actually existing among congruent with the formal called *informal relationships*. seen the *formal structure*, *desired structure*, and the *existing structure* state that there exist those are congruent with formal the other *informal relationships* - it with the formal relationships, the informal structure formal structure and not is covered by the informal

*hierarchical*, meaning that scale of hierarchy levels.

hierarchy of the formal could usually do it in a form any level of subordinates is level of superiors above it levels we reach the head find the chief executive of usually by himself at this he is not only alone, but

under them subordinates are called "managers" or in 2, "formal leaders" (see

has no hierarchy, and no superiors or subordinates in the informal subordinates and their superiors (subordinates to the great part of the informal have already mentioned, relationship between are no managers in the identify in it persons who relationships, i.e. with whom established relationships. These

26/7/80 RRVMS  
**Prices up  
192  
for some  
VW cars**

Motoring Editor

VOLKSWAGEN South Africa has raised the prices of its water-cooled engined cars and station-wagons by amounts varying from 1,3 to three percent. The Golf range has gone up by an average of two percent, the Passats by three percent and the Audi range by the same amount.

The price of the Golf GTS four-door shows the smallest rise at R90 to R6 885, and the Audi 2000 GLX automatic the largest by R450 to R15 415.

The prices of the air-cooled microbuses, kombis, vans and pick-ups have not been changed.

The price changes were announced after Motoring Argus had gone to press.

● See Motoring Argus.

# A wise marriage?

Local car manufacturers Fiat and Leyland are negotiating to merge their car and light commercial vehicle interests, a move on which would rest the future of both companies in SA

If the deal goes through, both companies could benefit from a single rationalised operation which would probably mean selling Fiat's Rosslyn paint shop and engine plant and shifting its assembly line to Leyland's Cape premises

If the deal falls flat, Fiat will probably reopen merger talks with Mercedes, BMW or Alfa-Romeo, or failing that, close its local factory

In this event it would still keep a local presence because it has already assured the Department of Industries and Commerce that it will maintain a local technical department and spares and service operation for the next 10 years

To back up this undertaking, it has offered its franchised dealers very generous service rates for work on customer warranty claims, which can be expected for another two years after the last Fiat car is sold

Leyland is probably Fiat's best and most likely marriage prospect. Leyland is itself making a comeback into the car market after the virtual cessation of its car operations and the dissolution of its dealer network at the time of the abortive merger talks with Sigma

Both companies need to augment their car ranges and to beef up total volumes, and both could do with more dealers selling a bigger range of cars

Fiat cars would fill the gap between Leyland's low-priced Mini and its much higher-priced Rovers and imported Jaguars. Its 128 franchised dealers would be a welcome addition to Leyland's 80-odd dealer chain which it has rebuilt from scratch after the collapse of its merger with Sigma Motor Corporation

Fiat is said to be signing new employment contracts with its staff which cover the dual eventualities of rationalisation or closedown

Its management must be optimistic that the deal will go through because the company's Rosslyn plant is still producing and has accumulated a stock of 3 000 built-up cars. These could be used as a buffer stock during the time production ceases for relocation to the much bigger Leyland plant in the Cape

Fiat dealers are understandably unsettled by the long search for a suitable marriage. If Fiat closes down, many could be hard put to land a franchise for another car make. Says one "All the other car

makes are very well represented in my area, so what must I do if Fiat closes?"

Things would be different if the deal does go through as, in addition to the mid-priced Fiats, they would also be able to sell Leyland vehicles which cover both ends of the price spectrum

• There was no comment from either side

# Now Ford is also scraping

3/8/80  
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By **WALTER  
PFAEFFLE**

In New York *Time*

*Sunday* 3/8/80

**THE US auto industry is in its worst shape ever.**

Two years ago, few people imagined that the Ford motor company would be facing problems similar to those of the Chrysler Corporation which just negotiated a \$2 650 000 million rescue package with the American Government and private lenders.

This week Ford reported a record loss of nearly \$400 000 million for the second quarter, despite a series of cost-cutting measures. The loss is believed to be the second biggest quarterly loss sustained by an American company. It was exceeded only by the Bethlehem steel corporation's \$430 000 million loss in 1977's third quarter.

What is more, Ford's enormous deficit surpasses Chrysler's 1979 third quarter loss.

Ford chairman Philip Caldwell's only consolation seems to be that his firm isn't likely to hold the loss record long. Chrysler had already indicated to US government officials that its second quarter loss should total \$490 000 million, an estimate some viewed as conservative.

How badly the US car makers are doing was apparent last week when General Motors, the nation's biggest car maker, reported a net loss of \$332 000 million, the widest quarterly deficit in its history. And third ranked American Motors also reported its worst-ever loss, of \$75 million for the fiscal third quarter ended June 30.

While Chrysler was already suffering financially, Ford's problems were more image-related following a series of law suits over fuel-tank explosions in the Pinto

and investigations of defects of transmissions in millions of cars and trucks.

Now Ford's financial image also needs a tune-up, just like Chrysler's.

"Blood is flowing in Detroit and it won't stop in the next model year," one industry analyst said. He is predicting that Ford will report similar, if not greater losses, in each of the last two quarters, and that the company's balance sheets won't be able to handle it.

Nevertheless, some company executives believe recovery of industry volume, successful introduction of the 1981 models and continued efforts to reduce costs are factors that eventually could help results.

The major manufacturers are expected to spend \$68 000 million by 1985 to develop and produce cars that will average at least 27.5 miles a gallon — twice the 1975 average.

If successful, investment of these unparalleled amounts of money will help the American industry to regain its prominence — or, if found wanting, will hasten its decline.

It is also certain however, analysts believe, that U.S. manufacturers will never fully regain their former market position, due to changes in the product and sales inroads by foreign manufacturers.

Led by the Japanese, foreign makers have flooded the American market with highly fuel-efficient products, which, in addition, are widely perceived by American consumers as being of higher quality design and construction than American made cars.

The biggest problem Detroit faces now is obtaining the huge amounts of capital required to retool to build new products.

But even if the industry succeeds, it remains to be seen whether the new American products can be competitive with foreign products with regard to price and quality.

# Engine makers may pull out of SA (1922)

Own Correspondent

DURBAN — Some foreign truck companies operating in South Africa "are secretly considering withdrawing", says Mr Eino Lehtonen, managing director of Malcomess-Scania. He said in Pinetown last night at the start of Scania's expansion programme which will result in spending of R250 000 in Natal that the companies were considering this move because of the local content programme.

Mr Lehtonen said that the current sales pattern — an average of 10 vehicles a month — indicated a tremendous growth pattern for Scania in

this country. His trucks would have to be redesigned to accommodate the Diesel Atlantic engines and power trains.

We agree in principle to self sufficiency for the trucking industry, but we question the economic viability of the project.

Our plant in Brazil demonstrated that an engine plant only becomes viable at around 10 000 units of each model, which is considerably in excess of the Atlantis target.

This figure indicates the increase in costs that can be expected with the advent of Atlantis engines.

# Leyland neem

# Fiat (SA) oort oort

DIE OORNAME VAN FIAT (SA) DEUR DIE LEYLAND-ORGANISASIE VAN WES-KAAPLAND IS NOU BYNA BEKIM. DIE AMPTELIKE AANKONDIGING SAL AANSTAANDE MAAND GEMAK WORD SEDRA DIE OOREENKOMS TUSSEN DIE TWEË GROEPE IN EUROPA ORDERTELIC WORD.

Die feit dat Augustus die Noordelike Halfmond se eekensiemend is, het die afhandeling van die transaksie vertraag.

Fiat se Roemer-fabriek, waar sy passasiermotors en ligte handelsvoertuie vervaardig word, is reeds aan die Messinamyngroep toegesê.

Datsun-Nissan (SA), 'n vol-filiaal van Messin, is naby die Fiat-fabriek in Rosslyn in die stadum is dit nie duidelik of Datsun-Nissan die Fiat-eenies self gaan gebruik of dit deur 'n ander Messin-filiaal ingespan sal word nie.

Ander motorvervaardigers wat in die Fiat-aanleg belang gestel het, is BMW (SA) en die Sigma-Motorkorporasie.

Die Fiat-aanleg is 'n uiters moderne eenheid met 'n vermoë van meer as honderd eenhede per dag 'n Fabrieke-koordvoerder van Fiat het gesê dat hulle nou tussen 70 en 80 eenhede per dag vervaardig, maar dat produksie tot 130

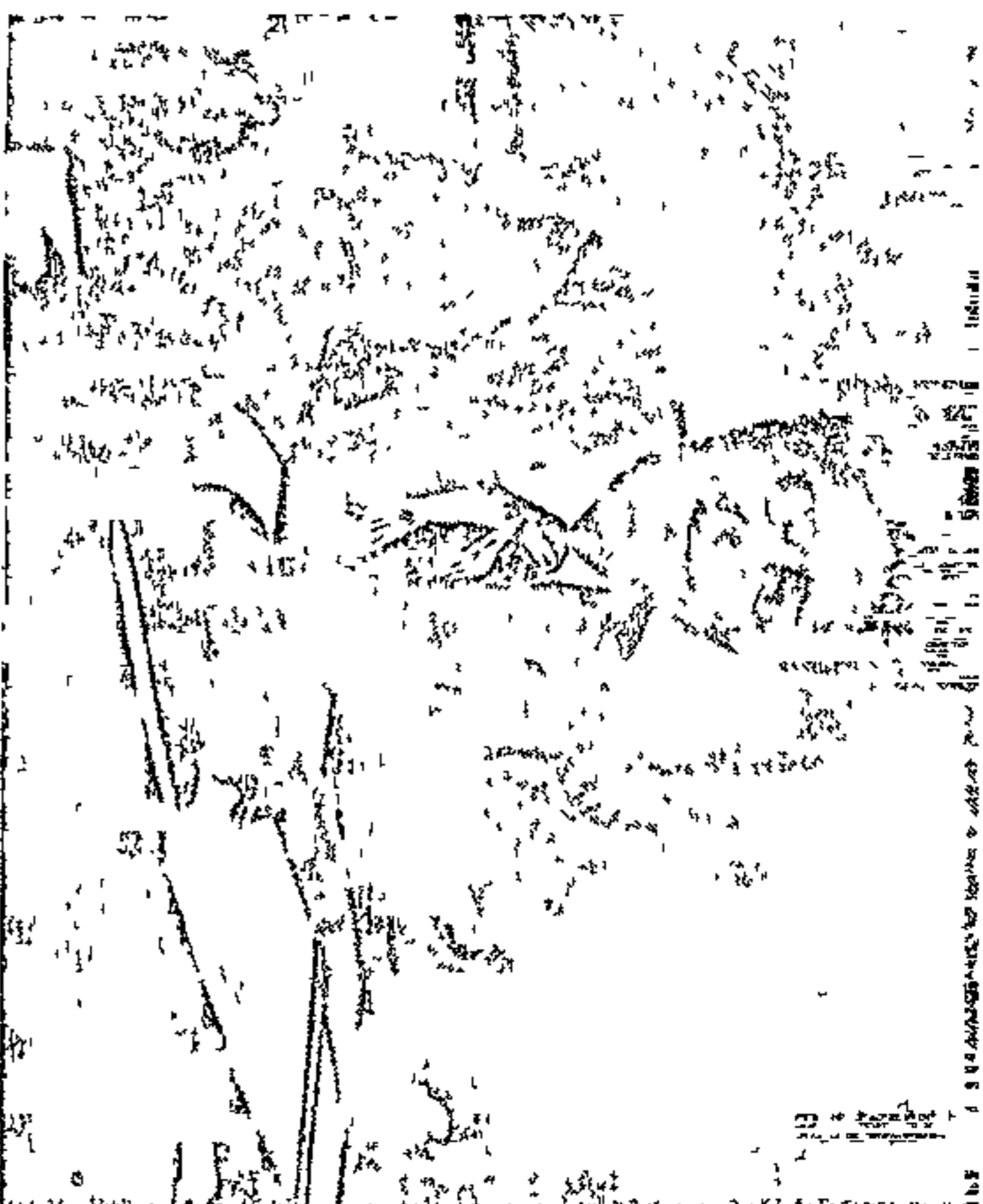
van die plaaslike mark vir passasiermotors gekred Sy totale verkoop van 1 767 eenhede, waarvan 1 066 Rovers was en 700 Mini's. Die plaaslike motoring van Jaguar is in die tydperk gestraak maar daar is nogtans 425 van die motors verkoop.

Fiat (SA) se markdeel in die eerste ses maande was 2,3 persent. In die tydperk is 3 114 eenhede vervaardig, waarvan 1 630 Fiat 131's was. Die Fiat 132 Frits en 129 se bydrae was onderskeidelik 650 en 727 eenhede.

Op die gebied van handelsvoertuie sal die oornam van Fiat (SA) die Leyland-organisasie aansienlik versterk. Die 122-handelsvoertuie se markdeel was 12 persent en die van Leyland se handelsvoertuie altesaam 3,3 persent vir die eerste sewe maande van 1980.

Die internasionale ooreenkoms sal daarvoor voorsiening maak dat Leyland (SA) Fiat-produkte in lisensie in die Republiek vervaardig.

Daarom kan aanvaar



DR GIAN CARLO BARSOTTI besturende direkteur van Fiat SA

*ek moegke*

*over*

*Demond probably shift downwards in such a case as (regis) prices move up*

*S*

*mc*



*Witch plant plant*

PORT ELIZABETH — Volkswagen has bought the former Mack truck plant in Uitenhage and has abandoned plans to acquire the Fiat plant in Pretoria or to expand in the north in the immediate future.

It was confirmed yesterday by Volkswagen managing director Mr Peter Seale who said that the Fiat plant did not meet the company's immediate needs.

He declined to disclose the price paid to the Power Corporation for the plant which is near the Volkswagen factory.

Mr Seale said the Mack plant had been bought for the purpose of producing trucks for the export market. The recent European economic crisis had caused a sharp decline in the vehicle market.

and attitudes towards problems and people. The fact that the interviewer is from out of the organization helps the interviewee to express his feelings freely, primarily because he is not afraid of the reactions of the interviewer and of the possible results of this catharsis.

It is not always possible, however, to interview all the members of the organization, and we therefore make use of questionnaires. Personal interviews with several organizational members serve as a basis for the preparation of an "attitudes questionnaire". This attitudes questionnaire is subsequently distributed to all members of the organization. The questionnaire does not serve for probing in depth the feelings of people, but is a more quantitative technique, striving at a much more systematic and wide coverage of the organization. The people, who are requested to respond to the questionnaire, are promised that their personal responses will be kept secret, i.e. that individual answers will not be disclosed to any other member of the organization, or that the identity of the respondents will not be made public. The questions are generally prepared in such a way that a respondent can choose one out of several pre-established answers to a question. Following are two examples of questions which might appear in an attitude questionnaire:

PLEASE CHECK THE CATEGORY WHICH MOST NEARLY APPLIES TO YOUR FEELINGS WITH REGARD TO EACH OF THE FOLLOWING QUESTIONS:

All things considered, how satisfied are you working for the organization?

—Very satisfied  
—Satisfied  
—Dissatisfied  
—Very dissatisfied

Do you feel that your job responsibilities and what is expected of you are clear?

—Very clear  
—Clear enough  
—Not clear enough  
—Definitely not clear

them alone, but to the organization as a whole too. Many heads of organizations often disregard these attitudes, either consciously or subconsciously. When the situation conspicuously deteriorates, only then will they start to become alert as to "what the people say", "how do the workers react", etc. When this happens with certain heads of organizations, the situation has already reached such a critical point that it is sometimes impossible to act according to considerations influenced by the attitudes of organizational members. This is because by that time other considerations, like economic survival, dictate what is to be done—even when many people are directly or indirectly hit by it.

This is why it is so important to study the attitudes of members of the organization as a complement to the studies of their actions and relationships in the organizational structure. If two people maintain between them, for example, a close informal contact which happens to be functionally necessary in the formal structure and they contribute considerably to the operation of the organization in output and productivity, this is not a decisive proof that every-thing is all right among these two. It might well be that the two hate each other's guts and that their feelings of hatred might burst out fiercely any moment, causing a severe damage to the organization, a damage exceeding in its scope the whole utility evolving out of the relationship between them. Who can foretell forthcoming danger like the collapse of the labour relations network, or a severe drop in labour productivity or a slump in the morale of organizational members? All these we can sense and foresee only if the people themselves tell us how they feel. People are not always ready to declare publicly their attitudes as to this or that problem and they are certainly not always ready to express publicly their opinions about other members of the organization.

The best way to study the attitudes of organizational members is through an "open interview", performed by a person not belonging to the same organization. The interviewer helps the interviewee in this "open interview" to disclose his innermost feelings, namely, to talk freely about his feelings.

VW <sup>EST 1937</sup> won't  
acquire. (112)

## Fiat plant (112)

### Own Correspondent

PORT ELIZABETH — Volkswagen has bought another plant in Uitenhage and has abandoned plans to acquire the Fiat plant in Pretoria or to expand to the north in the immediate future.

The company's managing director, Mr Peter Searle, confirmed that the former Mack truck plant had been bought and said that the Fiat plant did not suit Volkswagen's immediate needs.

He would not disclose the price paid to Sigma Power Corporation for the plant which is near the Volkswagen factory. The Mack site covers about seven hectares and also has an office block.

Production of Mack trucks in Uitenhage was discontinued and the assembly line was moved a few years ago when Illings merged with Sigma. The factory was used by Sigma as a depot for truck spares, but the company has now leased the old Citroen plant outside Port Elizabeth for this purpose.

# Schus report is an eye-opener

24/8/80 SUN TIM (B.T) 192

SOMEBODY, somewhere, has been doing his homework — an observation which explains the rapid 25% gain in Schus's share price in the past week

The company has just released its annual report for the year to February 29, 1980, in which it is stated that the group is poised to enter the 1980s "with confidence," and determination

Although pre-tax profits rose by 36% to R473 000 on a 25% turnover increase, no dividend has been paid. The last ordinary dividend (4c) was paid in 1976, as was the last preference dividend (4,3c).

The report adds. "Should the existing improved turnover and profit trends continue, ordinary dividends will be resumed for the year ended February 28, 1981"

So although the outlook for this Western Cape motor dealer is brighter than it has been for some years, the company's optimism, coupled with the below average 17% earnings yield, hardly justifies the share's sparkling performance

In order to explain just

why the shares are being so eagerly sought, one needs to delve rather deeper into the annual report than those many analysts who have accorded the accounts only a cursory glance

The key to the group's likely performance in the current year is contained in two paragraphs of managing director Jossel Lipshitz's review of activities

The first reads "The trading profit expressed as a percentage of turnover has improved from the unsatisfactory 1,4% in 1979, to a slightly better overall 1,5% for the year

"The profit percentage on turnover for the period September to February was, however, 2,5%. The optimum in the motor industry is approximately 4% and we believe we have the potential to strive for that goal"

The second reads "Our existing outlets and spread of operation have been able to comfortably handle the 44% turnover increase of the past two years, and we believe the group is structured to currently handle the budgeted 20% turnover increase without any

stress"

If, as seems probable, Schus achieves a 4% return on turnover in 1980-81 and sales meet the 20% target increase (as is likely), then turnover for the current financial year will total R38-million and trading profit will rise from R969 000 to R1,52-million — an increase of 57%

Earnings per share should rise by much the same margin because lower gearing will ease the interest burden

Earnings could therefore be as high as 40c a share for a P-E of only 3,8 at the ruling share price

This is what the market is getting excited about

rdm

## Truck local content <sup>29/8/80</sup> <sup>192</sup> deadline

THE Minister of Commerce and Industries, Dr Schalk van der Merwe, has extended the deadline he gave truck manufacturers in May to fit locally made gearboxes and powertrains by October 1981, according to the weekly financial magazine, the Financial Mail.

He is now allowing each truck company to make a separate agreement with the powertrain manufacturers to start buying their products when technically feasible

The new official deadline is July 1982 but Dr Van Der Merwe accepts that some companies may miss it for bona fide reasons and has agreed not to penalise them

# Shock takeover bid for Natal company.

30/8/80  
SIME  
192  
2/5/80

## Own Correspondent

DURBAN — Pinetown-based caravan and mobile home maker CI Industries will have one of the shortest JSE listings on record if a takeover bid announced this week succeeds.

According to a statement by Standard Merchant Bank, an unnamed bidder is in the market for the 51 percent control held by Caravans International in Britain. If the negotiations are successful a similar offer will be made to minorities in South Africa.

Local shareholders have therefore been warned to exercise caution in share

dealing until the result of negotiations are known.

The takeover bid — and the UK company's reported interest in it — has come as a thunderbolt to local observers. Despite a slightly bearish comment from the company regarding current year's trading, it is understood that CI profits to the end of August (the financial year-end) will be "astromonomical".

## SA's PROFITS

What is significant is the vital role the South African company plays in the international group's profitability. According to the last Caravan International UK annual report, the South African operation provided more than half of the group's world profits.

With 18 production

plants in six countries, Caravans International achieved 1979 before-tax profits of just £3-million (about R5.4-million). Of this, African countries (overwhelmingly South Africa) provided £1.84-million (R3.3-million), or about 60 percent.

With the South African company again poised to make a huge contribution to overall group profitability, the overriding question is why the controlling shareholder wants to get out. Sources close to the company confirm a deal is close to being signed.

"Surely the British company cannot be so trapped for cash that it cannot wait for the next South African profits payment," one staff member said.

152 192 23/6/80  
**Cape strike force face day of decision today**

**By RIAAN DE VILLIERS**  
Labour Correspondent

IN WHAT is expected to be a crucial day in the Eastern Cape, many striking workers in Uitenhage today must choose — return to work or be fired —

Increasing attention is being focused on the strike-hit town as relative calm returned to other trouble spots after last week's unrest which left 32 people dead, mainly in Cape Town.

Among Uitenhage firms which have issued ultimatums to their workers are the tyre plant Goodyear, with 1 300 black and coloured employees, and National-Standard.

A third firm, SKF, is understood to have withdrawn a similar ultimatum

It is believed more than 7 000 workers at 11 factories are still on strike.

Meanwhile, restrictions on Press operations in Uitenhage have been partially lifted.

Pressmen no longer need permission to work in Uitenhage or the town's industrial area, but the restrictions would still apply to black areas, he said.

Chances of a settlement at Volkswagen, where the strike started last Monday, appeared to recede at the weekend when a joint trade union committee at the plant rejected a new wage offer.

A special industrial council Elizabeth as "very tense"

The strike at VW broke out after a union report-back meeting to workers on industrial council negotiations was banned the previous day.

Meanwhile, trade union sources have described the situation at Ford and GM in Port Elizabeth as "very tense"

# Uitenhage strike continues

(192)

# CAR MEN FIRM ON MINIMUM WAGE

From Peter Goosen and Cassie du Plessis

**PORT ELIZABETH.** — Black workers in the Eastern Cape motor industry are determined to hold out for a new higher minimum wage of R2 an hour which could mean an increase of millions of rands in the industry's wage bill.

At an all-day meeting yesterday, workers' representatives from the plants and factories in Uitenhage involved in last week's strikes and wage demands met with executives of the Federation of South African Trade Unions (Fosatu).

In an exclusive interview with The Argus last night the Federation said it had been decided to call on the workers to return to work today with the exception of those from the giant Volkswagen factory in Uitenhage, where negotiations for a new minimum wage are already under way.

### 9 factories

However, by lunch-time today, strikes were reported to be continuing at nine Uitenhage factories, and the position was not clear at several others.

At one of the biggest Uitenhage industries, Goodyear Tyre Company, about 600 workers turned up in the face of a work or be dismissed ultimatum, but refused to work.

### Demands

The public relations manager, Mr Mike Selley, said while the mass of workers waited outside on the premises, a committee of seven workers' representatives met the management and presented a wages demand and list of domestic grievances.

The company said it would only negotiate through the Industrial Council for the rubber industry which would have a special meeting at lunch-time tomorrow.

After the workers outside were told of this decision they went to lunch in the company's cafeteria and it was not clear whether they would return to work later today.

Before lunch-time riot police outside the nearby Gestro Industries factory, prevented striking workers returning home through the Uitenhage industrial area. They were forced to walk along the outskirts of the town to the Kabah township. No incidents of violence were reported.

### PE firms

A spokesman for Ford Motor Company in Port Elizabeth said its Struan-dale, Port Elizabeth, assembly plant had reopened today after a forced closure last week because of a short supply through Uitenhage's labour unrest. All 700 black workers were back and production was normal.

The following companies in Uitenhage were today reported to still have worker unrest: Volkswagen, Goodyear, SKS Bearing Manufacturers, Link Construction, National Standard Wire, Gubb and Ings, Cape of Good Hope Woolcombers, Civico Construction and Gestro Industries.

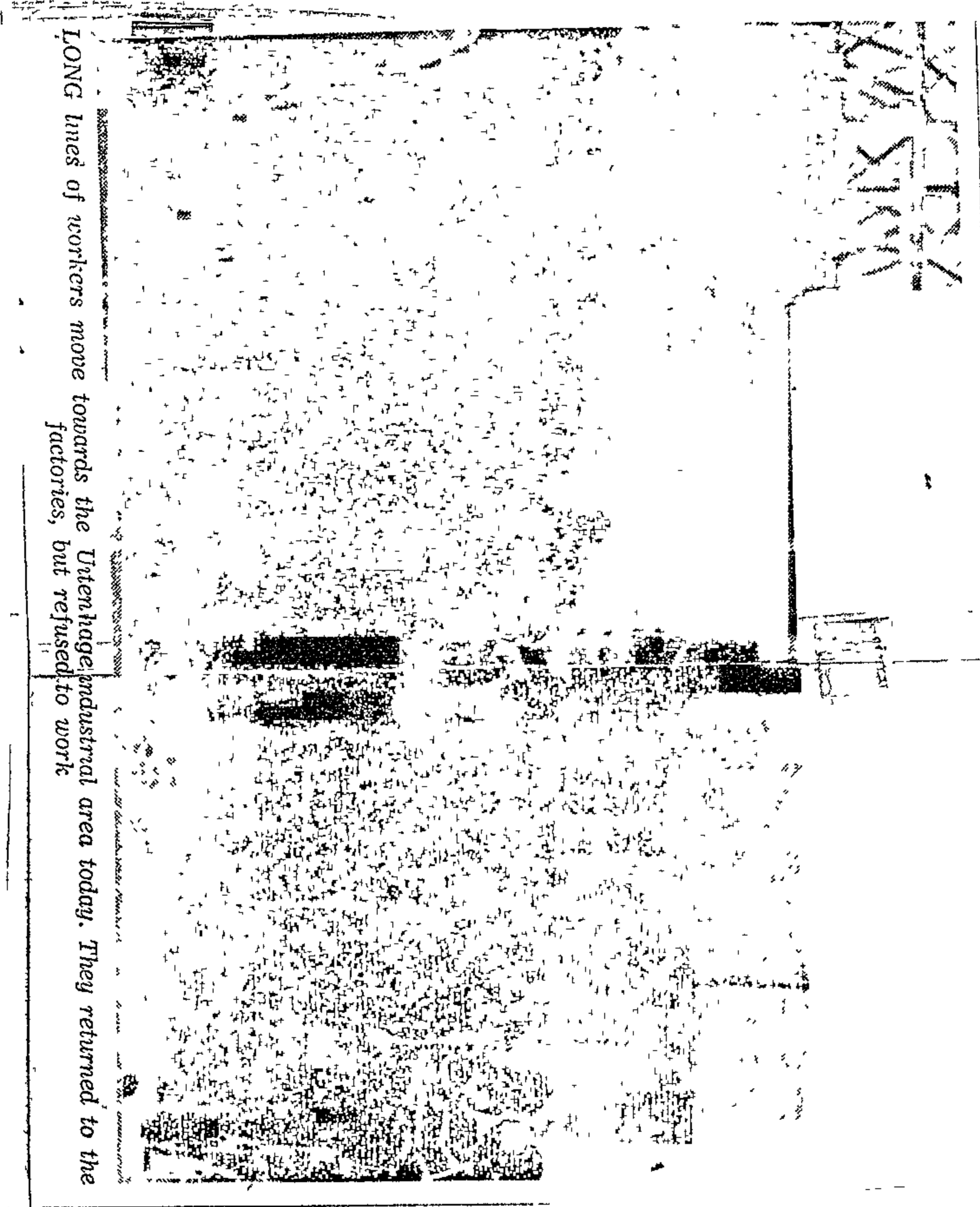
The general secretary of Fosatu, Mr Alec Irwin, who has come to the Eastern Cape from the Federation's head office in Durban because of the present dispute, said the eyes of thousands of workers in the industry would be on Volkswagen where the workers were holding out for a R2 an hour minimum wage.

'This figure is not something which came out the top of our heads on the spur of the moment. A lot of careful thought has gone into it.'

Cont.

23/6/80 ARGUS

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LONG lines of workers move towards the Uitenhage industrial area today. They returned to the factories, but refused to work

STREET



# Workers face deadline today

CAPE TIMES  
23/6/80

From RIAAN DE VILLIERS

JOHANNESBURG — In what is expected to be a crucial day in the Eastern Cape labour unrest, many striking workers in Uitenhage today face deadlines to return to work or be paid off.

Among Uitenhage firms which have issued ultimatums to their workers are the Goodyear tyre plant, with a black and coloured work force of 1300, and National Standard.

A third company, SKF, is understood to have withdrawn a similar ultimatum. It is believed over 7 000 workers at 11 factories are still on strike.

Meanwhile, restrictions on the operations of newsmen in Uitenhage have been partly lifted.

This emerged from a meeting yesterday between Brigadier E S J van Rensburg, Divisional Commissioner for the Eastern Cape, and the editors of the Evening Post and the Eastern Province Herald.

On Friday, police declared the whole of Uitenhage an "operational area", which reporters could enter only with written permission and under police escort. Photographers were banned completely from the area.

At yesterday's meeting, Brigadier Van Rensburg said, instructions from police headquarters in Pretoria had been clarified.

Newsmen would no longer be refused permission to work in Uitenhage or the town's industrial area, but the restrictions would still apply to black areas, he said.

● Chances of a settlement at Volkswagen, where the strike wave broke out last Monday, appeared to recede on Friday night when a joint trade-union committee at the plant rejected a new wage offer.

127  
150  
Aid for  
CAPE TOWN 24/6/80  
strikers  
172  
157

Own Correspondent

LONDON — The International Metalworkers' Federation is sending 50 000 Swiss francs (about R25 692) to help support the strike of black and coloured workers employed by Volkswagen in South Africa

The money is being sent to two IMF-affiliated unions in order to "ensure that the workers are not starved back to work" the IMF's general secretary, Mr Herman Rebhan, said yesterday

The workers have been on strike since June 16

Mr Rebhan has also sent financial appeals for strike aid to automobile unions in West Germany, the United States, Britain, Sweden, Japan, Holland, Australia and Austria



24/6/80

ARCA MS

# Uitenhage's hard-line decision

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## THEODOUS AND S OF CAIR

192

## WORKERS TOO STE JOBS

**ABETH. — More than 100,000 in the county & about 100,000 are out of work and about another thousand may lose their jobs if the unrest continues to plague the Uitenhage industrial complex.**

security police kept firm control on striking workers, companies have taken a hard line and have fired workers who have refused to return to factory floors while pay talks continue.

But, in spite of the large-scale dismissals yesterday and those expected today, the major companies have indicated that they are willing to negotiate through the recognised channels.

### **Walk-out**

At the giant Goodyear plant almost all the black labour force of 1 300 walked out yesterday and were automatically dismissed when they refused to return.

Although Goodyear workers and management reached agreement yesterday on several domestic issues, the workers refused to accept the management's plan to take their R3 an hour minimum wage demand to the Industrial Council for the tyre and rubber industry today. However, the hearing will go ahead as planned.

### **150 back**

The company's public relations manager, Mr Mike Selley, said 150 workers returned to work and the plant has reopened.

Mr Selley added that the dismissed workers were free to re-apply. Those who had been dismissed would be paid today.

Factories which are also reported to have dismissed staff are Gubb and Inggs (700); UCM Milling (250); Hella (about 100); the Uitenhage Municipality.

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24/6/80 Arcus  
**Workers**

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(Continued from Page 1).

