

MANUFACTURING — Food

1982

JAN. — DEC.

Trade unions notch a first

186

Jan 1982

In an unusual joint agreement two unregistered trade unions have been recognised by a Tiger Oats subsidiary in East London

The KSM Milling Company has formally recognised the South African Allied Workers' Union (SAAWU) at its wheat mill and the African Food and Canning Workers Union (AFCWU) at its neighbouring animal feed plant

The agreement is an important breakthrough for SAAWU which has hit concerted opposition from both the authorities and employers in East London and has reached only two other formal accords in the area

For the AFCWU the agreement is the first bridgehead in the giant Tiger Oats group

NEGOTIATIONS

In terms of the agreement signed by management yesterday the unions receive joint rights including wage negotiating rights

However, according to AFCWU general secretary Mr Jan Theion, several rounds of wage negotiations have already taken place. The minimum wage for KSM's total 350 strong workforce had nearly doubled to R52 a week in these negotiations, he said

Mr Theion also revealed that the AFCWU was recognised by the East London plant of Tpol — a Premier Milling subsidiary — in December last year

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# Crop failures, floods cause Langeberg's R305 000 loss

BECAUSE of crop failures, natural disasters and continuing problems in the South African canning industry's traditional overseas markets, 1981 was an extremely difficult year for Langeberg Co-operative Ltd, Dr J A Mouton, general manager of Langeberg, said when he announced the co-operative's provisional results for the year to October, 1981, yesterday

Trading results plummeted from a surplus of

R2 800 000 in 1980 to a deficit of R305 000. Prospects for 1982 however, are much improved

"The Western Cape floods of January 26 caused widespread havoc in certain areas and a number of Langeberg growers suffered heavy crop losses

"At Langeberg's canning factory at Ashton one of the biggest owned by the co-operative, the floods not only put the plant out of action for 10

days in mid-season, but also necessitated months of work, cleaning up warehouses and stocks of finished goods and consumable materials

"In other growing areas adverse climatic conditions affected the intake of certain vegetable crops to such an extent that substantial quantities of dry white beans and tomato paste had to be imported to maintain continuity of supply

"In addition, some major product lines remained in short supply throughout the year, thereby adversely affecting turnover in the local market"

He added that export marketing remained extremely difficult during the year due to a worldwide oversupply of deciduous fruit

Japan and one or two other markets outside the EEC did, however, show a positive trend

"We, therefore, did well to end the year with only 100 000 cases of canned deciduous fruit unsold," Dr Mouton said

Stocks of goods sold but unshipped were, however substantially higher than in the previous year. These, however, will be moved before the end of January

The provisional results for 1981 show that Langeberg's turnover in the past financial year was R132 378 000, an increase of 11.5 percent over the 1980 figure

The unaudited trading results show a deficit of R305 000, but capital profits of R555 000 created a final surplus of R250 000

The provisional figures do not include the results of All Gold Foods as the agreement of sale has not yet been finalized

"The year ahead will again be difficult," Dr Mouton said, "but there are also various factors pointing in our favour. Especially important is the weakening of the rand against the dollar and other currencies

In addition, the steps taken to rationalize fruit procurement and production of All Gold Foods must yield substantial savings in the current year"

*D. Dispatch 16/1/82*  
**3 found not guilty**  
**of stoning house**

MDANTSANE - Three former Wilson Rowntree workers - Mr Selby Ttanda, 33, Mr Thobile Fana, 28 and Mr Mongezi Didiza, 26 - were found not guilty and discharged when they appeared on a charge of malicious injury to property before Mr J Dracatos, in the regional court here yesterday.

All three pleaded not guilty.

Three others who appeared with them, Mr Government Fuze, 42, Mr Siphiso Vumindaba, 30, and Mr Mlungisi Mkiva, 30, had the charge against them withdrawn at the start of the trial.

The prosecutor, Mr J Kristafor, said he had no evidence implicating them.

Initially all the men were charged with public violence with an alternative charge of malicious injury to property. Mr

Kristafor said he was proceeding only with the malicious injury to property charge.

Another case in which the six men were charged with intimidation alternatively endangering the maintenance of law and order and another charge of attempted arson, was withdrawn.

In acquitting the three men, Mr Dracatos said he had evidence from one state witness against a denial from one of the accused.

He said that because the incident had occurred at night, in poor light it was clear the state witness, Mr Zola Majavu, had not had enough time to identify people who threw stones at his house.

Mr Dracatos added that in cases like this cowards came in the middle of the night to attack the innocent.

He could not be satisfied beyond reasonable doubt that the men were the culprits.

Mr Majavu said at midnight on March 12, 1980, he was awakened by stones being thrown at his window panes.

He got up and tried to put on his outside lights but found they had been broken.

He then peered through a curtain and recognised Mr Ttanda, Mr Fana, a man called Lawrence who was not in court, and Mr Didiza in a crowd of fewer than 20 people.

Damage to the panes in his house cost him R86.

Mr Fana, who was the only one of the three men who gave evidence, denied going to Mr Majavu's house and throwing stones. He said he was not aware Mr Majavu was still working at Wilson Rowntree after the strike. — BDR



# Gains for food unions in national resurgence

Concerted State action almost brought two of South Africa's key food workers' unions to their knees. But the last three years have seen their dramatic rise to new prominence. Drew Forrest reports

It has been another boom year for what South Africa's most influential food unions — the Food and Canning Workers' Union and its unregistered alter ego, the African Food and Canning Workers' Union

In the past month, the AFCWU has signed two recognition agreements with East London companies — one of them its first bridgehead in the giant Tiger Oats group

Some 16 wage and recognition agreements have been concluded by the unions this year, while their paid-up membership at 28 branches has leapt to more than 20 000

Things have not always gone so easily for the unions. Their recent progress is a tale of resurgence after sharp decline in the mid-sixties and early seventies

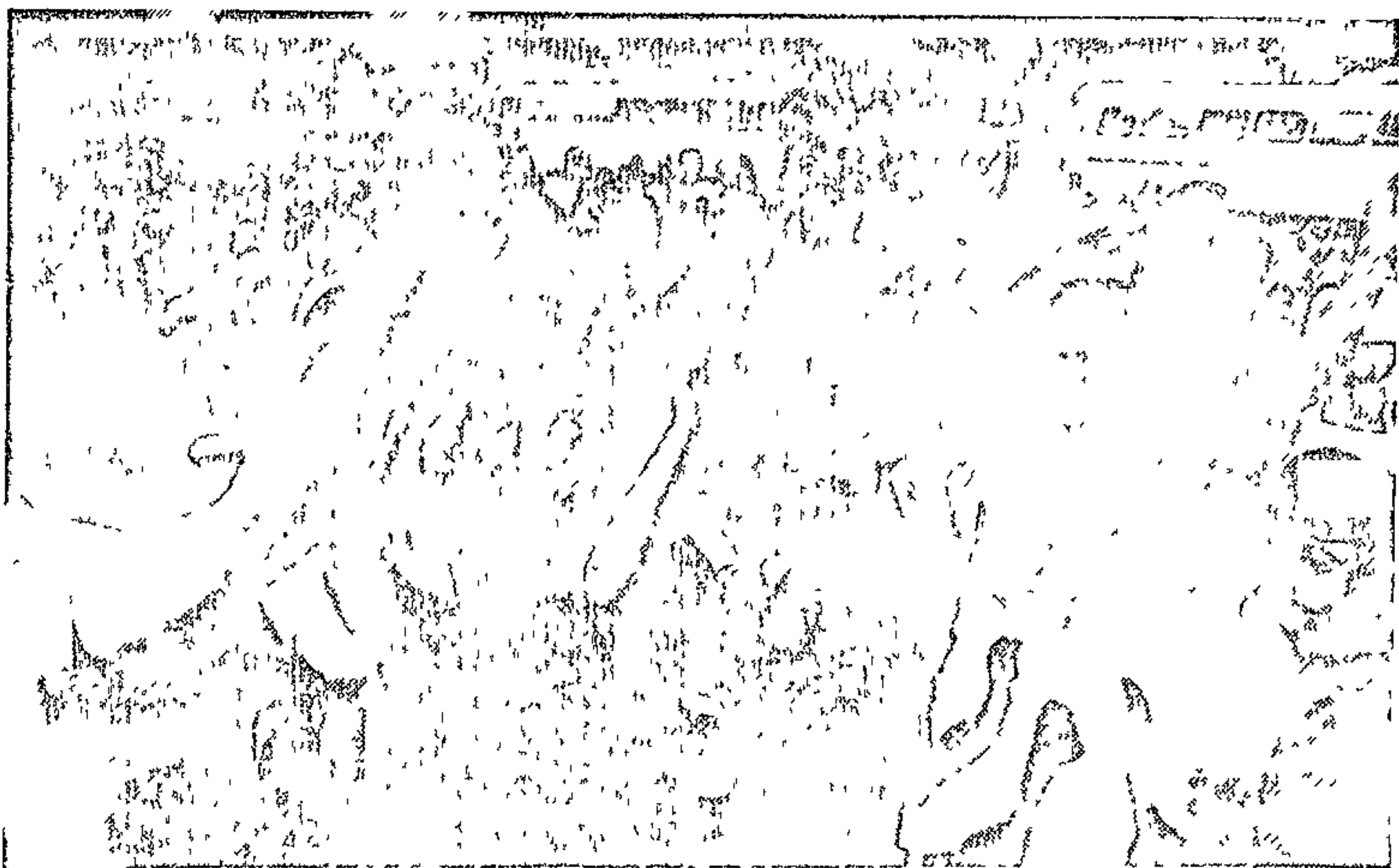
Founded in 1941 as a non-racial registered union, the Food and Canning Workers' Union has a long record of opposition to State labour and political policies. It is this stance, more than any other factor, which underlies its checkered history

## Prime target

With the disintegration in 1954 of the old Trades and Labour Council, the FCWU became a founder member of the non-racial SA Congress of Trade Unions — later a prime target for State action

Two years later, mixed registered unions were outlawed. After agonising debate, the FCWU sanctioned the launching of a separate but closely linked body for black workers, the African Food and Canning Workers' Union

Although in effect



Defiant Food and Canning Workers Union members at the Kromrivier Apple Co-op, near Grabouw. They went on strike after the dismissal of contract workers

one body, referred to by officials as "the union," the tactical division between the registered, all-coloured FCWU and the unregistered AFCWU persists to this day

The late 1950s saw an unprecedented State offensive on the unions, and under a hail of bannings and detentions, the virtual eclipse of their leadership

From former national strength, they retreated to their Western Cape base — where most 12 branches remained active

## Activism

The long haul to recovery began after 1976, following the appointment of a new general secretary, Jan Theron, and the return to the fold of unbanned former union leaders. It was fuelled by a countrywide resurgence of labour activism

The watershed year was 1979 — the year of the publicised strike by union members at the Fattis and Monis Bellville plant

It was through the F and M dispute, and the accompanying consumer boycott of the company's products, that the

unions were propelled to national prominence

In a rare display of labour unity on the divided Cape Peninsula, both African and coloured workers joined the strike — a development which strengthened the bond between the FCWU and the AFCWU

And when after eight months, the company succumbed, granting recognition to the unions, notice had been served of a new organising strategy

## New thrust

Whereas the FCWU of earlier years had concentrated on improving conditions industry-wide, the new thrust would be towards plant-based recognition and bargaining.

The traditional worker base had been in the rural areas. Now the unions would extend themselves into high-profit urban concerns — Premier Milling, Imperial Cold Storage, Tiger Oats Tongaat

The gains since the F and M dispute have been remarkable. The canning, dried fruit and fish processing industries — tradi-

tional organising terrain for the unions — have been recaptured and are now dominated by them

Important inroads have been made in the milling industry, with agreements with Fattis and Monis, Tiger Oats and Premier Milling. Other new areas of activity include juice and pulp, dairy products and frozen foods

Branches in urban areas such as Johannesburg, Cape Town and East London have been reactivated and a new branch, in Kempton Park, established

## Non-racial

On general policy issues however, the unions' stance remains within an established tradition. There is a bedrock belief in industrial unionism, non-racialism and rank and file control

Because political issues impinge on workers' lives, the unions hold, politics and unionism are intertwined. They point to the East London branch's opposition to Ciskei independence as proof of this stance

In line with the principle that "those who provide the money control the union" there is exclusive reliance for

finances on membership subscriptions — and no overseas funding.

On the registration issue, the unions call for a "formal" system of registration, stripped of its present controls. The FCWU is registered but for "historical" reasons, say its officials, who stress that the policy is under discussion at all levels

The AFCWU is strongly opposed to registration under present conditions, says general secretary, Mr Jan Theron. All our members feel the need for a common front

## Problems

Rapid growth and the unions' inroads into the cities have brought their problems.

The wide dispersion of branches and the differing outlooks of rural and urban workers present new challenges to democratic decision-making, officials say.

"Our basic response to the problem is greater local autonomy," comments Mr Theron. "We are increasingly concentrating on ways in which members can play a more active role in the union"



# Court told worker hit with iron rod

*D. Dispatch 21/1/82*  
~~327~~  
186  
~~339~~

EAST LONDON — Six people, five men and a woman, appeared in the Regional Court here yesterday on a charge of threatening violence to prevent people from committing lawful actions

The six, who all pleaded not guilty to the charge, are Mr Randile Mva, 31, Mr Mkgengeli Matadi, 21, Ml Ntsikelelo Soguntuza, 26, Mr Monkwalusi Bonakele, 26, Mr Mhlangabezi Nimrod, 23, and Miss Nomande Qelese, 22

On the main count the state alleged that on November 11, 1981, the accused, together or separately, threatened workers at the Western Province Preserving Company

On three alternative counts, the accused are charged with assault with intent to do grievous bodily harm in that they allegedly assaulted three supervisors at the factory, Mrs Agnes Mkhosi, Mrs Daphne Luxomo and Mrs Victoria Mongoli

A foreman at the company, Mr Alwyn Thomas Gowar, told the court that on the morning of November 11, after the tea break, five men came into the factory and started shouting to the workers to get out. He said he saw Mr Mva with an iron rod in his hand. Mr Mva went to one of the supervisors, Mrs Victoria Mongoli, and struck her with the iron

bar above her eye. The police were called and he later pointed the men out to them.

Mrs Agnes Mkhosi, a supervisor at the factory, told the court that after the tea break, she and other supervisors went back to the factory. She realised that only a few workers had returned with them.

The rest, a group of about 80, stood outside and shouted to them to get out. Five men entered the factory. They were armed with planks.

Mrs Mongoli said she saw Mr Mva with an operating iron in his hand. He approached her and the five men shouted 'Get

out' to the workers in the factory.

She said she felt a blow on the back and she ran to the cloakroom. She said she had a mark on her back and was bleeding as a result of the blow.

Mr M Moerane, who appeared for the accused, put it to Mrs Mongoli that nobody had hit her with an iron rod.

He also said that Mr Mva was a prominent and active member of the African Food and Canning Workers' Union. Mrs Mongoli said she too was a member.

The trial was postponed until today. The bail of the six accused was extended — DDR

EAST LONDON — An application was made yesterday for the discharge of four of six people charged in the Regional Court here with threatening workers at a preserving factory

Mr M Moerane who appears for the six accused, applied for the discharge of Mr Mkangeli Matadi 21, Mr Nisikelelo Soguntuza 26, Mr Mankwalusi Bonakele 26 and Mr Mhlangabezi Nimrod, 23

The application was refused by Mr S van Zyl. Two other people, Mr Randile Mva, 31, and Miss Nomande Qelese, 22, are also appearing on the same charge.

The six accused also face alternative counts of assault with intent to do grievous bodily harm.

Their appearance arose out of an incident at the

*O. Anpatot*  
*22/1/82*  
**Assault case  
discharge  
call rejected**

(186)  
(139)

factory of the Western Province Preserving Company in East London on November 11 last year when workers were allegedly chased out of the factory and three supervisors allegedly assaulted with an iron rod and planks.

A supervisor at the factory, Mrs Victoria Mongoli, told the court that after the tea break on the morning of November 11 a group of people came into the factory and told the workers to get out.

She said Mr Mva came to

her and assaulted her. She received a blow on her thighs and also one on her eye. She ran away.

Another supervisor Mrs Daphne Luxomo said she also saw a group of people coming into the factory armed with an iron rod and planks. When she saw the other workers running she also started to run. Mrs Qelese hit her with an iron rod on her back and on her waist. The other accused joined in except Mr Soguntuza who was waving his arms and trying to stop

them.

In his defence Mr Mva said he and other workers were told by one of the management officials to get out of the factory within five minutes.

They ran to where the other workers were to get their money and saw all the workers were running out. He denied he had an iron rod and that he assaulted anybody with the rod or that he told workers to get out of the factory.

Under cross-examination by the prosecutor Mr P M A Pretorius, Mr Mva said he was a member of the African Food and Canning Workers Union. He said at the time of the incident there was a grievance among workers about bonuses and there had been a decision to strike. DDR

Trade ~~USA~~  
Union ~~120~~  
welcomes  
British ~~126~~  
Contract 23/1/82  
Support ~~127~~

JOHANNESBURG. —  
The South African Allied  
Workers' Union  
(SAAWU) has welcomed  
news that British trade  
unions are putting pres-  
sure on the giant Row-  
ntree-Mackintosh sweet-  
firm to have its South  
African subsidiary change  
its attitude towards strik-  
ing workers.

The Wilson-Rowntree  
plant in East London  
early last year saw more  
than 500 workers being  
fired after a dispute over  
demands.

SAAWU which repre-  
sented many of the  
workers initiated a  
countrywide boycott cam-  
paign of Wilson-Rowntree  
products and called on  
overseas trade unions to  
lend support.

The Herald's London  
bureau reports that Bri-  
tish trade unions have  
threatened the parent  
firm with industrial  
action unless Wilson-  
Rowntree changes its atti-  
tude to striking workers.

**POWERFUL**

The powerful Distribu-  
tive and Allied Workers'  
Union and the Transport  
and General Workers  
Union have demanded  
that the dismissed  
workers be reinstated and  
SAAWU be accorded a  
recognition agreement.

Worker representatives  
at Rowntree-Mackintosh  
have supported these de-  
mands.

A SAAWU spokesman  
in East London said they  
welcomed international  
support for the dismissed  
workers.

# Britons march for fired SA workers

Jan 26/1/82

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The Star Bureau

LONDON — British trade unionists and anti-apartheid activists are planning further action against Rowntree Mackintosh in support of the company's workers in South Africa

They will be meeting on February 6 to decide on their course of action. The date will mark almost a year of strike action by 470

workers in South Africa

Britons supporting the South African workers marched through the streets of York at the weekend demanding that Wilson-Rowntree reinstate the workers who have been on strike for 11 months. They called on the company to recognise the South African Allied Workers' Union as a democratic trade union.

In what the York anti-apartheid group called "the biggest show of support yet in Britain for the striking workers" demonstrators marched through the centre of York accompanied by a street theatre group and a bagpiper.

The march ended with an indoor rally which called on the South African Government and Ciskei

authorities to release all detained members of Saawu and "end its harassment of the union"

The ancient city of York was chosen for

the demonstration because it is the international headquarters of Rowntree MacKintosh, patent company of Wilson-Rowntree



# Tongaat-Hulett's merger approved

By DAVID CARTE

CAPE TIMES 28/1/82

186

**JOHANNESBURG.** — Tongaat Group and Hulett's Corporation are to merge in April following the successful conclusion of negotiations yesterday.

This will bring into existence a sugar and industrial group with total assets of more than R1 000-million.

The new group, with shareholders funds of more than R550-million and sales exceeding R1 000 million-a year, will be named the Tongaat-Hulett Group Ltd and will rank among the top 10 industrial companies in South Africa.

Combined pre-tax profit last year would have been more than R100 million.

Hulett's will offer 117 of its shares for 100 Tongaat shares putting a value of R550-million on the deal.

The exchange terms were

based on the attributable earnings of the two groups and confirm observations that the stock market was overvaluing Hulett's in terms of Tongaat. The market was valuing the two companies largely according to their dividend yields.

Before the deal, the market valued Hulett's 12% higher than Tongaat. This premium shrunk to 7% yesterday. The deal values Tongaat 17% above Hulett's.

Anglo American will hold 39,3% of the combined operation and the Metal Industries Pension Fund about 15%. Old Mutual and Sanlam will also be significant shareholders.

Mr Chris Saunders, who will be chairman of the merged group, told me that all Tongaat's sugar interests will go into Hulett's sugar division. In normal weather conditions, Hulett's Sugar will produce up to 43% of South Africa's sugar.

Mr Saunders said there would be massive synergies and rationalization benefits in sugar, with far better use of mills and manpower.

Another benefit would be the mobilization of liquidity in Hulett's in Tongaat's capital intensive industries, which had immense growth potential. Mr Saunders said Hulett's balance sheet was immensely strong, following the sale of its paper interests to Mondi.

Asked why Hulett's was making an offer to Tongaat and not

vice versa, Mr Saunders, said Tongaat holders would have been less happy accepting Hulett's shares than vice versa.

He said, apart from the relative quality of assets and earnings of the two groups, the premium in favour of Tongaat partly represented compensation to Tongaat holders, whose shares, in a sense would "die".

Tongaat MD, Mr Alan Hankinson, said the addition of Hulett's resources would further accelerate growth and promised that "a considerable number of new projects will emerge".

Hulett's MD, Mr Kees van der Pol, said the merger offered Hulett's holders the opportunity to participate in a substantially diversified group. He said the exchange was based on earnings and Hulett's had not had to pay a premium for enhanced earnings.

Hulett's would be less vulnerable to climatic conditions in drought hit Northern Natal. UAF has endorsed the terms as fair and reasonable to shareholders in both groups.

The directors say earnings a share will not be affected immediately but the benefits of the merger will become apparent from 1983.

They add that Tongaat holders will receive improved dividends, as Hulett's has lower cover than Tongaat. The Tongaat share price has improved 32% since the merger was first announced and that of Hulett's 23%. The merger reduces Hulett's net asset value by 10% to 928c and lifts Tongaat's 21% to 1 086c.

The boards of the two companies have announced intended final dividends for the year to end March. Tongaat will pay a final of 35c, making 50c for the year, while Hulett's final will be 46c, making a total of 69c.

Tongaat's Mr Chris Saunders will be chairman of the supergroup and Hulett's Dr C van der Pol and Tongaat's Mr D W Strachan will both be vice chairmen.

Dr Geoffrey Cleseby, of Hulett's, will be group managing director, when Mr Alan Hankinson retires, and Mr Norman Duncan, also a Hulett's man, deputy managing director. Tongaat's Mr Ted Garner will be financial director.

Dr Van der Pol will be chairman of Hulett's Sugar and Mr R K Ridgway will be managing director. Other appointments will be announced soon.

**COMMENT** This was a deal in which no one stood to lose. Hulett's, after the merger is less weather, less sugar and less Zimbabwe-exposed.

Tongaat, previously exposed to volatile bricks and textiles, emerges looking a good deal less cyclical.

Hulett's was undergeared before and Tongaat, though not overgeared, had reached the stage of pulling in its horns on acquisitions. Both groups will benefit by a pooling of management.

Clearly, the merged group should outgrow the two separate companies and the recent rises in the share prices of both counters are fully justified.

While one accepts that before the deal a Hulett's was not worth a Tongaat, as things have turned out, the latter seems to have done marginally better out of the deal.

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Star 2/2/87  
~~186~~ 186  
~~186~~  
Sweet success  
for Fosatu union

**Labour Reporter**

The Fosatu affiliated Sweet, Food and Allied Workers' Union has won a significant recognition agreement with a company belonging to one of Natal's sugar giants

The union has signed an agreement with the Noodsberg Sugar Company, part of the C G Smith Sugar Group in Natal

It followed seven months of talks and

includes bargaining rights over wages and working conditions, shop steward elections and access of union officials to the plant

The Sweet, Food and Allied Workers' Union is not a member of the council in line with Fosatu objections to the industrial council system. It has a membership of more than 500 among Noodsberg's 600 workers, according to a union spokesman

Lomez Ltd

Write an analysis of the following case, stating what you, as the new sales manager, consider the best course of action.

Lomez Ltd, manufactures a wide range of household electrical appliances which are sold principally through department stores, hardware stores and specialist stores.

During the past year, sales have dropped by almost 28%.

The year was a bad one for Lomez Ltd, partly because of the prevailing economic climate which made it necessary to re-evaluate the number of sales representatives,

for example, was cut from 10 to 8; and curtail plans for expansion and a nationwide publicity campaign. There were

also personnel changes between the then Sales Manager and the general manager. The result that the Sales Manager

leaving his records and current position of Sales Manager

ed to promote one of the senior

position of staff. At the same

time, the Sales Manager

manager, was very keen and had

had never held an administrative

position in the job

ed the General Manager for his

to stage, it was decided to

who could also perform the

advertising Manager.

The first task the

to investigate the present

to improve it. The amount

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the inherited financial and

representatives were

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## CHOCOLATES 186 Seeking new bars

FM 19/2/82

Imports of chocolate from Israel by Pick n Pay have sent chocolate manufacturers scurrying to government for increased tariff protection

Imported chocolate presently carries a 27,5% tariff. But at current selling prices for the local product, this is clearly not enough to protect it from Pick n Pay's imported housebrand which sells for appreciably less.

Manufacturers have applied for the tariff to be raised to 48%.

Importers and retailers say the cost of refrigerated transport with the present duties raises the landed costs of imports to anything up to 60% above fob prices. This, they feel should be more than enough protection against foreign competition.

They say that if the application is approved, the tariff would be one of the highest for chocolate in the world, and one of the highest for food in SA.

They further maintain that local manufacturers appear to be running a cartel. Evidence of this, they say, is the fact that they follow nearly identical pricing policies, and that they refuse to produce cheaper housebrands for supermarkets.

Manufacturers reply that it is not surprising that their prices are in-line, seeing their costs are almost identical, and that their policy as marketers of quality chocolates is to present them as recognisable branded products.

They also claim that many of their costs are higher than for producers in Europe, for example, milk which accounts for more than 20% of total costs is more than double. In spite of this, they say, their selling prices compare well.

However, if this were so they should not need the increased tariffs they have applied for as the heavy freight costs should be sufficient to protect them.

In a letter to the Board of Trade and Industries (BTI), the SA Sweet and Chocolate Manufacturers Association says the Israeli chocolate is being dumped on the local market.

But wholesalers reply that list prices of comparable products from European sources are similar.

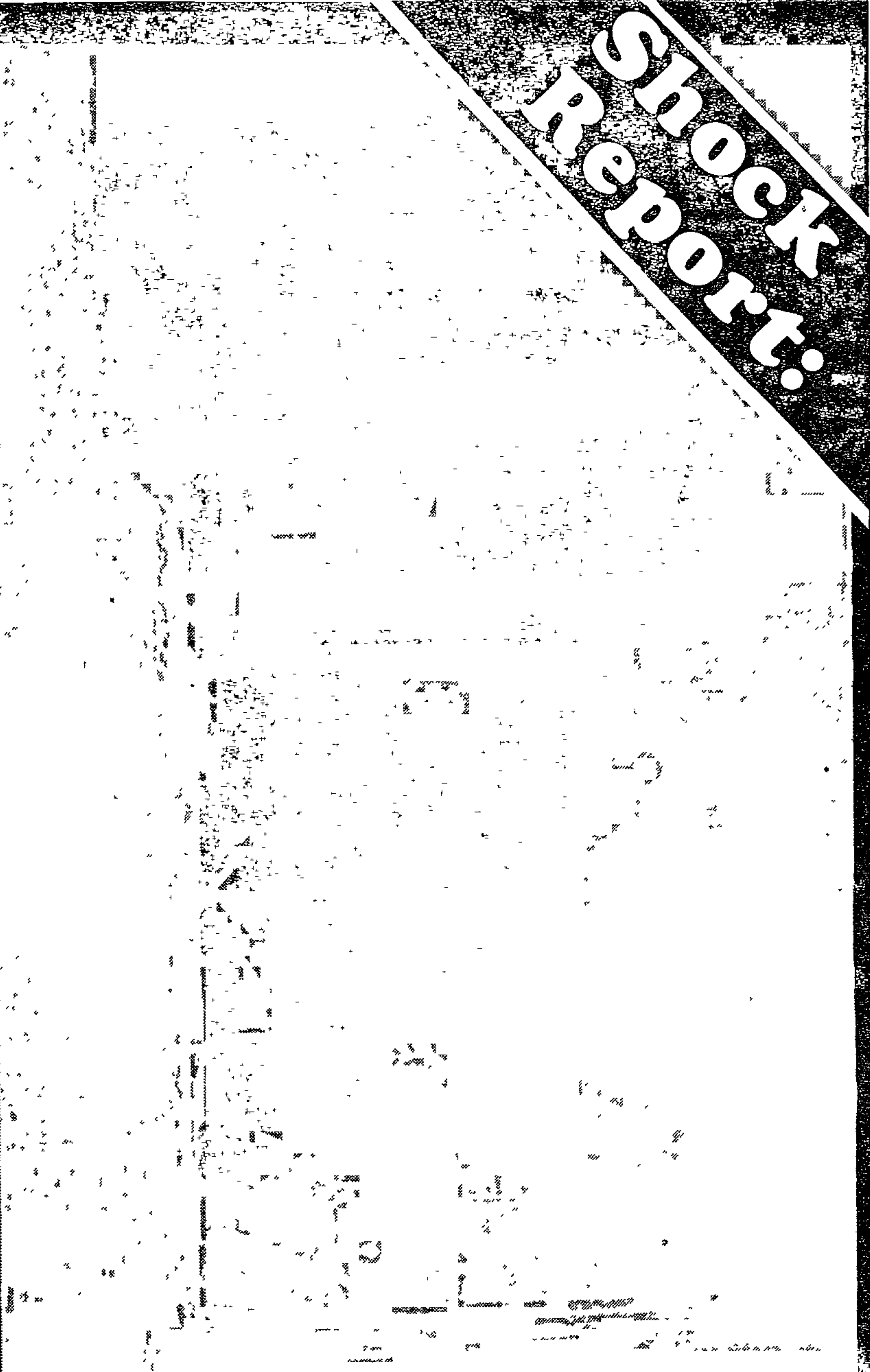
It will be interesting to see the BTI's response to the application. According to its own guidelines, tariffs on imported consumer goods should not normally exceed a level of between 25% and 35%.



21/2/82  
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TODAY: The hungry Natalse Landboukōöperasie workers who say they must steal and beg

# Report Shock!



Landboukōöperasie women workers involved in the back-breaking job of loading sacks of mealie-meal onto trucks. Some women doing this job say they are paid less than R7 a week.

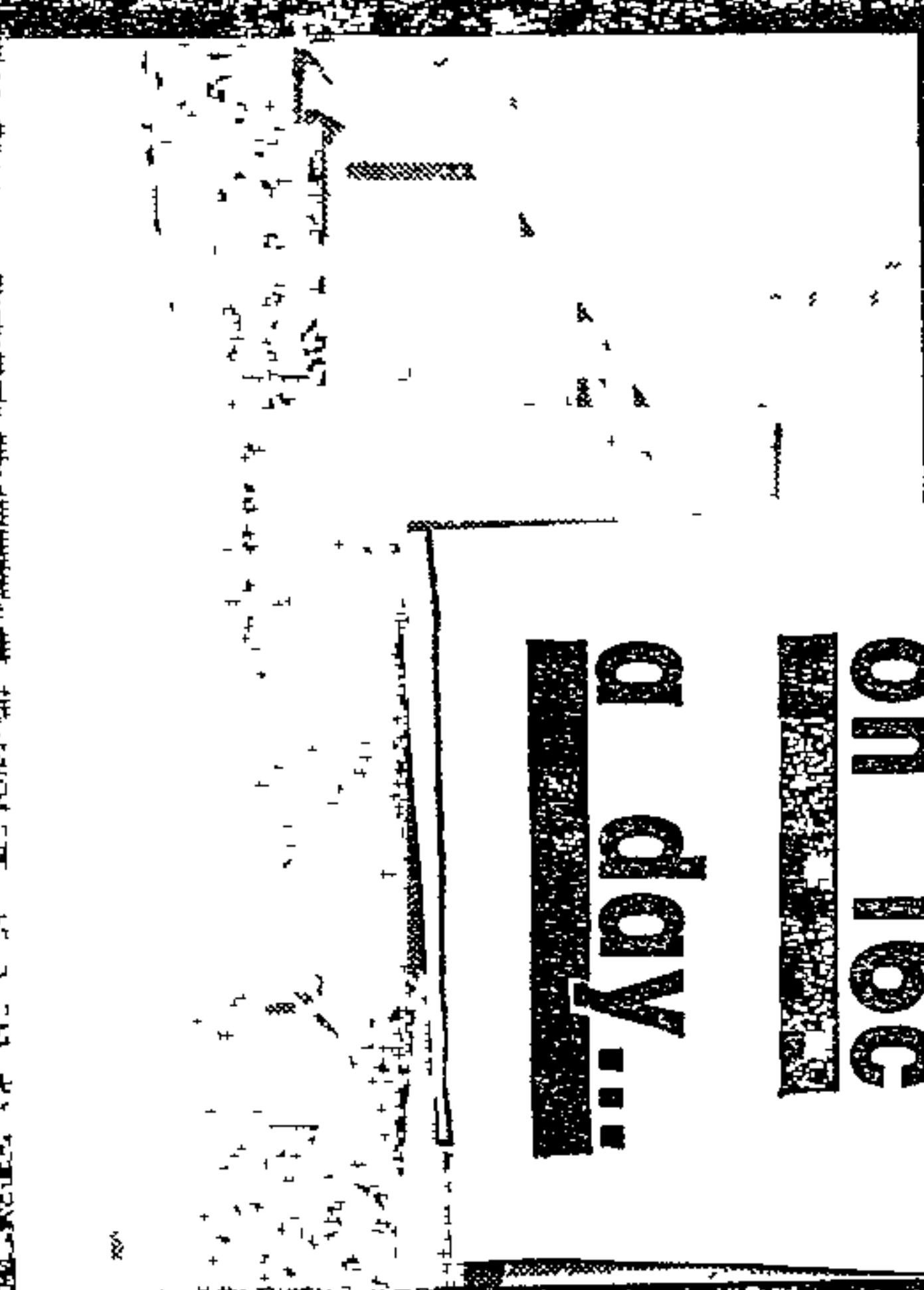
GIANT Natal farmers' co-operative is paying some of its black workers starvation wages.

By SHAMI HARCHUNDER

**A** Landboukōöperasie (NLK) one of the biggest co-operatives in the country with an annual turnover of R150 million a year pays many of its black employees far less than the household subsistence level. Many of its workers say they are forced to steal to feed their starving children and in one case a female labourer said she had to live on 16 cents a day. Some said they often had no food for days.

A two-month SUNDAY TRIBUNE investigation into wages and conditions at Natalse Landboukōöperasie, one of the biggest co-operatives in the country, has shown that many labourers are paid less than a quarter of the household subsistence level. Workers claim they are not allowed to participate in pension and medical aid funds and are not allowed paid annual leave. Some claim they are not paid for overtime worked while others say they have to beg and steal to feed their starving families. Minister of Manpower Utilisation, Fanie Bodda, says the wages are very low and no business should pay their workers at this level. Alex Boraine, PFP spokesman on labour, has promised to raise the plight of the workers in Parliament...

**RIGHT:** A woman labourer at his grain silo at Blood River earns R6.50 a week. If she works overtime she takes home about R9. Her mother of six has been working for Natalse Landboukōöperasie for 11 years and claims she is not allowed paid annual leave.



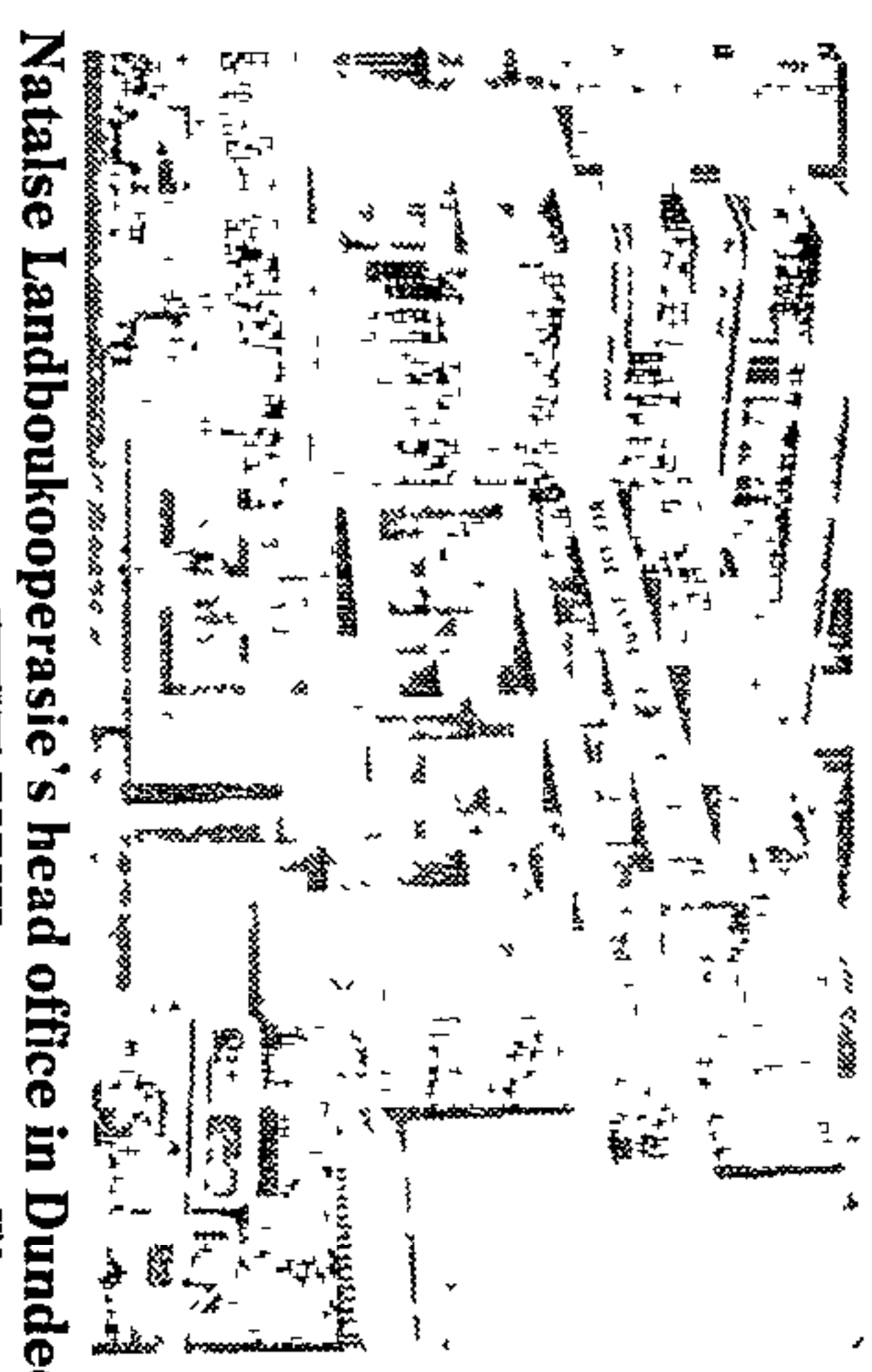
**Live on 16c a day...**

# Starvation amid the NLK plenty

**VICTORIA** Gunede is the ideal mother — she loves her six children, wants to give them a good schooling and good food but she can't afford it. She has to live on 16 cents a day.

Victoria Gunede is not her real name. She works for Natalse Landboukōöperasie as a labourer and earns R13 a fortnight. After meeting all her commitments she is left with R2.25. From this she has to buy food and see to the day-to-day running of the house.

Victoria can't afford clothes for herself or her children and she can't afford to send them to school, although three of them are of school-



Natalse Landboukōöperasie's head office in Dundee

**Mum of six, Victoria, must**







(2) Premiums Treated as an Asset - Cont'd:

Year 02 - same as year 01

03, Jan 1: Life Policy	300	Bank
Dec 31: Income Statement	60	Life Policy
	60	Policy written down to surrender value (See Note 1 below)
04, Jan 1: Life Policy	300	Bank
Jan 2: Debtor (Insurance Company)	24 000	Life Policy
	540	Income from Life Policy
	23 460	being accrual of proceeds receivable

Jan 2: Income from L	23 460
Jan 2: Income Stat	23 460
being closing	
Bank	
Jan 31: Debtor	24 000
being receipt	

Note 1: At the end of year 03, the balance sheet as a non-current

Note 2: The death of a partner automa

accounting entries. For th to be drawn up for the period ascertain the correct balance policy would be shown as inc to the partners' capital acc

# Agreement at last

An agreement in the sugar industry has at last been reached between a company in the Barlow Rand group and a predominantly black trade union

The agreement provides for direct bargaining on wages and working conditions between the Noodsberg Sugar Company in Dalton, Natal, and the Fosatu-affiliated Sweet, Food and Allied Workers' Union. It makes no attempt to force the union into the sugar industry's industrial council

A union spokesman said the agreement, covering Noodsberg's 600 workers, was signed late last month after a nine-month deadlock

Initially the company had tried to press the union into the industrial council, the spokesman said. It later made a compromise offer of term recognition if the union joined the council by the end of the year

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186  
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Partnership as legal and some statement would have of the partner so as to The proceeds from the life insurance and NOT credited direct

ded on the partnership value of R240.

Spou 23/2/82

# R660 000 boost for <sup>186</sup> George's booming <sup>E. Post</sup> broiler chicken industry <sup>27/2/82</sup>

GEORGE — Another R660 000 is being invested in George's booming broiler business and by May the turnover of chickens will have rocketed by 750% in 18 months

The farms, about four kilometres from Pacaltsdorp, aim for a monthly turnover of R250 000

By May a R390 000 abattoir, the most modern of its kind in the country, will swing into operation

Until an additional 18 broiler houses are completed and supplying chickens the abattoir will operate at only 50% of its capacity

Plans for the 18 broiler

houses, each with a capacity of 7 000 chickens, have already been approved by the divisional council.

Construction is expected to start soon

Behind the success story is a growing consumer preference for chicken which has significantly dented sales of high-priced red meat, says one of the three directors, Mr Tom Warren.

Even before the price of red meat began rising so steeply there was a noticeable increase in sales of chicken

"I believe this can be attributed to the increase in wages paid to black staff



allowed access to the factory to 'organise the workers'

He was incensed by her attitude, particularly as there had been a recent complaint to the industrial council which had held a full inspection of the factory premises and found no breach of the agreement or any transgression of law

Mr de Kok also denied that he intended dismissing any employee for being a union member. He said that when the urgent application was taken to court late on February 11, all his employees were already paid and not a single one had been dismissed

In reply to Mr de Kok's affidavit, Miss Cullinan said from the tenor of his response to her telephone call she got the impression that he was not aware of the recent labour legislation reforms following the Wiehahn Commission report and that he thought that the union was not a lawful organisation

She admitted that he was incensed but submitted that his attitude was due more to his hostility to the trade union than to anything she had said to him

NEW YORK—Karen Rogers guides Hilaris to victory in the first race at Aqueduct even though the horse had broken a bone in his right foreleg and had begun stumbling. Hilaris suffered his injury about 20 m from the finish, but won by a nose. He had to be destroyed after the race

## Agreement between union and sugar firm

Mercury Reporter  
A RECOGNITION agreement has been reached between the C G Smith Noodsberg sugar mill and the Sweet, Food and Allied Workers' Union

which excludes industrial council bargaining

Union officials of this Fosatu-affiliated union said this was the first time in the Natal sugar industry that factory level negotiations would set workers' wages and working conditions

The Industrial Council for the Sugar Industry had in the past been the only bargaining system accepted by the industry for setting conditions and wages

The industrial council system has been highlighted by labour experts as an area of future conflict between the independent unions and management

Fosatu (Federation of South African Trade Unions) and the majority of other independent trade unions have rejected the industrial council system as having 'secured privileged conditions for the minority of workers at the expense of the majority of black workers'

But, Mr R A Norton, the managing director of C G Smith, said this was not a rejection of the industrial council system by the company

He said they still favoured a two tier system where 'hot water' issues were dealt with at factory level and main collective bargaining would be carried out at the industrial council level

The Noodsberg mill was a special case, he said

## ORDERS OF DIVORCE

ORDERS of Divorce granted in the Supreme Court were

Lynette Ann Ash (b Tillim) v Joseph Ash, Summerville) v Andries Hugo Botha, Joseph Marie Anne Franken (b Thyse), Hugh Stanley Barbara Ann McMenamin

Thelma Arne Cuthbertson (f Nelson b Anderson) Cuthbertson, Mary Josephine Anne Davies (f Andrew Victor Davies Ferdinand du Pisanie v Paul Carroll b Cox), Ester Rosetta Haywood (b Smale) v

Anna Magdalena van der Spuy (b Kleinbans) v Spuy, Jennifer Ruth van den Berg (b Neveling) v van den Berg, Peter Gordon Weir v Charlotte Yder), Lesley Mary Raw (b Cozens) v Denzil Jordaan (b Van Niekerk) v Louis Daniel Hobel-Nielsen) v Rory Bruce Paddon

Flora Helen Strydom (f Murdoch b Allen) v Frank Maurice v Peggotty Estella Maurice (b Joan Viljoen (b Daniels) v Michael John Viljoen, van der Merwe (b Richter) v Charles Edward van Milheip Lallvaux (f Schiemann f Turner b Lallvaux

Susan Ann Harmon (b Spriggs) v Frank Charles John Powell v Anna Petronella Powell (f Ghandlall Kussal v Romila Kussal, Catharina Elizabeth (f Potgieter b Botes) v Douglas Hardy, Jacoba Hams b Koki, v Gerhardus Johannes de Jager, Rheeder) v Kevin John Moran

Kenneth Hugh Wohlters v Jennifer Wohlters (b ander MacLachlan Harriss v Marian Audrey Harris), Gail Lorna Nell (b Parsons) v Coenraad Elsa Susanna Pretorius (b Nel) v Michiel Anne Nankivell (f Ulvate b Price) v Ivan Nankivell

Jan Johannes Diedericks v Hendrica Cath Claasens b Vogel), Leslie Arthur Winterboer Winterboer (f Gellhear b Marnewick), Susan Anne Daniel Peter Saunders, Hilda Johanna Combrink Jacob Combrink, Aletta Frederica Geldenhuys (f hannes Jacobus Geldenhuys Shunmugan Noong

## DISPORT

POINT SHEDS B/C Croesus, D Watergeus, E Tug World Navigator, L/M Pontalva, M Ext Thors James Lykes, O/P Rosa S, Q Union River, R E

MAYDON WHARF 2 San John Bay, 3/4 Devon C Korean Zircon 7A Sezela, 8 Marcalan, 9 Leo Trader, 14 Bright Melbourne

PIER No 1 101 SA Huguenot, 102 Capitan Lenos, kyo Venture, 104B Lontue, 105 Parnassus, 106

CONTAINER TERMINAL 108 Berg, 203 Ascona, Africa

BLUFF Lord Byron, Altair, Euro Sky ISLAND v Aegean Pride EBH Thorheide OUTSIDE, Oriental Envo

ARRIVALS Bentheim from USA, Nedlloyd Dalmar and Gina from Continent

DEPARTURES Nil

## Marley and Cliff's music falls foul of the censors

Mercury Reporter  
THE censors yesterday placed a broadcast and distribution ban on two of South Africa's best-selling reggae music long-players — *Survival* by Bob Marley and the Wailers, and *Jimmy Cliff's Give the People What They Want*

Both titles are included in the latest list issued by the Directorate of Publications in Cape Town.

*Survival*, described by record retailers yesterday as 'an evergreen', has been on sale for more than two years, while *Give*

*the People What They Want* was first released in this country about three months ago

When asked why action had not been taken against these records at the time of their release, a spokesman said that 'the Directorate does not conduct pre-censorship, but acts on complaints it receives. In the case of these two records' it was recent police complaints that initiated our investigations'

He added that it was not necessary for people who

already own the records to delete them from their private libraries, but that they should not broadcast them or play them to a large gathering of people or a crowd

'It would be in order for them to play the records to a couple of people in their homes,' he said

A poster, *Dr Neil Aggett — Unite, Mobilise, Avenge His Death*, by the Medu Art Ensemble, also was declared undesirable by the Directorate of Publications yesterday

## City Council chided over electricity

Municipal Reporter

IN THE light of Government restrictions on local authority spending, Durban City Councillor Clarence Cheek wants the council to leave the renovation of the old station to private enterprise and concentrate on providing an adequate electricity supply to the city

Says Mr Cheek 'Year after year we fail to vote a big enough amount for the Electricity Department, yet there is an annual 3 percent population growth in

the city and if we don't continue to make adequate provision for a rapidly growing undertaking, it could have serious repercussions in the future

This is an undertaking that any responsible local authority would make adequate capital financial provision for, bearing in mind that this is one that grows with the city. And if the stage were reached where we could not meet our commitments the Electricity Commission would come down on us in terms of the Electricity Supply Act'



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# Metalmen on strike as pay talks loom

By STEVEN FRIEDMAN  
**WORKERS** at two Wadeville metal plants have struck, demanding R1-an-hour increases — only a week before the metal industries' annual pay negotiations, in which registered unions are to ask for sharp increases for lower-paid workers

And, in Krugersdorp yesterday, workers at SA Abattoir Corporation downed tools in protest at the dismissal of union shop stewards, according to the Food, Beverage and Allied Workers' Union

Mr Shakes Sikhakhane, general secretary of the union — affiliated to the Council of Unions of SA — said the FBWU had approached the corporation for recognition

"They said we were not registered for their area and that they were therefore not prepared to recognise us. On Friday, they fired a shop steward and today they sacked another one. Workers then took spontaneous action"

Mr Sikhakhane said the union had about 200 members at the plant. Company spokesman were not available for comment

In Wadeville, workers went on strike yesterday at McKechnie Brothers, and at Hawker Siddeley a strike that began on Friday was settled yesterday

A spokesman for Fosati's Metal and Allied Workers Union said the McKechnie workers were demanding a R1-an-hour rise. The company employs about 100 black workers

Present minimum wages in the metal industries are R1,13 an hour. At next week's pay talks at the metal industrial council, registered unions are to ask that the rate be raised to R2 an hour within a year

A McKechnie spokesman said yesterday that workers had not yet raised demands

He said management had asked workers to return today and elect spokesmen to negotiate

At Hawker Siddeley a strike by about 150 workers was settled after MAWU intervened, a union spokesman said

He said workers had struck on Friday in protest at the dismissal of a colleague and in support of a demand for a R1-an-hour increase

After discussions between MAWU and management, the company had agreed to discuss worker grievances with the union and the workers agreed to return pending discussions, the union spokesman said

A Hawker Siddeley spokesman confirmed the strike had been settled

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Mercury 4/3/82

Work  
stopped  
and  
resumed

**Mercury Reporter**

THE entire workforce of Tongaat Milling in Estcourt downed tools yesterday morning in support of their demand for the dismissal of a supervisor

A spokesman for Tongaat Group head office said about 150 workers had stopped work but had returned to work by lunchtime

He said the workers' return had followed talks between representatives of the Fosatu-affiliated Sweet, Food and Allied Workers Union and management

The spokesman said management would not discuss the workers' demands under pressure and urged that they return to work

**Agreed**

Management said once the workers' had returned it would investigate their complaints

A union spokesman said management had agreed tentatively to try to transfer the supervisor and to investigate workers' grievances

At Corobrik in Durban 52 workers who downed tools earlier this week have returned to work

A spokesman for the company said the workers had stopped work on Monday after six had refused to work on Friday because the task was too heavy in the heat

Management had said the six workers could leave but they would have been considered to have dismissed themselves

The rest of their team then downed tools on Monday in support of their colleagues

The spokesman said that by yesterday everything was back to normal and all the workers had been re employed

# Five injured in blast at Maitland factory

CAPE TOWN  
Times  
5/3/82  
186  
Staff Reporter

FIVE members of a fire team were injured yesterday in an explosion at a food oil company in Maitland

None of the injuries was serious and one of the injured men, works manager Mr K Wareham, was back at work later in the day. Members of the press were kept away from the scene and when a Cape Times reporter entered the factory with police liaison officers, he was told by a senior company executive to leave.

Company officials said later that negligible damage had been caused by

the blast and production was not affected.

Mr E A Dehning, commercial manager of Cape Oil Products, the manufacturers of salad and cooking oils, said in a statement yesterday that smoke was seen coming from an oil cake meal-bin about 7am.

Mr Dehning said the smoke was caused by spontaneous combustion which possibly resulted from high winds.

The injured were Mr Wareham, Mr Frank Adams, Mr Hubert Mketi, Mr Philemon Balana and Mr Morris Sombalo. They are reported to be in a satisfactory condition.

# Stock rise

1986  
MAY 1982

# In Sugar Price

Financial Editor

SUGAR prices will rise by 12 percent on average from today, the chairman of the South African Sugar Association, Mr Dick Ridgway, announced last night. Soft drink prices are expected to go up in sympathy.

'White sugar rises by R50 a ton to R423 and brown sugar by R42 to R379 a ton dispatched from Durban,' he said

The 2.5 kg pack of sugar would now cost R1,31 in Durban, and R1,46 on the Reef and in Pretoria and Cape Town — an increase of about 15 c

Mr Ridgway said that the increase was in keeping with the policy to set domestic prices level with the

24th

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Mercury 5/3/82

cost of production

'A new season starts soon and the cost of production will rise as a result of higher costs of goods and services used by the sugar industry

'We are continuing to maintain the price to the consumer at as low a level as is economically possible, and in spite of the fact that the consumer price index is expected to rise by about 15 percent, the increase in the retail price has been kept to only 12 percent'

The sugar industry has borrowed R130 million to tide it over the past three years of droughts and low prices on world sugar markets

While the crop this year (from April onwards) would be much better than last season's, it was not expected that loans could be repaid because world prices also were low and local costs would rise because of the increase in rail tariffs and other costs

The sugar price was last adjusted in April, 1981, when it rose by R34 a ton to R373 a ton. The price was R172 a decade ago

Mr Lionel Cork, manager of Coca Cola Bottling Company in Durban, said the Federation of Soft Drink Manufacturers had not yet been informed officially of the price increase

Price

Once it had, the federation would decide whether to apply to the price-controller for an increase in soft drink prices

Meanwhile, our Pretoria correspondent reports that a number of price increases will follow the 15 percent freight increase on April 1

Most immediately affected are bulk products such as bricks, cement and coal

## Absorb

The Price Controller, Mr Dugie de Beer, said there would be no automatic price increases of controlled commodities

'They must satisfy me they are not in a position to absorb at least part of the higher railway charges before an adjustment is authorised,' Mr de Beer said

A South African Agricultural Union spokesman said higher railway charges would strengthen demands for increases in Government-administered prices of primary products

'The demands for increases in the prices of maize, dairy products, wheat, oil seeds and the floor price of beef will have to take the tariff hikes into account'

The demands would be submitted in the next four weeks

The huge range of goods sold in supermarkets also would be affected by the new rates



## PRICE FIXING

(186)

### Millers' tale

FM 5/3/82

Attempts to pressure all millers of white maize products to agree on a wholesale pricing structure have failed. And now the smaller millers who thumbed down the idea of a price cartel fear they could come under heavy pressure.

With consumption of white maize on the decline, particularly at the lower end of the market, the temptation to abandon free trade principles is understandably strong in some milling quarters. Indeed, there have been threats to ask Government to reintroduce price control.

Demand from rural blacks, blessed with bumper crops of their own last season has dropped markedly. And more affluent blacks, keen to embrace white lifestyles, are tending to drop meal from their regimens.

With the huge stockpile generated by the recent good harvests and export bottlenecks the prospects for substantial price cutting are good. But such well-proven regulatory market forces have seldom been an SA forte particularly in agriculture. Hence the effort by bigger millers to get price agreement.

But competition is fiercest and profit

*continued on page 1084*

margins are tightest on lower grade maize products — and it's here that the small to medium-size millers could run into trouble.

The forthcoming slack in the economy is not going to help and the foreshadowed stiff maize price increase will push production costs even higher. When suggestions that the industry form a price-fixing cartel first emerged late last year, the idea was vigorously opposed by a number of smaller millers and milling co-ops. They objected to the proposed open "combat" areas where price competition would remain and the proposal that signatories to the agreement would have to pay penalties if they sold above their quota.

The general feeling was that it was a ploy by the bigger millers to force the smaller operators out of business. Premier Milling's Wally Wolthers, one of the main proponents of the price fixing arrangement, denies this emphatically. He says the main reason for the agreement was to bring "stability" to the pricing structure in the industry and to ensure the survival of the smaller miller.

"Naturally there would have been some benefits for us too," he concedes. Wolthers maintains it is ironic that the agreement was shunned by the very people it was designed to help. He says in the past six months he has had a number of calls from millers seeking to offload their mills. He adds that a number of small country millers have since closed and several mill mergers have taken place.

"What the smaller millers feared most — that a monopoly would emerge if a price agreement came into being — seems to be happening anyway. By the end of the decade there could be only two or three big operators left in the industry. This just goes to show that a monopoly can develop in free market conditions — if suicidal price cutting is left unchecked."

National Maize Millers Association chairman Dr Stefan Smit confirms that there has been some recent rationalisation in the maize milling industry. But, he claims, it was merely an adjustment to changing market conditions. He refutes the suggestion that a monopoly was about to emerge.

Meanwhile the sponsors of the proposed price-fixing agreement have not given up. They believe that those recalcitrant millers still operating may yet "come to their senses" and put their names to the agreement.

# 890 <sup>stan</sup> still on strike at Fuchs factory <sup>13/3/82</sup>

By Drew Forrest

The labour upheaval in the East Rand metal industries continued yesterday with nearly 900 workers at an Alberton factory staying on strike and reports of a stoppage in Isando.

Two other disputes in the clothing industry were also reported.

At the Barlow Rand subsidiary, Fuchs Electrical Industries at Alrode, Alberton, the strike over wages by 890 workers was unresolved late yesterday. The management said it had appealed for spokesmen to come forward, and hoped for a return to work after the weekend.

At Isando, 150 workers at Automatic Plating — a company in the Dorbyl group —

returned to work yesterday after downing tools on Thursday over a wage demand.

There were talks with officials of the Metal and Allied Workers Union, (Mawu), but the demand was not met.

Brief stoppages yesterday were reported from two Johannesburg clothing factories — the RMB Dress Company and Suki Crawford. The Crawford management is understood to have granted its 35 workers a R3 a week increase.

According to the acting general secretary of the National Union of Clothing Workers, Miss Sarah Chitja, workers who struck this week at SA Weatherwear

Manufacturers in Mayfair returned to work on Wednesday after the management offered a R5-a-week production bonus.

The president of the Transvaal Clothing Manufacturers' Association, Mr Terence Kinneal, reacted strongly yesterday to union charges that clothing employers were "clinging" to the terms of the current industrial agreement.

"How can the unions knock the agreement when they are signatories to it?"

A major West Rand milk supplier, Kunoec, was hit by a strike by 85 delivermen yesterday — affecting home deliveries in Klugersdorp and Roodepoort.

(135) (184) (189) (186) (52) (1407)



# Urgent talks <sup>186</sup> <sup>300</sup> Mercury 15/3/82 <sup>278</sup> <sup>185</sup> wanted on homes

Mercury Reporter

THE South African Indian Council called at the weekend for urgent round table talks with the Department of Community Development to resolve the housing problem of pensioners from two sugar mills on the South Coast

Mr S Ramphal, a member for Umkomaas, said there were 121 widows and pensioners in addition to 286 of their dependants at the Illovo and Sezela mill barracks who required urgent resettlement

'Since the mill has a moral obligation towards the welfare of the pensioners, the management had been making representations to the Department of Community Development and the Development and Ser-

vices Board to resettle the pensioners in the proposed phase three of the Craigieburn Township

However, the resettlement programme has been disrupted because of a ruling by the Craigieburn Advisory Board which maintains that priority for housing be given to residents of Umkomaas,' he added

Mr Ramphal said the mill management had approached the Indian Council for help in persuading the all-Indian Craigieburn Advisory Board to reconsider its decision

He said there was urgent need for round table talks with the Development and Services Board, Department of Community Development, the management of the Sezela and Illovo sugar mills, Craigieburn Advisory

Board and the Indian Council to resolve the problem

Mr Naren Singh, chairman of the Craigieburn Advisory Board, told the Mercury that his board was not opposed to the housing of pensioners from Illovo and Sezela in Umkomaas

'But, preference for housing in phase three of the Craigieburn Township must be given to residents of Umkomaas. We desperately need housing for local residents

'It will be totally unfair that people from outside our area should receive priority for housing. This we are totally against and we'll fight it to the hilt'

Mr A van der Riet, acting general manager of the C G Smith controlled sugar mill at Sezela could not be reached for comment

### Mercury Reporter

WORK stoppages were experienced by five companies in Natal yesterday as more than 1200 workers downed tools in support of their demands.

The stoppages follow a wave of strikes on the East Rand which have affected 15 companies over the past two weeks.

At Tongaat Milling in Estcourt more than 150 workers continued to refuse to return to work until their demands had been met.

An official of the Fosatu-affiliated Sweet Food and Allied Workers' Union said the workers downed tools on March 3 following claims of victimisation by a super-

visor. They returned to work when management agreed to investigate their complaints.

According to the official, the workers were given till midday on Thursday to return to work, failing this they were dismissed.

### Due to meet

The managing director of the company M W Q R Gibson could not be contacted late yesterday.

The labour officer of the KwaZulu Department of the Interior, Mr Z A Khanyile, yesterday was due to meet both KwaZulu Shoe Company management and the 700 women workers who downed tools last week in support

of their demand for reinstatement of a fired shop steward and recognition of their union.

The results of the meeting were not known late yesterday. The company manager, Mr Peter Bodovines, was unavailable for comment.

Workers from the Henkel chemical plant at Prospecton near Durban gave Chemical Workers' Industrial Union officials permission to negotiate with management at a meeting early yesterday.

The workers, about half the workforce of the plant, demanded firstly that they all be reinstated and then that management agree on their return to work to discuss wage shift and pension grievances.

An official of this Fosatu-affiliated union said late yesterday they had managed to get management to agree for the time being not to re-employ new workers while negotiations continued.

Mr M Rousouw Henkel's personnel officer said they did not want to put any undue pressure on the present situation while talks continued with the union.

Although a number of workers from Turnall Ltd in Jacobs had returned to work by yesterday, a large group of workers met yesterday at the South African Allied Workers' Union offices and claimed they had been 'locked out'.

About 480 workers had downed tools on Wednesday last week after a misunderstanding between the management and workers who had demanded the recognition of their union.

Mr G H Hampshire, works director, said the employees had been invited to return to work on Friday and most of them had accepted the offer. None of them had been dismissed, he said.



# Hammarisdale mill workers end stoppage

Mercury Reporter

ABOUT 600 workers from the Progress Knitting Mill at Hammarisdale returned to work yesterday after management agreed to re-employ 80 fellow workers who downed tools at the weekend

The 600 workers downed tools on Tuesday after management had said they would only selectively re-employ the 80 workers

The 80 workers stopped work on Saturday after they had worked five days of 12-hour shifts because of the introduction of a new shift system, and had received R7 extra pay for the overtime

Yesterday morning when the workers arrived at the gates of the factory, a contingent of riot policemen was waiting on the road so they decided to enter the factory gates, according to union sources

Management representatives closed the gates when half the workers had entered the factory grounds and entreated them to return to work

## Fired

They told the workers that the other 80 workers had been fired. The men still refused to return to work

Management then told workers they would discuss the issue with elected representatives of the workers

A committee of 12 workers met management and a settlement was reached when they agreed to re-employ the 80 workers

Mr P D Jacobson, Progress Knitting Mills' chief executive, said 'the dispute arose out of a misunderstanding concerning a new shift system which was introduced, after discussions with a union representative, which now has been accepted by the workers

'The discharged workers were given the opportunity of re-applying for their jobs on the same conditions as applied previously,' he said

## Refused

Meanwhile, at Tongaat Milling in Estcourt the 140 workers who last week downed tools following management's refusal to dismiss a supervisor who, they claim, victimised workers, still refused to return to work yesterday

According to an official of the Fosatu-affiliated Sweet, Food and Allied Workers' Union, they had refused to return because management had agreed only to selective re-employment

The managing director of the company, Mr W O R Gibson, was not available for comment

KwaZulu Shoe Company entered its fourth day of work stoppage after about 700 workers downed tools following the dismissal of a shop steward. Workers have demanded recognition of the National Union of Textile Workers (NUTW)

## Meeting

The secretary for the KwaZulu Department of the Interior, Mr A M J van Rensburg, said yesterday a meeting between the labour officer of the department, management and workers was still being arranged

At a meeting with union officials this weekend Dr

Frank Mdlalose, the KwaZulu Minister of the Interior, agreed to mediate between workers and management

According to union officials management had agreed to meet the KwaZulu labour officer today but without workers. This had not been accepted by the department and they still were negotiating with management for workers to be present at the meeting

Mr Obed Zuma, the general secretary of NUTW said union officials had gone yesterday to Johannesburg to discuss the issue with the Canadian ambassador. The major shareholders in KwaZulu Shoe Company, Bata, has its head office in Canada

## Legal

He also said he would be calling a national executive committee meeting of the NUTW, which represents 13 500 workers countrywide, to discuss the possibility of declaring a legal strike at KwaZulu Shoe Company

At the Henkel chemical plant at Prospecton, the company had re-employed only 20 of the 160 dismissed workers, according to union sources

Last Tuesday 200 workers downed tools after a dispute over the company's pension fund. A number of workers had been re-employed at the end of the week

Talks between the Chemical Workers' Industrial Union (CWIU) and management in an attempt to get management to rehire all the dismissed workers broke down on Tuesday

Meanwhile, at Colgate-Palmolive in Boksburg, the subject of a four-month strike and a consumer boycott last year, a wage settlement has been reached between management and the Fosatu-affiliated CWIU

According to the settlement, workers will receive a minimum of R1,95 an hour and this will be increased to R2,04 in November

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16/3/82





# No depression in manioc market

*General* 186

By Lynn Carlisle

AN ANGLO American company, African Products, is planning to commission a starch extraction mill at Mtubatuba and possibly also at Hluhluwe, Zululand, if Black and White farmers take advantage of growing the South American drought tolerant perennial crop called cassava or manioc.

Three years ago Anglo American established its Cassava Research Centre at Mtunzini, under Dr "TB" Vorster, where a major plant breeding

programme of hybridisation, with special emphasis on selection and repositioning the genes with high yield and disease resistance characteristics, has been successfully carried out.

African Products agronomist Norman Graham stresses the aim is not to compete with sugar, and sugar farmers would also benefit by growing cassava on land not suited to sugar growing.

"The absolute advantages of cassava are that it has survived the worst the

elements could inflict on it and can grow in conditions of sandy and relatively infertile soils," says Graham.

Cassava has become a main foodstuff for about 300-million Asians,

South Americans and Africans. It is not season bound and can be left in the ground almost indefinitely before harvesting.

Jeff Alabaster, MD of African Products, says his company is

looking for a supply of 950 t of the starch-producing roots a day, on a year round basis from January 1985, to make the mills a viable proposition.

"But from the time the roots are lifted you

Individual cassava plants can produce massive roots: this 17-month-old plant's root yield was 30 kg.

have only 24 hours before the starch content starts dropping, so they must be processed in time," says Alabaster.

More than 400 farmers have been invited to a major cassava field day at Mtubatuba on March 23.

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*D. Dispatch* (186)  
**Decision on ethanol plant likely soon** 23/3/82

**EAST LONDON —** A R3 million ethanol plant extension to Langeberg's canning factory here is still under consideration

The deputy general manager of the company's technical services division, Mr Henk van Nes, said the project was "still in the air"

"We are still looking at it and we are studying the economics of it," Mr

Van Nes said yesterday. "We are very close to a decision"

He said the drop in the price of crude oil had caused the company to look more closely at the project

"Obviously it is not as attractive as when the oil price was high," he said

When the project was first mooted in September last year, the

company said the planned plant would produce three million litres of ethanol a year, generating R1 million a year at full production

The ethanol would be produced from pineapples, or maize during the pineapple off-season

The ethanol would be mixed with petrol to provide "gasohol" — which is already sold as motor fuel on the Witwatersrand. — DDR



*186* *Mercury* *24/3/82*  
**R15 m cassava  
mill to be built  
on Zululand site**

**Mercury Reporter**

A R15 million mill is to be built at Mtubatuba in Zululand, to extract starch from the roots of cassava — the shrubby perennial plant which was introduced to the area in 1974

At a Cassava Day at Mtubatuba, organised by African Products, an Anglo-American Industrial Corporation company, more than 250 local farmers were told that the company was looking for a supply of 950 tons of the roots a day on a year-round basis as from January 1985

This supply would be provided by local members of the Umfolozi Cassava Producer's Co-op which was specially formed for this purpose in 1980

Mr Norman Graham, African Products' senior agronomist, told the meeting 'From the cassava at present in the ground it is hoped to plant a total of 1 050 ha in 1982/83 and 6 178 ha in 1983/4

'The first plantings for delivery to the new mill will be in November 1983 and from the 1984/85 season a total of 8 064 ha will be planted to supply the

mill and a second mill at Hluhluwe

'There are at present 27 growers of cassava and it is thought that a total of between 100 and 150 growers will be required to produce the total crop of 290 000 tons of roots a year'

The chairman of African Products, Mr Willem Hefer, emphasised that the company was not aiming to compete with sugar and that sugar farmers would also benefit by growing cassava on land not suited to sugar growing

He said that the reasons for concentrating the initial growing of the plant in the area between Empangeni and Mkuze were climatic and logistical

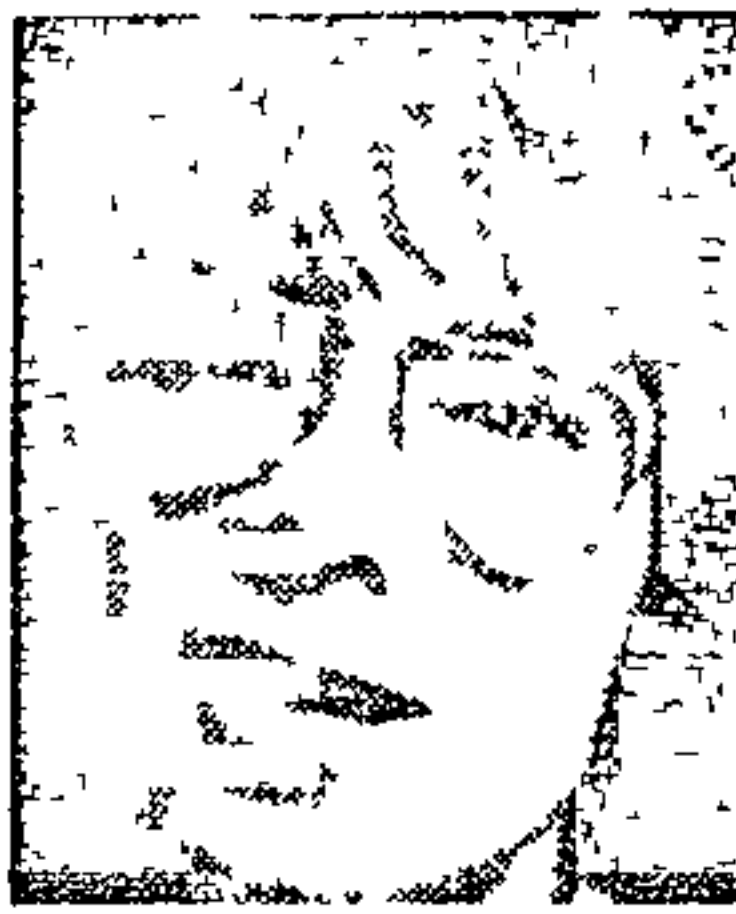
'From the time the roots are lifted you only have 24 hours before the starch content starts dropping, so it is essential to get them processed in this time,' he said

The guest speaker and an international cassava expert, Dr Barry Nestell, said that conditions for cassava growing in Zululand were as favourable as he had encountered anywhere in the world

# love match?

stianity was a 'ver start'  
Copenhagen they ed at the same hotel Sue's brother Neil 're they left Heath- together Sue said had a great day in 'agen I won my and first prize and cheered

'We haven't made any definite arrangements to meet. We are both dedicating our lives to Jesus. The two were introduced by the Rev. Alan Godson, a Liverpool Evangelist, at a concert given by Cliff's old group, The Shadows.



Cliff Richard

# Bread subsidy position

FF 104  
20/5/1

(18c)

2/3

# 'confusing'

Consumer Reporter  
BAKERS and retailers were reluctant today to comment on the effect of changes in the bread subsidy in October.

who leads is part of the staple diet

Mr Norman Daniels, deputy chairman of the Trade Union Council of South Africa in the Western Cape, said any rise in the bread price would have a 'tremendous cumulative effect' in conjunction with higher transport and petrol costs and other price increases.

They said the subsidy system was so complicated that it was still impossible to work out what the new prices would be.

The four main supermarket chains reduced their bread price last month to compensate for the 1c in the R1 increase in general sales tax.

He said the Budget had been deceptive. The sting had been taken out of it by announcing other price rises a few days earlier.

## BELOW COST

Mr Mike Palmer, director of operations for Checkers in the Eastern and Western Cape, said: 'We shall continue to sell bread below cost, but if the price goes up in October as a result of the alteration in the subsidies we shall have to pass this increase to the consumer. That will have the effect of the price going up, although we shall still be selling below cost.'

Mr Daniels also said the raising of interest rates on defence bonds would divert money from the building societies and increase housing difficulties in the private sector.

## MIND-BOGLING

Mr Colin Boyes, secretary of the Master Bakers Association, said: 'These subsidy margins are so complicated that it is mind-boggling to try to work out at this stage what the changes will mean.'

'I have no comment at this stage.'