(90) and Link Construction (600).

At the Volkswagen motor plant where no workers have been dismissed, the Industrial Council for the Automobile Industry will today hear the workers' demands for a R2 an hour minimum wage.

The general secretary of the Federation of South African Trade Unions, Mr Alec Irwin, said significant developments in the present labour unrest were that the workers had heeded the Federation's call to return to the factories and that most companies were willing to negotiate.

Mr Irwin added that Goodyear had taken an unusual but welcome step in taking the workers'

representative committee of seven to the industrial council to present the workers' demands for a R3 an hour minimum wage

'The big factories, especially the motor industry will be watching this meeting closely as it will set the scene for future wages in the industry,' he said

The two worrying factors in the present dispute were Goodyear's hard line on dismissals and the fact that the Hella component factory had refused to negotiate with its workers.

While the labour unrest continues several factories are making use of white collar staff and white and coloured youths in an attempt to keep some sort of production going

Motor industry spokesmen were unwilling today to comment on what the new wage demands would mean to the industry financially, but it is believed

that it could add as much as R8-million to the annual wage bill of a major motor manufacturer.

Large contingents of riot police were used yesterday to prevent striking workers walking through Uitenhage to reach the black townships. Workers from Goodyear were divided into groups of 10 and escorted, a group at a time, out of the industrial area

### Calm

The staff officer in the local divisional police headquarters, Colonel H B Cloete, said today the Uitenhage black townships were still calm and no serious incidents of stone-throwing or other unrest had been recorded since Friday morning

Meanwhile, the total number of companies still reported to be having some kind of strike trouble is nine

The exact position at several plants could not be

established today as they refused to comment on the present labour unrest.

● Auto firms' anxious watch on pay disputes — Page 18.

20/6/50  
Auto AR 45  
firms  
anxious  
watch  
on pay  
dispute

Argus Correspondent

DURBAN. — If strike action at the Volkswagen factory in Uitenhage succeeds the entire Eastern Cape motor industry's wages will increase. This could also mean that employers in other areas of South Africa will have to pay auto workers more.

When wage dissatisfaction erupted into a strike at Volkswagen that company became a strategic target for union leaders in the relentless battle between the motor industry's labour and its management.

Union officials interviewed estimate that the strike, which started when 3 500 workers at Volkswagen's Eastern Cape factory downed tools, will last about seven weeks.

They predict that the company will be unable to find replacement labour in the face of rising black solidarity, and will be forced to give in to wage demands of a minimum of R2 an hour. The present minimum wage in terms of last year's industrial council agreement is R1 per hour in the Eastern Cape.

Ford and General Motors in nearby Port Elizabeth have appealed to their workers to remain calm after their branch executive committees released a Press statement expressing complete support with fellow union members on strike in Uitenhage and stressing that union demands for a minimum wage of R2 an hour should be pursued.

#### DEMANDS

Durban-based Mr. Brian Fredericks, national organiser of the National Union of Motor Assembly Workers, said in an interview in Port Elizabeth. "When Volkswagen accedes to our demands for a R2 an hour minimum wage it is likely that General Motors and Ford will also up their minimum wage."

"The message we are circulating in the townships instruct people not employed not to look for work at Volkswagen."

#### STAY OUT

Clearly the workers are going to stay out, even though they're not getting paid during the strike. We believe it is impossible for Volkswagen to hold out. Seven weeks of production is about 12 000 cars and there is already a backlog.

So far, Volkswagen management has refused to accede to wage demands. The factory has been closed until further notice.

Offers management have made to the union, the amount of which has not been made public, have been rejected outright and a request for more time to consider their demands has been spurned.

#### PAY MORE

Mr Ruben Els, Public Relations Manager of Volkswagen, said that although the agreed minimum wage is R1 per hour, his company paid workers a R1.15 minimum wage. He said negotiations would continue.

Striking workers who have throughout the week marched through the streets of Uitenhage chanting and giving black power salutes, have stated repeatedly that they will not return to work for anything less than a basic minimum wage of R2 per hour.

The processions have been closely watched by riot police, who have used teargas and bird-shot to disperse them. Police have used dogs to disperse workers on the premises of Hella, an automotive lighting factory. At one stage, nine firms in Uitenhage were affected by stoppages.

# Crucial pay talks today

CAPE TIMES

24/6/80

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From RIAAN DE VILLIERS

JOHANNESBURG — The three giant Eastern Cape motor manufacturers meet union representatives of thousands of striking workers today in crucial wage talks which could have far-reaching effects on labour unrest in the area.

A settlement could end the strike at Volkswagen which triggered off further unrest in Uitenhage last week seriously disrupting the motor and motor-components industry.

However, as employers and unions yesterday prepared for today's talks in Port Elizabeth informed sources expressed fears of a continued deadlock which could lead to black and coloured workers at Ford and General Motors joining the strike.

Union committees at Ford and GM have expressed complete solidarity with fellow union members on strike at VW and have reiterated union demands for a minimum wage of R2 an hour.

A mass meeting of Ford and GM workers is to be held tomorrow night and union officials have described the atmosphere at the two plants as very tense.

The three firms will meet the coloured National Union of Motor Assembly and Rubber Workers Union and the black United Auto and Rubber Workers Union at a motor assembly industrial council meeting. The right-wing white Yster-en Staalwerkersunie will also be involved.

An employer source said yesterday that the black and coloured union demand would mean a 'massive' 90 per cent increase from the present minimum wage of R1,15. Describing the demand as 'unrealistic' he expressed fears of a deadlock which could lead to further strike action.

A union spokesman said the demand was reasonable, but added: 'We will try to compromise if need be. We don't like the idea of further strikes. We are hoping to reach agreement but everything will depend on what the employees will offer.'

In other developments yesterday:

• More than 1 000 workers at the Goodyear tyre factory in Uitenhage lost their jobs when they continued to strike after negotiations with management broke down.

• Workers at several smaller Uitenhage firms returned to work after talks with union men and officials of the Federation of South African Trade Unions (Fosatu) at the weekend and more workers have agreed to return today.

• About 180 black workers went on strike at the Natal Thread Company at Hammarsdale in protest against a new shift system. Police yesterday directed the dispersal of striking workers from Uitenhage's industrial area.

© Foreign aid for strikers, page 2

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MANUF. - Motor

1-9-80 - 31-12-80



# MIF discount guidelines under fire

102  
STAR 2/19/80

By Diann Shoebottom  
Fair Deal Reporter

The Motor Industries Federation has come under heavy criticism for the circular it sent to members, laying down compulsory discounts on motor spares.

In the circular, wholesaler members of the MIF were told to give specific discounts to retail spares dealers and to fleet owners. If they did not,

their discounts from manufacturers would be cut.

There has been some controversy as to whether this would raise or lower prices to the man in the street.

Peta Lomborg, PRO for a supermarket chain says her company is against any form of price maintenance. "If the MIF tries to control our suppliers' prices we will go out of our way to find a source of supply where there is

no price setting," she said. Legal academics have said the Federation is skirting on the edges of contravening the Resale Price Maintenance Act.

Mr R T Frieslich, a senior buyer for another food chain, told Fair Deal price control is not altogether a bad thing. It is not necessary on fast moving items such as spark plugs," he said "but in some areas it is justified.

"Parts dealers render a service to the public," he explained.

"They have to stock spares for each make of car and for each model of that make, for at least 10 years. During this time the mark-up may be as much as 200 percent and in the end he may never sell the parts."

Motor spares have also given cause for concern because of the number of fake parts on the market.

## FORGED

Counterfeit tail-light lenses were found being sold in Dublin, and forged 'Hella Halogen' lights were sold in a box bearing that trade name.

The National Motor Parts and Equipment Association is trying to stamp out this illegal practice. Most of the fake parts they discovered, were made in Taiwan.

A legal expert has made it clear it is extremely difficult to prevent copyright being broken when the product is manufactured outside the country of sale.

## CONCERN

Mr Michael Wei from the Embassy of the Republic of China expressed concern for the bad reputation his country was gaining in South Africa trade circles.

He gave an assurance that his government was doing its best to prevent copyright regulations being broken. It is the only government in the world, doing so," he said.

In other countries copyright contraventions are dealt with through civil courts.

## Industrial breakthrough

# Ford in PE to employ shop stewards

N.A.P.M.C.  
19/80

Mercury Reporter

FIVE full time union shop stewards and 15 part-time shop stewards are to be employed by the Ford Motor Company in Port Elizabeth next week in what has been described as a breakthrough in industrial relations in the country

Mr Fred Ferreira, director of Industrial Relations at Ford, said yesterday the stewards would be employed as a result of negotiations between the company and the unions representing the 4000 workers at the company

The stewards will be elected by the workers, he said. Their employment will, we hope, go a long way to resolving any labour problems that might arise

According to Mr Alec Erwin, secretary of the Federation of South African Trade Unions, the employment of the stewards is a breakthrough in industrial relations in South Africa

I am not certain but I think it is the first time in the history of the labour movement in South Africa that an employer has agreed to the full-time employment of shop stewards, he said

### Direct link

The shop stewards -- who will take up their positions next week -- will have direct links with workers and be able to negotiate on their behalf

They will be paid at the rate for the job they were doing before they were elected to their new positions

The unions representing the Ford workers are members of Fosatu

One full-time shop steward has been appointed for every 750 workers and 2 part time shop stewards for every 250 workers

The stewards cannot be sacked by Ford without the agreement of the trade unions

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**Car plant  
 to employ  
 stewards**

**PORT ELIZABETH** — Five fulltime union shop stewards and 15 part-time shop stewards will be employed by the Ford company here next week in what has been described as a breakthrough in industrial relations in the country.

Mr Fred Ferreira, director of industrial relations at Ford, said yesterday the stewards would be employed as a result of negotiations between the company and the unions representing the 4 000 workers.

Their employment will, we hope, go a long way to resolving any labour problems that might arise, he said.

According to Mr Alec Erwin, secretary of the Federation of South African Trade Unions (Fosatu) the employment of the stewards is a breakthrough in industrial relations in South Africa.

The shop stewards — who will take up their positions next week — will have direct links with workers and be able to negotiate on their behalf. They will be paid at the rate for the job they were doing before they were elected to their new positions. — DDC.

Re: Term 5: The riskiness of this flow is likely to be equal to that of Term 3 thus the same discount factor is suggested from the equivalent general approach. 530 which follows.

Re: Term 4: The riskiness of this flow is likely to be equal to that of Term 3 thus the same discount factor is suggested. To facilitate a fair comparison with leasing the most rapid method of depreciation allowed by the Receiver of Revenue should be used. Further- more depreciation in this context includes the invest- ment and initial allowances.

Re: Term 3: Here it is suggested that a discount factor equal to (or slightly higher than) the interest rate on a comparable loan should be used for this term. This stream is riskier than the stream in Term 2 because the lessee requires to have a taxable income to get the cash flow.



Reverend Leon Sullivan . . . believes he's pointing the way.

7/1/60

Pic by Mac Magorosi.

in which she charges that the Sullivan reforms have helped divide rather than unite South Africa's black people and have helped to modernise apartheid instead of eliminating it?

Retorted the American: "Well, I understand what she is talkin about. But she is talking about But years ago

"Two years ago little was being done. I have developed something and am still developing it. I

have to strengthen it. And I'm still going to have criticism I'm not bitter"

He was determined to push America companies to upgrade blacks. "They must demonstrate the spirit of the code of principles I have no illusions. The companies can be a catalyst for change. But I'm still not satisfied. They must do more."

# Major Coup for motor workers

1972  
3 Post

FOR the first time in South African labour history, two companies will pay workers representatives to do full-time trade union work at their manufacturing plants

The two companies, Ford and Volkswagen, have agreed in principle to pay full-time shop stewards appointed by three motor industry trade unions to represent the motor industry's labour force.

Ford has already put its signature to such an agreement.

And details are presently being thrashed out between Volkswagen and the three unions — a rightwing white union, a coloured union and a black unregistered union.

FM 5/9/80

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~~191~~  
~~190~~

# Ford in gear

In an unprecedented step, Ford SA has introduced full-time shop stewards — a move hailed as a major breakthrough for trade unionism in SA

The agreement, signed last week, is between the company, the United Automobile Rubber and Allied Workers, the National Union of Motor Assembly Workers, and the SA Iron, Steel and Allied Industries Union. It allows for the introduction of full and part-time shop stewards on the factory floor.

The move has sparked interest among all SA trade unionists. Says a labour observer "This represents a watershed in SA industrial relations. The system of shop stewards has never been fully utilised before — not even among white unions. This marks a clear move towards the belief in solving problems on the factory floor."

Fred Ferreira, Ford's industrial relations manager, adds "For the first time shop stewards have been accepted as legitimate representatives — not just functionaries working on a flexible, part-time basis."

- The agreement states that each trade union recognised by the company will be entitled to nominate
- One full-time shop steward for every 750 hourly employees, or major fraction thereof, who are eligible for membership of that union, and
- One part-time shop steward for every 250 hourly employees

There will be as many as 20 part-time and six full-time shop stewards. Those working full-time are under the direct authority of their respective unions but are being paid by the company at the rate they were earning when elected.

### Best possible

Alec Erwin, national organiser for the Federation of South African Trade Unions (Fosatu), says this proportion offers the "best of both worlds". Fred Sauls of the National Union of Motor Assembly and Rubber Workers adds "The part-time shop stewards can communicate with workers on a daily basis. Those working full-time will ensure a continual flow of information between the unions and their workers and will co-ordinate the various part-time shop stewards in the area."

Their responsibilities are restricted to handling "legitimate" grievances or other "legitimate trade union representation functions."

The agreement defines a legitimate grievance as "a dispute or difference of opinion on wages or any condition of



Sauls . . . "a move in the right direction"

employment provisions regulating conditions of employment, training, health and safety administration of benefit programmes and disciplinary action regardless of the infraction and penalty."

However, shop stewards may not "negotiate or represent on the shop floor matters involving company policy" or make representations on "non-work related issues."

The agreement, the first of its kind to be drawn up between a company and trade unions, comes into effect immediately. Shop stewards are being trained by the unions and have taken office.

Factory floor representation is a contentious issue in SA. White unions have tended to rely on union representatives and the industrial council system to resolve disputes and answer worker grievances — a system which has been criticised as time consuming and unsatisfactory, particularly for black workers.

Says Erwin "Management and registered unions have relied on the industrial council system for their industrial relations. This may have been satisfactory for artisans, who enjoy greater mobility, but it cannot suffice for the great mass of semi-skilled and unskilled workers now being unionised."

Ford's initiative may also introduce a new trend in the white labour movement where white unions have been slow in utilising full-time shop stewards, preferring union representatives, worker elected committees, and ultimately the industrial council.

Says Ferreira "Grievances should be resolved quickly and on the shop floor. The agreement is a step towards that objective."

Adds Sauls "The agreement is a move in the right direction for SA industrial relations and should show the way for other companies. We hope it will help workers in their demand for better representation on the factory floor."

- Personnel selection
- Definition and
- DESIGN AND CONSTRUCTION
- Communication and
- Resource and
- Contract negotiation
- Contract documentation
- Appraisal of
- Specifications
- Monitoring of
- Appraisal of
- Control system
- Project operation
- Contract method
- Financial arrangement
- Feasibility study
- Analysis of

### DECISION PHASE

### PROJECT MANAGEMENT FUNCTIONS

EXHIBIT 3.1

# Leyland en Fiat haaks

Stille Rapport

7/9/80

192

**DIE verhoudinge tussen Fiat (SA) aan die een kant en Leyland en die Messina-groep aan die ander kant, is vinnig besig om te versuur.**

In Messina se geval is 'n mondelinge ooreenkoms reeds tussen hom en Fiat gesluit om Fiat se motor-monteeraanleg in Rosslyn te koop. Fiat draai egter nou om die ooreenkoms te onderteken.

Dit is bekend dat Fiat reeds sy produksie beëindig het en nou motors uit sy aansienlike voorraad verkoop. Die fabriek is egter in 'n swak toestand en dit sal Messina, wat Datsun beheer, waarskynlik 'n hele paar maande neem om opknappingswerk te doen.

Messina se plan was om die fabriek einde van jaar oor te neem.

Fiat se gesloer om die ooreenkoms te onderteken laat nou allerhande vrae ontstaan oor die redes daarvoor.

In Leyland se geval is die ontevredenheid nog groter. Hy het 'n finale

aanbod aan Fiat gemaak vir sy hele 128-reeks en 'n deel van die 131-reeks se onderdele en gereedskap.

Fiat se naam lei egter aansienlike skade in die mark weens die onsekerheid oor presies wat die maatskappy gaan doen. Leyland se standpunt is waarskynlik dat hoe langer Fiat draai, hoe minder is daar om oor te neem, hoewel Fiat se bedingingsposisie natuurlik al hoe swakker word.

Dit is ook bekend dat Fiat met Alfa Romeo onderhandel oor die 128-bakkie. Alfa het geen handelsvoertuie nie en stel om dié rede in die 128-bakkie belang. Dit lyk egter of Alfa net die 128-bakkie sal vat as Fiat se onderhandelinge met Leyland deur die mat val.

Intussen is Fiat besig om sy bestaande voorraad te verkoop en sy personeel te verminder.

# Car plant workers get new powers

192  
192  
192

5/9/60  
STAR

By Sieg Hannig, Labour Editor

The strike-battered motor assembly plants of the Eastern Cape are sweeping away all barriers to full co-operation with trade unions, in an effort to avoid further confrontations with labour.

To attain the maximum commitment of trade unions and to perfect machinery for the airing and solving of grievances, the Ford Motor Company has negotiated agreements to

- Pay workers to do union work at its plants as full-time shop-stewards.
- Involve full-time and part-time shop stewards in the grievance procedures from the lowest level on the shop floor and upwards.
- Allow workers trade union representation at all formal disciplinary hearings.

The agreements involve the black, coloured and rightwing white trade unions of the industry, all of whom were directly involved in the negotiations which led up to the agreements.

## Not end

Volkswagen is now engaged in the negotiation of similar provisions, leaving General Motors to follow suit.

An informed source said it would be naive to think that this would be the end to all strikes.

But it was felt that the new deal would come as close as possible to a solution to the unrest, which the provisions of the much-vaunted Industrial Conciliation Act were unable to provide.

The Eastern Cape motor assemblies were at the heart of two "new era" strikes which shattered hopes that the extension of existing trade union rights to blacks would eliminate the wildcat strikes of mainly black workers.

The first was the Ford strike late last year, where the initiative was taken by the black Port Elizabeth Civic Organisation and the unions were left out in the cold.

## Stewards

The second was the recent Volkswagen strike in Uitenhage where workers held out for a doubling of their minimum wage.

The Star was told that Ford introduced the first three full-time shop stewards on the company's payroll at the beginning of this month.

The eventual target is six full-time shop stewards and 18 part-time shop stewards.

The full-time shop stewards will be paid at the rates of pay they received before their appointments. They will qualify for all general pay increases and normal benefits.

# Motor firms' bid to avoid strikes

POST 9/9/80  
1912  
13TW  
4

THE strike-battered motor assemblies in the Eastern Cape are liberating trade unionism "to the limit" in efforts to counter repetitions of some of the worst strikes of the post-Wiehahn era.

To attain the maximum commitment of trade unions and to perfect machinery for the airing and solving of grievances, the Ford Motor Company has negotiated agree-

- Pay full-time trade union officials to do union work at its plants as "full-time shop stewards"
- Involve full-time and part-time shop stewards in the grievance procedures from the lowest level on the shop floor and upwards
- Allow workers trade union representation at all formal disciplinary hearings

The agreements involve

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## DEAL

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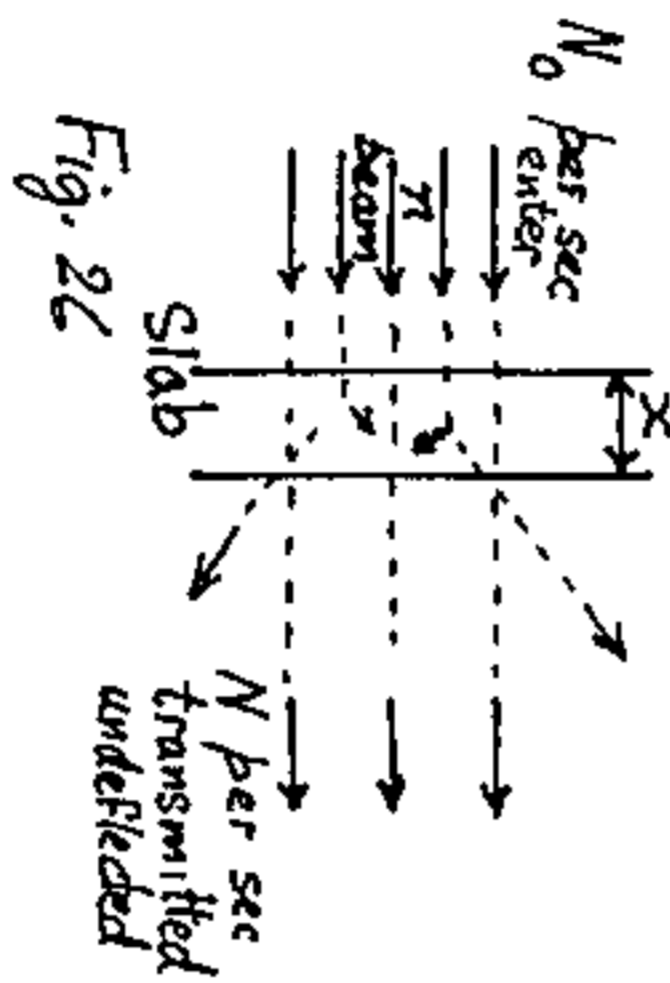


Fig. 2c

single elastic collision with a proton. The maximum nuclear recoil energy  $E_{max}$  resulting from elastic scattering of neutrons (of mass  $m_n$  and energy  $E$ ) on a nucleus of mass  $m_N$  is given by

$$E_{max} = 4m_n m_N E / (m_n + m_N)^2 \dots (34)$$

Thus  $E_{max}/E$  is much smaller for heavy nuclei than for hydrogen.

(c) Gamma rays

The three most important effects in the interaction of gamma rays with matter are the photoelectric effect (described in section 2.1), the Compton effect (section 2.1, p.5) and pair production (section 2.3, p.8). Energy is transferred from the incident gamma photon to a photoelectron, a positron electron or an electron-positron pair respectively. These charged secondary particles then interact with the medium as described in (a). As in the case of neutrons, the interaction of gammas with matter is a statistical process governed by an exponential absorption law of the form  $N/N_0 = \exp(-\alpha x)$  where  $\alpha$  represents the gamma ray absorption coefficient. This coefficient can, in turn be considered as the sum of components  $\alpha_{pe}$ ,  $\alpha_C$  and  $\alpha_{pp}$ , corresponding to the photo-, Compton and pair effects. Thus

$$\alpha = \alpha_{pe} + \alpha_C + \alpha_{pp} \dots (35)$$

The absorption coefficients are largest for the heaviest elements (e.g. lead) and  $\alpha_{pe}$  usually dominates for gamma energies below 0.5 MeV,  $\alpha_{pp}$  for energies above ~ 10 MeV and  $\alpha_C$  for energies around 1 MeV.

A convenient measure for gamma interaction calculations is the half-thickness, analogous to the half-life in radioactive activity. This is defined as the thickness  $x_{1/2}$  of the particular medium required to reduce the fraction  $N/N_0$  (eq.(33)) to one half for a particular gamma energy.

$$\text{Thus } N/N_0 = \frac{1}{2} = \exp(-\alpha x_{1/2}) \dots (36)$$

Some values of  $x_{1/2}$  are given below (in mm)

Energy	Lead	Concrete
1 MeV	9.0	47.0
5 MeV	14.5	100.0



# Education programme

BARLWS tractor division has introduced an adult education programme designed to improve the academic qualifications of its black employees

A total of 60 adults have enrolled for the initial course, aimed at Standard 8 and matriculation levels

# Cap Sullivans hit

MR. GOVERNMENT Zini, chairman of the Ford Workers Committee, has slammed the visit to South Africa of the Rev Leon Sullivan.

Mr Zini said in statement that if Mr Sullivan's 10 principles were aimed at 'management' and 'higher class society' they were not needed.

Ford and General Motors, with headquarters in Port Elizabeth, are b.91 signatories to the Sullivan Code of Principles which seeks to compel American firms operating in South Africa to move away from discrimination in the workplace.

Mr Zini revealed at a meeting attended by 10 000 Ford workers at the Holy Spirit Hall in KwaZakhele that the management had at last agreed to "reduce human

suffering experienced by black workers over losing the 1979 year-end bonus."

"Each individual will be compensated for the amount lost, but it will not be classified as a bonus," he said.

The workers expressed their disappointment that Mr Sullivan had failed to visit the most troubled industrial areas. "As a director of General Motors he could at least have paid a visit to know what is taking place there," said one.

Workers said the Sullivan Principles were an expression of oppression by

where he had planted his principles, we are left grieving.

"What did he come here for?" he asked. "To listen to one side of the story away from us — or were we being deliberately avoided?"

He asked whether the Sullivan Principles were just a front to label the American firms with a good name. He said the principles were viewed by the blacks as a economic exercise in perpetuating apartheid.

The workers said the Sullivan Principles were a company's 'cost' and

American firms operating in South Africa

Mr Zini also revealed that workers at the Cert. plant had been boycotting the carter since July in an effort to get management to pay out the 1979 bonuses

In a statement this week Mr Zini told SUN DAY POST: "We outwardly attack Mr Sullivan's visit. His visit might have been for a good cause but because he did not reach the so-called trouble spot

it would not be long before the South African black man rejected the entire concept and demand that the "package" be returned to America.

The workers said Mr Sullivan's failure to meet the committee and talk with shop floor workers served only to confirm the suspicion that he was aware of the irrevocable of his principles.

At his last GM board meeting Mr Sullivan challenged the company to withdraw its business from South Africa.

He declared that African business could not maintain a function in a country that so blatantly refused to maintain such commitments. He said that 50 000 numbers of the Ford Workers Committee were over Mr Sullivan in changed his mind

# Ford's deal with unions praised

1970  
From 11/17/60

London Bureau

LONDON — The agreement between Ford South Africa and trade unions, permitting the appointment of full-time shop stewards, has been hailed as a significant development by the powerful International Metalworkers' Federation

The IMF, based in Geneva, played a key role in the three-week strike by black workers at the Volkswagen Uitenhage factory earlier this year, a spokesman said yesterday

All the Ford unions involved are affiliated to the IMF the umbrella body for metal workers throughout the world except in Communist bloc countries

The IMF general secretary, Mr Herman Rebhan, said in Geneva yesterday "The Ford agreement is an important advance for the South African workers and their unions. Active shop stewards, accountable to workers and provided with facilities inside a plant, are the bedrock of trade unionism

"They give workers a real sense that their grievances can be swiftly and directly taken up with management without having to wait for an outside official to intervene"

Mr Rebhan said the unions were to be congratulated on this achievement. It marked a breakthrough for trade union

organisation in South Africa. Ford understood the importance of recognising the rights of workers — no matter what the colour of their skins — if peaceful change were to come about in South Africa

Mr Rebhan added "Unfortunately the majority of other employers and the Government itself are still blind to the need for independent trade unionism in South Africa. I think they should draw the appropriate lessons from Poland"

This is significant coming from a man representing trade unions in the Free World

The IMF is not extremist and its views are highly respected in the Western world

The IMF has been deeply involved in supporting trade unions in South Africa, a spokesman said. In July an IMF assistant general secretary spent two weeks assisting black and coloured unions — the United Automobile Workers and the National Union of Motor Assembly and Rubber Workers — during the Volkswagen strike

Pressure by the IMF and its major affiliates in the United States and West Germany has forced multinational automobile companies to negotiate with unions representing black workers in South Africa, the representative said

# Ford rocked by verbal war over union

192  
ROM 15/9/80

By STEVEN FRIEDMAN  
Labour Reporter

THE Ford motor company's Port Elizabeth plant has been rocked by a new war of words between a union affiliated to the Federation of SA Trade Unions and a worker committee believed to support the black consciousness movement.

The chairman of the Ford Workers' Committee, Mr D Makhanda, has said all black workers have broken away from the United Automobile and Rubber Workers Union to form a new one.

He has claimed that UAW, regarded by many employers as militant, is too sympathetic to Ford management.

But a UAW spokesman said yesterday no members had broken away and the union was confident most workers would remain loyal.

"The committee claimed that all black workers at Ford would resign from our union before the end of last week. Nobody has resigned and we can assume that this commit-

tee does not have the support it claims," he added.

The union is to issue a detailed statement later this week, defending its record at Ford and replying to allegations against it.

It is understood Ford is remaining neutral and has said it will deal with any group which represents a majority of workers.

A breakaway would be significant for labour relations because it would indicate that Ford workers had rejected conventional trade unionism - possibly in favour of a more militant body.

Ford became one of the first companies in South Africa to recognise a black union when it agreed to bargain with the UAW several years ago.

Last year, the company was hit by a protracted strike in which black workers, most of whom belonged to the PE Black Civic Organisation (Pebco), a black consciousness organisation, claimed the UAW was "pro-management".

The strike was seen as sig-

nificant because the union was regarded as too "militant" by many employers. Observers believed it could demonstrate that young black workers were losing faith in unionism and turning to more militant avenues.

Both management and union acknowledged, however, that a prime cause of the strike was the lack of a strong union presence on the factory floor and both agreed to look for ways to increase the union's say in shop-floor issues.

The culmination of this was a recent deal in which the company agreed to appoint full-time union shop-stewards.

If the committee, which is believed to be composed of former Pebco supporters, does form a new union, this arrangement could be jeopardised.

Its decision to try to form a rival union is the culmination of a long-simmering dispute about the UAW's role in the strike. The union has been accused of not doing enough to support strikers, a charge it hotly denies.

Increases, as the particle penetrates deeper into the medium. The density of energy deposited ( $-dE/dx$ ) is therefore highest at the end of the range (Fig. 25).

particles or gamma rays. Thus the secondary particles resulting from neutron interactions in matter are often charged particles and these particles then interact with the matter as described in (a). Hydrogenous media such as wax, water or plastic are of particular interest because a neutron can lose any fraction (0-100%) of its kinetic energy in a

single elastic collision with a proton. The maximum nuclear recoil energy  $E_{max}$  resulting from elastic scattering of neutrons (of mass  $m_n$  and energy  $E$ ) on a nucleus of mass  $M$ , is given by

$$E_{max} = 4m_n M E / (m_n + M)^2 \quad (34)$$

Thus  $E_{max}/E$  is much smaller for heavy nuclei than for hydrogen.

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$$\mu = \mu_{PE} + \mu_C + \mu_{PP} \quad (35)$$

The absorption coefficients are largest for the heaviest elements (e.g. lead) and  $\mu_{PE}$  usually dominates for gamma energies below 0.5 MeV,  $\mu_{PP}$  for energies above ~ 10 MeV and  $\mu_C$  for energies around 1 MeV.

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$$\text{Thus } N/N_0 = \frac{1}{2} = \exp(-\mu x_{1/2}) \quad (36)$$

Some values of  $x_{1/2}$  are given below (in mm)

Energy	Lead	Concrete
1 MeV	9.0	47.0
5 MeV	14.5	100.0

CAPE TIMES 10/9/80

# Ford workers to launch new non-racial union

192 1908 1391 1911

Own Correspondent

**FORD ELIZABETH** — Ford Cortina plant workers who have been involved in a five-month dispute with the United Automobile Rubber and Allied Workers of South Africa (UAW) have decided to launch a new trade union

The move by Ford workers, who constitute about 90 percent of the UAW's Port Elizabeth membership, climaxes a series of efforts by their committee to unseat UAW officials following a heated meeting earlier this year at which a no-confidence vote was passed in the UAW executive

The workers claim the UAW is pro-management at Ford and was ineffective in handling last year's dispute at the company

The executive has refused to hand over office to the dissidents

Mr John Mke, UAW national and local president, said the Cortina plant workers' effort to unseat his executive was unconstitutional

Since the workers' threatened legal action had not materialized he had expected

them to come back to him to discuss their differences, he said

It was only in Port Elizabeth that there was a stir within the union, Mr Mke said. He thought the dispute was based mainly on personal differences

A UAW council meeting last night decided that it would approach the dissident workers in an effort to seal the cracks in the organization

The UAW, an unregistered African union, is a parallel body to a registered coloured trade union, the National Union of Motor Assembly and Rubber Workers (NUMARW)

The dissident workers' new nonracial union, which has been engineered by the Ford Workers' Committee, is to be called the Motor Assemblies and Components Workers' Union of South Africa (MACWU)

The committee's chairman, Mr Government Zini, said all Ford members of the UAW were expected to resign by the end of the week

He said the decision to form the new union was taken at a meeting last week in the Holy Spirit Church, Kwazakele,

which was attended by about 600 Cortina plant workers

Mr Zini said he expected most of the Cortina plant men to join the new union, which would then start a recruitment drive in allied industries in Port Elizabeth and Uitenhage

He said MACWU would concern itself with wider issues such as housing and living conditions and implementation of the Sullivan code

The workers' committee claims that there has been widespread worker dissatisfaction with UAW officials over their handling of the Ford strike last year and the bonus issue

Mr Zini said workers felt that the UAW executive was made up of liaison committee members who were "pro-management"

"We have totally rejected liaison committees"

He said another reason for dissatisfaction with the UAW was its failure to resolve the workers' bonus issue

Ford management had said that workers who were not at the plant during its official closedown last year were not

eligible for bonuses. Most of the workers were on strike then

Mr Zini said "We agreed that the bonus issue should be handed over to the union but they did nothing about it. Although union officials claimed that they were negotiating with management, we got no feedback from them"

He said his committee ended up fighting the issue

The national secretary of the NUMARW and technical advisor to the UAW, Mr Freddie Sauls, said if the dispute within the UAW continued it would be a setback for the black worker's struggle for recognition

He said it would be to management's advantage because it would divide the workers at a time when unity was needed most

Ford director of labour relations, Mr Fred Ferreira, said at the weekend that he was surprised at the news of the formation of a new union

He said it was company policy to recognize it if it represented more than half the firm's workers

# A signal from Ford

FM 12/9/80

192

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A worker in a factory feels he has been underpaid. He raises the issue with his union leaders, who seek redress from management. As happens all too often there is a 'communications breakdown'. Victimisation might be involved, personalities intrude — the result could be a spreading wildcat strike.

That scenario is familiar enough. The question is: how to defuse a problematic situation before it reaches the crunch?

In what has been hailed as a major breakthrough in SA labour relations, Ford last week formally instituted a system of shop stewards in its Port Elizabeth plants (*Current Affairs* September 5). In so doing, it has fallen in line with a grievance-solving procedure which has gained widespread acceptance throughout most of

the industrialised world. Other firms might very well have to come to terms with the system in the near future. Volkswagen and GM are in the process of doing so.

## Shop stewards

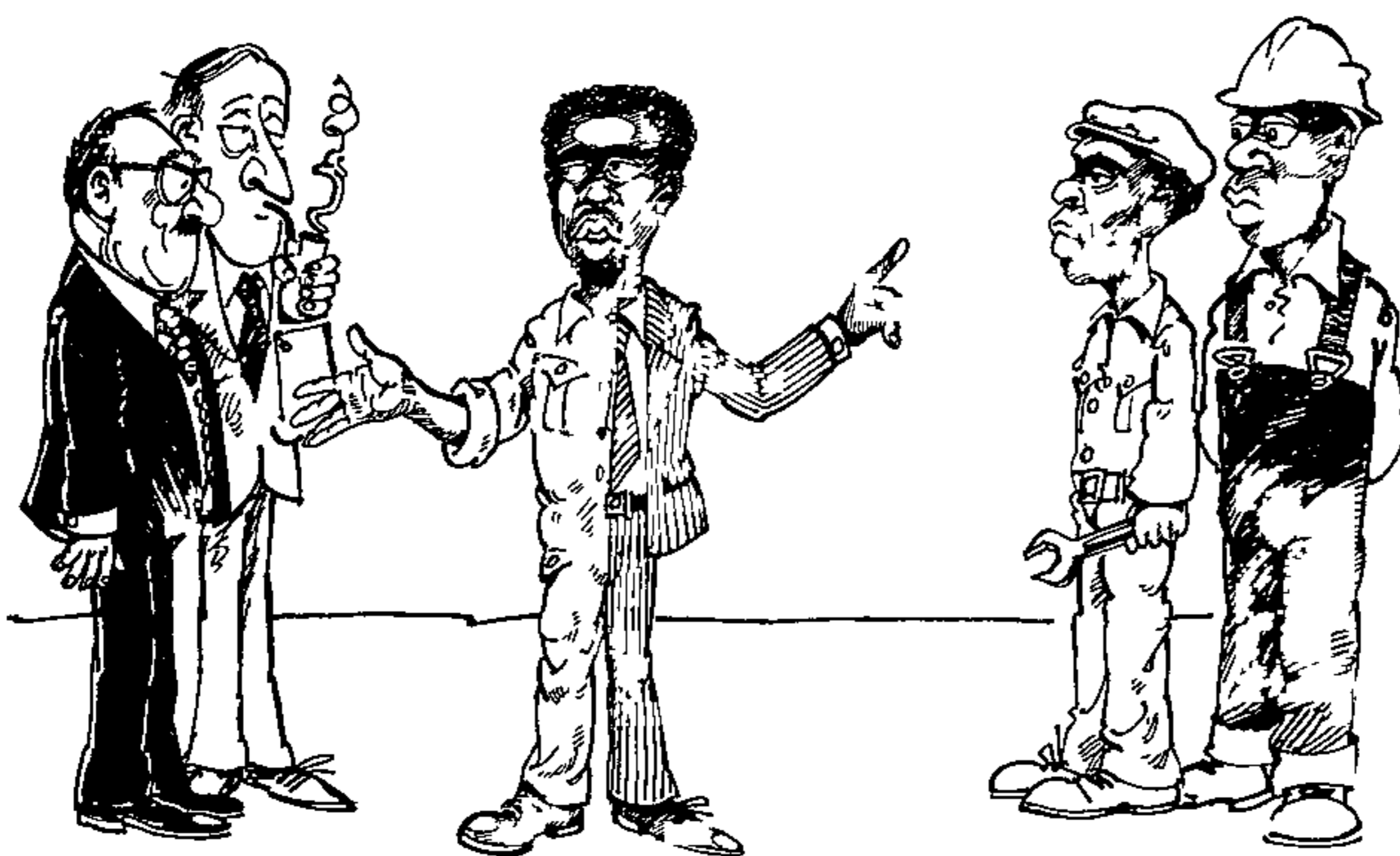
The Seventies saw a massive spurt in black worker unionisation. Indeed, government was forced to legitimise these aspirations through acceptance of many of the recommendations of Professor Nic Wiehahn — a step which some regard as too much, others as nugatory. But by common consensus, black worker power is here to stay. What is new at Ford is the installation of the shop steward as the primary vehicle of factory conciliation. Labour observers are already drawing comparisons

with overseas experience.

What then, is a shop steward? What advantages, and what dangers, are implicit in the system?

In most foreign industries with a fair degree of trade union organisation, union members generally choose a representative spokesman at plant level. In the British printing industry, as in SA, the post is held by a 'chapel father'. The western European nations have equivalent posts, though many smaller industries prefer to work through committees made up of shop floor representatives.

Whatever the title, the principle is common — hassles are dealt with at plant level, not on an industry-wide basis. Legitimate grievances are dealt with at their source by the union-appointed (and often,



as at Ford, company-paid) stewards. The threat of wider strike action is, in theory, averted.

The system developed, and flourished, overseas because union officials found negotiating for a large number of workers with employer associations unsatisfactory. The union leaders could deal only with broad issues, while individual members were faced with a variety of specific complaints. To obviate the wastage of man-hours that resulted, shop stewards were introduced.

They are, therefore, essentially grassroots bargainers. Their duties fall into two broad categories: industrial relations, and trade union affairs.

As unionists they can negotiate on a wide variety of issues such as wages, hours of work, dismissals, manning of machines, and pace and quality of work.

But, wedged between labour and management, they are not purely unionists — though the system can only work fruitfully if they enjoy the trust of both 'sides'. This happy situation is not always the case. Unions often regard the shop stewards with a degree of ambivalence. Some even feel that shop stewards can, and do, undermine the authority of the union, after all, their power is frequently unregulated, and some are prone to external influences often more radical than their unions. The arrogant shop steward has become a stereotyped figure in popular imagination.

In the UK this situational conflict has expressed itself in wildcat strikes instigated

by shop stewards, disregarding the unions' wishes. Witness the disruptions at Leyland last year.

Conflict can best be avoided by involving shop stewards in the broader union negotiating mechanism, ie on an industry level. It means increasing their powers, but as Fred Ferreira, Ford SA's industrial relations manager, says: 'I don't think this is an inherent weakness of the system. So much depends on the attitude of management and of the union.'

Shop stewards' trade union duties include recruiting and organising workers as well as keeping members informed of union affairs. Overall they can be a crucial link between the union as an organisation and its membership.

What does management get in exchange? For one thing, there is an ensured continuity of production if petty grievances are met and dealt with on the factory floor. Employer and employee are historically natural bargaining opponents in the West. Given this, one observer notes, 'shop stewards are considered more of a lubricant than an irritant' by management.

From the union side, there is sometimes the suspicion that shop stewards are collaborators with management. In its handbook, the Transport and General Workers' Union in the UK warns shop stewards against becoming 'mere messengers'. During negotiations 'they must stand on (their) own two feet'.

In SA the system of factory floor representation has hitherto been poorly used,

with established white unions relying heavily on the Industrial Council mechanism to resolve worker grievances. Since the wave of motor industry strikes began nine months ago, there have been warnings that to persist with the existing system (of which the Wiehahn recommendations are rather a sophistication than a radical rethink) would simply be asking for trouble, particularly as far as black workers are concerned.

The Industrial Council is a slow problem solver, and workers are increasingly dissatisfied with its processes. So, also increasingly they have been taking matters into their own hands. This was certainly the case in the Ford, General Motors, and Volkswagen strikes.

But says Ferreira: 'Although wildcat strikes cannot be eliminated, they can be minimised. The shop steward system is an attempt to do just that.'

Not that the introduction of shop stewards is a threat to the industrial council system, it is an extension, and modernisation of it. As the nature of production has changed in SA a whole new set of industrial problems has set in.

## Usurped activities

Says Loet Douwes-Dekker, leading labour academic: 'We need a centralised body, such as an industrial council system, to deal with industry issues. But this body must not deal with issues that arise on the factory floor. The industrial councils have usurped certain activities which should be, and normally are, handled in the plant.'

Adds another observer: 'The industrial councils are viewed by blacks as far too remote to handle many problems. The black person wants to see his problems solved on the shop floor, by people he knows, and in a manner he understands.'

Union leaders and labour watchers have greeted the Ford agreement with enthusiasm. However they fear that if more companies do not follow suit, workers will continue to express their grievances through wildcat strikes and militant action such as consumer boycotts.

As Fred Sauls, secretary for the National Union of Motor Assembly and Rubber Workers, said after the Ford agreement had been signed: 'It's a move in the right direction for SA industrial relations. Let's hope it rubs off on other companies.'

# Cape firms

13/9/80

ARCS

# should do well in car boom

192

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**THE motor trade is booming. It sold almost 37 000 new cars and trucks in August, which is a record number, and could have a turnover from new vehicle sales this year of around R3 000-million.**

As this very roughly is about R1 000-million more than the trade earned from new vehicles last year, it means that most motor dealers must be doing about 50 percent more business than a year ago

While costs in the motor trade — like everywhere else — have continued to rise, it does seem on these figures that the level of profits will still be rising much faster

## RECORD

Therefore, although motor shares have had a good rise on the Johannesburg Stock Exchange recently, they probably still have some way to go

Three companies which should do well out of the motor boom are the Cape Town based Diroyals, Robbs and Schus

All are enjoying record business and are looking forward to even better conditions in the months ahead

An investment in a local company, moreover, can also be much more interesting than in an up-country one, as you can get a better idea of how it is faring

You can attend its annual meeting, watch its Press and radio advertising, and learn by word of mouth how it is running its business.

Diroyal Investments, to give it its full title, controls Motors WP, the agents for Volkswagen. It also has a number of other interests in furniture retailing, ship chandlery

factoring and manufacturing

In the six months ended June Diroyal's taxed profit rose 79 percent to R113 000, while earnings rose 70 percent to 90c a share

Diroyal's directors say that earnings in the second half of the year should not be less than in the first half

This means that the company should earn at least 18c a share this year

However, since June the tempo of new car sales has accelerated, 49 400 being sold in July and August

This is almost 30 percent more than the 38 200 sold in the first two months of the year

## TOP SELLER

This, plus the fact that the Volkswagen Golf is proving to be the country's top seller, suggests that Diroyal's earnings for the six months ending December are likely to be considerably higher than in the first half of the year

A 30 percent increase could lift them to 12c to make a total of 21c for the year

If Diroyal continues with its present policy and holds its dividend cover at 2.5, it could pay a dividend of 8.4c a share

At 98c this puts Diroyal shares on a prospective dividend yield of 8.6 percent

## ROBBS

Robbs Holdings is one of the country's largest Sigma dealers with several branches in the Western Cape and recently bought a 50 percent share in Germiston Motors, a

Sigma dealer which also has branches at Alberton and Benoni.

Robbs has just reported a taxed profit of R1 073 000 for the 12 months ended June — equal to 40.0c a share — out of which it paid dividends totalling 12c

This was virtually double the R553 000, equal to 20.3c a share, earned in the previous year, out of which dividends totalling 6.0c were paid

## 40c A SHARE

However, the interesting aspect of Robbs' profits was that it had earnings of only 9.5c a share in the first half of the year and then earned three times as much — 30.5c — in the following six months

If it is assumed that the motor trade's profits in the second half of this year will be about a third higher than in the first half, then Robbs could earn 40c a share between now and December and 80c for the full year

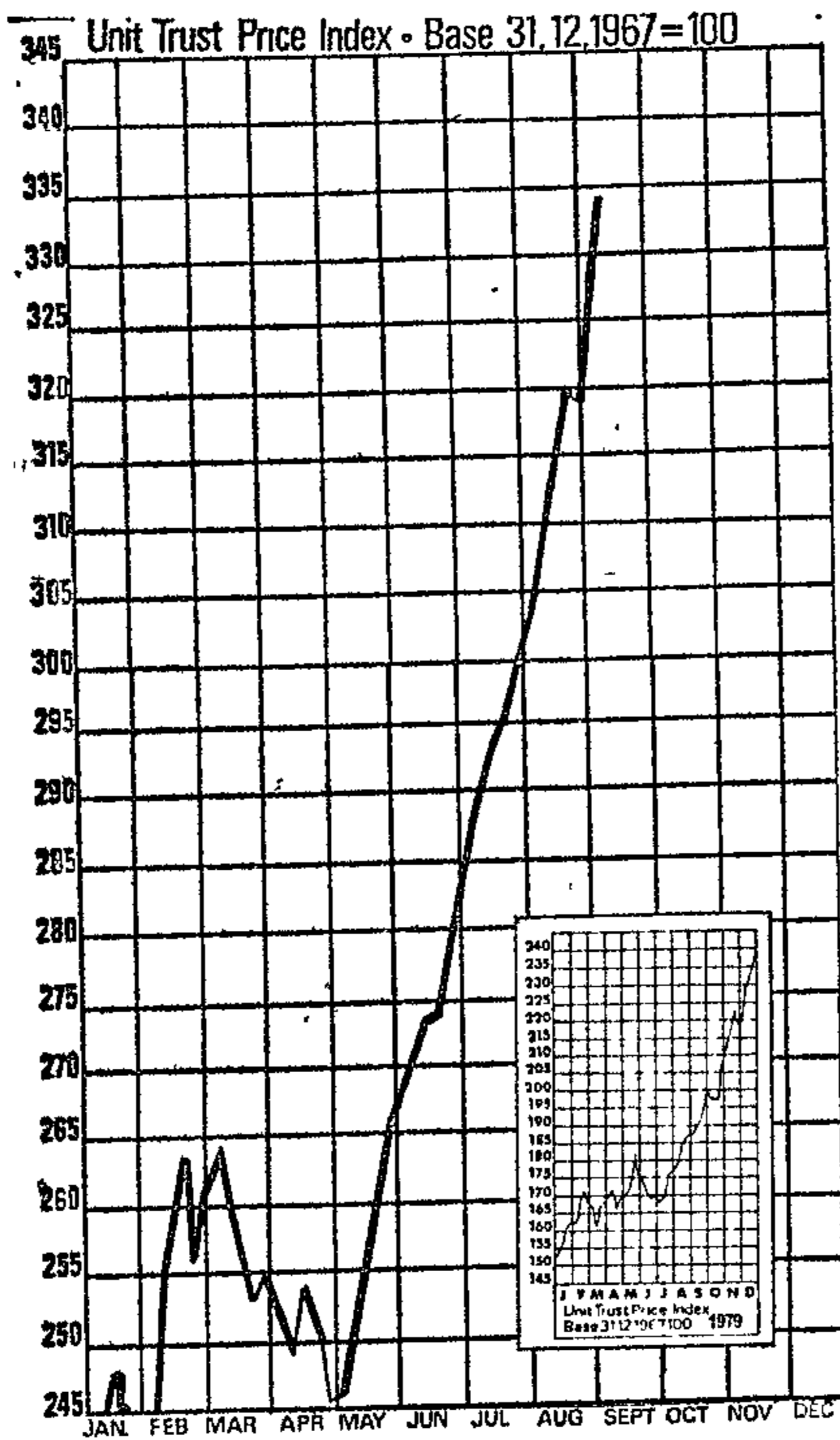
But even if this is overstating the company's earnings by 10c, Robbs should still be able to report earnings of 70c

From this it could pay a dividend of 18c if it keeps to its present policy of three times cover

But the company may well reduce dividend cover in the face of the higher earnings and pay a higher dividend

Admittedly, this is speculation, but it does indicate that Robbs' shares could give a potential dividend yield of 10 percent at their present price of 185c — which still includes the 8c final dividend for 1979-80

Cont.



INVESTORS who put their money in unit trusts have gained a huge bonanza over the last 20 months as The Argus unit trust graph — which rose 6,80 points this week to 333,82 — shows Unit trusts went up 60 percent last year and so far this year have risen 36 percent, making a total increase of about 120 percent since the beginning of 1979.

## SCHUS

Last but not least is Schus Holdings

This company went through a difficult time during the recession but is now well on the way to recovery

Schus is the agent for Datsun and Sprite caravans

In the 12 months ended February the company earned R473 136, equal to 26,3c a share. However, of this figure R367 722, equal to 20,4c a share, was earned in the second half of the 12 month period

Just given a continuation of the conditions existing in the six months to February, Schus should earn more than 40c a share this year

However, the company's managing director recently reported that it was experiencing an outstanding year and demand for new cars was strong

## FEASIBLE

In the light of this an increase in Schus's earnings to 60c a share would seem feasible, out of which it could quite possibly pay dividends totaling 20c a share.

However, a word of caution is necessary

Owing to its assessed losses Schus paid no taxation last year

While it may still have some tax losses to carry forward these will not last long when the company makes record profits

Schus could therefore soon find itself paying full tax again which would substantially dent its earnings

Schus shares are 165c at present after rising from 130c in the past four weeks or so

The managing director has said the company will resume dividends in 1980-81 and they will not be token payments

It is difficult to gauge how much further Schus shares will rise

But at their present price they are probably giving a potential dividend yield of between 8 percent and 10 percent.



# Plant workers break away to form a new union

By VICTOR THOMAS

WORKERS at the Ford Cortina plant in Port Elizabeth who have been excluded in a strike by the union with their union have broken away to form a new trade union.

According to Mr Dumile Ndlovu, chairman of the Action Committee, the breakaway from the Allied Automobile, Rubber and Allied Workers (AARAW) follows allegations that large sums of money belonging to the union have not been properly accounted for.

The new body, Ford Workers, who constitute about 60 percent of the AARAW, Port Elizabeth membership, will meet on 16th to elect their first officers, following a meeting earlier this year when a resolution to form a new union was passed in the executive.

The workers claim the AARAW is pro-management and has neglected in handling last year's dispute at Ford. The executive has refused to hand over of funds to the disaffected.

The Action Committee was never consulted by the union when it selected

the well-known and closed by strike.

Mr John Ede, AARAW's national and local secretary, said the disaffected workers' object to re-join the union was to prevent a split.

Since the workers threatened legal action had not materialized, he had expected them to come back to him to discuss their differences, he said.

The disaffected workers' new non-racial union is to be called the Motor Assemblers and Component Workers Union of South Africa (MASCWA), and will be started by the Port Elizabeth committee.

Mr Ndlovu said all Ford members in the AARAW were expected to register with the new Ford.

He told THE DAY POST that the decision to launch the new union was taken at a meeting last week in the Hillside Club, Port Elizabeth, which was attended by 100 disaffected workers.

He said MASCWA would concern itself with issues such as living conditions and improvement of the standard of life.

# Motormakers bars uit nate

Scale 1/1000  
1972  
1/1000



## Deur FLIP MEYER

**SIGMA**, die motor-reus wat tans die grootste verkoper in die motorbedryf is, is besig om sy aanleg in Silverton naby Pretoria met R40 miljoen uit te brei, terwyl Alfa veranderinge aan sy aanleg op Brits aanbring om hom in staat te stel om sy volle produksievermoë te benut.

Intussen woe die ander motorvervaardigers om die agterstand in aflewering in te haal. Om dit te doen word bykomende werkskote ingestel en oortyd gewerk. Sigma, wat voor die einde van vanjaar met die vervaardiging van die Peugeot 505 gaan begin, het, het sover vasgestel kon word, die grootste nywerheidsperseel in Suid-Afrika.

Die uitbreidings wat by die Silverton-aanleg kom, sluit in die oprigting van 'n bykomende administrasiegebou en die verlening van produksielyste in die monteeraanleg. Van die produksielyste wat uit-

gebrei gaan word, is die watertoets-, meganiese en finale afwerklyn. Sigma vervaardig sowat 260 motors per dag en beoog om sy daaglikse produksie oor die volgende paar maande tot 300 op te stoot. By die verfael-ling in die monteerfabriek word 'n dubbelskof gewerk, terwyl ander afdelings oortyd werk om voor te bly.

By Alfa se aanleg op Brits word 45 eenhede per dag vervaardig, maar die plan is om dit na 60 eenhede te verhoog sodra veranderinge in die uitleg van die fabriek aangebring is.

Ander motorvervaardigers wat tans teen hul volle produksievermoë vervaardig, is Volkswagen wie se drukpers 24 uur per dag werk, Ford, General Motors, Datsun, Leyland en Toyota.

By Volkswagen werk 'n groot deel van die werkers oortyd en soms word daar selfs Saterdag gewerk, terwyl Ford by sy Cortina-aanleg 'n nagskof in sommige afdelings ingestel het. By laasgenoemde se enjinaanleg is ook 'n nagskof ingestel.

Toyota, wat tans sowat 300 eenhede per dag vervaardig, beoog om binne 'n maand of twee die produksie na 320 op te stoot en teen die einde

problem in MAN.

van Februarie sal dié syfer op sowat 340 staan. Wat eenhede vervaardig betref, sal Toyota dan moontlik die grootste vervaardiger wees.

By General Motors is dubbelskote in sekere afdelings ingestel, terwyl Datsun dieselfde gedoen het.

Volgens 'n opname wat Sake-RAPPORT gedoen het, is Volkswagen die grootste werkverskaffer (sien tabel), gevolg deur Ford, Sigma, General Motors, Datsun, Toyota, die UCDD-groep, Leyland, en BMW.

Die totale aantal werkers in die motorbedryf is tans tussen 36 000 en 37 000 en die vooruitsigte is dat dit vroeg aanstaande jaar oor die 40 000 gaan wees.

Die probleem van die motorbedryf is, soos in baie ander bedrywe, dat

DIE onderstaande tabel toon hoeveel eenhede per dag deur Suid-Afrikaanse motorvervaardigers vervaardig word en die getal werknemers wat hulle in diens het. Die getal werknemers sluit mense in wat maandeliks en wekeliks betaal word. Die syfers is afgerond. UCDD se getal werknemers sluit sy onderdele-afdeling in. Die getal eenhede sluit passasiers- en handelsvoertuie in.

Vervaardiger	Getal eenhede (per dag)	Getal werknemers
Volkswagen	300	7 000
Ford	290	6 200
Sigma	260	5 500
General Motors	190	4 600
Datsun	300	4 200
Toyota (Motor Assemblies ingesluit)	300	3 600
UCDD (Mercedes Benz)	90	2 550
Leyland	50	2 500
BMW	45	1 500
Alfa		850

hy sukkel om geskoolde arbeid te kry in 'n tyd waar hy dit die nodigste het. Baie vakmanne het gedurende die resessie die bedryf verlaat om tot ander toe te tree.

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at a discount factor equal than) the interest rate on l be used for this term. han the stream in Term 2 res to have a taxable income

# Big response to ad for black apprentices

By Sieg Harnig  
Labour Editor

There has been an "overwhelming" response to advertisements for the first black apprentice motor mechanics to be trained on the Witwatersrand.

The project is a combined effort by the Black Garage Proprietors' Association, the Motor Industry Employers Association and Sasol.

Initially 24 blacks will be recruited and trained as motor mechanics, according to Sasol which

provides bursaries for tuition and tools.

Mr Richard Maphava, chairman of the Black Garage Proprietors' Association, said there were 200 applications. He said black motor mechanics were needed desperately.

At present black garage owners depend on petrol sales only. They have no workshop income because qualified motor mechanics are not available in black areas. Normally, garages derive much of their profit from repair work.

# Mechanics to <sup>1946</sup> <sup>192</sup> be trained <sup>POST</sup> 19/9/50

THE first black apprentice motor mechanics on the Witwatersrand are to be trained in a joint scheme announced by black garage owners, the Motor Industry Employers Association and Sasol.

The Black Garage Proprietors' Association, which has 60 members throughout the country has said the shortage of qualified mechanics has made it difficult for members to develop economically viable undertakings in black areas to serve the ever-increasing motor-ing population.

Chairman of the association, Mr Richard Maponya, said: "We have not

been able to do business in our workshops because there have been no qualified black mechanics. That is why we are starting on this programme of training."

The more than 200 applicants are now being interviewed.

Explaining the scheme, Mr C Keyter, the head of the Sasol Public Relations, said "A joint venture has been initiated whereby an initial 24 black candidates will be recruited and trained as qualified motor mechanics.

"The Motor Industry Employers Association will place recruits at selected members to serve their apprenticeship.

"During the training recruits will receive normal apprentices' wages."

# 'Parallel' unions take knock in Cape

By STEVEN FRIEDMAN  
Labour Reporter

THE policy of organising black workers into "parallel" unions — separate black unions established by registered non black unions — has been dealt a serious blow in the Eastern Cape.

Hundreds of members of a registered "parallel" union have resigned to join a rival Fosatu-affiliated union, the United Automobile and Rubber Workers Union, which has a nonracial constitution.

However, the general secretary of the parallel union says workers have given him no reason for resigning and claims that Fosatu officials have been "instigating" workers to leave the union.

Tension between parallel and independent black unions has increasingly become a feature of the labour scene.

Mr Fred Sauls, adviser to the UAW, said yesterday that about 330 black workers at a Uitenhage firm, Dorbyl Automotive Products (formerly Guestro Industries) had resigned from the registered National Union of Engineering Industrial and Allied Workers to join the UAW.

The union is a "parallel" union recently registered by the Government.

In addition, more than 100 coloured workers had resigned from the union's registered counterpart the Engineering Industrial Workers Union to join UAW.

Mr Sauls also claimed that workers at two other Uitenhage plants, Borg Warner and National Standard had refused to join the parallel union and had applied to join UAW instead.

He said workers had said they were leaving the two unions because there were no links between rank and file workers and the union leadership.

"They say there is only one shop steward to represent all of them that general meetings of the union are rarely held and that there is no way they can get their grievances dealt with by the union," Mr Sauls said.

Workers also claimed company personnel managers were helping the two registered unions. "They made it clear they do not want to belong to this sort of union," he added.

The general secretary of both registered unions, Mr Archie Poole, yesterday confirmed that workers had resigned, but added that no coloured workers had left his union.

Mr Poole said that only 'about 180' black workers had resigned from the parallel union and added "This is a problem at one company only. We have no indication that this is a problem at other companies."

According to Mr Poole, the dissatisfaction began because workers were unhappy with the wage increase awarded them in the annual agreement of the Iron Steel, Engineering and Metallurgical Industries.

"I promised to take the matter up on their behalf but before I could sort it out they had left to join the Fosatu union. We have heard that instigators from Fosatu were busy at the factory."

"To this day, we have not had a reason for their resignation."

Mr Poole also rejected charges that there were no avenues for workers to participate in union decisions.

"This is nonsense. We have several black and coloured shop stewards. I made it clear to workers that we were just starting the union and that branches will have a full say as soon as we are established," Mr Poole said.

not on  
192  
UAW

# Open union hits at 'elitist' split

Labour Reporter

AN UNREGISTERED trade union which is recognised by Ford Motor Company in Port Elizabeth has hit back at a worker committee which wants to break away from the union, slamming it as "an elitist middle-class organisation".

The United Automobile and Rubber Workers Union made this charge in a lengthy statement replying to allegations levelled against it by the Ford Workers Committee.

The statement also strongly attacks the idea of black exclusiveness in labour affairs, and is a sign of growing tension between those committed to this idea and those who back non-racialism in the union movement.

It is the latest salvo in a heated war of words between the union and the committee, which is believed to be sympathetic to the black consciousness philosophy.

Yesterday, the Rand Daily Mail reported that the committee had said all black Ford workers were resigning from the UAW to join a new union to be formed by the worker committee.

The committee charged that the UAW was "pro-management" and that it had not

helped workers during last year's strike at Ford.

Observers regard the dispute as significant, because Ford has been regarded as a pioneer in labour relations and the dispute could place new strains on the situation at factory.

It is also seen as an attack on the conventional trade union movement by some workers in the Eastern Cape and as a sign of conflict between black consciousness supporters and those who favour non-racial unions.

In its statement, the union defends its role in the Ford strike. It says it was willing to assist striking Ford workers and had done so by rallying support for them.

It had offered to negotiate on behalf of the workers, but this approach had been rejected. The union had also played a role in negotiating the agreement which ended the strike.

It also reacts strongly to charges that the union is pro-management.

"These people who criticise so much are more management-orientated than the executive of the union's Port Elizabeth branch will ever be."

VW <sup>DATA</sup>  
<sup>201</sup> ROM  
buys  
22/9/80  
Mack  
<sup>192</sup>  
Truck

site

Own Correspondent

PORT ELIZABETH — Volkswagen has bought the former Mack Truck plant in Uitenhage and has abandoned plans to acquire the Fiat plant in Pretoria, or to expand in the north in the immediate future

This was confirmed by Volkswagen's managing director, Mr Peter Searle, who said on Wednesday that the Fiat plant did not suit the company's immediate needs

He declined to disclose the price paid to Sigma Power corporation for the Mack plant which is near the Volkswagen factory

The Mack site is about 7ha and houses an office block as well as the factory, previously used by Sigma Power as truck spares depot

Production of Mack trucks in Uitenhage was discontinued a few years ago when Illings merged with Sigma and the assembly line was moved

In an interview, Mr Searle said that the Mack plant had been bought to provide backup production facilities to catch up on the backlog caused by recent labour disputes and to meet the increasing demand for vehicles

"For the present we will be using it as a warehouse for contractual and export parts to provide more production space in the main plant. The offices will be used by the company's training division"

He said that although the company had abandoned plans to acquire the Fiat plant, it would still have to look at the north when considering future expansions because of the disadvantages of the Uitenhage plant's location

# Motor workers quit union over money row

192  
20/9/68  
C. M. M. M.

WORKERS at the Ford Cortina plant in Port Elizabeth who have been involved in a five month dispute with their union have broken away to launch a new trade union.

According to Mr Dumile Makanda, chairman of the Action Committee, the breakaway from the Allied Automobile Rubber and Allied Workers (UAW) follows allegations that large sums of money belonging to the union have not been properly accounted for.