Mr John Barry, director of operations for Pick 'n Pay in the Eastern and Western Cape, said it would be a 'very big blow to the consumer' if the bread price rose in October.

'Something should be done by the powers-that-be to eliminate this particular price increase.'

'It will be a very big hardship to a large part of the community to

# Price of bricks rises sharply

Property Editor

A 17 PERCENT rise in the price of bricks announced today could add about R600 to the cost of a new R50 000 house and about R500 to a R40 000 house, according to builders.

The country's major brickmaking group, Corobrick, announced the rise with effect from Monday immediately after the Government today freed bricks, cement, doors and a wide range of building materials from price control.

The industry had asked the Price Controller for a 19 percent increase to cover higher costs, said Mr Keith Nurcombe, Corobrick's marketing manager.

# otanist hurt in all, another tung by bees

ay described their al  
Mr Kotze said he was Mr Winter as he led out to collect a on an outcrop by ing the branch of a ne branch snapped John fell heavily the cliff top

'I could see he was badly injured and tried to keep him warm while Vicky went to look for help at the nearest farm house,' he said.  
Miss Botha said she apparently disturbed a swarm of bees as she clambered down the mountain.

'I was sure to several see and also fell by except for a few cars at times was not serious hurt,' she said.

Mr Kotze said after waiting for two hours the condition of Mr Winter deteriorated and he decided to seek help as well.

'Vicky was in a daze and could only move very slowly down the mountain when I found her and when I reached a farmhouse I had to get the farmer to help her down,' he said.

An Alouette helicopter from Ysterplaat Air Force base was eventually called in to airlift Mr Winter to Cape Town.

# ck for UK cricket chiefs

rebels now in South  
comes from India's Minister, Mrs Indira Gandhi  
ow on a week-long to Britain to promote a major Indian cultural festival, Mrs Gandhi she could not give blessing to the tour she had spoken to Africans

'Last time also, when we agreed to the (England) team coming and one or two (UN-blacklisted) members joining it, we consulted the African countries before taking the decision,' Mrs Gandhi said.  
'This is a very ticklish question. You know how strongly we and friendly African countries feel on this subject and we see

that even your own board here has taken a particular stand.

'It is not possible for an Indian team to play with teams which go to South Africa.'

Asked whether an Indian team could play against an English side which had no rebels, Mrs Gandhi said: 'This is not entirely in my hands, you know.'

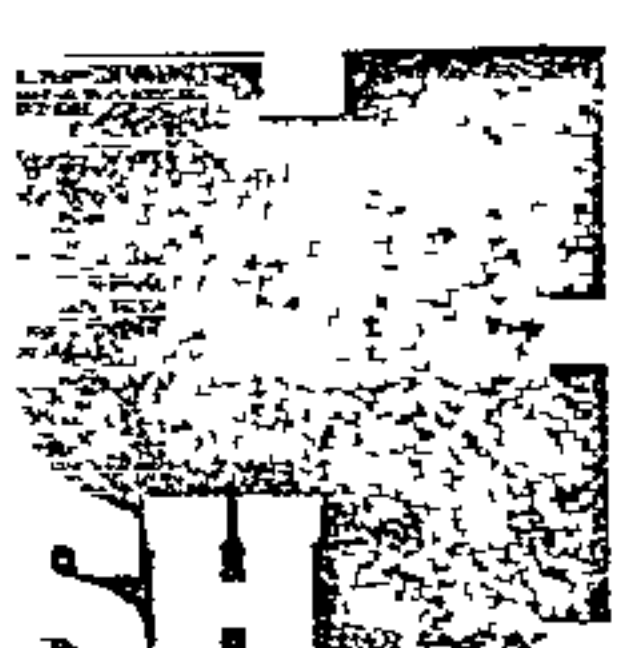
# i withdraw from seminar

expect a 100 per cent response,' Mr van said.  
e confirmed that Donald Morand, ombudsman for Ontario, been registered to and had withdrawn e has apparently withdrawn because of 'activist Marxist' pressure.  
report that Australian ombudsman had not invited was discredited by Mr van Zyl.

'The fact that the invitations were issued internationally in pamphlets contained in professional magazines means that everyone who read the pamphlet was invited. No one can claim he has not been invited,' he said.  
The idea of the seminar was to investigate the possibility of establishing a high-powered but independent Ombudsman's office in South Africa.  
The seminar had been

organised by the Ombudsman forum of the International Bar Association in association with the International Ombudsman Institute and the Association of Law Societies of South Africa.

Dr Randall Ivany of Alberta, Canada, who was to have attended the seminar has also withdrawn because he broke his hip bone. His assistant, Mr Bob Wyatt, will not be coming either.





BAKERIES

186

## Upper crust battle

FM 26/3/82

The country's two heavyweight millers are now competing in the luxury bread and confectionery market

Previously the domain of small independent operators, the field has expanded in value to R210m a year — and continues to grow

"In spite of tough economic conditions, there is a growing demand for quality bread products," says Premier chairman Tony Bloom.

Premier has opened two French bakery outlets in Rosebank and Hillbrow. Bloom plans to go national but this will depend to some extent on the availability of imported equipment and trained staff

He says that with 90% of their raw materials coming from the Premier group, the new La Baguette outlets are a natural extension of the milling and baking division.

Tiger Oats is already in the business and established the Bakoven chain three years

ago. It now has 61 outlets.

Bakoven will open two more outlets, in Rosebank and Morningside, in April and two in Durban in June. Marketing director Dennis Nicholson expects turnover to reach R15m this year, 7% of the market. Tiger hopes to control 10% of the market by 1985.

La Baguette's strategy differs from Bakoven in that it sells a range of 14 items like French loaves, rolls and croissants, while Bakoven sells more than 100 lines.

Independents are not daunted. Mr Crusty, for example, has outlets in Sandringham, Parktown, Benoni, Pretoria and Pietersburg and is opening two more outlets before the end of May.

**Loskop  
shoe  
factory  
dispute  
to be  
discussed**

*186*  
*Mercury*  
*26/3/87*

**Mercury Reporter**

THE KwaZulu Government has called the management of the KwaZulu Shoe Company to Ulundi to discuss the work stoppage at their Loskop factory, according to the Minister for the Interior, Dr Frank Mdlalose

The two-week stoppage started when about 700 workers from this KwaZulu homeland industry downed tools on March 12 following the dismissal of a shop steward. The majority of workers had returned to work earlier this week.

On the strength of the minister's statement which was broadcast on Radio Zulu on Thursday night at least half the workforce downed tools again, according to Mr Obed Zuma, the general secretary of the National Union of Textile Workers (NUTW)

He said about 200 workers attended a meeting at the Fosatu offices in Estcourt where it was reported that only 270 workers were at work yesterday

**All parties**

This was the second stoppage experienced by the factory this year — last month the workers downed tools for a week over union recognition

During the first week of the stoppage, after KwaZulu Shoe Factory management had refused to negotiate with the union, Dr Mdlalose agreed to mediate in the dispute

Dr Mdlalose, in a statement released yesterday, said the Department of the Interior's chief labour officer, Mr Z A Khanyile, had attempted to organise a meeting between Chief Mazubuko, chief of the Loskop area, the workers and management, but had failed

Dr Mdlalose yesterday left with the Chief Minister, Mr Gatsha Buthelezi, for Germany so it was not known when the meeting at Ulundi would take place

Meanwhile, five workers from the Loskop factory appeared in the Escourt Magistrate's Court yesterday. Two were charged with assault and all five have been charged with malicious damage to property

They were not asked to plead and will reappear in court on April 15

**line**



Sugar  
workers  
lose battle  
over  
ejection  
27/3/82  
Pietermaritzburg  
Bureau

MORE than 200 former Dalton sugar workers yesterday lost their year-long battle for the right to return to company accommodation from which they were ejected after a strike last year

Mr Justice Booysen, in a reserved judgment of 96 pages handed down in the Supreme Court, Pietermaritzburg, yesterday, concluded that the men's employers, the Union Co-operative Bark and Sugar Company, had acted legally when they ejected the workforce from the area after warning them they would be charged with trespassing if they did not leave the single and married quarters of the firm

### Warned

The Judge said it was common cause that the work stoppage began on March 31 last year after the men had alleged they should be paid in lieu of free rations that the company were withdrawing

They had been warned that if they did not return to work by 2 p.m. on April 2 they would be regarded as trespassers and prosecuted

The Judge rejected claims that the men had been escorted into the company premises by armed police so they could collect their belongings, and criticised several witnesses including the former secretary general of the Federation of South African Trade Unions, Mr Alec Erwin

### Intelligent

Mr Justice Booysen found that witnesses called by the company were honest and reliable, but found that four witnesses who gave the workers' account were untruthful

The men 'considered how to answer questions to best suit their own and the union's interests'

'Erwin is obviously an intelligent man who is dedicated to his work'

'In his case I had the uncomfortable feeling that he was so convinced of the just cause that he was espousing that he would be prepared to colour his evidence'

### Choice

'He seemed to be arguing a case rather than be concerned with giving a true and correct version of the facts'

'He appeared when giving his evidence not to be telling the whole truth,' the Judge concluded

The workers, given the choice of working without their demands being met or being dismissed and arrested for trespass had elected to do the latter, Mr Justice Booysen said

He rejected Mr Erwin's evidence on a request to the management for the workers to be allowed to stay overnight

The applicants should bear the costs of the hearing, he ordered



# Sugar infusion sets up R850m group

# Tiger, Smith form top food group

186  
RDP  
1/4/82

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**TIGER Oats is to merge with the sugar division of CG Smith to create SA's biggest food group with assets approaching R850-million, sales of more than R1 700-million and taxed profit exceeding R70-million.**

An announcement by the parties yesterday said the companies would be merged into a new holding company controlled by Barlows-controlled CG Smith

The food colossus will have a substantial stake in Imperial Cold Storage, one of SA's biggest meat companies with assets in February 1981 of R182-million, sales of R765-million and taxed profit of R12-million

If it is clinched, the deal could make Barlows SA's biggest industrial company again only four months after it lost the No 1 slot to Amic through Amic's merger with Debincor

It is also likely to put CG Smith into the top five industrial companies in SA

Mr Warren Clewlow, Barlows director in charge of industries, said negotiations should be concluded today. Interests of minority shareholders in all affected companies would be looked after and where appropriate, offers would be made to minorities

Mr Rudi Frankel, chairman of Tiger Oats, welcomed the deal, saying Tiger was now part of one of the biggest and most efficient industrial groups in SA

Tiger would continue to operate in its own right and he and his present management team would continue to run the company on a day-to-day basis

Tiger Oats, already SA's biggest food group in 1980 had sales of R1 175-million, and its associates had sales of more than R1 000-million

It had total assets of R526-million and made a taxed profit of R36 607 000. Many of these numbers rose by roughly 20% in 1981, but Tiger has changed its year-end and has yet to publish its 1981 results and accounts

CG Smith's sugar division had sales in 1981 of R288-million, total assets of R316-million and taxed profit of R25 669 000

The parties to the negotiations are Old Mutual, which has 42% of Tiger and 10% of Barlows, Barlows, CG Smith and Imperial Cold Storage, which is effectively controlled by SA Mutual and Common Fund

The parties were silent on terms and company watchers said it was impossible to speculate about them as so many permutations were possible

But an authoritative source close to Tiger said it was unlikely that Tiger minorities would be taken out and that the share would disappear from the Johannesburg Stock Exchange lists. But the word was that a pre-

**By DAVID CARTE**

mium on the market price of Tiger would be offered

The deal was seen as logical by market commentators, especially in the wake of the merger between Hulett's and Tongaat

They said Tiger had been in limbo since it became effectively controlled by Old Mutual, a sleeping partner, after Mr Natie Kirsh's unsuccessful bid about two years ago

Several brokers hoped the deal would go some way to

alleviating Tiger's management shortage

A broker said CG Smith had been waiting for a big acquisition and it could hardly have selected better prey than Tiger and ICS. These companies made CG Smith and ultimately Barlows far less cyclical than now

With Nampak into packaging, Romatex into carpets and textiles, and the new merged group into food, CG Smith was beginning to look like the manufacturing arm of Barlows that sold to the consumer sector. It also had distinct similarities to Tongaat-Hulett's

Examiners' Initials		
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**NOTE CAREFULY**

- 1 Enter at the top of the block of the question you are answering. Use blue or black ink for answers. Use a blue or black pen for underlining, which pencil is not to be used.
- 2 Names must be written in full (e.g. graph paper) in the examination book(s) are used.
- 3 Do not write in the left hand margin.

books, notes, pieces of paper or other material may be brought into the examination room. Candidates are so instructed. Candidates are not to communicate with other candidates or with any person except the invigilator. Part of an answer book is to be torn out. Answer books must be handed to the invigilator or to an invigilator before leaving the examination room.

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# Pay <sup>186</sup> boost for 15 000 <sup>11/4/82</sup> sugar <sup>Worcutt</sup> workers <sup>3/85</sup>

## Financial Editor

FIFTEEN thousand sugar mill workers will get a wage increase of at least 15,75 percent from today. Mr W.R.M Kullin, chairman of the Industrial Council for the Sugar Manufacturing and Refining Industry, said yesterday.

Agreement was finally reached after several months of talks between employers and the trade unions late on Tuesday.

New minimum pay rates are: Unskilled workers from R172,42 to R225,24 a month, semi-skilled R259,13 to R480,39 a month, skilled from R580,06 to R760,45 a month.

Mr Kullin pointed out that Durban rates would be higher and that many people were paid above the minimum rates.

He said that there would be an 18 percent increase in the minimum wage for all mill workers from today.

In addition there would be a once-only payment of 11 percent of the prescribed minimum rates from the period January 1 to March 31, Mr Kullin said.

This increase was in lieu of union claims for an interim wage adjustment and would apply only to those on the minimum wage levels.

Workers earning more than the minimum rates would be paid at least 15,75 percent more, less any interim increase given since October 1, 1981.

(186) 12/11/82

# Sugar workers will get 15,75% pay rise

Mail Correspondent

DURBAN — Thirty thousand sugar mill workers will get a wage increase of at least 15,75% from today. Mr W R M Kullin, the chairman of the Industrial Council for the Sugar Manufacturing and Refining Industry, said yesterday.

Agreement was finally reached, after several months of talks, between employers and the trade unions late on Tuesday afternoon.

New minimum pay rates are

- For unskilled workers from R172,42 to R225,24 a month.
- Semi-skilled workers

R259,13 to R480,39 a month,  
● Skilled workers from R580,06 to R760,45 a month

Mr Kullin said that wage scales were graded according to the Paterson job evaluation system. He pointed out that Durban rates would be higher and that many people were paid above the minimum rates.

He said that there would be an 18% increase in the minimum wage rates for all mill workers from today.

"In addition there will be a once-only payment of 11% of the prescribed minimum rates from the period January 1 to March 31," Mr Kullin said.



# STRIKERS LOSE HOSTEL CASE

By Tony Davis (1986) Star 1/4/82  
About 180 migrant workers who claimed that they were evicted forcibly from their hostel after being dismissed last year by a Natal sugar firm, have lost an action in the Supreme Court at Maritzburg.

Mr Justice Booyens said on Friday that he did not accept the workers' claim that they were forced from the hostels. He found that many had left voluntarily.

He also rejected much of the testimony and awarded costs to the Union Co-operative company.

The action was taken to court in mid-1981 by the Fosatu-affiliated Sweet, Food and Allied

Workers Union, on behalf of the workers.

There were several lengthy delays, including a recess of several months. Final testimony was given in January.

A union spokesman said they had hoped to establish legal residential rights for migrant workers.

The dispute at the firm, in Dalton, arose after workers protested that money they were being paid to compensate for a former rations scheme was inadequate. They stopped work and were dismissed.

Police were present during the dispute.

## FRUIT EXPORTS

### Well pruned

FM 2/4/82

186

A radically "rationalised" SA fruit canning industry hopes to do well in Europe this year

The number of working export canneries has been cut from 23 to six and the intake of raw peaches (about 90% of the export canning pack) has fallen from about 140 000 t in 1980 to about 80 000 t this year. Deliveries of pears were limited to 30 000 t and apricots to 20 000 t.

Rationalisation of production is backed by a government price support scheme and a voluntary tree reduction programme for

which farmers are compensated R600-R900/ha. On the marketing side, canners have introduced a pool system and a financial equalisation scheme in terms of which participants in the export programme share expenses and returns *pro rata* to the extent of their participation.

Contracts with foreign buyers are currently being finalised for deliveries until the end of May. This will be followed by another round of price negotiations for the period to September and yet another round to determine the price of goods delivered in the final quarter. The new system of contract pricing is welcomed by large European buyers who, on many previous occasions, saw prices fall after committing themselves to a fixed price on a 12-month supply contract.

The new scheme explains why shipments of canned fruit came to a virtual standstill in February and March.

Canners welcome the new method of export marketing because it eliminates inter-canner price competition without inhibiting competition on service and quality. The new dispensation is backed by a government financial stand-by of R9m, the second tranche of which will be paid out this year.

The new deal confirms a worldwide trend in which no canning industry has been able to survive the past two difficult years without government support. In the United States and Australia, fruit canneries taken over by conglomerates, were ditched because they soon discovered that, without state aid, no fruit canning operation was viable.

In SA, Anglo-American Farms has dropped its Rhodes Fruit Farm Cannery, Vestey International has ditched Deep-

Freezing and Preserving at Somerset West, Jan Pickard sold off H Jones of Paarl and Langeberg has closed plants at Montagu and Daljosafat, to mention only a few.

Although the SA canning industry looks leaner and tougher after radical surgery, it is still too early in the season to say whether it will do better. Prices seem set to rise in the UK, but the German market seems to have fallen away.

External barriers against Third World country imports into the EEC are nearly 30%, while massive plantings of yellow cling peaches in Greece and Italy are coming into production. Whereas in the halcyon days of a mere three or four years ago, EEC growers could supply no more than 25% of requirements, new developments have pushed Europe much closer to self-sufficiency. This makes trade barriers tougher to beat.

Quality and service are of scant comfort to households with breadwinners on the dole. And with little prospect of the recession easing, cheap Greek canned fruit cannot fail to outsell quality offerings from SA, the US and Australia.





# Tiger-Sugar

*Star 3/4/82*

## new food giant

*186*

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A new company, Tiger-Sugar, will make its debut on the Johannesburg Stock Exchange as the biggest food group in the country following the merger of Tiger Oats and the sugar interests of C G Smith in a deal worth more than R400 million

The deal will put Barlow Rand, which will control the new company through its subsidiary C G Smith, back into the top position as the country's largest industrial conglomerate — a position from which it was replaced by the merger of Amic and Debincor

It is one of the biggest deals Barlows has been involved in since its takeover of Rand Mines 10 years ago.

Besides giving Barlows an important investment in the basic food industry to complement its sugar interests, the compli-

cated package deal will result in its gaining strategic holdings in selected group companies

The deal is unusual in that shareholders are not offered a cash alternative but may only exchange their shares

In the first aspect of the deal Tiger Oats shareholders will be offered three alternatives

- They can ignore the offer and remain in the company

- They can go into Tiger-Sugar

- They can go half into Tiger-Sugar and half into Barlows

The share exchange has been calculated as a package on an equation of earnings and assets.

There will be no material effect on the net assets, earnings or dividends a share of Barlows and C G Smith

*Sec. D.*

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

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Examiners' Initials		

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(to be copied from the heading on the Examination Paper)

Paper No  
(to be copied from the heading on the Examination Paper)

**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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186  
**Mill workers'**  
*S. Tribune 4/4/82*  
**rates go up**

MINIMUM pay rates of all mill workers covered by the Industrial Agreement received an 18 percent increase with effect from Thursday, the Industrial Council for the Sugar Manufacturing and Refining Industry announced in Durban this week.

In addition, a "once-off" payment of 11 percent of the prescribed minimum rates for the period January 1 to March 31 will be made to workers.

Workers being paid above the minimum will receive a pay increase of not less than 15,75 percent from Thursday — less any interim increases given since October 1, 1981.

The new minimum pay rates will range from R172,42 monthly to R225,24 monthly for unskilled workers; from R259,13 to R480,39 for semi-skilled; and from R580,06 to R760,45 for skilled workers. Durban rates are on a higher scale.

11

# Rumpus over day-old milk...

C. Herald

186

8/4/82

THE 500 Van Riebeeck Dairy workers who went on strike on Monday went back to work on Tuesday morning. Later that day a number of housewives, who normally buy milk from other dairies, complained about being given milk bottled in Van Riebeeck bottles.

Housewives, living in black areas, complained on Tuesday that they had been delivered the milk which could not be delivered because of the strike at Van Riebeeck Dairy on Monday.

Cape Herald was unable to confirm whether deliveries of "day-old" milk were confined to black areas. However, it was confirmed that milk in Union Dairy bottles had been delivered to some regular customers in Mulzenberg while a number of people in black areas serviced by Union Dairy reported they had been given milk in Van Riebeeck bottles.

**BOTTLED**  
In Wynberg, families who spoke to us told us that they were given milk bottled in Joyce's Dairy bottles while their friends in Grassy Park were given milk bottled in Van Riebeeck bottles. Joyce's dairy normally services both areas.

**ACCEPTED**  
A Union Dairy spokesman, Mr Anderson — he would not give his first name or position at the firm — denied that this had happened. He said that Union Dairy was only able to deliver milk in Van Riebeeck bottles because all Union Dairy's milk was usually bottled by Van Riebeeck. However, because of the strike they had not bottled any milk for Union.

Earlier a switchboard operator at Union told Cape Herald that they had delivered milk bottled in both Union Dairy bottles and in Van Riebeeck dairy bottles. She said that because of the "problems" at the Van Riebeeck factory, they had taken their own staff and "grabbed everything they could get at the factory."

One of the workers' demands was that the basic salary be increased from R175 to R200 a month. This was granted. The workers also said that their hours were too long and that their work was dangerous. If they were robbed, they had to pay back the stolen money themselves.

**TRANSKEI**  
Some of the workers claimed that they were required to work from 1 am to 3 pm on occasion. They say that their foreman is sometimes rude to them and that they hardly ever received overtime pay.

The workers said that if they went to the Transkei while employed by Van Riebeeck they were paid the basic wage when returning from renewing their contracts.

Mr R R Ranson, Van Riebeeck's Manpower director, said that he was aware that workers who went to the Transkei to renew their contracts were paid the basic wage. "This happens because, when they return, they have to learn a new round; so, while they are learning, they get the basic wage", he said.

Mr M O'Connor, the marketing manager, said, however, that workers were never paid the basic wage when they returned from renewing their contracts.

**TRUCKS**  
"As far as I know this has never happened. When they return they get the same job and the same pay," he said.

"The deliverymen who start work at 1 am do not get back all that late. I cannot tell you what time they do get back, but the 150 trucks are sent out between 1 am and 6 am and they usually get back in the order they were sent out.

I must also point out that any job has its dangers, and when they joined the company they were told what was expected of them," he said.

He pointed out that if the workers had any grievances they should take them up with the liaison committee or the "senior bantu staff".

All dairies were delivering milk bottled in their own bottles on Wednesday morning.

Diamond Cutters Union of S.A. Association of Dental Optical Workers Union  
S.A. Diamond Workers Union

ELECTRICITY, GAS AND WATER

Cape Town Gas Workers Union  
Escam (Cape Western Under-  
Escam Salaried Staff Assoc  
Escam Workers Association  
General Workers Union  
Johannesburg Municipal Water

CONSTRUCTION

Amalgamated Society of Wood  
Amalgamated Engineering Uni  
Amalgamated Union of Buildi  
Black Allied Workers Union  
Blankebouwerkersakbond  
Building, Construction and  
Building Workers Union  
Electrical and Allied Trades  
Electrical and Allied Worker  
Engineering and Allied Work  
General Workers Union  
Metal and Allied Workers Uni  
National Union of Engineerin  
Port Elizabeth Operative, Pl  
S.A. Operative Masons' Socie  
S.A. Woodworkers  
Steel, Engineering and Allie  
S.A. Electrical Workers Assoc

WHOLESALE & RETAIL TRADE AND

Black Allied Workers Union  
Commercial, Catering and Allie  
Concession Stores and Allied  
Domestic Workers and Saleslad  
Kimberley Shop Assistants, Wal  
National Union of Commercial,  
National Union of Distributive  
Pretorase Vakbond vir die Kle  
Transvaal Retail Meat Trade  
Catering and Accommodation

Commercial, Catering and Allied Workers Union  
East London Liquor & Catering Employees Union



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# Man dies, 3 injured in maize silo accident

## Own Correspondent

MARITZBURG — One man died and three received treatment after firemen had used rescue harnesses to hoist unconscious workers from the bottom of a silo at a cooking oil factory here yesterday.

The accident occurred about 9am when a worker collapsed while levelling a mound of maize germ in a 30m silo at the Epic Oil Factory in the Willowton industrial area.

“He was spotted by his fellow worker at the top of the silo who

ran to alert us,” the factory’s manager Mr F J Naude, said last night.

“They always work in pairs for safety’s sake.”

“We rushed to the scene where one of my colleagues, Mr C S Nel, started down a rope ladder to the unconscious man several metres below us.”

“He had descended only a short way before returning to the top to tell us it was impossible to breathe down there. We ran to call the fire Department and Ambulance.”

“While we were away, two of the unconscious man’s workmates decided to try to go down to him. We got back to find all three lying on the bed of maize,” said Mr Naude.

Three firemen wearing breathing apparatus were lowered to the maize bed in an emergency harness. They brought the three unconscious men to the surface where they were loaded into waiting ambulances.

Three of the victims were taken to the Northdale hospital where Mr Kenny John, 23, and Mr Y

Moodley, 18, were treated and discharged. The name of the man who died could not be released until his next-of-kin had been informed, a spokesman for the hospital said.

Mr Nel was taken to Greys Hospital, where he is under observation. He is expected to be discharged tomorrow.

Work at one of the factory’s 10 silos came to a standstill after the incident, but continued at the others.

Police at the scene took samples of the maize to try to determine the cause of the accident.

# Rowntree strike: new move

C. Herald 10/4/82

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LONDON. — Shareholders in Rowntree Mackintosh, the giant confectionery combine, are being urged to force the company to step in and clear up the trade union row at its South African subsidiary, Wilson Rowntree

Members of the Anti-apartheid Movement (AAM) and the Transport and General Workers' Union, Britain's biggest, are canvassing Rowntree shareholders here to support a motion at this year's general meeting which will condemn the company's 'stand-off' attitude towards the trade

union dispute at its subsidiary

The row centres on Wilson Rowntree's refusal to recognise the black trade union, the South African Allied Workers' Union (SAAWU)

## ACTION

A spokesman for the anti-apartheid movement said 'We are keeping up the pressure on Rowntree Mackintosh to take action in South Africa

'We hope to force the company to step in and clear things up at its South African subsidiary'

The Trade Union and AAM will seek support from religious, local authority and pension fund shareholders in Rowntree Mackintosh

The possibility of a boycott of Rowntree products in Britain is under discussion

## DISMISSAL

The row at the East London sweet factory started in February last year with the dismissal of three workers who claimed they were asked to do work that was not part of their job category.

Representations made by other workers were unsuccessful and was followed by the dismissal of about 500 workers

Several of SAAWU's leaders have been detained and harassed since the strike which kicked off a national boycott of Wilson-Rowntree products



# Anger over policy on abattoirs

~~Meat~~ (186)  
~~Meat~~ 17/4/82

By Hannes Ferguson

Stock farmers and country butchers are up in arms against the Government's "socialist" policy of centralising country abattoirs

The Deputy Minister of Agriculture, Mr Sarel Hayward, confirmed in Cape Town yesterday that old abattoirs would have until December 1984 to comply with the very strict, hygienic standards set by the large urban abattoirs.

Municipalities operating abattoirs which did not conform to minimum requirements would face the withdrawal of their abattoir licences

A spokesman for the SA Agricultural Union commented that hygienic standards were necessary, but in the case of country abattoirs unrealistic demands were sometimes made.

This could lead to uneconomic expenditure for which the farmer had to pay.

## COMMITTEE

The deputy chief meat hygiene officer of the Department of Agriculture, Dr Jan Coetzee, said that the Abattoir Commission, had to provide the South African consumer with clean, healthy and wholesome meat

A committee consisting of the chief meat hygiene officer, Dr J P van der Merwe, and the chairman of the Abattoir Commission, Mr H J L du Toit, had been set up to determine which country

abattoirs would have to close.

Country butchers objected to the regional "meat palaces" to be built at exorbitant cost. These would increase slaughtering fees from as low as R2,50 a head of cattle to as high as R40, for which the consumer had to pay.

The R14 slaughtering fee at the Johannesburg and Durban abattoirs was already excessive, butchers said.

## TRADE'S TASK

It was the trade's task, not the government's, to supply the consumer with "healthy, clean and wholesome" meat, butchers claimed. Reasonable inspection was always welcome.

The chairman of the Abattoir Commission, Mr H J L du Toit, said that to improve the turnover of expensive, newly-built country abattoirs, a levy would be placed on meat sold in butcher shops that had been slaughtered in other towns with lower abattoir fees.

Inspectors would check to see that no one brought in meat from older abattoirs in neighbouring towns

A spokesman for the Federation of Country Meat Traders said in Cape Town that the committee implementing the government's country abattoir policy consisted of two civil servants without a stock farmer or butcher as member

This was "officialdom made almighty" in a "socialist" set-up, the spokesman said

# Wilson-Rowntree action spreads to Lesotho

RDM

By MIKE PITSO  
Mail Africa Bureau

MASERU — The Lesotho branch of the Wilson-Rowntree boycott committee, formed two months ago, held its first Press conference in Maseru on Thursday

The committee was formed by representatives of various Lesotho trade unions and other organisations, to express solidarity with the 500 workers dismissed by Wilson-Rowntree last February in East London, following a strike

The committee, which is raising funds for the workers, discourages businessmen from purchasing Wilson-Rowntree products

The committee has also appealed to expatriates in Lesotho to contact their home-trade union to express solidarity with workers dismissed from their jobs in South Africa

Mr Adrian Clarke, a Briton living in Lesotho, is the secretary of the committee

He strongly attacked the British Wilson-Rowntree company for working within South Africa's apartheid policies

He said there was an unholy alliance between the South African Government and Ciskei, whereby workers would be suppressed indefinitely

He added that it was now clear that the South African homelands had been created to become cheap labour reservoirs

Dr Peter Jackson, a former Labour MP in Britain who is now on the staff of the National University of Lesotho, said workers in South Africa were being denied the right to join unions of their own choice

Workers throughout the world had to exert pressure to bring about change in SA.

He said pressure in Britain had forced Barclays Bank, for example, to improve conditions for its workers

Various trade unionists in Lesotho expressed solidarity with the South African workers

One of the students from the National University of Lesotho said "Lesotho is one of the main exporters of workers to South Africa. There is no doubt they will also be victims"

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April 1982



186 (208) Hansard  
Infant food formulas  
Q Col. 653 - 654 21/4/82

\*4 Mr P H P GASTROW asked the Minister of Health and Welfare

Whether his Department contemplates taking steps to effect the implementation in the Republic of the World Health Organization code relating to the marketing of infant food formulas, if not, why not if so, what steps?

†The MINISTER OF HEALTH AND WELFARE

No, adequate legislation already exists in the Republic and most of the other general principles on which the code is based have been Departmental policy for a long time. Prior to the publication of the World Health Organization document the De

21 APRIL 1982

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partment took the initiative to consult all the medical faculties of our universities in regard to foodstuffs for infants and children and as a result thereof draft regulations were published during February 1982 in the *Gazette* for information and comment. The promulgation of the regulations will be considered after the closing date for comment.

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WESKAPSE PLOFSTOF EN CHEMIESE OPERATEURSVERBAND

# Young lion at heart of Tiger

186 Star 22/4/82

The man at the centre of the complicated financial integration of Tiger Oats into the Barlow Rand empire describes himself as an uncomplicated and informal person.

Mr Warren Clewlow (45), chairman of C G Smith, whose sugar interests merged with Tiger Oats to form Tiger-Sugar, says the deal was a great challenge to all parties involved.

"I would be most disappointed if the synergy does not manifest itself in the next few years. I would take it personally.

"Food is something new for Barlows and it will test our mettle," he says

As probable chairman of Tiger-Sugar, the country's biggest food group, his informality will help him retain the common touch.

## Good mixer

Like other executives at Barlow Park in Sandton, he often eats, sometimes jacketless, in the staff canteen, stopping briefly to chat with other employees.

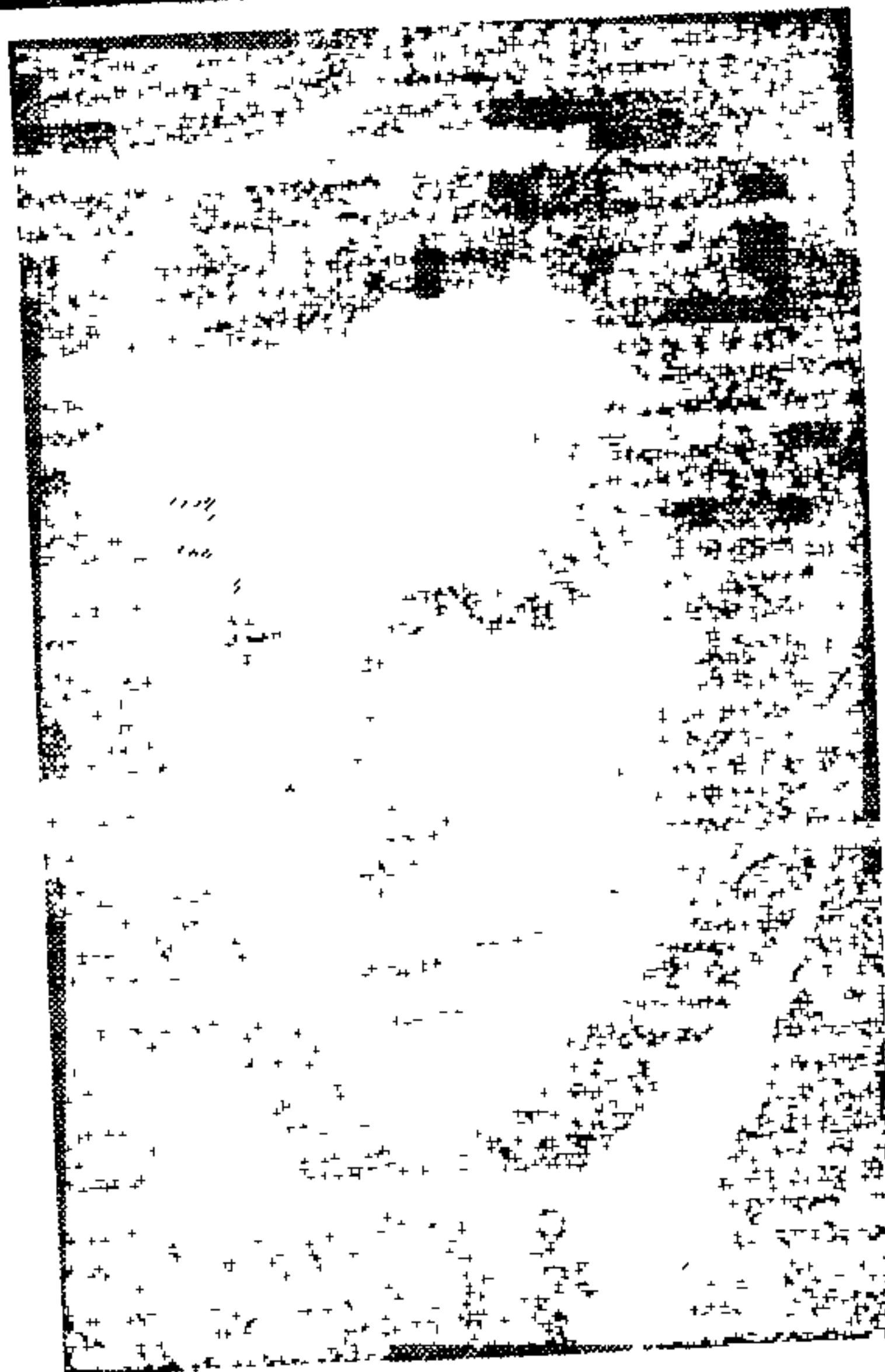
In his office there is no desk to separate him from people coming to see him. He works, relaxed, from a comfortable armchair.

Mr Clewlow epitomises the style of leadership forged by Punch Barlow as the company rose to become the country's biggest industrial conglomerate.

## Low profile

This can be summarised as keeping a low profile, placing the right people in the right job and giving

The creation of Tiger-Sugar in the complex deal between Barlow Rand and Tiger Oats launches a new food colossus. MERVYN HARRIS interviews the young lion at the centre of the merger.



Mr Warren Clewlow . . . "I take a lot of advice and relevant opinions and mould these strands together."

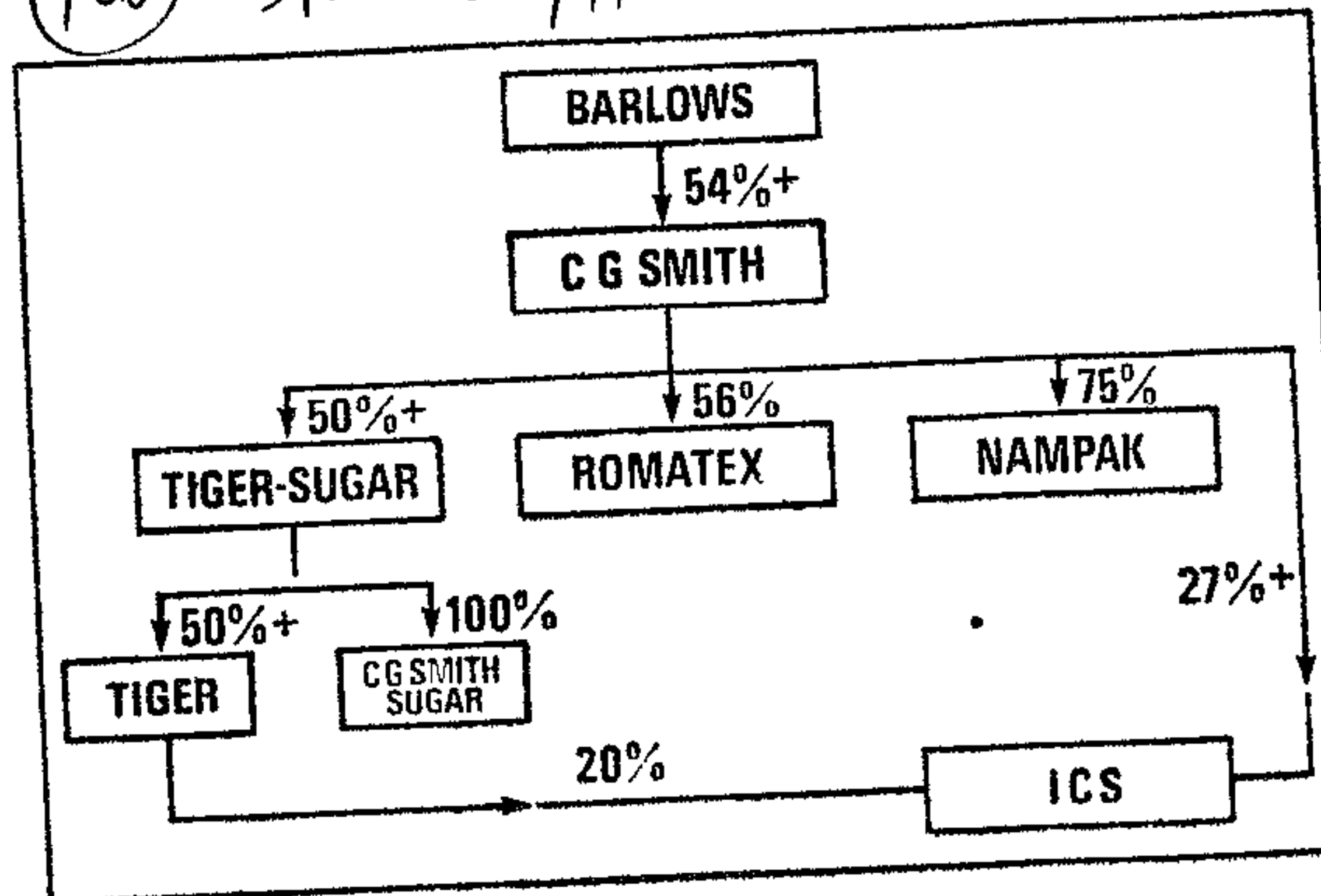
them support and encouragement, and recognition that ordinary people are important to the company at all levels.

Mr Clewlow says he was lucky to be associated with the group as it was growing and providing opportunities for people. When he joined Barlows 19 years ago it was much smaller than many of the companies it has since acquired.

Born and educated in Durban, he qualified as a CA and was sent

to Rhodesia by the Durban office of a firm of accountants

Responsible for auditing some of Barlow's then recently acquired interests in Rhodesia,



How Tiger Oats will be integrated into the Barlow Rand empire following its merger with the sugar interests of C G Smith to form Tiger-Sugar. The deal enabled Barlow Rand to obtain or improve strategic stakes in several other companies, including Nampak.

he was offered a job by the group and served his apprenticeship with the Caterpillar division in Bloemfontein

## Turning point

The turning point in his career came when he was transferred to Windhoek and took control of Barlow's interests in South West Africa.

"I had started with the company on the financial side and saw for the first time that Barlow's gave management the responsibility to get on with the job while giving the necessary support and encouragement.

"Ever since then I have never underestimated the importance of giving support and encouragement to colleagues."

The seminal nature of the five years he spent at SWA Commercial Holdings is shown by the fact that half the pictures in his office are of SWA landscapes

His success there resulted in his being appointed managing director of Barlows Manufacturing in Johannesburg in 1972. He became an alternate director of Barlows itself in 1974 and a full director the following year.

## Ambition

A reserved person, Mr Clewlow visibly shudders at the suggestion that ruthlessness had anything to do with his rise to the top echelons of power.

"My ambition has always been to be able

to give of my best. I would feel embarrassed if I felt I was not giving of my best in whatever I did.

"I want to do well for my company but I am not a perfectionist — I'm a strategist and a planner. It is not my nature to do things on the spur of the moment.

"You could say I am a dull planner," he adds.

He is quick to praise his colleagues and points to the team effort involved in a firm like Barlows.

"I am conscious that one does not do things alone. I take a lot of advice and relevant opinions and mould these strands together.

"The links I have built up in the group

with people I can call on who have the experience helps me. It is what colleagues are there for."

Mr Clewlow regards the fellowship and ability of Barlows to absorb people into the group as one of its great assets.

"We maintain a balance between an informal and formal group," he says.

## Grown too big?

Is Barlow Rand becoming too big to maintain this balance?

"Size is not the problem," Mr Clewlow said. "It is keeping to a successful formula.

"The group has recently been reorganised with a view to ensuring that the formula which has been successful for the group until now will continue well into the eighties."

Hardworking and with a large family, he also tries to keep his activities in balance between his responsibilities as a family man and his functions as a top businessman.

## No advertising

His social conscience also rises to the surface but like most of his and Barlows' other activities, it is not something he likes to advertise.

Nor has it been necessary for Mr Clewlow and Barlows to blow their own trumpets. The mettle shown in the past augurs well for the new food giant which will soon make its debut on the Johannesburg Stock Exchange.



## Profitable alternative

FM 23 4.82

Faced with the prospect of possible closure as Cape fruit canners lost close to R20m last year, a Somerset West canner took a R7m gamble for survival. It's paying off.

Deepfreezing and Preserving Pty, wholly-owned by the Vestey family's Union International ("one of the largest food groups in the world"), all but shut down its canning lines and switched to the production of concentrated fruit puree. Within a year of commissioning the new plant, its intake of raw fruit is about 17 000 t. This exceeds the volume of fruit taken in the days when deciduous fruit canning was a paying proposition.

MD Robin Richards and export manager Ben Ludik started looking for an alternative to canning during 1980, when all the signs pointed to hard times and possible closure. At the time they were producing limited volumes of concentrated fruit puree for the manufacture of Liquifruit at the

### Appletiser plant at Grabouw

This was to be the alternative. A feasibility study yielded plenty of willing foreign buyers, but shipping costs appeared so daunting that an alternative packaging method had to be designed.

The solution turned out to be the scholle bag, the laminated, aseptic container made famous by the wine industry and better known as the bag-in-the-box. Puree pumped into 227l scholle bags under total vacuum (aseptic) conditions has a "shelf" life of about a year. Bags are packed into sturdy cardboard containers which can be palletised and packed into 20 ft equivalent unit shipping containers taking 64 teu.

Current exports will probably take up the lion's share of 1982 production of 17 000 bags. Among the heavyweight buyers in 10 countries are Mitsubishi, Gerber and Heinz. Large quantities of the puree are also shipped to Muslim countries where booze is taboo.

FOOD

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## Heat off meat

FM 23.4.82

The price of red meat is not likely to go up substantially this year. A decline in consumption over the last 18 months has alleviated supply problems which caused the prices splurge of 1981.

Auction prices of super beef shot up from 118,9c/kg in 1979 to 171,3c/kg in 1980, and reached a high of 228,1c/kg in January 1981.

Since then levels have more or less stabilised and the economic dip, and fall in demand will keep prices steady.

Also, supermarkets are endeavouring to keep prices down. Last year Pick n Pay took a decision to aim for lower margins with increased turnover and it was very successful.

Says Pick n Pay meat director Guy Hawthorn "This year we have decided that our butcheries will not increase mark-ups."

### Feedlots

Hawthorn says that Imperial Cold Storage, Karoo Kanhym and Vleissentraal are laying down feedlots which will go a long way to evening out the fluctuations in the size of the national herd, and therefore supply.

"The feedlots supply direct to retailers," he explains, "and the size of the herd will thus have less influence on retail markets and prices."

Checkers fresh meat GM Allen James says if beef prices are too high consumers turn to poultry and white meat which already account for about 60% by volume of animal protein sales.

He says an expected surplus will cut poultry prices and hold down beef prices at the same time.



## DRIED FRUIT

### Sweet grapes

(186) FM 23.4.82  
Dried fruit sales are holding up surprisingly well — unlike those of the canned fruit industry.

While canned deciduous fruit exports to Europe dropped 25% during the past year, sales of dried fruit abroad have risen 10%.

Latest SA Dried Fruit Co-op figures show that exports increased from 18 500 t worth R27,3m in 1980 to 19 800 t worth R30,1m in 1981

Exporters of canned deciduous fruit have had to cope with a growing number of European competitors protected by the EEC

Says Noel Lawson of the SA Canned Fruit Export Board "Although these countries can fruit of inferior quality, subsidisation allows them to produce much cheaper than in this country, the US or Australia"

Dried fruit exporters, on the other hand, are not greatly affected by the EEC protection, even though most of their sales are to the UK Over 80% of dried fruit exports are made up of sultana grape types, which are not produced in any great quantities in Europe.

Dirk Viljoen, manager of the Dried Fruit Board, says "Our main competition in sultanas comes from non-EEC countries As long as that's the case, I think we are fairly safe"

# Sugar industry row aired in Court

## Mercury Reporter

THE Industrial Court yesterday began a week-long sitting in Durban to consider the distinction between farm labourers and industrial workers in order to resolve a dispute within the sugar industry which has been going on since 1950

The Sugar Manufacturers and Refining Employers' Association and the National Union of Sugar Manufacturers and Refining Employees have asked the Court to consider whether workers loading sugar cane to be transported to the mills fall within the Sugar Industry's Industrial Council rules

## Excluded

The hearing is being presided over by the president of the Industrial Court, Mr B J Parsons, and the deputy president, Dr D B Ehlers

In terms of South Africa's labour legislation, farm labourers are excluded from industrial council agreements

Advocate K R McCall, appearing for the Sugar Manufacturers' and Refining Employers' Association, told the Court that in the days of private tram

lines there had been a dispute as to whether locomotive drivers and mechanics transporting cane were engaged in agriculture or industry

'A ruling had been obtained from a Government law adviser which said they were employed in farming operations and therefore were excluded from the industrial council agreement,' he said

'The engineering union

had never been happy with the ruling and in 1969 the industrial council had again taken counsel from a Durban attorney who had disagreed with the previous ruling of the Government law adviser

'The Industrial Council for the Sugar Industry has always acted on the basis that the industrial agreement commences from the time that the cane goes

over the weighbridge in the miller's yard

'Everyone within the physical boundaries of the mill yard is treated as if he were subject to the agreement'

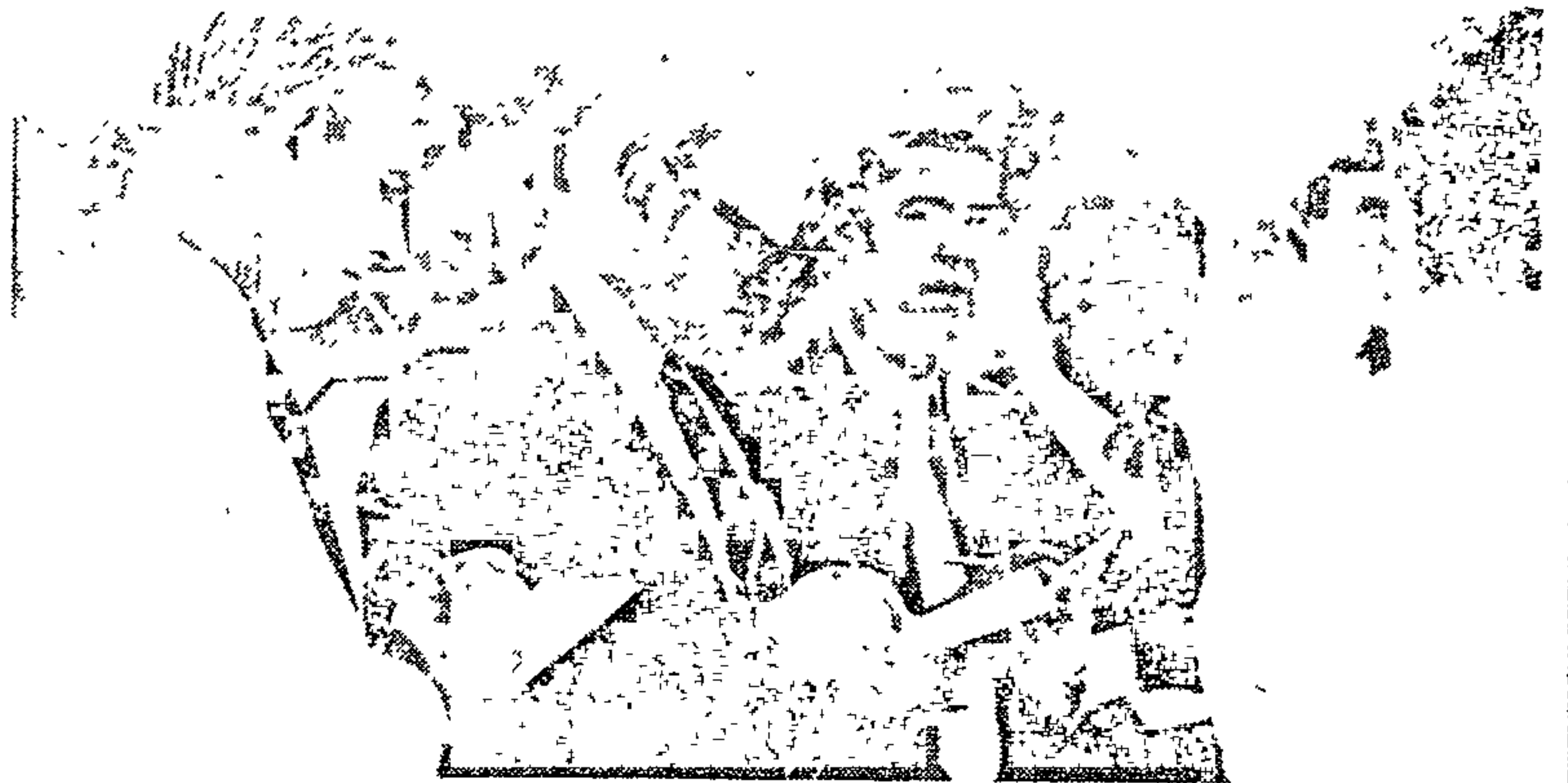
When one went outside the boundaries of the mill yard the dispute began

Mr McCall told the Court that this specific dispute began last year over workers loading and

unloading sugar at the Chaka's mill site

'The dispute was referred to the industrial council but was not resolved there and the union made its original application to the Industrial Court.'

The hearing continues today Advocate M Pillmer appeared for the National Union of Sugar Manufacturing and Refining Employees



THE Court in session in the cane . (far left) deputy president Dr D B Ehlers and (left) the president, Mr B J Parsons



# Court looking

# at status of sugar workers

28/4/82 Mercury

## Mercury Reporter

IT WAS important for the sugar industry that costs were maintained at a low level so that it could successfully compete in the export markets, the general manager of C G Smith's Management Services, Mr Don Macleod said yesterday

He was giving evidence in this week's Industrial Court sitting to consider the distinction between farm labourers and industrial workers in order to resolve a 30-year-old dispute within the sugar industry

The dispute revolves around the status of workers loading and unloading cane at 'mill sites' and 'loading zones' and who have been regarded as agricultural workers and therefore not covered by the Sugar Industrial Council agreement

The Industrial Court, which is being presided over by the president, Mr B J Parsons and the vice-president, Dr D B Ehlers,

has been asked by the Sugar Manufacturers and Refining Employers' Association and the National Union of Sugar and Manufacturers and Refining Employees to consider whether these workers should not fall within the agreement

Mr Macleod told the Court that if cane loading workers were brought into the Industrial Council agreement each miller/planter — a miller who also farms sugar — would have to pay a higher transport rate and therefore would be prejudiced in comparison with the farmer

Under cross-examination by Mr M Pillimer, representing the National Union of Sugar Manufacturers and Refining Employees Union, Mr Macleod conceded that the present sugar transport system was in the interest of the miller

'It is absolutely essential for the miller to make

sure the cane is delivered properly in order for the mill to operate,' he said

Mr Pillimer said it was therefore in the interest of the miller to continue the present transport operation even if he had to pay higher wages to the cane loader workers

Earlier, Mr K R McCall, representing the Sugar Employers' Association, outlined the numerous types of 'mill sites' and 'loading zones' where cane was loaded before being transported to the mill

The Court heard how a substantial number of workers — more than 543 — employed at these sites to load and unload cane were paid agricultural wage rates, but no contributions to an unemployment insurance fund were paid. Workers covered by the agreement had the benefit of an unemployment insurance fund

The hearing continues today

# Simba pilferage row erupts

(186) Star  
1 28/4/82

The giant Simba Quix firm on the East Rand yesterday denied "forcing" seven workers to resign for pilferage

Seven men complained to The Star, the manager for the western Transvaal depot of Simba Quix frequently deducted money from their pay for missing packets of chips. Workers said "cartons were short-packed

somewhere between the packaging department and stores"

Spokesmen for the seven salesmen-drivers, Mr Y Sopy Dawood and Mr Mily Makda Ebrahim, said they had repeatedly complained about "short-packing"

Simba's group personnel manager, Mr U R Combrink, denied the claims and said shortages were deduc-

ted only when salesmen could not give satisfactory explanations.

Mr Dawood said he was coerced into resigning last week when he was held responsible for loss of goods worth R2 030.

Six others resigned in sympathy. They said pilferage among some supervisors and packers was blamed on salesmen

Industrial Council for the Building Industry (Port Elizabeth)

Industrial Council:

Registration: Yes

Founded:

Area of Operation: Port Elizabeth

Officials: Secretary: B. Despard

Address: P.O. Box 534 Port Elizabeth 6000

Telephone:

Year	Membership			
	African	Asian	Coloured	White
1980				38
1979				38
1978				38
1977				38
1976				38
1975				38
1974				..
1973				38
1972				..
1971				..
1970				..
Total				38

PORT ELIZABETH OPERATIVE PLUMBERS EMPLOYEES ASSOCIATION



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~~186~~

E. Post 4/5/82

# 'Monopoly in fruit canning, baking'

Political Correspondent

CAPE TOWN — Accusations of monopolistic practices in the fruit canning and baking industries have emerged in the report of the parliamentary select committee on public accounts

The records of the committee's hearings — tabled in Parliament yesterday — reveal monopolistic canning practices have forced the price of cans for fruit higher than the cost of

the fruit itself

In another instance, members of the committee have complained about the Government's wheat subsidy scheme, which they allege only serves to benefit a few large producers and squeezes out competition

In evidence before the committee, Mr A V van der Merwe, acting chairman of the Canned Fruit Board, revealed that in 1980 the total cost of cans was R47 million while the fruit inside

cost only R30 million

Mr Van der Merwe revealed that the board could have imported tins from Australia more cheaply than Iscor could deliver them in South Africa. He confirmed that there were no other canning manufacturers in the country

He admitted that as a result of canning costs, the price of the canned goods could not compete with fresh fruit in attracting black consumers

Further evidence at a different meeting of the committee was that at present, only four major organisations in South Africa produced standardised bread qualifying for State subsidy

Mr C D Cilie, the chairman of the Wheat Board, admitted that to an extent, the small baker could not compete because the board paid subsidies only to the larger bakeries licenced to

produce standardised bread

He argued that control over the paying out of subsidies could best be maintained by supervising large bakeries

If licences were granted to smaller bakeries, it would require a massive increase in staff salaries to keep the staff necessary to monitor the subsidised bread and pay the subsidies

# Fattis and Monis goes to Premier

*Star 5/5/82* *(186)*

By Mervyn Harris

The Premier Group is to acquire control of Fattis and Monis Industries

The announcement was made by the chairman of Premier, Mr Tony Bloom who said that details of the takeover would be released soon

## EXCHANGE

Another Premier company Jabula Foods, is to be sold to Fattis and Monis in exchange for shares

Premier has also commissioned a new corporate headquarters at The Wilds in Killarney. Occupation is scheduled for the end of 1983

Records tumbled at Premier Group in the year to March but the group is gearing for a testing period in the current financial year

Increased profit in nearly all divisions pushed up attributable earnings by 28 percent from R41 million to R52.3 million

The final dividend was increased from 29c to 37c to boost the total payout by 27 percent from 51c to 65c a share

Sales for the year exceeded R1 500 million for the first time

reaching R1 504.3 million, out of which trading profit rose from R84.3 million to R112.1 million

## FACTORS

Interest took R21.5 million (R16.6 million) and taxation was R8.2 million higher at R29.9 million. After minorities and preference dividends, earnings a share climbed 28 percent from 159c to 203c

The rise in attributable profits was achieved in spite of the big increase in interest charges and was attributed to various factors

These included the higher level of turnover, improved control of group working capital and cash resources, manufacturing efficiencies as a result of tight control and high use of plant capacity, the benefits of the heavy capital expenditure programme in recent years and good results from Gallo

The chairman, Mr Tony Bloom, says that the group also improved financial structure with total borrowings as a percentage of shareholders' funds at 65.1 percent at year-end compared with a

financial objective of 85 percent

Total loans as a percentage of total assets were 29.5 percent against an objective of 40 percent. Short-term loans as a percentage of total loans were 29 percent against an objective of 40 percent

The rise in interest rates was anticipated and medium-term facilities of R30 million were secured last year at a rate of 8.25 percent

This will increase by 0.75 percent a year until mid-1983 when the rate will become market related

With the increase in company taxes and a further big rise in the groups total interest cost expected this year, Mr Bloom says that management control of costs and working capital will be required to enable Premier to achieve its growth objective of 20 percent a year compound

Premier shares firming 25c to a bid price of 1200c ahead of the results. This puts the share on a prospective dividend yield of 5.4 percent — in line with the average of 5.2 percent for the food sector

# Pepkor

CAPE TOWN — Pepkor, the Cape-based retailing and manufacturing group increased net profit by 38 percent in the financial year ended February 28

Its net profit, after allowing for tax and interest payments, amounted to a record

R184 million, compared with R131 million issued by the group in the financial year ended February 28. This means that the group's net profit has increased by 38 percent

# Pretoria Portland hit by tax

The results of Pretoria Portland Cement (PPC) for the six months to the end of March show that earnings a share have increased by 22 percent over those for the same period last year. The interim dividend has been raised to 19c (16c)

However, the directors expect that earnings a share for the full year to the end of September will show an increase of only 12 percent over last year, reflecting lower demand for cement and lime and the effect of higher taxation

The interim report shows that sales increased to R129.4 million from R103.4 million. Pre-tax profit at R33 367 000 compares with R26 114 000 in the comparative 1981 period

Tax takes R14 663 000 (R10 795 000) leaving an after-tax profit of R18 704 000 (R15 139 000)

The directors expect cement sales to decline in the next six months

and over the year marginally those for 1981. They were moved to on cement that their increase prices as necessary to adequate sets employed. "The for cable under control will be long as it objective port

This policy however aimed for the current Pretoria Cement into tinuous with rationalisation of cementing of cementing efficiency to produce delivered the benefits user"

PPC estimates in the next it will spend lion on capex. This out of interest and facilities — Sapa



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# HO



# Premier pushes profit up 28%

By HOWARD PREECE

THE Premier Group increased attributable profit by 28% to R52 300 000 for the year to March 31 — with turnover reaching R1 504-million — from R41-million in 1980-81.

The final dividend has been raised from 29c to 37c to make a total of 65c (51c).

Earnings a share were up from 159c to 203c.

Sales were up by 25% from R1 205-million in the previous year.

Premier is primarily a food group with its main interests in the processing of wheat, maize and oil seeds

It has diversified, however, and controls Gallo, the musical group, and has joint control of Ovenstone Investments in fishing

Premier itself is a 51%-owned subsidiary of Associated British Foods

Gross trading profit last year jumped by 33% from R84 300 000 to R112 100 000

There was a heavy jump in interest charges — from R16 600 000 to R21 500 000 — but this still left taxed profit 34% higher at R60 700 000 (R46 100 000)

A significant rise in the payment to minorities — basically because of the success of Gallo — increased the contribution of pref dividends

**186** and is to **230**  
7/5/82 100M  
**take over Monis**

Financial Editor

THE Premier Group is taking over Monis & Fattis Industries, makers of pasta, bread and other foodstuffs.

An announcement yesterday by Barclays Merchant Bank says Premier "intends to merge the trading activities of its subsidiary Jabula with those of Monis & Fattis as it is expected that such a merger will create a more diversified base with benefits to the shareholders of both companies"

Premier is to acquire 50,025% of Moni Bros (Pty) which holds some 80% of Monis & Fattis

No details of the bid have been revealed but the announcement says a comparable offer will be made to the minority shareholders in Monis & Fattis by Premier.

Full details will be published in about four weeks time.

Shareholders of both Monis & Fattis and Jabula are advised to exercise caution in the meantime.

Monis & Fattis made an attributable profit of R1 624 000 in the year to January 31, 1982, from a turnover of R42-million.

The directors forecast "a further satisfactory increase in profits" this year

It was disclosed by the chairman, Mr J J Moni, at the end of last month that the company might have to sell some of its SA Breweries shares (worth about R5 500 000 in early April) to help liquidity

and minorities from R5 100 000 to R8 400 000

Among other points made by the chairman, Mr Tony Bloom, are

● There were increased profits in nearly every division of the group last year

● Total borrowings as a percentage of shareholders funds were 65,1% at the end of the year against an objective of 85%.

● Total loans were 29,5% of total assets against an original objective of as much as 40%

● A surplus of R20-million has been added to fixed assets arising from a revaluation of some land and buildings

● The return on ordinary shareholders funds eased fractionally from 22,8% to 22,6%, mainly because of the asset revaluation.

COMMENT. Premier ran into problems for various reasons in the 1975-77 economic recession.

In the last few years, however, it has made a handsome recovery.

Earnings a share have risen steadily — 84c in 1977-78, 90c in 1978-79, 111c in 1979-80, 159c in 1980-81 and now 203c for 1981-82.

Over the same years the total dividend advanced solidly: 32,5c, 33c, 39c, 51c and 65c.

Excellent though that per-

formance has been, however, it has mostly come in easy to boom times (although the second half of the past year was certainly a difficult time on interest rates)

Now the economy is heading back into recession, but Premier certainly looks to be preparing for it in better shape than last time round.

Even so, Mr Bloom has revised his hope-cum-forecast of an annual earnings increase of 20% minimum from a net to a pre-tax basis for this year.

That is perfectly reasonable and, if achieved, will reflect well on Premier's ability to handle difficult times.

However, that could mean that attributable profits will be up by "only" about 12,5% this year, less than the likely rate of inflation.

Although Mr Bloom rightly points to the burden of interest rates Premier is partly protected by the group's foresight in securing R30-million at medium-term facilities last year at the giveaway rate of 8,25% with an 0,75% escalation clause to mid-1983 when the rate will then reflect market levels.

Some overseas loans were also arranged

The fact that profit last year was up by much the same amount whether calculated before or after interest charges is testimony to that foresight.

At 1 175c Premier's shares are down 20% this year, largely in line with the general market trend.

With a dividend yield of little over 5% they might still be vulnerable to any further market setback

these times of high inflation

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# State accused of playing at politics with latest price rises

SOUTH AFRICA'S fertilizer industry has accused the Government of taking political factors into account in determining the latest rise in the fertilizer price.

Mr Trevor Webb, chairman of the Fertiliser Society, said the Government was robbing the industry to pay the farmer and that the 10% price increase — set by the Cabinet — was unrealistic.

The dispute centres on the barter with Rumania in terms of which 208 000 tons of fertiliser components will be swapped for South African maize.

## RUMANIAN DEAL AND NEW PRICE CAUSES UPSET IN INDUSTRY

By GORDON EDEY

According to a source in the fertiliser industry, South Africa's maize farmers use 75% of locally produced fertiliser.

Meanwhile, maize farmers and fertiliser producers have hit out at the Government for having no long-term agricultural planning policy.

But mostly they blame each other for increased input costs in the agricultural industry and remain at loggerheads over the Rumanian barter.

But the import deal will go ahead — and with the Government's sanction.

Both fertiliser manufacturers and maize farmers are concerned about rising costs, but see the problem as lying in a different area and both still want Government protection.

Maize farmers said the mealie price was pushed up by high fertiliser costs. But the fertiliser industry said maize costs were forced up by subsidising uneconomical farmers.

Central to the problem is the dramatic about-face by the Government on free enterprise.

Two years ago in a drive for South African self-sufficiency, fertiliser manufacturers were encouraged to build ammonia plants, which turn ammonia — a form of liquid nitrogen — into a solid urea (one of the three main components in fertilisers).

Because there is no natural local gas, coal and oil had to be used to manufacture urea — and this pushed up the price.

The fertiliser industry would not have built major ammonia plants if they had known that their tariff protection would fall away, said

Mr Webb.

But permits were given to certain people, and not to others, to import fertiliser cheaply, said a fertiliser industry spokesman, in what is seen as a direct reference to the Maize Board.

It is unlikely that the Maize Board would have negotiated the 208 000-ton barter without Cabinet knowledge, said an informed source.

The Government is also under pressure from another quarter — organised agriculture — over maize price increases.

This week maize farmers were granted a 15.9% increase to R134 a ton. But the consumer price in-

crease to R155 will snowball because maize comprises about 80% of the input costs in meat, dairy products and poultry.

The final maize price increase of 15.9% granted this week has eased the politically tricky situation a little.

Maize farmers intended using the National Party split to negotiate a price increase and were demanding up to 60%.

At pre-increase prices South African maize cost \$50 a ton more than the current price on the international market in Chicago. And farmers will be subsidised.

Mr Webb said in his report

that the Cabinet decision to fix unrealistic prices had been made worse by increased costs.

● The further weakening of the dollar which will add R6.5-million to fertiliser industry import bills.

● Increased railage rates add another R2.8-million to the bill.

● The imposition of an import duty which will add another R6-million to the cost of raw materials.

"In the light of what I have said about the non-recovery of costs to the tune of R69-million it is clear that the Government is adopting a policy of robbing Peter (the fertiliser industry) to pay Paul (the farmer)."



# UK trusts may help in Rowntree strike

186 ~~186~~ ~~186~~ Sowetan 11/5/82

LONDON — The two largest shareholders in the Rowntree Mackintosh confectionery group — the philanthropic Rowntree Trusts — may join the growing protest against the company's bitter and controversial stand over trade unions in South Africa.

The Joseph Rowntree Memorial Trust and Joseph Rowntree Charitable Trust are considering placing their considerable weight behind a motion at today's annual meeting of Rowntree Mackintosh shareholders here, condemning the company's South African subsidiary, Wilson Rowntree

The row, which has lasted for almost 18 months, is centred on Wilson Rowntree's refusal to recognise the black trade union Saawu and reinstate workers sacked during the dis-

pute  
The trusts, which help finance social, educational and pacifist causes own almost 11 percent of Rowntree Mackintosh shares, worth nearly R54-million

Support for the highly critical shareholders' motion would bring the charitable trusts into their most serious open conflict with the company. The company and the trusts share the same origins and their relationship is unique in British commercial life

The debate will come

## OWN CORRESPONDENT

a month before the Anti-Apartheid Movement begins a week of protest to increase pressure on Rowntree Mackintosh

The protest is timed for June 16-23 to coincide with the anniversary of the Soweto uprisings and will involve pickets outside Rowntree Mackintosh factories and lobbying for support among MPs, trade unions and student groups

The shareholders'

motion urges Rowntree Mackintosh to change its policy and recognise Saawu as a trade union and reinstate employees dismissed last year

Mr Trevor Jepson, secretary of the Rowntree Charitable Trust, said at the weekend "We certainly have sympathy with the concern underlying the theme of the motion." He said the trust was particularly concerned about the fundamental question of freedom of association

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S.A. Bolleymakers, Iron and Steel Workers Shipyards and Workers S...  
Mine Workers Union  
Mine Surface Officials Association of South Africa  
Mine Coloured Staff Association of South Africa  
Iron Moulders Society of S.A.  
Federated Mining Explosives and Chemical Employees Union  
Black Mineworkers Union  
Black Allied Workers Union  
Amalgamated Society of Woodworkers of S.A.  
Amalgamated Union of Building Trade Workers  
Amalgamated Engineering Union of S.A.  
MINING AND QUARRYING  
Trawler and Line Fishermen's Union  
Orange-Vaal General Workers Union  
National Certified Fishing Officers Association  
Food and Canning Workers Union  
Farmworkers Union  
Black Allied Workers Union  
AGRICULTURE, FORESTRY AND FISHING  
National Federation of Workers  
Orange-Vaal General Workers Union  
General and Allied Workers Union  
Unions have been classified according to the Standard Industrial Classification of All Economic Activities. The full extent of the operation of the following general workers unions has not been established:

~~3) Editorial~~ ~~3) Editorial~~ ~~3) Editorial~~

186 WSH 12/5/82

# Bloom defends Wheat Board

YOUR editorial on the Wheat Board (RDM, May 5) does that body a grave injustice

In its almost 40 years of existence the Wheat Board has done an outstanding job of balancing the interests of the consumer and the producer, and assisting in the development of a sophisticated and cost efficient milling industry by world standards

For example, in the field of wheat production, the Board has played an important role in the research and development of new and high yielding varieties. They have acted as an essential consultative body for farmers to whom encouragement has been given to produce wheat

Apart from the exceptional years in which climatic conditions have been unfavourable, South Africa is now in the fortunate position of being largely self-sufficient in wheat supplies. This was certainly not the case some years ago when large quantities had to be imported

The advantage of being self-sufficient in this basic staple commodity, in an increasingly hungry world, is self-evident — and the alternative of having to approach a largely hostile international community for supplies, is clearly strategically unacceptable

The consumer is represented on the board and without Government regulation and intervention (which your editorial criticised) would be far worse off

Government intervention is responsible for the present subsidy of approximately R160-million a year — an intervention directly to the consumers' benefit

And Government regulation is responsible for pegging the return on capital earned by the milling and baking industries at an obviously inadequate 15% a year on their historical capital

In the totally free market which your editorial advocates, both these factors (the subsidy and the artificially low margins) would not be present, and in my opinion, the price of bread would have to rise substantially

Finally, allegations of monopoly in the milling and baking industries are simply emotional nonsense — participants in the milling industry include, in addition to my own group, Tiger Oats, Fedfood, Anglovaal, Sasko and Bokomo. All of these are large, financially powerful and aggressive concerns — a more competitive environment is hard to imagine

Unfortunately the artificially low margin on standard bread has tended to reduce the numbers of people producing this type of bread

In the baking industry generally, however, there are literally hundreds of small bakeries and confectioners who produce a wide range of goods and services for the public

True, the big plant bakeries tend to be dominated by the large corporations, but when one bears in mind that the cost of erecting such a bakery in Johannesburg today would not be less than R7-million, it is not surprising that individuals do not enter the industry. The blame for this can hardly be laid at the feet of the Wheat Board

While my group has often disagreed vehemently with some of the policies of the Wheat Board, we have always accepted that they act *bona fide* in the interests of all concerned

Their officials are courteous, prepared to listen to alternative viewpoints, and their conduct is characterised by the highest integrity. I believe that your editorial was very unfair — TONY BLOOM, Chairman, The Premier Group Limited, Johannesburg



INCREASES of up to 20 percent in the prices of certain animal feeds which will come into effect soon, have been criticised by the Natal Agricultural Union, whose president, Mr D C Sinclair, said farmers were being driven off the land

Mr Gerhard Scholtemeijer, chairman of the Association of Balanced Feed Manufacturers, announced the increase when he presented the association's annual report to members in Cape Town yesterday

The increase is expected to trigger a chain reaction resulting in further increases in the price of meat, eggs, milk, cheese and other consumer products

Mr Sinclair said yesterday that feed was one of the most important constituents of farming and that the increase would be a blow

'Farmer's input prices will be rising faster than producer prices, presenting a bleak outlook. These increases are driving farmers off the land,' he said

Mr Scholtemeijer said the expected increase was due mainly to an escalation in the cost of importing proteins and a shortfall in local agricultural produce such as sunflower, peanuts, soya beans and cotton oil-cake caused by current agricultural conditions

The premium payable, over and above the local price, on these imports, which will be recovered directly from the consumer, amounts to R17 million

**Reason**

'This premium, tied to the recent increase of 15 percent in the price of maize, the increase of between 17,3 percent on cotton oil and 22,3 percent on soya beans as well as increases in terms of labour, railage costs and many others will result in a 20 percent increase in the cost of certain animal feeds,' he said

Mr J D Thomson, the Natal Agricultural Union's spokesman on milk, said the hike would affect production costs and this was one reason for asking the Government for an increase in the price of milk.

'We are sorry to do this to consumers, but we must increase the price. We have approached the Minister of Agriculture and are waiting for his reply'

Mr Noel Leitch, chairman of the Natal Commercial Poultry Producers' Association, said the increase had been expected

On the 9 percent rise in the price of eggs announced last week, Mr Leitch said this would come into effect at most chain stores only on Mon-

# Driven off the land'

Union criticises

20 pc hike in some  
*Mercury* 14/5/82  
animal feed prices

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# Millers' expansion threatened

ROM  
26/7/82  
(186)

# Tiger warns on low returns from maize

By STEVE ELLIS

**MAIZE** processors may have to shelve expansion plans if the controlled maize price continues to deny them more realistic profit margins.

This warning is given by the chairman of Tiger Oats & National Milling, Mr Rudi Frankel, in the annual report "It is obvious that, in the medium to long term, the inadequate margins in question will act as a positive deterrent to further fixed capital investment"

The basic formula used to determine the end-price of wheaten flour, bread and maize products allows the miller and baker a 15% return on capital employed

Mr Frankel says that although that return may have been sufficient a few years ago, it is now out of line with the high cost of money worldwide

Furthermore, this inconsistency is exacerbated by the fact that, in calculating capital employed, the fixed assets used in the industries concerned are basically taken into account at their writ-

ten down historical cost "The historical values do not accurately reflect the replacement cost of the assets, and they ignore the fact that substantial amounts written off in depreciation "over and above the (normal) charges" have been set aside to finance replacements

He also raises reservations about moves to shift industry to the independent states under SA's decentralisation plans

The economic consequences need to be carefully considered from the outset, and well before any changes are implemented, he says

"It would be the height of folly to unnecessarily duplicate existing production facilities"

Established and sound economic policy is in danger of being abandoned, and barriers may go up to seriously impair the well-being of both SA and the homelands

"In the case of (Tiger Oats), decisions to upgrade existing mills and other facilities, and in some instances to

erect new production units, are being clouded by the danger of borders being closed"

Taken to its logical conclusion, Mr Frankel says, it would lead to the situation where a mill worth millions of rands became nearly redundant when a new mill costing even more was allowed to be built nearby

Of the year under review, during which Tiger's board agreed to join the Barlow Rand group, Mr Frankel says most of the group's operating divisions enjoyed satisfactory growth - leading to a 25,0% lift in attributable profit to R53 407 000

The fall in the value of the rand helped to maintain competitiveness abroad

Significant increases in the prices of bread and maize products adversely affected consumer demand at home

"(Although), in the past, price increases generally resulted in only a temporary decline in consumption, on this occasion a meaningful revival has not yet manifested itself"

Mr Frankel says the continued subsidisation of basic foods remains essential if hardship is to be avoided among the lowest-income groups

The upsurge in interest

rates, coupled with lower precious-metal prices, could lead to a painful downturn in the economy - especially if inflation is not reduced to more acceptable levels

"(However), the rate of inflation is unlikely to abate materially this year and, if account is taken of the shortage of skilled manpower the present cost pressures are likely to continue (even without) the adverse change in the economic climate"

The farming community is likely to suffer from this year's poor maize crop

Mr Frankel says it is only natural that farmers, especially those hardest hit, should seek Government assistance, even though the SA maize price has been well above world prices for some years

The recent 15,9% increase in the maize price was, under the circumstances, reasonable

Mr Frankel is confident that Tiger will enjoy satisfactory growth in the seven months to September - the end of this financial period should the Barlow proposal be adopted by shareholders

The financial statements show that Tiger, like many others, has suffered a large increase in its interest charge In the 14 months to February, the bill was R18 897 000 - 82,1% higher than in the previous year

A 14,7% rise in stocks to R140-million, a 21,6% lift in bank overdraft to R32-million and higher interest rates were the primary causes of the inflated charge

Interest cover fell from 4,5 times to 3,8

However, vastly improved net cash flow and a slight fall in total interest-bearing debt has left Tiger in the sound position of being able to mop up debt in 1,27 years (1981: 2,28 years)

Total assets amounted to R641 910 000 compared with R526 295 000 the previous year, and the net asset value rose from 2 394c to 3 315c

Unions have been classified according to the Standard Industrial Classification of 1981. The full extent of the operation of the following

UNIONS OPERATING IN 1981 GROUPED ACCORDING TO INDUSTRIAL CLASSIFICATION





# Tiger challenges Premier

# Battle looms for Monis

RDM  
27/5/82  
R/804  
186

By JOHN GILMORE

**A FIERCE and highly expensive takeover battle could soon break out between South Africa's two biggest food groups — Tiger Oats and Premier Group — for ultimate control of the last remaining quoted independent basic food manufacturer Monis & Fattis.**

Tiger Oats is believed to be on the verge of making a R28-million counter-bid for Monis & Fattis, the flour milling and pasta group which is already in receipt of an 820c a share offer from the Premier Group.

Speculation on the Johannesburg Stock Exchange yesterday and comments from

industry sources close to Tiger suggest that Tiger is about to make a R10 a share offer for the 2 800 000 shares in Monis in a last despairing bid to acquire this strategic stake in the industry

On the JSE, Monis shares moved up to 830c bid yesterday afternoon to go above the level of the Premier bid for the first time

A broker told me that a private client had suddenly removed a large selling order in the afternoon

Buyers will have to be prepared to pay 900c for the shares although brokers said none was on offer

Mr Rudi Frankel, chairman of Tiger Oats, gave only a "no comment" and referred me to Mr John Moni, chairman of Monis. But he was at a meeting and was not available to talk

Tiger's merchant bankers UAL preferred to make no comment

Mr P Wrighton, deputy managing director of Premier Group, said Premier had bought effective control of M&F and if there was to be

another offer, "let us see what the bid is"

Asked what he thought of a figure of 1 400c a share as the worth of M&F's assets he replied "We would not stay in business long if we bought on the strength of assets. In this climate you have to go for earnings"

The current situation is that Premier has tried to block any Tiger bid by offering to acquire at 820c the 51% of the Monis shares held by the family-owned Monis Brothers to be followed by a direct offer for 51% of Monis minorities

Monis Brothers controls 80% of the M&F equity and buying this stake would give Premier 40,8% control

The major shareholders of Monis Brothers have offered to make up the difference to 51%. Then Premier intends to bid for the 49% minorities

A spoke in the wheel, however, could be the reported option for Tiger Oats to acquire a 25% stake in Monis Brothers at a price of 700c a share from dissident minority shareholder Mr Benito

Moni

Monis Brothers is expected to hold a general meeting in the next day or so to approve the sale of more shares to Premier to get around this difficulty

Tiger, therefore, has to act fast if it is to have a grain of hope of winning the war

A source in the industry assures me that M&F "is vital strategically to Tiger although it is not so important to Premier, whose bid was basically a blocking move"

Monis has bakeries in Cape Town and on the Reef and a flour mill in the Cape which Tiger could close to effect efficiencies

The source said that M&F's underlying assets "are worth quite a lot of money and being the last in the industry could command a high price"

Moreover, "with Barlows now behind Tiger, price is not the only consideration for a strategic stake in this basic industry"

He thought that five years down the line with inflation continuing at its present rate, even a high price would be the right price "Tiger should have gone in for the kill right at the start," he said

Fosatu Annual Report 1980/81

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Year	African	Asian and Coloured	White	Total
1973		98	320	418
1972				
1971				
1970				

JEWELLERS AND GOLDSMITHS UNION



# Tiger grabs Monis

R31m bid

blocks Premier 28/5/82

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28/5/82

By JOHN GILMORE

**TIGER Oats, as was exclusively forecast in yesterday's Business Mail, has made a block-out bid for Monis & Fattis.**

Tiger is prepared to pay 1 120c a M&F share, valuing the flour milling and pasta group at more than R31-million compared with the recent bid from Premier group of 820c worth R23-million.

At yesterday's annual meeting in Johannesburg — which a company official asked me to leave, not being a shareholder — the chairman, Mr John Moni, told those present of the latest offer from Tiger.

He said in a prepared statement "Last Tuesday evening, May 25, one of the directors of Tiger, Oats & National Milling called at my house and handed me a letter from Tiger Oats dated that day and addressed to me wherein Tiger Oats offered to purchase not less than 51% of the issued ordinary share capital of Monis and Fattis at a price of R1 120c per share, which price is about R3 per share higher than the price offered by Premier Group.

"The other terms of the Tiger Oats offer were similar to those stated by Premier Group in its offer, except that Premier Group's intention to merge Monis & Fattis with Jabula Foods would not apply."

The offer by Tiger Oats is open for acceptance until noon on Tuesday, by which

time Tiger must receive a resolution passed by the shareholders of Moni Brothers approving the proposed sale by Moni Brothers to Tiger Oats in terms of section 228 of the Companies Act 1973.

It is impossible to comply with this requirement as Moni Brothers must convene a meeting of its shareholders by giving no fewer than 14 days' notice to shareholders — in terms of the articles of association of Moni Brothers and the provisions of the Companies Act.

Mr Moni said "You will note from the announcement that shareholders holding in excess of 51% of Moni Brothers ordinary share capital have undertaken to the Premier Group to approve the proposed transaction with the Premier Group.

"The legal implications with the advent of the offer from Tiger Oats must be carefully considered by the shareholders of Moni Brothers, and this position cannot be resolved by noon next Tuesday, June 1.

"A meeting of shareholders of Moni Brothers will be convened shortly, at which all the facts will be placed before shareholders and the result of that meeting will be conveyed to all the shareholders of Monis & Fattis."

**COMMENT:** Although Tiger, with Barlows in the background, is initially bidding for only 51% of M&F I was given to believe after the meeting that a similar offer of 1 120c would be made to all shareholders.

This is even higher than the

price being bandied about yesterday, but is still below the estimated net asset value of more than 1 400c a share and is in keeping with the comment given to me yesterday that in five years' time with inflation even a high price is the right price.

Mr Benito Moni, who had earlier given Tiger a morally-binding option to acquire 25% of M&F, told me after the meeting that there had been "lively discussion" over the merits of the Tiger offer, but he had pointed out the present bid was R8-million higher than Premier's.

There still appears to be a pro-Premier faction on the M&F board and it is possible that the deferment of a decision to accept the Tiger offer by the M&F directors is to allow time for further discussions.

Mr John Moni agreed that R31-million "is a lot of money".

Leather Workers  
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ducts, including Furniture

of Furniture & Allied Workers of S.A.  
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llied Workers Union (SAAWU)

Paper & Paper Products, Printing & Publishing

Amalgamated Engineering Union of South Africa  
Media Workers Association of South Africa  
Paper, Wood & Allied Workers Union  
S.A. Boilermakers, Iron & Steelworkers, Shipbuilders & Welders  
S.A. Electrical Workers Association  
S.A. Society of Journalists  
S.A. Typographical Union  
South African Allied Workers Union (SAAWU)

# Monis battle hots up

~~186~~ 186  
Premier sticks  
to control claim

RDM  
29/5/82

**EVENTS took a sharp turn in the R31-million contested takeover bid for Monis & Fattis with the return to South Africa yesterday of Mr Tony Bloom, chairman of Premier Group.**

Mr Bloom denied in an interview that Tiger Oats had blocked his R23-million bid for M&F and said he had documentary evidence to support his case

Mr Bloom told me "I have a signed deal with the controlling shareholders of Monis Brothers and the chairman, Mr John Moni, has warranted the sale of a sufficient number of shares to ensure Premier has 51% control

"Mr Moni acts on behalf of the family and his warrants bind the members of the family. These are legal facts

By JOHN GILMORE

which I have checked with our merchant bank, the JSE, our attorneys and two counsel

"I would rather be holding these cards," said Mr Bloom who produced the agreements signed by himself and Mr J Moni

But the dissident director of Monis Brothers, Mr Benito Moni, gave me a different story

Mr Moni, in replying to statement yesterday by Mr Peter Wrighton, deputy managing director of Premier, told me categorically "the shareholders of Monis Brothers have not sold control of the company. There are gaps in the document and Mr Wrighton obviously is not fully aware of all the legal issues involved"

Mr Wrighton was quoted as saying "I would like to point out that the so-called loose option which Tiger has for 25% is sub judice being subject to a court action. In any event, it is only a minority interest and therefore of

no consequence as far as control is concerned"

Mr Moni replied that "Mr Wrighton's statement is full of inaccuracies and the option for Tiger to take up 25% of the Monis Brothers shares is not a loose option and is consequential"

"I think it is in the public interest that the matter be aired and that the shareholders in the public company should get the best deal at the highest price," said Mr Moni

Mr Bloom returned from the United States yesterday where he had arranged "some exciting licensing deals" for the proposed Jabula Foods-Monis & Fattis tie-up which he thought had great potential

He believed that M&F's net assets were worth only about 500c a share compared with the Tiger offer of 1 120c and that Tiger would probably have to spend R8-million to complete a flour mill near Pretoria. This would take the cost to R40-million, at which level Mr Bloom considered it would pay to re-

build M&F's assets from scratch

Although he was convinced he had done a deal with Monis Brothers, Mr Bloom agreed that "there is a price for everything", although he did not want to give any impression he would be a willing seller

**COMMENT:** The plot thickens. Both Mr Bloom and Mr Benito Moni believe they are legally right, so the attorneys are going to have a field day next week

So far, neither Tiger nor controllers Barlow Rand is saying a word. But it is unlikely that such a shrewd and experienced campaigner as Mr Rudi Frankel, chairman of Tiger, would make such a generous bid against seemingly impossible odds without believing he was reasonably sure of success and without the support of Barlows

Mr Bloom's admission that there is a price for everything could mean that he might be winkled out by a higher offer from Tiger, just as Mr Donald Gordon took the bait that SA Breweries quickly offered to get control of Edcon

The battle lines are clearly drawn



Other

Diamond Cutters Union of South Africa  
Jewellers and Goldsmiths Union  
Optical Workers Union  
S.A. Association of Dental Mechanicians  
S.A. Diamond Workers Union

ELECTRICITY, GAS AND WATER

Cape Town Gas Workers Union  
Escam (Cape Western Undertaking) Salaried Staff Association  
Escam Salaried Staff Association  
Escam Workers Association  
General Workers Union  
Johannesburg Municipal Water Work Mechanics Union

CONSTRUCTION

Amalgamated Society of Woodworkers

Amalgamated Engineering Union of South Africa  
Amalgamated Union of Building Trade Workers

Black Allied Workers Union

Blankenbouverkervakbond

Building, Construction and Allied Workers Union

Building Workers Union

Electrical and Allied Trades Union of South Africa

Electrical and Allied Workers Union of South Africa

Engineering and Allied Workers Union

Engineering Industrial Workers Union of South Africa

General Workers Union

Metal and Allied Workers Union

National Union of Engineering, Industrial and Allied Workers

Port Elizabeth Operative, Plumbers Employees Association

S.A. Operative Masons' Association

S.A. Woodworkers

Steel, Engineering and

S.A. Electrical Workers

WHOLESALE & RETAIL TRADE

Wholesale & Retail Trade

Black Allied Workers Union

Commercial, Catering and

Concession Stores and

Domestic Workers and S.

Kumberley Shop Assistants

National Union of Commerce

National Union of District

Pretoria Vakbond vir

Transvaal Retail Meat

Catering and Accommodation

Commercial, Catering and

East London Liquor & Catering

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ACCOMMODATION SERVICES

The managing director of Royal Beech-Nut, Doug Johnston, says he believes the primary benefits flowing from the merger will be "increased managerial and operating efficiency together with a broad-based product range and improved marketing strategies"

The new company, Royal Beech-Nut, with its head office in Chloorkop near Johannesburg and factories in Chloorkop and Dundee, employs more than 900

The merger of Royal Planters and Beech-Nut Lifesavers has resulted in a new, R40-million-a-year manufacturing company that will contest the South African confectionery market, estimated to be worth R275-million a year

By Colin Bower

**Sweet new R40-m fighter**

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# BUSINESS

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## New move in bitter battle for Monis

186

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16/82

By JOHN GILMORE

FURTHER develop-  
ments in an increasing  
bitter struggle for con-  
trol of Monis & Fattis  
can be expected this  
week following in-  
formed comments  
yesterday to the effect  
that Mr John Moni,  
chairman of Monis  
Brothers, cannot bind  
the minorities or the  
other MB shareholders  
to the R21-million bid  
from Premier Group.

These comments from a  
source close to Tiger Oats,  
which has put in a R31-mil-  
lion offer for Monis & Fat-  
tis, follow Friday's state-  
ment by Mr Benito Moni, the  
dissident director of MB,  
who told Business Mail

"The shareholders of Monis  
Brothers have not sold con-  
trol of the company"

According to my latest  
source, "Mr John Moni can-  
not bind the minorities and  
cannot bind the other MB  
shareholders — he may  
think he is legally bound, but  
he is not and as chairman he  
must disclose any alterna-  
tive offer. In the opinion of  
senior legal people the Pre-  
mier agreement is not bind-  
ing upon Mr John Moni,  
Monis Brothers, or M&F  
shareholders".

He commented that Pre-  
mier's first deal had to be  
reconstructed "because of  
various pre-emptive rights  
Mr Benito Moni had on the  
sale of shares"

He claimed that Premier  
then had to go for the under-  
lying assets of MB, being  
80% of the listed company,  
"but this still cannot be done  
without explicit approval of  
all MB shareholders"

He also claimed that the  
Moni family could not sell  
their pre-emptions without  
consulting all other mem-  
bers, and the agreement did  
not stand without the con-  
sent of all

"Mr John Moni would be  
exceeding his authority if he  
signed an agreement with  
Premier on behalf of all  
shareholders," he said

"Tiger has made an un-  
conditional offer whereby  
Mr John Moni is obliged to  
get approval from all share-

holders in MB as well as in  
M&F and he must also ac-  
quaint the Johannesburg  
Stock Exchange of the offer  
Then the JSE should ask  
M&F's directors about any  
alternative offer before it  
approves the Premier bid,"  
said the source

Although the Tiger bid  
formally closes today, I am  
told that if an extension is  
requested on reasonable  
grounds it will be granted

"An extension would not  
be entertained if it were not  
seen to be justified. While in  
theory notice of 14 days  
must be given to all share-  
holders of any agreement in  
practice this can be reduced  
in an emergency, and a pre-  
mium of 300c a share must  
be regarded as an emergen-  
cy," he said

Mr Tony Bloom, chair-  
man of Premier Group  
could not be reached for  
comment yesterday

He has denied that Tiger  
has blocked his company's  
R23-million bid and has doc-  
umentary evidence to sup-  
port his case

He told Business Mail on  
Friday "I have a signed deal  
with the controlling share-  
holders of Monis Brothers,  
and the chairman, Mr John  
Moni, has warranted the  
sale of a sufficient number  
of shares to ensure Premier  
has 51% control. Mr Moni  
acts on behalf of the family  
and his warrants bind the  
members of the family.  
These are legal facts"

## Client sues JSE brokers

By JOHN GILMORE

LEGAL action is to be  
taken against stockbro-  
kers Saunders & Taylor  
by a client of the firm  
who claims he is owed  
R20 000.

The client — Mr G R  
Midgley of Kensington,  
Johannesburg — says  
he is also referring his  
complaint to the Com-  
mercial Branch of the  
police.

Mr Midgley alleges that in  
the absence of any compen-  
sation so far from either the  
Johannesburg Stock Ex-  
change guarantee fund or  
from Saunders & Taylor in  
sight of a firm commitment

A spokesman for the stock  
exchange said it could not le-  
gally make payments from  
the guarantee fund as long as  
Saunders & Taylor claimed it  
was solvent. He said "The  
firm is still trying to arrange  
bridging finance"

However, if any creditor  
were to sequestrate the firm,  
the JSE would pay all claims  
immediately

He was not able to tell me  
the extent of Saunders & Tay-  
lors liabilities and referred  
me to the investigating ac-  
countants, E J Trollip & Co.  
The partner in charge of the  
investigation was, however,  
not available for comment

He alleges that he is still  
owed, and has been promised  
by Mr Peter George, repay-  
ment for shares bought  
through the firm to the value  
of about R20 000

His attorneys, Bell, Dewar  
& Hall, have briefed counsel  
and await opinion on the  
merits of his claim

Mr Midgley says the Com-  
mercial Branch at John Vor-  
ster Square is making pre-  
liminary investigations

As long ago as last June Mr  
Richard Lurie, president of  
the JSE, said that clients  
were fully protected by the  
guarantee fund which was es-  
tablished to protect invest-

On November 9, Mr  
George wrote to Mr Midgley  
agreeing about his financial  
position and saying that "we  
therefore show a net debit in  
your favour of R19 903,9c  
which amount together with  
interest at 16% per annum  
we will remit to you on or  
before December 31. If it is a  
all possible we shall endea-  
vour to pay you out earlier.  
Once again, I apologise for  
the inconvenience our default  
has caused you"

Mr Midgley says he has re-  
ceived no further written  
communication from M  
George, and in spite of re-  
peated telephone calls to M  
Robert Newton, secretary to  
the JSE, no offer of help or  
compensation from the stock  
exchange

Mr Midgley's attorney  
wrote Mr George on Apr  
ment of th



186 ~~182~~ *stau 3/6/82*  
**No jobs for 32 stayaway workers**

**West Rand Bureau**  
Thirty-two unskilled workers who had not turned up for work at a vegetable packing firm in Krugersdorp since Monday had discharged themselves the firm's chairman, Mr J C Claassens, said yesterday  
The workers had

failed to report for work after six workers were dismissed on Friday, he said  
"As far as we are concerned, they have discharged themselves by not coming to work," he added  
Mr Claassens said one of the dismissed workers had demanded

a wage increase — after receiving a rise two weeks before  
The other five were not considered satisfactory workers and always had petty grievances, he said  
The workers had received more than the wage laid down by law

for unskilled workers, Mr Claassens said  
The production manager, Mr A Ladeira, said the firm was coping with a skeleton staff of 16 workers  
The minimum wage for an unskilled worker is R25,60 a week. No worker at the firm was paid less than R28

# 40 vegetable packers strike

Sowetan

2/6/82

186

BY SAM  
MABE

ABOUT 40 workers at a vegetable packaging company in Krugersdorp went on strike this week following their management's alleged refusal to give them wage increases and to recognise their trade union

The workers all members of the Hotel, Liquor, Catering and Allied Workers' Union of SA, have not reported for duty since Monday

The union's national organiser Mr Oscar Malgas yesterday told The SOWETAN that officials of his union informed management at Successpark of the workers' grievances on April 30

He said the workers

demanded

- Wage increment
- annual leave pay
- overtime pay
- sick leave
- non-intimidation and relief from threats against workers and
- recognition of their union

He said negotiations had been held by management and his union officials on the workers' grievances and that management had earlier promised to give the workers what they had demanded

'As time went on it became clear to the workers that management was not interested in doing anything about the grievances we listed. This became clear when Mr J C Klaasen threatened to assault and chased away a union official who was talking to workers at the firm,' said Mr Malgas

When contacted for comment yesterday Mr Klaasen told The SOWETAN through his secretary that he was unavailable to speak to the Press

The secretary however denied that among others the workers downed tools because of dissatisfaction with their pay. She said there was no worker at Successpark who was underpaid

'Everything that the workers demanded was given to them. We are in fact surprised that they did not come to work on Monday and Tuesday. Our lawyer was here last week and he spoke to them

'Up to Friday when they knocked off everything was still okay and we do not know why they decided not to come to work this week,' she said



**THE TONGAAT-Hulett group will start life with total assets over R1 000m, generating sales of R1 200m a year, pre-tax profits of R140m and attributable profits of R78m.**

These figures emerge from formal documents published today for the merger of Tongaat and Hulett on the basis of 117 Tongaat-Hulett shares for each 100 Tongaat.

Tongaat-Hulett (to be listed on the JSE and London Stock Exchanges as Tongaat from June 30) had a net asset value of 1 087 cents a share at the beginning of its financial year in April.

The registration date for the final dividends for both companies has been advanced to June 25 (instead of July 16)

Had the enlarged group been in existence last year, it would have earned 138 cents a share and paid dividends totalling 69 cents a share

Shareholders of Tongaat and of Hulett will be asked to approve the merger at meetings on June 24

### Listing

If shareholders approve, the listing of Tongaat will be suspended on the JSE on June 25

Subject to court approval on June 29, the shares of Tongaat-Hulett group will be listed on the JSE and LSE from June 30.

Mr Chris Saunders, who becomes chairman of the merged company, tells shareholders that earnings of the new group are strongly influenced by the results of the enlarged sugar division, which last year produced 30 percent of joint sales and 35 percent of profits.

'Subject to this controlled industry receiving its full costs and margins, it is expected that this level of earnings per share will be maintained in the first year of the new group's existence. If this is the case, total dividends of 69 cents a share will be paid'

The current downturn in the economy means that the major benefits of the merger will not be apparent this year, 'but the full potential of the benefits to both Hulett and Tongaat shareholders will be revealed over the next two to three years,' Mr Saunders says

Figures in the documents show that over the five financial years from April 1977 to March 1982, earnings per Hulett share grew at a compound

rate averaging 25 percent, while Tongaat's growth rate (including attributable earnings of Hulett and associated companies) rose by 35 percent on average

Hulett dividends per share grew over the same period at an average of 25 percent, and Tongaat's at 33 percent

### Earnings

Mr Saunders says 'It is expected there will be an increase in terms of earnings and dividends in future years for both sets of shareholders as the operations of both companies complement each other in many ways, and additional benefits will be achieved through the utilisation of the enhanced resources available

'The merged group will have a far wider spread of activities, many of which should enjoy a higher rate of growth than the sugar industry, which has been the main contributor to Hulett's net income in the past.

'The merger will accelerate the expansion of Tongaat's non-sugar activities through the deployment of Hulett's available financial resources, for which investment opportunities have been actively sought in recent years

'Hulett's shareholders should be less affected in future by the unpredictable nature of the sugar industry, which is subject to the vagaries of the weather and a volatile export market.

### Progress

'Considerable progress has already been made in re-organising the management structures within the two companies to rationalise those activities which overlap

'I believe the amalgamation of the two groups to form the Tongaat-Hulett group will create a group with far more dynamic and with far greater potential than the two separate parts.

'It is the intention that the new group will focus its attention on the three pillars of society - food, clothing and shelter.

'The new group will be the largest raw and refined sugar manufacturer in South Africa and will have a substantial share in the aluminium, building materials, textile,

foods and feeds industries, as well as lesser interests in general and electrical engineering, electronics and transport

'Dividend policy will depend on the cash flow within the new group, which in turn will depend on economic conditions prevailing from time to time'

# Tongaat-Hulett merger details announced

Finance Reporter

186

## FEED PRICES (186)

### Hard to swallow

PM 4/6/82

Two price hikes in the past month have pushed up farmers' livestock feed costs by nearly 20%. And the fear is that future bad crops and reliance on imports could increase the price even further.

Explaining the increase, Gerhard Scholtemeijer, chairman of the Association of Balanced Feed Manufacturers (ABFM), says "The latest two rises were inevitable. We have to make up for the 16% increase in the cost of maize and the jump in price of imported feed proteins, such as fishmeal and oil-cake."

In the past year, local manufacturers were unable to keep up with demand and had to import 87 000 t of fishmeal and oil-cake. By contrast, 200 000 t was imported during the previous eight years. The latest deliveries from abroad helped manufacturers push sales of livestock feed to 2 295 Mt — up 14%.

The ABFM says demand is continuing to grow and that, to meet expected feed sales

of 3 billion t over the next year, SA will have to import up to 100 000 t of fishmeal and 110 000 t of oil-cake. This will also fill the gap in local supplies caused by bad crops.

But imports have not been cheap. Besides being penalised by the widening rand/dollar discrepancy and a 10% import surcharge, manufacturers have had to pay higher prices — an extra R67/t on fishmeal and R133/t on oil-cake.

Says Scholtemeijer "In the end, however, it is the consumer who has to pay. Inevitably, other foodstuffs like eggs, dairy products and meat will be pushed up."

"There are ways of avoiding this, but we have to bring down the price of feed. Firstly we should start propagating the right cultivar of soya bean, which could serve as a replacement for fishmeal. And secondly, the Oil Seed Board should start making provision for a carryover of a bumper crop. At present it exports at a loss when we have a surplus year and then we have to import oil seeds at high premiums."

Least happy about the 20% rise are farmers.

Says Dannie Scholtz of the SA Feedlot Association "Livestock feed is a basic product for farmers and should not be hit so hard. But when the maize price goes up, everyone climbs on the bandwagon and calls for increases. As for the fishmeal price, that's an old excuse. What feed manufacturers should be looking for, instead, is greater production of alternative protein substitutes."

Manufacturers have made representations to the control boards and government. So far they have had no response.



es  
r Inside

5 plus tax 1c

## Autumn Impressions by REVLON

Free gift worth R35,00 with every purchase of R20,00 offered whilst stocks last. Book for the Beauty Seminar and free facial at the Revlon Counter. Add on Sales Tax. City Cosmetics Claremont

Stuttafords



CAPE TOWN 7/6/82  
186

## Court blocks Fattis sale bid

JOHANNESBURG — Eleventh hour court action brought by Premier Group last night has temporarily blocked the registration of the transfer of Monis & Fattis shares to Tiger Oats after it became known yesterday that Mr John Moni had decided to accept Tiger's offer for Monis & Fattis.

Earlier yesterday it appeared as though Tiger had won the battle with Premier for control of Monis & Fattis.

This had been confirmed by both Mr Rudi Frankel, chairman of Tiger, and by Mr John Moni who represents about 75% of Monis Brothers' share capital.

Mr Moni had originally negotiated with Premier to sell Monis & Fattis to the group for about R9-million less than the later Tiger offer.

But after an 8pm urgent application to Mr Justice Margo brought yesterday by Premier, an undertaking was furnished by Mr John Moni and Tiger Oats and recorded by the Judge in terms of which Premier was furnished with an understanding by Mr John Moni and Tiger Oats that the cheque given by Tiger to Monis, and the relevant share certificates and transfer forms, would be delivered to the Supreme Court pending further court hearings.

This means Tiger cannot register the transfer of the shares until the matter has been heard in court.

Tiger's bid was worth some R31-million.

Tiger wins

**Sugar  
mill  
workers  
on strike**

Mercury  
9/16/82  
Mercury Reporter

THE entire black work force at the Umfolozi sugar mill has stopped work over the dismissal of two colleagues, the mill's general manager, Mr I Bales-Smith, said yesterday.

The work stoppage, which involves nearly 1 000 mill workers, relates to the dismissal of a worker last month and a dismissal last year.

Mr Bales-Smith said the men had been dismissed for 'contravening the mill's disciplinary procedure'.

He added that only 14 hours' production time had been lost since the beginning of the stoppage, and that the mill was now being run by the white staff.

According to Mr Bales-Smith the men on Monday's 10 p m shift would not start work, and subsequent shifts joined the stoppage. He said he believed a certain amount of intimidation was taking place.

Regarding the dismissal of the two workers, Mr Bales-Smith said he had met the secretary of the National Union of Sugar Manufacturers' and Refining Employees, Mr Selby Nsibande, on Monday afternoon about the dismissals.

'I have since held meetings with union officials and believe that the workers will be going back to their shifts soon,' he said.



*Mercury 10/6/82*  
**Umfoloji sugar mill (186)**  
*186* *186* *2*  
**workers return to work**

**Mercury Reporter**

**STRIKING** workers from the Umfolozi sugar mill had returned to work by yesterday, according to the mill's general manager, Mr I Bales-Smith.

The entire black workforce of about 1 000 had downed tools on Monday night but, Mr Bales-Smith said, they started to return to work on Tuesday night

Mr Bales-Smith said the stoppage related to the dismissal of two workers, — one was dismissed last month and the other last year — for 'contravening the mill's disciplinary code'.

He said the workers had returned to work 'because they now understood the

company's grievance code'.

The general secretary of the National Union of Sugar Manufacturers and Refining Employees, Mr Selby Nsibande, said the two men's dismissal had been irrelevant to the stoppage but warned that if any more men were dismissed there would be stoppages again

Mr Nsibande said a white employee had been dismissed on Tuesday for 'assaulting' a black worker but Mr Bales-Smith denied he had been dismissed

'The employee was suspended for certain actions which were distasteful to the black members of staff. He later resigned,' Mr Bales-Smith said

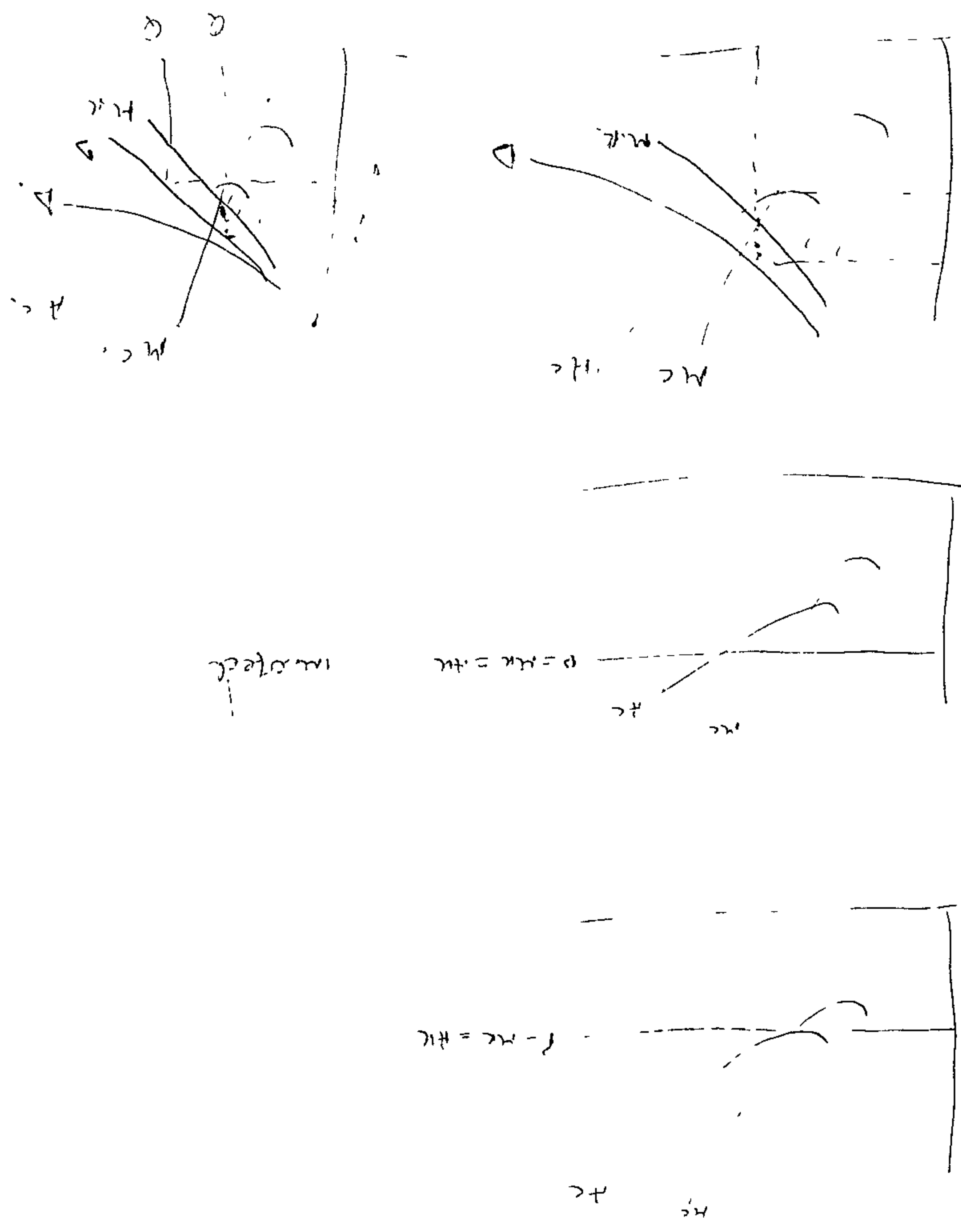
Jan 10/62 (186) (186)  
**Food workers strike**

More than 600 workers at the Irvin and Johnson food processing plant in Springs went on strike this morning over wage demands

The company had been involved in wage negotiations with the Cusa-affiliated Food and Beverage Workers' Union, which has a recognition agreement with the firm

Union officials were at the plant discussing the company's wage offers with striking workers today

A company spokesman said because of economic problems Irvin and Johnson could not meet worker wage demands but had offered an 18 percent increase which workers had rejected





# 300 rail workers fired over stoppages

Labour Reporter

About 300 railway workers at Johannesburg's Kazerne yards lost their jobs on Wednesday after being involved in several work stoppages

And at the Irvin & Johnson food processing plant in Springs yesterday, more than 600 striking workers agreed to return to work when the company agreed to mediate the dispute with the union

A South African Transport Services spokesman confirmed that 300 workers at the Kazerne sheds lost their jobs as the result of a dispute over working hours

The workers involved had conducted a number of stoppages and their employment was terminated in terms of their contract, he said

But the men were eligible to reapply for work on Monday and their applications would be considered, the spokesman said

There are about 1800 shed workers at the yards

The I & J strike saw more than 600 workers stop work yesterday morning over wage demands

Talks were held with the Cusa-affiliated Food and Beverage Workers' Union, which has a recognition agreement at the plant, and workers returned to their jobs in the afternoon

Under the dispute procedure between I & J and the union, a mediator will be appointed soon to examine worker demands

The Reckitt and Colman group, a British-owned company, has announced it will retrench about 200 workers in South Africa because of a "re-direction in business"

The Car Distributors Plant in East London has also announced its intention to retrench 28 workers. The decision was reached in conjunction with the National Automobile and Allied Workers' Union

Script Monis

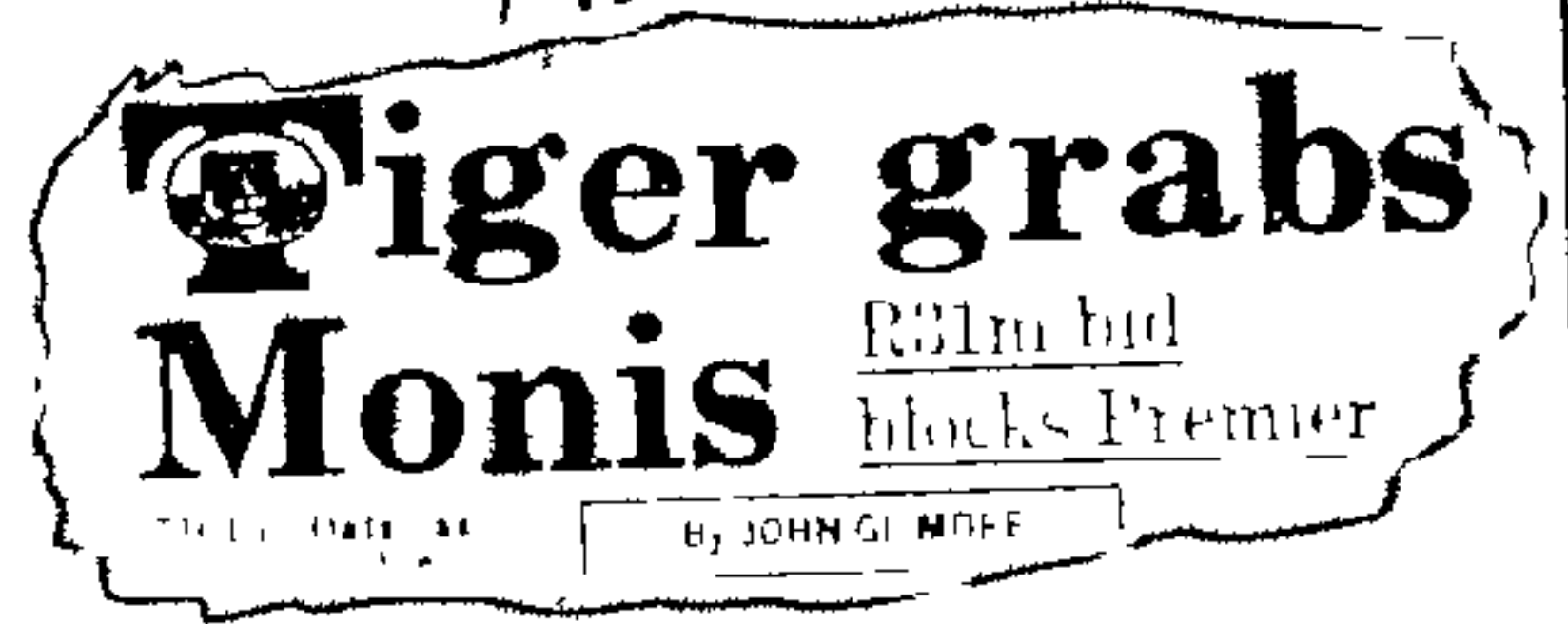
SECTION C

# Minorities collect 990c a share

# Monis for Tiger, R5,4m for Premier

186

ROM 11/6/82



Business Mail headline on May 28

**AFTER** two hours of often-heated horse-trading yesterday in the corridors of the Supreme Court, Johannesburg, Tiger Oats won control of Monis & Fattis at an extra cost of R1-million.

Premier Milling walked off with a R5 400 000 cheque, and Monis & Fattis shareholders will receive 990c a share compared with Tiger's earlier offer of 1 120c.

This was the basic conclusion of the controversial R31-million bid by Tiger Oats for Monis Brothers, controlling company of Monis & Fattis the last remaining indepen-

dent flour milling group quoted on the Johannesburg Stock Exchange

The fine legal principle of whether either side had a legally binding contract with Monis Brothers was eventually pushed aside by financial considerations

If Mr Rudi Frankel, the chairman of Tiger, was pleased to pay R32-million to win the assets he coveted, Mr Tony Bloom, chairman of Premier, was delighted to earn R5 400 000 for two weeks' work

The Monis family and minority shareholders, although receiving 120c a share less than Tiger's previous offer, have the consolation of seeing their shares 170c higher than the initial Premier offer of 820c

A statement given after the agreements were signed said that "in order to avoid a

prolonged legal battle, the three parties, Tiger, the Monis family and Premier reached an agreement as a result of which Tiger has acquired from the Monis family their shares in Monis Brothers which will result in a price of 990c per Monis & Fattis share"

"An offer will now be made by Tiger to acquire the shares of minority shareholders at a similar price of 990c"

"A capital payment of R5 400 000 was immediately made to Premier as consideration for abandoning all claims and rights to which it alleged it was entitled"

As a result of the new financial arrangements the total consideration payable by Tiger will total R32-million compared with its earlier bid of R31-million

Mr Bloom commented afterwards that "as far as Premier is concerned I be-

lieve we have satisfied honour and we can now get on with running our business"

Mr Frankel said that "nobody really knew if he had a deal and seeing that this could lead to a two- or three-year legal battle we decided to avoid litigation and acquire the company we know fits in with Tiger's operation In one particular area where we are smaller than Premier, Monis & Fattis represented the last chance quick expansion"

He said that "the 1 120c offer was not guaranteed Had the Tiger deal gone through without being challenged then the offer to minorities would have been 1 120c However, to avoid legal problems and delays, agreement was reached at a price of 990c, which is appreciably better than 820c"

**COMMENT:** It is ironic to consider that the deal eventually reached was done outside the courtroom as a result of negotiations between the principals and their attorneys

which presumably could have been carried out over lunch or at home, without the expensive presence of four senior counsel and seven junior counsel.

However, had the parties used the courtroom, the cost could have run into millions of rands.

Premier would appear to be the clear winner in walking off with a cash cheque and without assets that are not really essential to its operations.

Tiger needed those assets and as a result coughed up an extra R1-million to secure them

The Moni family cannot really complain at a price of 990c a share which is about double what it was before the bid battle

But minority shareholders who had no say either in the Monis Brothers two decisions or the fascinating goings-on at the Supreme Court might wonder whether the offer of 1 100c a share from Tiger is legally binding.

By JOHN GILMORE

## NOTE CAREFULLY

1. The answers only on the right hand pages will be marked The left hand pages may be used for rough work, but no credit will be given for such 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.

## WARNING

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

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



# Everyone won in the battle for Monis and Fattis

By JOHN GILMORE

THE R31-million battle for control of Monis and Fattis reached a climax yesterday in an out-of-court settlement at Johannesburg which gave first prize to Tiger Oats and an astonishing R5 397 000 consolation prize to rivals Premier Group

Agreement was reached after two hours of behind-the-scenes arguments when veteran campaigner Mr Rudi Frankel, the chairman of Tiger, shook hands with Mr Tony Bloom, the youthful chairman of Premier, saying "Peace is better than war"

He handed Mr Bloom a cheque for R5 397 000, in return for which Mr Bloom abandoned all rights and claims against Monis Brothers

Mr Bloom said "That's not bad for two and a half week's work" — and for one glorious moment allowed me to hold the cheque

Mr John Moni, chairman of Monis and Fattis, after a lifetime in the flour and pasta business, is bowing out gracefully having seen the value of his company's shares double to 990c since rumours of a takeover bid began to circu-

late some weeks ago

Mr Frankel admitted "no-one knew whether he had a definite deal" and to avoid protracted litigation he decided to reach an out-of-court settlement

The background to yesterday's agreement is that Premier offered, and John Moni accepted and signed an agreement for, a bid of 820c for the shares of Tiger Brothers, the private company business which controls Monis and Fattis

Subsequently, Tiger offered 1 120c a share for all Monis and Fattis shares and eventually Mr Moni accepted this offer too in the belief that his earlier acceptance was not binding

Mr Bloom's reaction, in a dramatic last-minute move last Sunday evening, was to make an urgent application to the Supreme Court to prevent the sale of M&F going through

Until yesterday the stage had been set for an expensive and drawn out legal battle. But the funny thing was, everyone made money, and Mr Frankel went home content with irreplaceable assets

● See Page 11

1 MONTH GIVES YOU 4 MONTHS OF TWO WEEKS WORK — AND

# Tiger pays R32m for Monis & Fattis

CAPE TOWN  
11/6/82 (186)



John Moni, value of shares doubled

By JOHN GILMORE

**JOHANNESBURG** — After two hours of often-heated horse-trading yesterday in the corridors of the Supreme Court, Johannesburg, Tiger Oats won control of Monis and Fattis at an extra cost of R1m. Premier Milling walked off with a cool R5.4m cheque and M & F shareholders will receive a price of 990c a share compared with Tiger's earlier offer of 1 120c.

This was the basic conclusion of the controversial R31m bid by Tiger Oats for Monis Brothers, controlling company of Monis and Fattis, the last remaining independent flour milling group quoted on the JSE.

The fine legal principle of whether either side had a legally binding contract with Monis Brothers was eventually pushed aside by financial considerations and if Mr Rudi Frankel chairman of Tiger was pleased to pay R32m to win the assets he coveted, Mr Bloom chairman of Premier was delighted to earn R5.4m for two weeks work.

The Monis family and minority shareholders though receiving 120c a share less than Tiger's previous offer

have the consolation of seeing their shares 170c higher than the initial Premier offer of 820c.

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"An offer will now be made by Tiger to acquire the shares of minority shareholders at a similar price of 990c."

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As a result of the new financial arrangements the total consideration payable by Tiger will now total R32m compared with its earlier bid of R31m.

Mr Bloom commented afterwards that "as far as Premier is concerned I believe we have satisfied honour and we can now get on with running our business".

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**COMMENT** It is ironic to consider that the deal eventually reached was done outside the courtroom as a result of negotiations between the principals and their attorneys which presumably could have been carried out over lunch or at home, without the expensive presence of four senior counsel and seven junior counsel.

However, had the parties used the courtroom the cost could have run into millions.

Premier would appear to be the clear winner in walking off with a cash cheque and without assets that are not really essential to its operations.

Tiger needed those assets and as a result coughed up an extra R1m to secure them.

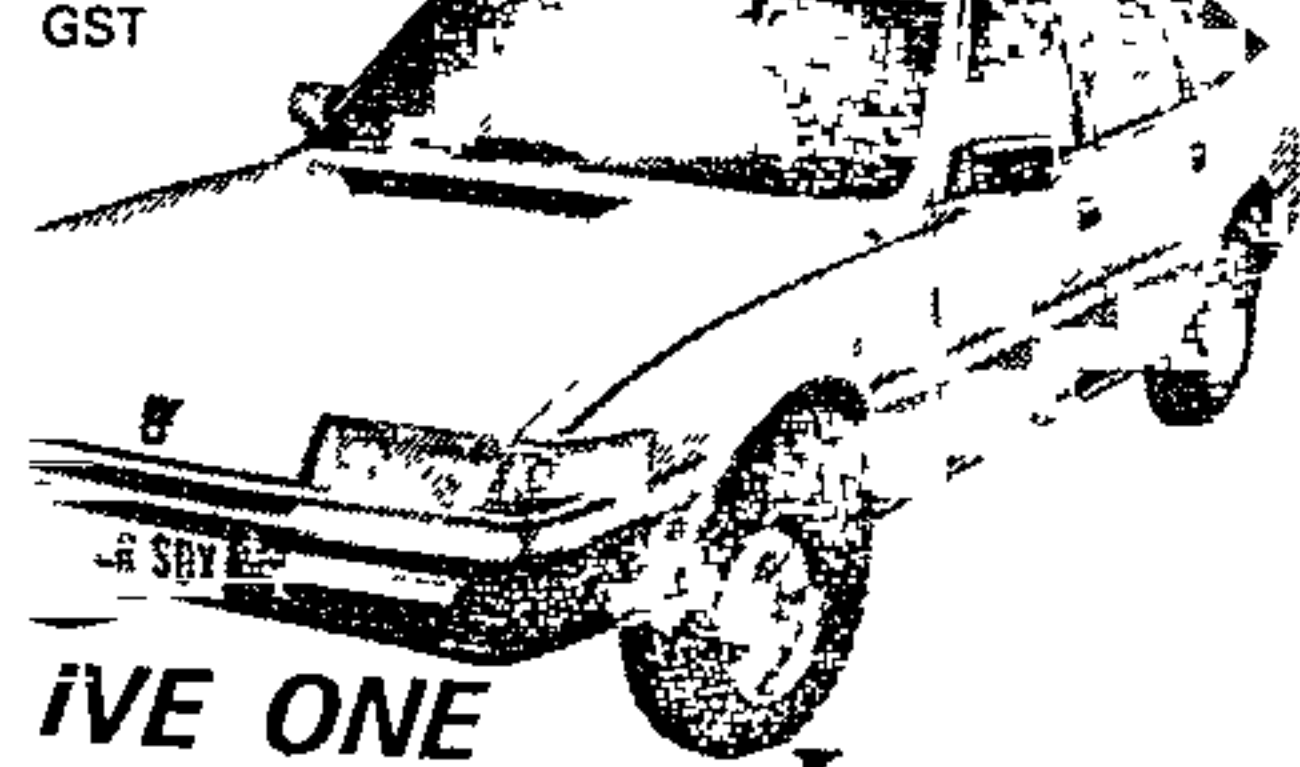
The Moni family cannot really complain at a price of 990c a share which is about double what it was before the bid battle.

But minority shareholders who had no say in the fascinating goings-on at the Supreme Court might just wonder whether the offer of 1 100c a share from Tiger is legally binding.

## Unit trusts

Buyers	Sellers	Yield
336,82	315,34	8,21
198,36	187,98	8,17
384,58	359,81	7,96
335,13	317,08	8,42
154,62	146,39	8,15
315,51	299,03	9,00
93,76	88,85	8,64
145,36	138,21	10,80
91,93	87,40	11,00
328,82	311,38	7,60
203,78	200,21	8,36
84,01	82,08	13,87

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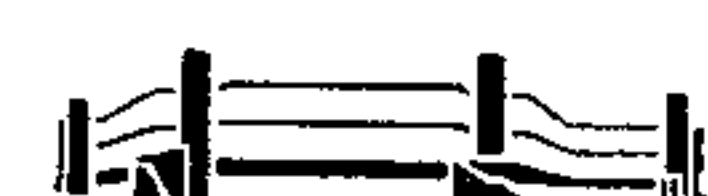
## Apex 90c

**JOHANNESBURG** — Apex Mines, Gold Fields of South Africa's coal producer, has raised its interim dividend by 28,6% to 90c from 70c, reflecting the surge in distributable earnings in the first quarter.

Apex's earnings after capital expenditure rose to 170c in the March quarter from 97c in the December 1981 quarter with improved profits from the mine's No 2 and No 4 seams.

GFS's tin producers, Rooiberg and Union Tin, maintained their interims at 30c and 5c respectively, while unlisted Zinc Corporation has raised its interim to 25c from 20c and Glenover Phosphate reduced its half-time payment to 25c from 35c.

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# Edgars

## Growth maintained

Financial year end changed to March and comparative 12 months results provided to facilitate interpretation

Sales up 38% on annual basis

**Edgars**  
188 stores



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Proc  
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1 oz  
1/2 c  
1/4 c  
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the area

made by Bishop Tutu

# 600 workers down tools

By MZIKAYISE EDOM (186) (143) for every worker This offer the workers have rejected

MORE than 600 workers at Irvin and Johnson in Springs yesterday morning downed tools in demand for higher wages.

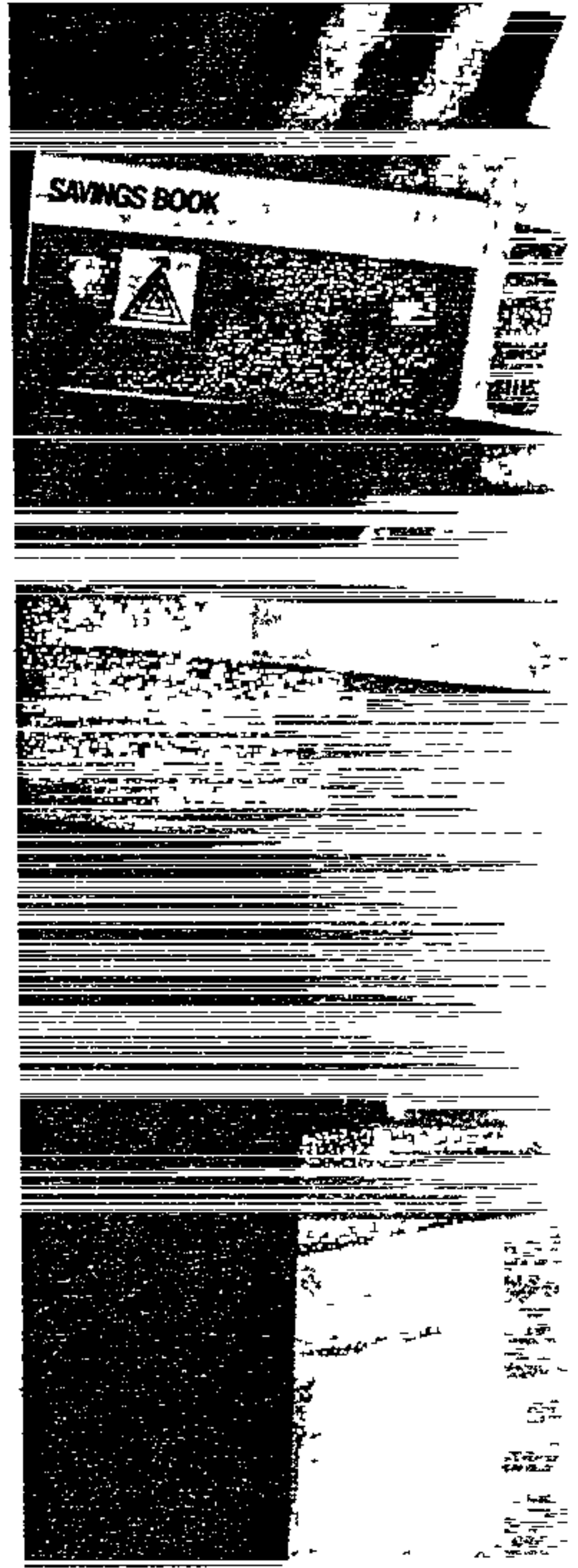
Since the beginning of the week, representatives of the Food and Beverage Workers' Union of South Africa, which is affiliated to the Council of Unions of South Africa (Cusa), has been negotiating with the company's management on this issue. So far there has been a deadlock.

Workers and the union are demanding an immediate wage increase of 79 percent for the workers on the lower grade and 58 percent for workers on the higher grade. Meanwhile, the company is offering an average 18 percent wage increase

Yesterday things came to a standstill at the factory when 625 workers refused to start work until their demands were met. It was only after management had promised to review their offer of an 18 percent wage increase that the workers agreed to go back to work later in the day.

Jowetan 11/6/82

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THE THEMBSA  
 EDOM  
 By MZIKAYISE

THE THEMBSA branch of the Inkatha Movement hopes to meet the Minister of Co-operation and Development, Dr Piet Koornhof, next month in a bid to have the RI rent increase, which was introduced in April, scrapped. Rent in the area was increased by RI on April 1 by the Thembsa Community Council. Announcing the increase, Mr L E Nhlapo, the deputy chairman of the Thembsa Council.

Bid 127 to Sowetan  
 scrap rent hike  
 11/6/82

... would be a "repeated scenario" of the early Gandhian defiance campaign and every member of the then Indian Congress should adopt the simplest of lifestyles. Not only am I doing that by putting my beautiful house up for sale, but I'm also becoming wary of being infatuated by the western lifestyle and technology."

Mr Daya pointed out that the Ahimsa Movement believed in "the democratic one-man-one-vote" The march in December

He shrugged off a question as to how he would overcome the Riotous Assemblies Act and a recent "one-man" bill with regard to solitary demonstrators with a simple comment "I did say initially that the march was going to be a defiance campaign."

"However, it's certainly going to be an absolutely peaceful one", Mr Daya added.

"Besides, Gandhi had enunciated that each ideal

# For sale est march

(186) (232) S. Times  
13/6/82  
Premier's 'killing' in Tiger, Monis wedding

By Stephen Orpen

NOW, hear this! In the dizzy to-do surrounding the Tiger Oats-Premier "battle" for Monis & Fattis, the relatively huge R5,4-million cheque paid to Premier for its withdrawal from the fray is (wait for it) just about equal to M & F's total pretax profits in the past five years!

Not bad for a couple of weeks' cosy negotiations.

Tiger may have got Monis. But Premier has walked off with a small fortune. And just for the relatively minor inconvenience of holding the other parties, so to speak, to their word.

Of the R5,4-million, about R3,4-million came from the Moni family and R2-million from Tiger.

From almost any analytical viewpoint, Tiger has captured Monis at a very high price in view of M & F's profit record.

In these tough times, Bar-

lows, Tiger's holding company, trades on about 3,5 times earnings — and earnings are, of course, after tax. Consider

● In the financial year ended January 1982, M & F's attributable profits were R1,62-million. Tiger, as it has bought the entire family holding, will have to bid for 100% of the minorities. Its effective price is therefore R34-million — or 21 times earnings.

● A strategic reason for the deal was to acquire a bakery licence in Pretoria. The cost of the land for this bakery is

● To Page 3



186 (2032) S. Times 13/6/82

# Premier killing

● From Page 1  
about R1-million and the buildings and plant another R5-million.

Nor will Premier give up its market share without a battle. Thus, Tiger has to expend another R6-million in a company which has not been a good performer and will have to fight for its market.

● M & F has about 1,3-million SA Breweries shares as one of its principal assets.

Premier's bid took into account the sale of these shares at R6 when the bid was first made. Then Premier thought it might land up with 60% of M & F's capital.

The net cost after sale of the SAB shares would have been R6,5-million. At R4 for an SAB share, this cost would have risen to about R9-million net compared with Tiger's net of just under R29-million if it sells the SAB holding.

Premier thought its offer was very generous with SAB at R6; at R4 it was not so certain.

● A fair return on capital employed in today's conditions is about 20%. In his last

chairman's statement, Tiger's Rudl Frankel complained about the 15% allowed in the wheat and maize industries — on historical values of plant. How, then, can one justify the kind of return likely from M & F even allowing for rationalisation?

● R5,4-million — the cash paid to Premier — could be invested at interest to earn more than R1-million a year. M & F, even with untaxed dividends from its SAB holding of nearly R400 000, managed just R1,62-million.

● Last time Tiger and Premier clashed bitterly, it was over Stein Brothers. Tiger won; Premier made a huge capital profit and the egg business promptly went into a steep decline.

DDM (152) (186) 145A  
16/6/82  
A sticky week for  
the sweet makers

London Bureau

LONDON — An attempt to sabotage the sale of Rowntree-Mackintosh products is to be made by the British Anti-Apartheid Movement, which claims it has the backing of the leaders of the Labour Party, the Liberal Party and the Trades Union Congress

"The company is to be the target for a week of action," said the movement. Shoppers will be handed leaflets urging them to "think before you eat" Rowntree-Mackintosh products

"We are taking this unprecedented action because of the persistent refusal of Rowntree-Mackintosh to reinstate 470 black workers sacked by their 100% owned South African subsidiary or to recognise their union"

"We have tried every reasonable course of action, now

we are going to the consumers. We have chosen to launch this campaign on June 16 — the sixth anniversary of the Soweto massacre — to remind people of what apartheid means in practice"

Demos are planned outside Rowntree-Mackintosh factories in York, Leicester, Norwich and Glasgow

A broadsheet to be distributed includes on its front page a message from the TUC leader, Mr Len Murray, claiming that Rowntree-Mackintosh is "running away from its obligations" and saying British unions will put pressure on the firm

A message from Mr Michael Foot, says the Labour Party is taking up the matter with the company. Mr David Steel, the Liberal leader, is quoted as saying "I wish you every success in bringing additional international pressure to bear on Rowntree-Mackintosh"



# Workers get 40% pay rise

186

187

188

ADW

June 1982

## Labour Correspondent

A FOOD manufacturer has signed a wage agreement with the Food and Beverage Workers Union which will raise black wages 40% at its Rosslyn plant, near Pretoria

According to a spokesman for the union, which is affiliated to the Council of Unions of SA, the increase will raise minimum pay at the Willard Foods plant to R64,40 a week, compared to the previous rate of R46

Willard recognised the union at the Rosslyn plant late last year and the agreement is the first formal wage agreement. About 500 workers are affected by the agreement, the spokesman said

A statement released by the company on behalf of the union yesterday said the new increases had come into effect from Tuesday

The union's spokesman said the increases had "fallen short of what workers wanted" but added "It's our first wage agreement with the company and we believe we have made a start"

D. W. ...

CAPE TIMES 17/6/82 (R6) (R6)

# 'Sense of loss' as family business is sold for R31-m

Own Correspondent

JOHANNESBURG — Monis and Fattis, the family firm which began as a tiny delicatessen at the turn of the century, is the last independent flour milling group to bow out of the food industry.

It was bought out for R31-million by Tiger Oats last week.

In 1902, four brothers — Guisepppe, Pietro, Giacomo and Pietro Moni — came from Luca in Florence to South Africa.

Giacomo opened a macaroni factory in Bree Street, Cape Town in 1921. Pietro had a delicatessen in Johannesburg and Roberto was involved in a winery called Monis Wineries Limited in Paarl. Guisepppe died in a blasting accident. The Johannesburg macaroni factory was started in Selby in 1927.

Today, Pietro's son,

John, is the retiring chairman of the business. John's three sons — Peter, John and Paul — are still actively involved in it and are prepared to continue to work for it, despite the sale.

Business began to boom during World War II when thousands of Italian prisoners of war increased the demand for locally-produced pasta.

It was consumed at such a rate that Monis didn't even dry it — pasta can be packed wet if it is going to be consumed within 24 hours. It was packed into wooden crates and carted off almost daily to internment camps such as Koffiefontein.

In 1953, the Monis joined forces with the Fattis family — with whom they'd had a working agreement since 1927. They floated a company called Monis and Fattis Industries Limited on the

Johannesburg Stock Exchange.

Ten years later they decided to get out of liquor and sold the Monis Wineries and Nederburg Estates. This proved premature as the following year, the prohibition was lifted which gave a tremendous boost to the liquor industry.

Fattis and Monis hit the headlines in 1979 when there was a strike at its Cape Town factory. Community organizations launched a country-wide boycott of its products and, after several months, the company signed an agreement with the union representing the workers, the Food and Canning Workers' Union.

"The strike brought home to us that, as a family business, we hadn't moved enough with the times," Mr Peter Moni, grandson of Pietro

and son of the retiring chairman, Mr John Moni, said.

"The national attention that was focused on our company was rather alarming for us," he said. "I was released from all other duties and just handled that issue."

And the net effect was that it changed the entire structure of our organization — it modernized the old family approach towards running a company. It forced us to deal with labour in a way that most other companies are still not doing today," he said.

Mr Moni said the sale of the family firm left a "sense of loss".

"When I came into the business at the age of 21, I never dreamt we'd sell."

"We are the last family business to bow out of the food industry," he said.



# Sweets boycott 'gesture of solidarity'

Argus Bureau

LONDON — An anti-apartheid-led boycott of Rowntree Mackintosh sweets has started in Britain as a gesture of solidarity with black workers in South Africa who are seeking recognition for the South African Allied Workers' Union

The BBC devoted a television programme last night to the issues involved in the British boycott

The irony that it should be the company founded by Joseph Rowntree was dwelt on at some length Rowntree, a Quaker, was concerned about the welfare of his workers and sponsored housing projects, better feeding schemes and recreation facilities at the company's headquarters in York

## ATTITUDES

The Rowntree Mackintosh chairman, Mr Kenneth Dixon, told viewers. "The essential attitudes of Joseph Rowntree still persist in this business Rowntree would not have liked the apartheid system and nor do I"

But, he emphasised, Rowntree Mackintosh workers in South Africa were not exploited

Professor Laurie Taylor of York University said the boycott was symbolic

"You can't talk about apartheid in global terms," he said "You have to bring to people's attention the relationship between apartheid and a bar of Kit Kat"

186  
ROOM 23/6/82

# ICS to spend R80m, urges Govt to change milk policies

By STEVE ELLIS

IMPERIAL Cold Storage is to inject R80-million into major new projects during the next five years

The chairman, Mr William Neate, says in the annual report that the company has made arrangements with bankers to provide financial credits to fund the programme

The increase in capital expenditure influenced the board's decision to raise dividend only 11% in the year to February — despite a 43,7% lift in attributable earnings to R17 056 000

ICS also wants to conserve funds to combat the effects of the economic downturn

In the past year, the group's capex totalled R40-million — R19-million of it in new projects

"The company has embarked on an extensive programme of renewal and development in order that its facilities and services are properly equipped to enable (the) company to remain competitive"

Mr Neate says the heavy capital outlays should improve earnings in the future, and that the improvement in recent results reflect the benefits of the programme

The interest bill rose 33,7% to R7 238 000 but the cover fell from 5,66 times in 1981, to 5,45. And an improved cash flow now allows the company to be able to mop up total interest-bearing debt in 2,05 years compared with 2,46 years in 1981

Mr Neate is confident about the company's prospects this year, but warns that profit margins may be adversely affected by increased interest and operating costs

"The effect of the increase in the rate of company taxation should also be taken into account."

Of the year under review, he says the red meat division operated more profitably than in the previous year when losses were suffered on fixed price institutional contracts

However, all is still not well in the industry

The season began favourably but a drought later forced producers to market increased numbers of cattle, particularly lower grade animals

Mr Neate says "In fixing the floor prices for the coming year, the minister will doubtless have regard to these factors and the effects of the recent maize increase, so that producers may continue to be encouraged to increase their herds to safeguard supplies for the future."

The company's poultry operation, like the industry generally, benefited from consumer resistance to higher red meat prices

But its turkey growing venture has had to be thoroughly reassessed "In the light of the high capitalisation involved we have decided to discontinue this operation and convert the facilities to the production of additional broilers"

Concern is also raised about the Government's control over milk pricing

The chairman says that the operating margin on fresh milk processed and delivered to dairies is inadequate to cover costs, and to yield a fair return on investment.

"It all points to anomalies in basic pricing structures and we are strongly of the opinion that the time has come for the Minister to review the necessity of the rigid controls which are exercised over this industry"

The commissioning of ICS's ultra high temperature milk treatment plant in Cape Town is now scheduled for August.

**A LONG  
AND  
HAPPY  
LIFE  
FORECAST  
FOR  
SUGAR  
MARRIAGE**

By MIKE PEIRSON

THE efficiency with which Tongaat and Hulett's have always conducted their affairs was highlighted again at their "wedding" this week.

"Best man" Chris Saunders speaking at the merger reception at the Tongaat HQ confidently predicted a "long and prosperous life for the 'happy couple' despite extra-marital difficulties caused by the drop in the world sugar price.

In this regard the honeymoon is probably over before it begins, but said Saunders: "These matters are of considerable short-term concern, but we should retain our perspective and realise that sugar has always been, and will continue to be, a cyclical crop."

He added that it was difficult to see how the export price of sugar could recover in the near term to a level which equated with the average cost of production in the SA industry.

The consensus of opinion among world sugar brokers (with the spot price below £100) was that more than one major disaster in the sugar producing world was required to restore the balance between supply and demand.

The local industry faced a serious financial situation despite the R45-million which had been contributed to the price stabilisation fund during the last season.

This would have to be drawn out again in the current season to supplement proceeds.

"It should be recalled," he said, "that the industry contributed approximately R195-million towards subsidising the local market price in prior years and, unpalatable as it may be, the industry has the right to demand some support from the South African consumer to tide it over the difficult period which lies ahead.

"I believe that as long as the industry remains a controlled industry, it should receive its full costs and returns, and it is incumbent upon the authorities to find ways and means of correcting the present situation."

He added that the new group could not escape the effects of the current adverse economic climate, high rate of inflation and the high cost of money. The combination of these influences would undoubtedly result in the current financial year being difficult.

Thursday's meetings were the last individual annual meetings of the groups and the merger sessions went off without a hitch.

Assuming the Supreme Court sanctions the "marriage" the new R1200-million group to be known as the Tongaat-Hulett Group will come into being during the coming week.

The best wedding present it could have would be for the Government to agree to an increase in the local price of sugar.

See Also Page 5



# Rowntree men 'desperate but determined'

ARGUS 30/6/82 ~~(186)~~ (186)

Labour Reporter

THE plight of 470 Wilson-Rowntree workers in East London, dismissed after striking more than a year ago, is growing more desperate

However, the workers are determined to press for reinstatement, and recognition of the South African Allied Workers' Union (SAAWU), according to a worker representative, Mr Sam Bani

Mr Bani said workers had been harassed by the South African and Ciskeian authorities and "blacklisted" by other managements in East London

In February last year, three workers were dismissed for refusing to fix

a machine without written permission

The three workers said a worker had been reprimanded before for fixing machines when he was unqualified to do so. They were reluctant to do the repairs without written permission and a skilled rate of pay.

## BOYCOTT

Later, about 470 workers struck in support of the dismissed workers and in May last year they called a boycott of Rowntree products.

Management has refused to negotiate with the workers or SAAWU, saying they will negotiate only with the Sweet Workers' Union, which they say represents most

of the workers in their factory.

The workers and SAAWU deny this. African workers were not allowed to belong to the SWU, until 1980.

Workers claim membership of the Sweet Workers' Union is a condition of employment at Wilson-Rowntree

SAAWU branch secretary Mr M Mdyogolo said one dismissed worker had been sent to SWU offices after inquiring about his job

He was told the SWU would recommend him "after his case had been carefully considered"

With the plight of the unemployed workers becoming increasingly severe, the workers have renewed their call for a boycott of Wilson-Rowntree products in an attempt to bring management to the negotiating table.

The Argus Africa News Service reports that a support committee in Lesotho claims to have raised "several thousand rands" for the workers

Dr Peter Jackson, a committee member and former Labour MP in Britain, said the committee had been surprised at the support shown.

Another committee member, Mr Adrian Clarke, said although the strike was 15 months old, he felt it was important to persevere as "very few of the 500 workers have got new jobs because they've been blacklisted"

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# Council threat to close plant

586 186 Percy 2/7/87

## Municipal Reporter

AFTER hearing from the mayor that an on-site inspection of a sorghum plant had been 'the most splendidly stage-managed affair', Durban City Council agreed to close the plant if it continued to ignore the conditions of its licence

The Mayor, Mrs Sybil Hotz, vacated the chair at yesterday's council meeting to raise as a matter of urgency the problem of Grain Dehydration Services in Seaview

The problem, she said, dated back to October last year when the dehydration unit was established without the City Health Department's consent. Since then the process of drying brewer's sorghum to make cattle fodder had caused increasing irritation to residents in the area

After four or five months the company was given permission to operate on condition it did not create a nuisance in the form of noise, dust, grit, smell, smoke, fumes or traffic congestion

Complaints about the smell and smoke from the plant led to an on-site in-

spection by the Health and Housing Committee but this had been 'the most splendidly stage managed affair', the mayor said. The place had been cleaned up and the plant was run at a minimum operational level

But Mrs Hotz and her fellow ward councillor, Mr Charles Williamson, had been called out many times by angry residents who found the smell intolerable on damp days. Smoke from the plant often reduced visibility to almost nil

'I am warning other councillors who have light industry in their wards that they could soon have similar problems from what is in fact noxious industry unless the council acts now

'It will be a sad day if council allows this kind of nuisance to take place'

The council agreed that the city officials should close the plant down if it continued to ignore the conditions of its licence. The officials would also be told to take strong action against offenders in other areas. And the relevant committees would investigate the problem on a city-wide basis

# Payout to Moni part of settlement

ARGUS 16/7/82

186  
H.H.

Argus Correspondent  
**JOHANNESBURG.** — A R361 000 pay-  
out to Mr Benito Moni, former director  
of Monis and Fattis, was part of the  
overall settlement when Tiger Oats  
snatched control of the company from  
the Premier Group, a UAL spokesman  
said today.