The move by Ford workers, who constitute about 90 percent of the UAW's Port Elizabeth membership, climaxes efforts to unseat UAW officials following a meeting earlier this year when a no confidence vote was passed in the executive.

The workers claim the UAW is pro management and was ineffective in handling last year's dispute at Ford. The executive has refused to hand over office to dissidents.

The Action Committee was never consulted by the union when it solved the Volkswagen and Goodyear strike.

Mr John Mke, UAW's national and local president, said the Cortina workers' effort to unseat his executive was unconstitutional.

The dissident workers' new non racial union is to be called the Motor Assemblies and Component Workers' Union of South Africa (Macwu), and will be started by the Ford workers' committee.



# Alfa neem net die bakkie oor

# Fiat nou finaal uit Suid-Afrika

S. Apper

**NADAT** onderhandelinge tussen Fiat Suid-Afrika en Leyland Suid-Afrika die afgelope twee weke suur geword het, het eersgenoemde besluit om hom heeltemal aan die plaaslike mark te onttrek — met uitsondering van een voertuig.

Volgens 'n nuwe oorsake wat vandeeweek beskikbaar sal word, sal die Fiat 128-bakkie voortaan deur Alfa Romeo Suid-Afrika vervaardig en bemark word.

Nadat die spertyd van die Leyland-aanbod verval het, het die Kaaplandse vervaardiger belangstelling begin verloor en dit was duidelik dat die onderhandelinge gedoem was.

Die afgelope week het twee senior verteenwoordigers van Fiat se hoofkantoor in Turyn in Suid-Afrika aangekom en sekerdies is in Johannesburg druk samesprekings gevoer tussen die twee Italiaanse maatskappye. Omdat Alfa Romeo nie in Fiat se passasiersmotors belang stel nie, is besluit dat net die bakkie en sy vervaardigingsgereed-

skap aan eersgenoemde oorgedra sal word.

Intussen het mnr Bill Wilson, adjunk-voorsitter van die Messina-myngroep Vrydag bevestig dat sy maatskappy die Fiat-aanleg in Rosslyn oorneem Volgens hom sal Datsun-Nissan Suid-Afrika se swaar- en medium-vragmotors voortaan by die aanleg vervaardig word.

Ons hoop om in Desember en Januarie in te trek en onmiddellik met die vervaardiging van ons handelsvoertuie te begin. Ek wil dit graag duidelik stel dat die enjin-aanleg van Fiat niks met Messina of Datsun-Nissan te doen het nie," het mnr Wilson bygevoeg.

Fiat Suid-Afrika het 'n kontrak gehad om enjins vir 'n ander vervaardiger te maak en daar is nog 'n looptyd van 18 maande oor. Daar is gevolglik 'n

neem, sal Fiat Suid-Afrika kans gesun word om die gereedskap van die Fiat-passasiersmotors te verwyder. Sover die afgelope week vasgestel kon word, is reeds begin om van die gereedskap te verpak om na Italië verskeep te word.

Die 128-bakkie se gereedskap sal terselfdertyd verwyder word en in die Brits-aanleg van Alfa Romeo geïnstalleer word. Omdat Alfa Romeo nie handelsvoertuie het nie, wou die vervaardiger nog altyd 'n bakkie bekom, veral om sy handelaars 'n groter volume te kan bied.

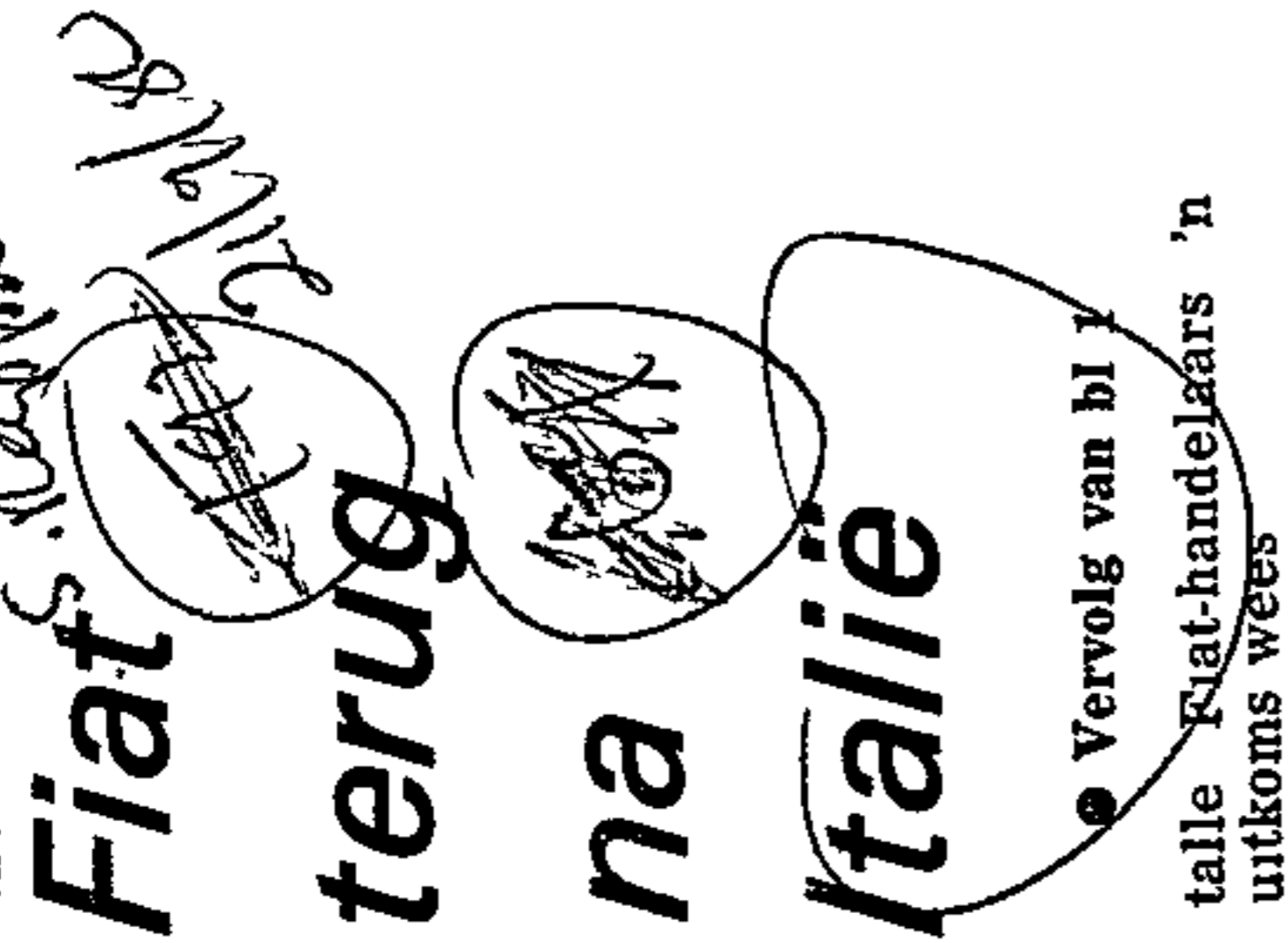
Dit kan ook aanvaar word dat verskeie van die bykans 130 Fiat-handelaars in aanmerking sal kom om deel van die Alfa Romeo-netwerk te word. Alfa Romeo Suid-Afrika ondervind tans die beste jaar van sy bestaan in die Republiek en die beskikbaarheidsstelling van Alfa-produkte sal in alle waarskynlikheid vir

© Vervolg op bl 2 kol 9

**Fiat** terug na Italië

Vervolg van bl 1

talle Fiat-handelaars 'n uitkoms wees



Die verwagting is dat Alfa Romeo die verpligtinge van Fiat Suid-Afrika sal oorneem wat betref die waarborge en diens van verkoopte Fiat-voertuie. Nuwe voertuie is die afgelope klompie jare verkoop met waarborge wat oor 24 maande strek.

Die afgelope week is betroubaar verneem dat daar nog agt maande se Fiat-voorraad in Suid-Afrika "beskikbaar" is. Dit beteken dat van die Fiat-waarborge nog vir minstens 'n verdere 32 maande uitgereg gaan word, aangesien 'n waarborg geld totdat die laaste voertuig verkoop is en daarna tree die 24 maande-tydperk in werking.

Nog 'n belangrike faktor is die feit dat 'n vervaardiger wat hom aan die Suid-Afrikaanse mark onttrek, versekering moet gee dat onderdele vir 'n verdere tien jaar beskikbaar sal wees. Ook in die opsig sal Alfa tot Fiat se redding kan kom. Dit kan aanvaar word dat Fiat se "vergoeding" aan Alfa in dié geval 'n stywe bedrag sal wees.

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THEY'VE GOT A  
STRANGLEHOLD  
ON THE PUBLIC,  
SAYS FERREIRA...



THE powerful petrol giants have established a stranglehold on fuel prices that will smother chances of motorists buying cut-price petrol in all parts of the country.

And they were accused this week of preventing discounts from being passed on to the consumer.

Ig Ferreira, national director of Pick 'n Pay, which started selling discount petrol in Port Elizabeth recently, said the petrol industry did not want fierce competition within its ranks.

"At the moment, everyone except the consumer is getting his share of the market and the companies do not want to disturb the situation. But we have always maintained that petrol should not be handled any differently to other products, which means that savings in bulk buying must be passed on to the consumer," he said.

Pick 'n Pay's Port Elizabeth branch is one of two hypermarkets supplied by Trek Petroleum. Five years ago Pick 'n Pay discovered a loophole in the contract with the Boksburg hypermarket which enabled them to sell petrol at a cent cheaper a litre.

**By Connal Vickers**

hand information and I am not prepared to discuss petrol prices with you. Speak to the Minister of Economic Affairs about that," he said.

Dr Van der Merwe issued a statement recently which clarified certain "grey areas" in petrol pricing.

It is only the maximum selling price of petrol which is determined in terms of an agreement between the Government, the oil companies and service stations.

Minimum selling prices were not determined by the Government. However, in terms of exemptions from legislation concerning the sale of petrol, oil companies were free to determine and enforce fixed prices for petrol.

Despite court action by Trek, Pick 'n Pay was allowed to continue selling the discount petrol.

Now the company believes it has found a similar loophole in the Port Elizabeth contract which will make it possible to sell petrol at two cents cheaper than the national selling price.

"After the Boksburg affair, Trek would not supply us and we had to establish new contracts with Shell. These were tough agreements which made it impossible to drop the selling price.

### Action

"However, Trek agreed to supply our Port Elizabeth store and it looks as if there may be a gap for us to sell cheap petrol again. It will not be possible to sell cheaper petrol at our other stores as we have not been able to detect any gap in these contracts," he said.

Trek Petroleum has reacted quickly to the price cut.

Managing director Donald Masson said the Port Elizabeth contract differed from the Boksburg one and Trek intended to enforce it.

"We made an agreement with Pick 'n Pay which they have not stuck to, so I will be taking further action," he said.

He denied that the petrol companies set a retail price for petrol. He said the Government did.

When told that Dr Schalk van der Merwe, Minister of Industries, had said the Government did not determine minimum selling prices for fuel, he replied "If that is what you say then I have no comment to make.

"I do not accept third-

### Rebate

• The profit margin on petrol is fixed in such a way that it does not give the average service station any leeway for price reductions.

Mr Ferreira said it was possible for his company to cut the price of petrol and still maintain a profit. Through bulk buying, Pick 'n Pay was able to get a maximum rebate on the wholesale price of fuel.

"This rebate we pass on to the customer. The Government is always saying that the businessman must try to reduce prices and this is just what we are trying to do.

"Our critics say we are encouraging people to drive miles for petrol and so waste fuel. This is nonsense. We are offering this discount to our customers who have supported us and so deserve whatever service we can offer them.

"We are also not trying to put any small service stations out of business. In the first year of our discount petrol-selling in Boksburg five new stations were built in the area and they have not suffered," he said.

STAR 23/9/80

## Black unions clash at Ford car plant

By Sieg Hannig  
Labour Editor

A showdown between black consciousness and black trade unionism lies behind a new trade union which is flexing its muscles at Ford in Port Elizabeth, say informed sources.

The new black Motor Assemblies and Components Workers Union of South Africa (Macwusa) was formed at the weekend because of "dissatisfaction" with the Ford-recognised black United Auto Workers' Union (UAW).

Macwusa has sprung from black consciousness-backed workers who disrupted work for weeks at Ford's Cortina plant last year, leaving the UAW out in the cold.

### CREDIT

And it takes credit for a recent settlement under which, it is understood, the former strikers will receive the forfeited year-end bonuses, probably at the end of this year.

The source said the UAW had strengthened the former strikers' hand in negotiations for the payment of the forfeited bonus by providing them with a letter saying it did not object to bonuses being paid out.

The UAW had not taken up the issue itself because it had been told to keep out of the strike.

### NEUTRAL

Ford is following a strictly neutral policy in the confrontation.

The company would recognise any union which was representative of its employees — whether it was registered or not, said Mr Fred Ferreira, Ford's industrial relations manager.

He was not prepared to comment on any dealing the company might have with the new union, he said when asked whether Ford had been approached for Macwusa's recognition.

Unfortunately in their natural function of the changing scheme attempting to tend to buy. This can also function is to kill deliver are often mu

One of the most constant change forecasts of quantity of these costs, situation, rate required or quality of inventories do inventory co

### 12.3 Inventory

Inventory models

In particular those assets that consumed and so on.

Some theoretical the production high costs in inventory. In purchasing department quantity discounts. The marketing to promise quick goods inventories

inventories is the often make they also affect the sold to minimise with the supplier materials at the over the quantity r cases, the in- ons not only affect for production.

of certain assets. consumed, held,

At this stage our discussion is limited to determining the most economical ordering quantity, (E.O.Q.)

In doing so we shall be concerned with:

- (a) Developing the basic model
- (b) Describing the accounting issues relating to the model's parameters
- (c) Supplying information to implement the various inventory management systems
- (d) Evaluate alternative inventory management systems.

All taken within the context of the simple model and some of its extensions.

### 12.3.1 Balancing Inventory Costs

Inventory models are designed to achieve two objectives:

- 1 A balance between the cost of acquiring and holding an inventory
- 2 The opportunity cost of not holding an inventory.

STAR 19/9/80

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# Ford trade union showdown

By Sieg Hannig  
Labour Editor

In a showdown between black consciousness and black trade unionism, nearly a third of Ford's black workers in Port Elizabeth have cancelled their stop orders for union dues.

The move is a sequel to the two-month strike at Ford's Cortina plant in which 700 blacks lost their 1979 year-end bonus and the Ford-recognised black United Auto

Workers' Union (UAW) was left out in the cold.

Last week a committee representing the strikers concluded an agreement under which Ford will pay the lost bonus at the end of this year.

Bolstered by the victory, the black consciousness group won the support of 800 motor workers at the weekend for the establishment of a black union in opposition to the UAW.

On Wednesday, the leaders of the proposed union, the Motor Assem-

blies and Components Workers' Union of South Africa (Macwusa), submitted 568 stop order cancellations to Ford.

Ford had agreed to stop deductions for UAW subscriptions from its payroll on the receipt of such cancellations, said Mr Dumile Makanda, chairman of Macwusa's interim leadership.

More cancellations were in the process of being signed, and the new union intended to recruit coloured workers as well, he said.

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By VICTOR TSUAI

MR DUMILE Makhanda, chairman of the Ford Workers' Action Committee has condemned a recent accusation by the executive committee of the Port Elizabeth branch of the United Automobile Rubber and Allied Workers of South Africa (UAW) that the Action Committee is misleading workers and the public.

The accusation follows the split after a five months dispute between the Port Elizabeth branch and the Action Committee which consequently formed the Motor Assemblies and Component Workers Union of South Africa (Macusa).

In a hard-hitting statement, the UAW had condemned the "misleading statements of the so-called Action Committee chairman, Mr Dumile Makhanda".

"It is astonishing that

# Ford Action Committee Slams Union

after I was elected by 1 000 people in a general meeting in the presence of Mr John Mke, he could today call me 'the so-called chairman'." Mr Makhanda replied.

"They are organised on a national basis to deprive the workers of their rights. They are not fighting for a free labour movement, but are there to enforce and endorse the labour restrictions," Mr Makhanda said bitterly.

"Mr Mke failed to negotiate effectively with the Ford management about annual bonuses and reinstatement of workers af-

ter the workers' strike, but the Action Committee did it successfully.

"Mr Mke should cook his own pot and leave us alone," he said.

UAW said this week that unsubstantiated allegations were also made that the union had been pro-management.

The UAW has challenged people making what it claims to be "wild and vague accusations" against it to openly substantiate them.

"They must show us they are more militant than the union officials, not by singing freedom songs in the company and

protection of the workers, not by attacking their fellow workers under the protection of the Press, but by showing they can better the leadership of the Port Elizabeth-Uitenhage area, and in South Africa.

"Let us then see who is pro-management," the union statement said.

"The same people who criticise so much are more management orientated than the executive of the Port Elizabeth branch ever will be.

"What is clear to us is that the Action Committee deliberately gave misleading statements to the Press regarding meetings and the dispute.

"We can only come to the conclusion that there is a deliberate attempt by the so-called Action Committee to undermine the executive union and its officials and to mislead the workers, the public and sympathetic organisations."

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# Fiat closes up shop in SA

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1981

By LEICESTER SYMONS  
Motor Editor

FIAT South Africa, a subsidiary of the giant Turin-based Italian concern, has come to the end of the road as a local motor manufacturer

A deal has been done with Alfa Romeo SA, the local subsidiary of the other major Italian car maker, to take over some aspects of the Fiat operation here

A joint statement on the agreement was only awaiting approval from the headquarters of the two companies in Italy, but this was only a formality, Dr Gian Carlo Barsotti, the managing director of Fiat SA, said in Johannesburg yesterday

Alfa Romeo SA will take over the manufacture and marketing of the Fiat 128 bakkie in this country

It will also investigate the possibilities of introducing other Fiat models here

Alfa Romeo SA is taking over the responsibility for ensuring that all owners of Fiat vehicles can continue to receive spare parts and service

They will be provided through the existing Alfa dealer network and the company will also negotiate with Fiat dealers to incorporate them in its network

Both the present Alfa dealers and Fiat dealers who are incorporated will accordingly be able to provide spares and service for the vehicles produced by both companies

There will continue to be a Fiat organisation in South Africa for some time — at least two years, and possibly longer

This organisation will deal with any claims under new vehicle warranties, which are for two years in the case of Fiat cars

It will also help Alfa to get production of the Fiat 128 bakkie started at its plant, organise the supply of components and parts, including spares for existing Fiat vehicles of all types, from Italy, and provide other technical assistance to Alfa Romeo SA

Production of Fiat passenger cars, including the 128 and 131 sedans, has ceased, and all the packs of imported components ordered from Italy and the local components have been used up

The Fiat assembly plant at Rosslyn, near Pretoria, has been sold to Datsun-Nissan

Dr Barsotti headed a team which came to South Africa about four years ago to attempt to revive flagging Fiat sales. Some success was achieved, but it was not enough

As a result, talks about possible mergers or takeovers have been going on between Fiat SA and a number of other South African manufacturers for more than a year

Dr Barsotti said he was satisfied that the arrangement now made with Alfa Romeo SA was the best that could be done in the interests both of Fiat owners and of his company

# Fears over new E Cape labour moves

30/9/80 ARANS  
192

## Labour Reporter

AN industrial relations innovation which could change the face of trade unionism in South Africa has been introduced at motor assembly plants in the Eastern Cape.

This week Volkswagen follows the example of Ford Motor Company in implementing an agreement to pay union shop stewards to do nothing but represent the interests of workers.

The trade unions concerned see it as a breakthrough, but many observers are suspicious of the new development.

The organisation of workers at Ford and in the country as a whole is not strong enough to ensure that these shop stewards are not co-opted by management, a Cape Town unionist said.

## Unrealistic

Dr Marianne Roux, Rhodes University sociologist, argues that a full-time shop steward will have the greatest difficulty in meeting the different expectations of the company and the union.

It is unrealistic of the unions to expect his undivided loyalty as his obligations are divided in a way that the worker shop steward's are not, she writes in the latest edition

of the South African Labour Bulletin

'There is always the danger that the removal of this type of shop steward from the labour process means he will, in time, cease to represent adequately the workers' feelings.'

However, the general secretary of one of the three unions party to the new agreements believes such fears are unfounded.

'Why should a full-time shop steward sell out? He is elected by the workers and under the authority of the workers,' says Mr Freddie Sauls, general secretary of the National Union of Motor Assembly and Rubber Workers of South Africa (NUMAR-WOSA).

'The union's branch executive committee can remove the shop steward if it feels he is not doing his duty. Management cannot dismiss him unless the union agrees.'

'He is answerable to the union membership at general meetings, so he can't lose touch with what's happening at the plant.'

Mr Sauls believes full-time shop stewards, free of the inhibitions of working under a foreman, will be able to represent workers more effectively than part-timers.

He expects them to spearhead unionisation in the factories, motivating

and raising the consciousness of workers.

Managements are clearly hoping that the new system will prevent repetition of the costly strikes which have hit the industry in the past year.

'This is a genuine, above-board attempt to further smooth out the labour relations in the company. There are no catches,' says Ford's industrial relations director, Mr Fred Ferreira.

'The shop stewards will be able to devote their time to the resolution of grievances and play a full-time role in communication between ourselves and our employees.'

'There would be very little point in our trying to co-opt the shop stewards. We might as well employ another management man.'

He says Ford has so far appointed three full-time shop stewards, one for each race group. It will eventually have five or six, with about 35 part-time shop stewards.

At Uitenhage, Volkswagen's version of the scheme will be effective from tomorrow with four full-time shop stewards.

As at Ford, they will receive no extra pay but will be paid according to the job they were doing.

## Enlightened

Mr A O Rademeyer, Volkswagen's industrial relations director, says the agreement with the unions has also amended grievance procedures and the firm's disciplinary code.

Mr Rademeyer believes the scheme could be applied elsewhere, but he has reservations.

'You have to have an enlightened approach to unions, and chaps who have learnt to negotiate and represent the workers. I would be nervous about doing it in an organised plant.'

In the case of Ford, the recent breakaway by nearly a third of its black workers from the United Automobile, Rubber and Allied Workers' Union (UAW) casts a shadow of doubt on the new dispensation.

'The unions at Ford must increase the danger of the shop stewards being co-opted by management,' according to a unionist.

And Dr Roux points to another potential problem.

This shop steward is a full-time company employee. If the company wishes to dismiss him or the union wishes him to be dismissed, it is possible that a full-scale labour conflict could result.

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# Ford plan could 'recoil'

192  
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By STEVEN FRIEDMAN  
Labour Reporter

A RECENT agreement at the Ford Motor Company in Port Elizabeth, which has been hailed by several labour observers, could create new friction at the company

This is the view of Dr Marianne Roux, a Rhodes University sociologist. Dr Roux was one of a group of researchers who were last year commissioned by the company to conduct an in-depth study of labour relations at Ford.

Recently, Ford announced it had agreed to the appointment of full-time shop stewards at its Port Elizabeth plants. This agreement — between the company and two Fosatu-affiliated unions — was hailed as a breakthrough by some unionists and labour observers.

Shop stewards are union representatives on the factory floor. Trade unionists believe they play a vital role in ensuring that workers have an effective voice within the factory, where most worker grievances originate.

Ford's agreement to the new system, in which shop stewards will be paid by the company but will devote themselves full-time to union work, was seen as an attempt to increase union representation on the factory floor and thus make strikes less likely.

Observers believed the new system confirmed Ford's reputation as a leader in labour relations and could herald similar agreements elsewhere.

Dr Roux, however, said: "While the company no doubt sees the appointment of this official as a progressive step towards smoother labour relations, it may have unwittingly brought into being a further area of potential conflict."

Writing in the SA Labour Bulletin, she argues that full-time shop stewards will find it difficult to meet the expectations of both Ford and the union.

While they will be selected by workers, they will be paid by the company and workers doubt whether they will be able to identify with worker interests, she says.

Paid shop stewards might also lose touch with other workers and "cease to represent adequately workers' feelings".

The new system could "recoil" on the company if the shop steward lost contact with workers and could also "recoil" on the union if its shop stewards' committee did not have the full backing of union members.

ASBESTOS AND ASBESTOS-RELATED DISEASE  
IN SOUTH AFRICA

INTRODUCTION

Exactly how dangerous is asbestos to human health? Whether at the level of industry, the State, trade union organisations, academic institutions, civic bodies or interested individuals, many arguments are heard.

There is clearly a double question involved here. What precisely are the vested interests that are brought to bear when taking up any point of view?

Naturally one would expect industry to be biased in favour of playing down the dangers involved and of being most conservative in setting, often expensive, processes for protection of workers in motion. Likewise one would expect trade union and civic bodies concerned with environmental pollution to stress the risks of exposure to asbestos. Academic researchers, where they are not directly employed by industry or trade unions, whether at private or State institutions, may be expected to produce arguments that lie somewhere between these two positions. However it will be argued in this paper that, as is the case with the State (labour department or research bodies), academic institutions and their research workers generally lean more to the side of industry by virtue of a multiplicity of connections.

Essentially there is a state of industrial dispute in society. There is also generally an explicit acknowledgement of this division in most advanced industrial societies, which is enshrined in the law and various state structures. If then asbestos has been established as a carcinogen (a cancer-causing substance), the problem that immediately springs to mind is who is to take the decisions with regard to protection against the effects of this substance in a divided society?

One might think that those directly involved by virtue of their exposure should take the weighty decision, particularly when a notable feature of the whole asbestos controversy has been

NOTICE 723 OF 1980

DEPARTMENT OF INDUSTRIES

INQUIRIES INTO THE SOUTH AFRICAN MANUFACTURE OF HEAVY MOTOR VEHICLES AND COMPONENTS AND TRACTORS AND COMPONENTS

It is hereby notified for general information that the Minister of Industries has repealed the directives by the then Minister of Economic Affairs to the Board of Trade and Industries to inquire into the South African manufacture of *inter alia*, heavy motor vehicles and components thereof and tractors and components thereof, which directives were published in *Government Gazette* 4709 of 16 May 1975, under General Notice 320, and in *Government Gazette* 6411 of 27 April 1979, under General Notice 301 of 1979 (BTI Ref 17/2/17/2 and 17/2/17/3)

(3 October 1980)

KENNISGEWING 723 VAN 1980

DEPARTEMENT VAN NYWERHEIDSWESE

ONTERSOFKE NA DIE SUID-AFRIKAANSE VERVAARDIGING VAN SWAAR MOTORAER TUIG EN KOMPONENTE EN TREKERS EN KOMPONENTE

Hierby word vir algemene inligting bekend maak dat die Minister van Nywerheid weerdiglyk die direkte van die destydse Minister van Ekonomiese Sake aan die Raad van Handel en Nywerheid onder sy leiding die Suid-Afrikaanse vervaardiging van swaar motor, waar motorvoertuie en komponente daarvan en trekkers en komponente daarvan oes in *Staatskoerant* 4709 van 16 Mei 1975 by Algemene Kennisgewing 301 van 1975 en in *Staatskoerant* 6411 van 27 April 1979 by Algemene Kennisgewing 301 van 1979 gepubliseer is, ingetrek het (RHN-verw 17/2/17/2 en 17/2/17/3)

(3 Oktober 1980)

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# SEPTEMBER CAR SALES REACH RECORD

GRANJERIV:

ARMEN  
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HENDF  
LE RC  
SMART  
WELBE  
SUB

14/10/80  
ARCS  
192

40	38
100+	88
37	35
49	48
81	79
0	0
25*	15
61	59

JOHANNESBURG. — Sales of new cars last months reached a record of 26 490 units, up 66,9 percent on September 1979, figures issued by Naamsa show.

S KAAP - WESTERN CAPE		
BRANDVLEI	95,3	
BUFFELSJAGT	5,21	
CLANWILLIAM	121,4	
DUIVENHOKS	5,68	
EIKENHOF	22,1	
ELANDSKLOOF	11,3	
KORENTE - VETTE	8,48	
KWAGGASKLOOF	52,4	
LAKENVALLEY	10,3	
MISVERSTAND	6,10	
ROODE ELS BERG	8,20	
STEENBRAS	33,7	
THEEWATERSKLOOF	480,2	
VOELVLEI	164,1	
WEMMERSHOEK	58,5	
SUBTOTAAL - SUB TOTAL		1 083,0
Buishoek	29/9/80	5,27
Calvinia	15/9/80	0,844
Ceres	1/10/80	0,323
Keerom	3/10/80	8,40
Klipberg	1/10/80	1,08
Moordkuil	1/9/80	1,38
Pietersfontein	3/10/80	2,52
Poortjeskloof	29/9/80	10,4
Stettynskloof	1/10/80	4,78

This was slightly higher than the previous record of 26 128 sold in June 1978 — the month before the introduction of general sales tax

Sales for the first nine months this year totalled 202 987, up 29,5 percent on the 156 793 sold from January to September last year

Sigma retained the lead with sales of 5 358 in September, followed by Volkswagen (5 008), Ford (4 713), Datsun (3 025) and Toyota (2 823)

VW's Golf, however, led the individual field with sales of 3 285, followed by Sigma's Mazda 323 (3 002) and Ford's Cortina (2 879)

**COMMERCIALS**

Sales of commercial vehicles in September, at 12 364, were up 56,6 percent on last year's 7 895

The total for the year to date was 93 568, up 28,6 percent on last year's nine-month figure of 72 776

Toyota, with sales of 3 285, maintained its lead, followed by Datsun (2 896) and Ford (2 083) — Sapa

90	91
100+	100+
96	93
100+	100+
100+	100+
100+	100+
73	77
78	76
11	11
100+*	100+
63	63
77	76
18	18
70	69
80	79
54	53

(i) Nuwe V.V.V.  
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MOTOR INDUSTRY FM 10/10/80  
**Gentleman's way**

192  
"We are doing ~~it~~ the gentleman's way," says Fiat SA MD Dr Giancarlo Barsotti of his company's programme for pulling out of car manufacture in this country. "We have made sure that Fiat car owners will have no trouble getting Fiat spares at a reasonable price for as long as they need them."

Barsotti says he could have sold all his remaining spares to what he calls a "speculative private operator" who would, in turn, have exploited his monopoly by reselling at high prices.

"Instead," he says, "we sold them to Alfa-Romeo, which will market them on an ongoing basis with the same approach it has towards its own spares. The sale of our cars, tools and spares to Alfa-Romeo has made us very liquid. We are very satisfied with the deal. We are not begging for charity and we will pay all our creditors — some of them before time so as to save on interest — and try to collect from our debtors."

There must be relief in the Fiat head office now that the company has finally disentangled itself from the local manufacture commitment which began in 1968. Barsotti admits that it was "not an exciting exercise" in view of the small market

size, and Fiat's attempts to rationalise by merging with other car companies are well known. The future of the SA car market seems to lie in the hands of the giants.

Although Fiat SA has stopped making cars, it is not closing down its local operation but merely adapting to a new role. The staff complement has been drastically pruned and the company's head office will be moved out of Johannesburg to its technical centre at Tulsa Park.

Fiat will give Alfa technical assistance on Fiat vehicle, as well as the financial backup to honour warranty claims on Fiat cars which carry two-year guarantees on engines and transmissions. It will supply Alfa with all the imported parts it needs to manufacture the Fiat 128 bakkie it will be marketing.

### Components

The company's engine plant is up for sale and will probably be bought by the component manufacturer Auto Industrial which will ensure that it continues to manufacture Peugeot engine blocks and crankshafts in terms of its agreement with Sigma, as well as complete engines for the Fiat 128 bakkie.

Fiat will continue to assemble Fiat trucks and buses until the end of this year, when local distributor Vetsak takes over the function.

In the long term, Alfa will probably want to do its business direct with the Fiat mother company in Italy, without going through the local middleman. In this case Fiat SA may quietly fold up its tents and depart or it may start importing exotic products such as the Fiat X19 and the Lancia and Ferrari range, which are also made by the Fiat group.

As one industry source put it: "The present distributor makes a handsome profit by importing a few hundred of these cars every year while Fiat SA was losing on a few thousand locally made cars."