UAL were the mer-  
chant bankers who handled  
the deal.

The spokesman said the  
payment was made to Mr  
Moni for relinquishing  
certain rights under the  
agreement between Monis  
and Fattis, Tiger Oats  
and the Premier Group.

The agreement was  
made an order of court  
Mr Moni was to be  
chairman of the group  
and arrangements have  
been made for him to be  
retained as a consultant  
for three years.

## 25 PERCENT

Mr Benito Moni had  
about 25 percent of Monis  
shares while control of  
Monis Brothers rested in  
the hands of Mr John  
Moni.

The payment to Mr  
Benito Moni will not  
come solely from Tiger  
Oats Mr John Moni will  
subsidise part of this pay-  
ment, which means he  
will receive less than 990c  
a share.

The UAL representa-  
tive said that if the pay-  
ment to Mr Benito Moni  
was unusual, the R54  
million payment to the  
Premier Group was even  
more unusual.

## 820c A SHARE

Premier originally  
offered 820c a share and  
claimed Monis had agreed  
to accept this offer. How-  
ever, a dispute arose after  
Tiger put in an offer of  
1 120c a share.

The settlement between  
the three parties resulted  
in a final offer of 990c a  
share from Tiger for con-  
trol of Monis.

The settlement was  
reached to avoid pro-  
longed litigation.  
Tiger is now trying to  
gain clearance from the  
Receiver of Revenue to be  
allowed shareholders to be  
given the opportunity of  
a capital payment and no  
dividend.  
Alternatively they will  
be offered a capital re-  
payment and the divi-



TEA

# The cup runneth over

FM 16/7/82

~~186~~  
186

Local tea growers are itching to increase production while tea packers are fighting for more stringent government restrictions on the expansion of plantations

To the packers, further growth of tea production is anathema because under a government-sanctioned agreement they are obliged to buy the entire local crop at nearly double the cost of comparable imports. Last year they paid an average of R3,50/kg for local teas as against R1,85 for imported teas.

Local tea estates were originally established with backing from the Industrial Development Corporation to achieve a measure of self-sufficiency in this commodity and to create jobs in depressed black areas.

The total volume of tea consumed in SA is around 21 500 t/year, of which a third, 6 800 t, is produced locally. The Magwa Tea Corporation near Lusikisiki in the Transkei is one of the region's biggest producers with an annual crop of 2 000 t.

Last year at a meeting of the Tea Committee, a body of producers, packers and a representative of the price controller, strict limits were placed on Magwa's expansion.

Magwa will be allowed to expand its production to 3 350 t by the 1985-86 season — after which it was suggested that expansion should be held down to a rate proportionate to the growth in local consumption. Similar restrictions have been placed on other growers in northern Natal, Venda, and eastern Transvaal.

Chris Dodson, an alternate director of Magwa's management company, Transkei Tea Management, says the price subsidy is imperative to the viability of the industry. He says establishment costs run at R4 000/ha, after which growers have to wait four to five years before they get a crop and 12-15 years before they are in full production. "To establish a local tea industry on R1,85/kg would be a non-starter," he says.

By contrast, says Dodson, most initial plantings in other producer countries were carried out more than 50 years ago. Since tea bushes have to be infrequently replaced, producers in countries such as Sri

Lanka and India have a great advantage.

He also contends that local growers could be more competitive if they paid "sub-human" wages which apply in most other producer countries, the average daily wage paid to workers on local tea estates is R3 — five times higher than in Malawi.

There have been occasions when imported tea has landed in SA at a higher price than the cost of locally produced tea. But Dodson sees little relief coming from this quarter — given the current depressed state of world prices.

"In order to survive in a highly competitive market, growers have increased yields so there is now more tea around, not less. Many plantations are also now reaching maturity. In spite of the disparity between local and imported tea prices, Dodson maintains that it is vitally important for Magwa to expand.

Current growth of the SA tea market is around 3% a year. If Magwa's future

growth were to be restricted to this figure, he suggests its viability could be on the line. Any setbacks for Magwa could be disastrous for the regional economy. At peak production the four estates employ a total of 5 500 workers — many of them women who have been traditionally left out of the labour market. In addition, the tea estates are the *raison d'être* for Lusikisiki's commercial activity and a major earner of foreign exchange for Transkei.

Last year Magwa turned in a profit of R400 000 on a turnover of over R5m and a total capital investment of R15m.

Says chairman Archie Nkonyeni: "We are very proud of Magwa. As far as we know it is one of the most viable of all the Transkei corporations."

Dodson believes Magwa could develop a long-term export market — in spite of present cost disadvantages.

What he has in mind is a scheme which will, in effect, reduce labour costs. Magwa will supply independent growers with the cuttings and technical know-how and buy back any leaf they produce. "By doing this we hope to produce leaf at lower costs than current costs. Once we have filled up local sales quotas, we may be able to export."

A major spinoff from the small grower scheme is that it will provide work for entire family units and expansion can be tightly controlled. Growers also stand to benefit as tea is essentially a high value crop. At current average prices of R3,50/kg, growers stand to collect as much as R7 000/ha — which compares favourably with R1 000/ha for well-managed cane or maize.

The present agreement with packers will prevent development of the small grower scheme. But pilot projects now being started in the Transkei will test the practicality of the idea. More important, says Dodson, is the jobs the scheme will create and the stability it will bring to the region.

He says "Transkei has invested vast sums of money in industrial concerns where the cost per job is around R20 000. Agricultural development creates permanent and seasonal jobs at only a fraction of the cost."



SA tea worker ... wealthy by world standards?

QUEENSTOWN — Production at the Kaffrarian Steam Milling Company (KSM) here came to a virtual standstill yesterday

Workers went on strike to demand a pay increase of more than 70 per cent

The company's managing director, Mr Gordon Minkley, confirmed last night that there had been a work stoppage,

186

# Mill workers strike

D. Rasfatch

20/7/82

but declined to comment further other than to report that negotiations would resume today

Most of the striking workers are members of the African Food and Canning Workers' Union (AFCWU)

Workers interviewed by our Queenstown cor-

respondent said they were earning R35 a week, some after having worked at the company for a lengthy period

They were adamant they would not return to work until management had met their wage demands

They said about 200

employees, including drivers, clerks, packing and bagging staff and dispatch workers had joined the strike

No incidents were reported but security police kept a close watch on the situation

Two senior officials of the AFCWU from East

London, organising secretary Mr Bonisile Norushe, and Miss N Nel, were reported to have been picked up by security police in Cathcart Road yesterday morning

Col A P van der Merwe, head of the security police on the Border, confirmed that two persons had been held for questioning and later released — DDR.







(186) (15) (138)  
**Strike at  
KSM *D. Dispatch*  
is over *21/7/82***

QUEENSTOWN — The 160 workers who went on strike at KSM here on Monday returned to work yesterday following a meeting between management and officials of the African Food and Canning Workers' Union (AFCW)

The managing director of KSM, Mr G A Minkley, who returned to East London from Queenstown yesterday, said they had a meeting with AFCW officials yesterday morning and had learnt the union had a big representation among the workers

"We are now looking into the matter of their representation and are going to discuss issues with them," he said

He added that wage negotiations would start if they established the union had majority representation among the workers. The workers demanded a 70 per cent increase in wages

Efforts to contact the secretary of the AFCW, Mr Bonisile Norushe, were unsuccessful yesterday

Union officials in East London said he was still in Queenstown and would only be back tomorrow or Friday —  
DDR

186 (3) Meat 150 138 P. Dispatch  
23/7/82

QUEENSTOWN — Production at the Frontier Meat Products factory here came to a virtual standstill yesterday when an estimated 120 workers went on a wildcat strike, demanding considerable wage increases and better working conditions

tions on Wednesday were that a strike was imminent

The factory manager, Mr S Pohlman, confirmed the work stoppage but said that workers had not indicated what their grievances were

“They are just sitting outside and we’re waiting to see what their story is. They haven’t come across to me yet,” Mr Pohlman told our Queenstown correspondent

Workers interviewed wanted wages increased to R60 a week consider-

ably more than most claim they are now being paid

The strikers said they would only return to work once their wage demands had been met, and two workers — who they claimed were fired after they approached management for wage

increases — were re-employed

The strikers also complained of bad working conditions

According to some of the workers, the company’s management called the members of a liaison committee in shortly after lunch yesterday and indicated they would have to negotiate a pay increase — DDR

There is believed to have been dissatisfaction among workers for some time, and indica-

27/7/82 (186) ~~187~~ ~~188~~ D. Despatch

# Strikers back at work

QUEENSTOWN — Most of the workers at the Frontier Meat Factory here, who went on strike last Thursday for higher wages, were back at work yesterday

They had all been fired on Friday after wage negotiations with management for a minimum weekly wage of R60 had reached deadlock, but were re-employed yesterday on the same terms as pertained when they were dismissed

Those responsible for starting the strike were not re-instated

In a statement released yesterday, the chief executive of the

group of companies, Mr Winston Sahd, said management, not the workers, would decide when wage increases should come into effect

He also said the group would not be dictated to by, or become a member of, a trade union movement

"This strong stand is vital to all business houses in Queenstown, otherwise we're looking at a turmoil situation," Mr Sahd said

Workers at the factory, most of whom are not members of the unregistered African Food and Canning Workers' Union

(AFCWU) went on strike in demand of higher wages irrespective of the job being done and better working conditions

Mr Sahd said there had been no loss of production due largely to the dismissed workers returning to work on Saturday to make up lost time

Workers at the factory are eligible for membership of the AFCWU, which recently established a branch in Queenstown, but most interviewed yesterday said they did not belong to the union — DDR



# Food workers

## win big

## pay increases

AR645  
28/7/82

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~~138~~  
~~139~~

Labour Reporter

MORE than 7 000 workers in the food manufacturing industry have recently negotiated wage increases of between 19 and 22 per cent for themselves

The workers, who are employed in the milling, fishing and fruit and vegetable packaging industries, are all members of the Food and Canning Workers' Union.

A spokesman for the FCWU said a round of intensive wage negotiations had been completed last month and certain increases had been won, in spite of the current recession, which had posed a "problem" for the union.

### SLUMP

"However, eventually the employers accepted that the workers could not be expected to pay for the slump when many are not earning a living wage", said the union spokesman

Workers in the lowest grade at SA Milling, Epol and Epic Oil — all of which are owned by Premier Milling — will now be earning a minimum wage of R62 a week, plus a R2,30 allowance. Many workers have been

moved up into grade 3, however, and will be earning R67 a week with a further increase of R5 at the end of the year. Previous minimum wages were between R52 and R55 a week.

The union has also negotiated wage increases at SASKO Milling of R11 across the board to R60 a week. Two extra public holidays have also been agreed on

### WORKERS

The agreements in the milling industries affect more than 2 000 workers in the Western Cape, Johannesburg and East London.

In the fishing industry, the union has negotiated a minimum wage of R50,14 a week in 18 factories in the Cape, including Sea Harvest, Irvin and Johnson and the In-Shore Fisheries, for both men and women. This represents an approximate 19 percent increase on the previous wage and affects about 5 000 workers.

A 21 percent increase has been negotiated in two fruit and vegetable packaging co-operatives in the Western Cape. Women workers will now earn a minimum wage of R38,41 a week.



# More men out <sup>(186)</sup> at Umfolozi mill

*Mercury* 29/7/82 ~~at Umfolozi mill~~  
**Mercury Reporter**  
MORE workers have joined the strike at the Umfolozi sugar mill bringing the number of strikers up to more than 1 000, according to the mill's general manager, Mr I Bales-Smith.

He said yesterday the night shift had not turned up to work on Tuesday. This follows the downing of tools by about 400 workers during the day over

wage and other grievances. He said another meeting had been held yesterday with the local workers' committee, but no move had been made to return to work.

'We told them we would look into the question of transport workers being able to clock on and off and would look at certain job descriptions with a view to possible reclassification



stitutes and we just cannot compete with their prices and still attract farmers. To make milk production profitable we have no alternative but to keep prices where they are. So if it isn't a shortage in production, then it's the problem of decreasing consumption."

Carnation Blend of Milk, Borden Made o' Milk and Sungold Blend powders are apparently the main threats to fresh milk sales. They are milk-tasting blends which contain substances such as skim milk powder, vegetable fats, palm kernel oil and corn syrups.

The DB agrees there is a demand for these products, but argues that the companies involved should "create their own market and not use well-known dairy emblems and terminology for products which sometimes have minimal dairy content."

## MILK SUBSTITUTES

### Daring dairy

FM 30/7/82

186

Three months ago the Dairy Board (DB) was hard put to supply milk demand in the PWV area (see *Business* April 30). Production has since been increased by the simple expedient of cutting some of the DB's own red tape, but it is now worrying about competition from milk substitutes.

Says DB PR Jaap de Bruyn "More people are turning to cheaper fresh milk sub-



stitute producers contend that they are not trying to take consumers from the fresh milk market.

Says Carnation Foods MD Bill Stewart "In fact, the two markets cannot do without each other. We need fresh milk for our product and the DB needs us to make up for the demand they cannot supply. Blends were put on the market in 1977 to fill the gap between skim milk and full cream milk powders."

Since then blend sales have grown to R21m a year while full cream powdered milk sales have dropped by 5% a year to a present level of about R55m.

All blend packaging presently carries a list of contents and the recommendation not to use for infant feeding. But the DB wants legislation to require a more prominent display of greater detailed information, such as percentages of preservatives and milk used. It also wants legislation on a minimum milk content in blends. Some blend producers are happy to comply with a minimum milk content requirement but are naturally against legislation.

Says Stewart "Our products have been approved by the health authorities and they offer consumers in a free enterprise country a cheaper alternative to similar foodstuffs."



*Planning*

# Union <sup>186</sup> bid to <sup>1407</sup> mediate fails <sup>187</sup>

Labour Reporter <sup>188</sup>

THE Natal regional secretary of Fosatu, Mr John Mawbey, yesterday attempted to intervene in the dispute between the Sweet, Food and Allied Workers' Union and the Cato Ridge company, Vleissentraal, in a bid to open negotiations

This follows a strike by about 100 workers after the company dismissed five of their colleagues. The workers were subsequently all dismissed

The Fosatu-affiliated SFAW, which claims to represent the workers, has attempted to negotiate with the company since the strike, with little success

Mr Mawbey said he had telephoned the company in an attempt to set up a meeting to discuss the dispute but the proposal was turned down

Vleissentraal's manager, Mr H E Hart, yesterday said he had refused to meet Mr Mawbey because he did not consider that he had a dispute with the union.

A SFAW spokesman said the shop stewards' committee had tried to talk to the management yesterday but they had been told none of the old workers would be taken back.

They were told that their money would be available today, he said

SPCA cash



# Big new thrust

186

S. Times 8/8/82

A NO-holds-barred battle for South Africa's R200-million-a-year margarine market is about to erupt.

A beneficial spin-off for the housewife is in prospect

The industry — controlled by only three companies — is heading for a major shake-up, with Tongaat Foods set to be the first new producer to enter the market since the introduction of yellow margarine 10 years ago

The three giants currently striding the margarine scene are Van den Bergh & Jurgens (a Unilever company) with 60% of the

# by Tongaat

market, Tiger Oats with 20% and the Premier Group with 20%

This three-way division of the market has prevailed for several years

Tongaat is about to rock the boat It is currently commissioning a R7-million margarine factory next to its edible-oils plant in Durban, and will soon start producing stocks for the official launch (scheduled for the end of September) of its range of margarine brands

While details of its marketing strategy are still under wraps, Tongaat this week disclosed to Business Times that it is planning a variety of product formulations and a pack range wide enough to cater for all segments of this rapidly growing market

"We are not just aiming to get a foothold in the market," comments Tongaat Foods chief executive Tony Crosby "We're aiming for a significant share, we're aiming to stay, and we're aiming to make a profit"

He expects Tongaat to have a 12% share of the market after its first year of operation — a slice which is targeted to rise to 20% in three years

Mr Crosby says margarine is a logical extension of his company's already substantial edible-oils business

(Tongaat Foods is also a major grain miller, cotton ginner and producer of animal foods, breakfast cereals, maize meal, eggs, asparagus and mushrooms)

"But," he adds, "we're not looking at margarine as merely another new product — it's a new business we're launching"

In planning its entry into the market, Tongaat Foods has identified four areas as critical to its success — product technology, distribution, aggressive marketing and the support of the major retail and wholesaling chains

In the technology area, Tongaat has entered into a knowhow agreement with the Belgium-based food mammoth, Vandemoortele, one of Europe's largest margarine producers and a world leader in margarine technology

Vandemoortele is providing the expertise for the

By John Spira

product formulations as well as for the process

Its deputy chairman, Eric Swenden, and technical director, Dr Patrick Gepts, are now in Durban to oversee the final stage of the commissioning of the plant — claimed to be the most advanced of its kind in the country

Distribution will be handled by Irvim & Johnson — something which, according to Mr Crosby, will provide Tongaat with a more extensive network than any of its competitors

Among the features of I & J's distribution service is its ability to store and deliver the margarine at ultra-low temperatures to ensure a high degree of freshness

The launch will be backed by a massive print, TV and radio advertising campaign, on which Tongaat will be

spending R2-million in the first year alone

Mr Crosby advises that the reaction of the major chains to the news of Tongaat's entry into the margarine market has been most encouraging

"We consulted them at an early stage and we have kept them fully informed of our plans. We are confident that we can count on their support"

He adds that, with shelf space at such a premium, the chains want products that:

- Offer a significant price or performance advantage
- Represent new thinking
- Are always going to be readily available at the right times and in the right volumes

"We believe our margarines will meet this requirement on every count"

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# Thumbs down for Cato Ridge union's bid for recognition

*Mercury 11/8/82*

**Labour Reporter**  
VLEISSENTRAAL has turned down the Fosatu affiliated Sweet Food and Allied Workers' Union's application for recognition at its Cato Ridge skin and hide factory because it was 'not necessarily in the interests of the workers'

**week**  
Vleissentraal's general manager Dr J A Lombard when asked to elaborate on the contents of the letter yesterday said they were doing 'everything that was necessary and possible' for the company's workers

According to a letter received by the union this week from the company's head office in Pretoria, the decision was made at a recent senior management meeting where 'all the arguments for and against union recognition were taken into account'

He said the company had formal and informal structures to negotiate with their workers and did not feel it necessary to introduce another bargaining situation

In the midst of last week's strike by about 100 employees at the Cato Ridge factory, local management had refused to negotiate with the union on the grounds of the impending arrival of the letter

A union spokesman said workers did not feel they had a workable relationship with the management 'which is why they joined the union'

The workers had downed tools in support of the dismissal of five colleagues who they claimed had been dismissed for being union organisers in the factory

They were all subsequently fired but the union is to apply to the Supreme Court for their reinstatement later this

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

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**NOTE CAREFULLY**

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

**WARNING**

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

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



186  
20/8/82  
Mervyn

# Millers and workers unhappy over decision

Labour Reporter

ABOUT 700 farm labourers in the sugar industry in Natal have been reclassified as industrial workers following a recent industrial court decision — a move which could significantly alter their conditions of employment and wages.

The decision followed a week-long sitting in Durban earlier this year in a bid to resolve a dispute within the sugar industry which has been going on since 1950

But, millers and the union said yesterday the dispute was likely to continue as the Court's judgment left 'too many grey areas'.

The decision to shift the dividing line between industrial workers and farm labourers outside of the actual factory premises could also spill over into other agriculture-based industries and spark off labour disputes

South Africa's farm workers at present are excluded from labour legislation and therefore have no access to any legal bargaining structures, including trade unions

## Disputes

But, although the workers who load and unload cane for transhipment to the mill now fall under labour legislation, the Court ruled that conditions of employment 'other than on an agricultural basis' would have to be negotiated.

This ruling is likely to lead to further disputes when sugar millers and the union wrestle over higher wages and improved conditions of service for these employees.

C G Smith's personnel director, Mr William Horlock, said the judgment was like 'launching a new model of car along a road with no sign posts or directions'.

He said millers were 'considering the possibility of appealing against the judgment because the issue has tremendous implications for the industry'.

Mr Selby Nsibande, general secretary of the National Union of Sugar Manufacturing and Refining Employees, said the judgment was not 'constructive' as there were still a number of grey areas.

# 150 fired after strike over dismissal

Labour Reporter  
ABOUT 150 workers at Cato Ridge's National Plant Food factory have been fired following a strike over the dismissal of a shop steward, union sources said yesterday.  
The workers downed tools on Friday demand-

ing the re-instatement of the shop steward who had been dismissed the day before, said a spokesman for Fosatu-affiliated Sweet, Food and Allied Workers' Union

He said the union had approached management on Friday but had been told they were not prepared to discuss the issue

Management said they planned to re-employ workers selectively from today

The National Plant Food strike is Cato Ridge's second in less than a month. About 100 workers were fired earlier this month at Vleisentraal after a strike over the dismissal of five colleagues

The union spokesman claimed the dismissals at the two Cato Ridge factories was a deliberate attempt 'to crush union organisation'

He said 800 Cato Ridge workers at a general meeting on Saturday had resolved to pressurise their companies to discuss the 'tense situation' that was developing with the three Fosatu unions organising in the area.

National Plant Food could not be contacted for comment last night

(186) ~~422~~  
~~422~~  
Mercury  
23/8/82

Low wage claim

made by union

Labour Reporter

THE Sweet, Food and Allied Workers' Union has accused National Plant Foods at Cato Ridge of not registering workers in order to be able to pay them 'appallingly low wages'

A union spokesman said yesterday this had come to light during the recent strike by about 150 workers over the dismissal of a colleague

National Plant Foods said more than half of the workers who turned up to the factory on Monday had been re-instated but a group of workers had left without collecting their wages

The union spokesman said the unregistered workers had refused to collect their wages because they would lose any claim to employment and unemployment insurance benefits

**Pay**

'A number of them have been working at the factory for longer than a year and yet were still being paid as low as R13 a week,' he added

National Plant Food's managing director, Mr R Hagen, said the company employed 'quite a lot of tog' labour' who would not have been registered but none of them had been working longer than two months

'But we don't pay any one as low as R13 a week,' he said

Mr Hagen said the starting rate for 'absolutely unskilled labour' was R19 a week with a R5 attendance bonus and the lowest skilled 'tog' labourer was paid R3,60 a day with meals included

The company had by yesterday taken on 95 workers which, Mr Hagen said, was an ample labour force

A spokesman for the Drakensberg Administration Board under whose jurisdiction Cato Ridge falls said 'There is no such thing as 'tog' labour anymore'

He said it was possible to employ a casual worker providing he was authorised to work in the area, but the employer was bound by law to register that worker within 72 hours

There was no minimum wage for casual labourers

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26/8/82



FM 27/8/82  
SUGAR WORKERS

## Drawing the line

Hundreds of farm labourers in the Natal sugar industry have been reclassified as industrial workers in terms of a recent Industrial Court ruling

The court's decision has far-reaching implications. It means the industry will have to renegotiate wages and employment conditions of a significant number of its employees at a time of depressed world sugar prices. In addition, any new deal struck with erstwhile farm labourers has the potential to spark off labour unrest in other agricultural sectors.

The court's ruling on the status of the workers was sought after a dispute had arisen between the National Union of Sugar Manufacturing and Refining Employees and C G Smith over the wages paid to

workers loading and unloading cane for transshipment to the mill at Chaka's Kraal.

The union claimed that the workers were industrial ones and as such should be paid industrial council rates. C G Smith claimed that labourers working in the loading zones were traditionally agricultural workers and consequently fell outside of the council agreement.

The differences are significant. Agricultural workers in fact are not covered by the industrial council agreement for the sugar industry. Mill workers, on the other hand, do fall within the agreement and consequently benefit from industrial council wage rates.

Wages paid to industrial workers are more than 50% higher than those paid to agricultural workers. In their submissions to the court, representatives of the sugar industry argued that the factory fence should be the legal point up to where the agreement should be honoured. Any attempt to re-define the dividing line between industrial and agricultural workers could possibly disturb the industrial peace in the industry.

In an historic ruling the court decided to uphold the factory fence as the legal boundary for those workers covered by the agreement. But at the same time it reclassified workers in the cane loading zones and mill sites as industrial workers. It recommended that conditions of employ-

ment for these workers should be renegotiated.

Neither party claims to be satisfied with the ruling. Selby Nsibandé, general secretary of the union, says the court had no standing to make recommendations. All it was asked to do was decide on a classification for the workers.

C G Smith's personnel director, Barry Horlock, believes that the decision was "equitable," although he concedes that a large body of opinion in the sugar industry would like to have seen the *status quo* retained. Nsibandé says, as the court has now ruled that the workers are industrial workers, he is expecting the industry to pay them full industrial council rates.

Horlock says he would like to see a new agreement negotiated outside of the existing industrial council agreement. He warns that the financial position of the industry is precarious. "We have to try and aim at an economic rate. The unions must realise that they cannot keep on pushing up wages and expect to maintain employment levels."

Sugar millers will be meeting shortly in an attempt to get a mandate for the negotiations. At one stage, Horlock says, millers thought of appealing against the decision, but they are now preparing themselves for a period of tough negotiations with the union.

One factor which complicates the situa-

tion is that the Commission of Inquiry into the Sugar Industry is examining cane transportation as part of its brief. Although it is not known what its recommendations will be, it is possible that it will suggest that the responsibility of getting the cane to the mill should be taken away from the millers and given back to the growers.

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**Township evictions delayed** 27/8/62

186  
Labour Reporter *Murray*

THE Mpumalanga township manager has agreed not to evict 32 ex-employees of Cato Ridge's Vleissentraal from their homes pending the hearing of an application for their re-instatement

His decision followed an order by the acting Judge President Mr Justice Milne, in the Pietermaritzburg Supreme Court yesterday restraining the township manager from evicting one of them pending the outcome of a re-instatement application to be heard on October 15

A spokesman for the State Attorney's office in Durban yesterday confirmed that although the restraining order concerned only one worker, it had been agreed for the time being not to evict the rest

*Star*  
**Increase**  
*27/8/52*  
**for food**  
**workers**  
*186*

Labour Reporter

A wage award was handed down this week to members of the Food, Beverage Workers Union who are employed at the Irwin and Johnson plant in Springs

The Cusa affiliate, which has a recognition agreement with I and J instituted the grievance procedure in a bid to win higher wage increases. The new minimum weekly salary is R49 44



# Call for stronger Rowntree boycott

27/8/82

186

Save ten

THE Johannesburg-based Worker's Support Committee has called for the intensification of the Wilsons Rowntree sweets boycott which started in East London more than a year ago after about 500 workers were fired for having gone on strike.

According to pamphlets distributed throughout the country calling for the support of the boycott, the fired workers cannot find work anywhere in East London, "because of actions by both the bosses and the Ciskeian authorities."

The pamphlets read "Being fired from work is no fun. It is a threat every worker has to face at some stage. As most of our parents, families,

neighbours and friends are workers, we can understand and share the hardships and humiliation suffered by workers who have been kicked out of their jobs.

"Presently there are approximately 450 Wilson Rowntree workers who were fired 15 months ago. Most of us know that these workers were unfairly dismissed and subsequently called

for the boycott of all Wilson Rowntree sweets and chocolates.

"This," the pamphlets go on, "is to force management to bow down to the workers' demands which are, the recognition of their union, the SA Allied Workers Union (SAAWU) and the unconditional reinstatement of all dismissed workers."

A spokesman for the Workers Support Committee said "This is one boycott we are not going to stop until the workers' demands have been met. For the period that

the boycott has been going on, although they won't say so, we know that management has felt the pinch.

"For every person who abstains from buying all products of Wilson Rowntree, a meaningful contribution has been made in the workers' struggle for their rights and fair treatment on the factory floor.

"And if we all cooperate in this effort, nothing will beat us. We will realise our aspirations as citizens of this country and shall all be happy to make a contribution for the betterment of our country," said the spokesman.

By SAM MABE

## TOMATOES

186

### Rotten times

FM 10/9/82

Cheap imports are hitting the local tomato-canning market. Producers are trimming back on contracts with producers, and some farmers are now talking privately of a control board for their industry.

The challenge is coming mainly from EEC-subsidised exporters, like Italy, which are landing whole tomatoes in SA for less than local production costs.

Statistics illustrate the problem. In 1980, 3 700 cartons were imported, by last year the figure had risen to 112 000. At the same time, SA production decreased only slightly to 218 000 cartons after a significant increase of 51 000 cartons the previous year.

Says major tomato farmer Bertie van Zyl "Pricewise, we cannot compete with the imports. And with the market flooded, canners are finding it hard to fulfil their contracts with farmers. That is not very pleasant news because we have a bumper crop this year and many newcomers have come in.

"In the circumstances, I can't see tomato farming remaining profitable."

Some relief has come from government, however, by way of a ninefold increase in import duty from mid-June. Tariff now

stands at 35c/kg against the previous 4c/kg.

But for some it's not enough. Orders placed before the new duties came into force are believed to be still in the pipeline. Says an SA Fruit and Vegetable Canners Association spokesman "There might be a period of adjustment for farmers and canners."

But Dr Johan Mouton, GM of the Langeberg Co-op cannery, claims that imports are not the only problem. He concedes that the supermarket chains did bring in large quantities of tomatoes, but "consumer demand has also declined this year." Higher interest rates, he adds, are causing supermarkets to destock, which is having a depressing effect on all canned products.

The problems have prompted leading producers to have another hard look at the industry in general.

Says Van Zyl "We need more co-ordination and stability among tomato farmers. Every year new producers come in and others leave, so we never know what size crop a season will bring. We can have production of up to 30m cartons of fresh fruit in as little as two months.

"We should be in a position to estimate what the yield is going to be and ensure even distribution. For that we would need a control board-type body, but farmers would first have to request it."

MARGARINE

THIS BREAD  
PLAN COULD  
HELP BUT

186

~~244~~ ~~Wheat~~  
**Food giants**  
**snap their**  
**wallets on**  
**a subsidy** <sup>S. Express</sup> 12/9/82

By CHARLENE BELTRAMO

FOUR food giants with a combined annual turnover of nearly R5 000-million are resisting making a contribution of R1-million each toward a fund that could prevent the bread price being raised 10c a loaf on October 1.

The scheme is the brain-child of Mr Raymond Ackerman, chairman of Pick 'n Pay, who has already pledged R1-million toward such a fund.

Mr Ackerman said if the Government donated R30-million — making a total of R35-million with the company contributions — and added this to the R190-million bread subsidy, the price would remain at present levels.

The day after the bread price increase was announced, Mr Ackerman cabled Checkers, the OK Bazaars, Premier Milling and Tiger Oats, asking them to join him in pledging R1-million each toward the bread subsidy.

"I then intend taking the pledges to the Minister of Finance, Mr Owen Horwood, and will ask him to channel R30-million of the extra R600-million the Government will get from last week's 1% GST increase to the bread subsidy."

But when the Sunday Express contacted the Big Four Mr Ackerman cabled, the response was far from enthusiastic.

OK Bazaars' managing director Mr Meyer Kahn said he thought the bread price increase was "very sad." But when told of Mr Ackerman's scheme he laughed and said he thought it ridiculous. "But in fairness I would like the details," he said.

"If anyone has the type of influence to get Mr Horwood to give R30-million then why doesn't he ask for the whole amount?"

OK Bazaars' turnover last year was R1 061-million, of which R590-million was from food sales. Pick 'n Pay, by contrast, had the lowest turnover of the five companies last year with R744-million passing through their supermarket tills.

A director of Tiger Oats, who did not want to be named, asked where Mr Ackerman thought they would get the money.

Tiger Oats, the biggest food corporation in South Africa, had a turnover of R1 399-million last year.

Mr Gordon Utian, managing director of Checkers, said bread subsidisation was the responsibility of the Government and not the private sector.

He believed Mr Ackerman was staging a publicity stunt. Checkers is part of the Greatermans group which had a group turnover of R1 003-million last year.

A spokesman for Premier Milling, which had a turnover of R1 204-million last year, said the company could not comment on the issue until the matter had been fully explored.

Mr Ackerman said "When GST was increased the Minister said more money would go to food subsidies but the extent of the increase has negated this."

"I hope to see the four companies I cabled next week to persuade them to contribute toward this symbolic pool," said Mr Ackerman.

"I want to be able to go to Mr Horwood and say the private sector has put down R5-million of hard-earned money to help South Africa."



Rowntree  
profit:  
£13.7m

LONDON — Rowntree Mackintosh reported a pre-tax profit of £13 700 000 (£8 700 000) in 24 weeks to June 19

The turnover was £303 900 000 (£280 600 000)

Earnings per share were 6.9p (5.2p) and an interim dividend was paid of 2.9p (2.7p). Tax amounted to £4 300 000 (£2 500 000), leaving an attributable profit of £9 400 000 (£6 200 000)

The UK, South Africa and France all contributed importantly to sales growth in the first half, the company said

# Sweets boycott stand: 2 plead not guilty

MDANTSANE — A Wongalethu High School pupil who was detained for four months claimed he had been assaulted by the Ciskei police to force him to make a statement if he wanted to be released

This was alleged at the Mdantsane magistrate's court during the trial of two men charged with contravention of Proclamation R252 of 1977, before Mr G M Zamaka

Mr Nceba Mahlangeni, 26, and Mr Malungisa Joka, 35, pleaded not guilty to the charge

The State led evidence that the men had organised a boycott with the object of causing loss, disadvantage or inconvenience to Wilson Rowntree by displaying stickers to encourage people not to buy certain brands of sweets in Mdantsane on July 28, last year

Advocate B E N Tshabalala instructed by Mr Ben Ntonga said the basis of the defence would be that the accused would admit having stickers on their clothing which read, "We don't eat Wilson Rowntree," but that the stickers referred to them, and did not intend to encourage others

A 17-year-old youth told the court that on the day in question he met

the accused in front of the post office at about 8 50 am He said he was from school when the men came to him and they stuck stickers on his chest and hat

The youth said after the men did this, they told him he should be aware of arrest by the police

Cross-examined by Advocate Tshabalala, the youth said after his arrest he was detained for four months While in detention he was assaulted by the police to make a statement if he wanted to be released

He said because he was keen to go to school, he had told the police that the statement he had made was true

Detective Sergeant Zolile Goodman Velebayi told the court he was patrolling the Highway bus rank with Constable Mdingi, Constable Mdoza and Warrant Officer Fanti when they saw the accused standing in front of the post office

Detective Sergeant Velebayi said their attention was attracted by the stickers which were on their clothing

He said they searched the accused and found other stickers in their pockets

Sgt Velebayi said he had asked the accused where they had got the stickers He was told by

them that they had written them as they had worked at Wilson Rowntree and that they had been dismissed and wanted to go back They believed this would happen if people did not eat the sweets

Sgt Velebayi said he knew there was trouble between the management of Wilson Rowntree and the employees who had been dismissed

Sgt Velebayi said he had not seen them sticking the stickers to other people The stickers were on their backs and fronts

Sgt Tukela Welcome Mnwana said he had imprisoned the accused at the police station on the afternoon of the day in question

He said there was nothing wrong with their cell where another man had been imprisoned When he visited the cell later with the station commander, Major N Mlandu, at about 4 pm, he found papers and posters stuck to the wall

Sgt Mnwana said the man who had been detained with the accused had denied sticking the papers to the wall He said the accused had also denied knowledge of the posters

The hearing was postponed to October 18 Bail of R50 each was granted — DDR

186







12077. 29/6/62  
Canning

workers  
186  
seek new

## grouping

### Mall Correspondent

DURBAN — The Food and Canning Workers Union (FCWU) and its sister union, the African Food and Canning Workers Union (AFCWU) have come out strongly in favour of forming a new federation of workers — a move which could put unity moves among emerging unions back on the rails.

Unity moves among emerging trade unions which had been on the go for more than a year broke down in July after a meeting of representatives of these groupings in Port Elizabeth.

Worker delegates from 30 branches of the unregistered AFCWU and the registered FCWU, which have a substantial support nationally among food industry workers, decided at a weekend conference in Paarl that 'all unions representative of workers' should be allowed to attend unity talks.

It was agreed to discuss as widely as possible with workers both in and out of trade unions "the importance of trade union unity".

The conference rejected the President's Council constitutional proposals and the Orderly Movement and Settlement of Black Persons Bill.

The unions — which have a large number of the members who are contract workers and would be hard hit by the proposed influx controls — felt it was the duty of organised workers to lead opposition to the Bill.

## BREAD SUBSIDY

# Who benefits most?

ALS

FM 8/10/82

~~3 paterid~~

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When men were more concerned with conscience than public opinion they had fewer qualms about admitting to their own selfishness. If they wanted a favour they had the honesty to ask

for it for themselves. Nowadays they masquerade as benefactors and pretend they are lobbying for someone else.

During the recent hullabaloo about bread prices not one of the predominantly middle class consumer lobbyists had the decency to say that he or she wanted a larger consumer subsidy because he or she would be an immediate beneficiary. Instead they ranted unreasonably about the need to protect the "poorer sector of the community" and the "blacks especially." We chomp our way through roughly 1.8Mt of wheat a year. But more than a third of it goes into cakes, biscuits and other fancy goods. So the off-take for bread is little more than 1.1Mt. By comparison 2.8Mt of maize are used for "human consumption." It is difficult to imagine more than 20% of that going into luxury foods.

By deduction, maize is at least twice as important as a staple in our national diet. What's more everyone knows that the ratio of wheaten products to maize products in the diet declines rapidly as you descend the social scale. Consumer lobbyists and supermarket owners know full well that poor

blacks eat little or no bakers' bread. Most of them live in homelands on farms, or in other remote areas which are not served by the few score Wheat Board licensees, who alone are privileged to bake the sort of bread which qualifies for the subsidy.

While it is true that the better-off urban blacks are eating more bread than they used to, most of them still eat some mealie meal as well. The ratio varies from area to area and family to family, of course, but there can be no doubt that the substitution of wheat for maize among blacks has been accelerated by the bread subsidy itself. When subsidisation first started it was aimed at whites, coloureds and Asians. But the urban whites ended up its main beneficiaries. They had the vote. And they knew that the government had artificially inflated the local price of wheat to their detriment to woo another bunch of "patriotic" voters.

The white community is now typified by a small segment at the top which shuns fattening bread (especially the dull, subsidised sort), another small segment at the bottom which still eats a lot of boiled rice, potatoes and putu, and a great blob in the middle which buys subsidised bread for all the family, three meals a day, plus an extra loaf for the housemaid and gardener. That is the blob which does the screaming. It is also the blob from which most journalists are drawn and to which most editors pander. And as Raymond Ackerman must realise, it's one of the two big blobs which

bring most business to Pick 'n Pay. The other is the upper income black blob which has just switched from mealie meal.

The only whites in SA who can honestly claim to be poor nowadays are the aged. Since few of them have the appetite to wrap themselves round more than two loaves a week their share in the R191m handout must be small. At 13.8c a brown loaf and 1.5c a white one the benefit of the subsidy to a septuagenarian can't be worth more than R10 to R15 a year. It would be easier, and more just, to add that sum to their pensions so that they could decide for themselves whether they would rather buy buns, beans or 'baccy. Many of them we suspect, would prefer to buy good old fashioned crusty loaves like the ones they knew in their childhood — before the government intervened to drive small bakers out of business.

But the Wheat Board's licensed bakers and millers wouldn't like that any more than they would like blacks to swing back to mealie meal (which is less tightly controlled). Enter the next bunch of hypocrites and vampires. An accumulation of baking and milling licences seems to pre-dispose charitable businessmen towards the Wheat Board and press upon their consciences the need for "economic justice" in the form of subsidies which will swing business in their direction. The bread subsidy is only paid out on standard brown, white and wholewheat loaves which confectioners and speciality bakers are prohibited (by Wheat



Board regulations) from producing its the Wheat Board's conscientious bureaucracy which justifies its limitation of the number of "baking units" on the grounds that

- The industry's profit margin is fixed at a level well below the margin aimed at by the non-controlled sector of the economy,
- Prices of bread are controlled by government, and
- A government subsidy is paid on bread in order to keep down the prices of bread for the consumer

If that's not a blatant case of busy work for the bureaucrats and favours for their promoters, we would like to know what is. Since when has it been necessary to stop entrepreneurs investing in ventures where the profit margin is fixed at a level 'well below' that at which they aim? Why does the subsidy make a limited licensing system so important? Is the board worried that unlicensed bakers might forget to claim their share of the booty? Of course not. Although it will never admit it, the board's main pre-occupation is and always has been to protect inefficient middlemen, first by preventing what it euphemistically calls "excessive and wasteful competition" among bakeries and millers, and second by guaranteeing its (predominantly co-operative) agents a handsome return for storing grain on the nation's behalf. In addition to a basic handling charge, the board gives its agents roughly R4 a ton a month for holding wheat. Individual farmers (many of whom could do the job more cheaply) are not entitled to any reward for storing their own grain. The Wheat Board gives them a flat price for the year. Needless to say, the bakers, millers and co-operatives can muster a voting majority on the board.

Irrespective of its other demerits, the bread subsidy has played a significant role in masking the damage which they and the Minister of Agriculture have inflicted on the South African economy by restraining competition, distorting natural trade patterns and fostering the development of monopolistic conditions in the baking, milling, grain handling and animal feedstuffs industries.

The media and concerned citizens are

quotable

From *The Welfare State: For Rich or for Poor*, by David G Green

Director's Law\* states that "Public expenditures are made for the primary benefit of the middle class and financed with taxes which are borne in considerable part by the poor and rich."

The law is based on the following reasoning. If a government has coercive powers which allow it to engage in actions — in particular the appropriation of resources — which individual members of society would not agree to voluntarily, then any portion of the society which can secure control of the machinery of the State will employ it to improve its own position. In present conditions, the group best able to do this is the middle-income class.

\* A principle formulated by Professor Aaron Director

justified in being angry with the government over the rising cost of living and the bread issue in particular. But they are barking up the wrong tree when they ask for bigger subsidies. Apart from the fact that the subsidies are going to the wrong people, they are costly to administer, they distort trade and they come in a large part out of the very pockets of the middle class taxpaying whites into which they are subsequently put back.

Alternatively, it could be argued that the subsidies are not paid out of taxes at all but out of new "deficit money" printed by the state for the purpose. In that case they are a direct cause of inflation, rather than an answer to it. To render the cost of living more reasonable in South Africa we need a two pronged attack aimed first at making our uncompetitive food industry more efficient, and second, at releasing the energies of the poor so that they can contribute fully in the economy and thereby earn their fair share of a much bigger and more appetising national loaf. Here's a four part

- shopping list for the pukka godfearing consumer lobbyist. She should ask for
- Competitively priced agricultural inputs. If our farmers could buy their fertilisers, fuel, weedkillers, insecticides and tractors at world related prices they wouldn't need protection for themselves, and the prices of nearly all locally produced foodstuffs would fall. Simultaneously, our exporting farmers would become more competitive on overseas markets. This would result in a much needed boost to rural employment and thereby enhance living standards in those parts of the country where poverty is most acute.
  - Total and immediate abolition of all the controls (including price controls) which currently hinder genuine competition all the way along the tortuous pipeline from primary producer to end consumer. In a free market some prices might rise. But the majority would fall and rises would only occur where consumers opt voluntarily to pay for added services or better quality products. Either way real consumer needs would be more adequately satisfied.
  - The withdrawal of the bread subsidy as part of an all round package of cuts in government expenditure. Inflation won't disappear until the government learns to live within a balanced budget. No country can expect to have an efficient economy while the State employs one third of its citizens and more than half of its diminutive supply of graduates. At the moment the more efficient private sector in SA is being hamstrung (by superfluous legislation), starved of skilled manpower (because too many candidates have been absorbed into the public sector to administer the controls) and deprived of cash (because the spendthrift bureaucrats are licensed to fritter unproductively the lion's share of the nation's savings).
  - Economic de-segregation. If black workers were allowed to move about and compete on equal terms with whites and if black entrepreneurs were permitted to compete with the so-called "formal sector" of insulated white ones, much of the real poverty in South Africa would disappear. No one would need a subsidised diet.



RDM 16/10/82

# Meat head says consumer tops

*(Handwritten initials)*

Mall Reporter

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THE consumer was king and had to be treated as such, said Mr Frans Pieterse managing director of the Karoo Meat Exchange in an address to the South African Association of Livestock Auctioneers in Johannesburg yesterday.

Mr Pieterse said the time had come for the meat industry to do some soul-searching and "to be brought back to reality".

"And this holds good for all in the industry from the highest authority in all bodies to the lowest service level in the industry."

He warned the red meat industry to forget tradition and accept the challenges of the future with enthusiasm if it wished to retain its share of the market.

"We in the meat industry must be prepared

to do for the industry what Raymond Ackerman did for the bread consumer.

"We must not deliver more of our product to the consumer, but rather create a better image for the consumer and offer more value for money," he added.

A 1980 Consumer Council survey showed the rapid meat price increases had made no difference to 16% of consumers, while 41% spent the same rand value as before on cheaper cuts or those with less mass.

Mr Pieterse said the tragedy was "that 43% switched over to alternatives to meat, such as soya, chicken and other foodstuffs".

Appealing for consumer loyalty, he said it had to be earned with attractive packaging and a variety of meat cuts, continuity and palatability, better value and better quality.

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## guide

**HARARE** — The Zim-  
babwe Government has pub-  
lished a guide to investment  
in an attempt to attract for-  
eign businessmen  
Since independence in  
March 1980, investment has  
fallen well below the Govern-  
ment's expectations. But it  
has always resisted calls for  
guidelines because it wanted  
to keep its options open  
The guidelines say priority  
will be given to develop the  
full potential of every sector  
of the economy and to the  
promotion of employment  
and exports  
The Government is deter-  
mined not to cut the level of  
profits which can be sent out  
of Zimbabwe except in the  
event of "extreme balance of  
payments stress"

age firm, told a conference  
that the Federal Reserve had  
made a major policy change,  
but had not reversed its de-  
termination to fight inflation.  
Its action to ease monetary  
policy "has substantially lift-  
ed the danger of depression  
with a capital D"  
For the past three years  
the central bank, under Mr  
Paul Volcker, has kept a tight  
grip on the growth of money  
supply to combat inflation,  
now running below 6%. But  
the high interest rates result-  
ing from the board's mon-  
etary policies have been  
blamed for prolonging the re-  
cession  
A meeting of the Fed's  
open market committee was  
reported to have agreed to  
allow the M-1 money supply  
measure, covering all money  
in circulation and in cheque  
accounts, to grow beyond its  
2.5% to 5.5% target range.  
Interest rates have since  
tumbled, sparking a stock  
market rally  
Mr Wojnilower told the  
conference organised by In-  
stitutional Investor Maga-  
zine that the Federal Re-  
serve had made the decision  
because a slower pace of dis-  
inflation could be tolerated.  
He expected inflation to hover  
around a base rate of 4%  
to 5% in 1983  
Mr Wojnilower did not  
think the Fed would return to  
its pre-October 1979 policy of  
setting interest rates instead  
of trying to restrict growth of  
money supply. It would adopt  
a policy giving attention to  
both  
Mr David Jones, vice-  
president of the Aubrey G  
Lanston brokerage firm,  
agreed, saying the Fed had  
made its most important  
policy shift since October  
1979  
"The Fed has decided to  
start fighting recession and  
temporarily stop fighting in-  
flation"  
But several other econo-  
mists told the conference  
that the policy change might  
lead to a new surge in infla-  
tion

# aid to ive trade sessions

pressure to lower their often  
prohibitively high import  
barriers and open their mar-  
kets wider to goods from the  
industrialised world  
The proposal said "devel-  
oped countries have a strong  
desire to expand their trade  
with developing countries,  
which represent their largest  
growth market, but are ex-  
periencing growing frustra-  
tion with the import bar-  
riers"  
US officials have stressed  
in private that congressional  
approval for the GSP runs  
out in late 1983 and, given the  
growing mood of protection-  
ism in the United States,  
there is no hope of reapproval  
without some conces-  
sions  
Trade with the Third  
World has become increas-  
ingly important for the US.  
American exports to devel-  
oping countries rose from  
\$7 000-million in 1961 to  
\$89 000-million in 1981 —  
more than total US exports to  
both Western Europe and Ja-  
pan — Sapa-Reuter

age firm, told a conference  
that the Federal Reserve had  
made a major policy change,  
but had not reversed its de-  
termination to fight inflation.  
Its action to ease monetary  
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tion

**Kinross**  
TWO main ventilation fans at  
Kinross gold mine have  
broken down. Gencor says  
production will be affected  
slightly. It is not known how  
long repairs will take —  
Reuter

# Processed food exports urged

By PAT SIDLEY  
SOUTH Africa should  
consider exporting  
more of its food in pro-  
cessed form instead of  
its natural state, said  
the chairman of Koh-  
ler, Mr Basil Landau,  
at the opening of the  
Pakprocess 82 exhibi-  
tion at Milner Park, Jo-  
hannesburg, yesterday  
"The solution to the prob-  
lem of world hunger is there-  
fore perhaps not so much to  
step up food production but  
to make better use of our ex-  
isting agricultural output by  
protecting it through proper  
packaging and processing  
methods," he said  
By exporting processed  
foods "we would not only be  
earning a premium on our  
exported produce, we would  
be ensuring that it would not  
rot away before it could be  
eaten"  
Increases in the cost of  
packaged products appeared  
to be inevitable as new tech-  
nology in plant, processes  
and material would require  
substantial investment by the  
manufacturer. Labour costs  
had also risen  
"But such cost increase  
can, and should, be offset by  
adding a real and demonstra-  
ble measure of extra utility  
to the product"  
"If a new piece of packag-  
ing has been made in such a  
way that it will extend the  
distribution range of the  
product it will contain, or  
lengthen its shelf life, or  
cut storage and handling  
costs then these function-  
al benefits will far outweigh  
the additional cost of the new  
technology that has gone into  
the production of such a  
container"

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MDANTSANE — Two Mdantsane men yesterday denied that they had organised a boycott at Wilson Rowntree products

Mr Nceba Mahlangeni, 26, and Mr Malungisa Joka, 35, pleaded not guilty before Mr G M Zamxaka, to having organised a boycott with the aim of causing loss, disadvantage or inconvenience to Wilson-Rowntree by displaying stickers to discourage people from buying certain brands of sweets

At a previous hearing the defence admitted that the accused had worn stickers on their clothing which read, "We don't eat Wilson-Rowntree" The defence said the stickers referred to the accused and were not aimed at encouraging others

The court was told they were arrested by Sergeant Zolile Goodman Velebayi at the Highway main bus terminal

During yesterday's hearing, before a packed court, a youth said the accused had placed stickers on him

Advocate B Tshabalala, from Durban, instructed by Mr Ben Ntonga, applied for the acquittal of the accused

*Dispute R 19/10/82*

# 2 deny sweet boycott bid

He said the evidence against his clients was conflicting The accused had stickers displayed on their persons but were not seen by Sergeant Velebayi doing anything to other people

The youth's evidence was also in conflict, Adv Tshabalala said

Opposing the application, Mr G Adams said there was a prima facie case against the accused as they knew they were inciting others not to eat sweets from Wilson-Rowntree

They had worked at the firm where there were strikes by workers before they were dismissed

The application for their acquittal was refused by Mr Zamxaka

Mr Mahlangeni told the court he was in possession of stickers when

he was arrested near the post office He told the police the stickers came from the South African Allied Workers Union (SAAWU) offices

He denied that he had organised a boycott against Wilson-Rowntree sweets

Mr Mahlangeni said schoolchildren had approached him and had asked for stickers, which he had given to them

He said he did not know it was an offence to stick the stickers onto himself

He said that at the police station he had been accused by his interrogators of being one of the people who encouraged schoolchildren to boycott classes

He alleged his interrogators had assaulted him

Mr Joka also denied that he had organised a boycott against Wilson-Rowntree products

He said that he did not eat Wilson-Rowntree sweets and that the stickers encouraged those who did not eat the products anymore

The hearing continues today Bail of R50 each was extended



# New battle rages in local margarine war

Mercury 20/10/82  
186  
Mercury Reporter

CLAIMS by a newcomer to the margarine market that its product contains '0 percent cholestrol' were as irrelevant as saying the margarine contained '0 percent arsenic', according to a spokesman of Van den Bergh and Jurgens, the food arm of Unilever.

The implication was that other margarines contained cholestrol, whereas none did, the spokesman said.

As a result Unilever had carried adverts in the Sunday Press declaring that all margarines contained no cholestrol.

'Why advertise what's not in the product when the important factor to the consumer is what is in it?' the spokesman asked.

Last month Tongaat Foods launched the two new products — Ole and Rondo — on to the margarine market. It was the first new entry in 10 years.

## Responsible

Both were aggressively advertised in full colour in the daily Press with Ole under the slogan that it contained '0 percent cholestrol'.

Packing colours of the new pair were the same as their opposition's Rama and Floro products, but the Unilever spokesman said 'This doesn't worry us. We believed we were being responsible in our advertising — now we may have to change our ad campaign.'

Because no yellow margarine contains cholestrol, Van den Bergh and Jurgens, who have a 60 percent market penetration, lodged a complaint with the Advertising Standards Authority.

They claimed the ad was irrelevant, emotive and, therefore, misleading.

However, the ASA upheld Tongaat's claim about the Ole product having '0 percent cholestrol', and said it was being informative with its 'no, none, nil, zero cholestrol' wording.

The Van den Bergh and Jurgens spokesman said the lack of cholestrol bore no relevance because no local margarine contained it — and butter had only a 0.28 percent cholestrol content.

The marketing director of Tongaat Foods, Mr Paddy Broad, said he resented the use of the word 'arsenic'. 'It is a cleverly selected word to throw suspicion on our product.'

## Negligent

'We have decided to draw attention to the fact that it contains no cholestrol. It's nothing new because several major brands overseas have been making the claim for a long time — including Unilever in Hong Kong,' Mr Broad said.

He said his company was comparing margarine with butter rather than with other margarine brands. 'We believe the other companies have been negligent in withholding the no-cholestrol fact from the consumer. We are trying for the health angle — but in a more simple way.'

CANNER

# says <sup>ARGUS</sup> <sup>21/10/87</sup> <sup>56</sup> <sup>186</sup> ~~3 fishing~~ crayfish control a disaster

CONTROLS announced by the Department of Environment and Fisheries last week are "a catastrophe for the crayfish industry of the West Coast", the general manager of Lamberts Bay Canning Company says

Mr M G Potgieter said the Government had neither succeeded in eliminating problem areas in the industry nor protected the crayfish resources in the long term

"For years the crayfish industry has been beset with problems because of the personal and often divergent interests of private boat-owners, the public and the quota holders

## Pressure groups

"By partial demarcation and zoning of the West Coast, the Government has now succeeded in increasing the number and intensity of the pressure groups within the industry"

The demarcation policy would drastically increase the risk factor in each zone

In the past, the availability of crayfish — "which varies from time to time with the availability of food, water temperature, water oxygen content and a number of other factors" — could be discussed at short notice by independent bodies such as the Sea Management Association, and the fleets could be transferred to catch crayfish elsewhere on an agreed basis

## Confined to zone

Now, the department was forcing the catcher to stay in a certain zone whether crayfish were available or not

"The results can be far-reaching when one considers that in the B zone (the Elands Bay, Lamberts Bay and Dorings Bay area) there are 5 700 white and coloured people who are directly or indirectly dependent on the catching of fish or crayfish

"It is precisely this large coloured population — which the Government says it wants to protect — which will be at greatest risk and will suffer most if boats are withdrawn from an area when the catches become uneconomical"

Private boat owners and quota holders would be forced to approach the authorities for assistance, and the coloured community would become another pressure group in a renewed process of negotiation

## 'Single entity'

Mr Potgieter said the West Coast crayfish resources should be seen as a single entity, and should be protected and used as such

"A living crayfish resource cannot be segmented compartmentally or utilised without considering it as a whole

It is a pity the department did not utilise the voluntary and successful organisation of the Sea Management Association to protect and utilise the West Coast crayfish resource

"The catchers of the three bays go into this new season with fear and anxiety"

# 'on Press freedom'

Argus Bureau

PORT ELIZABETH — Speakers at the National Press Union congress in Grahamstown yesterday agreed there were likely to be more restraints on Press freedom

The editor of Die Vaderland, Mr Harold Pakendorf, said that in any community under pressure, the shortest route was to "kill the bringer of the message", but not being able to do that, the authorities would restrict news coverage

The duty of the Press was to assure the authorities that a free Press led to stability and not the other way around

There was a tendency among Government officials, and not necessarily Government itself, to restrict the Press, for example, by putting more restraints on court reporting

The editor of the Rand Daily Mail, Mr Rex Gibson, said "We have had increasing restraints under pressure — now this pressure will grow"

## 'SPECTRUM'

Mr Gibson also said the South African Press was coming closer together "We should have a more vociferous Press covering a wider spectrum"

The increased pressures on the Press to conform "turns newspapers grey and formless"



THIS is an architect which have a strong False Bay fro.

## Municipal Reporter

LOOKING like a small piece of a Greek Mediterranean island, one of the most exciting and spectacular building developments in Cape Town, Porto Ceruo, a multi-million rand luxury apartment complex overlooking Kalk Bay, has been submitted to the City Council for approval

It is being examined by the council's Environmental Advisory Board and will be considered by the full council next week

The been again and proper

Flats

The pretaining flats



THIS cross section of the Pom apartments shows that although would be seven storeys high if on top of the other, built in steps following the contour of the mountains planned, they will not be higher floors as seen from the back which is Godfrey Road Clairville is the front boundary

# Allergy woman' troubles not over

Argus Bureau

LONDON — "Total allergy ex-singer Sheila Rossall's troubles just keep growing

First it was claimed yesterday that the specially adapted council flat provided for her in Bristol was not suitable

Then one of the American nurses, who paid their own fares to accompany Miss Rossall to England earlier this week, flew home saying "I've been stung"

Miss Rossall 33, was flown back to England from California in an air ambulance which cost the British Government R42 000

## 24 HOURS

But after she had spent less than 24 hours in her special flat, her friend and fellow allergy sufferer, Mrs Dawn Aldridge, said "I doubt whether she can survive another couple of nights here

"This flat has a

mouldy smell leave windows cigarette smoke came upstairs and the cars can

"Sheila is a ghost She is and she can't that she won't water

I doubt if I live in these



*Mercury*  
**Strikers**  
*21/10/82*  
**apply to**  
*186*  
**Industrial**  
**Court**

Labour Reporter

IN a sequel to a strike at Vleissentraal at Cato Ridge, 42 workers dismissed during the strike yesterday applied to the Industrial Court for temporary re-instatement

The case is the first of its kind to come before the Industrial Court as the amendments to the Labour Relations Act enabling the Industrial Court to order temporary re-instatement came into operation only on September 1

Prior to the amendments applications for temporary re-instatement had to be made to the Minister of Manpower, Mr Fanie Botha

In terms of the Act the Court can order the company to re-instate the workers for up to 90 days or order that they be paid an amount equivalent to their re-instatement

Yesterday's hearing was one of a series of legal actions being taken by Vleissentraal workers who were fired at the beginning of August after they had struck in support of two dismissed shop stewards

Last Friday two workers applied to the Pietermaritzburg Supreme Court for re-instatement

The hearing, which has been adjourned until January 31 next year, is to be used as a test case in a bid to win the re-instatement of all the dismissed workers

After hearing argument yesterday the president of the Industrial Court, Mr B Parsons, reserved judgement and told the parties he would let them know of his decision through the Registrar



# Gas blast deaths: No one to blame

REGUS 28/10/82

186

A SIMON'S TOWN magistrate has found no one was to blame for the death of Mr Dennis Lawrence Pretorius, 35, in a gas explosion in his Kalk Bay fish-smoking factory on April 14 this year.

Mr Pretorius was praised after his death by Mr John Wiley, Minister for the Environment, for his "valuable contribution" to the probe into alleged illegal catches of white steenbras worth thousands of rands earlier this year.

Mr Pretorius died in his factory with one of his workers, known as "Oupa Henry" (Mr Henry Daniels)

Miss Bonita Ferguson of Mitchell's Plain, who was injured in the explosion, said in a statement she arrived late for work at the smokery on April 14 and started to make coffee for Oupa Henry and Mr Pretorius. She noticed a strong smell of gas and told Mr Pretorius

He asked her to check the gas burners in the smoking ovens. She did so and told him they had gone out. She then saw Mr Pretorius bend over the oven and turn a black valve near the burner. He also closed the yellow safety valve.

She turned away and the next instant there was an "enormous explosion"

Mr Pretorius fell against her. She was also knocked over and felt "all sorts of things" falling on her. She struggled towards the door, and lost consciousness.

Mr Mohamad Joseph Williams of Lansdowne, a harbour assistant, said he was in his office when he heard the explosion. Through the door he saw sections of the smokery roof flung into the sky.

He ran to the smokery and heard a scream from

behind a closed door. He opened the door and found Miss Ferguson, whom he brought outside.

He re-entered the building but his passage was blocked by overturned racks of fish. He went for help and returned with a building contractor, Mr Henry Wilken, and building worker Mr Jerome van Zyl. They removed the rack and found Mr Pretorius and Oupa Henry lying near the oven.

Mrs Peri Pretorius said she went to the smokery with her husband at 8.30 am on the morning of his death. She attended to the books while he started cleaning the smokery.

She left to go shopping at about 10 am, shortly after Miss Ferguson arrived at work. When she returned she was told by a friend that there had been an accident and her husband had been killed.

Mr D. W. Gildenhuys was on the Bench.

# Cannery closes after 2-day work stoppage

D. Dispalet 29/10/82

126

EAST LONDON — The Langeberg cannery here has been closed until Monday after work stoppages yesterday and on Wednesday

Cannery manager Mr J R Burg said it had been decided to close the plant after their 800 workers refused to go back to work until certain demands were met

He said management considered the workers

to have dismissed themselves by refusing to return to work

"They want an 80 per cent wage increase and the release of a prisoner being held on criminal charges," Mr Burg said last night

Langeberg has a recognition agreement with the African Food and Canning Workers Union, but Mr Burg said management had been un-

able to discuss the work stoppage with union officials

"They refused" to talk to us, despite a direct call to the officials. We had no option but to close down."

Mr Burg said the cannery would start rehiring on Monday "to see us through the end of the pineapple season" —  
DDR

ARGUS 29/10/82

# 800 fired at cannery

186  
138 139

Argus Bureau  
EAST LONDON —  
About 800 workers have  
been fired from the Lan-  
geberg cannery here fol-  
lowing work stoppages  
earlier this week

The cannery manager,  
Mr J R Burg, said today  
that the workers were  
considered to have dis-  
missed themselves after  
refusing to return to  
work after stoppages on  
Wednesday and yester-  
day

The cannery closed to-  
day and will reopen on  
Monday when re-hiring  
will begin

## DEMANDS

Mr Burg said the  
workers refused to re-  
turn to work until certain  
demands had been met

'They want an 80 per-  
cent wage increase and  
the release of a prisoner

being held on criminal  
charges," he said

The company had held  
discussions with the Afri-  
can Food and Canning  
Workers Union, which  
represents the majority  
of workers and is recog-  
nised by the company,  
but these had broken  
down

## NEGOTIATIONS

The cannery had in-  
tended increasing wages  
next month and had al-  
ready begun negotiations  
with the union

Mr Burg said he was  
hoping to re-hire many of  
the original staff

'We won't re-hire all  
of them because we are  
coming to the end of the  
season and would have  
begun retrenching any-  
way,' he said

Union officials could  
not be reached for  
comment

ns  
any

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# Strike at EL co-op: agreement reached

Wkd Post 30/10/82

By KEITH ROSS

EAST LONDON — Agreement was apparently reached in East London today between striking workers and the management of the Langeberg Co-operative

The 860 workers at Langeberg have been on strike since Thursday, demanding an 80% wage increase

Yesterday the general manager of Langeberg, Mr J R Burg, said he considered that the workers had dismissed themselves by refusing to return to their jobs

But talks held between management and the South African Food and Canning Workers' Union yesterday and today were described

by both sides as fruitful

After today's meeting Mr Burg and the organising secretary of the union, Mr B P Norushe, issued a short joint statement

It said "We feel we have made progress with our negotiations over the past two days. They have been fruitful

"Both sides look forward to a situation where production can be resumed on Monday"

Neither party was prepared to expand on this statement, but Mr Norushe said he was very satisfied with the outcome of negotiations

He said he would return to the factory on Monday for further meetings

Mr Norushe declined to

say whether he would address the workers on Monday

He said the impasse at the factory had been sparked by a dispute over bus ticket subsidies

"Management has been subsidising the workers' bus fares by paying R1,30 of R2 tickets," he said

"When the price of the tickets was increased to R3, the workers asked for an increased subsidy

"This was refused and a management member said they were earning too much to warrant further help"

Mr Norushe said the demand for an 80% wage increase was provoked by the statement that the workers were earning too much



# Strike talks continue at cannery

D. Dispatch 30/10/82

126  
281  
289

All answer books

Number of books
Number of titles

Surname

First Name(s)

Date

Degree/Diploma you are registered for

Subject (to be copied)

Paper No (to be copied)

EAST LONDON — Talks between management and union officials to resolve a dispute at the Langeberg cannery here — closed after work stoppages this week — will resume this morning.

Officials from the African Food and Canning Workers Union, representing workers at the cannery, met with the cannery management yesterday afternoon to discuss events which led to the closure of the factory on Thursday.

Mr Bonisile Norushe, organising secretary of the union's local branch, said yesterday's talks had been conducted in a "cordial atmosphere".

In an interview earlier yesterday Mr Norushe denied that union officials had refused to talk to Langeberg management.

Union officials had not been aware of the work stoppages at the plant and had not engaged in discussions with management on the issue, he said.

Union committee members in the factory, however, had held talks with the management. "But it was not a matter of them refusing to talk to management. They were willing and wanted to continue with the talks," said Mr Norushe.

If union officials had been alerted to the work stoppages and had been given the opportunity to talk to management the closure might never have occurred, he said.

Cannery manager, Mr J R Burg, was reported in yesterday's Daily Dispatch as saying that management had been unable to discuss the stoppage with union officials.

"They refused to talk to us, despite a direct call to the officials. We had no option but to close down," Mr Burg said.

He said workers had

demanding an 80 per cent wage increase and the "release of a prisoner being held on criminal charges".

Mr Norushe said workers had asked management to issue an appeal to the Minister of Justice for the release of Mr Oscar Mpetha, the 72-year-old Nyanga civic leader who has been instrumental in the formation of the union, and is facing charges of murder and terrorism.

The workers, he said, were angry about the callous way in which Mr Burg had referred to Mr Mpetha.

"The workers object to this in the strongest terms as it shows what attitude management in this country have towards workers."

"The workers 80 per cent wage demand is also in response to management's claim that they are earning too much," said Mr Norushe.

Mr Burg was reported in yesterday's article as saying the cannery would be closed until Monday. Work stoppages on Wednesday and Thursday as well as the refusal by plant's 800-strong work-force to go back to work until their demands were met had led to the decision to close the plant.

Mr Burg could not be reached for further comment yesterday — DDR

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

	Internal	External
(1)	(2)	(3)
1 (b)		
Examiners' Initials		

**NOTE CAREFULLY**

- 1 Enter at the top of the block of the question number
- 2 Blue or black ink for answers. Underline the numbers which permit names to be written (e.g. group examination)
- 3 Do not write

column (1) number of the question or written in blue or black ink is acceptable only for group examinations, for separate sheets additional to the examination paper.

**WARNING**

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

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

*p. Dispatch 2/1/62*

# Cannery gets ready to reopen

*(136)*

EAST LONDON — Langeberg cannery here is getting ready for production after the plant was closed last week because of a strike

The branch manager of the cannery, Mr J. R. Burg, said yesterday that the company had recruited senior workers and that more workers would be recruited during the next few days

About 800 workers at the plant went on strike over a dispute between the management and the African Food and Canning Workers' Union

Mr Burg said the basis of the dispute was an 80 per cent wage increase demand by the union. Earlier the union said their wage demand was in response to a management claim that workers were earning too much

Mr Burg said yesterday that some of the workers had returned to work, most of them more senior personnel who were getting the plant ready

"We will be recruiting more workers over the next few days," Mr Burg said — DDR



1 000 ~~262~~ <sup>186</sup> sugar ~~3/1/82~~  
workers fired

Own Correspondent

DURBAN — About 1 000 striking sugar workers were fired yesterday after three days of wild-cat strikes at six Natal sugar mills

The strikes began soon after Friday's meeting of the sugar industry's industrial council where negotiations deadlocked over revision of a food allowance

More than 3 000 workers from Tongaat/Hulett's group's Felixton, Amatikulu, Darnall and Mt Edgecombe mills, the independent Umfolozi mill and Premier Milling's Entumeni mill downed tools at the weekend

Strikers from Mt Edgecombe and Felixton mills had returned to work by yesterday's employer deadline and Umfolozi mill workers were due to return last night

But about 1 000 workers from Amatikulu and Darnall had not returned by the normal shift and were considered to have dismissed themselves. Entumeni mill could not be contacted yesterday

The general secretary of the National Union of Sugar Manufacturing and Refining Employees, Mr Selby Nsibande, said at the industrial council meetings last week that the union had demanded that the food allowance

be raised from the present R30 to R107 per month

Employers responded by offering to raise it by R10, he said

Although a formal dispute had not been declared, Mr Nsibande said, the "wildcat" strikes "show we are at a stage of deadlock"

The chairman of the employers' association, Mr Glyn Taylor, said that traditionally, black workers living in hostels had eaten at industrial canteens at no charge, but recently there had been pressure for a cash allowance to enable employees to feed themselves

"The dispute is centered upon the amount of the feeding allowance," he added

"It would seem either the union prefers to ignore the statutory conciliation machinery or that grassroots membership is taking matters into its own hands," Mr Taylor said

A spokesman for Umfolozi mill said management had spoken to their 1 200 workers on Monday night and appealed to their "better senses"

"We told the strikers that while they were out they were not being fed so they should rather return to work and let the matter settle itself industrially," he said

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# Some sugar strikers get jobs back

**Labour Reporter**  
AS PRODUCTION re-  
turned to normal at four  
of the Natal sugar mills  
hit by wildcat strikes over  
the past few days, about  
1200 dismissed workers  
were paid off yesterday.

Tongaat-Hulett's public  
relations manager, Mr  
Ron Phillips, said at the  
company's Amatikulu and  
Darnall mills where strikers  
had been dismissed  
after not returning by the  
Monday deadline, work-  
ers were being paid out.

He said the mills had  
started re-employing  
workers yesterday but it  
would be on a selective  
basis. The number of  
those re-employed was  
not yet known.

Meanwhile, production  
at Mount Edgecombe,  
Felixton, Umfolozi and  
Entumeni mills returned  
to normal yesterday.

The general secretary of  
the National Union of Su-  
gar Refining and Manu-  
facturing Employees, Mr  
Selby Nsibande, said he  
understood that the work-  
ers would be reinstated  
without losing any major  
benefits apart from the  
extra week's leave which  
Hulett's workers received  
after five years' service.

## Inflation

Workers would return  
to the normal three  
weeks' leave until they  
had worked for five years,  
he said.

Mr Nsibande said. The  
cancer of inflation has  
been behind the strikes, a  
fact which employers are  
refusing to face.

He said the R107 a  
month to which the union  
had asked the food  
allowance to be raised,  
had been carefully  
worked out by totalling up  
the cost of food items a  
man would buy each  
month.

Mr Nsibande said he  
had drawn up a list which  
included mealie meal,  
bread, chicken, bread and  
eggs and had priced these  
items at stores outside  
Durban.

The chairman of the Su-  
gar Manufacturing and  
Refining Employers' As-  
sociation, Mr Glyn Taylor,  
said. 'We come at this  
thing from the basis that  
traditionally we have fed  
these people in the our  
canteens at a cost of R30 a  
month a head.

'But now Mr Nsibande  
comes along and expects  
us to jump to R107 in one  
fell swoop, hasn't he seen  
the sugar price lately?' he  
said.

● See Editorial Opinion





The committee has recommended a minimum output of 150 000 tons of sugar — enough to justify a mill — of which 118 000 tons would be derived from White farmers in the Onderberg and 32 000 tons from black farmers of KaNgwane.

The KaNgwane territory has asked that its land be put to sugar cane to provide employment. It has a small area under cane.

Farmers near Komatipoort plan a dual-purpose plant to process sugar and ethanol.

TSB told the committee that it planned to expand the mill at Malelane 'within the near future' to handle cane from a further 8 000 ha — a boost of 50 000 tons of cane.

The Government has the final say on granting of more land and the recommendations of the Rorch Report have been with them since the end of September.

Pleas to expand in KwaZulu, the Transkei, Pongola, Makatini Flats and elsewhere have also been made.

The sugar millers at Malelane (Transvaalse Suikerkorporasie Beperk, -TSB- owned by Volkskas Bank) think that the SA Sugar Association has made a very conservative estimate of sugar expansion and that there is adequate room for another mill or extensions to the existing plant.

### Drawback

Major drawback is that the lands must be irrigated for cane and there is a shortage of stored water. The Mountain View Dam on the Kaap River which would irrigate another 15 000 hectares is to be built if a new mill is authorised.

Another difficulty not dealt with in the Rorch Report is the fate of KaNgwane, which is supposed to be swallowed up by Swaziland but which would be able to supply over 5 000 hectares of cane land and would be a vital cog in the decision to expand.

Farmers in the area are very keen to increase the population density as they regard this border area abutting Mocambique and Swaziland as important for security.

A new mill would provide nearly 10 000 jobs in the fields and at the mill. There are about 60 000 people in the area, excluding KaNgwane.

About 19 300 hectares is already under cane and feeds the mill at Malelane which makes timber

board from the bagasse. More would be planted if additional quotas were granted.

TSB has made three suggestions based on economic studies. These are to double the capacity of the existing mill and put a new mill at Komatipoort or a satellite mill to extract juice which would be carted to the existing mill.