□ Fiat had more than 100 dealers in SA, not 65 as we reported last week.

DDC

DD 17/10/82

160 workers

down tools



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PINETOWN — About 160 workers at Mintex SA Ltd in New Germany near here, downed tools yesterday in protest against the dismissal of a staff member

The Johannesburg-based firm manufactures brake and clutch facings

# More buyers than there are cars

Keith Macfarlane

22/11/80  
ARROWS  
192

**THE South African motor industry has once again, it seems, been caught with its pants down. The record sales last month could have been much bigger if the manufacturers had been able to supply cars to their dealers who, almost without exception, are short of stock.**

The industry's problem is two-fold, and the two factors are inter-related. The first problem is that the planners did not foresee that there would be a buying spree this year in the wake of the economic boom and as a result did not plan increased production to keep pace with it; and the second is that South African companies, for all their independence and local content, are nevertheless still tied to their foreign source plants. And the rest of the world is having problems selling the cars they make

The one exception is probably Japan, but Japan has her hands full as the maker of the world's currently most popular small cars which are in demand in Europe and America to the detriment of the local products.

So in South Africa the situation is that there are plenty of willing buyers, about 70 percent of them from businesses and fleets who can now afford to buy cars again and are replacing those which they would normally have replaced last year or the year before, and about 30 percent are private buyers, the people who had more money put in their pockets at the last budget

The sales bonanza incidentally is not confined to new cars because second-hand dealers all say that they are short of stock and could sell a lot more if they had it.

A pattern is emerging in the new car market that would-be buyers are ordering cars from different dealers and in different makes and are then taking the vehicle that becomes available first. A couple of the manufacturers have been caught wrong-footed by model changes like Toyota with the new Corolla and Mercedes with the demise of the S class.

General Motors dealers are short-stocked on the Kadett where there are waiting lists largely because production here is tied to the availability of engines from Germany. Ford is short of Cortinas, Leyland as sold



out of Jaguars and is short of Rovers and Minis.

Toyota is short of the Corolla and Mercedes is quoting January delivery on some models. Both Sigma and Volkswagen are coping fairly well, a fact which is shown by their position at the top of the sales log

But as one sales manager said 'Right now the salesman doesn't have to show any talent, all he has to do is to sit there and write orders until his arm gets tired...'

\* \* \*

CAPE TOWN'S major driver frustration, the City Council's curious traffic light system, which, like most sci-fi monsters, seems to have an illogical mind of its own, is costing us all a great deal of fuel, a lot more than we are saving by sticking to those speed limits which the Government contends are so desirable.

The traffic lights can cost you up to two litres of fuel in seven kilometres of town driving if they all go red against you. And in Cape Town they often do. The fuel waste can be enormous when idling at the lights and it's worth switching off if you think you are going to be stuck there for more than half a minute.

The average wait at a light can last from 15 to 50 seconds, and on idling a 1.3 litre car will use — if it's in good tune — about 23 cc of petrol a minute. Bigger cars will use a lot more. Well if you do switch off, watch the lights and get ready to move off as they change to green so that you do not hold up the traffic flow and when you restart don't use the choke, don't over-rev but drive away as if you are walking on eggs and save yourself between 13 and 23 litres of fuel a week which could mean

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ONE of the less attractive habits of Cape Town's motor racing organisers is to produce incomplete programmes so that when the races start there are three or four mystery men belting around the circuit.

It doesn't matter so much when they are at the back of the field but invariably they gravitate towards the front and it is frustrating not to know who they are, motor racing being difficult to follow at the best of times.

\* \* \*

AGREEMENT has been signed between Fiat and Peugeot to design a new engine. It will be produced in large volume, and is intended for the future lower range models of Fiat and Peugeot cars.

It is to be an engine of 'advanced technology', specially designed to meet the needs of the future in respect of fuel economy, and already technical feasibility studies are under way.

**PORT ELIZABETH —**  
Conflict between worker groups at the Ford factory here came to a head with the official launching of a new trade union, the Motor Assembly and Components Workers' Union of South Africa (Macwusa)

The union is a break-away from the Fosatu-affiliated United Automobile and Rubber Workers' Union (Uarwu), and represents those workers who regard the union as too conservative

Ironically, the Uarwu is regarded as a "militant" union by many employers. It has criticised the new union, arguing that it is out of touch with worker needs and is led by white collar workers

Representatives of Macwusa said this week they were committed to "a union role in the community as well as in the factory"

Most black unions have restricted their role to labour issues only, arguing it was not a union's job to become directly involved in community "political" issues. However, the new union's leaders reject this argument

The launching of the union was attended mainly by workers at the Ford Company's Cortina plant, the scene of a major strike last year

However, the union's chairman, Mr Dumile Makhandu, said workers from

# New union pledges role in community

192

~~1171~~

~~128~~

DD 15/10/80

two other plants, General Motors and Feltex, had attended the inaugural meeting and had joined the union's interim executive

Workers at other Ford plants had expressed interest in joining, he said. He added that the union planned to ask Ford for recognition

The company has said it will recognise any worker group which represents the majority of workers

The union was formed out of dissatisfaction with the Uarwu's role in the Ford strike. Macwusa representatives accused the Uarwu of being "pro-management" during the strike

In another development, the first election of full-time trade union shop

stewards in South African labour history has taken place at the Volkswagen Company's plant at Uitenhage.

The introduction of full-time shop stewards in the Eastern Cape has been hailed by unions and some employers, but has been criticised by some academic observers

Shop stewards are union representatives elected on the factory floor and one of their key jobs is to take up union members' grievances in the plant

Critics of the system fear the full-time shop stewards will be identified with management because they are still paid by the company. They argue that the system could "recoil" on both the companies and the union - DDC



# Open battle starts for Ford workers



By STEVEN FRIEDMAN  
Labour Reporter

**PORT ELIZABETH** — Conflict between worker groups at the Ford factory in Port Elizabeth has come to a head with the official launching of a new trade union, the Motor Assembly and Components Workers Union of SA (Macwusa).

The union is a breakaway from the United Automobile and Rubber Workers' Union — an affiliate of the Federation of SA Trade Unions — and represents those workers who regard the UAW as too conservative.

Ironically, the UAW is regarded as "militant" by many employers. It has criticised the new union, arguing that it is out of touch with worker needs and is led by white-collar workers.

Representatives of Macwusa said yesterday that they were

committed to "a union role in the community as well as in the factory".

Most black unions have restricted their role to labour issues, arguing that it is not a union's job to become directly involved in community "political" issues. However, the new union's leaders reject this argument.

Macwusa was launched officially at a meeting in Port Elizabeth at the weekend, attended mainly by workers at Ford's Cortina plant, the scene of a major strike late last year.

However, the union's chairman, Mr Dumile Makhanda, said later that workers from General Motors and Feltex had also attended the inaugural meeting and had joined the union's interim executive.

Workers at other Ford plants had expressed interest in joining

The union planned to ask Ford for recognition, Mr Makhanda said.

The company has said it will recognise any worker group which represents the majority of workers.

The union was formed because of dissatisfaction with the UAW's role in the Ford strike. Macwusa representatives accuse the UAW of being "pro-management" during it.

The UAW rejects this, arguing that it played a major part in the settlement which ended the strike.

Macwusa, which is opposed to Government registration, is a non-racial union, although its executive is composed entirely of black workers at present.

Mr Makhanda said it was formed because workers felt their existing unions were "not negotiating, but simply trans-

mitting management instructions".

UAW officials concede that about 500 Cortina plant workers have joined the new union. They say, however, that Macwusa's support is mainly confined to the Cortina plant.

They also claim the new union is doomed to failure.

A UAW representative said: "They have no experience and they don't realise the need for a considered union strategy. They think that workers can win victories simply by making demands, but they are in for a shock."

UAW men also say Macwusa is led by white-collar workers who do not have the same interests as other factory workers.

Mr Makhanda claims, however, that only four of the union's 23 executive members are white-collar workers.

# Shop steward poll at VW is a labour first

192  
RSM 15/11/80

By STEVEN FRIEDMAN  
Labour Reporter

PORT ELIZABETH — The first election of full-time trade union shop stewards in South African labour history has taken place at the Volkswagen company's plant at Uitenhage.

The introduction of full-time shop stewards in the Eastern Cape has been hailed by unions and some employers, but has been criticised by some academic observers.

Shop stewards are union representatives elected on the factory floor and one of their key jobs is to take up union members' grievances in the plant.

The black union movement has argued that it is essential for employers to recognise union shop stewards and deal with them.

They argue that most worker unrest originates from factory floor grievances and that it is therefore necessary for workers to be represented by a strong union at this level.

Recently the Ford company announced it had reached agreement with two motor unions — both affiliated to the Federation of SA Trade Unions — on the appointment of full-time shop stewards.

These representatives will be paid by the company at the rate they were earning before

they became full-time worker representatives.

They will however be elected by union members in the plant and will be solely responsible to the union.

The full-time shop stewards at Ford have not yet been elected by workers, however. Interim shop stewards have been appointed to the full-time posts and full elections will take place in January.

Since then, Volkswagen has also agreed to the election of three full-time shop stewards at its Uitenhage plant. These representatives were elected on Friday in a ballot run by the union.

More than 2 000 of the company's 3 500 workers voted in the election.

Yesterday the union informed both the company and workers of the outcome of the election. A circular distributed to workers describes the election as "historic" and "a breakthrough in the workers' struggle".

Spokesmen for the two unions said this week that they were negotiating with two other companies on the introduction of full-time shop stewards and were confident that agreement would be reached.

The introduction of full-time union representatives on the shop floor is seen as an attempt by the two employers to

strengthen the union's presence on the factory floor in a bid to prevent further unrest.

Both Ford and Volkswagen have been hit by major strikes in the last year.

Employers and unionists argue that the system will strengthen communications and worker negotiating power in the factories.

Mr Fred Sauls, a key Eastern Cape motor unionist, said this week that his union had demanded full-time shop stewards for the first time in 1974. At the time, the idea had been rejected by the motor firms.

However, recent worker unrest had convinced them of the need to introduce the system in order to strengthen worker representation, he said.

Critics of the system fear the full-time shop stewards will be identified with management because they are still paid by the company. They argue that the system could "recoil" on the companies and the union.

Mr Sauls rejects this argument. "The shop stewards will be solely responsible to the union and they will earn the same as their fellow workers. There is no danger that they could be identified with management," he said.

He and other unionists say the system has won overwhelming support from Volkswagen workers.

22/10/70

# Still some rumbles from workers

By STEVEN FRIEDMAN  
Labour Reporter

WORKER militancy in Uitenhage is continuing, despite the settlement which ended the strike wave there

The giant Volkswagen motor company has been hit by sit down strikes in one of its departments 'virtually every week' since the labour unrest earlier this year, according to Eastern Cape sources

According to unconfirmed reports, minor stoppages have taken place at one other plant as well

However, a Volkswagen spokesman, Mr Ruben Els, denies this. He told the Rand Daily Mail this week that the company had been affected by only one stoppage which had "lasted only an hour or so"

Mr Els said the stoppage had affected one department only and had been resolved successfully

"We have not had any major problems since the strike," he added

Volkswagen was the first company to be affected by the strike wave earlier this year which involved about 70% of Uitenhage's black workforce

According to East Cape sources, the sit-downs at Volkswagen have affected one department only. They have usually lasted only an hour or two

However, they have occurred on a regular basis, according to these sources, and are seen as an indication of continued worker militancy in the area

"Not a week has gone by without a stoppage of some sort," says one source

Fosatu-affiliated unions in Uitenhage report a substantial growth in membership since the strikes. Even at companies like Goodyear, where strikers were fired, union membership continues to grow, according to motor unionist Mr Fred Sauls and other unionists in the area

Many employers in the area are reacting to the growth in union membership by recognising the Fosatu-affiliated United Automobile and Rubber Workers Union, and other Fosatu unions in the area are confident of winning recognition from employers

"Uitenhage has become a union stronghold. Workers are asking to join by the score," Mr Sauls said

He confirmed that there had been a series of stoppages in one Volkswagen department

"Workers have become more impatient since the strikes," he said

He added, however, that the situation was likely to improve after the introduction of full-time shop stewards at Volkswagen, who are expected to strengthen communication on the shop floor

Volkswagen's first full-time shop stewards were elected earlier this month after the Ford company had become the first to agree to the appointment of full-time union representatives in its plant



RDM 22/10/80

Labour events at Ford's Port Elizabeth plant often contain important pointers to labour trends. Now, a battle has emerged between two unions at the company which may have significant implications. After a recent trip to the area, Labour Reporter STEVEN FRIEDMAN assesses these developments



SOME years ago, an ad man came up with the slogan "There's a Ford in Your Future" He might well have been talking about South African labour relations

For Ford has a habit of being the first to experience new labour trends

And, just as that company's strike last year heralded strikes throughout the country, so a battle raging now between two unions at Ford's Port Elizabeth plant may provide pointers for other factories and the country as a whole

The battle is heated and has sparked claims on both sides. It is being watched with interest, for it may well pinpoint a new union militancy

One of the unions is the United Automobile and Rubber Workers Union (UAW), which is affiliated to the Federation of SA Trade Unions. It was recognised by Ford some years ago

For many years, this union, like other Fosatu unions, was regarded as dangerously radical and some employers still see things that way

Ford's decision to recognise it was hailed as a sign of the company's willingness to deal with genuine worker representatives

Particularly so because many employers did (and still do) attempt to "freeze out" Fosatu unions in favour of the "tamer" alternatives

The other union is the Motor Assembly and Component Workers Union (Macwusa), which was officially launched at a meeting earlier this month

It was formed by disenchanted workers at the Ford Cortina plant, who felt that the UAW was too "pro-management", a charge which UAW men hotly deny

Its chairman, Mr Dumile Makhanda, a clerical worker at Ford, claims that the UAW "simply transmits management's decisions to the workers"

Most of Macwusa's office-bearers are members of Pebco, the Port Elizabeth equivalent of Dr Nthatho Motlana's Soweto Civic Association, which sprang to prominence last year, died down and is now in the process of being revived

But Macwusa men stress that Pebco played no part in launching the union

An important feature of the new union is its stated belief that unions must be involved in "community issues", that they must look beyond the factory floor and take an interest in township conditions

Thus far Macwusa has recruited about 600 of the 900-odd black

Ford has always stemmed chiefly from the Cortina plant

The reasons for this are significant "Cortina plant workers are younger and have a higher standard of education. We are more worried about exploitation," say Mr Makhanda and other members of his executive

In other words, younger, more articulate, workers with higher expectations are coming into the factories and they are more prepared to challenge long-held management prerogatives

Which is why Mr Makhanda is confident of winning support at the other two plants "Younger workers are moving in there and they support us," he says

There's an old theory that the black workers can be "bought off" by higher wages, higher educational qualifications, greater status and the like

But the New Brighton home in which Macwusa's leaders gather raise serious doubts about that suggestion. The house is small, and it and its environs are certainly not comparable to conditions in the white suburbs

But it is well furnished and there's a large TV and stereo set in the corner. And the men inside it have formed a new, more militant, union

Indeed, one aspect of the new union that has attracted UAW criticism is the fact that at least four of its executive members are white collar workers

The UAW has argued that the new union is "elitist" because it is dominated by men who "have no experience of real worker problems"

Mr Makhanda and his executive acknowledge that they have white collar members — a personnel officer at one company has applied to join, they say

But the majority of ordinary members are shop floor workers, they say, who have elected a few white collar workers onto the executive

Most white collar workers are opposed to Macwusa, they say, and they complain bitterly that many black management men are "stooges"

But those white collar workers who identify with the union are welcome, they say "A black office worker knows that he could become a labourer at the stroke of a pen. So they have a good reason to identify with us," they argue

An early, although perhaps temporary, casualty of Macwusa's birth could be Ford's full-time shop steward system

The shop stewards are elected by UAW members and Macwusa members may reject them. They could thus be placed in a position where they are unable to channel worker grievances because they

# Ford's unions: Where the 'militants' become the 'moderates'

Cont.

from the UAW

It has also been active at two other neighbouring plants, General Motors (which also deals with UAW) and Feltex, a textile company which makes motor car fittings, and both companies have representatives on its interim executive

It aims to win recognition at Ford, thus supplanting the UAW, and then to go on to other motor and components plants and perhaps to other industries

For its part, Ford has wisely opted to stay out of the battle. It has said it will recognise any union with majority membership and has withdrawn to watch nervously from the sidelines. Company spokesmen refuse to discuss the dispute.

The break-away has its origins in last year's strike, which threw up tensions between the Pebco-linked Ford Workers' Committee and the UAW.

It is generally acknowledged that one reason for the strike was the fact that Ford's recognition of the UAW had been channelled, by mutual consent, through the Government's liaison committee system.

The union remained weak on the factory floor and the workers' committee saw it as "pro-management".

An important dent to the union's image occurred when its president, Mr John Mke, agreed to interpret for management during the strike, a move which the UAW now concedes was a mistake.

Macwusa men charge the UAW with not negotiating toughly enough during the strike and of not winning back strikers' bonuses when they returned to work.

UAW spokesmen insist they intervened only when requested to do so by workers and that the union played a significant role in hammering out the settlement that brought workers back to work.

"Without us they would have got nowhere," a UAW man claims.

The post-mortem after the strike led to significant changes at Ford. Both the company and the UAW recognised the need for a strong union presence on the factory floor and both worked to bring this about.

Several changes were introduced, culminating in an agreement that unions members at Ford could elect full-time shop stewards, whose job it would be to take up worker grievances and do union organising work at the plant.

But the dispute between the two factions continued.

Earlier this year, a UAW meeting, attended chiefly by Cortina plant workers, voted Mr Mke and his Port Elizabeth branch executive out of office and elected their own committee, made up of Worker Committee representatives.

But the meeting was unconstitutional and the executive remained in office. The dissidents left to form Macwusa.

The "militant" UAW was now challenged by a "more militant" union.

Thus far Macwusa has recruited a majority of Cortina plant workers and has made some headway at GM and Feltex. It believes it can expand further.

The UAW concedes that Macwusa has support in the Cortina plant. But they insist it has little worker backing outside it.

"At best, they could win a majority in Ford as a whole. That would make them, in effect, a company union. But they have little support outside Ford and they aren't likely to gain any," says Mr Veefoot Ah Shene, a UAW organiser.

He and Mr Fred Sauls, UAW organiser and a veteran Eastern Cape unionist, see the break away as localised and based on "personalities, not principles".

Labour observers in the area are not so sure, however. They see Macwusa as a growing force and expect it to win majority support at Ford. This support, they argue, could spread to other companies in the area.

Says one. "The present union leadership were right for the time they came to power. But there's a new, more militant, mood now, which is tied up with political discontent in the area."

And one local man adds a sobering thought. "It's not going to end here. In a few years, people like Macwusa's leadership will be seen as too docile."

"I see this drift toward more militant union leadership carrying on for at least the next five or ten years," he said.

One interesting facet surrounding Macwusa is the fact that it has won its support at Ford's Cortina plant. The company has two plants in Port Elizabeth besides Cortina. But worker militancy at

***‘I see this drift toward more militant union leadership carrying on for at least the next five or ten years.’***

What does Macwusa stand for? Mr Ah Shene believes it will have little success because "they don't understand trade unionism".

"They believe they can win victories by pressure, rather than negotiating. They are raising expectations which they can't fulfil."

"Management is no push-over and Macwusa are going to discover this. When they do, they are going to have a lot of disappointed members on their hands."

Macwusa men stress that they want to negotiate, that they want to fulfil all the traditional functions of a union.

Their complaint, they say, is simply that the UAW hasn't been tough enough.

Their union, they say, is non-racial, a "people's union". But Macwusa members say tension between black and white workers at Ford is high and they have doubts about coloured workers.

"We're not sure whether we can trust them. They have been given some of the crumbs of apartheid and they don't always identify with us."

But they stress that they are prepared to recruit workers of other races who "identify with the struggle".

Macwusa also rejects Government registration, which the UAW has accepted. "Registering means becoming part of the system," its executives say.

But one of the chief divides remains the issue of community involvement. UAW men argue that unions cannot be involved in community political issues. Their role lies in the factory, they say.

They point to Uitenhage, a Fosatu stronghold, where senior officers of Ubcu, Uitenhage's Pebco, are also senior UAW officials. "They realise that our roles are complementary and that they don't conflict with each other."

But Macwusa men want their union to be actively involved in community issues. "You can't separate a worker's work life and his home life. Everybody who pays rent in the township is a worker," says Mr Makhanda.

Organisations like Pebco "need a helping hand" from unions, he adds.

The Government, of course, is concerned to prevent unions from community involvement, although only direct links with a political party are illegal.

But community involvement is regarded as important by a growing number of black unions. Not that they want to be directly involved, but they do believe in co-operation with community organisations.

Indeed, Mr Brian Mathew, director of the Midland Chamber of Industries, argues that some level of community involvement by unions is inevitable, and employers will have to come to terms with it.

The UAW's leadership are skilled unionists, and there's no doubting their commitment to unionism. Interestingly, the union is making significant strides in Uitenhage, where it enjoys the support of key Ubcu members.

Macwusa has no traditional union background, but it has support. Whatever its future, its emergence is important.

If the UAW, the men with the skills, do make up ground at Ford, it will be because they have adapted to the demands of a union like Macwusa.

As worker demands are met, new demands emerge. This is inevitable, particularly in a politically-charged labour set-up like our own.

Labour relations take place in a political context and, particularly in South Africa, political tensions are felt on the factory floor.

In such a situation it is inevitable that what appeared to be militant yesterday will seem moderate today. The backlog of black worker grievances is sufficient to ensure that.

The Eastern Cape is, admittedly, a centre of black labour and political action but there is no reason to believe that the tensions which are felt at Ford will not become felt elsewhere.

As black workers become better trained, better educated, and as they win rights in the factories, militancy will inevitably increase. Other new and more militant unions have shown remarkable growth, in East London for example.

The existing union leadership will either adapt or new unions will emerge.

The process may well continue for five, 10 or more years.

## TRACTOR SALES

	Jan 1979	Sep 1980
	unit sales market share	unit sales market share
Ford	1 717 24.2	2 965 23.8
Massey Ferguson	1 511 20.2	2 655 21.3
Fiat	1 379 18.4	2 484 20.0
John Deere	1 047 13.9	2 166 17.4
International Harvester	473 6.4	663 5.4
Malcolm	377 5.0	576 4.6
Dodge	250 3.3	320 2.6
SAME	213 2.8	185 1.5
CASE	262 3.5	160 1.3
Lindsay	125 1.7	153 1.2
Volvo	46 0.6	111 0.9
Total	7 509	12 444
Big four makes	5 757 76.7	10 270 82.5

prices well over and above their normal inflation rate"

This is not the only reason for the boom which has raised sales from 7 509 units for the first nine months of last year to 12 444 units this year. The pent-up demand from three lean years when sales dropped to only 10 000 units for the whole of last year, first had to be filled. This was facilitated by good maize crops, easy credit and the general economic improvement.

Tractor men have now upped their sales estimates to a total of 16 5000 units for this year. If there are no serious droughts, next year's sales should drop to 15 500. In 1982, when all new tractors are fitted with local ADE engines, sales should drop further to 14 000.

Now that ADE has announced the prices of its diesel engines, Ford, Massey-Ferguson and John Deere have calculated that fitting the local engine will push up total production costs by around 20%. But this may not be reflected in prices as manufacturers strive to achieve volume production runs. This could have a disastrous effect on smaller manufacturers whose investment to adapt their vehicles and production lines for the new engines will have to be amortised over lower volumes.

"The makes with smaller shares are candidates for obsolescence," says Dr Leon Knol, MD of Fedmech, which manufactures Massey-Ferguson.

The latest sales figures show that the seven small manufacturers are indeed being squeezed, and they now have less than 18% of the market between them. On the other hand, the big four, Ford, Massey-Ferguson, Fiat and John Deere have increased their combined market share to 82.5% from 76.7% last year.

"The ADE project is definitely tilting

the market in our favour," says an executive from one of the big four, "and customers are now starting to switch to the bigger makes as they are more likely to be staying in the market."

Ironically Massey-Ferguson, the make which originally stood to gain most from the ADE project is now being threatened from an unexpected quarter. Massey-Ferguson is already fitted with the Perkins engine which ADE will produce for all tractors next year.

Faced with debts of nearly \$2 billion, Canadian-based Massey-Ferguson has launched an attempt to convert some of the debt to equity which would be purchased by the Canadian government. If this fails, supplies to Fedmech, the local company, could be endangered.

## TRACTORS FM 24/10/80 The big leap

Tractor sales have leapt 65.1% this year — and one of the main causes is the rush to buy before prices go up when locally-made engines are fitted next October.

"A tractor is a very good investment at present," says one manufacturer. "Some farmers are buying tractors now and putting them on blocks instead of waiting until they need them, because the Atlantis Diesel Engine (ADE) project will boost

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Come years ago, an ad man there's a Ford in your future. He might well have been talking about South African labour relations.

For Ford has a habit of being the first to evaluate new labour forces. And just as that is, many a strike has been started in the country, it is to be expected that Ford's own plants at Port Elizabeth and Durban have been the first to be hit by the new unionism.

One of the unions is the United Automobile and Transport Workers Union of South Africa (UATU), which was formed in 1945. It is, being at the moment, in a process of being re-organised.

The fact that the union is re-organised is a sign of its strength. It is, being at the moment, in a process of being re-organised.

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Most of Macwusa's office-bearers are members of Pebeo, which sprang to prominence last year, died down and is now in the process of being re-formed.

But Macwusa men stress that Pebeo played no part in launching the union. An important feature of the new union is its stated belief that unions must be involved in "community issues", that they must look beyond the factory floor and take an interest in township conditions.

The fact that Macwusa has recruited about 600 of the 900 odd black workers at Ford's Cortina plant, about 700 of whom have resigned from the Law.

It has also been active at two other neighbouring plants, General Motors (which also deals with Ford) and Dreyer's (a company which makes motor car fittings). Both companies have expressed interest in its interim existence.

It aims to win recognition at Ford, this is the main aim, and then to go on to other plants and companies to other industries.

Pebeo's chief, Ford has prudently opted to stay out of the battle. It has said it will recognise any union with majority membership and has withdrawn to watch from the sidelines. Company spokesmen refuse to discuss the dispute.

The breakdown has its origins in last year's strike, which threw up tensions between the Pebeo-linked Ford workers' committee and the Law.

It is generally acknowledged that one reason for the strike was

192  
21/10/80

MAN examines the claim that Ford in Port Elizabeth has a habit of being the first company in South Africa to experience may labour trends.

STEVEN FRIEDMAN examines the claim that Ford in Port Elizabeth has a habit of being the first company in South Africa to experience may labour trends.

The fact that Ford's recognition of the Law had been channelled, by mutual consent, through the government's liaison committee system.

The union remained weak on the factory floor and the workers' committee saw it as "pro-management".

The post-mortem after the strike led to significant changes at Ford. Both the company and the Law recognised the need for a strong union presence on the factory floor and both worked to bring this about.

Several changes were introduced, culminating in an agreement that the union's members could elect full-time shop stewards, whose job it would be to take up worker grievances and to union organising work at the plant.

But the dispute between the two factions continued. Earlier this year, a Law meeting, attended chiefly by Cortina plant workers, voted Mr Mike and his Port Elizabeth branch executive, out of office and elected their own committee, made up of worker committee representatives.

But the meeting was unconstitutional and the executive remained in office. The dissidents left to form Macwusa. The "militant" Law was now challenged by a "more militant" union.

Thus far Macwusa has recruited a majority of Cortina plant workers and

has made some headway at GM and Fellex. It believes it can expand further.

The Law concedes Macwusa has support in the Cortina plant, but insists it has little worker backing outside it.

"At best, they could win a majority in Ford as a whole. That would make them, in effect, a company union. But they have little support outside Ford and they aren't likely to gain any," says Mr Veefoot. Ah Sene, a Law organiser.

Labour observers in the area are not so sure. They see Macwusa as a growing force and expect it to win support at Ford. Thus support, they argue, could spread to other companies in the area.

Ford has two plants in Port Elizabeth besides Cortina. But worker militancy has always been keenly felt from Cortina.

The reasons for this are significant. Cortina plant workers are younger and have a higher standard of education. We are more worried about exploitation," say Mr Mahanda and members of his executive.

In other words, younger, more articulate, workers with higher expectations are coming into the factories and they are

that they want to negotiate, that they want to fulfil all the traditional functions of a union. Their complaint, they say, is simply that Law hasn't been tough enough.

Their union, they claim, is non-racial, a "people's union". But Macwusa members say tension between black and white workers at Ford is high and they have doubts about coloured workers.

"We're not sure whether we can trust them. They have been given some of the crumbs of apartheid and they don't always identify with us."

But they stress that they are prepared to recruit workers of other races, who "identify with the struggle."

Macwusa rejects also government registration, which Law has accepted. Registering means becoming part of the system, its executives say.

But one of the chief divides remains the issue of "community" involvement. Law men argue that unions cannot be involved in community political issues. Their role lies in the factory, they say.

But Macwusa men want their union to be actively involved in community issues. "You can't separate a worker's work life and his home life. Everybody who pays rent in the township is a worker," says Mr Mahanda. Organisations like

Pebeo "need a helping hand" from unions. The government, of course, is concerned to prevent unions from community involvement, although only direct links with a political party are

illegal. But community involvement is regarded as important by a growing number of black unions. Not that they want to be directly involved, but they do believe in co-operation with community organisations.

Indeed, Mr Brian Mathew, director of the Midland Chamber of Industry, argues that some level of community involvement by unions is inevitable, and employers will have to come to terms with it.

The Law's leadership are skilled unionists, and there's no doubting their commitment to unionism. Interestingly, the union is making significant strides in literature where it enjoys the support of key black members.

Macwusa has no traditional union background, but it has support. Whatever its future, its emergence is important.

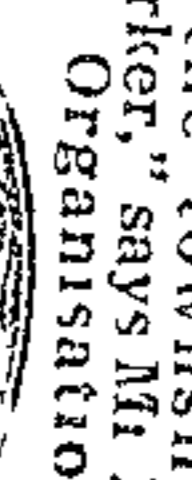
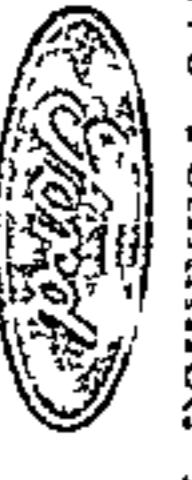
Labour relations take place in a political context and particularly in South Africa, political tensions are felt on the factory floor.

In such a situation what appeared to be militant yesterday is likely to seem moderate today. The backlog of black worker grievances is sufficient to ensure that

As black workers become better trained, better educated, and as they win rights in the factories, militancy seems certain to increase. Other new and more militant unions have shown remarkable growth — in East London for example

Letters —  
Page 2

# Ford's militants of yesterday become moderates of today



5 Mar 31/10/84 (192) (192) 192

# Workers allege 'planned' sackings

Warehouse workers of the strike-hit Toyota Marketing Company in Sandton believe some of their dismissals were "planned" by management

More than 100 were sacked on Tuesday after downing tools in protest against the alleged imposition of unreasonable work

quotas on the picking department. Toyota management claims the dismissals were the outcome of a two-week "go-slow" by workers

In a statement released yesterday by the Metal and Allied Workers Union, the workers said "they believe the company had planned

to cut down on the picking department"

Reports had reached them some time ago that the warehouse manager was intending to remove union members and hire new staff

In support of their claims the workers allege

○ About 20 new workers — registered with the Sandton administra-

tion board as "security guards" — had recently been hired to form the picket

○ Sales staff had been framed as picketers

○ Some of the new workers had been told to wait at home until 1000 were needed

Management comment on the allegations could not be obtained



BMW

192 FM 31/10/80

# Blitzkrieg across a broad front

"We advance like an army across a broad front," says Eberhard von Koerber "Our success is due to the integration of many different strategies, which are totally understood by our management and partners outside the company"

Von Koerber is MD in this country of German automaker BMW Turnover is up nearly sixfold from R24m in 1975 to R133m this year Over this period unit sales doubled, and should double again by 1985

With present local sales of 10 000 units, BMW has 40% of the prestige car market (cars costing more than R9 500) Prestige cars make up about 9% of the total car market Over and above these sales are BMW exports, which account for about 15% of its total production

In spite of Von Koerber's reluctance to single out reasons for success, sound strategy and hard Teutonic pragmatism are evident in all BMW's activities

One example of this is the composition of its product range At the top end are imports such as the BMW M1, costing



Von Koerber . . . strategy and pragmatism

more than R100 000, and the most expensive locally-produced 733 i model costing R27 900 At the bottom are the relatively cheap 518 and 520 models, known in the company as "Einstiegsmodelle" (starting models)

Says Von Koerber "With these cars, we mop up customers at the lower end of the market so that we can trade them up to more expensive models as their careers advance"

The 518 and 520 have undoubtedly helped BMW to steal a march on its competitors, as they provide the status and luxury of a prestige car at a lower price while establishing a customer loyalty to the make At the same time the BMW name helps them outsell other car makes of comparable price

Although the BMW "5" and "7" series have a higher market share in SA than in any other country including Germany, the company does not manufacture its smaller two-door "3" series here For it believes that SA's hotter weather and larger fam-

Year	Interest		Capital	
	R		R	
1	384	366	155	634
2	362	678	177	322
3	337	969	202	031
4	309	817	230	183
5	277	741	262	259
6	241	196	298	804
7	199	558	340	442
8	152	119	387	881
9	98	069	441	931
10	36	487	503	513

The flat interest rate is 8,0% and the effective interest rate approximately 13,1% per annum.

The estimated useful life of the plant leased is 15 years.

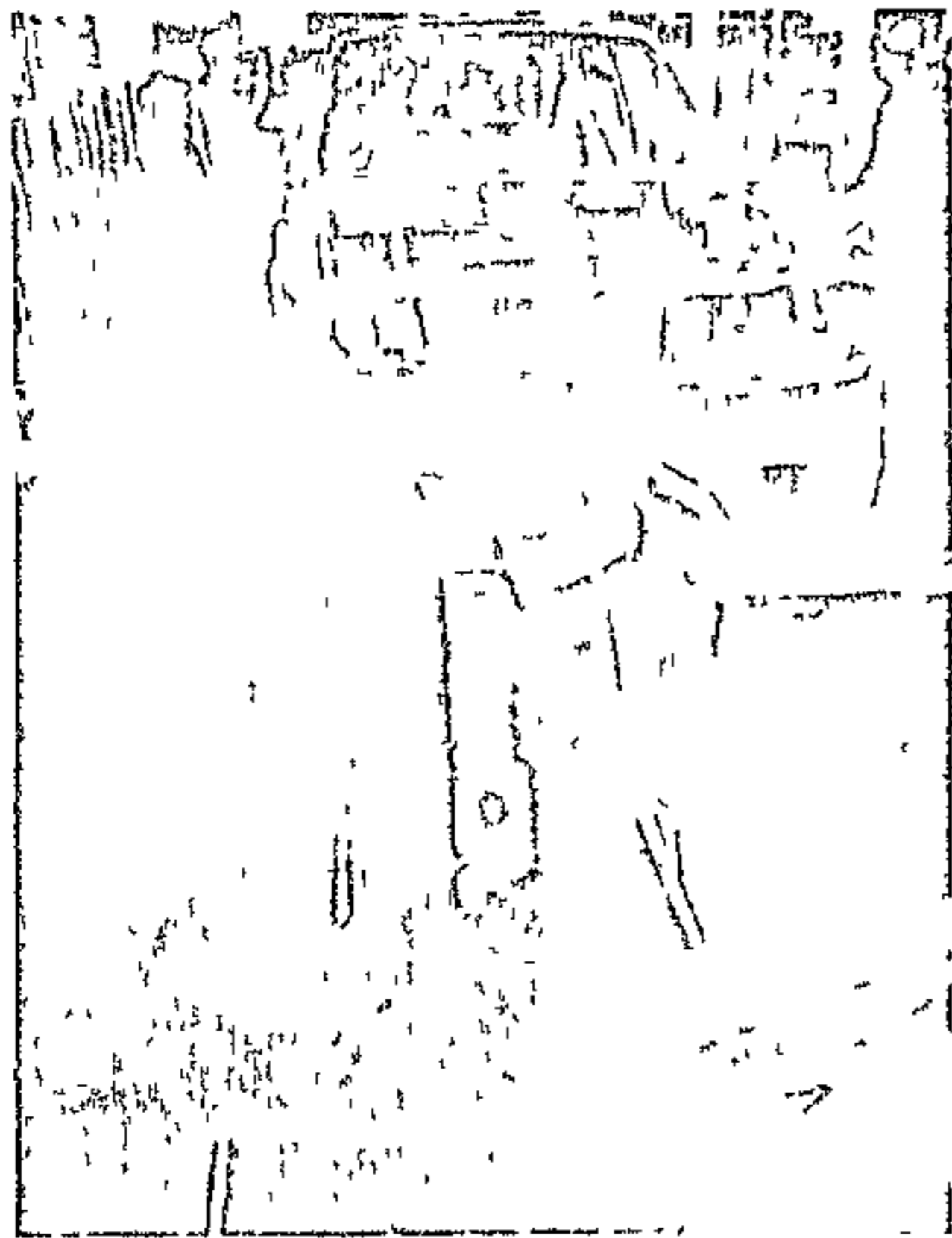
Your fellow directors propose to capitalise the plant and treat the lease payments as instalments on a long term loan. The company depreciates fixed assets on a straight line basis over their estimated useful lives.

YOU ARE REQUIRED:

1. To give reasons why you consider the capitalisation of the leased plant to be acceptable.

(12 marks)

2. To draft journal/...



BMW production sales exceeded expectations

ities dictate at least four doors for minimum comfort standards

BMW's regional sales strategy has also paid off. The first phase of its assault on the SA market was concentrated in the cities, where trends are set and sales prospects are most numerous. This battle is now all but won. In affluent Johannesburg, BMWs often outsell Fords, which are directed at a far wider market.

The stage is now set for BMW's serious entry into the rural market, where the biggest potential for sales increases now lies. Although this market is smaller, Von Koerber believes it will be more easily won, as BMWs will get rapid acceptance based on their reputation built in the cities. He believes that most of the rest of the sales growth will come from an expansion of the prestige car market due to increasing corporate profits.

BMW advertising, which stresses 'sheer driving pleasure,' has so far been aimed at the young and has frankly recognised that the self-indulgence of a prestige car is the just reward for hard work and success. By contrast, its main competitor's advertising stresses a high resale value.

'You cannot afford a low-key approach when you are new in a market,' explains Von Koerber, 'so we went to an aggressive advertising agency to put us on the map. Now that this has been done, the agency will modify our advertising approach.'

A hiccup in the company's total strategy occurred earlier this year when sales exceeded expectations and out of service capacities. 'We did not identify this early enough and had a time lag of six months before we could rectify the situation,' says Von Koerber. 'Some R4m is now being spent on upgrading service facilities and training mechanics.'

It is rumoured that heads have rolled as

a result of this oversight.

Only three of the present 25 top managers have survived since Von Koerber took over as MD in 1977.

Says he: 'It staff cannot cope with their jobs, they must go. Our growth cannot be handled by the people who managed the turnover levels of 1975. It's a different ball game. We now have men who want to be challenged and who enjoy success. By offering these opportunities, we have attracted the right people who should stay with us a long time.'

Pride in product is another requisite for members of the BMW team, says Von Koerber. 'If someone arrives at work in a dirty company car, we explode. For how can we expect the public to want a BMW unless our own employees are proud of it?'

Unlike some other German companies, BMW employs local talent even in its top ranks. Von Koerber and some executives in quality control and research are the only Germans in the executive team.

The company employs one black executive and half of its supervisors are black. It was named by German trade unionist Eugen Loderer as being one of the German companies in SA which satisfied the EEC employment code.

In spite of relatively small volumes in the prestige car market, BMW cars have an average local content of around 70%. This, says Von Koerber, is because some locally made components are in fact cheaper than the landed cost of their German equivalents. Other components are made locally to ensure continuity of supply, although they cost more. The company has also arranged licence agreements for local manufacturers to produce alloy wheels and special paints developed for BMW by its German suppliers.

BMW will not manufacture engines in SA, as it regards engine technology as one of its greatest selling points. 'SA buyers are engine-oriented,' says Von Koerber. 'They want a car which accelerates quickly with a cold engine on a winter's morning on the Reef, and they want fuel economy. To give them the best engine, we rely on our research and development facilities in Germany which we cannot match here.'

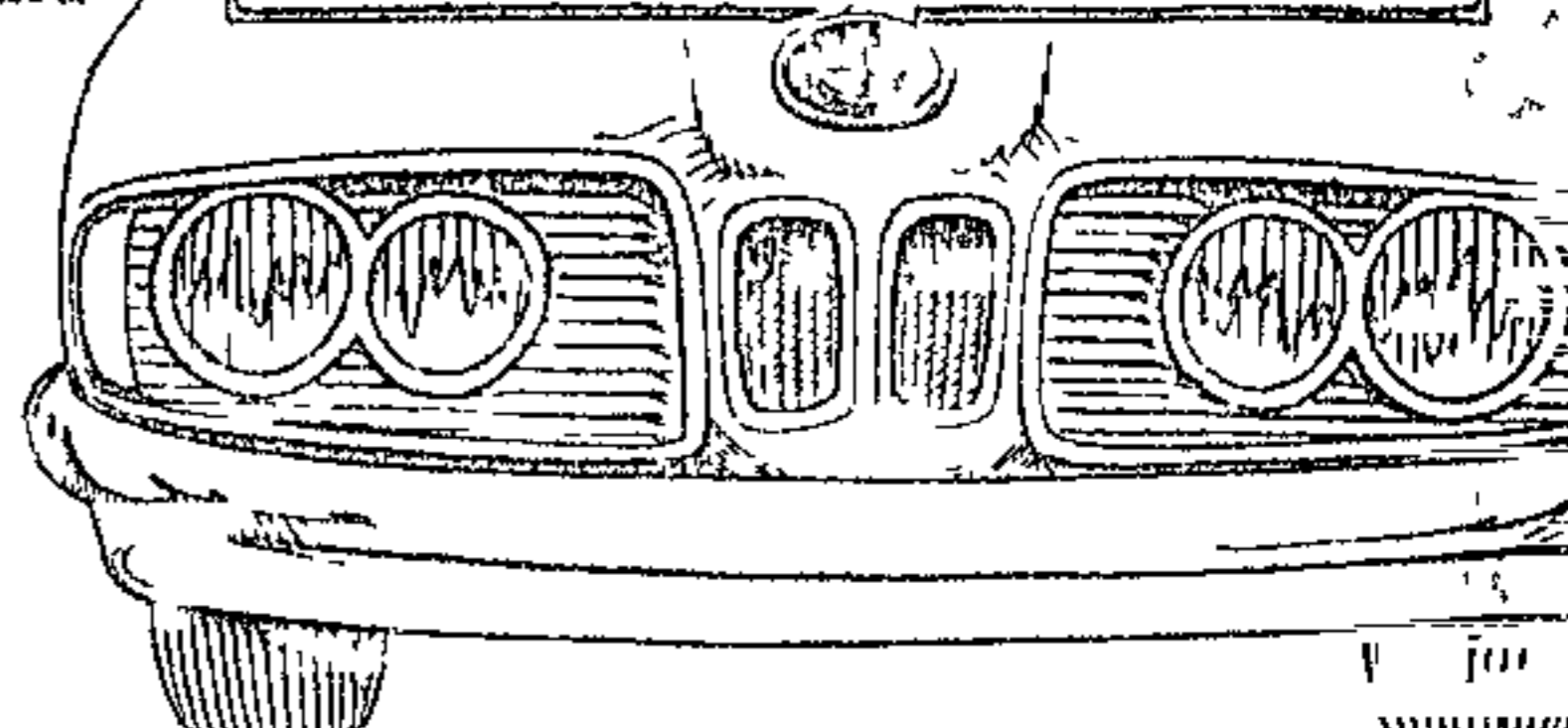
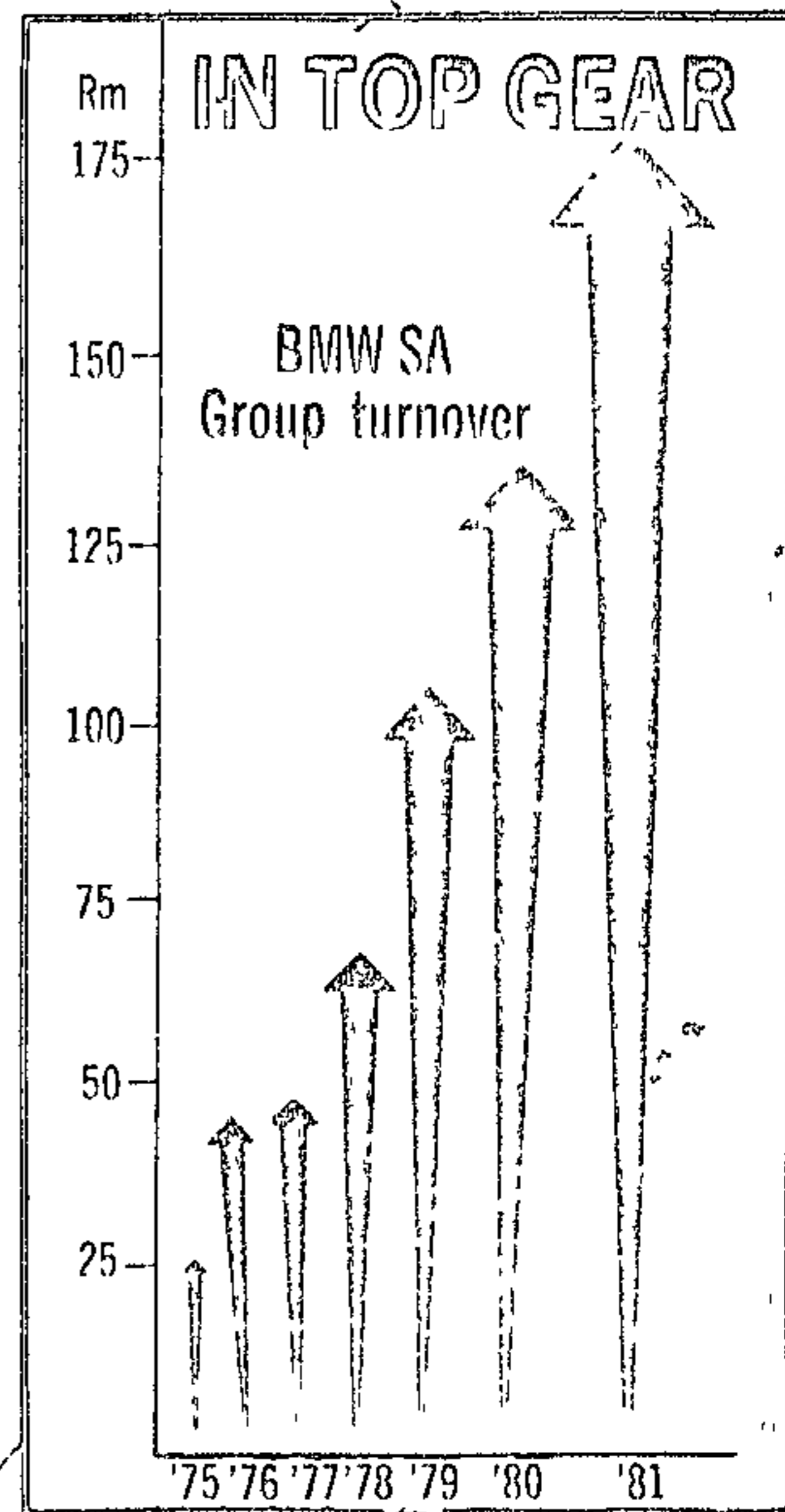
He claims that BMW's electronic fuel injection systems and digital electronics systems for the control of engine timing and fuel flow are examples of the company's leadership in this field.

Labour productivity has increased dramatically over the last few years, and while sales have rocketed staff complement has remained constant at around 1700. This has raised turnover per head of staff to R78 000, a figure which exceeds that of the German parent company by R4 000. Von Koerber is proud of this achievement as BMW

SA produces only 3% of all BMWs, and does not have the economies of scale enjoyed by the parent company. He will not comment on profitability beyond saying: 'Germany is not unhappy with our profits.'

Although the company exercises strict financial discipline, it, 'in our men are more than just cost controllers. They work actively with our operations men,' says Von Koerber, 'and sometimes recommend outlays to develop business opportunities. We have no time for the sort of financial controller who would close down the entire business in order to save costs.'

The company's strategies are based ultimately on its long term targets, which are reviewed once a year. These take into account political and social factors and are based on discussions with political and labour leaders. 'Once we have made up our minds on these matters,' says Von Koerber, 'we get on with the job and do not worry about them until the next year. We are not panicked by incidents of unrest. In 1977 we were investing money here while others were emigrating.'



adn  
3/14/88  
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# Toyota denies firing all workers

## Labour Reporter

THE Toyota Marketing Company last night claimed that only half its workforce had been fired after Tuesday's strike at the company

The company's managing director, Mr Colin Adcock, also denied the strike had been caused by worker protests at a company instruction that they meet work quotas or be fired

He confirmed, however, that a group of workers, whom he claimed had been on a "go slow" strike, had been told that they would have to meet their quotas or "face dismissal"

Earlier this week, Toyota Marketing's Sandton warehouse was hit by its second strike.

Both strikes centred around company instructions that workers meet work quotas or face being fired

Worker sources told the Rand Daily Mail that all 200 of the company's workers had been fired without warning after stopping work in protest at the quota ruling

The plant has closed until Monday

Mr Adcock told Sapa last night that only half the men — about 95 — had been involved in the strike and discharged. He said the company's new work quotas had been negotiated through its liaison committee and workers approved them

He claimed that "a certain group of workers" had started a "go-slow". They had been told to meet their quotas or be fired

# Strength from unity

The Eastern Cape motor unions have again taken an important step which will have ramifications for the black labour movement throughout SA.

Last week three auto unions agreed to merge — a move which will create the strongest independent non-racial union in the country. At a unity conference held in PE last weekend the United Automobile Workers' Union (UAW), the National Union of Motor Assembly and Rubber Workers' Union (Numarwosa) and the Western Province Motor Assembly Workers' Union (WPMWU) effectively announced their merger. All three are affiliated to the Federation of SA Trade Unions (Fosatu), and the International Metalworkers Federation.

The move follows a long-awaited go-ahead from government to allow Numarwosa, hitherto a coloured union, to open its ranks to black members. The union submitted an application for non-racial status nine months ago, and two weeks ago the Department of Manpower Utilisation gave its permission.

The UAW will enter the new union body next week while the WPMWU will join its ranks on January 1.

Although the final step of signing the merger agreement was dramatic, it was the end-product of a long association between the unions. The possibility of UAW and Numarwosa becoming one union has been in the pipeline since UAW's emergence, since which the two unions have acted "as one" during negotiations and the signing of agreements with management.

WPMWU's association with Numarwosa goes back even further to the early Sixties when merger talks were initiated. But there was strong worker resistance to the move during the mid-Sixties when both unions were in the throes of changing their leadership and policies, and the decision was postponed indefinitely.

The most significant aspect of the merger is that the unions will now have greater thrust and bargaining power. The new union will have a paid-up membership of nearly 12 000 — 1 000 from WPMWU, 7 000 from Numarwosa, and 4 000 from UAW. It will now also cover the entire automobile and rubber industry as well as the components industry.

But, just as important, the initiative is a commitment to "unify the labour movement and to see workers as workers, no matter what colour," as one union leader put it.

The final merger blueprint, announced to executive members of the unions



Motor industry workers now with unity

branches on Sunday, was met with euphoria. Union leaders and rank and file members expressed strong support for the unification. However, a number of serious practical problems still face the emergent body.

The greatest of these is the "legal" stance which Numarwosa has to adopt. Because it is the only registered union, it

has, in legal terms to "adopt" UAW and WPMWU.

But the constitution drawn up takes careful account of this. The *modus operandi* decided on stipulates that, although the executive council of Numarwosa will be the legal body vested with the administration of the union, the executive councils of all three would form an advisory council and would make decisions which would be binding on the council. The advisory council is to operate for not less than six months.

Another resolution passed was that all branches, regional committees, and shop stewards of the respective unions would continue functioning until such time as new elections are held.

One stumbling block — which nobody felt was of major significance — was naming the new union. This problem has been referred back to union branches for consideration.

There is another sensitive area which, although unrelated to the merger, may cause problems for the emergent body. There is dissension among the ranks of Ford Cortina plant workers, some of whom have resigned from UAW to join the recently-formed Motor Assembly and Component Workers Union (Macwusa). Macwusa has recruited the majority of the plant's workers — some 600 of the total workforce of 900 — and is planning to recruit at General Motors.

The new union has slammed UAW for

its "conservative and pro-management" stance and also its lack of involvement in community issues. Although UAW has strongly denied these allegations, a split in the ranks of workers — particularly along colour lines — may well put a spoke in the wheel for the merger union.

Dumile Makanda, a Macwusa organiser, says "We will definitely benefit from the merger. There are members of UAW and Numarwosa who are not satisfied with it — particularly workers at GM and Ford — and they will join our ranks. There are a number of workers who feel they have no place in the merging unions."

But a spokesman for UAW says he does not foresee major problems — even if Macwusa wins a recognition agreement from Ford. "Strong organisation and producing the goods for membership is what will finally count," he says.

Despite these problems and doubts, the overriding feeling among workers was that there was enough support and commitment to the ideal to overcome any practical problems that may arise.

FM 31/10/80

CURRICULUM VITAE

Klaas van der Merwe

Has a degree in Mechanical Engineering  
been with Shell International  
as an international  
His experience in  
financial management

He has taught at the  
Research at the University of  
Stellenbosch.

He is recognised by the  
Society of South African  
design of industrial

# 'SA can't rely on others for vehicle parts'

from 6.11.80

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CAPE TOWN — South Africa could no longer afford to be dependent on foreign countries for the supply of such vital vehicle components as engines, Dr Schalk van der Merwe, chairman of the economic committee of the President's Council, said in Cape Town yesterday

Speaking at the official opening of the annual congress of the Motor Industries Federation, he referred specifically to the Atlantis diesel engine project

The major benefits for South Africa accruing from this project were really impressive, Dr Van der Merwe said

There were, for instance, foreign exchange savings of the order of R260-million a year

The most important, possibly, was a reduction of the present variety of more than 200 different diesel engines to 11 models

"I have no doubt that the motor industry in South Africa is destined to play a cardinal role in the country's future economic development — on the one hand as a catalyst for the creation of economic prosperity, and on the other, for combating unemployment

Both are essential for the political and economic future of the country and both are, naturally, mutually related."

Dr Van der Merwe said since growth in the motor industry was closely connected to the prosperity of the economy as a whole, the Government was watching the tendencies and developments in the industry so that change and rectification could be made when and where necessary

South Africa's economy was exceptionally sound compared to that of her most important trading partners. The economic recovery the Republic was now experiencing was built on sound foundations, and could also be attributed to the higher gold price. The Republic could, unexpected circumstance excluded, look forward to a promising 1981 — Sapa.

He has worked for that company in various parts of the world. He has worked for the company in various parts of the world. He has worked for the company in various parts of the world.

He has worked for the company in various parts of the world.

He has worked for the company in various parts of the world.

# Car workers merge into strong union

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*30/10/80*  
*(192)*  
*#57*

By STEVEN FRIEDMAN  
Labour Reporter

NONRACIAL trade unionism received a major boost this week when three motor assembly unions agreed to form a powerful, nonracial union

The union, which is registered, appears to be the first major registered union in the country with a fully nonracial constitution

Its emergence also means that black workers affiliated to the nonracial Federation of South African Trade Unions (Fosatu) have become members of a registered union for the first time.

This is seen as an indication of Government determination to bring black workers into its official bargaining system

All three unions are affiliated to Fosatu. Two are based in Port Elizabeth and one in Cape Town, although the unions have members throughout the country

The way to the merger was cleared when the Minister of Manpower Utilisation, Mr Fame Botha, allowed the registered National Union of Motor Assembly and Rubber Workers to enrol black workers on a fully nonracial basis

Talks between NUMARW and two other Fosatu unions,

the predominantly black United Automobile and Rubber Workers and the coloured Western Province Motor Assembly Workers Union, had been under way for some time and this decision opened the way for a formal merger

At a meeting in Port Elizabeth this week, members of the three unions gave their approval to the merger, which will come into effect next month

The merger move is seen as an indication of growing co-operation between black and coloured workers in the motor assembly industry

It will also boost union chances of winning employer recognition

Employers who refused to recognise UAW when it was unregistered may now be prepared to deal with black worker representatives in a registered union

The Fosatu motor unions have shown a marked growth in the Uitenhage area in recent months, but are locked in a battle with a rival union at the Ford plant in Port Elizabeth

In terms of the merger, the other two unions will disband and their members will join the NUMARW. The union's general secretary, Mr Fred Sauls, said

yesterday it had been decided to merge in this way because the NUMARW was already a registered union

The union has members in Port Elizabeth, Uitenhage, East London, Cape Town, Durban and Pretoria and represents workers in battery, tyre and components companies as well as in the motor assembly industry

Mr Sauls said yesterday that the union's constitution would be fully nonracial. Union branches will be mixed and all members will be eligible to stand for the union's executive

Until nonracial elections were held for a new union executive, the executives of the two unions which are dissolving will continue to exist and will advise the present executive

While some 27 registered unions have been granted permission to open their doors to black workers, most must still have racially separate branches

Fosatu unions, however, have demanded fully nonracial status and this has now been granted to NUMARW

Six other Fosatu unions have been given official permission to apply for registration on a nonracial basis

# Toyota drops its union stand in dispute

By STEVEN FRIEDMAN  
Labour Reporter

THE strike at Toyota's Sandton warehouse has ended with the company offering to recognise an unregistered black trade union — a significant reversal of its policy and a major breakthrough for the union

The unregistered Metal and Allied Workers' Union which is affiliated to the Federation of South African Trade Unions, has been battling for recognition at Toyota for more than a year

Last year, the company's managing director, Mr Colin Adcock, said Toyota was opposed to recognising an unregistered trade union

The fact that the company has agreed to recognise a Fosatu-affiliated unregistered union is also seen as an important breakthrough for unions in the motor and allied industries

Last week, the entire black warehouse workforce at Toyota Marketing, a Sandton subsidiary of the motor giant, Toyota (SA), struck in protest at a management ruling that workers had to meet certain quotas or face dismissal

About 100 workers were involved in the stoppage

All were dismissed and told to report back to the company yesterday, when they would be told which workers were to be re-employed

However, after talks with Fosatu, the company decided to reinstate all workers and offered to recognise Mawu

A joint statement issued yesterday by Fosatu, Mawu and Toyota Marketing, says the agreement followed Fosatu-initiated discussions between the company and Fosatu officials on Friday

This was followed by further meetings between Fosatu and the company at the weekend as well as meetings between Mawu officials and union members

As a result, the three parties met yesterday morning to hammer out a settlement

According to the statement, "immediate problems relating to communication, work targets and the warning system" have been resolved, and the entire warehouse staff has returned to work

Workers have agreed that the work targets are not unreasonable and that "the main problem was one of communication", according to the statement

At the same time, the company offered to recognise Mawu and to give it "all facilities necessary to operate within the company"

The details of a recognition agreement will now be negotiated between the union and the company, but it is understood Toyota has agreed to negotiate with Mawu on its members' grievances until a formal recognition agreement is signed

The company has agreed to recognise union shop stewards and to give Mawu organising facilities in the Sandton plant

According to the statement, yesterday's meeting took place in an atmosphere of "complete co-operation". Both parties will now study "all aspects of communication to ensure the success of future negotiations"

# Toyota, workers reach agreement

STAN 3/11/80

A settlement of the dispute at the Toyota Marketing Company in Sandton was reached today, with the company agreeing to reinstate all dismissed workers and to recognise their trade union.

This represents a major breakthrough for the Fosatu-affiliated Metal and Allied Workers' Union (MAWU) which has been embroiled in a bitter recognition struggle with

Toyota Marketing since the beginning of 1978.

Agreement was reached today after a meeting between management and a negotiating team representing both MAWU and Fosatu.

It provided for the reinstatement of more than 100 warehouse workers dismissed after a stoppage last week. The production target which sparked the strike have been acknowledged as

“reasonable” by the workers, Toyota managing director Mr Colin Adcock said, and would remain in force.

The recognition of MAWU by the company, and the granting of “all facilities needed to operate within the company.” These include stop-order facilities and organising access to company premises.

A new system of communication, whereby

union members — comprising at least half the warehouse workforce, according to a Fosatu spokesman — will be represented by the union, and other workers by a reconstituted liaison committee.

The Fosatu spokesman welcomed the agreement, and called on other motor components manufacturers to follow Toyota's lead in recognising representative workers' bodies.



TWO 'massive' steps forward have been made for black apprentices in the motor industry, Mr Jannie van Huysteen, general secretary of the SA Motor Industry Federation (MIF), has announced.

In the latest issue of Automobile, the MIF's official journal, he said a group of black apprentices had been introduced in workshops throughout the Reef area.

Secondly, the Motor Industry Employees' Union had agreed to the indenture of black, coloured, and Indian apprentices to white journeymen.

The agreement with the union was conditional on education qualifications,

# Boost for black apprentices

4/8/80

ARCUS

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standards of training and trade testing not being lowered to suit any race group.

## 'ONUS'

'All these moves are not simple, instant and complete solutions,' he said. 'They mean that the onus is placed on employers to sell the idea to their staff.'

It would be pointless to indenture an apprentice and place him in a work-

shop where his presence was resented.

Selecting the right people, aided by aptitude tests, introductory courses and in-house induction training, was necessary.

Funds were being made available by the Government to institute in-service training programmes for black apprentices in centres throughout the country.

5/11/80  
Violence  
at Datsun  
plant

Own Correspondent

Police were called to the large Datsun Nissan factory at Rosslyn, near Pretoria, today when violence flared after black workers had downed tools.

The entire factory shut down for the day when white workers were told to go home after the strike by black workers in the car assembly section spread to other parts of the works.

About 30 policemen with dogs, shotguns, rifles and tear-gas were rushed to the factory after Datsun reported the strike.

Officials from Datsun were not available but it was believed that the strike started over a misunderstanding over the amount which could be withdrawn from a savings scheme.

About 100 black workers gathered at the main gate and held discussions with senior management officials while the police stood about 300 m away.

The situation was calm and police took no action.

# No VW figures for Naamsa

By BRIAN GROBBLER  
Motoring Editor

Cap & Times  
6/14/80  
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ANOTHER major motor manufacturer, Volkswagen of South Africa, has decided not to supply the National Association of Motor Manufacturers of South Africa (Naamsa) with its monthly sales figures

This follows Sigma Motor Corporation's decision last year not to supply Naamsa with its sales figures after a dispute between Sigma and the other 22 motor manufacturers

The dispute was over the fact that Sigma wanted to introduce light fuel economy cars (LFEC) which were contrary to the local content programme. Sigma was outvoted at a Naamsa meeting by 20 to 2 votes and resigned its membership last December.

The managing director of VW South Africa, Mr Peter Searle, said in the City last night that for the past 20 years the motor industry had had a system of reporting sales which had worked admirably and extremely timeously in giving a full and accurate trend, not only nationally but also regionally, down to each licensing area in the Republic.

## Vital information for planning

"Sales data has been exchanged through Naamsa by all manufacturers from which trends by detailed price category, model, type, engine and transmission, petrol/diesel ratios, etc could be established. All the vital information for planning, analysis and operating purposes in the go-ahead industry are in the figures.

"This year we have been increasingly prejudiced by the lack of complete sales data. National sales figures have been made available but the detailed model and regional breakdowns which VW and all manufacturers but one — obviously Sigma — have continued to supply and which are the lifeblood of sales operations have been lacking."

Mr Searle said that VW would submit its November sales to Naamsa by the appropriate deadline but would only show national totals for small, medium and large cars.