The company favours a plan to expand the 200 000 tons-of-sugar-a-season existing mill and says that if certain bottlenecks are removed the mill could increase capacity by 40 percent.

Some cane producers in the Onderberg, as the area is called, want a mill elsewhere as the existing site is not suitable and a one-mill organisation is not able to cope with breakdowns, others say that mill expansion is favoured before a new mill is built.

The Committee said it was aware of an application for a mill submitted in 1979 to the Government. The name of the 'large industrial company' concerned was not disclosed.

### Irrigation

The Lebombo Boerevereniging wants to set up a farmer's co-operative for a 'sugar-ethanol' plant at Komatipoort. Its pre-feasibility study conducted by an international firm of sugar consultants says the project would be 'economically viable and commercially sound'.

The KaNgwane Government says that about two thirds of the territory is in the Lowveld with about 23 000 hectare available for irrigation. Only 219 ha is under cane on the Lomati River, which will be settled by individual farmers this year.

A further 450 ha under cane in the Louw's Creek area is to be handed over by the South African Government to KaNgwane.

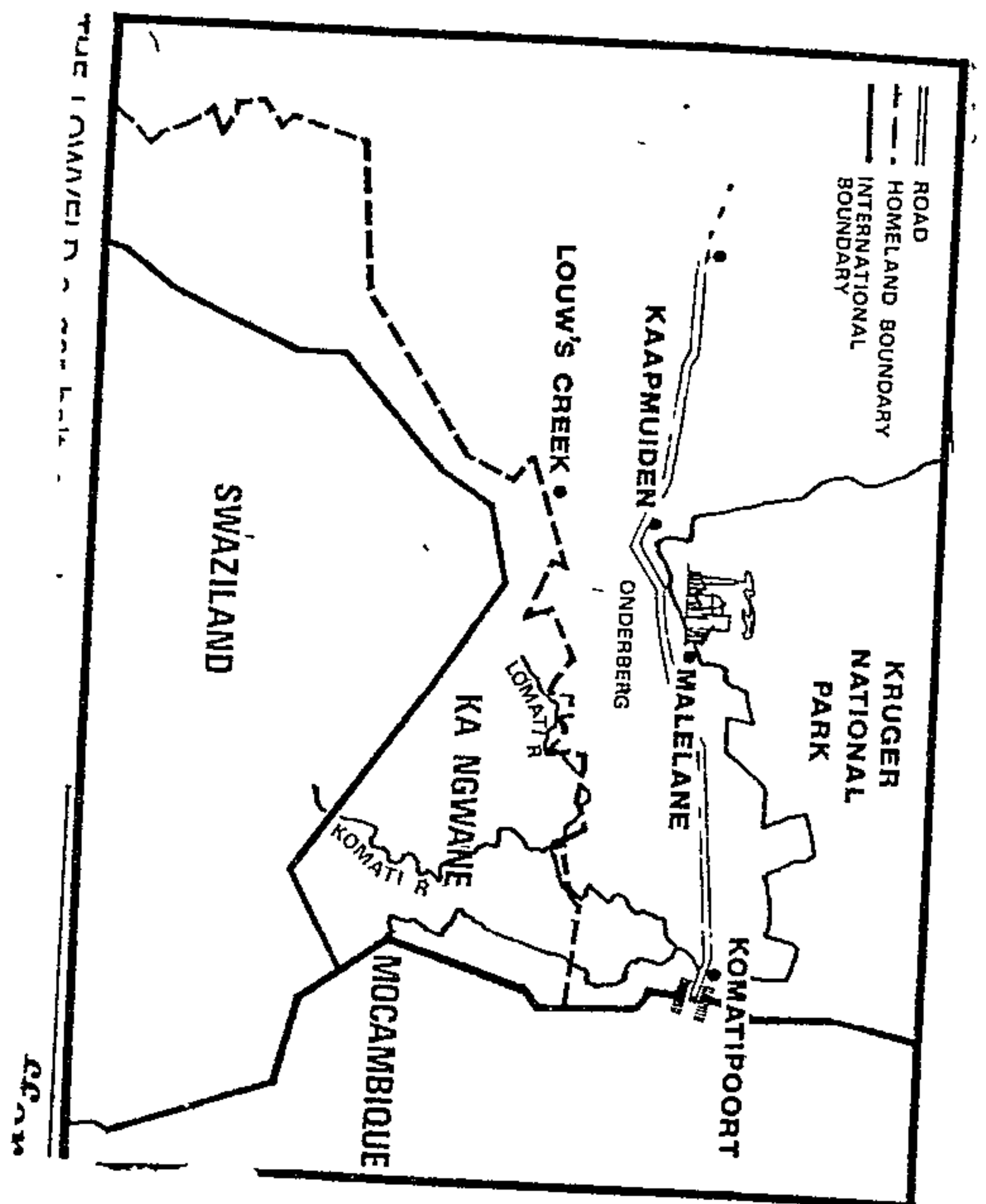
There are some 16 000 families in the area with just over 6 000 families in subsistence farming. About 15 000 people work outside KaNgwane.

The Government thinks that sugar cane would be the best crop for the area to provide employment and income. Last May the Government asked South Africa to boost its cane quota to 7 000 ha from the existing 219 ha.

It said that the Malelane mill had reserved capacity for cane from a further 2 000 ha of land in KaNgwane all within 75 km of the mill.

The proposal for the additional land would be to

develop 633 ha every year which would yield some 3 100 tons of sugar for the next 10 years — by 1990 6 330 ha would be planted yielding some 31 655 tons of sugar.



# Plea for expanded sugar industry in E Transvaal

FARMERS and the sugar millers in the Eastern Transvaal have made a strong plea to the Rorch Committee of Inquiry into the sugar industry for major expansion in the area. They want enough canelands to justify a new sugar mill which could cost R100 million.

Financial Editor

*(Handwritten notes)*  
 186  
 4/11/82



DES ABBE

# Sugar strikers taken on again

Mercury 5/11/82 186

## Labour Reporter

THE majority of the 1 200 strikers dismissed after the wildcat strikes which hit the sugar industry earlier this week have been re-employed and both Amatikulu and Darnall mills should be back to normal production today, the head of Tongaat-Hullets public relations department, Mr Ron Phillips, said yesterday

Workers at four of Natal's major sugar mills affected by the strikes had returned by Monday's deadline but strikers at both Amatikulu and Darnall mills were dismissed when they ignored the deadline

The wave of strikes began shortly after Industrial Council negotiations deadlocked over a revision of a food allowance

The National Union of Sugar Manufacturing and Refining Employees, which represents the majority of the black workers in the Natal sugar industry had demanded that the

monthly allowance be increased from R30 to R107 This was turned down by the employers' association

Mr Phillips said operations started up again yesterday at Amatikulu mill and recruitment had been completed at Darnall

Mr Selby Nsibande, general secretary of the union, could not be contacted yesterday



# Sour aftertaste to sugar strike

S Tribune 7/11/32

186

## Tribune Reporter

MORE than a hundred people working in Natal sugar mills lost their jobs this week because they say they are not getting enough to eat.

The issue which drew more than three thousand people who work in the mills and live in company hostels out on strike last weekend centred on the way hostel-dwellers were being fed and the amount spent on food for each worker.

For years their employers have provided two meals a day for them in hostel canteens, spending R30 a month on food for each of worker.

Said Glyn Taylor, chairman of the Sugar Manufacturing and Refining Employers' Association "There is nothing wrong with the food and they are adequately fed."

But about three months ago the workers,

represented by the National Union of Sugar Refining and Manufacturing Employees, decided they would prefer to buy and cook the food themselves. They asked their employers to give them R107-a-month food allowance.

According to the union's general secretary, Selby Nsibande, this figure had been carefully worked out by totalling up the cost of food items a man would buy each month.

The food allowance has been the subject of negotiation between the union and the employers for the past three months. Last Friday they finally reached deadlock at an industrial council meeting when the employers offered a food allowance of R40 a month.

"We have no objection if they want to cook the food themselves, although there are no facilities in the hostels. But

there is no way we can afford to raise the allowance by more than R10.

"You can't look at these things in isolation. As recently as April they got a raise of 20 percent in their pay packets," said Mr Taylor.

But last weekend more than 3 000 people working at various mills in Natal stopped work. A few hundred returned to work on Monday and on Tuesday the remainder — those employed by the Tongaat-Hulett's group — were given an ultimatum to return to work or face dismissal. On Thursday about 1 200 workers were paid off.

On Friday the employers were waiting for the union to return to the negotiating table. The union took legal advice and some workers were selectively re-employed. According to a reliable source, about 160 people

employed by the Tongaat-Hulett's organisation have lost their jobs.

Summing up the week's events from the employers' point of view Mr Taylor said. "No-one is ever happy with strikes. They are disruptive not only to production but to industrial relations as well."

"The union should have seen the negotiation process through. This issue has been on the table for two or three months. It is therefore surprising to wake up one morning and find they're out on strike. We believe the negotiating process must be followed."

Mr Nsibande had little time for the Press this week. The wildcat strikes involved his members at six different mills and he was hard pressed to keep tabs on all of them.

When the Sunday Tribune tried to speak to him he said he was too busy.



1257  
8/11/82  
186  
~~187~~

## Sweetheart soured

FOR some employers, the three-day strike at six Natal sugar mills last week is not unlike a favoured son turning on his father and wreaking havoc in the family home.

It followed a demand by a Sugar Workers' Union led by Mr Selby Ntsibande for a bigger food allowance for workers.

Mr Ntsibande raised the issue with employers and they thought it was still under discussion — until, without warning, the strike began.

This is not the first time. Last year, the union was legendary for being not unrelated to strikes — also without warning.

Now ironically, when this union emerged from nowhere in 1980, it was helped by a donation from sugar employers who also trained Mr Ntsibande and his colleagues in unionism.

Employers said they were doing this because it was what their workers wanted, but the union was labelled an employer creation.

Then Mr Ntsibande decided sugar was too small a pond for his talents and branched out into other industries. He also began some hectic militancy — accompanied, say his critics, by very little skill and strategy — aimed at ending the "sweetheart union" image.

After last week's events, there are signs that some sugar men concede Mr Ntsibande was not their soundest investment.

Word is that some have had enough and believe dealing with a Fosatu union, also active among sugar workers, would be a relief.



# Stop order uproar

DOM 11/11/82

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Labour Correspondent

THE biscuit industry's industrial council has told employers they are not allowed to deduct "stop orders" for an emerging, mainly black, union because only a Tucsa union is allowed these facilities, it was alleged yesterday.

Fosatu's Sweet, Food and Allied Workers' Union (SFAWU) charged yesterday that two employers in plants where it has majority membership applied for "stop orders" — automatic deduction of union dues by the employer — on its behalf.

The plants are in Pinetown and Isando.

But the council had told the companies that only Tucsa's National Union of Operative Biscuit Makers and Packers which sits on the council, was allowed this facility.

SFAWU's general secretary, Mrs Maggie Magubane, said yesterday the union's national executive had condemned this ruling.

She said workers, angered by the move, believed the council had no right to intervene in a matter which concerned only their union and their employer.

Mrs Magubane said SFAWU had also attacked a Natal sugar unionist Mr Selby Ntsibande, who had walked out of a meeting with sugar mill employers at which SFAWU was present.

SFAWU had been invited because the closure of a mill at which it is recognised was discussed.



1986

~~1986~~

Sowetan

15/11/82

SOWETAN, Monday, November 15th 1982

Page 7

# Milling firms slammed for vitamin deficiencies

**BY CHARLES MOGALE**

TWO giant milling companies have been accused of failing to help fight pellagra by refusing to put vitamins in their products.

The accusations against Tiger Oats and Premier Milling are made in the adult literacy magazine Learn and Teach.

According to the magazine, more than 100 000 people suffer from the disease every year.

"The companies can help in a simple way. They can add the two vitamins, nicotinic acid and riboflavin, to their mealie meal. The vitamins are very cheap and do not change the taste of the mealie meal," the report claims.

A nine-year long research into pellagra which started in 1963 has revealed that the

disease can be minimized if mealie companies add vitamins to their products. In other countries where the vitamins were



## MALNUTRITION help fight it.

added the battle against the disease has been successful.

The report quoted a spokesman for Tiger Oats, the manufacturers of Ace and Induna mealie meal, as saying

"We will do anything the people want, but we don't believe the people want us to add vitamins."

A spokesman for Premier Milling which makes Iwisa and Impala, said: "We put vitamins into our mealie meal for two weeks last April. But people didn't like it. People said the colour was not the same."

Learn and Teach, which launched the ongoing campaign against skin-lightening creams, said the Institute of Medical Research had disputed the change of colour after vitamins were added.

Dr Walker, of the South African Bureau of Standards (SABS), who studied the adding of vitamins to mealie meal for about 20 years, said if there was any colour change it was "very small".

15/11/82

# R80-million fruit scheme for Northern Transvaal

Farming Correspondent

An R80 million irrigation scheme and fruit growing and processing industry to rival the Vaalharts complex will be launched in Northern Transvaal next year.

More than a million fruit trees will be planted in a giant orchard on 2 200 ha in the first phase of the project.

These include about 30 000 maroela trees which will be grown commercially here for the first time, as well as guavas, pawpaws and mangoes.

A computerised micro-net irrigation system will make the scheme a leader in irrigation farming technology.

The fruit will be processed into a new type of fruit juice, 70 percent of which will be exported to Europe.

Maroela juice, which is five times as rich in Vitamin C as guava juice, is expected to become popular also as blends with orange, grape and apple juice.

Water for 6 800 ha eventually to be irrigated will come from the Mid-Letaba Dam.

The dam, in Gazankulu north of the capital of Giyani, is one of Southern Africa's largest. It is nearing completion and filling will start next year when building will also begin on a large fruit juice factory.

Using the latest high-viscosity technology, the plant will process 45 000 tons of fruit a year into 15 000 tons of fruit juice, packed to have a shelf-life of 14 months.

The project will create an industry integrating irrigation, fruit growing and processing.

Finance for the project will come from an international consortium involving the Corporation of Economic Development as a major partner.

The second phase of the project will involve as many Shangaan-Tsonga farmers as possible.

## Second Judge President of SWA-Namibia

The Star's Africa News Service

WINDHOEK — Mr Justice Hans Berker is to become Judge President of the Supreme Court of South West Africa on March 1.

The present incumbent, Mr Justice Frans Badenhorst, who became the first Judge President when the Supreme Court was instituted at the beginning of the year, will retire on February 28.

Mr Justice Berker became an advocate of the Windhoek Bar in 1954. In 1979 he was appointed a senior advocate, and later became an acting judge.

## Tvl brothers saved from sea

CAPE TOWN — Two brothers, who could not swim, clung desperately to floating petrol cans after their ski-boat overturned in heavy surf at the mouth of the Breede River, Cape at the weekend.

Mr Sakkie Nel and Mr Andre Nel, of Heidelberg, and a third crewman, Mr Albert Geldenhuys, were exhausted when they were pulled from the water by former Bakoven National Sea Rescue Institute station

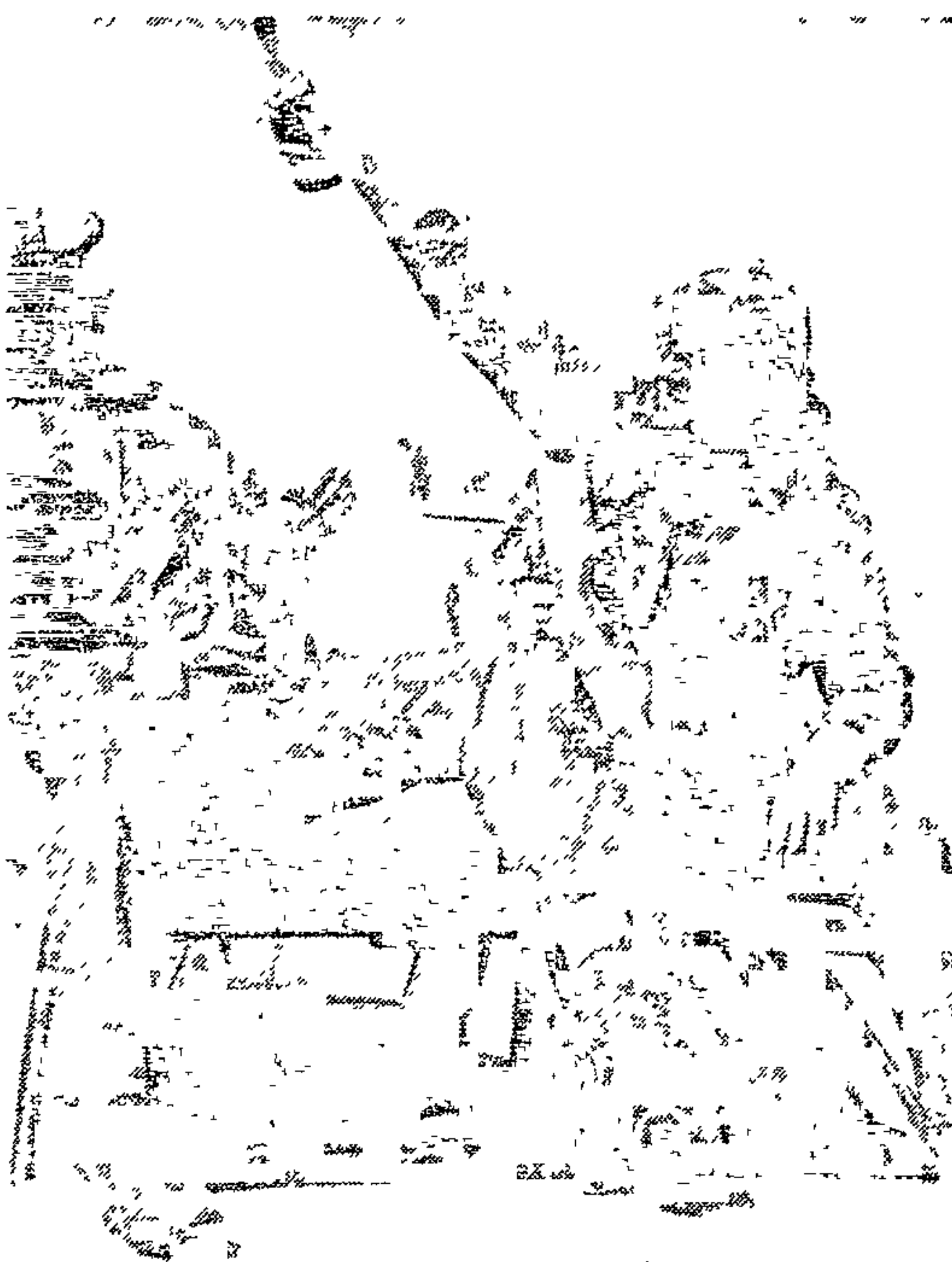
commander, Mr Ivan Clerck.

The three men left the river mouth in dangerous conditions and a huge wave overturned their boat as they headed for the open sea.

Mr Clerck braved heavy surf in his six-metre boat to rescue the men, who had been clinging to their upturned petrol cans for more than an hour.

Mr Clerck circled the men and threw them lifejackets before moving in to rescue them.

None of the men was hurt. — Sapa



van der Merwe and Franz Boshoff celebrate their win in the Datsun Rally at the weekend.

## ster has talks

Reporter Minister of Transport Mr Hendrik has held Pretoria with strong Salaaff Association for the next

Schoeman has said there will be increases for employees of the South Transport Service of current

president of Mr B L Currie, had put its demands to Schoeman and both had agreed to talks until next year, as any increases are due only in

Hundreds welcome Mabuzza home

Ice-cream treat for <sup>(46)</sup>  
Dairy Board members  
STW 231.11/82

The only two manufacturers of dairy products represented on the Dairy Board recently received more than 75 percent of a R1 million subsidy granted by the board to ice-cream companies.

The subsidy on 1000 tons of skim milk powder was allocated at a time when there is a growing surplus of skim milk powder.

The subsidy was granted to encourage ice-cream manufac-

turers to use locally-produced powder instead of imported substitutes, according to the Dairy Board.

The two main recipients — NCD and ICS — are also manufacturers of skim milk powder and own companies which have a large share of the ice-cream market.

Despite the subsidy, it is unlikely the consumer price of ice-cream will come down.

● See Page 6





# Accusations against EL firm 'less than fair'

E Post 24/11/82



By KEITH ROSS

EAST LONDON — Accusations made against Wilson Rowntree at the Anglican Synod in Port Elizabeth this week, were today described as "less than fair" by the company's managing director, Mr Peter Preston

The accusations were made in a document on "The Wilson-Rowntree Campaign" by the Diocese of Cape Town's Board of Social Responsibility

It traces the history of the "unfair dismissal" of nearly 500 workers, "at the beginning of this year" by Wilson-Rowntree

It claimed there had been continual harassment of workers and their trade union by the Ciskeian authorities and Wilson-Rowntree management

The document said "Wilson-Rowntree, together with other employers benefit from the repression of independent trade unions and the cheap labour provided by the Ciskei — a service that has been refined by the creation of the Manpower Development Centre in Ciskei

"This is a computerised screening process which weeds out workers who have been active in trade unions to ensure a submissive labour force for employers"

These accusations, how-

ever, were made without any attempt to get the viewpoint of Wilson-Rowntree, according to Mr Preston

"We have no knowledge of the Diocese of Cape Town Board of Social Responsibility," he said

"Certainly they have never contacted us to hear our side of the story, and we fail to see how they can comment on the rights and wrongs of this particular industrial dispute with any degree of impartiality or authority

"We believe with regret that they have been less than fair"

Mr Preston denied his company had given a list of workers to Lt-General Sebe, or to anybody in the Ciskeian police

"We have not harassed the dismissed workers, or their trade union," he said

"We are not using and have never used the services of the Manpower Development Centre in Ciskei

"We do not, and have never used, cheap labour. Our wage rate and fringe benefits are well in excess of those currently being paid in industry in South Africa. We have no knowledge of the other claims

"The 470 workers lost their jobs at the beginning of 1981 and not at the beginning of this year"

● See Page 5

# Claims made of worker 'repression'

E-Post 26/11/82



By GARTH KING

THE Ciskei security chief, Lieutenant-General Charles Sebe told wives of detained Wilson-Rowntree workers that he had detained them at the time of their strike "on the basis of a list he had received from Wilson-Rowntree management"

These and other startling claims were made in a document on "The Wilson-Rowntree Campaign" by the Diocese of Cape Town's Board of Social Responsibility — made available to Anglican Synod delegates this week.

The document, which traces the history of "the unfair dismissal" of 500 workers at the start of this year, claims

- Jobless workers have suddenly been threatened with eviction for arrear rentals

- Companies had "suddenly" demanded full payment for goods bought on hire purchase

- There has been continual harassment of workers and their union (SAAWU) by the Ciskeian authorities and Wilson-Rowntree management

The document said "Wilson-Rowntree, together with other employers, benefit from the repression of independent trade unions and the cheap labour provided by the Ciskei — a service that has been refined by the creation of the Manpower Development Centre in the Ciskei. This is a computerised screening process which weeds out workers who have been active in trade unions to ensure a submissive labour force for employers"

The synod is due to discuss a motion today which calls on the Anglican Church to "actively boycott all Wilson Rowntree products until the SAAWU is satisfied that the workers have been reinstated"

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# BUSINESS

# R236m <sup>(126)</sup>debtor a bitter pill for the embattled sugar industry

Business Editor

THE South African sugar industry faces a financial crisis with a deficit for the current season of about R146-million.

In addition, the price stabilisation fund, which was drained during the recent drought in the sugar growing areas, still owes R136-million which

was borrowed to help farmers crippled by the drought

Fortunately there is a surplus of R46-million from last year's export crop which will reduce the overall deficit to about R100-million.

This brings the total debt facing the industry to about R236-million. There is no doubt that the industry is

going to have to borrow, said South African Sugar Association (Sasa) general manager Peter Sale, but just how much and where is still to be decided

One of the key factors is a domestic increase in the price of sugar. Sale would like to see a price hike equivalent to that of the CPI of about 15% to help offset rising costs.

But that depends on the Government's attitude

Still smarting from the refusal of the last increase in the sugar price Sale refused to guess what, if anything, Government will allow in the way of price increases

"We just present them with the fig-

ures and wait for their conclusions"

Sale is hoping for an increase, but has no idea when, or if, it will come

And with Government's current anti-inflationary actions, it would seem unlikely that, if an increase were granted, it would be substantial enough to make a major dent in the mammoth deficit facing the industry

This means that Sasa is again going to be forced to borrow to make ends meet

He said overseas and local sources would be investigated for the best terms

Despite lower interest rates overseas, he said, items such as forward cover and exchange rates made the overall cost of a loan much the same, no matter where or in what currency it was negotiated

"The main thing," Sale said, "is that as well as the best rates available, we also want to borrow for a minimum of five years, which could possibly rule out the use of local money for the entire amount outstanding"

The two main causes of the problems facing the sugar industry are

● The disastrous drought in 1979/80 which drastically cut production and income, just as the world sugar price started to rise

● The heavy surplus. The world surplus to August this year was estimated to be about 8-million tons. India-

## Admen are blowing their own trumpets

AD AGENCIES are practising what they preach

The past few months have seen a number of agencies climbing into corporate advertising — selling not only the wares of their clients but their own

### Bad ad of the week

BAD media buy of the week was a banner at Ellis Park

live dangerously than to die quietly

Included in the package was a brand identikit and a launch identikit which allowed interested ad agency buyers a chance to become acquainted with the recently



Puzzling invitation for a taste of hot air



Place an X next to your choices and have this lying around!

Books for Xmas Hobbies

Books for Xmas kids



# a bitter pill for sugar industry

have to borrow, said South Sugar Association (Sasa) general manager Peter Sale, but just how much and where is still to be decided.

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But that depends on the Government's attitude.

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- The disastrous drought in 1979/80 which drastically cut production and income, just as the world sugar price started to rise.

- The heavy surplus. The world surplus to August this year was estimated to be about 8-million tons. Indications for the year to August next year indicate a further surplus of 4-million tons.

Sale said this was one of the most prolonged periods of crisis faced by the industry, but he did see some light at the end of the tunnel.

First, the price on the London sugar market has risen from a low of £81 a ton to £107 on Thursday.

Second, the futures price is also showing positive signs. For December 1983 it is in the region of £140 a ton, for March 1984, £146 and for May it jumps to £152 a ton.

In addition, South Africa is one of the cheapest producers in the world and this will help the recovery process.

Sale said most farmers would survive as long as their sales were supplemented by loans.

But there was no doubt that some of the smaller and more inefficient growers, mortgaged to the hilt, would be forced to sell before the situation began to improve.

Sale said that as soon as trends became clearer, Sasa would begin to create future financial planning.

## air nets

dangerously than to die by... included in the package a brand identikit and a... identikit which al... interested ad agency... a chance to become... ed with the recently... ed agency and their... of doing business

□ □ □

... South Africa advertising agencies for the first time, play a... role in the accreditation process.

... Joint Accreditation... (JAC), which will... its members from the... and broadcast media... as from the advertising industry, now has the accreditation portfolio.

... applications for accreditation will, from January 1, be subject to scrutiny by the JAC, which will be... ed to grant, with... or, when necessary, re-... agency accreditation... powers were formerly vested in the National... Union for printed media and the SABC.

□ □ □

... Hands pitched for... won - chip manufacturer Willard's packaged... account for Fresh Up Stimorol. The account



## Puzzling invitation for a taste of hot air

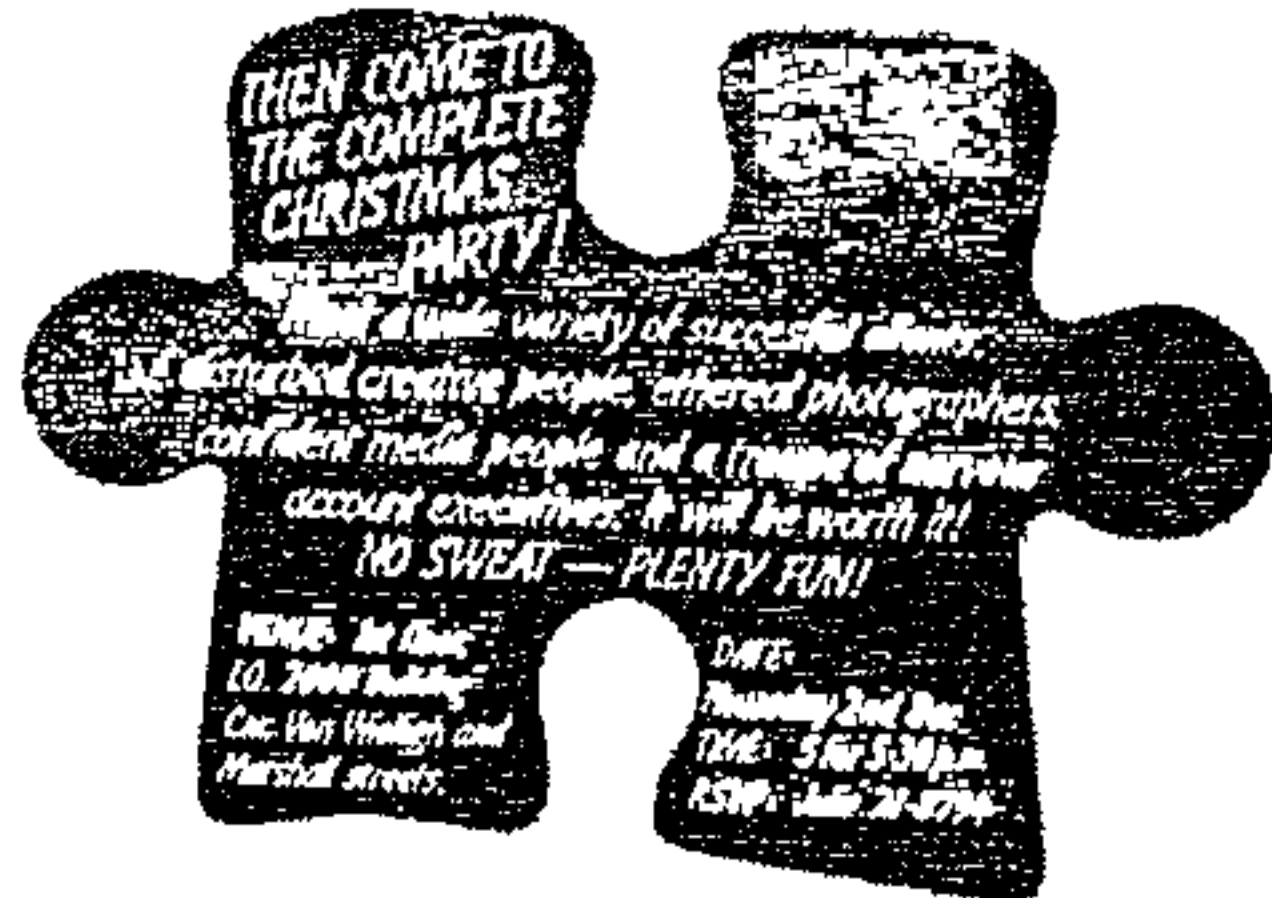


● The intriguing cover of the invitation.

MEDIA representatives and others were invited to "meet a wide variety of successful clients, disturbed creative people, ethereal photographers, confident media people and a troupe of nervous account executives".

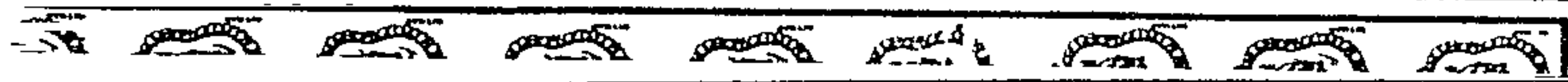
The invitation, which came in the form of a jigsaw puzzle piece, also offered "no sweat — plenty of fun".

The sweat was puzzling out where the invitation came from. A phone call revealed that it was Complete Advertising which, said MD David Roberts, accounted for the invitation to have a complete gas.



...and the puzzling words of welcome

... moves from DeVco, which also made a bid for the account. Also in doing battle were McCann, CDP, Partnership and Grey Sandton.



# Bread boycott support varies across Natal

186

8/12/82

Mercury Reporter ~~24~~ said the marked drop in white bread sales came before the boycott, but admitted it was having a 'slight effect'

A NUMBER of trading stores in Northern Zululand have come out in support of the bread boycott by refusing to stock white bread, causing a drop of about 18 percent in bakers' bread orders

Mercury  
And near Stanger recently a bakery's van was waylaid by a crowd objecting to its supplying white bread to a local store

~~24~~ ~~146~~  
This was revealed in a survey undertaken by the Mercury yesterday to measure the extent of the white bread boycott initially introduced by Inkatha.

8/12/82  
A spokesman for Richards Bay Bakery said the effect of the boycott was 'fairly' dramatic with 'certain of our black customers' not taking any white bread at all

The assistant manager of Stanger's Betta Bread Bakery, Mr T Stansell,

He said shops in the rural areas were wanting white bread but because of threats that had been made to the firm's van drivers it had been difficult to supply them

Mr Stansell said recently a driver had been mobbed and the police had to be called in to rescue him

A police spokesman said by the time the police had arrived the crowd had dispersed

However, it appears that the boycott has not been taken up in any significant way in the Natal Midlands or South Coast areas

A spokesman for Godwin's South Coast Bakery at Port Shepstone said there had been initial resistance to white bread at the time of the bread price increase but the situation had soon reverted to normal

In the Midlands, Checkers' regional general manager, Mr John Snyman, said the swing to brown bread experienced after the price increase was being maintained in certain areas

Meanwhile, the general manager of Pick 'n Pay, Mr Colin Clarke said that the company's bread subsidy would still run up until Christmas and might continue to the end of the month



Control boards, and particularly the Meat Board, are often subject to criticism.

Refreshingly, there has been a generally positive response to the Meat Board's new subsidy scheme.

Even the sceptics believe it is an attempt by the board to sell more meat at reduced prices. But in broad terms there is still dissatisfaction with this board's methods. One

discontented group is Farmers for Free Enterprise (FFE), which is affiliated to the Free Market Foundation. The

executive director of the FFE, Mr Roy van der Westhuizen, addressed farmers on this subject in East London this

week. COLLEEN RYAN reports...

A free market in the production and retailing of meat is essential if the future of the industry is to be assured, says Mr Roy van der Westhuizen.

That was essentially the message he left with Eastern Cape farmers at a conference on free enterprise this week.

Mr van der Westhuizen said farmers had been asked by the FFE what aspects of agriculture concern them. Many had voiced grievances against the situation in the meat industry.

"They complain about the permit system," he said. The Meat Board dictates to farmers how many cattle may be slaughtered through a quota system.

"The permit system encourages them to overstate their requirements because they know they will receive only a percentage of what they ask for," Mr van der Westhuizen said.

This practice meant that figures the board collects were often distorted.

"Why the permit system? The Meat Board explains that it exists to ensure an orderly supply of stocks to the markets," he said.

This implied that a free market without permits would be chaotic.

"What, they would say, if 20 000 head of cattle arrived at an abattoir which could handle only 3 000 head a day? This assumes that those involved in supplying and slaugh-

# The case for a free market in meat sales

tering livestock cannot identify their own self-interest and would oversupply, despite their knowledge of the slaughtering capacity and despite the knowledge that this would lead to a tremendous drop in prices."

He said people who wholeheartedly supported control believed that it was only by planning that order could be maintained.

"The question then arises — who plans the planners, or are they above that level?"

Mr van der Westhuizen also criticised the grading system and questioned whether it was necessary.

"The planning mentality cries out with a horrified, 'yes' Imagine the chaos, they say, if there were no grades to advise the consumer on the quality of meat.

"This attitude implies the consumer, butcher and producer do not know their own self-interest."

He said consumer demand would force suppliers to provide meat of an acceptable quality.

"The price mechanism in a free

market is the means by which consumer preferences are signalled to producers. It establishes the consumer as the supreme arbitrator of quality and quantity."

He said other grievances expressed by farmers were

- Abattoirs are chiefly in urban areas and despite transport subsidies, producers are hard hit by railage costs.

- Despite slack demand, the retail price of meat is very high

- Farmers are forced to contribute to the Meat Board's stabilisation fund although some would prefer to accumulate the capital and take their chances

Mr van der Westhuizen said the FFE recommended immediate steps to implement a free market.

He called for a withdrawal of the permit system, the abolition of meat grading, refunding to farmers of all levies paid into the stabilisation fund, and the withdrawal of restrictions and regulations in the market.



Mr Roy van der Westhuizen, a Ficksburg farmer and executive director of Farmers for Free Enterprise.

RM  
WR BOYCOTT  
10/12/82  
TUC takes action

SA's longest-running consumer boycott — of Wilson Rowntree (WR) sweets — continues. The company is adamant it is having no effect. Ian Stubbings, WR's marketing director, states "We can identify no effect on our sales in SA from any consumer boycott."

However, there are indications that the boycott is becoming increasingly internationalised and that British parent Rowntree Mackintosh (RM) is catching

some of the flak

SA Allied Workers Union's (Saawu) general secretary Sam Kikine claims "British trade unions are putting pressure on RM to have its SA subsidiary change its attitude toward striking workers. Support for Saawu's stance has already come from the British Labour party, the Trades Union Congress (TUC) of Britain, the Anti-Apartheid movement and Amnesty International."

A British (TUC) spokesman confirms that "we are trying to influence the parent company to reach a negotiated settlement in SA which will involve Saawu recognition. We will be having a high-level meeting with RM management early in the new year in an attempt to find a solution. We will be pressing them very hard."

"Thereafter, the TUC will decide what further steps are necessary. Boycotts are an option which we have not ruled out. There is a good deal of support in Britain for Saawu, especially as a number of British unions have membership in RM."

Closer to home, the Lesotho branch of the WR Boycott Committee, representing various Lesotho trade unions, is actively discouraging businessmen from purchasing WR products. 1 200 schools around the country have been barraged with publicity about the campaign.

The boycott grew out of the suspension of three workers from WR's East London factory in February 1981, which led to the dismissal of 500 others, most of whom are still unemployed. But the dispute then became one of union recognition. Saawu is an unregistered union.

Kikine claims that, "WR have recently adopted a much more aggressive marketing campaign to counter the effects of the boycott. This is particularly noticeable on buses in Natal."

Counters Stubbings "We are merely continuing our normal advertising campaign with continuous promotion of our products. We choose different media from time to time."

**Sugar**  
**union**  
**breaks**  
**new ground**

Labour Reporter

THE registered National Union of Sugar and Manufacturing and Refining Employees yesterday signed its first recognition agreement with a factory outside the sugar industry

A joint statement released yesterday said the union had entered into a recognition and procedural agreement with Hulett Engineering at Mount Edgecombe

The agreement was signed yesterday by the union's general secretary, Mr Selby Nsibande, and the managing director of the company, Mr J E Greig

The statement said in part 'Both parties are confident that the agreement will form the basis of an effective and co-operative relationship between them, based on the desire to jointly resolve problems which may arise without the need to resort to unlawful industrial action'

what must  
you ask

key jobs

what of  
competition  
for jobs will  
department



(186) (157) S. Tribune  
12/12/82

# D-day for sugar industry dispute

## Tribune Reporter

TOMORROW is going to be a decisive day for the sugar industry when management and labour meet again to negotiate a food allowance for workers in Natal's sugar mills.

The issue — which drew more than 3000 people who work in the mills and live in company hostels out on wildcat strikes at the beginning

of November — has been raised several times in the industry's industrial council. Each time the employers, represented by the Sugar Manufacturing and Refining Employers' Association, and the workers, represented by the National Union of Sugar Refining and Manufacturing Employees, have reached deadlock.

The workers have asked their employers to give them a R107-a-

month food allowance. The employers have offered R40 a month.

Should tomorrow's meeting end in deadlock again, the union is expected to hold a strike ballot and, if it is successful, their members will be able to strike legally.

Although they would have satisfied the requirements for a legal strike under the Labour Relations Act, this action does not mean their jobs are automatically protected. Their employers retain the common law right to dismiss them for breach of contract, a labour lawyer told said.

Observers believe, however, that there is little likelihood of the workers voting in favour of a strike.

They say the workers would see no point in going for a strike when the last one did not succeed. Also the sugar workers are unlikely to do anything which will jeopardise their employment. More than a hundred people lost their jobs after the November strike.

The employers will attempt to persuade the union to call in a mediator or go for arbitration instead — the other options available to the industrial council in the event of a deadlock.

# R40 offer rejected by union

## Labour Correspondent

IN A sequel to a recent strike wave at Natal sugar mills, the sugar industry's industrial council has decided that unskilled and semi-skilled workers will receive a food allowance of R40 a month.

The allowance will be available to workers who choose it in place of an employer-provided food scheme. Sapa reports that it will not be available to workers living in married quarters provided by milling companies.

But the National Union of Sugar Manufacturing and Refining Employees, (NUSMRE), whose members struck at five Natal sugar mills after it had demanded a R107 a month allowance, has rejected this deal.

Details of the R40 allowance were released in a statement yesterday by the Industrial Council for the Sugar Manufacturing and Refining Industry.

According to the council's statement, the decision to award the R40 was taken yesterday by a majority vote of the council and NUSMRE was the only union to vote against.

Unions on the council who supported the R40 allowance include three prominent metal unions.

Job <sup>152</sup> talks <sup>186</sup> for

# sacked bakers

21 DEC 1982  
Labour Reporter

OFFICIALS of the Bakery Employees' Industrial Union were negotiating the re-employment of 28 contract workers who were dismissed from Good Hope Bakery last week after going on strike, Mr Joe Daniels, general secretary of the union, said yesterday

The workers were paid off on Friday after downing tools in protest against the dismissal of a fellow worker

Mr Daniels said the trouble started when one worker asked to be transferred to another department. The foreman refused to transfer him and threatened to dismiss him

### WARNING

After warning him the factory manager dismissed him, according to Mr Daniels. All the other African workers stopped work in sympathy

Mr Daniels said the union wanted to do "everything possible" to save the jobs of the contract workers

He denied an earlier statement by another union official who said the union sent other workers to take the place of those dismissed

"We would not send people to take the places of our members. We did not send labour out there and we will not while we are negotiating," Mr Daniels said

### THE FIRST

It was the first strike in the union since it was established in 1910

An agreement was being negotiated with the management whereby the dismissed workers could reapply for their jobs, he said

Mr E Kalligiannis, manager of Good Hope Bakery, said he had no comment to make at this stage



## Dismissals

~~175A~~ 186  
lead to

~~157~~ 22/12/82  
legal

*Mercury*  
action

### Labour Reporter

THE S A Allied Workers' Union has started legal proceedings against the Eskort Bacon Co-operative at Estcourt based on a claim that the company's dismissal of three workers in October was an unfair labour practice.

The union's national organiser, Mr Herbert Barnabus, yesterday said the company had alleged the workers were stealing meat, but an investigation by the union found this to be unfounded.

Earlier this month a letter had been sent to the company regarding the dismissals.

Mr Barnabus said the union had not received a reply and the matter was handed over to the union's attorneys.

Eskort Bacon Co-operative's general manager, Mr V I Fincken, said he was not prepared to comment but added that the company had also instructed its attorneys to investigate the matter.

~~(11/10/6)~~  
**Bakers go  
on strike** (186)

*D. Dispatch 23/12/8*  
UMTATA — A 3-hour strike at a bakery depot here resulted in late deliveries in and around Umtata yesterday morning

More than 200 employees of Amendu bakery, are believed to have been involved

Some of the people at the depot said they were not satisfied with the bonus they received

The Area Manager, Mr W W Stock refused to comment, saying it was purely a domestic matter — DDR

CIRG  
132  
131  
130  
186

# Dismissed workers to be *Acous* re-employed

CITY EDITOR 27-12-1932

Labour Reporter

MOST of the 28 Good Hope Bakery workers who were dismissed recently will be re-employed, according to Mr Joe Daniels, general secretary of the Bakery Employees' Industrial Union

The workers were paid off after downing tools in protest against the dismissal of two fellow workers

Mr Daniels said he had had a 'long meeting' with management last week, who had agreed to re-employ all except three

"The union is not happy with this and we are still negotiating," he said

Mr E Kalligiannis, the manager of Good Hope Bakery, was not available for comment. A spokesman at the bakery said he was away on holiday for about three weeks

The spokesman said he knew "nothing" about the negotiations

A milling worker with whom one of the dismissed workers has been staying said many had left Cape Town to see their families



ARGUS 27/12/82 (186)

# Dismissed workers to be re-employed

Labour Reporter

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The spokesman said he knew "nothing" about the negotiations.

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MANUF. — FOOD

1983

JAN. — DEC

# Monopoly blamed for price rise in canned food

186

Mercury

5/1/83

## Mercury Reporter

**CANNED** jam, fruit and vegetable prices rocketed by as much as 27 percent yesterday amid claims by supermarket spokesmen and consumer watchdog bodies that a monopoly in the R120-million-a-year industry was to blame for the increases.

Retailers gave assurances that stocks in hand would not be marked up — although a check showed some products had already jumped in price.

Dr Johan Mouton, general manager of South Africa's biggest canning concern, Langeberg Co-operative, yesterday hit back strongly, and angrily, at criticism and denied charges of a monopoly.

The company holds an estimated 75 percent of the country's tinned fruit, vegetable and jam markets, selling its wide range of products under the Koo, All Gold and Silver Leaf labels, among others.

Dr Mouton said that Langeberg had no alternative but to put up prices because it had absorbed a series of rising costs throughout the year and the 'cut-off point' had to be drawn.

He blamed rising transport and raw material costs, increased salaries

and 'bad weather'

He confirmed it was the second increase since the merger two years ago with Picardi Cannery.

'Adverse weather is one of our biggest problems. This year's sweetcorn harvest looks very doubtful because of the drought, and other crops are likely to be affected, too,' he said.

## Others

Dr Mouton dismissed the allegations that Langeberg Co-operative controlled a monopoly because, he said, the company continued to 'face stiff competition' from producers of fresh and frozen fruit and vegetables.

There were also other, though much smaller, canning companies in existence, he said.

Replying to charges that no early notification or reasons for the increases had been given, he said a team of company representatives had visited outlets before Christmas to

explain why it had been necessary.

Mr Bill Buxton, managing director of Buxton's Friendly Spar Foodliner, said he had had no such advice.

'At one time there was always an explanation when prices went up, but it seems no efforts are made to justify increases any longer.

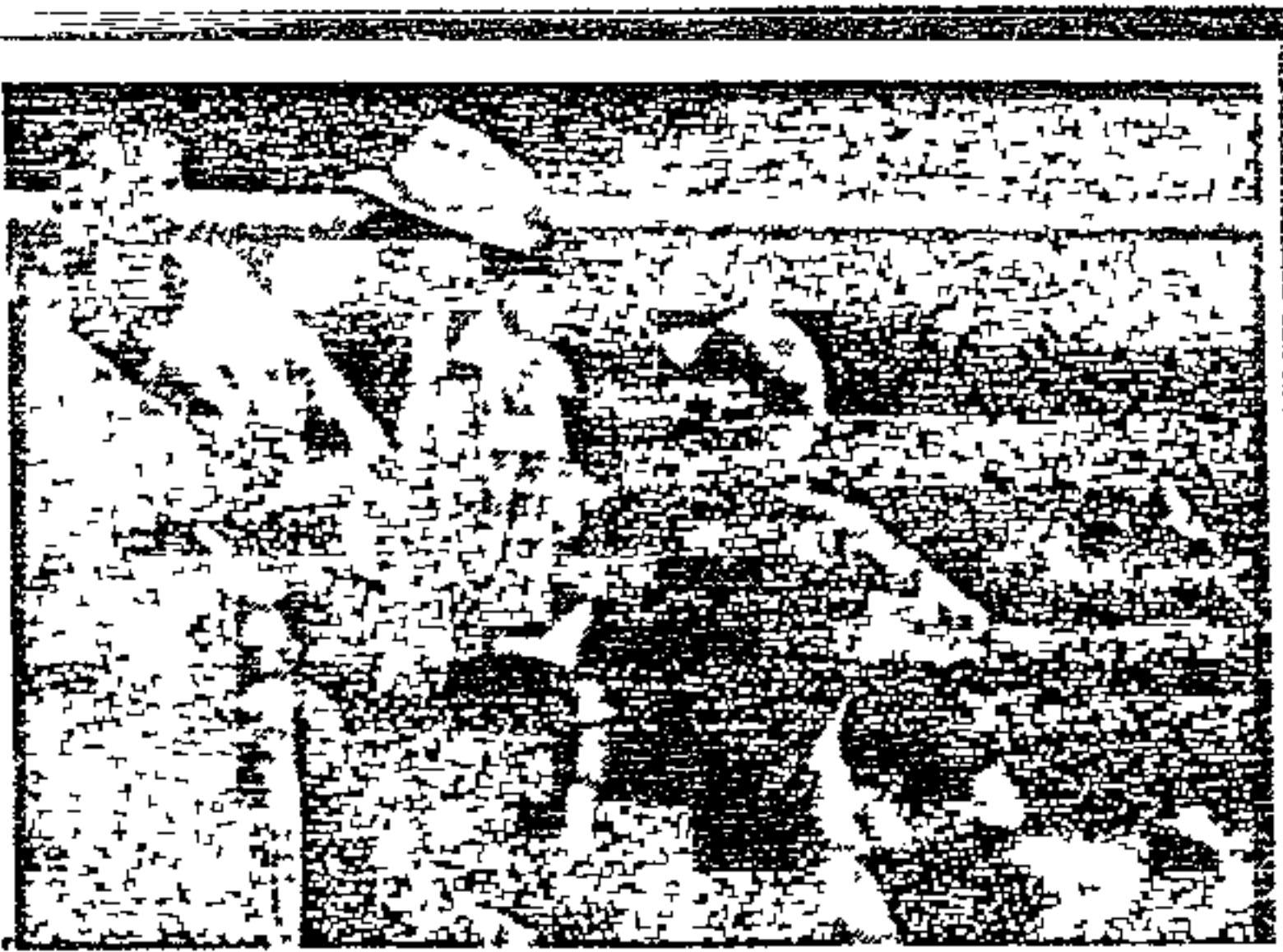
'The apathy with which these rises have been received by consumers as well as by retailers has been incredible.'

Mr Martin Rosen, general manager of Durban's Hypermarket, said canned food increases had been higher than expected and higher than ever before.

There were no alternative suppliers to whom retailers could go.

A vice-president of the Housewives' League, Mrs Jean Tatham, said she was appalled at the increases but not surprised.





Flashback to an incident between Australian bowler Dennis Lillee, left, and Pakistan captain Javed Miandad in Perth in 1981. Lillee, nearing the end of his test career, is thought likely to be among the players invited to tour South Africa

# 27pc rise in canned fruit price

*Cape Times 5/1/83*  
*186*

Staff Reporter

CONSUMERS, already reeling from the effect of massive price increases on basic foodstuffs, were yesterday hit with a further 27 percent increase in the price of canned jam, fruit and vegetables.

Although all shoppers will be affected, blacks will be hardest hit as many of them have no fridges and freezers and rely mostly on tinned foodstuffs.

Retailers have expressed deep sympathy with consumers and given assurances that stocks in hand will not be marked up until replaced — although a check has shown some products have already jumped in price.

Yesterday's price rise was met with claims by supermarket spokesmen and consumer watchdog bodies that a monopoly in the R120-million-a-year industry is to blame for the increases.

The chairman of the Cape Town branch of the Housewives League, Mrs Gladys Whelan, said an assurance was given when the merger of the Langeberg Co-op and the Picardi Group was announced that its purpose was to keep prices down.

"According to a survey we did, none of the prices were kept down. Prices continued to rise every three months," she said.

Cape Town community leader Mr Rommel Roberts said the public was expected to subsidize "inefficient bureaucracies".

"The poor section of the community is expected to bear the brunt of price increases. This can only be attributed to inefficient bureaucracies in areas of marketing and management."

Dr Johan Mouton, general manager of South Africa's biggest canning concern, Langeberg Co-operative, yesterday hit back strongly — and angrily — at the criticisms and denied the "monopolistic" charges.

The company holds an estimated 75 percent of the country's tinned fruit, vegetable and jam markets, selling its wide range of products under the Koo All Gold and Silver Leaf labels among others.

Dr Mouton insisted that Langeberg had had no alternative to putting up its prices because it had absorbed a series of rising costs throughout the year and the "cut-off point" had finally had to be drawn.

He blamed rising transport and raw-material costs, increased salaries and "bad weather", and confirmed that it was the second increase since the merger with Picardi Canners two years ago.

Dr Mouton dismissed allegations that Langeberg Co-operative controlled a monopoly because he said, the company continued to "face stiff competition" from producers of fresh and frozen fruit and vegetables.

## Drinking, driving

HAS the case against drinking and driving as a major cause of road deaths been proved by the breathalyser campaign and the drop in the accident rate during the festive season? Do you think there are other reasons for road accidents which should receive more attention from the authorities? Should the breathalyser system be stepped up and used throughout the year?

Readers are invited to comment on these ques-



☎ 41-3361  
ext 219

41 3361 ext 219 between 9am and 12 noon today. Please keep comments short and be prepared to give your name and address if you wish to be

something stylish and elegant — it could win you a contest competition designed to put Met fashion back



# Motlana pays R500 bail

Mail Reporter

MR Karabo Motlana, the 22-year-old son of Dr Nihato Motlana, chairman of the So-weto Committee of 10, was released on R500 bail after appearing before Mr M Jungbluth in the Ermelo Magistrate's Court on a preliminary charge of possession of prohibited publications on Monday

Also appearing was Miss Ninki Maleka, whose bail was fixed at R200. They were not asked to plead and were remanded to February 2

Mr Motlana and Miss Maleka were arrested at Oshoek border post last Thursday after a holiday in Swaziland and held after the police allegedly found ANC documents and political letters in their car

Mail Correspondent

DURBAN — Canned jam, fruit and vegetable prices rocketed by as much as 27% yesterday amid claims by supermarket spokesmen and consumer watchdog bodies that a monopoly in the R120-million a year industry is to blame for the increases

Retailers have expressed deep sympathy with consumers and given assurances that stocks in hand will not be marked up until replaced — although a check has shown some products have already jumped in price

Although all shoppers will be affected, blacks will be hardest hit. Many are without fridges and freezers and have to rely heavily on tinned foodstuffs

Dr Johan Mouton, general manager of South Africa's biggest canning concern Langeberg Co-operative, yesterday hit back angrily at the criticism and denied the monopolistic charges

# Canned fruit and veg price rockets

The company holds an estimated 75% of the country's tinned fruit, vegetable and jam markets, selling under the Koo All Gold and Silver Leaf labels, among others

Dr Mouton dismissed the allegations that Langeberg Co-operative controlled a monopoly because, he said, the company continued to "face stiff competition" from producers of fresh and frozen fruit and vegetables

"One can't shut one's eyes to these facts — and one should remember that we have also somehow to make a living"

Mr Martin Rosen, general manager of Durban's Hypermarket, said there were no

alternative suppliers to whom retailers could go — which went for other consumer goods as well

"They're sitting in pound seats," Mr Rosen commented

A vice-president of the Housewives' League, Mrs Jean Tatham, said she was "appalled" at the increases but not surprised because the shopping public had come to expect to pay more for goods as a result of conglomerate take-overs

Mrs Margaret Cooke, of the Natal branch of the Housewives' League said it was up to consumers to demonstrate their resistance to

price increases by not buying

Meanwhile, a further shock dealt to the public last week, with the announcement that fertiliser was to rise in price by 13.3%, is expected to set off wide-scale ripple effects regarding price structures of almost all other consumer commodities

Farmers have already indicated they will be among the first to press for higher prices for their crops as a result — which means the consumer, as end user, will once again be the ultimate victim in the never-ending battle to contain the rising cost of living



turned home from Cape Town and took to the pool, where he enjoys a belated birthday celebration with his... a Currie Cup victory over Western Province while Keith was enjoying his fourth birthday. Picture: Steven Goldblatt

# Boycott as SA 'in new

By IAN HOBBS  
London Bureau

LONDON — Geoff Boycott, the banned England opening batsman, was yesterday named as the main agent behind bids to sign world cricket stars to tour South Africa

The players include between five and seven West Indians

Mr Sam Ramsamy, chairman of Sanroc, yesterday told reporters in London "We have been given irrefutable proof that Boycott has been recruiting for a so-called World XI tour of South Africa. He is offering large sums of money to players who are willing to go to South Africa"

He said though they regarded Boycott as the main recruiting agent several others were operating in

# 'That' 1st day

IT'S BACK to school for thousands of Transvaal children next Wednesday and for a great number of 6-year-olds it will be a completely new experience

Pages 10 and 11 of today's Mail carry a report on whether pre- or nursery school

ir Party 'yes' to TV men

(304A) 111A RDM 5/1



# 27pc rise in canned fruit price

Cape Times 5/1/83  
186

Staff Reporter

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Row over price of canned food

# Report monopoly claims, consumers told

186 ~~111~~ Mercury  
6/1/83

Mercury Reporter

DR DAVID Mouton, chairman of the Competition Board, says consumers should report Dr Johan Mouton's Langeberg Co-operative to him if they have cause to believe the company constitutes a monopoly within the canning industry in South Africa

dustry in South Africa

Reacting to criticism of Langeberg's estimated 75 percent share in the country's tinned fruit and vegetable market, Dr Mouton said the Competition Board would investigate if claims were substantiated

He knew the company had been involved in a series of mergers and takeovers, but could not express an opinion regarding the allegations

If it was the latest price increases — which ranged between 13 and 27 percent, depending on the product — that were the subject of complaints then this was a matter to be handled by the Price Controller, Dr Mouton said

His professional concern extended only to companies whose marketing structures were such that they were in a position to abuse their powers

## Takeovers

Langeberg, which two years ago joined forces with Picardi Canners and has since been involved in a series of takeovers of other smaller canning factories, markets a wide range of tinned foodstuffs under the All Gold, Koo and Silver Leaf labels, as well as others

Checkers' national groceries manager, Mr Lionel Blakeman, said Langeberg's domination of the market was 'disturbing' and should be subjected to a Government inquiry without delay

He also believed the latest increases should have had to be approved before being implemented

'There are other suppliers — but the problem is that they can't cope with our volume of sales. We have no choice but to go to Langeberg,' Mr Blakeman said

## Market

'Just the fact that they are a co-operative complicates matters'

Mr Hugh Herman, acting managing director of Pick 'n Pay while Mr Raymond Ackerman is on leave, said Langeberg controlled 'a rather disproportionate share of the canned foodstuffs market'

He did not wish to refer to the co-operative's position as a monopoly

Mr Brian Beavon, managing director of Spar's operations in Natal, agreed with Mr Herman

Dr Johan Mouton, Langeberg's general manager, denied that the company held a monopoly because there were several other canners in existence and there remained stiff competition from fresh and frozen fruit and vegetable suppliers

At the time of the merger of Langeberg with what was South Africa's other big canning company, Picardi, Langeberg's managing director, Mr J J A van Wyk, said the takeover would result in smaller future price increases

● See Editorial Opinion



QUE BOOI SPORT?

DO you think South Africa is justified in resorting to the cheque book to break its sport isolation? Will the policy pay dividends or will it be counter-productive? Readers are invited to comment on this issue by phoning Teleletters between 9am and 12 noon today. Please keep comments short and give your name and address

page 7

# Canned food up 13,35pc

CAPE TIMES 6/1/83

Staff Reporter

CANNED jam, fruit and vegetable prices are being increased by an average of about 13,35 percent and not 27 percent as stated yesterday in the Cape Times

Dr Johan Mouton, general manager of South Africa's biggest canning concern, Langeberg Co-operative, said the increase would be greatest

on those products in the production cycle while others would go up by only a minor amount

Langeberg's calculations were that the average price across its range of canned foods had gone up 8,35 percent, but in addition a five percent discount had been withdrawn, meaning an effective rise of about 13,35 percent

It may be some time before consumers will have to bear the full burden of the new increases

Pick 'n Pay's general manager in the Cape, Mr John Barry, yesterday said retailers had been warned of the impending rise several weeks ago and most would have bought in stocks

"We have vast quantities of some of the popular sellers, particularly the vegetables, which should last for a month or two if there is no panic buying"

Mr Barry said canned fruit and jams were hardest hit in the new price schedule, going up by about 15 percent while the increase on canned vegetables was about 10 percent

## Cape Times Finders back

AFTER a brief break during the holidays all the Cape Times "finders" will be back at your service tomorrow. The first Weekend Homefinder of a bumper edition — makes its appearance on Monday, Jobfinder is back on the job on Monday, week Homefinder reappears on Wednesday, as the special feature "Property Business, Commercial and Industrial" and Carfinder comes back Thursday Funfinder, the one finder that without a break during the holidays, makes its Friday appearance tomorrow

# ackermans

# NEW

# TECH

# HOME

# WORLD

# Starts

# today!

# ackermans

### crack of dawn



"At the rate the price is increasing, cigarettes are fast becoming a wealth hazard"

## Woman's 2 days in

Own Correspondent

SYDNEY — A 28-year-old skin-diver is recovering in hospital after drifting in shark-infested waters off the Great Barrier Reef for two days with only a buoy to keep her afloat

She was rescued by chance when a helicopter pilot spotted her yesterday on a deserted coral island

Sue Docker was last seen at noon on Sunday diving off the Great Barrier Reef about 42km north-east of Gladstone, on the Queensland coast

She was one of 71 scuba enthusiasts who took to the water around the reef for a spearfishing competition

Mrs Docker, an experienced diver, vanished with another competitor about noon

Her companion, Mr Bob Morrison, was found about five hours later on Erskine Island

Mr Morrison told police Mrs Docker was swept away when she tried to swim back to a boat

A massive sea and air search failed to find any trace of her

She is still too weak to be interviewed by newsmen, police said yesterday she swept many kilometres into the ocean

She kept afloat with the aid of a buoy and her flippers while hoping the current would take her back to the reef and take her back to the reef

It turned four times, each bringing her closer

When, after two days in water, she was about 4km from Erskine Island she abandoned her buoy and made a desperate attempt to swim to it

She reached the island exhausted

## INSIDE

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Aircraft  
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Cinema

in 1983

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# League to back up monopoly claim

Mercury Reporter

THE Housewives' League is to gather evidence to support its claim that Langeberg Co-operative controls a monopoly over the country's canned fruit and vegetable market, and will present its case to the Competition Board.

A vice-president of the watchdog body, Mrs Jean Tatham, yesterday said the matter had been taken up after the company had raised the prices of its foodstuffs by between 13 and 27 percent this week.

It had been resolved to prove that Langeberg had a 'stranglehold' on the industry and that as a result was in a position to manipulate the market.

Mrs Tatham said it had also been decided to approach other bodies, including retail organisations, to support the league's contentions

At least one national supermarket chain has already indicated that it feels Government action is needed.

She said it was the lower-income groups who again would be the hardest hit by the increases

The chairman of the Competition Board, Dr David Mouton, said all submissions to him, whether by individuals or representative bodies, were considered and that investigations would be initiated if claims were made that could be substantiated

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# Canned fruit industry in crisis

CAPE TIMES

7/1/83

186

EEK

By GORDON KLING

**THE fruit-canning industry in the Western Cape is on the verge of a collapse that could throw 15 000 people out of their jobs and cost the region more than R100-million in annual earnings.**

The chairman of the Canning Fruit Board, Mr Bertie van der Merwe, said in an interview from Worcester yesterday that a seven-year process of decline in the industry had now reached critical proportions

"Times are very bad" agreed a spokesman for the SA Fruit and Vegetable Canners' Association in the City "But we still believe there is a future, even if it's not a very good one"

The biggest canning group in the industry, Langeberg Co-operative, is expected to show a loss running into millions, in

spite of this week's average 13,35 percent retail price increase

Of 15 canners operating in 1979, only nine are left. One of the demises could be attributed to rationalization within the industry, the rest have been starved out, Mr Van der Merwe maintains

A shift in consumer preferences to fresh fruit, and high duties imposed by major export markets in the European Economic Community, are the major causes of the crisis

The industry finds the EEC duties particularly irritating because the Republic's overall trade balance with the Community runs highly in the latter's favour. Yet South Africa is not on the list of 118 countries gaining some sort of preference under the EEC tariff structure

In a highly competitive market, the duties are crippling

By way of example, Mr Van der Merwe said that farming income on a crate of grapes from the Hex River Valley last year was 85c a crate — the EEC levy on the same crate was R1,06

Worldwide there was a glut of canned fruit because of the marked preference for the fresh product

Canners also suffered from surpluses on the fresh side because these were often canned rather than being left to rot. This was keeping price increases and returns to industry, well below the rate of inflation

Similar problems on the local market had also prevented viable returns

## Cutting back

"Like Australia and California, we've been cutting back at a terrific rate. The intake of raw fruit by the canners has dropped by 50 percent in the past three years"

The South African farmer was now getting about half as much a ton for his produce as his counterparts in Australia and the United States and about a third as much as Greek farmers

The Fruit and Vegetable Canners Association estimates that about 15 000 people are employed in the industry's factories and administration in the Western Cape

29/1/83  
**Cadbury  
block  
opens** *E. Post*

CADBURY-SCHWEPPES Ltd (SA) formally opened a R2,5 million welfare block at its Harrower Road chocolate factory this week.

Attending the ceremony were a number of senior Cadbury personnel including the deputy chairman and group chief executive of the British parent company, Mr Basil E S Collins, the chairman of the SA company, Mr Charl Cilliers, the managing director of Cadbury-Schweppes (SA) Ltd, Mr David Wood, and the general manager of the Port Elizabeth plant, Mr John Perrott.

The major investment by Cadbury-Schweppes allowed the construction of a modern canteen for the 800 workers employed at its Harrower Road plant, together with new ablution facilities and an engineering workshop.

The previous canteen block was refitted as a centre for training Cadbury's personnel — "an integral part of the Cadbury tradition", observed Mr Collins in his opening address.



# Firm told <sup>186</sup> to reinstate ~~127~~ ~~140A~~ sacked men ~~108~~ ~~155~~

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*3/2/83*

All answers

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**Own Correspondent**  
DURBAN - An out-of-court settlement in which Vleissentraal agreed to reinstate dismissed trade union workers was hailed as a tremendous breakthrough by union officials here this week.

They claimed the agreement, validated by the Judge President Mr Justice Milne, was the first in which employers agreed to re-employ dismissed trade union workers.

Up to now the courts have not reinstated dismissed workers because of soured relationships between workers and employers, Mr Jay Nao-vo, organiser of the Sweet, Food and Allied Workers' Union, said.

Vleissentraal agreed to re-employ 30 dismissed workers. Ten were taken on yesterday and the rest are to be re-employed within three months as jobs become available. They will be given preference over other workers.

The workers were dismissed after a work stoppage at the Vleissen-

traal Cato Ridge factory on July 30 last year. Work stopped after five employees, all trade union members, were dismissed.

Workers claimed the five were dismissed for trade union activities but Vleissentraal claimed that they were retrenched.

The case was brought by Mr T Xaba and Mr M Nala who were among those dismissed by Vleissentraal.

An official said that if the company had been prepared to negotiate with the union in the first place, the dispute could have been avoided. The company had claimed that a worker committee system had worked but trade union members claimed that most workers did not feel the committee was representative.

Mr Justice Milne also ruled that an order from the Minister of the Interior of KwaZulu and the township manager of Mpumalanga, ejecting Mr Xaba and Mr Nala, was invalid.

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

	Internal	External
(1)	(2)	(3)
7	72	
Examiners' Initials		

### NOTE CAREFULLY

- 1 Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering
- 2 Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used
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Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University



RAM Feb. 1983

# Unions set to oppose Labour Party

AN ALLIANCE of emerging unions against the Labour Party's decision to take part in the Government's constitutional plan seems on the cards

The Federation of South African Trade Unions (Fosatu) has decided to campaign against the LP move. So have the Food and Canning and General Workers' unions. There have been clashes at meetings between LP supporters and union members.

Unions such as the SA Allied Workers' Union and General and Allied Workers' Union have also backed action against the proposals.

This is a significant development.

Fosatu, particularly, has not involved itself in a political campaign before — though it has always rejected claims that it is "non-political" and has been more prepared to make political statements for the past year or so.

The reason has been largely tactical — the belief that unions should build factory-floor strength before taking up political issues.

But what makes last week's union moves doubly significant is that they are, unionists say, a reaction to a groundswell of worker anger at the LP move.

Thus unionists report many requests from workers to discuss the proposals and the union's stand on them.

Fosatu's general secretary Mr Joe Foster says that, at Fosatu's recent executive meeting, all regions reported "anger" at the LP move, with black delegates — particularly from the Inkatha stronghold of Northern Natal — charging that they had been

"sold" and asking where coloured delegates stood.

There are many reasons why unionised workers might oppose the plan. But one factor may help explain why they see this as such a pressing issue.

A key aim of many emerging unions is to build co-operation between black and coloured workers. In some areas, they have succeeded.

They argue that the plan seeks to split irrevocably coloured and black people and so flies in the face of what they are trying to achieve in the factories. Its effect on them as unions is thus far more concrete than many other political issues.

□□□

LAST week saw the launching of the country's first labour mediation service.

The new service plans to set up a panel of mediators which will be available to help settle labour disputes.

Mediation is a normal part of factory life in many Western countries, with governments often assisting it.

A mediator's job is to help bargaining — he only intervenes when both sides ask him to and seeks ways to get them bargaining again.

Here, worker suspicion of the Government has led to the belief that mediation must be totally independent of officialdom, which the new service is.

But planned legislation enabling the authorities to appoint mediators to settle disputes if both sides ask for them means mediation clearly has Government support.

Many unions are suspicious of it, seeing it as a threat to their independence.

And some labour experts argue that for mediation to work both sides must recognise the value of bargaining with each other — at least in principle. Where that exists you don't need a mediator, they say. Where it doesn't, mediation will be resisted.

Supporters of the new service reply that once it establishes itself it will show it is an aid, not an obstacle, to independent bargaining.

They also believe there are many firms in which the two sides have agreed to bargain, but where this is placed under stress by a dispute.

They believe they have a key role there and that, once they prove they can play a useful role, the demand for mediation will grow.

In this way, they say, the service can play a key role in promoting bargaining and reducing factory conflict.

□□□

FORMAL efforts to cement unity between emerging unions are under way again.

Last year efforts to get the unions to bury their differences and get together in a working alliance failed.

But the talks led to a realignment in which two groups emerged — on the one hand Fosatu, the GWU, and two food and canning unions, on the other a group of "community" unions led by the Motor Assemblers' and Components Workers' Union and the SA Allied Workers' Union.

The Council of Unions of SA has remained neutral.

With plans afoot to call a new meeting of unions to form a federation, the trends which emerged last year have hardened. Co-operation between Fosatu and its allies has increased — as has hostility between them and the Macwusa group.

There is thus little chance the latest move will produce an alliance of all the unions. But it may well cement the alliance between Food and Canning GWU and Fosatu.

As they have the vast bulk of unionised workers and factory muscle, this would be a big boost to unionism.

□□□

FOSATU's Sweet, Food and Allied Workers' Union is predictably delighted about an out-of-court settlement which means meat employers Vleissentraal will reinstate 30 workers it fired after a dispute last year.

One reason for the union joy is that Vleissentraal is a tough employer which took an uncompromising stance for much of the dispute.

But the deal was also made an order of court and is the first such order reinstating workers, rather than compensating them for their sacking.

Because it did not come to court, the case does not set a legal precedent.

But in this and similar recent cases, employers seem willing to settle rather than face court action.

One reason may be the judgment in a Transvaal case last year which gave much greater legal muscle to dismissed workers.

Paper No

E 76

E 78

(to be copied from the heading on the Examination Paper)

ners' Initials

## NOTE CAREFULLY

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## Boksburg strike ends

Star 9/2/83

Labour Reporter

The five-month-old wage dispute between the Food and Beverage Workers' Union and Lever Brothers, Boksburg, has been settled

Attempts by the two parties to solve the dispute failed, and last month, they agreed to an independent arbitrator

The arbitrator, Mr Dick Sutton who was formerly industrial relations head at SA Breweries, has awarded six grades of salary increases. They are effective from last November but will be paid only this month and in March.

EAST LONDON — A R2 million expansion programme at the Wilson-Rowntree sweet factory here is expected to be completed later this year, the company's managing director, Mr Peter Preston, said yesterday

Mr Preston said the alterations comprise modifications to a building being used at present for storage into new cloak-room facilities and the expansion of administration offices

*0.24/11/87*  
**R2m extensions for EL firm**

Completion is expected in the latter half of this year, he said

The large Wilson-

Rowntree expansion programme pushed the total value of building plans approved by the city engineer's department last month to R2

851 200

This is just over four times as much as the total value of building plans approved in January last year, which was R712 450

Last year, the monthly average of the value of plans approved was R1.9 million — DDR



Cape Times 14/2/83

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# Many canning-fruit farmers are giving up

By JAN VAN DER POLL

MANY Western Cape farmers have delivered their last load of fruit to the canning factories and are pulling up their fruit trees

Canning prices have dropped from R140 to R123 a ton in 10 years, while production costs more than trebled

World-wide bumper crops of fruit since 1980 have knocked the bottom out of the local canning-fruit industry. Indications are that the market is not likely to recover for many years

A heavy blow came in July 1981 when Greece, Europe's main canned-fruit producer, was admitted as an EEC member and was consequently protected by the EEC's 17 to 24 percent import tariff

Another factor is the health-food trend among Europeans which favours fresh fruit. Previously, the Cape canning industry sold 88 percent of its turnover to EEC countries

One farmer who anticipated the crisis, Mr Mike Pickering of Franschoek, replaced his peach orchards with nectarine and pear trees suitable for the fresh-fruit export market.