"I would like to make it clear that this in no way affects our membership of Naamsa but merely our sales reporting. It is just not good business sense giving out detailed information of our sales when a competitor is not prepared to reciprocate."

Mr Searle said after the announcement that if and when Sigma decided to rejoin Naamsa and to supply monthly detailed sales figures, then VW would be prepared to do the same.

He said the figures were a great guide of economy trends and it was a pity they could no longer be given in detail to the press.

<sup>STAR</sup>  
7/11/80  
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# Datsun factory still closed

Own Correspondent

The giant Datsun factory in Pretoria remained closed today with police keeping a watch on the situation.

Thousands of the black workers who went on strike yesterday streamed back earlier today but there were no incidents, a police spokesman said.

Mr Loot Muller, managing director of Datsun, confirmed that the workers had gathered at the factory but that they were not working.

Mr Muller said about 3 000 workers received their savings — part of the cause of the strike — “in full plus interest” earlier today. He said the savings problem was a misunderstanding on the part of the employees.

Mr Muller also confirmed that Datsun had taken over the Fiat factory across the street, but denied claims that the transaction had anything to do with arrangements about the payouts of the workers' savings.

Some workers claimed that Datsun would not pay out all their savings because their money had been used to buy the Fiat factory.

Mr Muller said all the workers were expected back at the factory on Monday.

# Workers

## back moves to merge

### 3 unions

In what has been described as a "triumph for the cause of worker unity" 12 000 workers have unanimously approved the merger of three separate motor assembly unions

Since two of the unions have a coloured membership and one is for blacks, the move is also seen as a victory for non-racial trade-unionism

The unions are the National Union of Motor Assembly and Rubber Workers (NUMARW) — a registered body with a notably strong following among coloured workers in the Eastern Cape — the mainly black United Automobile and Rubber Workers' Union (UAW) and the Western Province Motor Workers' Union. All three bodies are affiliated to Fosatu.

The decision to merge, taken at a joint meeting of the union executive committees last week, had since been "unanimously" approved by the membership. NUMARW general secretary Mr Fred Sauls said today.

From next week, black members of the UAW would begin to join the NUMARW. Members of the Western Province Union would follow at a later stage, he said

Mr Sauls said the consolidation of the unions had been in the pipeline since 1972. The last obstacle to unity was overcome this year with the granting of Ministerial permission for the NUMARW to open its ranks to blacks.

# Toyota workers can go back to work

WORKERS at Toyota's marketing warehouse in Sandton who refused to continue to accept the company's normal work standard would be offered re-employment without a break in their service if they report for work on Monday, Mr Colin Adcock, the managing director of Toyota South Africa, said yesterday.

Reacting to a 'wild accusation' about a 'purge plan' made by the Metal and Allied Workers' Union, Mr Adcock said the workers involved were pickers, whose duty it was to pick lines of motor parts.

A computer system, introduced last year had increased the possible efficiency of pickers from 230 to 260 lines a day.

All 20 pickers involved in the dispute were picking at least 280 lines a day by the week ending September 16, and 14 of them averaged 307 lines a day while the best managed 3 800.

Then the average began to drop, and by October 21 absenteeism had increased alarmingly and productivity had dropped by 33% overall, Mr Adcock said.

Of the original 20 pickers one had been arrested and charged with theft, two had been discharged for fighting on duty, one was on leave, one was absent, one had deserted and had been discharged and one had been reassigned.

On October 27 the 13 remaining pickers were told that if they failed to achieve 260 lines a day they would be warned, and after two warnings they would be dismissed if they still failed to reach 260 lines. The next day they told the management they would not work until the warning was withdrawn.

The management refused to withdraw the warning, and after repeated requests to the workers to resume work, a total of 97 were dismissed — Sapa

# Police called in after 'go home' call

PRETORIA — Police were called to the Datsun-Nissan factory at Rosslyn yesterday when violence flared after black workers had downed tools. The entire factory was shut down for the day when white workers were told to go home after the strike by black workers in the car-assembly section spread to other parts of the works.

The managing director of Datsun, Mr Loot Muller, said that the work stoppage was a result of a misunderstanding over the annual payout of the firm's savings scheme. Some workers had thought that they would be paid out at 6 am, and workers were asked to fill in forms stating how much of their savings they wished to draw.

A rumour started that they would not get paid, and workers demanded their money immediately. Mr Muller addressed the workers and said that they would be paid their savings as soon as the banks could arrange it.

According to Mr Muller, there were a few isolated instances of violence and a few cars were damaged, mainly by workers trying to see and hear him better.

He said that little damage had been done to the factory, and production was expected to be back to normal today — Sapa

STAR 10/11/80  
**Workers**  
end strike

**Own Correspondent**

Thousands of workers at the Datsun factory in Rosslyn, Pretoria, were back at their jobs today.

"All is back to normal," said Mr Loot Muller, managing director of Datsun.

The giant plant closed down for two days last week following a strike over the pay-out of their savings by the 4 000 black workers.



MOTOR WORKERS

## Signal from Sigma

192  
FM 14/11/80

With the lessons of Volkswagen and Ford fresh in their memories, employers in the Transvaal motor industry are preparing to accommodate the growing trade union presence on the Rand. In what appears to be the first step in this direction, Sigma has signed a recognition agreement with

the National Union of Motor Assembly and Rubber Workers of SA (Numarwosa) and the United Automobile Rubber and Allied Workers Union of SA (UAW).

The two unions have merged (*Current Affairs* October 31) but, says a union spokesman, this will not affect the agreement whereby the union will be phased in as its membership increases. To date the union has been granted stop order facilities and union members have access to the plant.

Once the union has achieved 35% membership — it now represents 19% of the workers — it will nominate two Sigma employee members onto the Executive Liaison Committee and thereafter the union gets an additional member for every 5% increase in membership.

Sigma's initiative is important for the Transvaal motor industry, so far untouched by wildcat strikes such as those experienced by the eastern Cape companies. This peace seems to be breaking as evidenced at Datsun-Nissan last week when 3 000 workers downed tools over a dispute concerning special savings accounts. Although the strike was set off by a relatively minor issue, it is certain to

spark more serious demands relating to the liaison committee system, overtime and wage structures.

Already workers have expressed dissatisfaction at the discrepancies between wages in Rosslyn and surrounding areas and the eastern Cape.

Following the Volkswagen strike in July, eastern Cape workers negotiated a minimum wage of R148 hour which was binding on all motor industry employers in the area. Part of the problem facing the Transvaal and the rest of the motor industry is lack of uniformity: there is no binding industrial council agreement. As a result, the wage structures negotiated by the respective liaison committees vary greatly.

The lowest paid workers are those at Alfa Romeo (Pretoria) where the minimum wage is 63c hour, followed by Datsun-Nissan (Pretoria) at 90c hour. BMW (Pretoria) pays the highest minimum rate of R125 hour. Mercedes-Benz (East London) R115. Motor Assemblies (Durban) R110. Leyland (Cape Town) R105 and Sigma (Pretoria) R100. The workers will continue to demand a deal in line with their fellow workers in the eastern Cape and from indications last week they will not hesitate to strike to get it.

What could make the situation more volatile in the Transvaal is the union's weakness.

Martin Ndaba, a UAW organiser, claims some employers have been tough in their dealings with the unions. He admits, though, that the work forces are dispersed. Union meetings are difficult to coordinate with some workers living as far as 50 km from Pretoria.

# CAR SALES RUN INTO RESISTANCE

14/11/80 ARCAAS  
Financial Editor

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**AFTER a year of record sales and rising prices the motor trade seems to be running into consumer resistance.**

New car sales, which rose steadily from 17 929 in January to a record 26 490 in September, slipped back last month to 25 762

This is an unseasonal trend as in recent years sales have normally risen strongly in October to reach a peak in November

While part of the drop in sales last month is probably the result of lack of stocks, it also seems that the steady increase in new car prices is beginning to dampen demands

In spite of wage increases and tax cuts, the ordinary individual, it seems, is still not finding his income rising as fast as new car prices

A dealer said the prices of most new cars had risen several times this year and were now about 15 per cent — or about R750 to R900 — higher than at the end of 1979

## LOST SALES

A recent increase in the price of the cars he was selling had probably lost him about 100 sales, he said

This resistance to the prices being charged for new cars is resulting in an increased demand for the better quality used cars and has led to used car prices increasing by up to several hundred rands lately, depending on the model, age and condition of the car

Commercial vehicle sales last month were a record 12 818, compared with 12 364 in September and 9232 a year ago

So far this year 228 749 new cars have been sold, 30,4 per cent more than the 175 458 sold in the same period last year. Sales of commercial vehicles were 106 386, 29,7 per cent more than the 82 008 sold in the same period last year

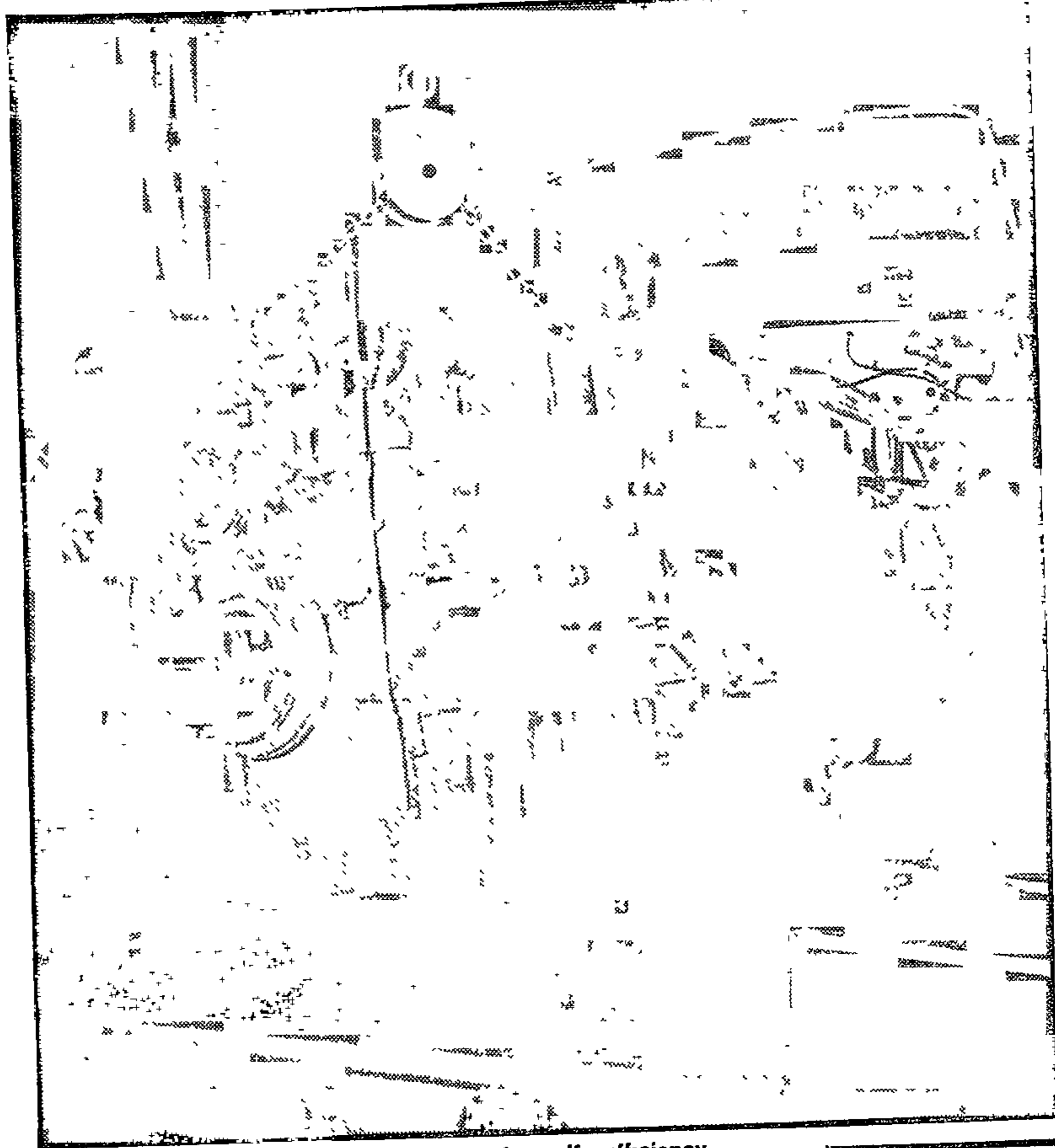
## PROFITS UP

The increase in vehicle sales has sharply increased the profits of the motor trade

The Department of Statistics reports that retailers in motor vehicles and accessories had a net

profit of R44-million in the June quarter, double the R21,6-million earned in the same quarter of last year

Net profits in the first six months of this year were R82,3 million, which was only R4,1-million less than the R86,4-million earned by the trade in the whole of last year



The Atlantis engine . . . gearing for self sufficiency

18/11/80 SUN TRAB (FIN) 192

## LEYLAND WINS R40m COMPONENT CONTRACT

LEYLAND South Africa has won a R40 million contract for the manufacture and supply of flywheel and ring gear assemblies at Atlantis Diesel Engines (ADE)

This is the biggest component supply contract yet placed by ADE.

To meet the requirements of the contract Leyland will expand at a cost of over R4 million, which will involve the installation of 21 sophisticated computer - controlled

machine tools. Leyland has placed orders with suppliers in the United States, Britain, Germany and South Africa for over 160 tons of machine tools. Delivery of the tools will start in June next year and production will start in November 1981.

Leyland's expansion programme to accommodate the new machine tools will involve the provision of 1400 square metres of floor space alongside Leyland's existing

machine shop at the Blackheath factory in the Cape

To bring the new production facilities on stream Leyland will require an additional labour force of nearly 100 skilled and semi-skilled people.

By the beginning of 1982 when the new machining plant is in full production more than nine million kilograms of locally supplied cast-iron and one million kilograms of locally produced steel will be machined

DD 18/11/80, (192) (138)  
**Motor workers' union**  
**in merger move** (LWCA) (138)

PORT ELIZABETH — The newly-launched Motor Assemblies and Component Workers' Union of South Africa (Macwusa) has made a move towards merging with two other militant unregistered trade unions

Macwusa officials met representatives of the South African Allied Workers' Union (Saawu) and the Western Province General Workers' Union here at the weekend.

The Macwusa move comes in the wake of an announcement by three affiliates of the Federation of South African Trade Unions (Fosatu) that they had decided to form a non racial union

One of the merged

Fosatu affiliates is the United Automobile, Rubber and Allied Workers of South Africa, from which Macwusa broke away

The three militant unions have rejected government registration

Mr Dumile Makhanda, Macwusa chairman, said the talks at the weekend were informal, and the three unions would meet again soon.

"We realised we had a lot in common with Saawu and the Western Province Union, except for a difference here and there in administration. We thought it would be to the benefit of the workers if we merged"

# 1 000 BMW workers on wage strike

192  
1971 29/11/80

## Labour Reporter

ABOUT 1 000 workers at the BMW motor factory at Rosslyn, near Pretoria, struck yesterday in support of wage demands.

This makes BMW the second Pretoria motor plant to be hit by a strike in the past few weeks. Workers at the Datsun plant in the area struck recently.

A company spokesman, Mr Pierre de la Rey, said yesterday he expected the plant to be back in full production today. However, worker sources said they believed it was unlikely to reopen until Monday.

According to management, the strike occurred because workers were impatient with delays in wage negotiations between BMW and an employees council in the plant.

However, worker sources said they had struck in support of demands for a 50c an hour wage increase.

They said management had offered workers 25c an hour, which had been rejected. A subsequent offer of 30c was also rejected, they said.

According to workers, BMW's minimum wage is R1 33 an hour.

A non-racial registered union, the National Union of Motor Assembly and Rubber Workers, has been organising workers at BMW. The union is affiliated to Fosatu.

At present, the union does not represent the majority of BMW workers and has there-

fore not been involved in negotiations on the wage issue.

However, a union spokesman said yesterday that workers who were not union members would be asked at a meeting today whether they were prepared to have the union negotiate on their behalf.

Mr De la Rey said yesterday that BMW had been negotiating workers' annual wage increases for some weeks with the employees' council.

A group of workers had become impatient with the delay and had stopped work yesterday morning. They said they would not resume until management told them the size of their increase.

Management had discussed this with the employees' council but had decided this was not possible. "We then sent the entire workforce home," Mr De la Rey added.

He said negotiations had continued throughout the day and that the company expected to announce the new increases this morning. "We expect everybody to return to work then," Mr De la Rey said.

He confirmed that the union was active at the plant, but said it was not yet representative. For this reason management still negotiated with the employees' council, he said.

Worker sources said yesterday that they were under the impression that the dispute would not be resolved today. "We were told to collect our pay for the week and then to come back on Monday when the problem would be settled," a worker said.

A union spokesman said workers had "lost faith" in the employees' council because it had failed to consult them adequately on the wage issue.

Despite this, the majority were not yet union members and the union would meet workers today to find out whether non-members wanted the union negotiate for them.

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INVESTMENT ANALYSIS

# Motor-industry streamlining has paid off handsomely

A YEAR ago I wrote that the JSE's major motor companies had been streamlined to run a lot leaner than they were several years back. The most recent results from these companies indicate that the trend towards tighter management and asset control has been strongly extended.

In fact, an analysis of the return on assets of the major motor companies goes a long way towards explaining just why the RDM motor index has soared by 90% over the past 12 months and why the sector's 5,4% average historic yield is a good deal closer to the JSE average than it has been in the past.

In short, motor shares have been justifiably upgraded by a market which has digested the past two years' sharp earnings increases and has appreciated the vast improvement in the balance-sheet structures of the companies in question.

Five major motor retailers — Curries, McCarthy, Robbs, Saficon and Williams Hunt — are listed on the JSE, and, with



## DIAGONAL STREET

John Spira

the exception of Williams Hunt, returns on assets (total assets less non-interest-bearing debt) are all standing at record levels.

Williams Hunt's most recent year-end is February 28 1980, and since releasing its results for that period it has published an interim report which suggests that it, too, has reached new return-on-assets (ROA) peaks.

Up until 1979, most commentators with an intimate knowledge of the motor industry suggested that the maximum achievable ROA for a motor retailer was 12,5%.

Since then, however, the two larger companies — McCarthy and Saficon — have shattered this barrier, with the former's ROA rising from 10,41% to

17,52% between 1979 and 1980 and the latter's increasing from 11,76% to 15,84% over the same period.

It is, moreover, highly significant that Saficon has forecast a 1981 ROA figure of 17,15%.

And, since this forecast was made statements emanating from the company have indicated that earnings per share will be substantially higher than originally forecast, suggesting that Saficon will comfortably exceed the projected ROA of 17,15%.

The recent acquisition by McCarthy of the Yamaha distribution network was accompanied by a prediction that this deal would raise McCarthy's earnings by about 12c a share. Judged in the light of the

current buoyancy of the motor-vehicle market, McCarthy's 1980-81 ROA should therefore exceed the past year's 17,52%.

Why has this dramatic improvement materialised?

An analysis of the underlying net assets of Curries, McCarthy, Robbs and Saficon reveals

NET ASSETS (Rands)	1976	1980	% Change
Curries	25 386	22 906	9.70
McCarthy	75 028	55 434	24.09
Robbs	11 935	10 914	8.55
Saficon	31 511	30 114	4.43

So, between 1976 and 1980 the net assets of all four companies declined — in rand terms. In real terms (after adjusting for inflation) the reductions would be considerably greater.

A further breakdown of the assets of the relative companies shows just why assets have been so drastically trimmed down. The following table reflects the investment in hire purchase and lease debtors.

	1976	1980	1980 as % of 76
Curries	14 367	11 321	78.8
McCarthy	20 339	2 709	13.3
Robbs	1 550	22	1.4
Saficon	6 907	542	7.8

Obviously, McCarthy, Robbs and Saficon have elected not to carry large amounts of hire purchase and lease debtors, while Curries appears to be moving in this direction.

Which prompts the next question: Why have these companies decided to disinvest from hp and lease debtors?

Because by doing so they have increased their returns on assets.

A simple example illustrates just how they have been able to do so.

If a company carries paper valued at R100 and earns a return thereon of R20, it will pay tax of R8,40, leaving a net R11,60. Deduct, say, R1 (after tax) for administration expenses and the final return on this asset is a lowly 9,6%, which is appreciably below the overall ROA of most motor retailers in current market conditions.

From where I sit, this analysis volubly explains why the motor retailers are able now to achieve returns on assets of well above the previous 12,5% barrier.

It explains why motor shares have been accorded a higher market rating and it tends to suggest that such rating might be upgraded yet further.

True, the industry will remain volatile.

But it can confidently be predicted that in the years ahead the earnings peaks will be higher and the troughs not as low, so that, while the amplitude of the swings might not differ materially from those recorded in the past, earnings over a period of several years should be at a higher level than in bygone years.

# BMW strike is over — 28 pc pay rise, bonus

STAR 28/11/80

~~192~~ 192 ~~193~~

By Kevin Murray

About 1000 striking workers at the BMW motor factory at Rosslyn, near Pretoria, will go back to work on Monday after being granted a wage increase today of 28 percent.

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

They were demanding a wage increase of 50c an

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

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

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

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

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

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

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

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

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

The EDUCATION system for blacks is one of the most important of several major matters of concern. It is the generally extremely valuable investment for South Africa according to the Director General of the Department of Education and Science.

It was noted that the blacks would be drawn into the country's economic system more and more. He said a lot of money is being spent and would be spent for many years in that system. But the present educational standards were generally not good enough to provide a base for the advancement of the country needed to meet the demands for management and skilled workers.

"It is essential for the stability of South Africa that blacks are not only encouraged to participate in our legal system, so that the system will be seen to succeed and to benefit. For it is to happen a considerable amount of time in the past, but if the present and scope is essential — otherwise they will not be able to cope."

Another concern was the country's increased dependence on gold. This year a record amount for 50% of our total exports compared with 37% for 10 years ago. During the gold price slump of about \$900 there would be a deficit of a few hundred million next year. South Africa could not be allowed to spend a percentage of gold income.

This year the South African motor industry had arrived at the scene after a long spell in the

# Black education must be upgraded, says WWSA's chief

A record number of more than 400 000 new vehicles, including about 270 000 new cars, would be sold during the year, compared with the previous best of 368 000 in 1976.

Including sales of used vehicles — a figure not often considered, but a very important one — well over 1 000 000 vehicles would be sold in South Africa this year.

WWSA would produce and sell a record, for the company, of more than 60 000 vehicles. That it had better the 50 000 mark only once before showed "what an increased size year this has been".

The company was now employing about 7 000 people, compared with about 4 500 in 1977. A measure of the increased productivity that had

been achieved was that, while foreign car had less than doubled, production had trebled.

For 1981 he foresaw increased sales continuing to a peak around mid-year and total sales about the same as for 1980. With a small percentage growth WWSA, for 1981, hopes that there would be no more than the end certainly not anything like the 80% growth expected in 1980.

A pause in rapid growth was needed to "catch our breath", train new labour, concentrate on development and social programmes and to consolidate.

Steady growth was needed not "boom and bust" cycles with all the disruption, loss and problems that a downturn could bring. The

shortage of trained manpower, production capacity, the inflation danger and a possible turn around in the balance of payments were constraints to further rapid growth in the motor industry and the economy as a whole.

Further substantial growth would aggravate these tendencies. It must be an essential element of basic economic policy that excessive growth in the short term should be contained and that the growth rate should be smoothed out and extended over as long a period as possible.

He strongly supported the present terms of Phase 5 of the local content programme. The rules already gave considerable incentives for the lighter, smaller and more economical cars and more could, and should be done in this respect in the future. Weight had proved to be a key factor in the programme.

WWSA was not in favour of a programme that would go further than the current one. More local content would call for massive capital investments with little increase in employment. It would be costly to the public.

It would also reduce the significance of one of South Africa's most strategic weapons — her economic interdependence with the West. Political and military would find it difficult to apply sanctions to South Africa effectively while she was, through her imports, a significant employer of their people and a valuable source of foreign exchange to them.



# Motor plant offers strikers 35c rise

## Labour Reporter

MANAGEMENT at the BMW motor plant at Rosslyn, near Pretoria, yesterday offered to raise the minimum wage by 35c to R1,60 an hour in a bid to end the strike there.

However, it is not clear if the offer to the employee council will get them back to work.

While some union sources expect workers to accept the offer, others claimed that some workers had said they would hold out for their original demand of a rise of 50c an hour.

The management yesterday handed workers notices of the increase offer and asked them to return on Monday to decide if they would accept it.

The plant remained closed yesterday.

While most sources expect workers to accept the rise, a spokesman for the National Union of Motor Assembly and Rubber Workers said yesterday "Some workers say they still want 50c. We don't know what will happen on Monday."

The union is organising workers at the plant, but has not yet asked management for recognition because it does not represent a majority.

About 1 000 workers at the plant struck on Thursday in support of wage demands. According to management, they simply wanted the company to announce the size of the increase.

Union sources, however, said workers had rejected a 30c an hour offer, and demanded 50c.

A statement yesterday by BMW said the new wage scales had been introduced after an agreement between management and the employee council.

It said the workers had "appealed" to management and the council to come to an agreement on wage negotiations "which had been in progress for the past six weeks."

It added that all workers arrived at the plant yesterday and were given the offer.

The offer, which comes into effect immediately,

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

# 'Educate blacks in working of free enterprise.'

NM 192  
29/1/50

JOHANNESBURG—There is a vital need to educate blacks in the workings of the free enterprise system, believes Mr M Mahanyele, manager (Community Affairs) at Ford Motor Company.

Addressing the 75th annual meeting of the Commercial Exchange in Johannesburg on Thursday, Mr Mahanyele said that because they do not understand the system, more and more young blacks are rejecting capitalism.

The less-privileged members of our communities do not understand free enterprise,' he said, 'but they certainly understand the continual shrinkage in the buying power of the rand.'

Mr Mahanyele called for meaningful changes to what he called the useless black homelands policy, and to the in-service training courses, which he feels are serving no purpose at all.

'The economy of all homelands is proving to be more diseased than the other maladies that afflict these regions.

## Homelands

'None of the homelands is economically viable or agriculturally self-sufficient. The land tenure system could do with far more than just tractors and fertiliser.'

Here the need to move away from a 'soup kitchens' approach to one of economic self-sufficiency based on firm business principles has been demonstrated beyond any doubt,' Mr Mahanyele said.

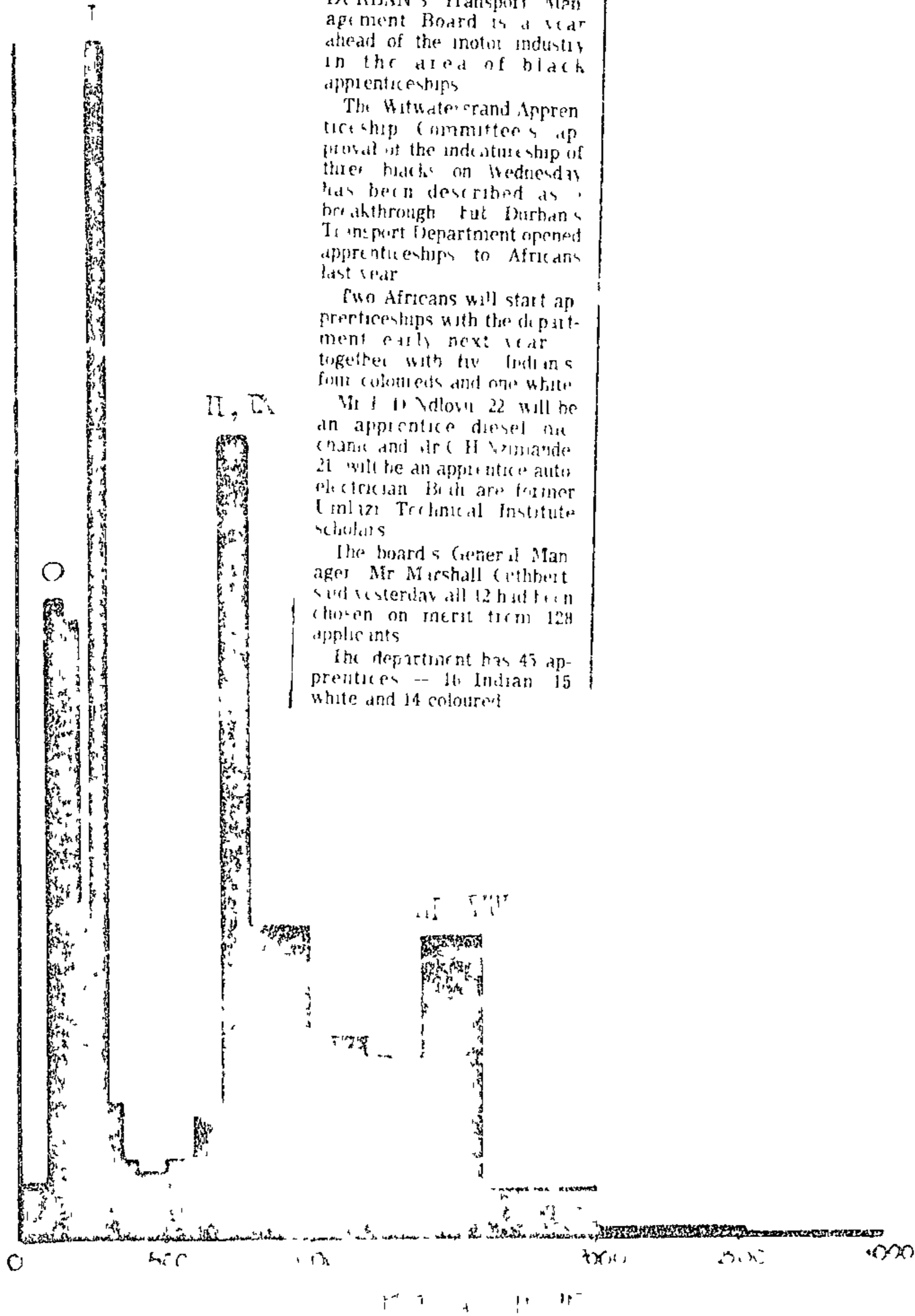
Mr Mahanyele said recent relaxations in restrictive legislation have enabled blacks to diversify in business.

The support and lobbying by well-disposed white business houses and associations has played a part in helping some blacks to succeed in their endeavours to become part of the free market system.

FIGURE 1: DISTRIBUTION OF

DTMB (192) ahead with black apprentices

AFRICANS 1976



**Municipal Reporter**  
DURBAN'S Transport Management Board is a year ahead of the motor industry in the area of black apprenticeships

The Witwatersrand Apprenticeship Committee's approval of the indentureship of three blacks on Wednesday has been described as a breakthrough but Durban's Transport Department opened apprenticeships to Africans last year

Two Africans will start apprenticeships with the department early next year together with five Indians, four coloureds and one white

Mr F D Ndlovu, 22 will be an apprentice diesel mechanic and Mr C H Nzimande, 21 will be an apprentice auto electrician. Both are former Umhlangeni Technical Institute scholars

The board's General Manager Mr Marshall Cuthbert said yesterday all 12 had been chosen on merit from 128 applicants

The department has 45 apprentices -- 16 Indian, 15 white and 14 coloured

Source: Simkins, 1979b Figure 2.

Figure 1 is a histogram representing transfer incomes and earnings of Africans. Leaving aside the transfer earnings (pensions, unemployment insurance, maintenance and disability

# Another boom year for motor industry predicted

kom

192

2/12/80

By ALEC HOGG

**THE MOTOR** industry boom appears set to continue for at least another year. Car sales should top 280 000 for 1980, and may rise by 5% to 293 000 in 1981.