The move is seen by local farmers as long-term and expensive — costs run upwards of R10 000 a hectare and it takes five years to full production

The Canning Fruit Board intends asking the government for a subsidy to ease the transition

"The measure should not be to protect the canning-fruit industry as such, but to ward off economic collapse. Five fruit-canning factories have already closed," Mr Pickering said

Mr Frans le Roux, manager of the Canning Fruit Board, said there would always be a demand for the Cape's high-quality canned fruit in Europe. "But the government must provide a subsidy similar to the import levy charged by the EEC"

# 'Marge' prices slashed

186  
S. Post  
24/2/83

By SALLY KERNOHAN

**YELLOW** margarine prices have dropped sharply as manufacturers wage a cut-throat war to improve their shares of the market.

The good news for housewives is that prices are at their lowest level in two years

Manufacturers and retailers believe it could be at least a month before prices bottom out

Prices today averaged between 67c and 70c a 500 gram pack, with tubs marginally more expensive at about 90c. This means a drop of up to 7c on packs and about 10c on tubs

Local retailers say the price war is a result of a Durban-based manufacturer — Tongaat Oil and Food Products — entering the margarine market for

the first time towards the end of last year

The company has launched three brands of yellow margarine — Ole, Rondo and Margot, which is a catering pack

Its main adversary is Van den Bergh and Jurgens, a subsidiary of the giant Unilever Company — also based in Durban — which previously had 60% of the yellow margarine market

SA Margarine and Premier Foods accounted for the other 40%

The divisional marketing director of Tongaat Foods, Mr André du Chenne, said

the company's entry to the market was "responsible"

"We believe that our main competitor, Van Den Berg and Jurgens, dropped prices to the current unprecedented levels because of our entry. They have lost a major share of the market and are reacting by slashing their prices"

He thought the low prices would hold beyond the beginning of April. Then prices would increase

"But it could be several months before they return to the August, 1982, levels of 90c to 95c a 500 gram pack," he said

Mr Dave Pickett, mar-

keting director for Van Den Bergh and Jurgens, blamed the price slump on the economic downswing

"The fact that there is a new competitor in the market has aggravated the situation a bit but it is not the main reason"

However, Mr Pickett did not believe prices would stay down "all that long"

"After all, manufacturers are selling at a loss and they cannot continue to do this for too long," he said

Meanwhile, local retailers have welcomed the price war, saying it proved that free competition could only benefit the consumer



186 E. Post 26/2/83

# Bakery strike has housewives scrambling for bread

By GARTH KING

HOUSEWIVES had to scramble for weekend bread in Port Elizabeth today when about 200 van assistants went on strike at one of the city's largest bakeries, leaving shop shelves depleted.

By mid morning, shoppers were scurrying from one store to another to hunt down bread for the

weekend

It wasn't easy. Work at other bakeries had been disrupted by the overnight power failure and their deliveries were running late.

At the strike-hit bakery — Britos, in Sidwell — security men and other staff were seconded into packing vans, even though it was not clear whether the 40 drivers

would make the deliveries.

Management refused to discuss the situation with Weekend Post today.

Retailers also drove to the bakery to help load vans and to fetch their supplies.

The dispute apparently arose because of a disagreement over extended working hours

in the wake of last night's 2½-hour power failure.

The workers union — the Food and Beverages Workers' Union — was not in a position to comment this morning.

However, workers at the bakery said all the van assistants had returned home and the 40 delivery drivers although still on the premises,

were not working either — apparently out of sympathy for the assistants.

Other bakeries — there are six serving the Port Elizabeth/Uitenhage area — reported that they were delivering more bread than usual today as a result of the Britos strike. But their deliveries were hours late because of the power failure.



## Work for 70 years

But Sid Fourie has played many other roles in his colourful career. From 1918 to 1963 he was editor and owner of the Jansenville Chronicle. From 1934 to 1947 he was mayor. He also saw military service in both world wars. Through it all he has

back the Pages, dipped into a variety of subjects but is centred on the history of Jansenville — including his contributions to the development of the town. He has entered it in a national literary competition. "I have completed the rough draft of my most recent work, *Collected Appearances*, but it must still

The desk, the car... the man. Over the years Mr SID FOURIE, 87, has become the moving spirit of the little Karoo town of Jansenville. He still sits at the same desk he started at 70 years ago. He also refuses to part company with his 1939 vintage car.

# DURBAN acts local

Weekend Post DURBAN — The Durban City Council has decided to go ahead with plans for all races, despite vociferous protesting residents this week.

At a lengthy meeting yesterday, the committee decided to change municipal by-laws to open the popular paddling pool below the amusement park to all races, as well as the Rachel Finlayson Bath and the Dairy Beach. The decision to push ahead with its plans comes after a rowdy meeting in

senior MEC in the NRP-controlled Natal Provincial Council, said today that the Government was fully aware of Natal's plans to open the province's beaches outside Durban to all races, and had agreed to finance open facilities. He was reacting to a statement by the National Party's Natal executive



# Canning firm's expansion plan under way

186

D. Disfatch  
1/3/83

BY TOM LOUW  
Business Editor

**EAST LONDON —** A locally based canning company, Western Province Preserving Company, has bought new premises and is embarking on a programme which will increase its factory throughput by 40 percent over the next three years

The company has sold its property and buildings at 12 Cotton Road, Gately, to Car Distributors' Assembly. It has now acquired D Olivieri and Company, a concern operating in a farming

area on the main road between Kidd's Beach and King William's Town

This means that Western Province Preserving now owns the Olivieri farm of 340 hectares and the factory buildings, plant and machinery on it, as well as the village of workers' houses

Close to R2 million is to be spent this year on the reconstruction of the Olivieri factory building and on improvements to plant and machinery

The marketing and administration functions will continue from offices to be established in East London. It is the

company's hope to increase factory throughput by 40 per cent within three years and the expectation is that most of the additional pineapples to be processed will be grown inside Ciskei

Western Province Preserving Company (previously known to East Londoners as H Jones and Company (SA) Limited) is a wholly owned subsidiary of Elders IXL Limited of Australia, one of the top 20 companies in that country

Elders IXL is a company with widely diverse interests which range from wool-broking to radio and television

CT. 1/3/83

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# Swafish soars 59% on pilchards, lobster

By ALEX PETERSEN

FULL utilization of the Walvis Bay pilchard quota and a good rock lobster season at Luderitz pushed South West Africa Fishing Industries pre-tax profit up 59% to R6 944 389 for the year to 31 December 1982 compared to R4 363 357 in the 1981 year

Earnings per share were up 40% from 77c to R1,08. A final dividend of 50c (40c) has been declared, making 70c (60c) for the year.

The Walvis Bay pilchard quota was used to produce 700 000 cartons, which, say the directors, "made a handsome contribution towards our profits".

This was in marked contrast to 1981, when canning had been forbidden in order to conserve stocks

The lobster catch was well used. By concentrating on whole cooked lobster for the Japanese market as opposed to frozen tails for the USA, the factory at Luderitz achieved greatly improved yields.

This was attained with a catch size almost identical with that of the previous year.

Although the quota for pilchards has been increased by 5 000 tons to 35 000, the directors feel that this is "disappointing", in view of the reasonable quantities available last year.

The authorities, they say, "might well be over-cautious", in their efforts to conserve and strengthen the resource.

The rock lobster prospects look promising, with landings to date at Luderitz

well ahead of last year.

"In fact landings have exceeded the total catch for the whole of the 1982 first season ending 30th April."

The full production has been pre-sold to Japan at improved prices.

"We confidently expect that Luderitz will show a surplus far higher than last year."

An improvement in the Chilean operation is also forecast. The 1982 loss was not as heavy as anticipated, there has been rise in the international price of fish meal, while the fishing fleet has been enlarged.

The report concludes, that if the pilchard canning programme can be attained, and the full entitlement of other fish landed, "we fully anticipate higher earnings per share during the current financial year".

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# Unions attack Tswana ban bid

By STEVEN FRIEDMAN  
Labour Correspondent

AN IMPENDING law to prevent all South African trade unions from operating in Bophuthatswana has serious consequences for at least two emerging unions, unionists said yesterday.

And one unionist said this could bring workers in Bophuthatswana into conflict with the authorities.

One union, the Food and Canning Workers' Union, already has majority membership at a Bophuthatswana

factory. The other, Fosat's National Automobile and Allied Workers' Union, has been organising workers in Rosslyn, near Bophuthatswana.

A NAAWU spokesman said yesterday that one motor company, BMW, had a plant in Bophuthatswana and added that there were signs that other Rosslyn employers were contemplating opening plants across the border.

The Bophuthatswana move had "serious policy implications" for NAAWU, he said.

Mr Rowan Cronje, Minister of Manpower in Bophuthatswana, said in an interview reported yesterday that he planned an Industrial Conciliation Act which would grant workers in Bophuthatswana limited union rights.

But, according to Mr Cronje, the law would bar South African-based unions from Bophuthatswana. He added, however, that workers living in the territory and working in South Africa would be allowed to join South African unions.

This affects Pretoria workers, many of whom live in the Ga-Rankuwa township, which is in Bophuthatswana. Both NAAWU and the Metal and Allied Workers' Union have members in Bophuthatswana. A representative of the Food and Canning Workers' Union confirmed yesterday the union had recruited a worker majority at a bakery in Bophuthatswana.

It was owned by a major food company which, she said, appeared to be delaying a union recognition decision. "Any move to bar us would be a problem. But workers there were organised by their fellow-workers, not union officials, and it is difficult to see how the authorities are going to stop this without creating conflict," she added.

A NAAWU spokesman said that, while the planned law seemed not to affect union members who worked in Pretoria, it posed a threat to future organising plans. "We would obviously want to organise the BMW plant in Bophuthatswana, as well as those employers who are planning to move there from Rosslyn," he said.



# Butakem Transkei acid plant extension provides 40 new jobs

Stan 4/3/83

By Stan Kennedy

Butakem, a major manufacturer of food acids at Butterworth in the Transkei, has completed a R375 000 extension to its malic acid plant

The expansion has increased production of malic acid by 50 percent and created 40 jobs

At the same time, it has made Southern Africa independent of imports of malic acid and for most of its requirements for citric acid

All raw materials used in the process — maleic anhydride, sulphuric acid, caustic soda, soda ash and hydrochloric acid — are produced locally

Butakem is the only plant in the world successfully to manufacture tartaric acid synthetically. The only available tartaric acid was previously derived as a by-product of the wine industry from Italy, Spain and Argentina

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After spending R500 000 on research, development, design and tooling, Henred Fruehauf's new Bathtub tipper trailer has gone into full production

Chief engineer Mr Tony Ricci says the company has totally re-engineered the conventional tipper, and the design will be used on all the end-tip semi-trailers in the company's range

As part of a R4-million factory expansion pro-

gramme, the trailer plant — the largest in Africa — is to be increased by 50 percent to 15 800 sq m.

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Extensions to the ASEA cable factory at Rosslyn, which are nearing completion, have incorporated a cable-making process that has not been used before

The basic difference of the technique is that, from the insulated core stage, cables are made in a tandem process

They are laid up, given a talc dusting before the PVC bedding is extruded, armouring is then applied, a PVC outer sheath extruded overall, and automatic testing to SABS requirements is achieved — all in a continuous operation

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Local authorities lose millions of rands a year repairing roads damaged by overloaded commercial vehicles

Modcorp of Johannesburg is marketing a portable device, called the Loadmeter, which can check vehicle loads at the roadside

It is recognised for legal purposes in all provinces and is able to check payloads within minutes at a fraction of the cost of weighbridge installations

~~Major~~ ~~step~~ (186)  
~~Mercury~~  
 Mercury Reporter  
 THE Sweet Food and Allied Workers' Union has concluded negotiations with a sugar company which they regard as 'a major breakthrough'  
 Union official Mr Jay Naidoo told the Mercury yesterday the most important feature of the new agreement was that it had created a new structure for negotiating wages and working conditions on a corporate basis

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# Fosatu union breaks into sugar industry

By STEVEN FRIEDMAN  
Labour Correspondent

SUGAR corporation CG Smith and Fosatu's Sweet, Food and Allied Workers' Union have signed a ground-breaking agreement

The accord will allow the union to bargain on wages and conditions at any CG Smith mill where it has a worker majority, will set up a new negotiating organisation within the corporation, and has been reached despite an official industrial council agreement covering some CG Smith mills

A unique feature is that CG Smith hope the new negotiating group will become a sub-committee of the industrial council, even though SFAWU has not joined the council — this is possible through a little-known clause in Section 25 of the Labour Relations Act allowing a council to delegate any of its functions, such as bargaining in an area, to a committee which includes non-council members

It will mean that agreements between the union and CG Smith can be published in the Government Gazette and it would be a crime to infringe them

Announcing the agreement yesterday, a SFAWU organiser, Mr Jay Naidoo, said SFAWU already had a recognition agreement allowing it to negotiate pay at CG Smith's

Noodsberg mill, not covered by the council. It had now gained a majority at Umzimkulu mill at Port Shepstone

The two sides had now signed an agreement creating a negotiating organisation for CG Smith mills. The worker representatives would be six union shop stewards for every mill at which SFAWU gained a majority

At present, stewards at the two mills where it has gained a majority will be represented and about 1 000 workers will be covered by agreements signed. Mr Naidoo said the union regarded this as a 'major breakthrough'

It not only gave it bargaining rights throughout CG Smith, but meant SFAWU had obtained a firm footing in the sugar industry

SFAWU has been locked in a battle with the National Union of Sugar Manufacturing and Refining Employees (NUSMRE), which sits on the council. Mr Naidoo said the entire workforce at Umzimkulu had resigned from this union to join SFAWU

CG Smith's personnel director, Mr Barry Horlock, described the agreement as "ground-breaking". He believed it was the first recognition agreement giving a Fosatu union bargaining rights across an entire corporation. SFAWU had agreed that other unions could take part in the new organisation. Mr Horlock said management also hoped to see the new body become the basis for a council sub-committee



By STEVE FRIEDMAN

# Bophuthatswana gets off to dicey start

INDEPENDENT" homelands are not famous for welcoming trade unions

In addition to the threat to the power of their leaders which unions present, massive unemployment makes these "states" desperate to attract industry and they may see hostility to unions as a selling point to industrialists

So the news that Bophuthatswana will introduce a law on unions similar to South Africa's means it will be the only homeland to sanction unionism

And unions who have organised Pretoria workers who live in Bophuthatswana will be relieved to hear that these workers will not be affected by the new law

Unionists have twice been arrested in Bophuthatswana for holding meetings of these workers

But the law will bar South African unions from operating in Bophuthatswana

At the moment, the practical effect of this will be limited. Only one factory in the territory — a Premier Group

bakery at which the Food and Canning Workers' Union has a majority — is organised

But future implications could be serious. There are signs that some employers in the "border area" of Rosslyn may move to Bophuthatswana and that unions which are organising in Rosslyn would want to recruit workers there

This means emerging unions will have to make some major policy compromises if they want to operate in the territory

The law could cause conflict in these factories. It seems, for example, that Premier would recognise FCWU at the bakery, but fears Bophuthatswana reaction

And a Food and Canning unionist says its bakery was organised not by union officials but by workers themselves. There is little the authorities can do to stop this without actually causing conflict

The law also seems set to repeat many features of local labour law opposed by black unions and even lags behind official South African think-

ing in, for one, its opposition to bargaining at individual factories

And it is not clear if the new law will force unions to register

It also poses a threat to the Rightwing Mine Workers' Union, which operates at platinum mines in the territory and would either have to abandon its members there or enrol them in a multiracial union

As in South Africa, these attempts to control unionism may well create more conflict than they eliminate.

up by this agreement could form the basis of an industrial council sub-committee

The union is not a party to the council but Section 23 of the Labour Relations Act allows a council to set up sub-committees of non-members

The sugar council includes several leading established unions who, CG Smith says, are prepared to accept this arrangement, which would give the agreements at the new body added legal force

The agreement also means Sfawu has gained a firm footing in the industry, despite its charge that some employers have backed a rival union run by the amazing Mr Selby Ntsibande

He allegedly set up his union with employer financial support, but then sought to enhance his credibility with a burst of militancy

He is now continuing this campaign by boycotting the council, thus delaying a final decision on the future of the C G Smith arrangement

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SUGAR giant C G Smith, a Barlow Rand subsidiary, broke new ground last week when it signed an agreement with Fosatu's Sweet, Food and Allied Workers' Union giving it bargaining rights in any C G Smith mill where it recruits a majority

The only similar agreement is that at Putco, which gives two unions the right to bargain at any depot where they have a majority

A further possibility is that the bargaining committee set

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11/2/83  
12/14

Record loss  
for top  
SA canners

Consumer Reporter  
LANGEBERG Co-operative, — the biggest fruit and vegetable canners in the country — which markets its products under the Koo label, lost a record R7,7-million in the financial year which has just ended

But the general manager, Dr. J A Mouton, said he expected better results this year because a huge surplus on world markets had been cleared, enabling the firm to put up its export prices, and interest rates were coming down.

He was worried, however, by the effects of the drought which might reduce crops for this year and next

"It is the planting season now in the Transvaal and we get all our vegetables from there. It is only our fruit that is grown in the Western Cape"

**HELP**

Gant's, the Somerset West canning firm, has ended the year "with a modest profit" according to its managing director, Mr Robin Merry

But he said the industry needed help from the Government to compete with the heavily subsidised Greek and Italian canning industries in its main market in Europe

Although it made the biggest loss in its history, Langeberg in fact increased its turnover

(Turn to Page 3, col 1)

Loss for  
top canners

(Contd from Page 1)

from R173-million in 1981 to R205-million in 1982

Dr Mouton said the main reason for the huge loss was the doubling of the Landbank's rate of interest in the year ending in October 31.

These rates totalled almost as much as the cost of all raw materials used by Langeberg during the year.

In addition to this, the recession in the overseas countries which were Langeberg's main export markets continued and an over-supply of canned fruit forced it to reduce prices

"The prodigious price reductions on surplus canned fruit from Australia and California had an adverse effect on our sales in Britain while inexpensive, subsidised products from Greece and Italy decreased our capacity to negotiate acceptable prices elsewhere in the EEC"

Langeberg was diversifying into freezing and drying fruit and vegetables as well as canning them, he said.

Farmers would have to be paid more but he did not expect this to lead to a rise in retail prices in this country

Mr Merry said it was essential that farmers should receive more for fruit and vegetables grown for canning if they were to continue to supply the industry



# Strikers fired after dispute

By ENRICO KEMP

EMPLOYEES at the Eastern Cape Agricultural Co-op Creamery in Queenstown have been dismissed after going on strike in protest against the management's refusal to recognize their union

The employees, all members of the African Food and Canning Workers' Union, stopped work on Wednesday after the management informed an employees' committee that it would not recognize or deal with the union

The manager of the creamery, Mr C A Botha, yesterday confirmed the dispute. He said 70 employees were involved and they had already been replaced

The union's general secretary, Mr Jan Theron, said the dispute arose when the management told the committee to elect a liaison committee to represent the interests of the creamery's 200 employees

The employees rejected representation through a liaison committee and all 200 stopped working on Wednesday. The creamery's management has

since refused to meet union officials to discuss the situation

Approached for comment yesterday, Mr Botha said "Seventy workers went on strike because they wanted us to recognize their union. We asked them to go back to work, but they refused"

"They said they would not accept a liaison committee. I told them that they must go and work for their union in that case"

According to Mr Theron, the basic wage at the creamery is R29,10 a week. Higher paid workers with long-service earn up to R35 a week. He said employees complained that working conditions at the creamery were "bad"

"We fully support the workers. It is no coincidence that it is a company which pays such wages to its workers that will also not allow a union on to its premises"

"We demand the reinstatement of the workers and call on all persons and organizations, which are concerned for the future of the country, to support this demand," Mr Theron said

12/3/83

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QUEENSTOWN — The entire factory workforce of the Eastern Cape Agricultural Co-op creamery here has stopped work because the management refuses to recognise its union the African Food and Canning Workers' Union

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The company's management said yesterday the workers were dismissed and the company would be re-employing workers on Monday

The workers have been members of the union since July, 1982, when they first asked the company to recognise the union and a committee elected by the union

A representative of the union, Miss Athalie Crawford, said yesterday the workers sent their committee to meet the company's management on Wednesday. "The management told the committee it would have nothing to do with any union and the workers

# Co-op workers dismissed after strike

D Dispatch

12/3/83

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should elect a liaison committee, but the workers reject representation through a liaison committee" she said

Miss Crawford said the basic wage of the workers was R29 10 a week and the higher paid workers with long service earned up to R35 a week

Mr C A Botha, general manager of the Eastern Cape Agricultural Co-op, said yesterday the number of strikers was 70. Some strikers had already returned, and work had been uninterrupted as new workers had been employed

"We are a private firm

and we need no unions," he said

"If they don't want to work they must leave the premises and we have paid them off. On Monday if their attitude has changed and they are prepared to work in peace they can return," he said

He said many of the workers were paid R60 a week with a bonus and overtime pay. He could not confirm the basic weekly wage given by the union spokesman

"I only hope their union looks after them now as well as we have done in the past," he said —  
DDR

7.7.83 (M-4)



# 70 sacked at East Cape creamery

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Labour Reporter  
WORKERS at the East Cape Agricultural Co-operative Creamery have been dismissed after downing tools in protest against a management refusal to recognise their union, the African Food and Canning Workers' Union

this country" to support the demand of the workers to be represented by the union of their choice

The company, which manufactures butter and cheese, had told the workers to elect a liaison committee, but this they refused to do, he said

## 200 WORKERS

"The workers' committee met the management on March 9 and were told that the management would have nothing to do with any union and that the workers should elect a liaison committee"

The AFCWU spokesman said that about 200 workers were involved in the dispute. Those with long service earned R35 a week, while the basic wage was about R29 a week

"It is no coincidence that it is a company which pays such wages to its workers that will also not allow a union on its premises"

## "NO NEED"

Mr C A Botha, managing director of the co-operative, said he did not see the need to talk to a union

"Only 70 people went on strike and eventually we asked them to leave. They had always been happy here before"

Mr Botha confirmed that the basic wage was R29 a week, but said workers with long service could earn up to R60

A spokesman for the AFCWU's head office in Cape Town has called on "all persons and organisations which are concerned for the future of

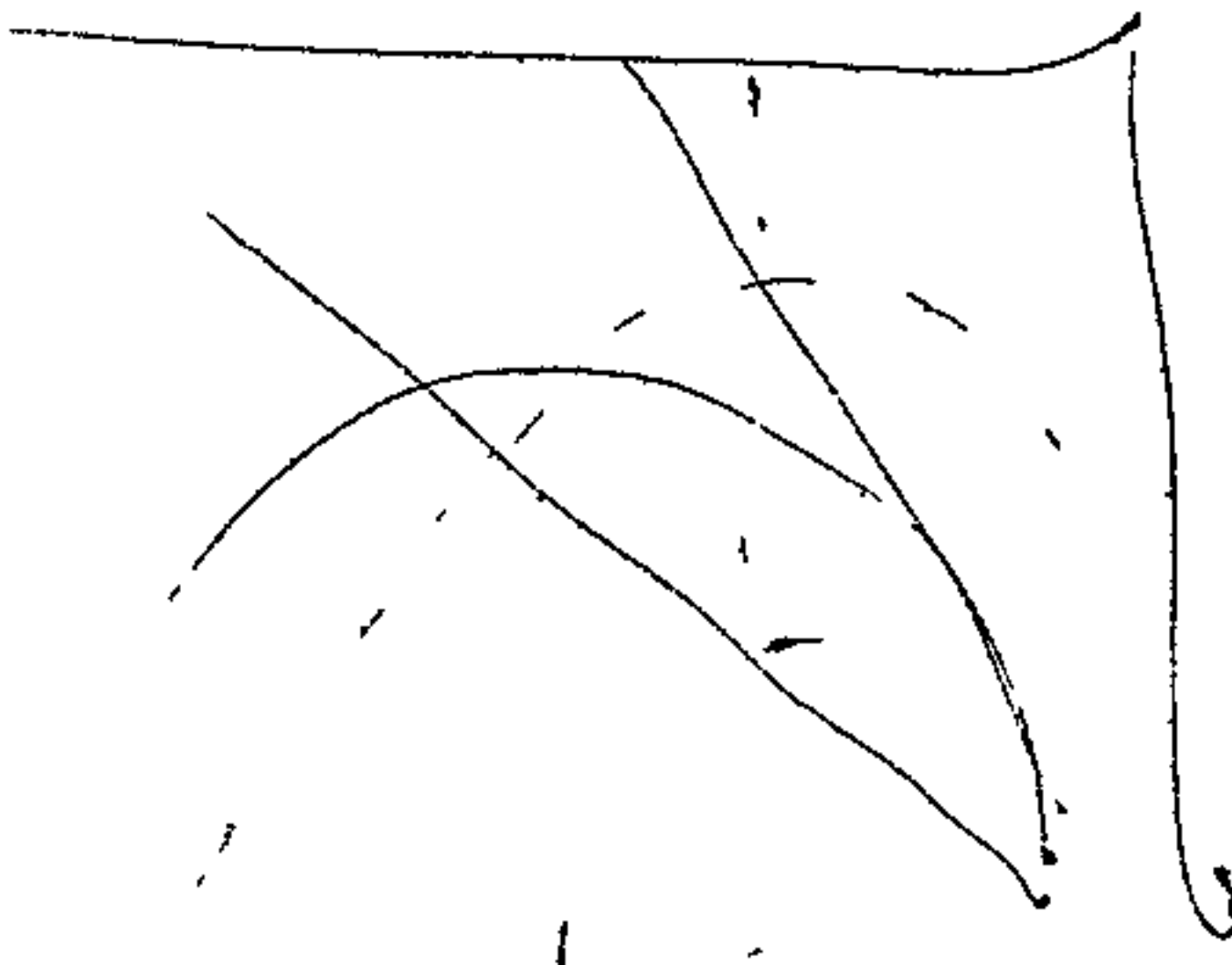


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**Strike at**  
**co-op** ~~1201~~  
**over** DD. 15/3/83

QUEENSTOWN — The strike at the Eastern Cape Agricultural Co-op creamery here is over

Mr C A Botha, the general manager, said that 30 per cent of the workforce had returned and the other vacancies have been filled by new recruitment

He said that he had had no further communication from the union involved — the African Food and Canning Workers' Union — but was pleased that so many workers had decided to return — DDR



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# Co-op denies union claims

QUEENSTOWN — The general manager of the Eastern Cape Agricultural Co-op here has completely denied allegations by the African Food and Canning Workers' Union that their workers were insulted and assaulted by management and that one employee was shot in the leg at work

Mr C A A Botha said "These things definitely did not happen I am the general manager and I know — the workers were not insulted and no-one has been shot"

A statement from the general secretary of the union, Mr Jan Theron, referring to the recent creamery strike, said

"We utterly reject the statement made by the employers of the Eastern Cape Agricultural Co-op which is designed to mislead the public

"Thirty per cent of the workers have not returned to work, six or seven have and 179 are at present outside. The employers are refusing to negotiate with the unions. Their stated attitude is that if the workers wish to belong to the union they can get work elsewhere. We are not surprised that the employers should adopt this attitude as they pay their workers appalling wages

"The basic wage is R29,10 a week. The workers complain they are dismissed for no reason, are insulted and assaulted by manage-

ment and the foremen carry guns at work

"A worker's jaw was broken last year when he came late for work and another was shot in the leg at work and then dismissed, but nothing came of the case he made

"The employers provoked a strike. For over six months they have refused to recognise the union, ignored letters from the union and now they have dismissed the workers

"We do not seek confrontation with the employers but a solution to an increasingly ugly situation which will have repercussions for labour relations not only in Queenstown. But the employers must agree to negotiate a solution with the union"

Asked to comment on this statement, Mr Botha said that 30 per cent of the workers had indeed returned, as previously stated

He said that the basic wage was R29,10 a week, but that most workers were paid considerably more than this

It was true that he had refused to speak to representatives of the union as he considered the matter of the strike now closed, he said

"They are blowing this matter out of all proportion," he said. "We have no intention of having a union here and if the workers want a union they must find a job elsewhere" — DDR

MEAT  
Can plan

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FM 25/3/83

The Meat Board (MB) has launched a plan to process nearly 3m cans of beef over five weeks to absorb its surplus of 140 000 head of cattle

Much of the stock, worth some R42m, could have been lost entirely to drought-stricken farmers, who have welcomed the MB's scheme — unlike some of its recent unsuccessful subsidy ideas

The MB is to slaughter an additional 3 500 cattle/week at the Krugersdorp and City Deep abattoirs. There will be 60 000 head proffered by farmers for the canning scheme, plus part of the 80 000 carcasses in the MB's cold storage. Marketing permits

haven't been curtailed and abattoirs are in full swing, slaughtering about 100 000 cattle/month

They will be canned at a rate of 110 000 250 g tins/day at the Krugersdorp Bull Brand factory. The scheme will produce canned meat worth some R4,5m at retail level by late April

"This way," says a MB spokesman, "other farmers have more access to the market and the canned product will last longer than the carcasses would have in cold storage

"Anyway, we cannot store any more meat because our freezing facilities are full. After five weeks, we will consider further canning"

All cattle being bought by the MB, at prices slightly above floor price level, are from relatively low-quality veld-fed herds. Monday's prices for these grades ranged between R1,48/kg and R1,85/kg

These cattle, unlike super-grade feedlot-fed stock, have been worst hit by the drought. Their owners are applying for quotas to market in unprecedented quantities

Country auction prices are so low, says one spokesman, that many producers pack up and leave without selling their herds

Some drought-stricken farmers, concerned that their herds could starve, are putting breeding stock on the auction stand. Rassie Erasmus, president of the SA Feder-



Doing battle with the surplus of carcasses

ation of Livestock Auctioneers (Safila), warns this will lead to future shortages and will triple the selling price of heifers by mid-1983

The MB decided its canning scheme would be the best solution to farmers difficulties. It has helped farmers in the worst-hit areas, but, the MB spokesman says, prices can hardly be called good

Costs will be met from the MB's stabilisation fund of about R66 m. Another bonus for some farmers is that the Bull Brand factory, the only meat cannery qualified to export, is 50% owned by Vleisentraal, in which all the primary meat co-operatives have a share

However, disposal of the tinned meat hasn't yet been determined. The MB

spokesman says local selling could begin at any time. But because of the international meat glut the export market has been discounted for the present. "Our major concern now," he says, "is to help farmers."

Safila's Erasmus, who often criticises MB policy, praises the canning plan. He says "It is an honest attempt to alleviate the situation. Normally, in these conditions, the SA solution has been to slaughter, store and then try to export. Canning is a new alternative which could be an answer in bad years to come"



## FRUIT INDUSTRY

186

### Drying out

FM 25/3/83

Deciduous fruit-drying and processing may soon overtake fruit canning in gross earnings

Cape fruit canners, more than 80% dependent on export earnings, have their backs to the wall. Reasons are a combination of high cost inflation at home and falling demand, high external tariffs in EEC markets, and heavy foreign government subsidies of Mediterranean producers.

This is a blow to the Cape's estimated 5 300 fresh fruit growers, who last year produced about 1 Mt to earn net payments of R290m and gross foreign exchange of R514m. The deciduous fruit industry's four divisions — fresh consumption, canning, drying and juice manufacturing — employ about 230 000 people.

The dried fruit industry is too small to easily accommodate the vast surplus tonnages of fruit that could result from further difficulties in fruit canning. But it nevertheless offers far better yields for quality fruit prepared to high standards.

According to Steve Rautenbach, GM of the SA Dried Fruit Co-operative (SAD) at Wellington, the co-op's gross revenue from sales of dried fruit will soon be within striking distance of R100m/year.

For hard-pressed fruit growers the yields offered by the drying industry are spectacular compared with canning. The apricot variety known as Royal this season commanded a producer price of R566/t for best quality halves. This is the raw fruit price equivalent of the finished product, by which

a ton of dried fruit converts to about 5,5 t of raw fruit. Best quality yellow clingstone peach halves and slices realised R176/t and R190/t respectively, compared with about R130/t in the canning industry.

Rautenbach says he is amazed that in SA, where figs trees are ubiquitous, there is no real fig industry. SAD offers the raw fruit equivalent price of R335/t for best quality Smyrna and Cadota figs and wants to encourage growers to plant these varieties.

#### Macadamia nuts

There is a shortage of quality prunes and 1 000 t of processed prunes had to be imported in 1981. SAD is also trying to stimulate domestic production of dates and has imported special plant propagation material. In addition to the production of macadamia nuts (170 t were produced this year in the eastern Transvaal lowveld, where growers were paid R8,60/kg), SAD hopes to encourage large-scale almond production in the lower Berg River region in the western Cape.

The co-op's financial results reflect strong growth over the past 10 years. Turnover climbed from R9m in 1972 to R80,6m in 1982 when the gross operating surplus was R16,4m, a margin of nearly 20%. In the same period, the tonnage of dried fruit handled rose from 19 400 t to 34 400 t and exports rose from 7 900 t worth R4m to 19 500 t worth R32,5m. EEC countries took more than 60% of exports.

SAD's more than 3 000 members (growers, producing co-ops and commercial dryers) received gross payments of R66,24 from every R100 of turnover achieved by SAD last year.

**Corporate**

29/3/83 (186)  
*Mercury* (USA) (15)  
**Workers fired,  
then re-employed**

**Labour Reporter**

**MORE** than 400 workers at Union Flour Mills, Durban, were dismissed yesterday morning — only to be re-employed a few hours later

The dismissals stemmed from a work stoppage which began on Friday, when workers downed tools over complaints about the behaviour of two personnel officers

Workers outside the factory told the Mercury yesterday morning they had been told of their dismissal when they reported for work. Several hundred workers had gathered outside the mill in Fenniscowles Road to collect their pay

However, Mr Mike Kammerman, general manager of Union Flour Mills, said later that all workers had been re-employed

He confirmed the stoppage was over allegations concerning the behaviour of two personnel officers, but said he had investigated the men's complaints and discovered them to be unfounded

Mr Sam Kikine, Natal secretary of the South African Allied Workers' Union, said yesterday he had contacted the Premier Group, Union Flour Mills' holding company in Johannesburg, and had arranged to meet company representatives in Durban next month

## DAIRY INDUSTRY

186

### Cheesed off

FM 8/4/83

Cheese importers are not saying cheese. The Dairy Board has told them in a circular that they are prohibited from importing processed cheese.

Not surprisingly, importers are angry that their stocks have to be limited to protect local cheese processors. Why they ask, should there be a clamp on their business activities merely because local producers are having a rough ride? They argue that consumers should have access to cheaper overseas cheese, as well as the wider selection.

Edu Roux, the Dairy Board's GM,

disagrees. He points out that the circular is a reminder of a regulation that has been in force for some time. "Applications for permits for imports of cheese have still been received. We turn them down, so we felt a reminder was in order."

Roux doesn't believe the regulation is unfair and unnecessary. His argument is that overseas cheese processors are heavily subsidised, therefore so price-competitive. In some cases, he adds, imported processed cheeses are 50% cheaper than their local counterparts.

Roux also believes local manufacturers must be protected as their operations are linked to those of the entire dairy industry. Without that, what happens to the dairy industry?

Roux stresses that some cheeses are allowed in — mainly ones that don't compete directly with processed cheeses manufactured locally.



# Who downs how much

By Vera Beljakova

FOOD and drink consumption among blacks is increasing among whites it is static, or slipping in certain sectors, and among coloureds it is declining as a result of rising unemployment in the Cape

The latest Food and Drink Monitor by Research Surveys reveals that last year blacks hugely increased their consumption of fresh vegetables, sweets, biscuits and chocolates, thereby indicating their growing discretionary income

"Blacks are feeling the economic pinch less than whites," says director Butch Rice. "Thus it is the whites who are now pulling in their belt and moving away from red meat, traditionally a major budget item. They are finding such meat substitutes as protein-rich eggs and sausages."

Eggs have stopped being an exclusively breakfast item among whites, and today 42% are now consumed for lunch or supper.

Alcohol consumption, too,

is down among whites, who are turning towards carbonated drinks, fruit juices, milk and even Rooibos tea

Beer consumption's decline has been particularly marked — from 17% to 11% in one year, taking winter months only into account

More beer is drunk at the weekend (54%) than during the week (43%), and less beer is seen on the dinner table (35%) than a year ago (40%)

"A major swing from the through-the-week consumption to weekend consumption is a danger sign, since no market can afford to miss out on five week days of consumption spending," says Mr Rice

Less beer than ever is drunk in young households where the wife is under 24, shifting from 37% to 25%

Consumers are more price-conscious. Cheese-eating declined as prices rose in the first 18 months of the past two years, but regained its market share when prices were slashed again

128 186 782

Sowetan 13/4/83 (186)

## Union slams company

**THE FOOD and Beverages Workers' Union has criticised the Maizecor company in Waltloo, Pretoria, for its refusal to talk with the union and also for turning the members "into targets of intimidation".**

According to a statement by the union which represents more than 50 percent of workers at the company, management dismissed two of its members but later reinstated them after the workforce had threatened to go on strike. "This act is seen by the union as clear victimisation of its

members by the company," a statement said

The union was angered most by the fact that some members alleged having been approached by senior officials of the company who tried to discourage them from participating in trade unions. Workers said senior officials demanded to know why they had joined a trade union.

"One complainant said he was told the company could even build houses for its workers — which was far more than the union could do. He said he

was advised to always lodge complaints with management before going to the union," the statement added.

A spokesman for the union, Mr Glen Mokoena, said his union was to hold a meeting to solve the problem. He said it was inconvenient for both the company and union not to communicate.

"It is unfortunate that the company does not see the importance of communication and also refuses to speak to us so as to avoid recognising the union," Mr Mokoena said.

# Workers jobless after bakery closes

186

ABOUT 180 workers employed by Olympic Bakery in Cleveland have been stranded without jobs when their company closed down suddenly on Tuesday.

The closure of the company, also known as East Rand Bakery, took the workers by surprise and they alleged that they were not notified in

advance that the firm was likely to be closed down

Although they were not officially told why the firm was closing down, they expected to be paid off yesterday after a meeting scheduled to be held between management and the firm's directors

One worker said he

heard rumours about a week ago that the firm faced a possibility of closure because it was not making profits

"I could not confirm this with management because one would have expected an official notification. Only on Monday the manager informed us that there was no work for us and that we should go home

"On Tuesday we were told for the first time that the firm is to be closed down. This shocked us. We just could not believe what we had heard," he said

Some of the workers with a long service said they had been transferred to other companies in the baking industry

Most of the workers were angry and said management at the bakery was being unfair in

giving preference to drivers and their assistants. About 23 drivers and their assistants have been given jobs with the bakery's other branches. They also blamed the bakery's closure on the manager

The now jobless workers, men and women, said they faced a difficult future. They have families to support, debts to pay and countless other responsibilities and the prospects of getting other jobs were bleak, they said. This is due to the present economic downturn which has hit the country

The SOWETAN's inquiries were referred to the Premier Milling group. An employer at Premier Milling said the personnel manager would be available today to issue a statement on the bakery's closure



1943  
CAPE TOWN 22/4/43 (186)

# 22pc wage increase in bakery industry

Labour Reporter

AN INDUSTRIAL council agreement pushing up the wages of workers in the bakery industry by an average of 22 percent has been negotiated between the Western Cape Bakers' Association and the Bakery Employees' Industrial Union

The agreement, still to be published, is retrospective to the beginning of April. It follows three months of bargaining between the employers' association and the

union, which represents about 2 800 workers in the Western Cape

The minimum wages of bakery confectioners are to increase from R79,50 to R96 a week, for drivers from R78 to R95 a week, and for general workers from R54 to R65 a week.

Mr Arthur Joseph, general secretary of the union, said they were "not overjoyed" with the increases, but they were relatively fair and would be reviewed again within six months

at Inanda being  
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*Mercury*  
**waters**  
**elless** 23/4/83

If these people were  
ing rentals, what moti  
ion would there be?  
Kearney said he had  
shown hand written  
cripts given by the land  
ds to the squatters  
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ry is to keep down the  
ers of blacks in ur  
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Spokesmen for the  
atters said they pro  
osed to travel to  
alam on Monday to  
ad their case with the  
cal commissioner of the  
partment of Co Oper  
ion and Development

**Line for threat**  
Mercury Correspondent  
JOHANNESBURG—An  
lberton private detec  
ive was fined R400 in the  
ohannesburg Magis  
rate's Court yesterday  
er he was found guilty  
of threatening the life of  
the star, Johan Kriek  
lfred Patrick O'Driscoll,  
of Petersfield Street,  
aceview, was found  
ilty of contravening the  
ntimidation Act

### 3 held after killing of senator

HARARE—Three men  
had been arrested in con  
nection with the killing of  
Zimbabwean Senator  
Paul Savage, 70, his  
daughter Colleen, 20, and  
their British visitor, Miss  
Sandra Bennett, 38, the  
Zimbabwe Government  
announced yesterday  
The arrested men were  
identified by a Govern  
ment spokesman, Mr Jus  
tin Nyoka, as being  
dissidents loyal to the  
run-away opposition lead  
er, Mr Joshua Nkomo

One of the men had ad  
mitted being involved in  
the killings and had also  
told of the involvement of  
seven other dissidents  
who had since crossed the  
border into Botswana, the  
spokesman said Police  
investigations in liaison  
with Botswana authorities  
were under way

**Court**  
The spokesman said po  
lice had also established  
that a dissident injured  
during the shooting at the  
Savage homestead about  
130 km south of Bulawayo  
was taken to a traditional  
healer near the Botswana  
border and later taken  
into Botswana for further  
treatment in Francistown  
where he was in hospital  
The traditional healer  
and his son had been ar  
rested for helping the dis  
sident to leave the  
country Steps were being  
taken to ensure the man's  
return to Zimbabwe and  
to arrest him, the spokes  
man said All the men ar  
rested so far would  
appear in court soon  
The victims were  
gunned down at their  
home One dissident, be  
lieved to have been acci  
dentally shot dead, was  
taken away in a vehicle  
belonging to the senator  
and, when the vehicle  
broke down, he was  
buried in a shallow grave  
— (Sapa)

**Salvaged  
skiboat  
back home**

Mercury Reporter

## Sugar union 'gets better deal' from direct talks

**Labour Reporter**  
SUGAR industry wages  
have been negotiated out  
side the Industrial Coun  
cil for the first time — and  
union members feel  
they've ended up with a  
better deal because of  
this

The agreement was be  
tween the giant C G Smith  
sugar company and the  
Fosatu-affiliated Sweet,  
Food and Allied Workers'  
Union  
After more than a  
month of negotiations  
wage increases ranging

from 13 percent on the  
lower grades to 7.5  
percent on the higher  
grades have been agreed  
on  
Union branch secretary  
Petros Ngcobo said the  
union was 'not satisfied  
with what we got but we  
feel we have achieved a  
better deal than the  
unions that sit on the in  
dustrial council  
Mr Ngcobo said unions  
which sat on the council  
had settled for a 7.5  
percent across-the-board  
increase

He also said the food ra  
tion allowances at the  
Noodsburg and  
Umzimkhulu mills had  
been increased by R5  
Mr B Horlock, C G  
Smith's group personnel  
director, said he was  
pleased with the  
agreement  
He said however, that  
there had been a last  
minute 'technical prob  
lem' with the Natal Sugar  
Industry Employees'  
Union, who were meant to  
be party to the agreement,  
but he felt sure that the  
matter could be solved

### Sentenced for slapping baby

**Court Reporter**  
A MAN who slapped his  
four-month-old daughter  
on the buttocks because  
he became irritated with  
her crying was sentenced  
to 12 months imprison  
ment — suspended for  
five years — by Mr N Kr  
uger in the Durban Magis  
trate's Court yesterday  
William Louis  
Bianchina, 22, pleaded

guilty to striking the child  
at his flat at Illovo Beach  
on February 15  
The Court was told he  
had been drinking and  
was tired and became an  
gry when the child cried  
He admitted a convic  
tion for driving under the  
influence of liquor  
Mr Kruger said he had  
committed a serious of  
fence and he had to im

pose a sentence which  
would deter Bianchina  
and like-minded people  
The Court heard that  
the child had been re  
moved from the care of  
Bianchina and his wife  
Mr Kruger said it seemed  
that they were too young  
and immature to have a  
family  
Mr C Cornell appeared  
for the State

### Former astronaut Glenn aims for the



NEW CONCORD—Former astronaut Sen John Glenn gives the thumb-up to his wife Annie stands at his side as he officially announces his car

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# Pay sweetener for sugar men

~~1987/2/25~~ (186) (157) POM  
Labour Correspondent

THE giant CG Smith sugar company has concluded a wage agreement with Fosu-tu's Sweet, Food and Allied Workers' Union

A union statement said the agreement gave workers a more substantial rise than that granted by the sugar industry's industrial council

The company recently negotiated a ground-breaking recognition agreement with

the union giving SFAWI bargaining rights in any CG Smith mill where it wins a worker majority

A key aspect of the agreement was that the union could bargain on pay with CG Smith outside the industrial council

The union statement said the pay negotiations — which covered two mills at which it has a majority Umzimkulu and Noodsberg — began on

23/4/83  
March 8 and were 'tough

It said it had won a 13% increase for lower paid workers and 7,5% for the higher paid grades. This compared with an "across the board" increase of 7,5% negotiated at the industrial council

"We are not satisfied with what we got but we feel we have achieved a better deal than the unions that sit on the council" said union branch secretary Mr P Ngobo



# Bakery, staff bypass IC

By Labour Reporter

THE African Food and Canning Workers' Union (AFCWU) and Attwell's, the City's largest bakery, have bypassed the Industrial Council for the bakery industry by negotiating a plant-level wage and recognition agreement.

This is the first such agreement to be negotiated outside the official bargaining machinery for the industry and was concluded before this week's Industrial Council agree-

ment between the Bakery Employees' Industrial Union and the Western Cape Bakers' Association.

In a statement yesterday, the AFCWU said they had signed a recognition agreement with Attwell's Bakery which recognized them as sole representatives of the company's more than 300 workers. The agreement provided for negotiating wages and conditions of work on an annual basis.

The union had negotiated an interim agreement with the company, backdated to the beginning of February, which would be in operation to the end of June, when further increases were to be negotiated.

The statement said "The workers at the bakery have been dissatisfied with the Industrial Council for a long time. They saw the workers at the mills, which are represented by our union, were much better off than the workers at the bakeries and insisted on joining our union."

The statement commended the employers on their "far-sighted approach" for accepting the situation when they saw that the union had majority support.

"It is also significant that subsequent to our negotiations with the company, the Industrial Council has laid down basically similar wages to those negotiated between Attwell's and the AFCWU."

Spokesmen for Attwell's were not available for comment yesterday.

# Cleveland bakers relocated

186

*Gar*  
Labour Reporter

About 180 workers at a Cleveland bakery were affected by the firm's recent closure

The East Rand Bakery, in turn controlled by Olympic Bakery and the Premier Milling Group, closed because of financial and other reasons

A Premier spokesman, Mr Stan Thompson, said that the group's policy was to relocate as many workers as possible in other jobs rather than retrench staff. About two in five of the Cleveland workers were relocated at other firms and contract workers would be paid out for the remainder of their contracts. Other retrenched workers would receive substantial payouts.

Mr R D Gold, secretary of the Witwatersrand Baking and Confectionery Industrial Union, said that his union and shop stewards at the bakery were satisfied with their negotiations with Premier and local management. They accepted that the maximum possible number of workers would be relocated.

125 APR 1983

Six  
186  
strikers  
held  
27/4/83

— union

Labour Correspondent

SIX members of the African Food and Canning Workers' Union were yesterday arrested in Queenstown and will face Intimidation Act charges in court this morning, their union said yesterday

The workers were all involved in a strike at a co-operative creamery in the town, which attracted attention when AFCWU alleged that workers had been assaulted by foremen before the strike and that one had been shot in the leg

Yesterday, a police spokesman in Queenstown denied all knowledge of the arrests

AFCWU members at the Eastern Cape Agricultural Co-operative Creamery struck recently, and all were fired. According to AFCWU, the six arrested workers are members of the union who worked at the creamery

The union alleged at the time of the strike that foremen had assaulted workers, which the creamery denied

At the time of the strike, the union's chairman at the creamery, Mr Tandi Madikane, was arrested and charged under the Intimidation Act with one other worker, but these charges were subsequently dropped, according to the union

But it says Mr Madikane was arrested again yesterday, together with five other workers — Mr Zanemvula Tyholo, Mr Tayitele Mjongile and three others whose full names are not available

It said it had learned they were due to appear in court today to face intimidation charges

According to AFCWU, several of the fired strikers, including Mr Madikane, have been questioned for up to five hours by police in the past week

It said most of the strikers fired by the creamery had been replaced by new workers but that some had returned to work

"Only those who had been working there for a short time have returned and the longer-service workers are still refusing to do so," a union spokesman said



# Workers hit by sudden closure of Verulam factory

196  
~~1983~~

Mercury Reported

28/4/83  
Mr Barry Rebeck, deputy managing director of Beacon Sweets, said last night his company had offered to buy the machinery of Natal Sweets after it had shut down.

MORE than 250 workers at an Indian-owned sweet factory in Verulam are without jobs following its sudden closure

Natal Sweets, situated in the industrial section of the town, was formerly owned by a consortium headed by Mr Y S Chinsamy, a member of the Black Alliance. It was sold in 1974 to the Noorgat family of Pietermaritzburg for R325 000

'The machinery is being transferred to our factory in Mobeni,' he said, adding that the company had also offered to take on few of the displaced workers

Most of the workers were paid off last week while a few have been retained until the end of April

Mr Chinsamy said Natal Sweets was established in the town in 1972 and was sold to the Noorgat family two years later because of the lack of experienced staff

Workers said yesterday they were told of the factory's closure only two weeks before they had been paid off

Beacon Sweets had also made a bid for the factory at the time, he said

Mr Cassim Noorgat, a director of the company, yesterday confirmed that the factory had shut down

Mr Chinsamy said he was disappointed with the closure because 250 families would suffer

He said Beacon Sweets of Mobeni had bought the factory's machinery and had offered some of the displaced workers jobs at the Mobeni factory

He refused to say what price had been paid for the machinery

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# 'Alarm' over toxin in food

CAPE TIMES  
29/4/83  
(186) (75)

By GORDON KLING

**ONE OF** the country's major supermarket chains is critical of the manner in which a toxic-food scare has been handled by the health authorities and has called on them to identify the manufacturers.

Referring to a report in the Cape Times yesterday that a popular breakfast food had been found to contain illegal amounts of toxin, the general manager of Pick 'n Pay in the Western Cape, Mr John Barry, accused the authorities of keeping the matter "under wraps" and said supermarkets should have been the first to know

about the problem. Instead, his firm had been trying all day to learn who the manufacturers of the product were, so far without success. The acting director of the National Research Institute for Nutritional Diseases, Dr Schalk van Rensburg, has declined to name the manufacturers, who evidently used

in their cereal peanut meal declared unfit for human consumption. The firm had used the meal which contained the toxin to raise the protein level of the cereal cheaply, but when the transgression was noted they had changed to proteins derived from soya beans and milk.

#### 'Co-operation'

There had been 100 percent co-operation to correct the mistake, which could have been due to ignorance, said Dr Van Rensburg.

"This is highly alarming," said Mr Barry. "The first we knew about it was when we read the newspaper, and yet being in the food industry, surely we should have been the first to have been told

"Instead of keeping the thing under wraps Dr Van Rensburg should say who the manufacturers are. We are finding that there is a lot of concern among consumers

"We should have been approached to get the stocks off the shelves. The matter has been very badly handled." Several breakfast-cereal manufacturers approached by the Cape Times yesterday denied having used contaminated peanut meal and said they did not know who had.

● Our Johannesburg correspondent reports that researchers say the carcinogenic substance was picked up almost by accident — in one of the occasional random checks they make on foodstuffs on supermarket shelves.

Dr Van Rensburg said "The danger of the cancerous substances in the cereal has been vastly exaggerated."

He believed the public alarm to be unfounded, because the toxic substances had been taken out of the cereal last April.



# Toxin: Firm asked to name cereal

CAPE TIMES  
30/4/83  
186

By GORDON KLING

**A MAJOR supermarket chain has urged the Minister of Health and Welfare, Dr Nak van der Merwe, to intervene in the growing controversy over toxins in a popular, but so far undisclosed, brand of breakfast cereal.**

And the managing director of one major manufacturer has urged the company involved in the toxin scare to come forward so that other products will not be affected

Pick 'n Pay's general manager in the Western Cape, Mr John Barry, said yesterday that the group had been unable to determine the name of the product, mentioned in the annual report of the South African Medical Research Council as containing more than the legal level of toxins

The acting head of the National Research Institute for Nutritional Diseases, Dr Schalk van Rensburg, has said the cancer-causing aflatoxin was contained in peanut meal declared unfit for human consumption

He said the firm using the meal had done so to raise the protein level of their product cheaply. They had switched to soya beans and milk when the problem was uncovered and the popular brands now on the

panies can be let off the hook."

The general manager (marketing) at Cerebos, which manufactures Pronutro, Mr Douglas Smith, said the firm's head of research and development had assured him categorically that its products did not contain unacceptable peanut aflatoxins and that Pronutro was definitely not the cereal being referred to, it did not contain peanuts

### 'Puzzling'

When it was put to Mr Smith that peanuts and defatted peanuts were included in the list of ingredients on packages of several of the firm's popular cereals, he initially replied that this was "puzzling"

Mr Smith said subsequently that the Pronutro formula changed from time to time and it had a "dispensation to use old packaging", which meant that the ingredients listed on the box might not always fully reflect the contents

## SAA A in emergency landing

Own Correspondent  
JOHANNESBURG — A South African Airways Airbus with 272 passengers and crew aboard made an emergency landing with one engine functioning at Bloemfontein's J B M Hertzog Airport yesterday

The drama began when the aircraft — Flight 314 from Cape Town to Johannesburg — developed technical problems in one of its two engines about 30 minutes after takeoff

The engine was shut down and the aircraft was diverted to Bloemfontein, where it landed about 3 30pm. The flight had left Cape Town at 2 30pm and was scheduled to land at Jan Smuts at 4 25pm

The SAA public relations chief, Mr J C van Rooyen, said last night that at no time had there been any danger to the passengers and crew. The aircraft could have reached Johannesburg, but safety procedures — which entailed bringing it down at the closest airport — were effected immediately

The Bloemfontein Fire Department was on standby

Mr Van Rooyen said "Airbuses are designed

ed by husband Michael  
esterday

After yesterday morning's judgment had been handed down Mrs Chamberlain appeared close to tears as she was led from the dock

Then, in a surprise move, shortly before the Sydney offices of the court closed for the day, Pastor Chamberlain and his legal team lodged High Court appeal papers and applied for bail on his wife's behalf

The bail application is expected to be heard at 10 30am on Monday in Canberra

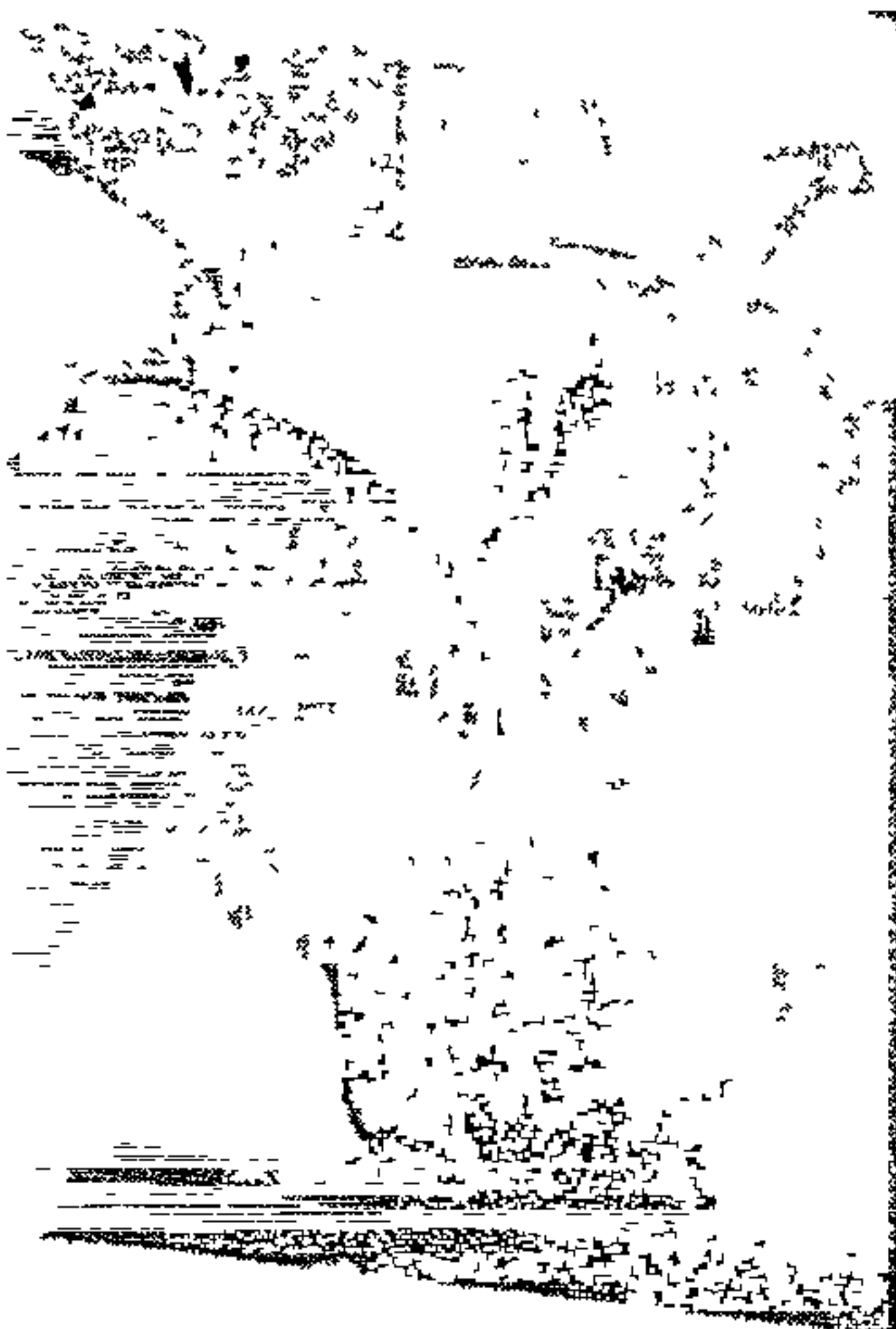
## 2nd Cup

The question on fans' lips, however, is whether Province will stick to their plan of running the ball

The Cream  
of the Crop is  
Rembrandt var







accompanied by husband Michael Court yesterday

## her's dom

where she separated from family for the time since her husband, Sev-Day Adventist Michael Chamberlain, 38, the afternoon members of legal team.

After yesterday morning's judgment had been handed down Mrs Chamberlain appeared close to tears as she was led from the dock.

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## defend Cup

test rugby union, on May 30 and years are determined that the Currie will stay in the

we had to make of injury-exchanges, in the and at lock, but nevertheless look a well-balanced able of emergency for the

The question on fans' lips, however, is whether Province will stick to their plan of running the ball.

In Michael du Plessis they have an adventurous flyhalf, and allied to some of the most exciting three-quarters in the country.

● Last night's club rugby results, back page

## nns hope

sound row," executive last

is joint betting the first South Af-

on the bet Won- in Bert promoted

to outright favourite at 5-1.

### LATEST BETTING

- 5-1 Sweet Wonder
- 13-2 Count Du Barry, Hawkins
- 7-1 Secret Service
- 8-1 Carlsbad
- 9-1 Wayward Son
- 12-1 Captive Prince
- 14-1 Lawn
- 16-1 Smugglers Den, North Island
- 20-1 Saturado, So Proud
- 40-1 Duke of Marmalad, Salvage
- 66-1 Golden Chance

● Count Barry to win, page 21

# to name cereal

By GORDON KLING

**A MAJOR supermarket chain has urged the Minister of Health and Welfare, Dr Nak van der Merwe, to intervene in the growing controversy over toxins in a popular, but so far undisclosed, brand of breakfast cereal.**

And the managing director of one major manufacturer has urged the company involved in the toxin scare to come forward so that other products will not be affected.

Pick 'n Pay's general manager in the Western Cape, Mr John Barry, said yesterday that the group had been unable to determine the name of the product, mentioned in the annual report of the South African Medical Research Council as containing more than the legal level of toxins.

The acting head of the National Research Institute for Nutritional Diseases, Dr Schalk van Rensburg, has said the cancer-causing aflatoxin was contained in peanut meal declared unfit for human consumption.

He said the firm using the meal had done so to raise the protein level of their product cheaply. They had switched to soya beans and milk when the problem was uncovered and the popular brands now on the market were completely safe.

Mr Barry said his firm had contacted the major manufacturers and all had denied that their product was involved.

"We have a right to know what is going on here and I think if necessary the Minister of Health should intervene to help determine who is responsible," said Mr Barry.

The managing director of Kellogg's South Africa, Mr J Linsell, said yesterday that newspaper reports on the issue had prompted considerable concern.

"It is having a rub-off on the whole cereal industry and we feel, as bystanders, that the company concerned should be identified so that other innocent com-

panies can be let off the hook."

The general manager (marketing) at Cerebos, which manufactures Pronutro, Mr Douglas Smith, said the firm's head of research and development had assured him categorically that its products did not contain unacceptable peanut aflatoxins and that Pronutro was definitely not the cereal being referred to, it did not contain peanuts.

### 'Puzzling'

When it was put to Mr Smith that peanuts and defatted peanuts were included in the list of ingredients on packages of several of the firm's popular cereals, he initially replied that this was "puzzling".

Mr Smith said subsequently that the Pronutro formula changed from time to time and it had a "dispensation to use old packaging", which meant that the ingredients listed on the box might not always fully reflect the contents.

Mr Barry described this as an "unacceptable situation" and said retailers and consumers had a right to know what they were dealing with.

● Cereal 'scare' angers callers, page 11

## Man killed

Staff Reporter

AN unidentified man was killed during rush hour yesterday when he was run over by a bus at the terminus on the Grand Parade outside the Golden Acre shortly before 5 30pm. The man was taken to Woodstock Hospital.

## BUSINESS BRIEF

Gold (close)	\$429,50
FT index (close)	695,30
RDM 100	890,20

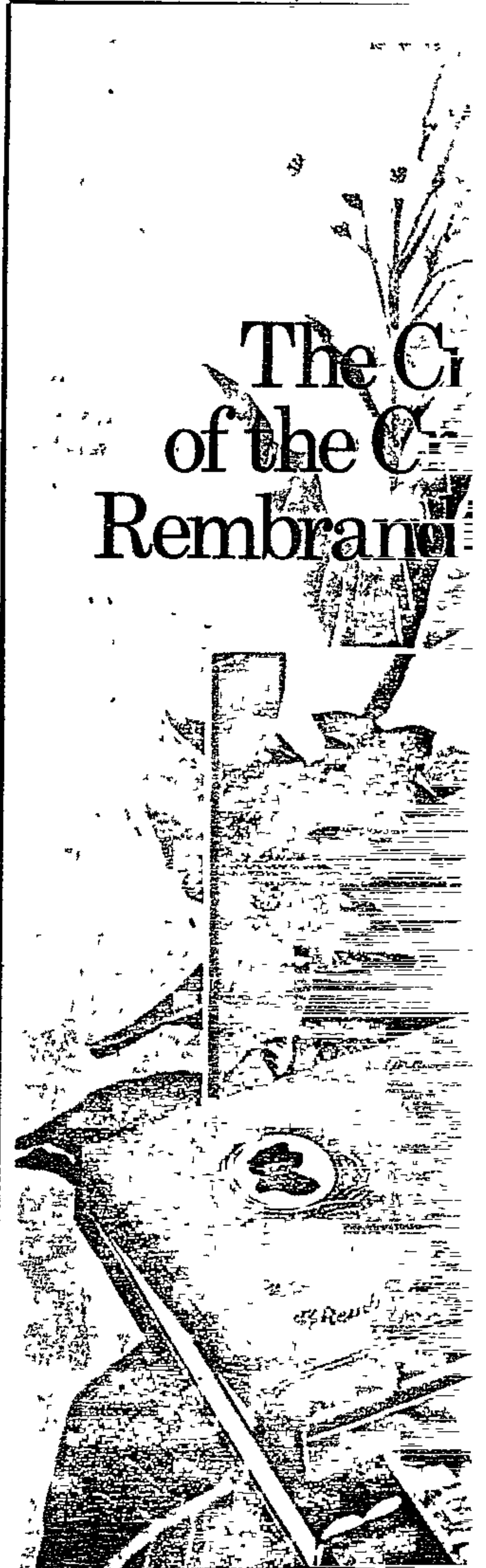
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The Bloo Fire Departm standby.

Mr Van Ro "Airbuses are

## The Ci of the C Rembrandt





AT THE RACES



es at the R250 000 Holiday Inns at Turffontein  
y. of Johannesburg, in a wispy white-and-pink  
former Miss South Africa Vera Sutherland, one of  
fashion competition at the course

# Cancer cover-up sparks off panic

186

S-Express  
1/5/83

**THE** secrecy cast over the "toxic breakfast cereal" by Government health officials has sparked off exactly what the silence was meant to prevent — widespread panic and speculation

Government health officials refused to budge this week, despite a nation-wide clamour from supermarkets and rival cereal manufacturers that the product be named

One supermarket chain has even appealed to the Minister of Health, Dr Nak van der Merwe, to intervene in the row to put a stop to public speculation

Another supermarket chain spent days trying to trace the name of the product, all in vain

The Sunday Express has established the name of the product, but two attempts to obtain comment from the company on the cereal were met with straight denials and threats of legal action

Despite the outcry, Government officials are clinging to their secret

They say the danger of the toxic substance aflatoxin — has been 'vastly exaggerated' and that levels of the toxin were brought in line with the law after the Government issued a warning to the manufacturer

Said one official I cannot name the product because it is now a safe food produced by an ethical company

Rival breakfast cereal manufacturers are demanding that the offending cereal be named to protect the interests of other manufacturers

A spokesman for Tiger Oats said his company produced two breakfast cereals, both of which contained pure oats

A spokesman for Kellogg, the country's largest breakfast cereal manufacturer said defatted peanut meal was not used in any of Kel-

BY ANN SACKS

logg's products The same statement was made by Bokomo

A spokesman for Cerebos, which makes Pro-Nutro, denied illegal toxin levels were used in the manufacture of the popular breakfast food

The unnamed cereal — which was available in supermarkets up to five months ago with illegal levels of the toxin — was mentioned in a Medical Research Council report

The report said the cereal — a popular brand adver-

tised on television — contained defatted peanut meal declared unfit for human consumption

No action was taken against the company,

Said Dr Gerhardus Oberholster, chief director of consumer goods for the Department of Health "You don't give someone a fine because they transgress the speed limit by five kilometres

He said the potentially harmful effects of the cereal could not be monitored because there was no scientific proof that aflatoxin causes liver cancer and aggravates hepatitis in humans



# Crushing season at ~~some~~ <sup>186</sup> sugar mills <sup>Mercury</sup> may be cut by half

## Mercury Reporter

SUGAR farmers on the Natal North Coast are already counting their losses as the effect of the 'worst' drought tightens its grip

And because of the serious crop shortage, many sugar mills are planning to slash their six-month crushing season by half in some cases

Mr Ernie Morrison, general manager of the South African Cane Growers' Association, said yesterday that although there had been no official notification of an early shut-down of the mills, he expected this to happen because of the serious crop shortage

Growers to the north of the Tugela, mainly in Zululand, appeared to be hardest hit, he said, adding the full extent of the losses could not be gauged until the rains came

'There is still a reasonably good chance of saving much of the crop if it rains soon,' he said

Many farmers were for-

ced to sell up because of their losses and others would be forced to do the same if the drought continued, he said

Indian cane farmers on the North Coast are no worse off and in desperation many have turned to the Land Bank for financial assistance

Mr A Jagessur, assistant secretary of the Natal Indian Cane Growers' Association, said yesterday many farmers faced crop losses in excess of 50 percent.

'The drought is having a devastating effect on our farmers. It's in fact worse than what we had experienced in 1980,' he said, adding that South Africa could expect a big drop in sugar production this year

The hard-hit farmers, he said, were looking forward for help from the Land Bank for relief. 'Some farmers are already talking of reducing labourers, with bachelors being targets in the firing line'



Post Reporter

THIRTY-FIVE men and women at the Renown Food Corporation's production plant in Markman Township, Aloes, Port Elizabeth, are to be retrenched because of the company's rationalisation programme

The first group will be paid off on Friday. The phasing-out process will continue until the first week of June when the last group of workers will be paid off.

The staff complement at

# 35 workers at Aloes plant to be retrenched

the ICS group-affiliated plant consists of 70 blacks and four whites

Thirty-five of the 70 blacks have been "absorbed" by the company's sister operations at Aloes - ICS Foods and Renown Fresh Meat Corporation

Two of the white members have left the company of their own accord. The two remaining whites will either be retrenched or "absorbed" into the other two company divisions.

Mr Theo Meyer, general manager of Renown Food

Products, said from Pretoria today that the workers were told about their fate about a month ago. The workers' trade union had also been consulted.

He said the steps were taken as part of the company's "rationalisation" programme, which contributed towards better production.

Workers were assured they would be re-employed by the company whenever its activities were extended.

*E. Post*  
*3/5/83*

*186*

(186) RSM 4/5/83  
**'Toxic' breakfast food named**

By **DEBBIE REYNOLDS**  
Mail Reporter

THE breakfast cereal which was found by the Institute for Nutritional Diseases to contain a toxic substance has been named as a product of the Cerebos Food Corporation, Great Start

Yesterday Cerebos defended the cereal as absolutely safe but said consumers were welcome to return their packets — opened or unopened — if they were still not satisfied

The breakfast cereal row began last week when the Medical Research Council is-

sued its annual report, which included a brief reference to a "cancer-producing substance" found in a "popular breakfast food"

Later, the scientist responsible for the research said the substance — a carcinogen, aflatoxin — had been removed from the cereal a year ago. The disclosures triggered demands from consumers, consumer organisations and chain stores to name the cereal

Yesterday, a Cerebos source said Great Start had contained the toxin — but said it had been present only

in quantities inside the locally prescribed health regulation limits

The council's report claims that the toxin had been in concentrations exceeding the legal limits

Cerebos, in a "statement in the interest of South African breakfast cereal", said "To put an end to irresponsible rumours and speculation that Great Start breakfast cereal constituted a health hazard, Cerebos Food Corporation would like to make it absolutely clear that Great Start is, and always has been, completely safe to eat."



# stalling in war apo — Marais

## Notes on the Hustings



From  
**JOHN SCOTT**

layed until the drought had ended, he said "Now it is too dry He (Mr P W Botha) should have been honest and said 'it is too dry to vote Nat'"

He said the National Party had accused the HNP of wanting to drive "the kaffirs" into the sea

"We say naturally that's not our policy, but when one man was told this, he said then I don't want anything to do with you" This aroused another big laugh

Mr Marais said that if

◆◆◆◆  
To page 2



Springbok team, but not good enough to play for Western Province against Northern Transvaal

There was uproarious laughter and foot-stamping applause when Mr Marais quoted a British expert to the effect that black people were too heavy-boned to be good at swimming

Referring to the proposed new multiracial cabinet, he said "I don't think you will have any doubt how Piet Koornhof or Dawie de Villiers or Gerrit Viljoen will vote if they have the opportunity to vote for the non-whites"

On the question of the referendum being de-

### crack of dawn



"Vote Nat. How would you like your sister to marry an orang-outang?"

# Toxic cereal: Firm speaks

JOHANNESBURG — Great Start, a breakfast cereal is completely safe to eat, Cerebos Food Corporation said here yesterday

Reacting to a report on the cereal by the South African Medical Research Council last week, Cerebos said Great Start complied with "strict health regulations" laid down by the authorities

It said "Great Start is, and always has been, completely safe to eat"

But Cerebos would exchange packets of the cereal, opened or unopened

Regulations met by Cerebos in making the cereal were in many respects far tighter than those in the United States and the United Kingdom, Cerebos said

The company also imposed its own "very stringent" controls on products

Earlier yesterday, Cerebos held talks with health authorities on the report by the Medical Research Council that a certain breakfast cereal contained excessive amounts of a carcinogenic substance

The council's report said a carcinogenic substance, aflatoxin, had been found in illegally high amounts in a breakfast cereal. It did not name the company or breakfast cereal involved — Sapa

# Slipped into the toilet

HARARE — A young Mufakose, Harare, woman went to the toilet before going to bed — and ended up at the local fire station with the toilet bowl firmly wedged round her foot

In the darkness, on Sunday night, she slipped on a bar of soap on the floor. It sent her skidding into the toilet bowl, right foot first. She stayed there

She said "I tried to pull my foot out from the chamber, but it was firmly stuck inside. My parents poured washing powder into the chamber to make the water slippery, but that didn't work."