A positive growth off 1980's record levels is healthy for the South African economy as a whole

Car sales, albeit subject to the influence of the oil price and other factors which also have an important effect on other sectors, are seen as a sensitive, leading indicator for the economy as a whole

Barclays Bank's chief economist, Dr Johan Cloete, puts the rise in the volume of car sales at between 5% and 8% for 1981

He expects sales in the first half of the year to be significantly higher than those in the first half of this year, but with

the volumes tailing off toward the yearend

Dr Cloete believes total consumption expenditure on durable goods will be 8,3% higher — in real terms — next year, although motor sales should rise at a slower rate than expenditure on durables as a whole

Car sales have this year shown much higher growth than the total expenditure on durable goods, so the trend can be expected to be reversed as the car market becomes satiated

This year's expected car sales of 280 000 would be 31,3% higher than the 213 270 units in 1979. The improvement is underlined when one considers that 1979's sales figure was only 4,17% better than 1978's 204 736

Volkswagen's public relations manager, Mr Reuben Els, says his company expects total car sales to be between 293 000 and 295 000 next year. He agrees with the 1980 estimate of 280 000 because "December is historically a very good month for us"

In the first 10 months of this year, car sales totalled 228 749, although monthly figures picked up as the year progressed, with 25 762 cars sold in October

Nedbank group's chief economist, Mr Rudolph Gouws, was more cautious when asked for his prediction for 1981, pointing out that this year's growth in car sales had been "tremendous"

Because of the many imponderables involved, Mr Gouws refused to be drawn to a specif-

ic figure, but said sales would be between 0% and 5% higher next year

Dr Peet Strydom, of Senbank, is another bull. In spite of the record levels achieved in 1980, he believes there is still a lot of steam in the market, and predicts 5% growth for 1981

He expects most of the improvement will be recorded in the first half of the year, with sales easing significantly towards the last quarter

Toyota, the only Johannesburg Stock Exchange listed South African car manufacturer, takes a more conservative outlook

A spokesman says the group expects the car market to be static in 1981, and he predicts sales of 280 000 — the same as for this year

But Toyota is far more optimistic as far as commercial vehicles are concerned

Budgets are being worked on a total commercial vehicle market of 149 000 (125 000 light and 24 000 heavy commercial vehicles) for 1981 — reflecting an increase of nearly 20% on the expected 125 000 for this year

The spokesman says "The benefit in the commercial and agricultural area — remember farmers are expecting a good harvest — will only really be felt in 1981. It usually lags slightly behind the car sales"

This year's expected commercial vehicle sales reflect an improvement of 23,9% on 1979's 100 809 units, which in turn were only 1,9% higher than the 98 959 commercial vehicles sold in 1978.

# Strikers at BMW return

Labour Reporter

ALL 1 000 striking workers at the BMW plant at Rosslyn, near Pretoria, returned to work yesterday

Their return follows an agreement between the company and its employee council last week which raised wages by 35c an hour

The minimum wage at the plant will be R1,60 an hour from the beginning of January

Workers had originally demanded a 50c-an-hour rise, according to their union, but appear to have decided to accept the substantial increase agreed to on Friday

A company statement yesterday said the plant was now 'fully operational' and that workers had reported for work 'as usual' yesterday

This was confirmed by a spokesman for the National Union of Motor Assembly and Rubber Workers, which has been organising workers at the plant

# Ford joins sales secrecy

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192  
4/2/82

Own Correspondent

PORT ELIZABETH. — Ford will no longer give detailed model and regional sales figures of new vehicles to the National Association of Automobile Manufacturers of South Africa.

And Naamsa will no longer issue detailed monthly sales returns because it sees no sense in doing so if they are incomplete it will publish total monthly sales of members.

Ford's decision, following the move by Volkswagen last month to withhold detailed sales figures, was confirmed yesterday by its managing director, Mr Brian Pitt, who is also president of Naamsa.

Both decisions stem from Sigma's resignation from Naamsa at the end of last year when Sigma stopped publishing detailed sales figures.

Both Ford and Volkswagen will, however, still make total sales figures available to Naamsa for monthly publication, but showing only sales volumes of each range of new cars and total sales of trucks and commercial vehicles.

A spokesman for General Motors said his company would continue to supply detailed figures for individual models in the various regions, but the director of Naamsa, Mr Frank Locke, said there was no point in sending out detailed sales return for only some companies.

Mr Pitt said Volkswagen's decision to withhold detailed sales figures and Sigma's resignation from Naamsa made the reporting system virtually meaningless.

He said the company would accumulate detailed information for supply to the Naamsa data bank when Sigma and Volkswagen resumed full reporting. It would encourage efforts to ensure that all manufacturers reported detailed sales.

Mr Pitt stressed that the decision not to supply detailed data in no way affected the company's membership of Naamsa and the company regretted the development.

# Motorcycle sales have doubled, and will increase

By Joe Openshaw

Motorcycle sales in South Africa this year will be close on 70 000, double the number sold last year and 80 percent up on the annual sales before the big fuel price rise of 1978.

The wholesale figure for the year is already 80 000 machines, and one distributor alone took delivery this week of 6 000 bikes to meet orders and anticipate Christmas spending.

There is an unprecedented demand for the big motorcycles, between 500 cc and 1 300 cc, some of which cost as much as R8 000.

Motorcycle prices have not gone up with those of cars and the big four distributors in this country, Honda, Suzuki, Kawasaki and Yamaha, have held prices for over a year now and, in some instances, lowered the price of some models.

## UP, UP, UP

Annual sales for nine years before fuel prices started rising were 13 500. Last year 45 000 new bikes were sold and some distributors forecast between 65 000 and 70 000 as the figure for next year.

"We expect to do the same volume of business in 1981," Mr Bruce Johnstone, chairman of the Motorcycle Association of

Importers and Distributors, said today.

He said that there was still a shortage of popular models, particularly the larger machines. Manufacturers, however, were meeting South Africa's needs.

The motorcycle is now competing with the car for the variety of models, sophistication and finish and there are 24 different makes on sale in this country with 130 models to choose from — ranging from 30 cc to 1 300 ccm.

Mr Johnstone said that higher fuel costs have contributed largely to the growing popularity of motorcycles as economic transport.

"Oil prices will go up, this is a fact, so we can expect motorcycles to sell.

"There are also other factors that make bikes attractive.

"The motorcycle industry has in the last seven years spent a lot of time and money promoting motorcycles and there is a new generation which has been exposed to bikes and finds them acceptable," he said.

The price of motorcycles could remain at the present level for a while yet.

Car manufacturers will not be able to contain costs, but motorcycle manufacturers can.

ded evolution, upheaval such as ny of these concerns such as Huxley in of revivalism, by newspaper men like My grandfather members vividly in Cornish mining, It was enough, rican continent in

# Car tyre prices to rise 10,6 percent

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9/12/80  
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192

Fair Deal Editor

Dealers are expecting motorists to rush to replace worn tubes and tyres before prices increase 10,6 percent on January 19 next year.

Mr J van Huysteen of the Motor Industries Federation said the increase would not amount to much, however, in relation to the total costs of a car

Mr H Kleynhans of the Automobile Association said the increase was "very depressing. Motorists' costs are rising out of all proportion" "We have already had a very definite forecast that car prices will go up again soon."

clearly, to mor- communities in how South Africa though only just Henry Stanley a mission appeals England or Erne were shaped and the suppressio religion, chang Th

## II. Questions of Identity

market or audience for the genre.

especially with respect to the "structure of contexts" that constitutes the

consider the ethnographic genre, then, in relation to its context, and

Translation is not the problem: context specificity is. I shall attempt to

again and again, however that any language can be translated into any other.

alone were responsible. Anthropologists and bible translators have shown

difficulties of translation from one language into the other, as if language

tradition. This has been explained, somewhat mystically, in terms of the

novel written in English or French preserves little of the flavour of the oral

This approach would also suggest why, for example, the African

of formal content and structure, and the market for ideas and books into account.

cannot be understood in its historical role without taking both characteristics

the meaning of these commodities into account, so, too, the ethnographic genre

cannot be understood without taking both the market for these commodities and

of, say, cotton cloth or copper in the related histories of Europe and Africa

Salems and Manchester of this intellectual economy. And just as the role

which ethnology or anthropology was established as a profession, were the

goods" produced in the European and American centres. The Universities, in

paralleled that between "raw material", produced in the periphery, and "manufactured

Taylor, and so on. The contrast between "ethnography" and "ethnology"

ethnologists of the metropole such as Morgan, Marx, Pritchard, Frazer, Marret,

worked on and wrought into ethnological "finished products" by the professional

material" that was sent to the metropolitan centres of Europe where it was

was one such commodity, produced in the initial instance as a sort of "raw

and differentials of value attached to commodities. The ethnographic monograph

is, of a structure of contexts related to each other by exchange of commodities

The analysis of that audience is an analysis of a market, that



92/146  
STAR  
14/2/80

## Blacks to be garage apprentices

### Labour Reporter

Three black apprentices were accepted for indentureship as motor mechanics by the Witwatersrand Apprenticeship Committee in Johannesburg this week.

And a spokesman for the Department of Manpower Utilisation said the three were likely to be the first black apprentices in South Africa to be accepted for training.

The managing director of Lindsay Saker Motors, Mr Jonathan Treagus, said today his firm had been lobbying for these apprenticeships, especially in the light of recent Government labour policies.

He said his firm had another 54 black staff who had worked at Lindsay Saker's own in-house training practical programme and he was confident that most of these could be apprentice mechanics.

# Tractor-industry tremors grow with approach of new engine

14/12/80 Sines 5 (192)

WHOPPING price rises, a marked slowing in sales after a record year and an estimated R25-million expansion for manufacturers are the elements of a shake-up looming in the tractor industry

Tremors in the industry are growing with the imminent D-day for the R180-million Atlantis Diesel Engine (ADE) project

The project is planned to create a strategic home industry for engines and will save many millions of rands in foreign exchange

But industry sources say that some tractor manufacturers are almost certain to be put out of business

To fit ADE engines by September 1981, thereby avoiding paying a penalty expected to be 40% of the factory price of a new tractor, all 11 local manufacturers will either have to invest in new plant or possibly arrange to contract assembly work to a competitor

The R300-million market is dominated by four leading manufacturers, Ford, Massey Ferguson, Fiat and John Deere, which together hold more than 84%

The remainder is contested by seven others whose market

By Andrew McNulty

shares range from less than 1% to about 6%

One leading manufacturer calculates that total fixed investment will be as high as R25-million. This includes

- R6,2-million to be spent on a new plant for Fiat, whose truck and tractor division is handled by Vetsek

This is for new truck and tractor capacity, and includes a R3,5-million investment for the tractor division

- Ford, the industry leader, does not disclose investment plans, and tractor marketing manager Keith Berning emphasises that they have an existing motor assembly line, but some competitors believe they will still need to spend as much as R5-million

- Massey Ferguson also has not announced plans but will clearly have to expand its existing assembly line at Vereeniging, probably at a cost of about R4-million

- John Deere also does not disclose investment costs, but is building a 6 000-m<sup>2</sup> assembly and painting plant which could cost around R5,2-million

How many of the rest have

firm plans to establish their own assembly operations is unclear, but Albert Terblanche, assistant general manager of Vetsek, told Business Times "Everybody who wants to stay in the market has got to be well on the way with his intentions by now or he will be in big trouble"

Ford says a grassroots facility would cost R7,5-million, with break-even sales volume about 2 500 tractors or nearly 17% market share

Yet competition is only likely to get tougher

Accumulated 1980 sales to October show that the big four have increased their market share to 84% against about 75% for the period a year ago

"The four leaders will be going all out in the coming year to attain and keep at least 20% of the market each. That leaves little room for growth by the remainder," says Mr Berning

Wayne Chesney, managing director of John Deere, says smaller manufacturers will probably opt for less capital-intensive, but also less economical, workshop assembly shops

"But they will have the same engineering costs as everybody. And profitability could suffer if

cost increases cannot be fully passed on

"I can't see all manufacturers still being around in a few years"

The current year's record sales, now projected to top 17 500 units compared with 10 507 last year, are apparently a product of both improved cash flow to farmers and preemptive buying before price increases, expected to be at least 20%

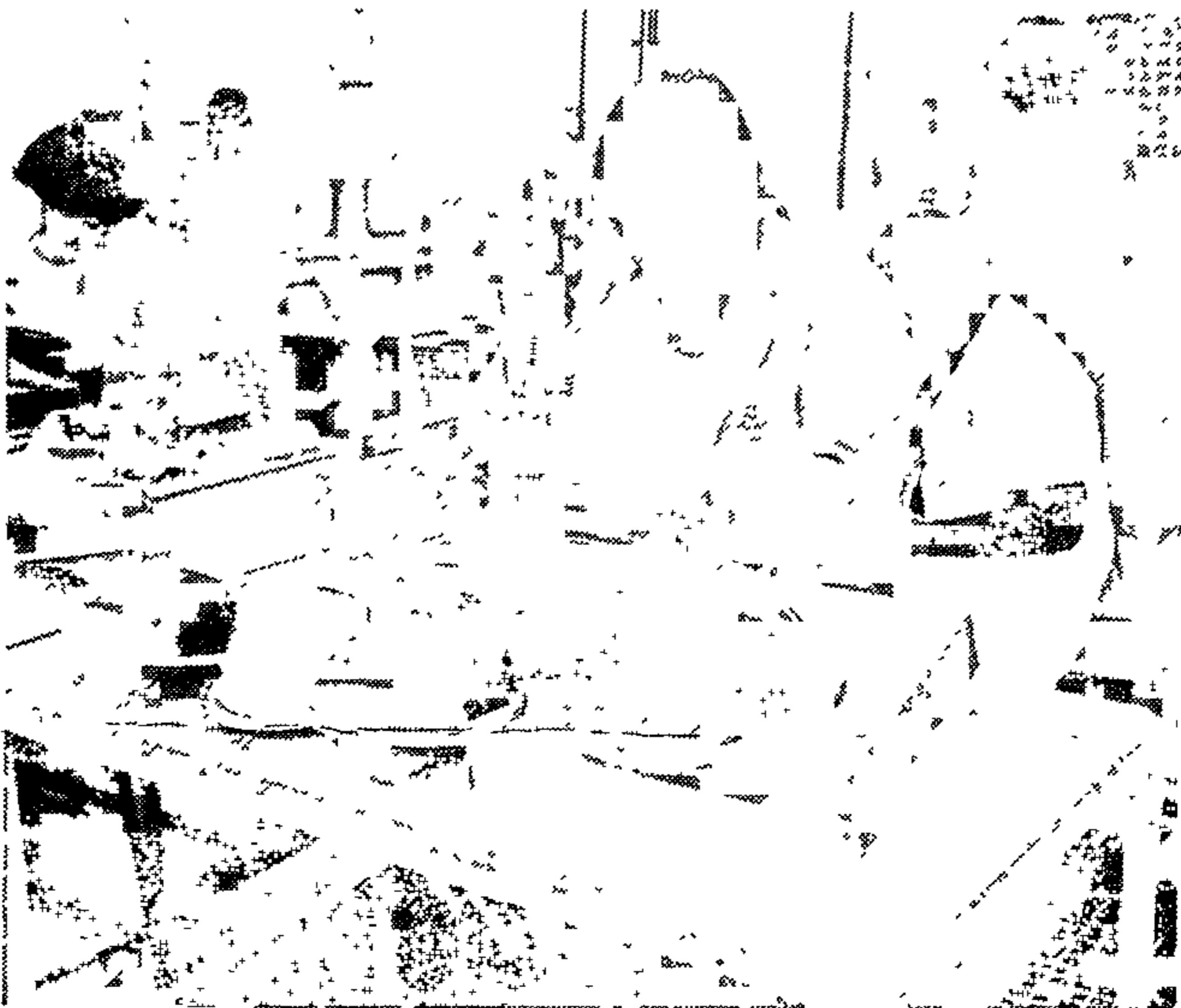
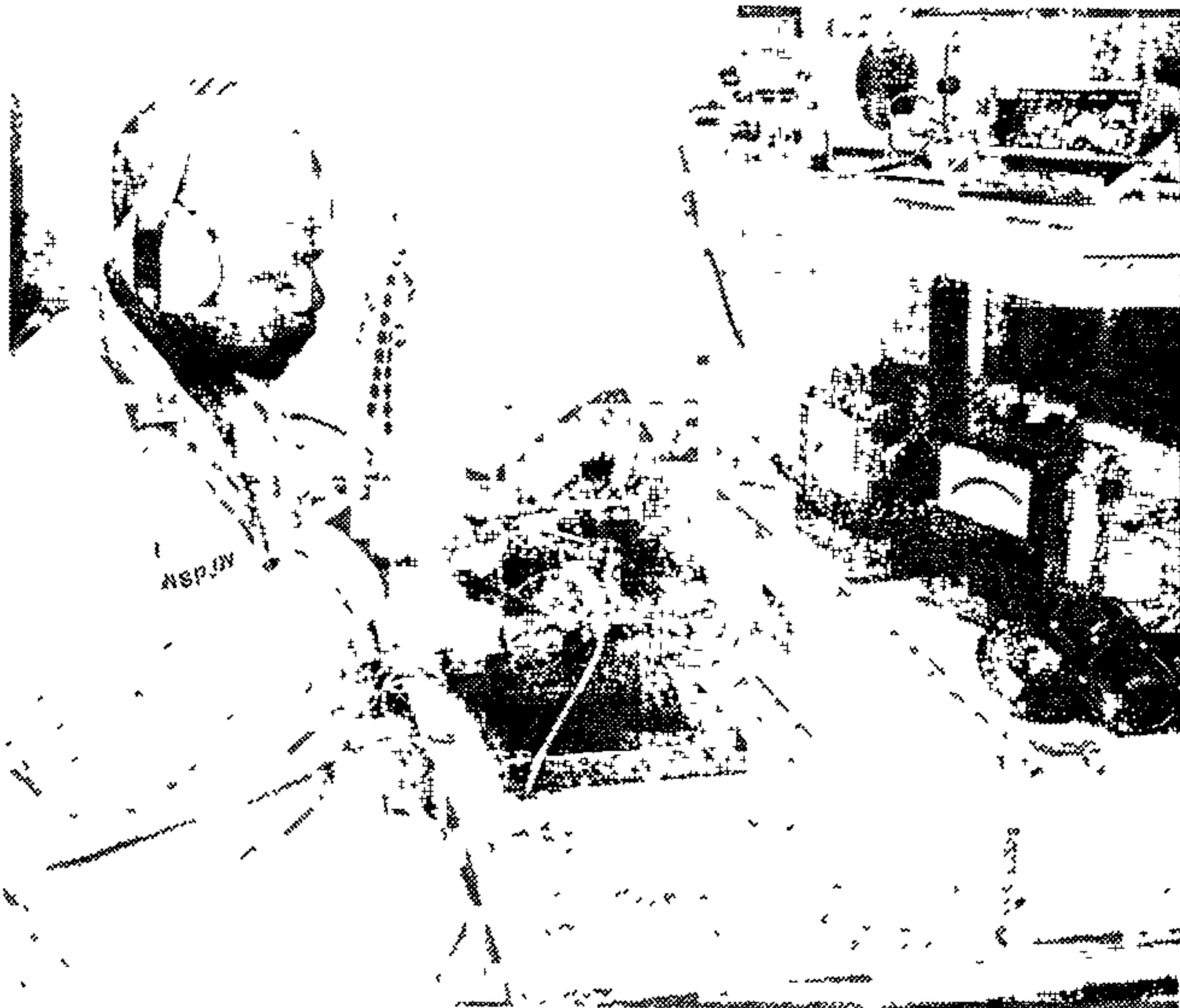
Recent draughts will help reduce demand next year and, although buying ahead of price hikes may continue, sales are likely to taper off to no more than 15 500 to 16 000 units in 1981 and fewer in 1982

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**On the job**

AT right, one of the assembly team, Mr Esau Ndlovu, puts the finishing touches to a car heater at the Pinetown factory. Below testing one of the scores of car hooters manufactured by Sisa is Mr Vincent Mzila Bottom. Mrs Sally Duluci works on a tail-light assembly



# Pinetown company's commitment to local industry

Mercury Correspondent

**THE MASSIVE R3m expansion programme in which Sisa (Smiths Industries Southern Africa) is currently involved, underscores the Pinetown company's heavy commitment to local industry and the motor industry in Southern Africa in particular, a company spokesman said.**

It is 14 years since Sisa set up its first operation, making car heaters in support of the motor vehicle local content programme. The automotive arm has four separate divisions and the marketing arm, SIX

Sisa is one of the major suppliers of components to the automotive industry and with the recent introduction of phase five of the local content programme, it became evident there would be an increased demand for a variety of components.

The company recognised this and took steps to increase production capacity to meet the anticipated need. A new factory was established in Pinetown last May for the manufacture of vehicle air-conditioning systems and with the facility for special heater manufacture.

## New layout

The main Pinetown factory has been extended and a new layout has provided enough space for the company to increase production capacity by more than 50 percent.

Permanent night shift work has also been introduced at this factory.

Their plastic injection-moulding capacity has been increased and 14 moulding machines, with capacity of up to 2,5 kg are operating on a three-shift basis.

'To support our improved production our engineering facilities have also been strengthened and technical sales force increased,' Sisa's marketing manager, Mr Peter Hutt, explained.

A training programme has also been started to meet the needs of all levels of

employees. 'The capital involved in this expansion programme exceeds R1,5m,' said Mr Hutt.

## Marketing

A second R1,5m is being spent in respect of SI Marketing and its six divisions. A factory in Wynberg, Johannesburg, was established in July for the manufacturing division, which deals with non-automotive products, including flexible and pliable conduit and plastic injection mouldings.

This factory will also have the facility for the assembly of vehicle heaters and wiper motors.

A new security division — responsible for marketing a wide range of security systems — opened recently.

SI Marketing's other divisions deal with:

- The marketing of electrical conduit and couplings, explosion proof lighting and control equipment, electrical tools and accessories (Electrotec),

- The marketing of automotive and marine instruments and accessories, clocks and watches and a wide range of other domestic consumer products (Consumer),

## Products

- The Technical Sales division is responsible for products such as ceramics, bearings, industrial and pressure instrumentation and fishfinders,

- The Motor Accessory division was established to provide an after-market fitment facility for vehicle air-conditioning, powered window winders, sun roofs and burglar alarms.

This division is also

equipped with highly sophisticated testing and calibration equipment for the repair and refurbishing of all instruments.

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Honda

cars for

market

Own Correspondent

TOKYO — Honda Motor Company's production licensing agreement with United Car and Deset Distributor (UCDD) announced this week may only be the precursor of much larger things, auto industry sources here predict.

Japan's number three car maker will formally sign the agreement next month allowing the South African affiliate of West Germany's Daimler-Benz to produce 12,000 Honda cars a year.

Production will start in the second half of 1982.

The passenger car to be produced by UCDD will have Honda-supplied engines in the 1.3-1.5 litre range. The Japanese company will also provide transmissions, moulds and other principal parts and components, a company spokesman said.

The actual model to be produced has not yet been announced but it is expected to be an advanced model of either Honda's highly successful front-wheel drive Civic or the Ballade, which will also be produced under licence by British Leyland under a different name.

UCDD already markets Honda motorcycles in South Africa (currently running at about 17,000 a year) and has also been selling Honda engines.

Industry sources believe that the South African deal could eventually develop into a full-fledged tie-up between Honda and Daimler-Benz.

They point out that the produce lineup of the two companies is entirely complementary and that the West German company has production bases in a number of countries where Honda would like to get a foothold: Nigeria, Iran, Brazil, etc.

AFRICAN ECONOMY AND

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# Strikers at Siemens back after accord

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By STEVEN FRIEDMAN  
Labour Reporter

A STRIKE by about 600 workers at the Siemens electrical factory at Rosslyn, near Pretoria, was settled yesterday.

The strike was the third to affect Rosslyn in the past few weeks. Two motor firms, Datsun-Nissan and BMW, were also hit by strikes recently.

On Monday, workers at Siemens struck in support of demands for a R1-an hour wage increase.

But yesterday, workers returned to work after electing a committee of union shop stewards to represent them. The registered Electrical and Allied Workers Union of South Africa will now negotiate with management on the workers' demands.

According to the manager, Mr R Sanne, the workers "interrupted" work on Monday morning, demanding between 50c and R1 per hour wage increase.

Mr Sanne said the workers did not leave the premises during the strike and had returned to work later that day.

He added that there were different payment categories

for the workers, the lowest being between R1.25 and R1.50 an hour and the highest between R3.50 and R4, but would not comment further.

The union's general secretary, Mr Ben Nicholson, said the strike had been sparked by "the general mood in Rosslyn at the moment".

He said Siemens workers had compared their wages to those being paid by motor companies in the area and decided that they were lagging behind. "They see the motor firms awarding large increases and they feel that they should receive them too," he said.

Earlier this year, negotiations between union representatives and East Cape motor firms culminated in an agreement which substantially raised motor wages.

Union sources believe the two Rosslyn motor strikes were prompted by dissatisfaction among workers at the plants because their pay was lagging behind that of Eastern Cape workers.

Rosslyn motor companies have now also raised wages substantially in the wake of strikes at their plants. The Sic-

mens strike appears to be the latest example of the "ripple" effect created by the increases.

Mr Nicholson said that his union, which represents 85% of the workforce at the plant, had set "a timetable" for negotiation on the pay issue which sparked the strike.

He would be negotiating on the issue and would then report back to a committee of union shop stewards.

Meanwhile, a strike by workers at Creamline Dairies in Pinetown, which affected milk supplies for thousands of holidaymakers in the Durban area, has been settled, according to a company spokesman.

The strike is the second to hit Creamline in the past few weeks. Workers at one of its depots at Florida struck earlier this month.

Sapa reports that the strike cut off milk deliveries to scores of hotels and tea rooms along the entire Natal coast and in the Durban metropolitan area.

It was sparked by worker complaints that they were being paid only a 25% bonus. They claimed that workers at other dairies were getting a 100% bonus.

# Strikes hit Mercedes assembly line

By STEVEN FRIEDMAN  
Labour Reporter

THE biggest private employer in East London this week became the latest company to be affected by the strike wave which has swept the city this year

Earlier this week, workers at CDA, which manufactures Mercedes-Benz vehicles, downed tools in protest over the firing of a worker

Yesterday workers returned to work to collect their end-of-year pay CDA's Christmas shut-down begins today

However, a union source warned that there was still tension at the company and that more unrest was possible in the new year if long-standing wage demands were not met

CDA employs well over 1 000 workers and is one of the few multinational companies operating in East London

More than a dozen East London employers have been hit by

strikes this year However, CDA is only the second major employer to be affected — Wilson-Rowntree recently experienced a series of strikes

The strike wave has coincided with the dramatic rise of the unregistered SA Allied Workers Union (Saawu), whose membership has jumped four-fold this year and now stands at about 20 000

Saawu is also active at CDA, but the majority of the company's workers belong to the registered National Union of Motor Assembly and Rubber Workers of SA (Numarwosa) which is recognised by the company

Numarwosa, which is recognised by CDA, is a non-racial union affiliated to the Federation of SA Trade Unions

Union sources said the strike was sparked when a Numarwosa member in the company's paint shop was dismissed

Workers felt that the dis-

missal was unfair and a union shop-steward approached the department foreman to discuss the issue However, the foreman refused to discuss it and workers then struck," a union spokesman said

A Saawu spokesman said that Saawu members at the plant had joined the strike in sympathy with the dismissed worker

The Numarwosa spokesman added that the strike followed a period of tension at the factory over wage issues This tension, he said, "could well have contributed to the strike"

The union had demanded that management raise minimum wages to R1,60 an hour in line with rates in the Port Elizabeth motor industry Thus far, however, the company had only offered R1 45

"We have said that we will take appropriate action in the new year if workers' demands are not met There is a lot of tension about the wage issue," the spokesman added

The main explanation for the discrepancy between my estimate and the CPS estimate of agricultural employment, then, is probably that I have overestimated employment in homeland agriculture. It may also be the case that the 1979 level of employment in 'white' agriculture is lower than that in 1976, continuing the trend between 1970 and 1976. This tendency for agricultural employment to contract in absolute and, a priori, in relative terms is a major 'demand-for-labour' factor against which to understand unemployment. The lack of a detailed understanding of the process remains a lacuna in any account of unemployment. It is possible, using the 1960 and 1970 population censuses, to analyse African unemployment by sex and region-type. The results are presented in Table 4: (see following page)

# Car workers down tools

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EAST LONDON -- Almost the entire black and coloured labour force of Car Distributors Assembly, assemblers of Mercedes Benz cars and trucks here, downed tools on Wednesday but reported for work yesterday morning, the last day before the annual shut down.

Workers said trouble started on Monday afternoon in the A1 plant paint shop when a worker who had refused to do work not normally done by him was fired by a foreman.

On Tuesday workers at the paint shop demanded his reinstatement or they would walk out. They walked out and were join

ed by other departments on the same day with the majority of workers downing tools on Wednesday, they said.

The managing director of CDA, Mr Leo Borman, promised earlier to talk to a reporter on the matter but said he was busy with a meeting at the time.

He said he was busy with another meeting when he was telephoned again and was reported to have gone on leave after several unsuccessful calls to his office.

The public relations manager of UCDD, the holding company for CDA, Mr D Scott, said he had no information on the stoppage and could not comment -- DDR



# Motor-makers see another record year

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Industrial Reporter

THE SOUTH African automotive industry can look forward to another record year in 1981 in spite of an expected slowdown in the economic growth rate, says Ford's managing director, Mr Brian Pitt.

Mr Pitt said indications were that growth would slow from the estimated 7,5% this year to about 4% in 1981.

"It is still a relatively strong positive growth rate and augurs well for continued growth in the new-vehicle market in 1981

"The increase in new-vehicle sales will, however, be less dramatic than this year and I expect a market of about 285 000 cars and 135 000 commercial vehicles compared to this year's projected record levels of 275 000 and 125 000 respectively"

He said there was a sustained demand for new vehicles, and improved capacity levels in 1981 would put the industry in a better position to satisfy the demand than now

Referring to the new-car market, Mr Pitt expected 1981 to be another good year for the medium-sized as well as the large and luxury segments of the market because of the consumer's sustained confidence

His company was confident of increasing its share of the car market, mainly because 1981 would be the first full year of production of the new Cortina range.

The company also expected good results from a new-technology front-wheel drive Escort range which would be introduced next year

The strong recovery in other areas of the economy in 1980,

especially the construction industry, resulted in the release of the pent-up demand experienced in the commercial-vehicle market in 1978 and 1979. This in turn led to a sharp increase in commercial-vehicle sales, expected to continue in 1981.

"In the light truck industry real growth only began as late as July and I believe this will result in continued growth late into 1981.

"Heavy-truck sales next year are expected to exceed those of this year by 15% and reach an all-time annual high of 42 000 units. An anticipated buy-ahead before the introduction of the local diesel engine programme is expected to contribute to sales in this segment of the market"

Commenting on the Atlantis Diesel Engine and axle and transmission projects, Mr Pitt said his company was well into the advance stage of the programme to adapt SA diesel engines in all its heavy-truck lines

"The selection of engines from the range available from ADE has been finalised and the installation engineering is now virtually completed.

"We have given particular attention to the selection of engines to match trucks, and to compatible transmissions and driveline systems to obtain optimum vehicle performance

"Our axle and transmission projects are in the initial stages of development, but there will have to be close co-operation between ourselves and other parties involved if we are to meet the timing deadline," Mr Pitt said

# MOTOR INDUSTRY WAGES

## By People's Office

The Motor Workers Union (NUMAWOSA) has reached an agreement with a number of motor companies to secure wage agreements for 1981. In East London talks have reached a plateau at Mercedes Benz where the union is demanding a R160 hour minimum wage which would bring the firm in line with sub pay scales at Ford, Volkey, Opel and General Motors. These scales were part of a package accepted by NUMAWOSA following pay disputes at Ford and Volkswagen this year.

Mercedes-Benz claims it cannot meet the union's R160 hour demand because it has suffered major losses at both its car and truck plants during the last three years. But NUMAWOSA has received a mandate from more than 800 Mercedes-Benz workers to press ahead, at a recent mass meeting workers rejected outright management's R136 hour offer.

John Gomomo, chairman of the NUMAWOSA committee at Volkswagen says he is not surprised the workers are standing firm. "In the eastern Cape workers have demanded a living wage. We have not just demanded this for VW workers. We have demanded this for all workers in SA."

At Rosslyn, Pretoria, BMW workers have achieved parity with the eastern Cape companies. Management agreed to a R160 hour minimum wage after 1000 workers struck a month ago.

But in the Cape, Levland and the Western Province Motor Workers Union last week settled on a R136 hour minimum wage after the union had demanded R160/hour.