The fire brigade was called. Firemen wrestled with the imprisoning bowl but eventually they had to dig it out — with the woman's leg still inside

But although she could now leave the loo, her foot remained jammed. Firemen cut the bowl away at the station — Sapa

# ches super-bill for Ronstadt

Mancini broke his collarbone in a freak sparring accident

The good news is that United States folk-rock singer Linda Ronstadt will fill the gap at the Super Bowl with a six-concert season from May 27 to 28

Mr Kerzner said "Linda signed in New York today, so the Super Bowl will still be put to good use with a superstar show"

Mr Kerzner, who had

originally signed for a super-bill on May 28 including a clash between junior-middleweight champion Davey Moore and Roberto Duran, and a 40-minute show by Frank Sinatra, said he did not have enough time to put together a substitute promotion of sufficient merit

"Time was too short" for a prestige deal

Mr Kerzner said he was "optimistic of signing a similar package

later in the year". Sinatra remained "interested in the project" but the deal depended on the date and the availability of the participants at that time

• Southern Sun have arranged that all who bought tickets for the extravaganza can obtain refunds through Computicket by enclosing the tickets in registered envelopes and posting them to PO Box 11178, Johannesburg, 2000

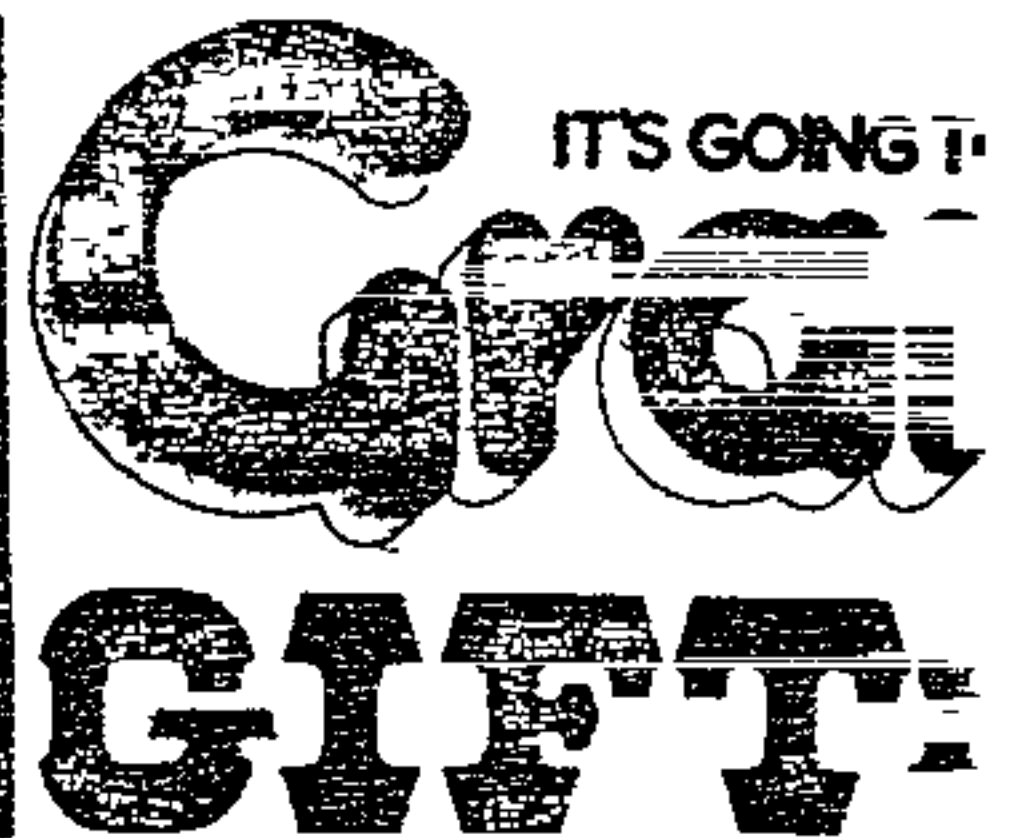


Linda Ronstadt

## New luxury sports car

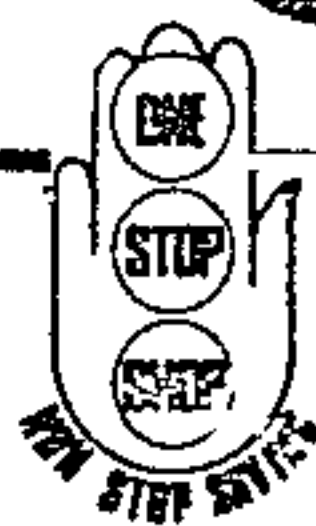
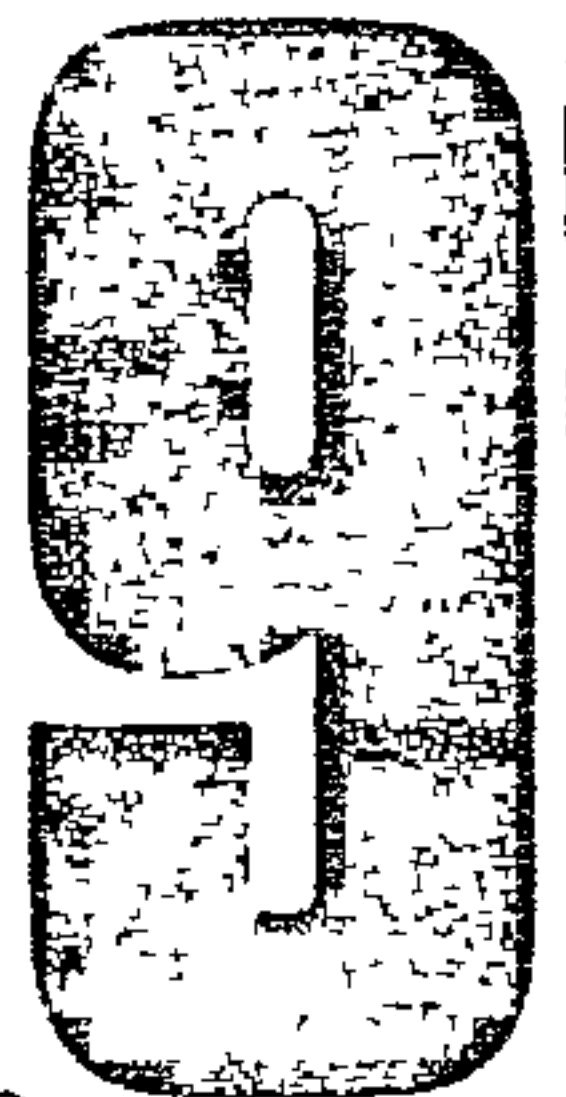
A new luxury sports car is now available in South Africa. Read about it tomorrow in **CARFINDER**

• Midweek **HOMEFINDER** appears with today's Cape Times



## Moulinex HAIRDRIER No. 1

Complete with blow wave nozzle  
400 Watt motor  
12 Months guarantee



**Grand P Ultram**

Racing ...	19	Aircraft	16	Court Roll	16	Radio	16
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Look at today	16	Business	17, 18	Editorials	8	Transport	16
		Cinema	6	Horoscope	16	Women's	7
		Column	16	Parliament	4	World Report	4

The Facts correction service,  
41-3361 (Mon to Fri)  
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Cape Town  
(Registered at the GPO  
as a newspaper)



# EEC sets tough conditions at sugar talks

By NEIL BEHRMANN

LONDON — The London daily sugar price surged to £130 a ton, the highest level in a year, while producing and consuming nations grappled over negotiations towards a new international agreement.

In the first two days of the talks, expected to last until May 20, the European Economic Community (EEC) sets out tough conditions for its participation in a new international sugar agreement.

The EEC, a non-member of the present pact, offered a plan for a new international sugar agreement and made it clear that it would enter only on its own terms.

Mr Michael Jacquot, the chief EEC delegate, said that the 10-nation community, the largest

Western exporter, would stay out of the proposed agreement if it was as "ineffective and unsatisfactory" as the present pact.

He hoped that the main 10 sugar exporters, Australia, the Philippines, Thailand, Dominican Republic, India, Argentina, Cuba, Brazil, South Africa, the EEC and developed importing countries would establish buffer stocks totalling 10 million tons. Middle-rank producers would have export quotas, and limited stockpiling requirements.

But small exporters would be free to sell their surplus sugar.

To counter weaknesses in the current agreement, the EEC proposed greater participation by wealthier importing nations and agreement over special term deals.

Mr Jacquot said that the pact should aim at maintaining prices within a range.

The EEC suggestions were cynically received by countries such as Australia.

The EEC is expected to export 5.8m tons this year and members of the present agreement complain that it is dumping subsidized sugar production on the world market.

Mr John Kerrin, Australian Primary Industry Minister, whose country exports 2.9m metric tons, only second to the EEC, blamed the common market for undermining the present pact.

He preferred stricter export quotas instead of higher stocks. The current international sugar arrangement is based on export quotas to control supplies, but members' efforts have failed partially because non-member nations such as the EEC have sold their surpluses on the mar-

A spokesman for the South African delegation told a Geneva correspondent that there "was common ground to hold larger stocks"

Sugar prices have been firm because of late plantings in Europe, and hot weather in the Soviet Union. Expectations that poor weather conditions in Europe and drought conditions in South Africa, Australia, the Far East and elsewhere would lower supplies in the coming year, helped boost prices the market has also been buoyed by Cuban buying following severe rainstorms.

"Cuba is buying up all the available sugar on the free market," said Mr Giles Evans, sugar analyst at Conticommodity Services, he expects the market to remain in a rising trend.

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Garment Workers Union of  
Johannesburg Municipal B  
African Garment Workers  
National Union of Commer  
Electrical & Allied Trad  
Building, Construction &  
National Union of Distri  
Industrial Salaried Staff

CANL TIMES  
5/5/83

74 5/5/83

UNIONS WITH MEMBERSHIP BETWEEN 5000 AND 10000

186 221  
5/5/83  
'Toxic'  
cereal  
is now  
safe

Mail Reporter

GREAT START, the breakfast cereal which contained a toxic substance, has been declared absolutely safe and not a health hazard by its manufacturers, Cerebos, and by the National Institute for Nutritional Diseases.

Great Start did contain the cancer-producing substance, aflatoxin, but in levels within the legal limit.

A spokesman for Cerebos Food Corporation said the discrepancy arose from the difficulty in accurately measuring the level of aflatoxin in the product.

This was based on a statement made this week by Dr. Schalk van Rensburg, acting president of the Institute for Nutritional Diseases.

Dr. Van Rensburg said the measurements of aflatoxin could vary in each sample taken for research.

The Medical Research Council's annual report carried a brief account of carcinogen aflatoxin, being found in a "popular breakfast food in concentrations exceeding the legal limit."

It said the "toxin was found in all samples of this breakfast food, obtained from retail outlets in different places."


The Institute for Nutritional Diseases would not comment yesterday on a previous report by them that the aflatoxin level in Great Start could aggravate hepatitis in humans and might cause liver cancer in animals.

The spokesman for Cerebos said they were informed of the toxin content by the institute as soon as it was discovered.

The offending aflatoxin was immediately removed from the product and in recent tests no aflatoxin has been found in Great Start.



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and capstan and pinchroller  
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Deck Cleaner.



**ALLSOP 3**

*CARE TIPS 5/5/83*  
*21* *186*  
**Drought worse than 1930s**  
**— Tiger Oats chairman**

By JOHN MULCAHY

JOHANNESBURG — Tiger Oats, the food giant that is now a subsidiary of CG Smith and in the Barlow Rand stable, produced attributable profit of R27 137 000 for the six months to March 31, and is paying an interim dividend of 50c

The profit compares with R26 096 000, which is the pro-rata figure for the six months to September 30, and the closest comparison possible because of the change in year-end — firstly, to February from December last year, and then to September to bring it into line with Barlow Rand

Tiger's executive chairman, Mr Rudi Frankel, said yesterday he was making an un-

characteristic forecast of the year's dividend — at least 75c — because of the confusion surrounding the two changes in the year-end and the difficulty in comparing interim figures with any results last year

Turnover was R947m compared with R848m for the six months to September, and operating profit was 11,2 percent higher at R63m compared with R56m. Net interest paid rose to R10 860 000 from R7 934 000 and dividends from investments fell to R4 058 000 from R6 221 000

Non-trading items absorbed R3 124 000, relating to a provision for diminution in the value of certain investments in associated companies

and losses on translation of net assets of foreign subsidiaries

On the positive side of the extraordinary items is the surplus realized on the sale of Tiger's stake in SA Breweries and of its 49 percent holding in Mageu Number One (Pty)

Associates, in which Tiger holds 30 percent to 50 percent of the share capital, are not accounted for on the equity basis

These companies had a total turnover of R1 189m for the six months, and had they been equity-accounted, the group's earnings would have been 232c a share, or 5,3 percent higher

**Borrowings**

The balance sheet at the end of March shows that total liabilities amounted to 93 percent of shareholders' funds, while the current ratio had improved to 1,2 from 1,7 at the end of September and total borrowings represented 46 percent of shareholders' funds, compared with 53 percent at the end of September

Long-term liabilities amounted to R49m at the end of March compared with R51m at the end of September

Current, interest-bearing debt at the end of March was R135m compared with R150m six months earlier, while other current debt amounted to R184m (R175m)

Mr Frankel said the review period had been difficult, a feature being the intense competition in the oil and margarine industries, with fierce battles for market share

**Maize crop**

The official estimate of South Africa's maize crop for the 1983/84 season of 4 300 000 tons is significantly lower than preceding years, and Tiger's export earnings

The significant impact of the drought on the whole agricultural sector meant that exports would be seriously affected, but that domestic consumption of feed for animals would increase

He applauded the government steps taken to alleviate the problems facing the farmers, and added that although there could be no monetary compensation for the tragedy, the measures now being implemented to relieve the financial burden were commendable

**Protein shortage**

Apart from the hefty maize imports that will be required, Mr Frankel foresaw substantial shortages of protein material for feeds and oil

Wherever possible the group would attempt to import raw materials for processing at the coastal plants, but the procedure to be followed would depend on relative prevailing rail-age costs

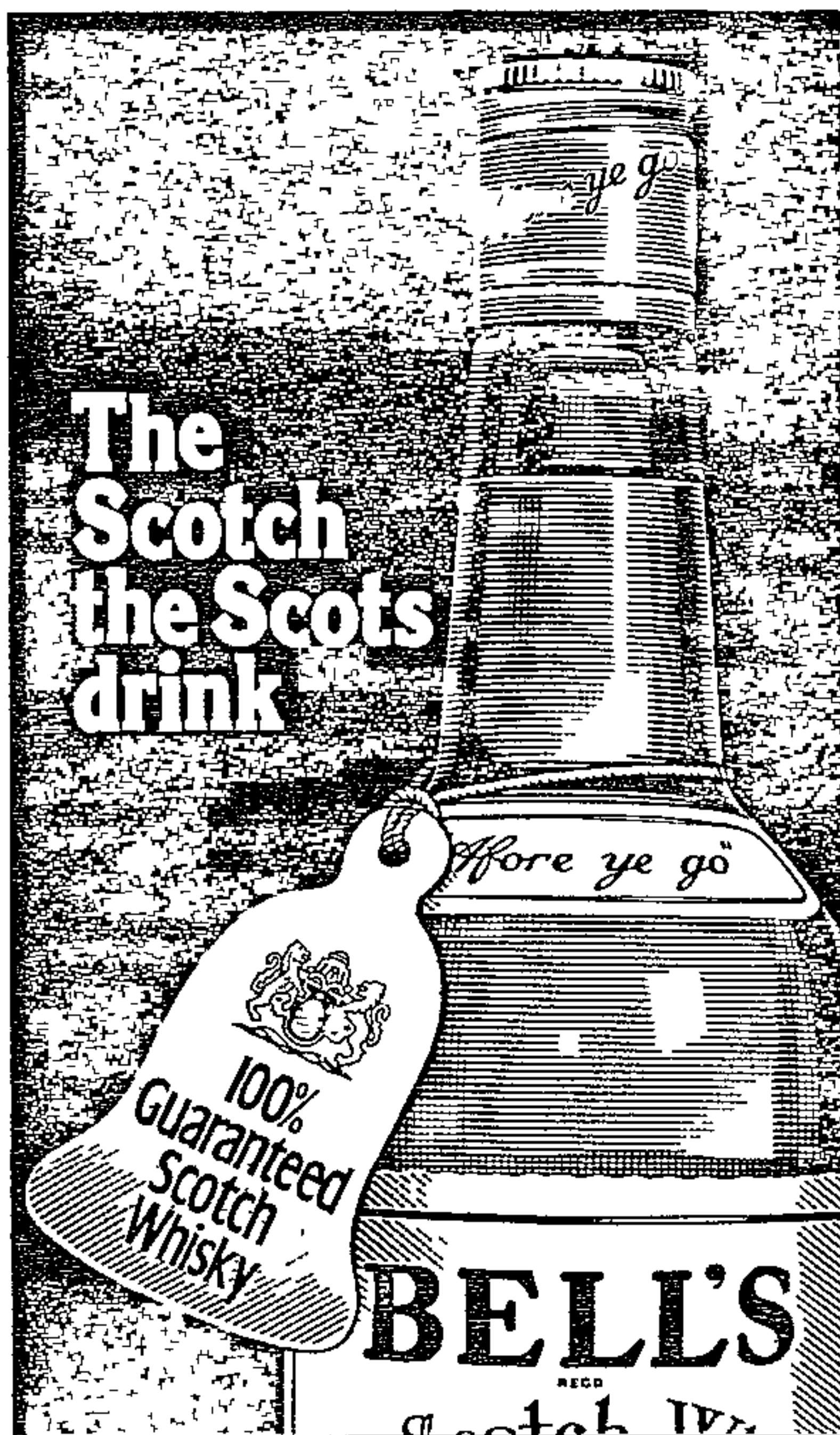
From the group's viewpoint, Mr Frankel said that irrespective of decreased exports and increased imports, it was Tiger's duty to supply the major portion of the country's food and feed requirements, and it would do its best to provide a service on a margin which would keep prices at as low a level as circumstances made possible

Tiger's taxed profit amounted to 3,7 percent of turnover for the six months to March, and Mr Frankel said the switch from an exporter to an importer would necessitate adjustments

**Kruger rands**

JSE Closing			
	Buyers	Sellers	Sales
1 oz	552	555	555
1/2 oz	—	—	290
1/4 oz	14500	15000	14500
1/10 oz	—	6200	6200

Cape Gold Coin Exchange



**The Scotch the Scots drink**

*Afore ye go*

**BELL'S**

100% Guaranteed Scotch Whisky



X 186 Hansard 6/5/83  
Foodstuffs: unfit for human consumption  
Q. 61. 1225 - 1226  
\*17 Dr M S BARNARD asked the  
Minister of Health and Welfare

What is the procedure followed by his Department in regard to foodstuffs that have been declared unfit for human consumption?

†The MINISTER OF HEALTH AND WELFARE

Such foodstuffs are destroyed or disposed of in an appropriate manner at the discretion of the Department of Health and Welfare or the local authority

**Breakfast food**

\*18 Dr M S BARNARD asked the Minister of Health and Welfare

Whether steps were taken by his Department in respect of stocks of the breakfast food found to contain peanut meal declared unfit for human consumption, as referred to on page 18 of the Annual Report of the South African Medical Research Council for 1982; if so, what steps, if not, (a) why not and (b) what happened to such stocks?

†The MINISTER OF HEALTH AND WELFARE

(a) No. to the knowledge of the Depart-



6 MAY 1983

1226

ment no stocks were ever declared unfit for human consumption  
(b) Falls away X

(186) Thousands 6/5/83  
Breakfast food  
Col. 1218-1220  
\*8 Mr A G THOMPSON asked the  
Minister of Health and Welfare

- (1) Whether any action has been taken against the manufacturer of the breakfast food which was found to contain carcinogen aflatoxin in concentrations exceeding the legal limit as referred to on page 18 of the Annual Report of the South African Medical Research Council for 1982 if not why not, if so, what action
- (2) whether he will furnish the name of the breakfast food to the House if not why not
- (3) whether he will make a statement on the matter

1219

FRIDAY, 6 MAY 1983

1220

The MINISTER OF HEALTH AND WELFARE

- (1) No, because when the fact was brought to the attention of the Department, the manufacturer had already voluntarily ceased using ground nut flour
- (2) Yes; Great Start cereal
- (3) Yes; It was brought to the attention of the Department by the National Research Institute for Nutritional Diseases of the Medical Research Council that levels of aflatoxin above the legal limit were found in a breakfast food analysed by them

The Department without delay undertook an investigation. This revealed that the manufacturer had already changed his formulation and was no longer using ground nut flour in his product.

At the insistence of the Department the Oil Seeds Control Board amended its conditions of sale of oilseeds for crushing purposes to preclude similar episodes.

These measures were regarded as being adequate safeguards to the health of the consumer, and no further steps were regarded as necessary.

The normal ongoing sampling and monitoring of foodstuffs continues.

At least we know of one breakfast cereal that is tested and safe.

Mr. R. W. HARDINGHAM Mr Speaker, arising out of the reply of the hon the Minister, I should like to ask him whether that firm contravened any regulations by including this ground nut meal that was described in the newspapers as being unfit for human consumption.

The MINISTER Not that I know of, Sir. That is why we requested the Oil Seeds Control Board to alter their regulations.

Mr R W HARDINGHAM Further arising from the reply of the hon the Minister, can we establish definitely whether that ground nut meal was clearly marked as being unfit for human consumption? I think that is the point at issue at the present time.

The MINISTER I am afraid I am unable to answer that question. If the hon member will Table that question, I shall reply to it.

Dr A L BORAINÉ That's a great start! [Interjections]

Midmar Dam

\*9 Mr S A PITMAN asked the Minister of Environment Affairs and Fisheries

- (1) What additional volume of water could the Midmar Dam hold if the dam wall were raised by five metres,
- (2) (a) on what date or dates was the Midmar Dam last full and (b) what was the volume of the flow over the spillway at the time?

The DEPUTY MINISTER OF ENVIRONMENT AFFAIRS AND FISHERIES

- (1) 78 million cubic metres
- (2) (a) From November 1978 until March 1979
- (b) November 1978—15,3 million cubic metres  
December 1978—43,5 million cubic metres  
January 1979—27,3 million cubic metres  
February 1979—29,7 million cubic metres  
March 1979—24,0 million cubic metres

1221

FRIDAY, 6

Soweto: aerial survey

\*10 Mr G B D McINTOSH asked the Minister of Co-operation and Development

Whether he conducted any discussions with a Surveyor-General during the first half of 1982 in regard to the aerial survey of Soweto, if so, (a) on what date, (b) with which Surveyor-General and (c) what was the support of the discussions?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING (for the Minister of Co-operation and Development)

No (a), (b) and (c) Fall away

X

11 MAY 1983

1262

- (c) what was the name of the creamery concerned,
- (2) whether the police took any action at the time, if so, what action,
- (3) whether any arrests were made, if so, (a) how many, (b) what are the names of the persons arrested and (c) for what alleged offences was each such person arrested?

†The MINISTER OF LAW AND ORDER

(1) Yes, on 9 March 1983

(a) To investigate a complaint

(b) After the dismissal of a number of employees at a creamery in Queenstown, they refused to leave the premises, and as it was feared that the public order could seriously be disturbed, the police were called in

(c) East Cape Agricultural Co-operation Ltd

(2) Yes, the dismissed workers were requested to leave the premises, which they did

(3) No not on this occasion, but resulting from a complaint of alleged intimidation two persons, namely T C Madikane and C Manona were arrested on 11 March 1983. They were charged with alleged contravention of section 1(1)(b) of Act 72 of 1982, but the charges were withdrawn in court on 11 April 1983 and they were released

(4) ~~1262~~ 186 *Hammond*  
Queenstown: incident at creamery  
\*14- Dr A. L. BORNAINE asked the  
Minister of Law and Order

(1) Whether members of the South African Police Force were called to investigate an incident at a creamery in Queenstown earlier this year, if so, (a) why, (b) what were the circumstances surrounding the incident and



# Union can't contact employers — claim

~~129~~ 186 E. Post 13/5/83  
Post Reporter

OFFICIALS of the General Workers' Union (Gwusa), claim they have been unable to discuss the alleged dismissal of 53 workers at the Sunblest Bakery in Port Elizabeth with the employers concerned

The employers, according to Mr Thema Duze, a union organiser, "cannot be contacted"

Mr Duze said he and other union officials had tried to get "the other side of the story" from management since a dispute at the bakery on April 30

The union's most recent effort to discuss the matter with bakery officials was made on Wednesday

Today the Evening Post was told the bakery's regional manager, Mr A J Overgoor, was not available

According to Mr Duze, 53 workers were "victimised" and the police were called to the bakery on the morning of April 30 when management was approached about a night shift allowance

The workers left the plant and complained about the matter to their union, who tried to take it up with management

The workers were still without jobs

"We have been unable to find any of the employers ever since the controversy started. On Wednesday we left a telephone message for one of them to contact us. We are still waiting for a reply. It is important that we should hear their side of the story. In the meantime the workers concerned have no income," said Mr Duze

# 400 strikers dismissed

By MONO BADELA

**POLICE** were called in when about 400 workers at Maizecor Industries in Walthoo, near Mamelodi downed tools in solidarity with six dismissed workers.

The 400 workers downed their tools on Tuesday demanding reinstatement of their colleagues dismissed recently. A spokesman for the Food and Beverages Trade Union, Mr Glen Mokoena, said four workers were dismissed

on Monday while they were still negotiating the case of two other union members who were fired earlier.

## Union

He said the strike was the result of the management's refusal to meet the executive committee of the union. The 400 sat outside the workshop but remained in the premises with all the gates locked while the union officials negotiated with the management on Tuesday. During this the union orga-

niser was told that all the 400 workers were dismissed. He was no longer allowed to address them.

The spokesman for the company confirmed the strike yesterday and said the workers decided against returning to work when asked by management.

He said at that stage the union officials informed Maizecor they would take legal action against the company in terms of the new Labour Act.



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CG SMITH/TIGER SUGAR

Of tigers and wolves FM 20/5/83



In the food business, it's the size of the basket that keeps the wolf from the door. And for Barlow Rand, the recent reshuffle of shares within the group (Fox, May 13) should confirm its

new-found dominance of SA's R12 billion/year food market

In future, SA's other major food groupings will look small by comparison. What is more, the deal frees financial muscle which would be well suited to a large acquisition — further enlarging this massive group.

Coming on top of the cash transfers from Tiger Oats's fishing companies the week before (Fox, May 6), the series of share deals has left CG Smith at the pivot of Barlow's consumer-orientated activities. Apart from controlling food division Tiger & Sugar (Tisugar), CG Smith also holds Barlow's packaging, pharmaceutical and textile operations. Tisugar is likely to be renamed Smith Foods to bring its identity closer into line with the rest of the Smith group.

Also, Barlow is shortly to announce another jig designed to bring Imperial Cold Storage, the meat and frozen foods giant, under Tisugar (see chart). It is expected that Tiger will sell its 20% investment and CG Smith its effective 32% holding in ICS to Tisugar. With a common parent, there is no need for Tiger to hold ICS shares.

This will bolster the financial resources of both Tiger and CG Smith, as well as adding a huge distribution arm to Tiger's essentially trading structure. Tiger will be able to reduce its debt further — the cash from the fishing companies has already helped to some extent — and CG Smith will be better placed to cope with demands for cash should it be required as part of the pending Metal Box/Nampak deal (see Fox). Tiger's gearing, though not excessive, is higher than Barlow would like and Tisugar MD Tony Norton believes it reduces the company's flexibility.

These moves could be just part of a process of fine-tuning which will lead to significantly better returns from the Tiger group than were possible before Barlow picked it up. As CG Smith chairman Warren Clewlow sees it, the whole deal is aimed at harnessing available resources within the food companies. The end result will be enough flexibility to provide Barlow with a stable, high-quality earnings source (see Fox).

Tiger, with the financial and management clout of Barlow behind it, should give tremendous impetus to Barlow's relatively recent foray into food. "There's plenty of

The reshuffle of Barlow's food interests gives the group enormous scope for further growth in the market. The FM examines what it all means.

unflexed muscle there," says Norton.

There are still some anomalies in the group structure, such as pharmaceuticals group Adcock-Ingram, but the cost of moving these stakes around would be prohibitive. Adcock, says Clewlow, is incorrectly positioned, but comfortable where it is. Tiger will end up in basic foods, fishing and pharmaceuticals, with the fishing companies, for one, now streamlined to serve the group better.

Apart from Tiger itself, Tisugar will also hold ICS and the sugar business — a tremendous cash generator in the long-term. CG Smith will have all this, together with Nampak and Romatex.

An important consideration is that, as part of the rearrangement, CG Smith will have just over 95% of Tisugar, a depth of control which is unusual for the Barlow group — and a position with which the JSE is unlikely to be happy. In this lies considerable potential for expansion. If Smith were to reduce its holding to a more normal 70%-75% the extra shares in issue would have a purchasing power, at Tisugar's current 700c share price, of more than R180m.

Part of this dilution may be included in further restructuring, of course, including the acquisition of shares in ICS and the pending rights issue. Initially, Tisugar is likely to have just over 50% of ICS and more will have to be acquired. Tisugar will be having a rights issue, too, partly in an attempt to reduce the CG Smith holding.

First indications of the issue may be available within the next month or so.

As a result, Clewlow reckons the purchasing power of Tisugar's spare scrip might be closer to R100m. Nevertheless, this is still big stuff to gear up on.

If an acquisition is made — and Clewlow says that though there is nothing specific in view at the moment, such a move is obviously in the corporate mind — the Tisugar grouping would rank among the top ten food companies world-wide on an asset basis. It is already a leading contender.

There is another factor which analysts point to as supporting the idea of acquisitive expansion. The new structure will lead to a dilution of dividends as they flow up from the operating companies toward Barlow. This was recognised as one of the problems at the time of the creation of Tisugar and is not something which might normally be expected of Barlow.

To counteract this dilution, Barlow can increase efficiencies within Tiger or make an acquisition to boost earnings. Clewlow believes there is sufficient scope in Tiger's structure to improve returns substantially while a suitable acquisition among SA's fast-diminishing food companies is becoming more difficult to find. Certainly it would cause ripples if it were to arise.

Old Mutual's role in the rearrangement is interesting. If the insurance giant had prompted the deal out of a desire to hold a greater stake in Barlow — its holding increases from 22% to just under 25% as a result — then it is possible that no target for a takeover was in mind at the time.

On the other hand, if the whole deal was generated at Barlow Park in the first place, then a positive use for the extra financial capacity may indeed be on the cards already.



CG Smith's Clewlow ... in an expansive mood

it concedes that basic facilities have improved "since the terri-

as records do not tell how many of the hundreds of thousands arrested are actually expelled

TOTAL

clearing nds and "white"	67
ships in	67
from un-	11
hite" ur-	11
removals	83
to deve-	2
ing sen-	2
banish-	5
	3
	3 52

ELOCATION  
TION  
NUR



# Premier in R337-m deal

By David Bamber

~~186~~ 186  
27/5/83  
A South African consortium comprising Johannesburg Consolidated Investments (JCI), Liberty Life and Anglo American Corporation has bought the British controlling interest in the giant foods group, Premier, for R337,2 million.

In a joint announcement this morning, the consortium said it had reached agreement whereby it would acquire 52 percent of the issued ordinary share capital of Premier from a wholly-owned subsidiary of Associated British Foods of the United Kingdom.

The members of the consortium have in turn agreed to sell their present shareholdings of 34 percent of the issued ordinary share capital of South African Breweries to Premier for just over R77 million. Premier will pay for this by allotting and issuing new ordinary shares to the consortium at R25 a share.

Mr Tony Bloom will remain as chairman of Premier and will retain his personal shareholding in the company. Representatives of the consortium will, however, also be invited to join the board. Trading in Premier's shares was, at its request, suspended on the Johannesburg Stock Exchange this morning. The suspension will be lifted as soon as possible.

A Johannesburg stockbroker said that there would probably be many takeovers of this type (from foreign owners) during the next few years.

# R337m deal gives Anglo team up control of Premier

**GAVIN RELLY**  
Anglo American



**DONALD GORDON**  
Liberty Life

By **HOWARD PREECE**  
THE Anglo American group has teamed up with Liberty Life assurance in a R337-million deal to take control of the South African food giant Premier Group.

A ripple effect of the deal is that it will strengthen Anglo's ultimate effective control over SA Breweries, the R2 000-million liquor, hotel and retail conglomerate. These massive new developments in South African business also involve what is

thought to be the biggest ever disinvestment from this country by an overseas company.

Associated British Foods (ABF) of the UK is selling out entirely its 52% stake in Premier for R337-million cash. However, Mr Gary Weston, the chairman of ABF, told the Rand Daily Mail in London yesterday that there were no political reasons for the sale.

This view was endorsed by Mr Tony Bloom, the chairman of Premier. He said he initiated the deal because he wanted control of Premier in South Africa hands.

Premier, whose main interests are in the processing of wheat, maize and oilseeds, had sales of R1 756-million in the year to March 31, 1983. There may, however, be some concern at yet another major move by Anglo American, albeit with Liberty Life, into yet another area of the economy.

● A consortium led by the mining house Johannesburg Consolidated Investments (part of the Anglo American group) and Liberty Life is paying R25 a share for ABF's 13 486 564 shares in Premier.

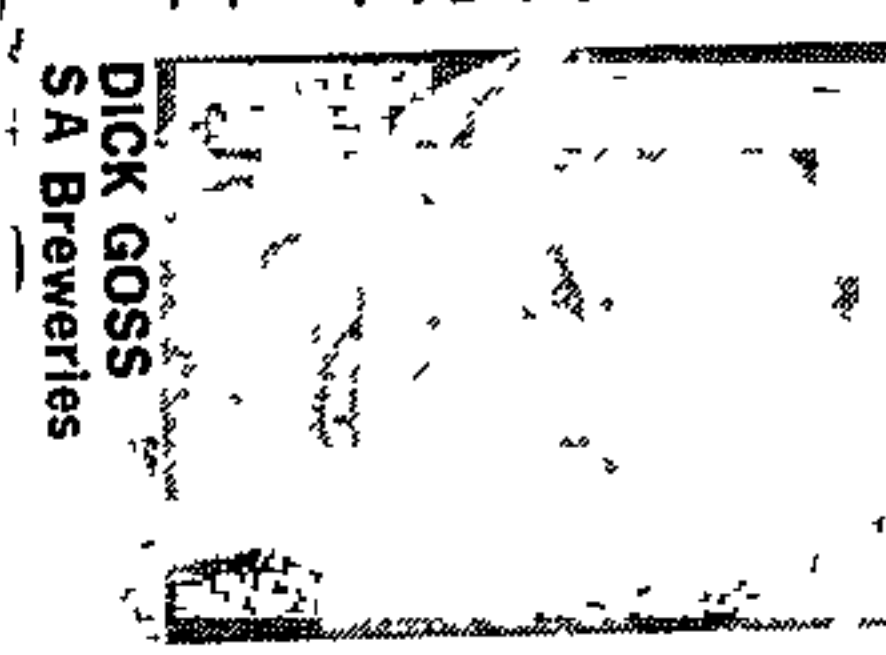
● The consortium also includes Anglo American Corporation, although its direct holding in Premier will not be more than 20%.

● The JCI/Liberty/Anglo consortium is to put its combined existing 34% holding in SA Breweries into Premier in return for new Premier shares.

● This 34% stake in SA Breweries will give the consortium effective control.

● See Page 10

**TONY BLOOM**  
PREMIER MILLING



**DICK GOSS**  
SA Breweries

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28/5/83

2004



# Pound, dollar roar ahead

LONDON — Gold rallied yesterday afternoon and the dollar and pound rose to their highest of the year against other currencies

Gold was fixed at \$437,25 in London in the afternoon and at \$436,85 in the morning Thursday's second fixing was \$440

Gold fell \$1,08 in Hong Kong to close at \$438,84 It was little changed from New York's \$437/\$438 on Thursday Gold retreated yesterday afternoon as the dollar gained in European markets

Hong Kong trading was moderate as many dealers were sidelined ahead of the Williamsburg economic summit which starts today

Comex gold futures were narrowly changed in featureless morning dealings as the market prepared for the summit in Williamsburg, Virginia

Spot June was off 40c at \$436,90 and August lost 80c to \$443,60

LATE prices: London \$437 bid, Paris \$435,63 fixed, Frankfurt \$437,46 fixed, Zurich \$436,75 bid, Hong Kong \$438,84 bid

The dollar closed strongly against the yen in Tokyo, finishing at 236,85 yen — 0,55 yen up on Thursday's close and three yen higher than last Friday's close

Tension in the Middle East helped the dollar and the pound in Europe In Frankfurt, they broke through 2,50 and four marks respectively

In Paris the dollar jumped to a record 7,5065 francs, an increase of four centimes in about 24 hours

The dollar rose to 2,5035 marks in Frankfurt, a pfenning above Thursday's close Sterling was at 4,010 marks after 3,982 on Thursday

Sterling and the dollar continued to be the focus of attention in London, sterling being the stronger of the two It rose to a mid-session \$1,6030/40 from an opening \$1,5980/90 and more than recouped overnight losses from \$1,6015/25

At mid-session the pound currency stood at 87,3 on a trade-weighted index, the highest since November 19

Some dealers doubt whether sterling is worth \$1,60 on fundamentals

Constant opinion polls suggesting a Conservative victory with an increased majority on June 9 have been the main reason behind extensive bank and commercial buying of the pound

Weaker than expected trade figures and some

# Premier top dog in SA Breweries

CONTROL of food giant Premier Group has passed to a South African consortium for R337-million in a deal that leaves Premier the biggest shareholder in South African Breweries.

The consortium — Johannesburg Consolidated Investments, Liberty Life and Anglo American Corporation — will acquire 52% of Premier from a wholly owned subsidiary of Associated British Foods (ABF) for R25 a share

The deal was struck at the initiative of Mr Tony Bloom, Premier's executive chairman, who approached Mr Gary Weston, ABF's chairman, about six weeks ago Premier was then trading about R21 a share

Finding Mr Weston receptive to the deal, Mr Bloom returned to SA and approached JCI and Liberty, who realised that the deal was a little rich for them and brought in Anglo as a "sleeping partner"

ABF will receive its R337-million in cash, although the parties in the consortium have not decided how they propose to raise the money

Further details about the financing are likely to be released in about 10 days

The consortium members will sell their combined 34% stake in South African Breweries to Premier at R8,85 a share in exchange for Premier shares

SA Breweries has 242 659 057 shares in issue A 34% stake is 82 504 079 shares, worth R730 161 110 at 885c a share

In exchange for the SA Breweries stake Premier will issue 29 206 444 new shares at R25 each

After the SA Breweries injection into Premier, Premier will have 55 007 989 shares in issue, of which the consortium will have 84,6% or 46 563 240 shares

In terms of JSE regulations or control the consor-

its status as a major food group, as well as an investment company with a significant stake in a major conglomerate, the listing will be important in the future scheme of things

An announcement from Anglo, Liberty and JCI yesterday said Anglo's participation would not exceed 20%, which suggests that Liberty and JCI will together hold 64,6% of the new Premier

After JCI, the biggest shareholder in SA Breweries was Old Mutual, which has been left out of this deal

Old Mutual recently swapped its stake in Tiger & Sugar Holdings for Barlows shares, taking its share of Barlows to 24,8%

The Barlows deal also tidied up the group's food interests under the umbrella of CG Smith, using Tiger-Sugar as the vehicle for future food investments

The whole deal served to place Old Mutual's various holdings in the correct drawers, and the assurer cannot be displeased at the result

There is the nagging feeling, however, that the very deal struck with Barlows on the food interests was in some part responsible for initiating the Premier deal

Mr Bloom denies that this was so, saying there were two events that might be construed as prompting the approach to ABF

These circumstances were the Tiger deal and the bomb blasts in Pretoria and Bloemfontein The one happened last week and the other on Thursday this week

Mr Bloom said that when the Tiger deal was announced Premier had already made the first approach to Mr Weston The bomb blasts were too recent to have had any effect on ABF's decision to disinvest

From an investment viewpoint the new deal for Premier does not make decisions any easier If for example, an institution is looking for a stake in the food industry, it has two main choices — Tiger or Premier

After the consortium's deal, however, Premier will be a different animal containing as it does a big chunk of SA Breweries which could detract from its standing as a

and were offered a good deal"

Some of the funds might remain in SA for investment in other companies

"So far I have not yet made up my mind on what the company is going to do with the funds," he said

ABF was an industrial company which generated

earnings from internal growth

"We are not in the business of buying and selling companies I have mixed feelings about parting with the Premier board I enjoyed excellent relations with the directors"

Apart from Premier ABF has interests in 11 SA companies These include Ovenstone Consolidated Investments, Southern Sea Fishing Enterprises, Madadenis Baker and Bophuthatswana Bakeries

# Diversity bo OIL income

Own Correspondent

CAPE TOWN. — Benefits of diversification by Ovenstone Investments Limited into property, construction and homebuilding paid off handsomely in the year to February 28, 1983

These interests contributed 83% of income before interest and corporate expenses

They were the main reason for the increased earnings attributable to ordinary shareholders of R4 762 000 (1982 R4 055 000) which gave earnings of 9,65c (8,22c) a share Pre-tax profits increased from R6 478 000 to R8 168 000

Mr Andrew Ovenstone, chairman of OIL, says in the annual report that satisfactory earnings growth is expected in the current year Property, construction and homebuilding interests appear to be well placed and fishing results will depend on volumes landed and processed

"The property division (Ovland) is expected to have another excellent year There are three factors influencing the property scenario •Lack of development of blocks of flats because of uncertainty over rent control •Lack of development of residential townships because of inordinate delays by the authorities and the unrealistic service standards

year The company can produce 50 000 tons of fishmeal and 10 000 tons of frozen fish a year By February 1984 is should be able to produce 600 000 cartons of canned fish annually

The other Chilean interest is an 8% shareholding in Pesquera Iquique, one of the largest fishing companies in the world with a pelagic production exceeding South Africa's Pesquera Iquique expects to process 38 000 tons in 1983 and has a capacity to convert this into large quantities of fishmeal, frozen fish and canned fish

Mr Ovenstone joins those who have urged the authorities to ease pilchard fishing quotas in Namibia He warns that going beyond the existing zoning restrictions for rock lobsters would cause social problems in certain areas

# Interest bl Robin

Financial Reporter

THE high gearing of the Robin group again caused its three listed subsidiaries to turn in losses in the year to February

Amalgamated Industrial Investment Corporation incurred an attributable loss of R491 192 (1981 82 R624 881 loss), excluding extraordinary and non-trading profits of R931 160 (R1 900 000)

A 75c fine dividend is be-



\$443.60

LATE prices: London \$437 bid, Paris \$435.63 fixed, Frankfurt \$437.46 fixed, Zurich \$436.75 bid, Hong Kong \$438.84 bid.

The dollar closed strongly against the yen in Tokyo, finishing at 236.85 yen — 0.55 yen up on Thursday's close and three yen higher than last Friday's close

Tension in the Middle East helped the dollar and the pound in Europe. In Frankfurt, they broke through 2.50 and four marks respectively

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Sterling and the dollar continued to be the focus of attention in London, sterling being the stronger of the two. It rose to a mid-session \$1,603.0/40 from an opening \$1,598.0/90 and more than recouped overnight losses from \$1,601.5/25

At mid-session the pound currency stood at 87.3 on a trade-weighted index, the highest since November 19

Some dealers doubt whether sterling is worth \$1.60 on fundamentals.

Constant opinion polls suggesting a Conservative victory with an increased majority on June 9 have been the main reason behind extensive bank and commercial buying of the pound

Weaker than expected trade figures and some squaring of positions ahead of the holiday weekend undermined sterling against most currencies in thin, erratic trading at the close. The pound closed at \$1,600.5/20

## Crop threat

LONDON — EEC harvest prospects are poor unless there is a change to drier and sunnier weather. Reports from France, Germany and Holland tell of flooded fields, delayed planting and a general lack of growth to be expected at this time of year

# Saudi deficit may be \$9bn

THE HAGUE. — Saudi Arabia expects a current account deficit of \$8 000-million to \$9 000-million this fiscal year, says the Deputy Governor of the Saudi Arabian Monetary Agency, Mr Ahmad Abdullah-tif.

The deficit will be covered by investment income on the capital account to give an overall payments balance, and Saudi Arabia should not have to liquidate any of its investment principal, he says

Last year's current account figures have not been released but in 1981

— will acquire 52% of Premier from a wholly owned subsidiary of Associated British Foods (ABF) for R25 a share.

The deal was struck at the initiative of Mr Tony Bloom, Premier's executive chairman, who approached Mr Gary Weston, ABF's chairman, about six weeks ago. Premier was then trading about R21 a share

Finding Mr Weston receptive to the deal, Mr Bloom returned to SA and approached JCI and Liberty, who realised that the deal was a little rich for them and brought in Anglo as a "sleeping partner"

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In exchange for the SA Breweries stake Premier will issue 29 206 444 new shares at R25 each

After the SA Breweries injection into Premier, Premier will have 55 007 989 shares in issue, of which the consortium will have 84.6%, or 46 563 240 shares

In terms of JSE regulations on control, the consortium will be required to make a similar offer to minorities, although the R25 price does not afford an exciting premium over Premier's R22.75 suspension price

In fact, with well over 80% of Premier, the consortium will not want too much response from minorities to its offer as a holding of more than 84.6% could present problems in raising capital through the market.

This is assuming the new controllers wish to maintain Premier's listing. But given

must be encouraged and build a capacity to export

If in the short term declining oil revenue force Saudi Arabia to liquidate some of its assets, this will be done across the board without favouring types of assets or currencies

Bankers have estimated Saudi Arabia's assets at \$150 000-million, but without giving details he says this figure is too high

He declined to comment on whether he had been approached to take over the job as governor of the Monetary Agency after the resignation last month of Mr Abdul Aziz al-Quarashi — Reuter

Old mutual recently swapped its stake in Tiger & Sugar Holdings for Barlows shares, taking its share of Barlows to 24.8%

The Barlows deal also tied up the group's food interests under the umbrella of CG Smith, using Tiger-Sugar as the vehicle for future food investments

The whole deal served to place Old Mutual's various holdings in the correct drawers, and the assurer cannot be displeased at the result

There is the nagging feeling, however, that the very deal struck with Barlows on the food interests was in some part responsible for initiating the Premier deal

Mr Bloom denies that this was so, saying there were two events that might be construed as prompting the approach to ABF

These circumstances were the Tiger deal and the bomb blasts in Pretoria and Bloemfontein. The one happened last week and the other on Thursday this week

Mr Bloom said that when the Tiger deal was announced Premier had already made the first approach to Mr Weston. The bomb blasts were too recent to have had any effect on ABF's decision to disinvest

From an investment viewpoint the new deal for Premier does not make decisions any easier. If, for example, an institution is looking for a stake in the food industry, it has two main choices — Tiger or Premier

After the consortium's deal, however, Premier will be a different animal, containing as it does a big chunk of SA Breweries, which could detract from its standing as a blue-chip food group

Although all parties to the deal insist that as far as SA Breweries is concerned nothing has changed one wonders what will happen further down the line — will Premier in the longer term maintain the passive role that JCI has filled over the years, or is the group likely to increase its stake in SA Breweries?

Questioned on Premier's likely role as the major shareholder in SA Breweries, Mr Bloom said SA Breweries management and directorate would not be changed.

"We do not have the ability or the desire to control SA Breweries"

Mr Weston told NEIL BEHRMANN in London yesterday he thought R25 was a good price

"We considered Premier's potential, its growth prospects and recent results when we made our decision"

Mr Weston said the deal was attractive. The R337-million cash, now worth about £198-million, could be invested at higher returns in the UK or elsewhere

Share prices on the Johannesburg Stock Exchange were high and "although South African investors may find Premier shares attractive at current levels, international investors can look elsewhere"

He stressed that the sale did not arise from a decision to pull out of South Africa for political reasons.

"There is no way we wanted out. We were approached

# OIL incom

Own Correspondent

CAPE TOWN — Benefits of diversification by Ovenstone Investments Limited into property, construction and homebuilding paid off handsomely in the year to February 28, 1983

These interests contributed 83% of income before interest and corporate expenses

They were the main reason for the increased earnings attributable to ordinary shareholders of R4 762 000 (1982 R4 055 000) which gave earnings of 9.65c (8.22c) a share. Pre-tax profits increased from R6 478 000 to R8 168 000

Mr Andrew Ovenstone, chairman of OIL, says in the annual report that satisfactory earnings growth is expected in the current year. Property, construction and homebuilding interests appear to be well placed and fishing results will depend on volumes landed and processed

"The property division (Ovland) is expected to have another excellent year. There are three factors influencing the property scenario

- Lack of development of blocks of flats because of uncertainty over rent control
- Lack of development of residential townships because of inordinate delays by the authorities and the unrealistic service standards required

- Continued increases in building prices, which although comparatively moderate in 1982 and at present, are likely to revert to higher rates in the future

"We expect Bellandia (the homebuilding division) to do well in the current year. It is, however, affected by a shortage of developed stands in the greater Cape Town area, and management is endeavouring to overcome this problem without committing the company to excessive investment in land

"The construction division (Ovcon) should further increase its contribution to group profits during the current year, but the tight conditions currently prevailing in the industry will make it difficult to maintain turnover at acceptable margins in 1984. Under these conditions Ovcon is following a policy of not overcommitting itself"

It is OIL's policy to remain involved in all its South African and Namibian fishing operations, and it hopes to expand where possible. Quota restrictions have, however, compelled most companies to rationalise and diversify. Apart from its traditional South African and Namibian interests OIL now has substantial fishing interests in Chile

These are a 49% share in Pesquera Playa Blanca which is managed by OIL and which has a capacity to process 250 000 tons of fish a

year. The company can produce 50 000 tons of fish and 10 000 tons of frozen a year. By February 1984 should be able to produce 600 000 cartons of canned annually

The other Chilean interest is an 8% shareholding in Fquera Iquique, one of the largest fishing companies in the world with a pelagic production exceeding South America's Pesquera Iquique expects to process 38 000 tons in 1983 and has a capacity to convert this into large quantities of fishmeal, frozen and canned fish

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## Interest Robin

Financial Reporter

THE high gearing of the group again caused three listed subsidiaries turn in losses in the year February

Amalgamated Industrial Investment Corporation incurred an attributable loss of R491 192 (1981-82 R624 000 loss), excluding extraordinary and non-trading profits of R931 169 (R2 950 040)

A 7.5c final dividend is being paid, making 10c for year

AIIC's 91.6%-owned subsidiary, Premier Industrial, reported a loss of R440 000 (R411 307 loss) before extraordinary profits of the same amount as reported

## Nissan r

TOKYO — Nissan, Japan's second-largest car company has reported its first decline in vehicle sales in 28 years because of the world recession and import restrictions in Western countries

Its sales declined marginally by 0.3% in its year ending March from a year earlier. Vehicle exports fell 4.8% to 1 340 000 and domestic sales

## Cadswep rights

THE Cadbury Schweppes rights offer to raise R5 300 000 has been successful

Union Acceptances subscriptions were received for 97.3%, or 591 087 of the 607 632 13.5% unsecured convertible debentures on offer

Applications were received for an additional 167 477 convertible debentures

## Insurer ci

NEW YORK — The world's second-biggest insurance broker Alexander & Alexander has cut its US



(186) ~~33~~ □ □ □ ~~157~~ ~~1404~~

WHILE talks are in the offing about a R2-an-hour minimum wage in the metal industries, a Fosatu union has won the R2 from an Isando company. COM

Tea and coffee company TW Beckett, an Anglo-Vaal subsidiary, has agreed to pay a R2 minimum after talks with the Sweet, Food, and Allied Workers Union. It is the second Transvaal company in which SFAWU has members to agree to this. 20/5/83

Getting the minimum up to R2 meant a 62% rise, and Fosatu president Mr Chris Dlamini, a SFAWU member who was involved in the TW Beckett talks, hails this as an "outstanding achievement" in view of the recession.

While food firms are not as affected by recession as others, large wage advances of this sort have been almost unheard of this year.

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186  
31/5/83  
Sanlam  
bid for  
Premier  
nipped  
in bud

Post Correspondent

JOHANNESBURG — The business consortium which engineered the multi-million rand takeover of the Premier Milling Group last week beat the massive Sanlam insurance group to the ticker tape.

The South African consortium — Tony Bloom, chairman of Premier, Donny Gordon and Michael Rapp of Liberty Life and Gordon Waddell of JCI — put together what is considered the biggest cash-for-shares deal in South African business history

Technically the deal with Premier's British mother company, Associated British Foods, who have held a 52% stake in Premier for 20 years, has not been completed

But in the light of last week's announcement, it seems unlikely Sanlam will make a counter bid

Sanlam's chase for control of Premier, a company in which they have a minority shareholding, could not be confirmed

Mr Bloom would only say "no comment" today.

But it is reported that Sanlam held discussions with the British holding company some weeks back. The thinking behind this would be a merger of Premier's food interests with Sanlam's R700 million-a-year food conglomerate, Fedfood

It is unlikely they would offer the R25 a share — amounting to some R650 million — now necessary to better the offer made by the consortium



7/6/83 (186)  
**Third agreement in  
Tvl for SAAWU**

Labour Correspondent

THE unregistered SA Allied Workers Union has won its first recognition agreement in the Transvaal this year — the third agreement since it began operating in the province, a SAAWU statement said yesterday

SAAWU said its Baking and Allied Workers' Union had signed a recognition agreement with Park Bakery in Isando earlier this month. The company, a subsidiary of Fedbake Pty, employs about 270 workers at the plant.

According to the statement, the union represents more than 60% of the workers at the plant.

"In terms of the signed agreement, the union is regarded by the company as the collective bargaining representative of workers for conditions of employment and all matters affecting workers in the company" the statement said.

It hailed the agreement, saying its contents "are regarded by the union as progressive and constitute a step towards creating good industrial relations between the parties".

SAAWU says it has signed two other recognition agreements in the Transvaal — one in 1981 with Oerlhkon Electrodes and the other in 1982 with a plant in the Spartan industrial township.

# Bakery <sup>3/6/83</sup> agrees to recognise union <sup>186</sup>

THE 3 000-strong Bakery and Allied Workers' Union has concluded a recognition agreement with Park Bakery, a subsidiary of Fedbaki Pty, at a meeting held in Isando this week

In terms of the agreement, the union, an affiliate of the South African Allied Workers' Union, is regarded by the management as a collective bargaining representative for conditions of employment and other matters affecting workers at the plant

Saawu's national secretary, Mr H Barnabus, told The SOWETAN yesterday that the contents of the agreement were negotiated between the company and the union and were regarded by the union as "very constructive and a progressive step"

"The agreement will also create good industrial relations between the two parties. The union will conduct wage negotiations with the management during November and thereafter wage discussions will be held annually," he said

Mr Barnabus said the union was planning to train most shop stewards at the plant in registration procedures

In the event of a deadlock on wage negotiations, the union will follow the mediation and other procedures in order to represent its members fully, he said

The company's general manager, Mr M Farrand, has confirmed the recognition agreement with the union

# No problems over SAB, says Mutual

S. Times  
5/6/83  
(186)

By Alec Hogg

SOUTH Africa's largest life office, the Old Mutual, has hotly denied speculation that it is "not impressed" with last week's deal which gave the Premier Group effective control of SA Breweries.

In the first official statement on the deal, which makes Premier the largest individual shareholder in SA Breweries with a stake of 35%, Mutual managing director Frans Davin told Business Times that his group sees no problems with the new structure.

Mr Davin said "As far as we are concerned, our stake in SA Breweries (12%) has always been viewed as an investment. You know what our attitude is — we are investors and with SA Breweries are not seeking control."

The stock market was abuzz this week with talk that a showdown was imminent

between the Mutual and the Liberty/Anglo consortium, which, through its control of Premier, now holds the dominant stake in SA Breweries

Mr Davin added a strong warning, however, that the Mutual would do everything in its power to stop Premier from interfering with the SA Breweries management

He said "We have tremendous faith in the Breweries team, and I believe it is one of the best-managed industrial companies in the country. Its prospects remain good as long as the management is allowed to remain independent

"As we are now a small minority shareholder in SA Breweries, there is not much we could do if Premier wanted to interfere, but we would certainly speak out in the strongest terms if this did occur." Mr Davin added

His fears about possible interference, however, were dispelled by the deputy man-

aging director of Premier, Peter Wrighton

Mr Wrighton told Business Times that Premier regards its SA Breweries stake solely as an investment.

"We have neither the ability nor the desire to get involved in the management of the company."

At the time of going to press, there was no comment available from the chief executive of SA Breweries, Dick Goss, who was apparently angry that he had not been informed of the deal until it had been consummated

It seems likely, however, that Premier and its new controllers will do all in their power to keep Mr Goss and his management team happy

In the unlikely event that Mr Goss were to resign, he would probably take his deputy, the former managing director of group subsidiary OK Bazaars, Meyer Kahn, and other head-office executives with him



# Union denies 'poaching'

By STEVEN FRIEDMAN  
Labour Correspondent

A ROW over alleged "poaching" of members has broken out between two emerging unions in the food industry, one affiliated to the Council of Unions of SA, the other to the Federation of SA Trade Unions

Yesterday, Cusa's Food, Beverage and Allied Workers Union issued a statement attacking rival unions for "preaching unity and solidarity while attempting to divide workers organised by Food, Beverage"

The row comes as emerging unions are planning key union talks next month

FBAWU officials say the attack is directed chiefly at Fosatu's Sweet,

Food and Allied Workers Union which they accuse of trying to "poach" members at the Irvine and Johnson plant in Springs and a meat plant in Pretoria

But the Fosatu unions's general secretary, Mrs Maggie Magubane, yesterday said her union only allowed workers at the plants to join after "persistent requests" by them over a two year period

In the FBAWU statement its general secretary, Mr Skakes Sikhakhane, said the union "views the recent action of other food unions in a serious light"

It said in several plants where it had majority support, had been recognised and had "negotiated the best possible wages", rival unions were now "attempting to organise already organised workers"

In a supporting statement, Cusa said all its unions had "consistently followed a policy of non-interference in the affairs of other unions" and had not organised workers "where other unions are attempting to organise"

"We would like to inform our members that we will resist the attempts of unions who seek to mislead them", Cusa added

FBAWU official Mr Glenn Mokoena charged yesterday that the union faced "poaching" from both Fosatu's SFAWU and the SA Allied Workers Union, but he said its dispute with SAAWU was being settled

"We feel strongly that this sort of thing damages union unity," he said

Mrs Magubane said yesterday SFAWU had been approached two years ago by I&J workers who were

unhappy with the Cusa union and wanted to join its Fosatu rival

"We ignored these requests because we did not want to interfere and even went to the extent of discussing the matter with the Food Workers International (to which local food unions belong)"

The requests had persisted --- workers had begun claiming the Sweet. Food was not interested recruiting them

"The final straw came when they sought a meeting with the Cusa --- this week and its officials did not turn up

"We believe in freedom of association, which means workers can join any union they choose We thus allowed these workers into the --- and so far 200 have joined," she said



# Relly keeps SAB and Premier poles apart

186  
9/6/83

**THE STRUCTURE** of the deal in which The Premier Group acquired a 34% interest in The South African Breweries has been changed to avert a potentially damaging palace revolt at SA Breweries.

After some hectic horse-trading between the consortium that now controls Premier and SA Breweries executives, a compromise has been reached in terms of which Premier will become an investment company, holding SA Breweries shares on the one hand, and 100% of a new subsidiary in which Premier's trading interests will reside, on the other.

In essence the original deal remains unchanged, in that Premier will get about 90 million SAB shares, paying for them by the issue of new Premier shares, at a price of R25 a share.

Premier's name will be changed to one that connotes its new investment holding company objective, although the name "Premier" will be incorporated in the new title.

A listing may at some point be sought for the subsidiary company holding Premier's trading interests.

Mr Gavin Relly, chairman of Anglo American, will become chairman of the newly constituted Premier, with Mr Tony Bloom and Mr Dick Goss as deputy chairmen.

The consortium — Anglo, Johannesburg Consolidated Investments and Liberty Life — will nominate some directors to the Premier board, as will SAB.

In addition, Mr Bloom will be invited to join the SAB board.

The substantial gearing advantage afforded to Premier still exists in the holding company, and is available for the use of both Premier and SAB.

At a news conference in Johannesburg yesterday, at which Mr Bloom, Mr Goss, Mr Gordon Waddell (chairman of Johnnies) and Mr Michael Rapp, managing director of Liberty, were present, it was emphasised that the new deal "affirms the concept of managerial independence for SAB, and removes the disadvantages of its shares being held by a trading, rather than an investment holding company".

"In addition, it guarantees the trading integrity of Premier's and SAB's subsidiaries in relation to their customers and suppliers throughout South Africa."

Mr Goss, managing director of SAB, admitted that he had been "pretty angry" at the news that a major part of the group had been placed in the hands of another major trading company.

On the Monday after the deal was an-

By JOHN MULCAHY

nounced Mr Goss and his executives met to consider the implications and "we concluded that there was potential for a very substantial conflict of interests".

He said the SAB executives also saw a threat to the group's managerial independence, which they felt was not in the interests of the general body of shareholders.

"We decided to do everything in our power to bring about a resolution to this situation, and arising from lengthy negotiations reached the conclusion that if a solution could not be found we would have to consider resigning."

Mr Goss stressed that each of the executives looked at the problem from his own point of view, although they all arrived at the same conclusion.

He said the new arrangement removed the major conflicts, although it did not remove all the potential areas of conflict between SAB and Premier.

Mr Bloom said that in the heat of negotiation, when secrecy was the catchword, there was not a great deal of time for mature reflection, but "after sitting back quietly we've decided to amend the original structure".

The final configuration was satisfactory to everyone involved, said Mr Bloom. Premier was satisfied that its major investment was being kept intact, and it also removed some possible areas of conflict for Premier's subsidiaries.

Asked whether the consortium was considering building up its stake in SAB, Mr Waddell said the combined holding now was no different to what it was before the Premier deal, and at this stage there was no intention of increasing the SAB stake.

He said that Old Mutual, through its representation on the Anglo and SAB boards, was aware of the latest structure, but he declined to comment on the suggestion that Old Mutual might have been invited to join the new Premier by throwing in its 12% stake in SAB for a share of Premier.

Mutual has denied that it was upset about not being consulted on the Premier deal, but there has been strong and repeated speculation that it was with Mutual's backing that Mr Goss and his colleagues decided to make their stand.

Mr Waddell said that if someone attempted a takeover bid for SAB the consortium would obviously have to take action, "but we have no offensive intentions".

To build its interest to 25% would cost the Mutual about R250-million at the current price, but it is likely that once such a big buyer was seen the consortium would match its purchases.



Mr Leslie Boyd has been appointed chairman of Highveld Steel, while retaining his present post of managing director.

# Govt tends for F

By HOWARD P...

THE Treasury is on the market for about a million with two new issues that seem to help the Government's bills and also keep inflationary lid firmly economy.

A long-term 1997 stock is being offered.

The current yield for this type of gilt is 13.30%/13.35% — a some 1.25% over a month and an indication how steep the general interest rates have been.

The second stock tender is short-term 1986.

Rates here are against well under 10 than a month ago.

The maximum value for each stock is R150-million but the current pattern of rates means that the actual amount available is R250-million.

Under the new system Treasury does not offer with pre-determined

# Interest, tax stunt growth

Financial Reporter

SHARPLY higher interest and tax charges restricted the growth in Mercabank attributable profit to 12.7% — up from R2 421 000 to R2 728 000 — in the year to March.

Earnings a share rose from 24.2c to 27.3c.

Not included in the result is an extraordinary loss of R118 092 (1981-82 R20 910) which, if incorporated in the accounts, would have limited the earnings increase to 8.8%.

The directors have lifted the annual dividend payment 1c to 8c — causing cover to dip marginally from 3.46 to 3.41.

Highly geared Mercatrust, in which Mercabank holds a 31% stake, was hit hard by the rise in interest rates to record levels in the third quarter last year.

The financing bill jumped 78.6% from R4 060 000 to R7 250 000.

The Receiver also took a larger share this year, his rate jumping from 10.7% to 28.7%. The tax bill, as a result, jumped from R404 738 to more than R1 500 000.

The effect the double blow had on the accounts was marked.

Operating profits stood 60.6% higher at R12 620 000 (R7 860 000) but the advance in taxed profits was just 0.5%, up from R3 799 000 to R3 818 000.

# Xactics deal closer

Financial Reporter

A SPOKESMAN for the Cape Town packaging manufacturer declined to elaborate on the board's war with shareholders to execution in dealings negotiations.

However, recent speculation has been around a tie-up between Xactics and Sandton-based Gencor Group.

The Xactics director, Gencor, through a spokesman called Cortis, declined to comment on Xactics and all of its subsidiaries.

Market rumours that chairman Mr Meyerson had a 5% exercisable last year which could oblige Gencor to take control of Xactics.

Analysts have said Xactics' plastics division would complement recent problems in packaging.



oday

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## Madama put flight

...ing over me, shaking  
... awake and saying my  
...nd needed me. He said he  
... cut her throat if she  
...t behave.

"It was very frightening  
I was so angry I did ev-  
...ything he told me not to do  
... told me to leave my dress-  
... gown off but I put it on  
... When we got into my  
...nd's bedroom, he ordered  
... to get into bed with her  
... I told him not to be  
... cautious.

"That seemed to shake him  
I got behind him and said I  
... going to get him out. I  
... him downstairs, opened  
... front door and pushed  
... out, saying 'Get out and  
... y out.'

"He was so dumbfounded  
... even returned Miss  
... wales' purse with R17  
... inside."

By JOHN MULCAHY

THE entire executive team at South African Breweries was on the point of resigning last week in reaction to the deal in which Premier became SAB's major shareholder.

Rumours were rife in business circles this week that the SAB directors were about to stage a mass walkout, which sources say would have been disastrous for the R2 000-million liquor, hotel, retailing and furniture conglomerate.

But the ruffled feathers have been smoothed, and in a further leg to the huge deal which brought control of the Premier Group back to South Africa from Britain, Mr Gavin Relly, chairman of Anglo American, becomes chairman of Premier.

This gives Premier a neutral flavour, with Mr Tony Bloom, Premier's present chairman, and Mr Dick Goss, managing director of SAB, coming in as Mr Relly's deputy chairmen.

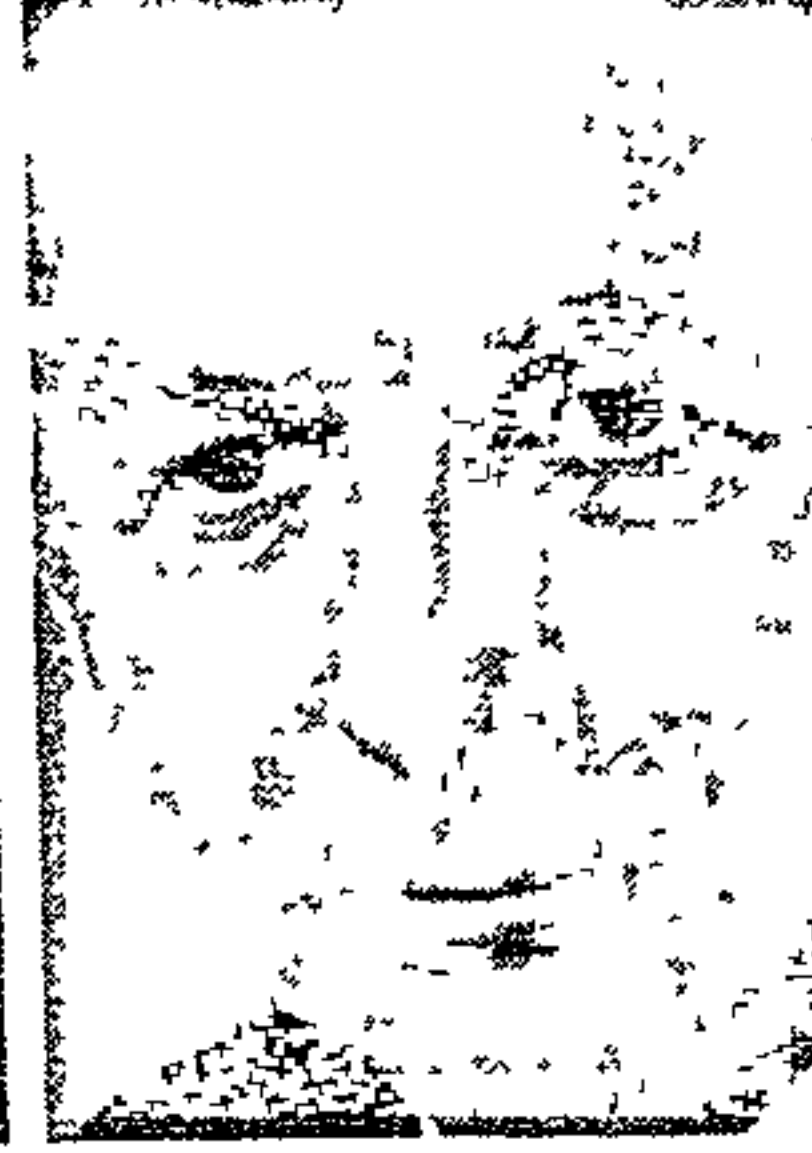
Premier will change its name and become an investment holding company instead of a trading company, and its trading interests will be transferred to a subsidiary.

At a news conference in Johannesburg yesterday Mr Goss said he had been "pretty angry" when it was announced almost two weeks ago Premier was to be the major shareholder in SAB.

He and his fellow executives agreed to do everything in their power to change the structure of the deal, which they felt was not in the inter-



DICK GOSS  
deputy chairman



GAVIN RELLY  
chairman



TONY BLOOM  
deputy chairman

# New deal averts walkout at SAB

ests of the general body of SAB shareholders.

There were "huge and serious problems having a major trading company holding a major interest in SAB", Mr Goss said yesterday.

Just 48 hours after the deal was announced on May 27, Mr Goss and the other SAB executives, who include Mr Meyer Kahn, Mr Sol Kerzner, Mr Selwyn MacFarlane and Mr Ronnie Cohen, met at the group's head office to plan their strategy.

They decided that under

the then envisaged structure, with another major trading company holding 34% of SAB's shares, there was potential for a substantial conflict of interests.

"We cannot choose our shareholders but we prefer to have investment companies holding our shares."

Another misgiving was that in its original form the structure threatened the independence of SAB's management, one of the major motivating factors behind the group's management and staff, and without which "we

felt we could not optimise SAB's business."

Mr Goss said he indicated that if the problems were not resolved he would be forced to resign, and the other executives independently came to the same conclusion.

When their feelings were relayed to the consortium members the horse trading is believed to have started, with Mr Gordon Waddell, JCI's chairman and also a director of SAB, playing a major role, together with Mr Donald Gordon, chairman of Liberty Life and a director of SAB.

## 'Reform' Bill time-table collapses

By JOHN BATTERSBY  
Political Correspondent.

THE GOVERNMENT'S original time-table for ushering in a new constitution for South Africa appears to have collapsed.

This was the implication of a short statement by the Prime Minister, Mr P W Botha in Parliament last night.

Mr Botha said the current session of Parliament would adjourn on June 30, until further notice.

The adjournment was to provide time for the select committee on the constitution to complete its consideration of the Republic of South Africa Constitution Bill, which had already had its second

opportunity to complete its work.

"On receipt of its report, it will be determined when the Assembly will resume business," the Prime Minister said.

Last week the Minister of Constitutional Development, Mr Chris Heunis, gave the first hint that the Government was backing down on its "pressure-cooker" schedule for the Constitution Bill, when he said that he would recommend that the select committee hear evidence from parties outside Parliament.

The Government now has two options. It could call a short second session of Parliament later in the year, to complete the parliamentary passage of the Constitution Bill, or it could wait until

of the year.

But Opposition sources said it was highly unlikely that the Government would succeed in this objective once the select committee began hearing evidence from outside parties.

The select committee had its first meeting yesterday and it is now widely accepted in political circles that the original 10-day schedule to complete its work was quite unrealistic and that it was likely to take a matter of months rather than weeks or days.

A postponement of the Bill's passage through Parliament would mean a serious loss of face for Mr Heunis, who has repeatedly stated that the Bill would be taken through all its stages in Parlia-



# Firm launches hunger fund

A MEALIE-MEAL, producing company, and its mills in cooperation with two charitable organisations, has launched a fund to feed thousands of children starving in famine-stricken parts of the country.

Working in co-operation with the National Red Cross and 'Operation Hunger,' Tiger Oats and National Milling have donated R10 000 in maize products and transport to be delivered to the hardest hit points, a statement released by the companies said.

The food, especially

the mealie-meal, will be channelled through the Induna Children's Food Fund started by the two companies.

Initially the companies will concentrate on the supply of free mealie-meal to centres started by Operation Hunger, which is being run by the South African Institute of Race Relations (SIRR) in Lebowa, Gazankulu and Venda.

Later on the fund will extend its operation to KwaZulu, Ciskei and

By ELLIOT TSHINGWALA

Transkei plus other areas such as Onverwacht, where recent reports of crop failures are causing concern.

The two companies have followed the example of a major shopping chain which started its hunger relief fund two months ago.

Checkers, which aims to feed 1,5 million people in the countryside, has already raised R130 000 since its project was launched in May, according to a statement released



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# Cusa congress called in bid to resolve tensions

By STEVEN FRIEDMAN  
Labour Correspondent

THE Council of Unions of SA's most successful affiliate, the Food Beverage and Allied Workers Union, is to hold a special national congress at the weekend in an attempt to resolve mounting tensions in the union

The meeting has been called by Food Beverage's East Rand region which wants to raise several allegations against the union's National Council, including claims that it has not adhered to the union's constitution

And the call for the meeting has allegedly been supported by union branches throughout the Reef

Food, Beverage has been far more successful than any other Cusa union in winning recognition from employers. It has won more than half the recognition agreements won by Cusa

In a statement yesterday, Mr James Mndaweni chairman of Food, Beverage's East Rand region, said the special national conference would take place at the union's office in central Johannesburg on Saturday

He said his region, which is composed of workers from Unilever, CFC and African Products, had asked for the meeting because "the region raised several issues with the National Council which have been unattended for some time"

He said issues to be discussed included "adherence to the union constitution", the writing and distribution of National Council minutes, audited financial statements and "recent events between the National Council and the East Rand region"

The statement said the East Rand region was also inviting all members of the union to a meeting on Sunday at St Anthony's Church, Boksburg, to discuss the outcome of the special congress and

to elect East Rand officials

Mr Mndaweni confirmed yesterday that the congress had been called because of "tension between the National Council and the East Rand branch"

"We have problems with the way the National Council is conducting union affairs and are therefore making use of a clause in the union's constitution, which allows for the calling of a special congress" he said

It is understood that the council has been accused of ignoring the union constitution at times

Mr Mndaweni said this was the first time a special congress had been called

A source close to the union yesterday confirmed the details of Mr Mndaweni's statement

He added that the head office had received letters "from branches throughout the Reef" supporting the East Rand region's call

## Reject 'new deal', church tells members

CAPE TOWN — The Diocesan Council of the Church of the Province of South Africa in Cape Town yesterday called on all its members to reject the Government's new Constitutional Bill

The council said in a statement members should reject the Bill because the proposals would "lead to greater separation being forced on the people of South Africa and would entrench racial

oppression"

A motion unanimously passed affirmed that

● South Africa is one country, one people. The country belongs to all who live in it and to those who will come after them,

● All people have the right to share in the country's wealth and resources. These should be husbanded, developed and used to serve the common good of society;

● All people have the right to share in making the decisions that affect their lives in the governing of the country

The statement said that, "in accordance with these beliefs, we therefore call on our people to reject the Constitution Bill, because the proposals contained therein

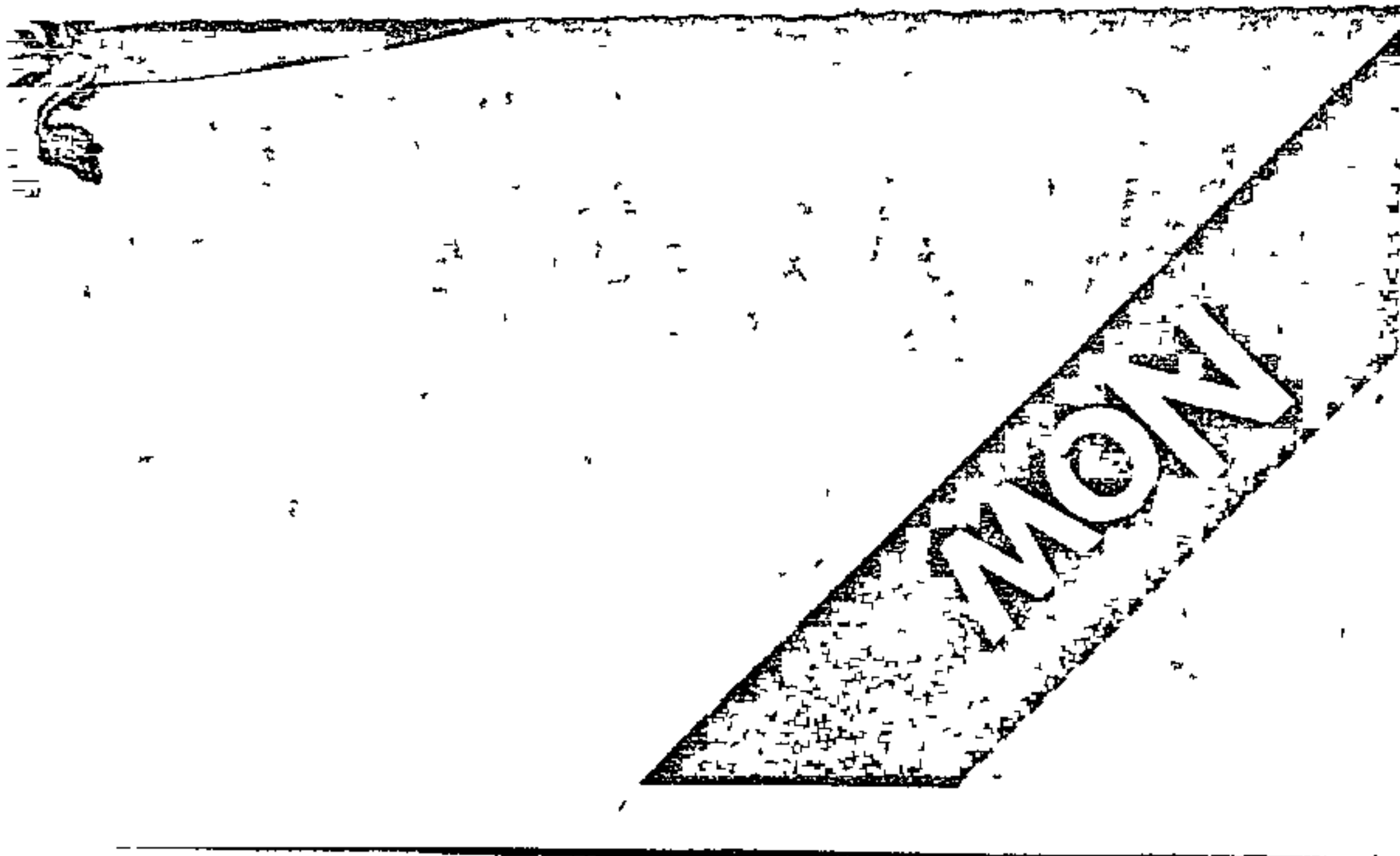
● Lead to greater separation and division of the people of South Africa, denying the

complete work of Christ;

● Are being forced on the people of South Africa without the consent of the majority,

● Entrench racial oppression and strengthen the apartheid state

"Therefore we, re-emphasising our commitment to unity in the Gospel, resolve to reject and resist the Constitution Bill" — Sapa



The Government and the Province have ignored the organised teaching profession in deciding that parents

By GERALD REILLY

on fees

out

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job," he said.  
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Viccie Towel (right), South Africa's first world boxing champion, dabs his eyes while comforting his wife Mary, who fell to her death from Johannesburg's Civic Centre this week. Hundreds of mourners attended at West Park Cemetery. Towel won the world bantamweight title 32 years ago.



# Growing bigger and fatter

Now more than ever, the ownership of SA's food companies reflects the concentration of power among local institutions. Over and above the issues of business politics, the narrowing of the power base has important consequences for investors.

After last week's Premier deal (*Leaders*, June 3) the food industry has become further polarised. Half a decade ago, there were 18 food companies listed on the Johannesburg Stock Exchange. Now there

Last week's Premier deal has important implications for the SA business community. Investors, too, will have to watch developments carefully.

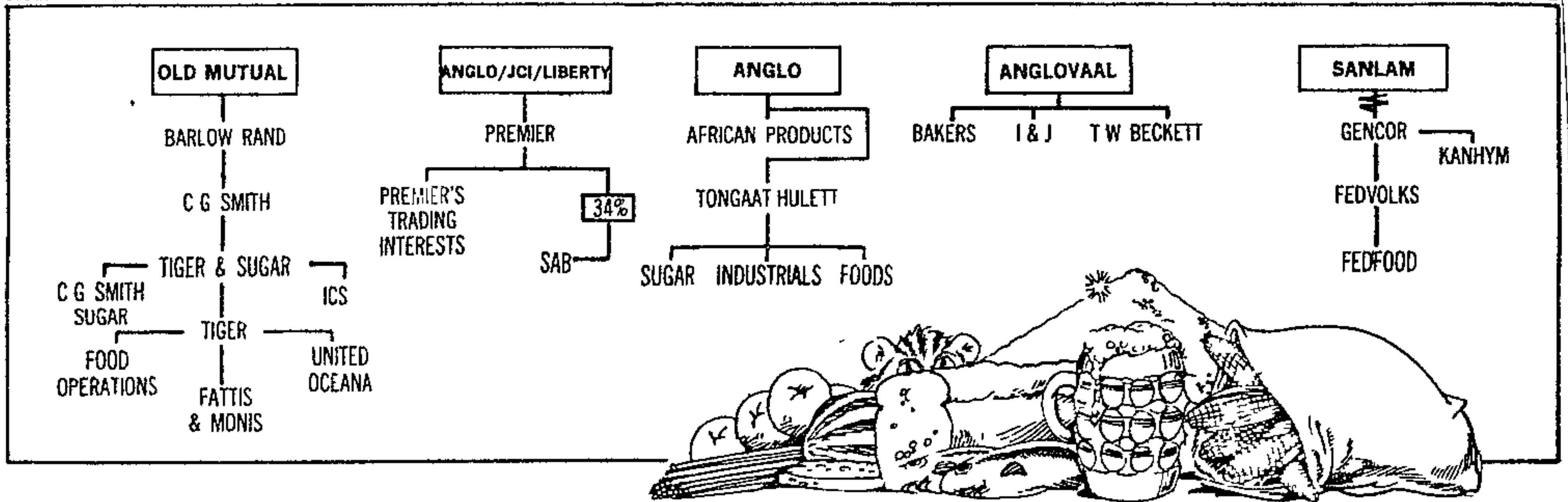
are 11. More importantly, only one of those remaining, Cadbury Schweppes, has any pretensions to being independent of SA's

major institutions (see chart).

The creation of the powerful new consumer-orientated groups around Premier and C G Smith must raise questions for shareholders: just what sort of companies with what sort of prospects will emerge after the dust has settled? And, indeed, which of the new groups is likely to come out best from the reshuffling?

The important parameters of power in the food business are size and the capacity

## SLICING THE FOOD MARKET



for growth. The size factor has been intensified by the recent moves. However, the new structure will severely restrict the capacity of the majors to grow faster than the food market itself. So much so, in fact, that this strategic regrouping appears to have been carried out not only to take advantage of the SA market. More importantly, it seems to have been done in anticipation of further relaxations of exchange controls on resident companies.

Only by going abroad, food industry men say, can the two giants give themselves room to move. And the financial muscle unleashed by the various deals is such that Premier and Tiger could be significant companies in the world market.

Tiger, of course, already has links overseas through its significant holdings in food companies Allied-Lyons and Bibby. And Premier's tie-up with assurance group Liberty Life will give it an introduction to foreign markets now that its connection with Associated British Foods has been broken.

On the local front, conversely, the major food groupings have little room for manoeuvre. They are already involved in a broad spectrum of food-based activities, where a particular group is not active, one of the other majors is already dominant (see table). Premier could try for expansion in meat production and distribution, for instance, but would clash immediately with ICS in the Tiger group or Kanhyam, which belongs to Gencor, if it did.

Premier's chairman Tony Bloom last week told the *FM* that there were a couple of food sectors in which the group would still like to get involved. Last year's tussle with Tiger Oats' Rudi Frankel over Fattis & Monis, the last independent local listed food company, will have shown him how difficult it is to pick up these remaining pearls. Premier's real expansion on the local market, therefore, is likely to be outside food and into something unrelated to its normal operations.

The new Premier holding company, after the injection of the 34% stake in SA Breweries, is a new animal, and in time will

presumably be comparable with C G Smith, which holds all Barlow Rand's consumer-orientated business. It could conceivably become a vehicle for a much more broadly based industrial grouping — both at home and abroad.

One move which Bloom has denied but which industry analysts believe could eventually take place is the absorption of Anglo's other food interests into Premier. Anglo has African Products in the milling field, as well as the enormous Tongaat-Hulett group — created only just over a year ago. A get-together between all or some of these three would create an industrial group remarkably similar to and at least as powerful as C G Smith.

The possibility of this happening at some time, in addition to Premier's own exciting prospects which will follow the sharp reduction in its gearing after the deal, will undoubtedly make the share a popular one when its suspension is lifted. It nevertheless looks a fine buy for the long-term.

Tongaat-Hulett did not reveal its turnover in the recently announced preliminary results for the year to March 31, but the group's profit for the year was R67,3m — and that was in a bad year for its various industrial interests. The group is active in sugar, of course, as well as in bricks, textiles, milling and other basic foodstuffs.

### Two more camps

Two other major camps are represented in the JSE's food sector. Sanlam holds sway over Fedfood and meat combine Kanhyam, while Anglovaal controls I & J and Beckett. It also controls biscuit market leader Bakers. The Anglovaal grouping looks fairly stable but some sort of regrouping within the Sanlam stable looks likely following the Liberty- and Old Mutual-linked deals.

Fedfood has had its problems, and its performance over the past couple of years has been poor in relation to that of Tiger and Premier. Rapid expansion into frozen foods, through Table Top, and an unfortunate venture in white fishing, have restrained growth. The moves elsewhere in the industry have caught the Federale

Volksbeleggings-controlled company rather on the wrong foot.

For one thing, Fedfood offered R20m of convertible debentures in February last year, as well as R10m in ordinary shares, to finance past growth. And this came after a one-for-five rights issue with the acquisition of Table Top in financial 1980. Until the overhang of new shares is out of the way — conversion of the debentures will take place between 1986 and 1988 — and the dilution of the extra shares is overcome, it will be relatively difficult for Fedfood to fund further expansion.

Financial director Francois Rossouw says this year is likely to be one of consolidation. The company has a fairly balanced portfolio, he says, and has market leaders in Simba and Table Top. Its Ruto milling operation has about 10% of the local wheat milling and up to 13% of the maize milling markets.

Presumably, the company would be happy to see a quiet year, especially with the severe drought complicating everything and making it likely that raw material supplies will be scarce later this year. Nevertheless, and if the right target came along, Fedfood is unlikely to be embarrassed about asking its parents for funds. But further expansion would clearly stretch financial and management resources and seems unlikely.

A link-up with Kanhyam, perhaps under a common holding company in the same way as Premier is being used, could help alleviate some of these problems. Kanhyam is an enormous company with turnover of more than R1 billion a year, though returns and profit were hit last year by the drought and other factors.

Fedfood and Tongaat Foods are both placed in a difficult position because of the Tiger and Premier reorganisations. While the really small food operator is still able to take advantage of a small market niche or a specialised product, these middle-sized groups are likely to feel the full blast of competition.

As a result, they will have to rely increasingly on intensive brand name promo-



# Payment time looms for Premier

By JOHN MULCAHY

ALL that remains to be done in the Premier deal now that the dust has settled at South African Breweries is for the consortium to pay the bill.

A matter of R337-million is due to Associated British Foods for the 52% stake in Premier, to be settled, it is believed, in a number of tranches over six months.

In addition, it is possible that some of the Premier minorities will elect to accept the R25 offer, although this will require serious consideration.

In theory this could add more than R200-million to the price the consortium — Johannesburg Consolidated Investments, Anglo American and Liberty Life — will have to pay for Premier.

But a significant proportion of the minorities are institutions whose best interests will probably be served by holding on to their stake in Premier.

From the private investor's viewpoint, at first glance the best advice on short-term considerations seems to be to accept the R25, which puts Premier on a yield of just more than 2,6%.

Before the deal was announced Premier was trading at R22,75, and although the offer is not significantly higher than that, there is a view that the industrial market could be headed for a time of weakness, especially if the gold price does not hold above \$400.

This is true, but it is also true that if before the deal Premier was a blue chip, its big stake in SAB must make it the deepest of the deep blue chips now.

On relisting yesterday Premier was bid at R25 but offered at a hopeful R30, without any takers.

This could reflect the premium present holders put on the reshaped group, which now has substantial clout not only for funding its existing business, but for acquisition.

Premier's debt to equity has dropped right back to about 25% from 80% as a result of the

two-legged deal, leaving the way open for either major expansion or acquisition.

The consortium is not advocating that any minorities accept the offer, partly because it would add to the already substantial cash burden of satisfying the ABF end of the transaction, and also because their holding is already an uncomfortably high 35%.

Whether any of the parties in the consortium will need to resort to borrowing is not a matter for public consumption, in their view, but in any event the financial muscle of Anglo American and Liberty Life is such that their portion of the payment should not present major problems.

From the Liberty side, the balance sheet at the end of December showed total investments of R2 227-million, which suggests a cash flow of anything up to R440-million.

What is more significant in Liberty's case is the large proportion of equity investments represented by the Premier stake.

At end December Liberty's equities totalled R792-million, of which Premier and SAB accounted for R175-million.

Stripping out the Premier and SAB holdings, and inflating the equity balance by 26%, which is the move in the RDM 100 from December 31 to yesterday, Liberty's equities, without additions and without Premier, should be worth about R777-million.

Adding an arbitrary R100-million for additional investments since the year-end, as well as the stake in the new Premier, which is worth about R497-million, Liberty now has about R1 374-million in equities.

Based on these hypotheses Liberty has 36% of its equity portfolio in a single share, Premier Investments, which while certainly of the blue chip variety, does seem to be an inordinate concentration of eggs in one basket.

NATIONAL

# Walvis Bay factory shuts down — 200 out of work

ARGUS 10/6/83

~~ARGUS 10/6/83~~ 86

Shipping Editor

MORE THAN 200 fishing industry workers are out of jobs in Walvis Bay after the shutting down of a R3-million whitefish processing plant — a factory that was set up by the Table Top wing of Fedfoods only last year

This has come as a tremendous blow to the economy of the coastal enclave, which is already suffering from the effects of the collapse of the pelagic fishing industry

The managing director of Fedfoods, Mr Johan

Louw, said today that the closing of the Walvis Bay whitefish plant was only temporary “but we were forced to do so because of the poor quantity and quality of hake caught off the South West coast

### R3-M CONVERSION

“We have moved our fleet of trawlers to Cape Town and are shipping small tonnages of hake and other whitefish to Walvis Bay by sea just to enable a skeleton staff to keep the plant ticking over”

Table Top took over the old Marine Products

pilchard canning plant at Walvis Bay, another Fedfoods subsidiary, about 18 months ago and spent nearly R3-million converting it into a whitefish processing factory

Mr Louw said whitefish formed an important part of the Table Top basket of frozen products “and we are trying to sort things out instead of having to sell the factory and boats

“We will probably be making an announcement within the next few weeks as to the future of the Walvis Bay factory”



# First dividend 'token gesture'

Private investors have paid an estimated R4 million to Lowveld Macadamia since the launch of the company in 1972.

The directors used the money to finance a macadamia nut farm in the Komatiport area.

They promised investors profits within five years but so far no investors have benefited from the scheme.

This year, however, Lowveld will pay its 2 700 investors their first profit — R1 a share.

The payment should be seen as a token gesture and in coming years profits would be greater, said a director, Mr Coen Wium.

Mr Wium said the dividend had been made possible because the financial position of the company had improved.

Each investor originally bought the rights to the profits of a certain portion of macadamia trees on the company's farm. The company agreed to maintain and market the crops and pay investors a profit after expenses had been met.

In 1980 Lowveld Macadamia became an unlisted public company and investors' rights were transferred into shares.

The issuing of shares was in the interests of investors because they could now share in the profits of the company as a whole instead of just in a portion of the macadamia trees, said Mr Wium.



Mr Coen Wium

Although investors now own "shares", these may not be traded at the stock exchange because Lowveld is an unlisted company.

Over the years investors have found it difficult to sell their rights, possibly because the profits promised have not been forthcoming.

● There is an interesting connection between Lowveld Macadamia and another farm investment company, the Coffee Corporation. Originally the money paid to Lowveld Macadamia by investors was paid to a trustee, the firm of attorneys, Rose-Innes and Du Preez of Barberton. Mr Cas du Preez, previously of Rose-Innes and Du Preez, is now chairman of Cofcor.

## Mini-farm investors have few legal rights

Farm scheme investors had limited legal rights and most had no control over how their money was spent, an attorney said

After an in-depth study of the field, he found that South Africans had invested close on R40 million in various schemes during the last 12 years

The mini-farm concept originated in the United States and Americans had invested vast sums of money in various schemes

Many US projects had proved disappointing for investors and strict laws now controlled mini-farm promotions

South Africans who invested in such schemes had limited legal rights, he said

"Most of the mini-farm contracts state that the investor is entitled to the profits after company expenditure

"But the investors have no control over the management of the company and therefore no control over expenditure"

It would be difficult for investors to ever sue the companies involved, he said

A common feature of many of the mini-farm companies was that investors' money was paid into a trust account

Salesmen highlighted that feature claiming that investors' money was "safe"

If there was a trust account, there was also a deed of trust. However investors rarely saw that document which was an important part of the sales agreement

"Customers should always ask to see that deed," he said

Many promoters claimed in their advertising material that the farms were protected by insurance

"Investors never actually see it and have no way of knowing how much it is worth, what it covers and what kind of policy it is," he said

## No buyers for shares

In February 1972 a Welkom couple, Mrs and Mrs T Theron, decided to invest in a "mini-farm" in the Lowveld.

They were so impressed with the sales talk of a company agent they agreed to sign a contract investing R1 500 in a new macadamia farm.

The agent, Mr Charles Barrett, promised them rich returns within five years. But 12 years after they bought the rights in the farm, they claim they have received no money from the company, Macadamia Finance.

Mr Theron even considered selling his "shares" in the company, but had to abandon this idea because he could not find a buyer

The company also refused to refund his money.

Far from refunding

his original contribution, Macadamia Finance has made more demands on Mr Theron for money

In addition to buying the macadamia rights, Mr Theron also agreed to pay the company a maintenance fee of about R100 a year.

The Therons estimate they have paid at least R500 over the years for the "upkeep" of the farm

"We have stopped paying our fees now — why should we throw good money after bad?" asked Mrs Theron

"Recently we received a statement for R235 from the company but my husband refuses to pay.

"We have given up hope of getting our money back and nobody wants to buy these shares," she said

## Where did R7-m go?

A consultant for Macadamia Finance, Mr Peter Dielwart, conceded in an interview with The Star that his company experienced a serious cash flow problem at the end of 1982

What happened to the estimated R7 million paid by investors to the company?

The company claims vast sums were ploughed into the macadamia farm but a company loan of R600 000 was made to a former director, Mr Charles Barrett

This money was then transferred to another company which subsequently went into liquidation

Mr Dielwart said this loan, worth R1 million with the interest involved, was never repaid to Macadamia Finance. The company recovered the rights — worth about R375 000 — which Mr Barrett held in the company but these rights are valueless unless they can be re-sold



(86)

Star 13/6/83

Macadamia seeds

# Nut investors are rebelling

South Africans were intrigued by an investment offer in the early 70s — a project which promised "a solid income for generations to come".

Macadamia Finance invited the public to buy the rights to the profits of macadamia nut plants on a farm near Barberton and promised a first dividend within six years.

Five thousand South Africans responded. They paid in about R7 million for half-acre lots.

That was 10 years ago. So far the macadamia speculators have had pitifully small returns on their investments.

"Investors were promised something that was impractical," said Mr Peter Dielwart, a fi-

Since the early 1970s entrepreneurs have been persuading South Africans to invest in such exotic agricultural products as olives, macadamia and jojoba nuts, and kiwi fruit, promising rich profits. Consumer reporter COLLEEN RYAN has investigated the fascinating world of farm investment companies and, in a series of articles, will trace their history and focus attention on current investment opportunities.

nancial adviser recently appointed to reorganise the company

The Star has records of clients who have not received any profits from the scheme Mr Dielwart says some investors received more than R200

In terms of the contracts the investors signed they are obliged to pay the company a maintenance fee of about R175 a year. Some of the investors have refused to pay and are in arrears. In January the company calculated that inves-

tors owed it R350 000. Mr Dielwart said efforts would be made to recover this money

"This scheme is not dead," said Mr Dielwart "We intend to make this a profitable investment, but we must restore cash flow"

He said that at the end of last year Macadamia Finance was short of money but that the situation had improved

The company's new marketing strategy was successful. There was demand for the product, he said

"This year we expect to sell 30 tons of nuts which we have processed and packed," he said

He said he believed Macadamia Finance had reached a turning point and the macadamia plantation would yield bigger harvests each year. Investors would be paid a dividend next year

Macadamia Finance intends to convert investors' rights into shares



Lowveld Macadamia's farm in the Komatiipoort area provides 100 labourers.

Handwritten: ~~Substant~~ 186 Bread 8/6/83  
WT. 1479 - 1480  
\*4 Mr S P BARNARD asked the Minister of Agriculture †

How many standard loaves of bread were baked by bakeries in the Republic in the latest specified period of 12 months for which figures are available and (b) what is the amount of the subsidy paid thereon by the State?

The MINISTER OF AGRICULTURE  
(Reply laid upon the Table with leave of House)

(a) White	424 233 673
Brown	1 006 104 216
Whole-wheat	38 640 133
Compound	5 120 308
(b) White	R 20 245 686,79
Brown	R146 907 354,46

7

8 JUNE 1983 1480

Whole-wheat	R 5 628 177,80
Compound	R 548 372,00

\*5 MR J H VISAGIE —Justice—Reply standing over

**Mount Road police station, Port Elizabeth**

\*6 Mr D J N MALCOMESS asked the Minister of Community Development

- (1) Whether cells are being constructed at the new Mount Road police station in Port Elizabeth, if so, how many,
- (2) whether any of these cells are being constructed below ground level, if so, (a) how many and (b) why?

†The DEPUTY MINISTER OF COMMUNITY DEVELOPMENT

- (1) Yes, 13
- (2) No, (a) and (b) Falls away

\*7 Mr G B D McNIOSH—Environment Affairs and Fisheries—Reply standing over



*Handwritten notes:*  
186  
ROOM 15/6/83

# Premier sets 10% target

By JOHN MULCAHY

THE Premier Group, control of which recently passed from the UK to a South African consortium, is aiming for a 10% increase in earnings for the year ending March 31, 1984.

Mr Tony Bloom, Premier's chairman, says in his annual review that after missing the target last year he is hesitant about making another earnings estimate, although he stresses that the 10% is a target and not a forecast

The annual report has been prepared before the deal giving it 34% of South African Breweries was finalised, and in terms of which Premier will become an investment holding company, holding the existing Premier's trading interests as one wing and the SAB stake as another wing

Premier's trading assets will be transferred to an as-yet unnamed subsidiary, a listing for which will be sought in due course

Premier's financial objectives, set in 1980, are for an average growth annual growth in earnings a share of at least 20%, and up to the end of the March financial year the average achieved was 23%

To meet the five-year target earnings will have to grow by at least 8.3% this year, which Mr Bloom describes as "a daunting assignment in what will undoubtedly be a most difficult year"

Competitive pressures are likely to remain intense as too much productive capacity chases a diminishing market in real terms, which Mr Bloom says has the inevitable effect of squeezing

margins further "in often suicidal price competition"

Poultry prices were below the cost of production for much of the year, edible oil was sold at prices below those prevailing in 1978, and a vicious margarine-price war broke out in the second half of the year

The combined effect of these factors was to reduce Premier's margin of profitability — taxed profit expressed as a percentage of turnover — to 3.5% for the year to March from 4% the previous year

"Notwithstanding stringent cost controls and the benefit of recent heavy capital expenditures to modernise plant, declining market prices reduced margins in many of our industries to unacceptable levels"

Although he is satisfied that a return will be generated on all the group's major capital projects, Mr Bloom says that with the benefit of hindsight more stringent controls should and could have been kept over capital expenditure and working capital

"There is always a temptation, particularly in times of high inflation, to undertake major projects sooner rather than later as costs tend to escalate with delays, but at the same time financial discipline must be maintained"

He believes cash-flow budgets were set at optimistic levels, which were not achieved, and decisions on capital projects were taken on the strength of the over-optimistic budgets

Control of working capital is not as straightforward, as Premier is forced to pay cash to various control boards for many of its raw materials, which are then stored, processed and eventually sold on credit



FINANCE STOCK EXCHANGE

# Tongaat chief urges rural jobs scheme

ARGUS 15/6/83

186

THE Government and private enterprise should set up a vast scheme to provide work for the rural population on projects like building roads and dams, says Mr Chris Saunders, chairman of the Tongaat-Hulett group.

effect on the agricultural sector. "Its continuation will exacerbate the situation, which will materially affect sectors of the economy not normally affected by the weather. Entire industries may be disrupted by electricity costs and water rationing

He says in the group's annual report this could prevent a large-scale drift to the towns as a result of the drought

"The drought and its aftermath will accelerate the problems of unemployment and underemployment in rural subsistence economies

Otherwise urban migration will increase to such an extent that the authorities could be hard pressed to deal with the resulting problems

"There is therefore an urgent need for relief employment schemes aided by the resources of the relevant government departments and private enterprise, whereby rural rehabilitation and development can be accelerated"

"While winter rainfall might alleviate the critical water shortages in many parts of the country, the drought has already had a disastrous

## TWO PROJECTS

Tongaat-Hulett, which employs more than 47 000 people, will itself go ahead with two major construction projects, a R175-million sugar mill on the Natal north coast and a R30-million brick factory near Pretoria

This is in spite of the fact that Mr Saunders foresees a fall in profits this year.

The group's pre-tax profit was R87,4-million in the year to March. Sugar accounted for 28,4 percent of this

Earnings were 116,1c a share and the total dividend is 58c a share. No comparison is possible because these are the first results since the Tongaat-Hulett merger

Audrey d'Angelo

*Handwritten notes:*  
Tongaat  
15/6/83

# Natal industrialist wants jobs for SA unemployed

186  
PATRICK LEEMAN 13/6/83

**African Affairs Correspondent**

A MASSIVE scheme to provide jobs for the unemployed rural people of South Africa — including KwaZulu's 5 000 000 blacks — was proposed yesterday by Mr Chris Saunders, chairman of the giant Tongaat-Hulett group.

Mr Saunders says in the annual report of the R1 000-million company that, unless such a scheme is launched as a co-operative effort between the State and private enterprise, the

drift of blacks to the cities will increase to such an extent that the authorities could be 'hard pressed' to cope with the resulting problems

He says in his report to the 47 000 shareholders of Tongaat that the drought has already had a disastrous effect on the agricultural sector

Mr Saunders maintains that winter rainfall might alleviate the critical water shortage being experienced in many parts of the country

But the continuation of the water shortage will make the situation even worse, he says

Entire industries might be disrupted by electricity costs and water rationing, he says

Mr Saunders says the effects of the drought on the economy in general will be substantial, but the most urgent attention should be paid to the plight of South Africa's rural population

## Problems

'Increased urban migration is inevitable and the authorities could be hard pressed to cope with the social problems arising from this influx.

'The drought and its aftermath will accelerate the problems of unemployment and under-employment in rural subsistence economies'

He says there is, therefore, an urgent need for relief employment schemes aided by the resources of the relevant Government departments and private enterprise

There is no reason, Mr Saunders says, why unemployed rural populations cannot be usefully occupied in the construction of essential infrastructure projects such as roads, dams and irrigation schemes

Such schemes would be of enormous benefit to the rural areas concerned and would provide urgently-needed employment in those areas

They also would help to offset some of the effects which would otherwise speed up the drift of blacks to the cities

Mr Saunders says in his report that there is little to indicate that the economic climate of 1983/84 will be any better than last year

Those expecting an early economic recovery are being over optimistic, he says

'The drought and the delayed economic recovery will result in 1983/84 being a difficult year for the group and profits will depend on how badly we are affected in the sugar division' he says

FINANCE/STOCK EXCHANGE

# Unemployment hits food company profits

ARGUS 16/6/83

247  
235  
248  
R6

A HIGH rate of unemployment among black people in rural areas, aggravated by re-trenchment programmes, has hit the earnings of Jabula Foods

So have changes in the eating habits of black workers as their employers now buy more sophisticated products

The directors say in the annual report for the year to March the company's product range is designed chiefly for the black consumer and is sold in rural areas and to

large employers of labour

Operating profit before tax and LIFO adjustment fell by 15,9 percent in the year to March to R2,320-million (R2,761-million)

Earnings after LIFO adjustment fell by 31,3 percent to 87,7c a share (127,7c)

Turnover fell by 1,6 percent and gross profit margins were reduced

#### HARSH CLIMATE

"The disappointing results for the year are not unexpected and should be viewed in the context of the harsh economic cli-

mate and severe drought conditions which have prevailed, as well as fierce competitor activity" the directors say

High black unemployment with continuing influx of labour from rural to urban areas has eroded the disposable income of the black consumer

"Reduced remittances received from urban-based family members combined with dwindling income from drought-ravaged crops have impacted severely on the spending power of urban blacks

"These factors, coupled with the shortage of water with which to brew beer, have led to a decline in the sales of both soup and beer powder

#### EXPECTATIONS

"The institutional market has seen a metamorphosis in the dietary expectations of the black worker

"Eating habits have changed and feeding schemes are now being designed to include more sophisticated products meat and fresh produce"

The directors say a new, highly motivated management team has been appointed and new, more sophisticated products have been developed

The company intends to consolidate its position in its present markets while diversifying into new ones

Audrey d'Angelo



CAPE TIMES 16/6/83

~~25/8/83~~

~~227~~ 186

# SA to import refined sugar

By JON BEVERLEY

DURBAN — South Africa will have to import refined sugar this year, the chairman of the SA Sugar Association, Mr R K Ridgway, said yesterday, disclosing that the local crop estimates for this season, which runs to April 1984, showed a slump of over 25 percent.

Last week a Reuter report said London sugar brokers, E D & F Man, were seeking a ship for a cargo of 12 600 tons of bagged Korean sugar for South Africa to be loaded next week.

Mr Ridgway said reduced production at the sugar mills making refined sugar meant the industry would not process enough sugar to meet the requirements of the local market.

"The sugar industry has made arrangements to import refined sugar to cover the anticipated shortfall"

He said the fall in the crop, now estimated at 1,57m tons, also meant that there would not be enough sugar to meet export commitments

## Overseas customers

"The problems arising from this have been discussed with our overseas customers

"The industry, which has developed an excellent reputation as a supplier of high quality raw sugars to world markets, has received full co-operation from these customers with regard to its proposals to substitute sugar from other countries to meet their import needs"

Mr Ridgway declined

to expand on his statement or to disclose the tonnages involved

In a normal year the sugar industry needs about one million tons for domestic use and has in some years sold over one million tons abroad

In the 1981-82 season when 2 055 441 tons were produced some 842 185 tons were exported and 1 152 027 tons used domestically. The 1982-3 season which ended on April 30 saw a record output of 2 125 993 tons

126  
17/6/83

# Hulett's is set to lay off workers

DURBAN — Drought-hit Tongaat-Hulett's sugar division, with four of its six sugar mills to close after only 11 weeks' milling, would be forced to lay off workers, the managing director, Mr Dick Ridgway, said yesterday.

And with this season's crop estimate slumping more than 25%, South Africa will have to import refined sugar this year.

Mr Ridgway said the number of workers who would be laid off was not known yet, but they would be offered unemployment pay of 70% of normal wages for up to six months.

He said the offer had been regarded as generous and had been accepted by all the trade unions.

Mr Ridgway stressed that no wages would be cut, as had been reported earlier, and all in employment would continue to earn the same wages.

Laid-off workers would receive normal leave pay for all leave due to them, he said.

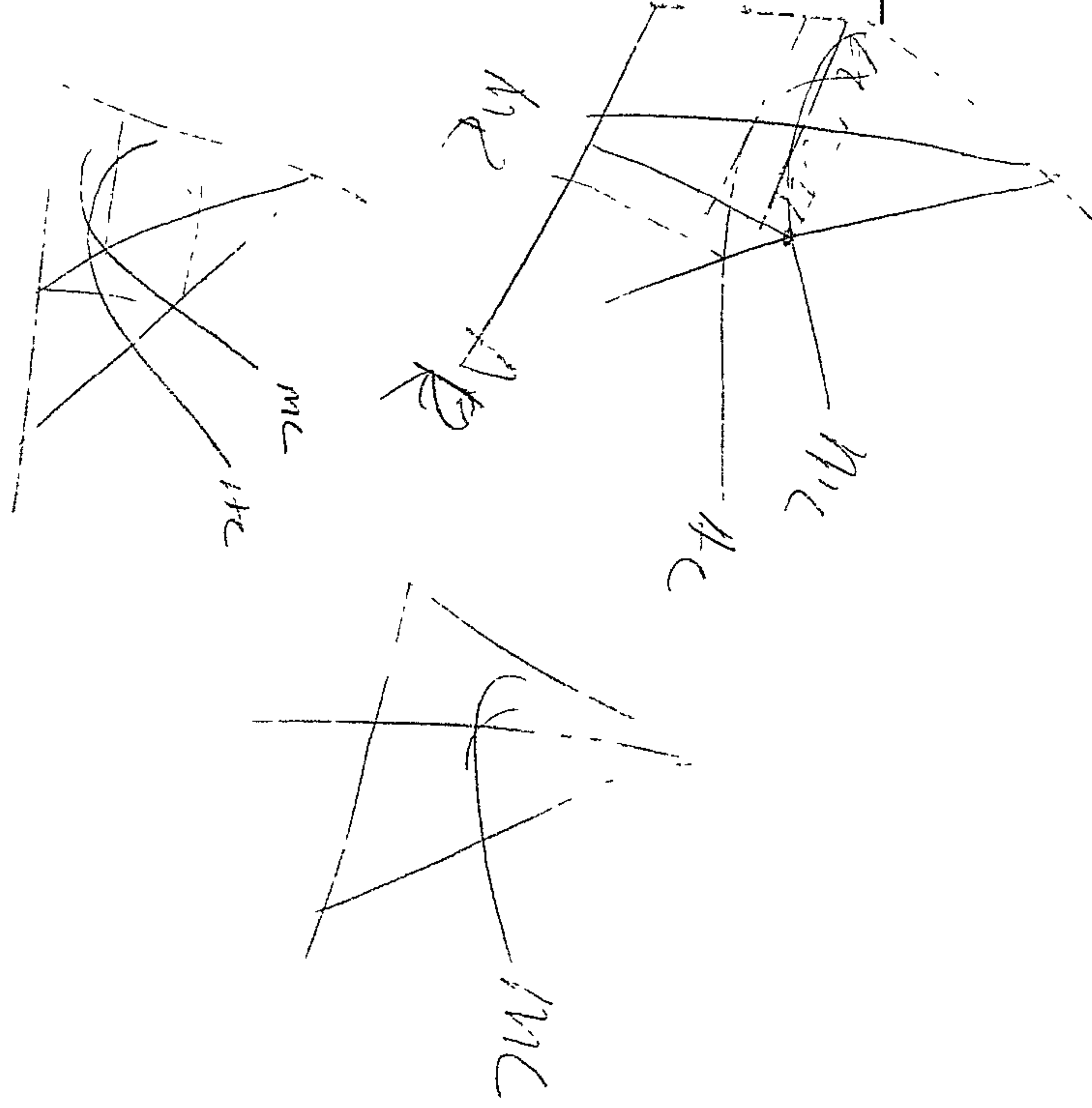
Thereafter, for as long as they were unemployed, they would get 70% of their normal pay, resuming full pay if signed on again.

Pension contributions would not be deducted from the unemployment pay — the company would pay employees' contributions as well as its own.

A trade union spokesman said the industry had been "very fair" about the situation, consulting registered and unregistered unions.

The directors of Natal's other main sugar industry employer, C G Smith, could not be reached for comment. A labour specialist said, however, C G Smith was not as badly affected, because the Natal South Coast had not been hit as hard by drought.

The acting general manager of the Durban Chamber of Commerce, Mr J Aikman, applauded the decision to lay off workers rather than retrench them — Sapa



# Sugar mills closure will hit commerce

*Sugar 186 Mercury*  
Financial Editor 17/6/83  
WITH the income of 2 000 of Zululand's sugar workers being cut by 30 percent, trade and commerce will be hit in the area by this week's decision, disclosed yesterday by the Mercury, that four Hulett Sugar mills close next week.

But the Umfolosi sugar mill has chosen a five-day week and intends to work until December while at the Glendale mill, west of

Stanger, they will be 'carrying on' and Smith Sugar's mills are running as normal

Mr Lourens Kotze Town Clerk of Empangeni, said the borough had considered the implications of the Hulett move for the area

But he said the area was fast-growing and there were plenty of employment opportunities, especially in the construction industry. There are a number of large contracts in the region which should be able to absorb many of the unemployed workers, he said

## Impact

Mr Bill Byrnes Stanger's Town Clerk, said he had not been able to establish what impact the move would have on the town

He had had informal discussions with officials from the mills and thought it likely that the lower rates of pay would effect the purchasing power of the workers

As Stanger was a major trading centre in the region this could have an adverse effect on the town. But Mr Byrnes said it was difficult to determine the exact buying needs of the workers and the level of a possible decrease in spending was impossible to predict

Mr I Bales-Smith, general manager at Umfolosi, said they would mill about 711 000 tons of cane instead of the normal 1m to 1,2m tons. They had opted for short time working with two days off each week so as to mill the cane at its best period in September and October

Basic wages would not

be affected but overtime and call-out pay would fall away in this period

Smith Sugar spokesmen were not available for comment but I understand that they are not having any serious problems with the drought. They have a mill at Pongola using irrigation water and another at Jaagbaan, near Wartburg

Their other mills are south of Durban, where the drought has not been so great

Hulett Sugar workers affected by the drought in Northern Natal will be having a holiday until De-

ember Mr Dick Ridgway managing director, of the company said spelling out the mill closure arrangements

The sugar mills are at Felixton and Empangeni near Empangeni, Darnall north of Stanger and Amatikuluta Gingingdhlovu

## Full pay

Mr Ridgway said the mills would close next week. All workers would take whatever leave was due to them on full pay and this would be followed by leave on 70 percent of their pay for up to six months

The situation would be reviewed in December

Mr Ridgway emphasised that there would be no retrenchments, that the company would pay contributions to the pension funds during this period and that each worker had been guaranteed a job at the end of the leave

The details were discussed with the trade unions representing the workers who agreed to the terms of the paid leave on Tuesday



# Tiger Sugar takes control over ICS

29/6/83  
E. lost  
186

DURBAN — Tiger and Sugar Holdings has taken control of Imperial Cold Storage by acquiring the 51% stake previously held by the C G Smith group and Tiger Oats

Tiger Sugar announced today that the transaction involved a R54,6-million cash purchase deal based on a share price of 400c for ICS

C G Smith would sell its 8 342 965 ICS shares — 31% of the equity — for R33,3 million and Tiger Oats would sell its 5 313 498 shares — 19,7% of the equity — for R21,25 million to Tiger Sugar

The effective date of the transaction will be April 1, 1983

Tiger Sugar also announced an ICS rights issue of automatically convertible cumulative preference shares to raise about R40 million to finance an expansion programme at Imperial

Another rights issue — of ordinary shares to raise R80 million — is to be made to finance Tiger Sugar's R54,6 million cash purchase of ICS and R20,3 million needed to follow Tiger Sugar's rights in Imperial

As part of the deal, a "similar offer" is to be made to minority shareholders in Tiger Sugar as was made to Old Mutual when Smith acquired that institution's holdings in Tiger Sugar, the announcement says

"With C G Smith already holding 95% of Tiger Sugar and possibly increasing that percentage following

the offer to minorities, it will have to fund virtually the entire issue

"This holding would leave insufficient shares in the hands of the public to create a satisfactory market on the Stock Exchange and, in addition, it was never Smith's intention to maintain such a large holding in Tiger Sugar," today's statement said.

Accordingly, C G Smith would not take up its right, thereby reducing its stake in Tiger Sugar to about 80% on completion of the rights issue

Tiger Sugar said Smith would not sell its rights on the market but would renounce them in favour of its own shareholders, including the parent group, Barlow Rand.

"The rights attributable to Barlow Rand will be privately placed with institutions and private investors as part of the exercise to create the desired shareholder profile for Tiger Sugar," the company said

"The acquisition of the ICS stake is not expected to materially affect either Tiger Sugar's or C G Smith's earnings or asset value in the short term"

Tiger said the offer to its minorities would be conducted on the basis of two Tiger Sugar Shares for one Barlow Rand

Tiger Sugar shares acquired by Barlows would be exchanged with C G Smith on the basis of two Smiths for three Barlows, the announcement said.

EPN navout

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# Generous Hulett's pay-offs

ABOUT 2 000 workers at four Hulett's-Tongaat sugar mills were retrenched yesterday when the mills closed as a result of the drought — but the workers received one of the most generous retrenchment deals since the recession began

They are to be guaranteed 70% of their normal pay for up to six months and the employers' contribution to their pension fund as well as guarantees that they will be re-employed when the mills re-open

The retrenchment is the result of the closure of the company's Amatukulu, Felixton, Darnall and Empangeni mills

Sapa reports that "in the event of early spring rains", the mills would re-open and the retrenched workers would be re-employed

It is believed that the retrenchment deal offered the sugar workers is the most generous granted during the current recession

Some companies do not pay retrenched workers any redundancy pay at all and most settlements in the event of the closure of a factory vary from one week's pay for every week worked to one day for each week

CAPE TIMES 21/6/85  
2000 sugar  
workers axed

DURBAN — About 2000 workers at four Hulett's sugar mills in Kwazulu were retrenched yesterday because of the effects of the drought.

The SABC reported that the workers received full leave pay as well as promises of a guaranteed 70 percent of their normal wages for the next six months. The company will review the situation after that period.

In the event of early spring rains the mills at Amatikulu, Felixton, Darnall and Empangeni may reopen. The workers will then be taken back. — Sapa



1607

TUESDAY, 21 JUNE 1983

1608

TUESDAY 21 JUNE 1983

1610

The MINISTER OF POSTS AND TELECOMMUNICATIONS

- (1) Yes,
- (2) (a) 37,  
(b) (i) 32,  
(ii), (iii) and (iv) none,
- (3) (a) 1 462, and  
(b) 205 as at 1983-05-31

Wartburg: automatic telephone exchange

987 Mr P C CRONJÉ asked the Minister of Posts and Telecommunications

- (1) Whether an automatic telephone exchange is planned for the Wartburg area, if so, when is it expected to be completed,
- (2) (a) how many posts for switchboard operators are there in the Wartburg telephone exchange at present and (b) how many of these posts are filled by (i) Whites, (ii) Coloured persons, (iii) Indians and (iv) Blacks,
- (3) (a) how many telephone subscribers are served by this telephone exchange at present and (b) how many applications for telephones were outstanding as at the latest specified date for which figures are available?

The MINISTER OF POSTS AND TELECOMMUNICATIONS.

(1) An automatic telephone exchange will eventually be established at Wartburg in accordance with the Department's policy of converting all telephones to automatic working. However, at the pace at which such conversions can be undertaken with the available resources it appears unlikely that Wartburg will find a place in an automation programme prior to 1990.

(2) (a) 9,

who qualify in terms of section 10(1)(a), (b) and (c) of Act 25 of 1945

- (iv) (aa) R975 400  
(bb) R1 976 000

(cc) None by the Government and the Administration Board. Another ± R6 million will be spent for the provision of sites at the new township Khayelitsha. At this stage it is not certain how many sites will be provided during this year. Qualifying members of the Black community, employers and private enterprise will be allowed to erect houses at own cost on some of these sites

(v) The amounts mentioned in (iv)(aa) and (bb) above will be made available to the Administration Board by means of loans of the National Housing Commission

*For written reply Howard*  
*Western Cape: housing 21/6/83*  
*R. C. 1609*  
937 Mrs H SUZMAN asked the Minister of Co-operation and Development

What is the average cost per house built in the national states to the (a) South African Development Trust and (b) Administration Boards concerned?

The MINISTER OF CO-OPERATION AND DEVELOPMENT

The Department appoints administration boards as agents in the different national states and therefore the average cost per house built in the national states will be the same for (a) the South African Development Trust and (b) the administration boards concerned. The average cost per house varies from R3 500—R6 500. These figures do not include infrastructure

The MINISTER OF CO-OPERATION AND DEVELOPMENT

Court	Males	Females
Montagu	11	20
Ceres	99	228
Bonnievale	3	5
Robertson	25	40
Wolseley	13	38
Tulhagh	31	35
Springbok	35	51
Port Nolloth	16	31
Garies	3	7
Paarl	468	1 122
Wellington	62	137
Malmesbury	170	84
Vredenburg	48	28
Hopefield	10	13
Piketberg	45	20
Laarplek	0	13
Clanwilliam	11	28
Calvinia	2	1
Van Rhyndorp	6	3
Vredendal	7	4
Worcester	177	68
Laingsburg	0	45
Touwsrivier	1	41
Rawsonville	20	21
De Doorns	44	49
Hermanus	67	23
Grabouw	41	76
Bredasdorp	10	2
Caledon	52	74
Stellenbosch	497	264
Strand	506	238
Somerset-West	162	129
Peninsula	4 700	4 693

7 342

7 631

186

Reference books/influx control  
21/6/83 R. C. 1610  
945 Mr K M ANDREW asked the Minister of Co-operation and Development

How many of the (a) 7 342 Black males and (b) 7 631 Black females in the Western Cape charged with offences relating to reference books and influx control as referred to in his reply to Question No 26 on 18 February 1983 appeared in each specified court in 1982?

what steps and (b) in terms of what statutory provisions,

- (3) whether the consortium consulted the Board prior to purchasing this shareholding, if so, with what results;
- (4) whether he will furnish the House with the names of the (a) consortium and (b) company in question;
- (5) whether he will make a statement on the matter?

†The MINISTER OF INDUSTRIES,  
COMMERCE AND TOURISM

(1) The Competition Board made a preliminary investigation into the acquisition by a consortium consisting of Liberty Life Association of Africa Limited, Johannesburg Consolidated Investment Company and Anglo-American Corporation of South Africa Limited, of the majority interest of British Food of the United Kingdom in the Premier Group Limited. This investigation was made because in terms of section 6 of the Maintenance and Promotion of Competition Act, 1979 (Act 96 of 1979), the board has to consult with any interested party to a proposed acquisition at the latter's request

(2) No The Board is of the opinion that, on the basis of the facts and information supplied by the consortium no circumstances exist which indicate that the acquisition is against the public interest

(3) Yes with the result as explained in (2)

(4) The names have already been furnished in the reply to (1)

(5) No

Sale of shareholding in company

\*5 Mr G S BARTLETT asked the Minister of Finance

(1) Whether the exchange control auth-

*Hansen*  
Competition Board 22/6/83  
Q Col. 16/9 -1622  
\*4 Mr G S BARTLETT asked the Minister of Industries, Commerce and Tourism

(1) Whether the Competition Board has investigated or intends to investigate the recent purchase by a consortium of a majority shareholding in a company the name of which has been furnished to the Minister's Department for the purposes of his reply, if not, why not, if so, why.

(2) whether the said Board has taken or intends taking steps in regard to the matter, if not, why not, if so, (a)

orties (a) were required to be consulted and (b) were consulted by the parties in a recent transaction involving the sale of a shareholding in a company the name of which has been furnished to the Minister's Department for the purpose of his reply, if not, why not, if so, (i) why and (ii) what was the nature of these consultations.

(2) whether any sums of money (a) have left and (b) are expected to leave the Republic as a result of this transaction, if so, what sums of money in each case.

(3) whether he will furnish the House with the names of the companies involved in this transaction?

The DEPUTY MINISTER OF FINANCE

(1) (a) In his announcement of 5 February 1983 the Minister of Finance stated that "with effect from 7 February 1983 exchange control over non-residents will accordingly be abolished. This implies the disappearance of the 'financial rand' and of the dual exchange rate system as it has existed in one form or another since exchange control over non-residents was first introduced in South Africa in 1961. In future the local proceeds of sales of quoted and unquoted South African securities, real estate and other equity investments held by non-residents will no longer be designated 'financial rand', but will be freely transferable from South Africa through normal banking channels at the ruling unitary rate of exchange for the rand. Such proceeds may also be freely used in the Rand Monetary Area by non-residents for investment or other purposes."

In the case in question the prior approval of the Reserve Bank was thus not a prerequisite

(b) The South African group of buyers as a matter of courtesy fully informed exchange control of the transaction

(2) According to press reports an amount of R337 million is payable by the South African consortium in respect of a 52 per cent shareholding in the Premier Group. Payment of the purchase consideration will be effected in tranches over a period of six months

(3) The South African group of buyers comprised Liberty Life Association of Africa Limited, Johannesburg Consolidated Investment Company Limited, and Anglo-American Corporation of South Africa Limited



## ICS/TIGER-SUGAR Control lines

186  
Fm 24/6/83

The scrip shortage on the JSE highlighted by the Prudential and Stanprop listings will be eased — at least in part — by rights issues planned for the near future.

The first, for R40m, will be made by the Barlow Rand subsidiary Imperial Cold Storage (*Fox*, May 20) which needs funds both for continued development as well as to tide it over a difficult trading period. Closely linked to the ICS issue, Tiger-Sugar will also be turning to the market for R80m to buy control of ICS and to follow its new subsidiary's issue.

The R40m ICS issue of automatically convertible prefs will, according to merchant bank Union Acceptances, finance the repayment of loans in addition to renewing

and increasing the company's asset base. The expansion programme has been in progress since 1980 and will probably be concluded in 1986. At the end of March, ICS's long-term loans totalled R58m against R44m at the end of September 1982.

Additional equity is seen as being more appropriate to the needs of ICS. The idea is that the R40m will be used to clear short-term borrowings immediately. In the medium-term ICS will continue to improve its asset base through newly acquired debt. Clearly ICS is attempting to increase profitability both in the short and long term, for to cut debt will reduce heavy finance charges assuming continuation of high interest rates. And the improvement of its assets in time for the next economic upswing will also bring in rewards.

As yet it is too early to speculate on how well the issue will be taken up by present shareholders as this will be determined largely by both the issue and conversion prices. But in the current scrip-starved market the take-up could be substantial. From ICS's viewpoint the timing is correct.

The pitching price will reflect the market's present feeling of well-being. And the issue should be made before rising interest rates add to the company's debt servicing burden or push share prices back. There is, then, a certain urgency about the equity raising.

ICS has 26,9m ordinary shares in issue at present in addition to 500 000 5,5% cum prefs of R2 each. Its market capitalisation is almost R110m, so the new issue will represent a major increase in the equity base.

### Paper Tiger

The second issue of paper comes from Tiger-Sugar, which needs about R75m to follow the ICS rights issue (R20,3m) and to buy 50,7% of the ICS equity from CG Smith and Tiger Oats. Despite the fact that control of ICS has changed, Tiger-Sugar apparently sees no need to make a comparable offer to ICS's minorities. There is neither a moral nor legal duty to do so, according to Tiger-Sugar. The issue has already been cleared by the JSE. Everything is being kept in the greater Barlow family.

The switch in control of ICS represents a R54,6m deal based on a share price of 400c for ICS against the current price of 368c.

With the effective date of the transaction being April 1, CG Smith will sell its 8,3m ICS shares representing 31% of the equity for R33,4m to its 95%-owned subsidiary Tiger-Sugar. Concurrently, Tiger-Oats will sell its 5,3m shares totalling 19,7% of the issued shares for R21,2m to its parent Tiger-Sugar.

With CG Smith holding 95% of Tiger-Sugar and probably increasing that holding after an offer to purchase minority interests, it will have to fund virtually the entire Tiger-Sugar issue itself. From a private investor's point of view this will leave insufficient scrip in the hands of the public to create a realistic market. To overcome

186 Fm 24/6/83  
this, CG Smith will not take up its rights and will end up with only some 80% of Tiger Sugar.

Apparently, CG Smith will not sell the rights on the market but will renounce them in favour of its own shareholders, including parent Barlow Rand. There will be no slackening of the control lines of the group's food division.

Maurice Withers

ICS ... warming to a rights issue

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# ABF sees <sup>186</sup> pressure on <sup>204</sup> Premier <sup>27/6/83</sup>

By NEIL BEHRMANN

LONDON. — The Premier group's profit margins will come under pressure in future years, according to Mr Gary Weston, chairman of Associated British Foods.

Mr Weston gave more details at ABF's annual meeting of why it had sold its 52% stake in Premier

He said "Premier's profitability on its existing assets has already come close to achieving a maximum rate of return. With relatively low labour costs and well written-down assets Premier's margins of today will, I believe, become increasingly difficult to maintain in the immediate years ahead as they come to carry the depreciation and financing costs of new plant and machinery purchased at today's prices"

To achieve further profit potential the company must manufacture and distribute a "greater volume of products"

"This in turn must involve the company in a commitment to a period of sustained and heavy capital expenditure, plus additional large sums to finance working cap-

ital, and this at a time of continuing inflation and high interest rates

"During the past two years total borrowings for Premier have risen by nearly 94% from R140-million to R272-million. The company has already reached a point where total borrowings are greater than the net worth of its shareholders' funds

"At the same time, the rate of profit growth has slowed and continues to slow as the South African economy faces up to a period of major readjustment."

Mr Weston said that major investment decisions "are best made by investors in South Africa itself, who are not subject to the additional hazard of exchange control, taxation agreements, currency realignment and potential political pressures"

"These would have been additional risks for our shareholders were we to have considered committing further large sums of money for the longer term in South Africa

"It is our view that the price of R25 per share fully values our investment in Premier, considering the shares were selling at a low of R10,25 in the past 18 months."

Premier's contribution to ABF's net profits had fallen from 26% 10 years ago to 18,6%

"Net profit contributions from our other overseas divisions over the same period of time have remained at 23% of total earnings."

The proceeds of £200-million from the sale would "not burn a hole in our pocket" and "with the current low rates of inflation are capable of earning real rates of return until needed for a worthwhile long-term investment".

"I believe that there is a good time to sell and a good time to buy"

"In regard to our South African subsidiary it was the time to sell. We don't feel that it is necessarily an equally good time to invest our money in a new acquisition"



Sowetan  
E Rand  
78/6/83  
Workers  
down  
tools

ABOUT 300 workers at T W Beckett and company in Isando yesterday downed tools in solidarity with two fired colleagues while about 500 others were involved in a sit-in at Dunswart Iron and Steel in Benoni last week.

According to one of the workers at T W Beckett, they decided to down tools after their colleagues were fired for alleged poor work performance. All the workers at the company were members of the Sweet Fruit and Allied Workers Union (SFAWU).

A spokesman for the company told The SO-WETAN negotiations between management and worker representatives were still in progress. The company would issue a statement today.

At Dunswart Iron and Steel Limited, a worker said approximately 500 workers staged a sit-in on Thursday and Friday last week. This was in protest against the retrenchment of 132 of their colleagues, the freezing of wage increases from July 1 to October 1, and dissatisfaction with the company's liaison committee.

He said they were represented by two unions since some of the workers are members of the Metal and Allied Workers Union (MAWU) while others belong to the South African Boilermakers' Society.



# 'R26-m bread mistake'

Parliamentary Staff

THE official Opposition in the Assembly has called for an investigation of the bread subsidy system

The move follows disclosures about an "inexplicable" error which resulted in unauthorised expenditure of nearly R14-million by the Department of Agriculture

A Government explanation that the mistake was caused by "technical reasons" was described by Mr Andrew Savage (PFP Walmer) as "entirely unsatisfactory"

Mr Harry Schwarz (PFP Yeoville), the chief Opposition spokesman on finance, said there had been an error involving R26-million and so far nobody had been able to explain how the error arose

Speaking in the second reading debate on the Finance Bill, he said it was now argued by the Gov-

ernment that in those circumstances the matter had to be ratified. But R26-million in terms of a bread subsidy meant many loaves of bread

"The whole system relating to the bread subsidy needs to be investigated because one cannot allow this kind of error," Mr Schwarz said

Mr Savage said that in March last year the Department of Agriculture had investigated "sudden indications" that there would be a substantial increase in bread sales

The department found that a R26-million cost over-run could be expected in the bread subsidy for the 1981/82 year, which had already elapsed. Payments of the subsidy were based on bread sales

Mr Savage said the department's accounting and statistical work was done on its own computer — one of the biggest



Mr Andrew Savage

in the country

The department "suspected" that the error happened in August, was carried forward in projections, and was not even picked up in November when statistics had to be furnished for the reviewed budget

Even by mid-February 1982 — at the end of the financial year — there was still no indication of excess expenditure

The Treasury had determined that the

amount had to be regarded as unauthorised expenditure. The department had managed to reduce it to R13-million after a "frantic search for any small change lying around"

Evidence before the parliamentary select committee on public accounts had indicated that there were certain difficulties inherent in estimating the amount of the bread subsidy

The explanation of the director-general of the department, Dr D W Immelman, was that an "inexplicable" error of calculation of about 10 percent had happened

"Perhaps the most extraordinary aspect of all is that we are told that the person who was working on the matter could unfortunately not be questioned because he had resigned early in December," Mr Savage said

"Now R26-million of public money has gone without a trace and we cannot get hold of an employee and ask some questions about it"

Mr Savage said nobody could be satisfied with the "grotesque" explanation which had been given

Mr George Bartlett (NRP Amanzimtoti) said the matter gave cause for "considerable concern" as the bread subsidy came from taxpayers' money and totalled about R90-million

Replying, the Minister of Finance, Mr O P R Horwood, said the matter of the bread subsidy had been thrashed out in the select committee and agreement had been reached

As far as he was concerned the matter had been dealt with satisfactorily. There had been overpayments and no irregularity

NRGWS 28/6/83

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# Millions of cans of fish sent back

186  
29/6/83 E. Post

PRETORIA — A large proportion of 24 million cans of fish was sent back to South America after it was found the fish was "spoilt" — and some fish tins could be contaminated by harmful bacteria

The discovery of the potentially "off" cans, contained in approximately 200 000 cartons, was made by the South African Bureau of Standards

Inspection by the SABS also revealed that some of the fish cans were incorrectly labelled, according to a Press release in Pretoria yesterday

The SABS is now considering a system whereby the names of all foreign fish-canning factories exporting to South Africa and complying with the country's stan-

dards will be listed

Dr J P du Plessis, head of the foods standards and inspection division of the SABS explained "The danger lay in the fact that the cans could be completely corroded, permitting the intrusion of harmful bacteria and thus rendering the contents unfit for human consumption"

The fish originated in Peru and was canned in Bolivian-manufactured cans

The SABS said the cans, mostly from the 1981 season, presented problems in that the contents broke down the varnish on the inside and reacted with the metal of the can. This caused the importers to examine all 200 000 cartons at the request of the SABS to detect the

defective cans

Last year harmful bacteria, which rendered the contents of canned American salmon unfit for human consumption, were encouraged when holes in the cans were caused by faulty seams, the SABS said

In one instance botulism led to the poisoning and death of a consumer in Europe. The death sparked off the worldwide withdrawal of that line of tinned salmon

Fish cans with a "blown" appearance were also found on the SA market

The SABS said the defect could be ascribed to the lack of vacuum in the cans which, because of subsequent bulging of the lid, led consumers to believe that the contents had become "blown" — Sapa



# FEDFOOD Hungrier look

Activities: Food group with interests in milling, fishing, snacks, frozen foods and industrial and edible oils  
Control: Federale Volksbeleggings has 62,3% of the equity.

Chairman: C J F Human, managing director. J D Louw.

Capital structure: 23,9m ords of 50c, 1,09m 14,5% convertible debts of R18  
Market capitalisation: R113m

Share market: Price 395c Yields 6,8% on dividend; 16,7% on earnings, PE ratio, 6,0, cover, 2,4 1982-1983 high, 585c, low, 265c Trading volume last quarter, 504 000 shares

## Financial: Year to March 31

	'80	'81	'82	'83
Debt				
Short-term (Rm)	26,8	30,7	71,7	63,9
Long-term (Rm)	17,5	26,0	28,2	48,2
Debt equity ratio	0,54	0,53	0,93	0,84
Shareholders' interest	0,48	0,47	0,38	0,45
Int & leasing cover	5,6	5,9	3,2	2,2
Debt cover	0,47	0,59	0,31	0,24

## Performance:

	'80	'81	'82	'83
Return on cap (%)	13,8	16,0	13,9	15,3
Turnover (Rm)	318	444	551	650
Pre-int profit (Rm)	23,5	36,0	39,3	45,1
Pre-int margin (%)	5,8	6,6	5,7	3,7
Earnings (c)	60,6	78,1	82,9	66,0
Dividends (c)	29	34	36	27
Net asset value (c)	368	409	424	447

In the past year, Fedfood has had to cope simultaneously with two main factors

Financial Mail July 1 1983

## FEDFOOD'S SANDWICH

	Turnover		Attributable Profit	
	1982	1982	1982	1983
	%			
Milling	47	48	44	63
Wholesale	25	25	14	21
Snacks	15	14	21	16
Frozen products	8	8	14	—
Fish	3	3	3	—
Other	2	2	4	—
	100	100	100	100

which periodically plague food companies — high raw materials costs and high interest rates. Neither is easily escapable. The very nature of food processing operations calls for amounts of debt capital which cannot simply or quickly be reduced. As such, company profits are hostage to interest rate shifts. Perhaps equally as important has been the sharp boost to raw materials costs due to the drought.

In the current year, the effects of these factors are unlikely to abate to any meaningful degree. Beyond this year, however, trading and financing conditions should improve with a marked effect on the group's profitability.

Last year's profits were not helped by the fact that two major divisions recorded losses. The fishing division — Marine Products — was hit by poor catches off our own coasts and off Chile. Coupled with the effect of higher interest rates, this pushed the division into a loss.

The same result came from the frozen foods division — Table Top. Its major expansion of the past couple of years has left it with a relatively high debt structure. This is hardly something to be pleased about when interest rates are rising and the contracting market for frozen foods is characterised by stiff price competition. Ironically, continuation of the drought should lead to greater demand for frozen vegetables, while the fishing division is dependent on filling its local pelagic quotas for a return to profitability.

Prolonged drought, too, is expected to lead to greater bread consumption in rural areas. That should help the baking operations which have been hit by lower sales following last year's substantial bread price increases. Management faces something of a dilemma. It reckons that controlled prices are too low and claims that this could result in demand outstripping capacity. Yet it does not like the sales downturns which result from price hikes.

The other grain processing operations are having to cope with a mixed bag of problems. Nola, which processes a whole range of grains, is worried about possible supply shortages this year, as is maize miller Fedpro.

Snack foods have held their own. The division increased market share and real sales and overcame the problem of higher raw materials costs.

Where all this leaves the group as a

Financial Mail July 1 1983

whole is another matter. The immediate outlook is not bright and the chances are that operating margins will be further squeezed during the current financial period. Against that there is the prospect that average interest rates will be lower than in the year just ended. Nevertheless, any real improvement in attributable profit will have to await 1984, when the group should be able to take advantage of the additional capacity it has installed.

This year is unlikely to see a higher dividend. Apart from the fact that earnings might well suffer another decline, management plans to hoist dividend cover to three times in the near future. At 395c, the share is a sound enough investment for those prepared to look beyond the present difficulties and who are happy with the normal relatively consistent growth available in the food sector.

Jim Jones



# Premier Biscuit to close

186

rom

5/7/03

By SIMON WILLSON  
Industrial Editor

**PREMIER Biscuit Company, the Premier Group's Springs-based biscuit manufacturer, is to close down on Friday after operating at a loss for the past 10 years.**

The Premier board decided to close Premier Biscuit as part of a rationalisation of its biscuit division Pyott and Homaco Biscuit 1981, the other components in the group's biscuit division, are not affected.

About 400 people are employed at the doomed company Premier's deputy managing director, Mr Peter Wrighton, said yesterday that places would be found within the group for as many of the staff as possible, and that generous terms would be extended to retrenched workers.

The Springs site of the biscuit plant is alongside that of another Premier company, Jabula Foods.

The company was given a new management team two years ago, and 10 years of losses seemed about to end when the Three Rings brand-name was successfully reintroduced at Christmas 1981.

The re-launch demand gave the company its first increase in sales volume in five years, but the financial results were disappointing and needed substantial improvement for the company to show an adequate return.

Recent Premier annual reports have foreshadowed the closure of the company with a succession of gloomy forecasts in the biscuit division.

Profitability last year was adversely affected by the delayed implementation of a selling price increase which was justified by additional costs of materials and labour.

Mr Wrighton said "The closure is more the result of an internal structural and financial problem than of any slump in demand for biscuits.

"It's a matter of economics. We tried to make a go of it, and we have possibly soldiered on in the biscuit business for much longer than we should have."

Premier Biscuit holds about 10% of the national biscuit market of about 32 000 tons a year.

Production of biscuits un-

der the Premier brand names Pyotts, Three Rings, Westons, Mosmarks and Homaco will continue at the Pyotts plant in Port Elizabeth and at Homaco — the small manufacturer of up-market "home-made" biscuits which Premier acquired in 1981 to penetrate the top end of the market.

Prospects are still not bright for the remainder of the group's biscuit division. Forecasts in the group's latest annual report said the current economic climate was expected to affect the consumption of biscuits adversely, preventing any reasonable return in the current year on the capital employed in the division.

*Some town* 7/7/83 (186)  
**Poison suspects**

BY ALINAH DUBE  
TWO employees of United Breweries in Ga-Rankuwa were yesterday rushed to the local hospital after suspected food poisoning.

Sources at the company said a man and a woman suffered severe stomach cramps and vomited after lunch. Some workers had earlier complained about the meat served in the canteen having gone

bad (186) (186)  
The manager at the company, Mr A Joubert, confirmed that two of his employees were taken to hospital but stressed he did not believe it was food poisoning. He said he did not know about any food complaints and declined to comment further.

The workers yesterday decided to boycott the canteen.

# Union threatens legal action over closing of factory

By Tony Davis, Labour Reporter

The Food, Beverage Workers Union has threatened to take immediate legal action against the Premier Group because of plans to close the Premier Biscuit factory in Springs tomorrow

About 400 workers are affected by the closure, which Premier says is the result of economic difficulties

The FBWU has a long-standing recognition agreement at the factory and has complained they were given notice of the shutdown only last week

At a meeting with senior Premier management this week, the union warned that workers had asked for assurances that all 400 would be relocated at other Premier firms. It also said all workers would refuse to collect any severance pay tomorrow until they were guaranteed alternate employment in the group

The union gave Premier until this afternoon to agree to the appointment of a committee to investigate the closure and retrenchments or face an urgent legal application, an FBWU statement said

The Premier Group's deputy chairman, Mr Peter Wrighton, said it was examining the union's complaints

The union statement also said it had been mandated to protect members' jobs and the attitude of management was not in keeping with public statements on labour issues by Premier's chairman, Mr Tony Bloom

Workers are being paid out one week's notice pay for every year of service



Sowetan 817183 7112

# Another food poisoning case

186 Sowetan

A THIRD person has been taken ill because of alleged food poisoning in the United Breweries canteen in Ga-Rankuwa.

Two employees had to undergo treatment at the local hospital after suffering severe tummy cramps. Workers complained about the meat served in the canteen and were yesterday on a food boycott.

One of the victims told The SOWETAN: "At first I thought I was suffering from a minor stomachache but became suspicious when another colleague who complained of the same symptoms started vomiting. I believe there was something wrong in the food we ate because we only experienced pains after lunch."

A white lady from the canteen company head offices in Pretoria said: "My company is not aware of complaints at any of our canteens," and then banged down the receiver.

(23) (186) (140A)  
ROM 8/7/83

# 400 Premier workers to lose jobs as plant closes

By ANTON HARBER

PREMIER BISCUITS has told 400 workers that they are to be retrenched because the company's East Rand plant is closing today.

And in a statement yesterday the Food and Beverage Workers' Union to which most of the workers belong accused the company of breaking one of the oldest agreements signed with a black union.

The union said it would take legal action if the company did not agree to form a joint committee to investigate the need for the closure and the retrenchments.

"The lofty ideals of Premier chairman Mr Tony Bloom appear not to be translated into reality by divisional executives in so far as members of this union are concerned," the statement said.

The union said its officials were told at a meeting last Wednesday that the plant was to close. Fifteen minutes later the workers were assembled for the announcement that production would cease today.

The union immediately demanded a meeting with the Biscuit Division of the Premier Group. A meeting was scheduled for Tuesday but was cancelled by management and rescheduled for Wednesday as a director could not be found for the meeting.

The company offered retrenchment pay of one week's wages for every year of service.

"It became apparent at the meeting that the board of directors saw the decision as an economic one and appeared not to have taken into

account the effect that the decision will have on 400 workers," the statement said.

At Wednesday's meeting workers demanded that they be kept on and said they would not accept their severance pay until their continued employment within the Premier Group had been guaranteed.

They asked that management give "a categorical guarantee" by yesterday to establish a joint committee to investigate the need for the closure and retrenchments.

The union would lodge an urgent application to the courts to protect their rights if there was no such guarantee, the statement said.

A spokesman for Premier Milling referred questions to Premier Biscuits whose spokesman could not be contacted last night.

186  
Sugar mills may close

JON BEVERLEY  
Financial Editor

MORE sugar mills may have to be closed, Mr Chris Saunders, chairman of the Tongaat-Hulett's Group, said yesterday.

Some weeks ago the group closed some of its mills in the Zululand area because of the drought.

About 2 000 workers at the Felixton, Darnall, Amatikulu and Empan-geni mills were laid off with the promise of 70 percent of their normal wages for the next six months

9/7/83  
A Hulett's spokesman said the group's other two mills, at Maidstone and Mount Edgecombe, might face similar cutbacks.

The milling season usually runs from April to December with a shut-down between January and March.

Mr Saunders said he expected the twin forces of drought and world recession would have a severe impact on the group, but forecast that earnings for the year should not fall by more than 20 percent of last year's 116,6 c a share



Star 11/7/83  
**Premier Group**

**meets union**

Labour Reporter

The management of the Premier Group met the Food, Beverage Workers' Union today to discuss the planned closure of Premier Biscuit in Springs and the retrenchment of 400 workers there

The union had said it would take legal action if Premier did not negotiate the closure and placement of the workers in other Premier firms

# 20 000 NEW JOBS AND A SAVING FOR THE TAXPAYER

JOB can be created in the homelands for considerably less than the cost incurred at present, thus saving the South African taxpayer millions of rands each year.

This is the view of industrialist Ernest Brivik

Finance Reporter who this week announced the formation of two companies, the Brivik Group and Interco Management Services (IMS), whose joint objective is to create 20 000 jobs for the emerging black

workforce in the independent and national states over the next four years. "Together with a Durban-based clothing manufacturer, we established our first shirt factory at Isithebe, KwaZulu, last November", said Mr Brivik.

"It cost R3 500 to create each job as against Government estimates of around R10 000. In less than intensive industrialisation, the Government estimates can run to R25 000 for each employment opportunity.

So the potential savings are enormous." The secret to the Brivik Group's success on its first of 30 projects now in the pipeline lay in making judicious use of Government concessions for

decentralisation as well as centralising recruitment, training, administration and other services. Just how effective the IMS operation has been can be gauged by looking at the Isithebe pilot

project. "We achieved 35 per cent efficiency in just two weeks training whereas the accepted norm is only 25 per cent and that's at the end of six weeks' training", said Mr Brivik.

184

187/183

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201  
12/7/83  
Premier  
agrees to  
probe by  
union

By ANTON HARBER

PREMIER Biscuits, who announced last week that their Springs plant would close and 400 workers would be retrenched, has agreed to let the Food and Beverage Workers Union study its books

The company has also agreed to pay the workers for another week while they hold talks with the union, a spokesman for FBWU said yesterday

The union, which is affiliated to the Council of Unions of SA (CUSA), has appointed an auditor to study the books for them

Last week the union said it would take legal action if the company did not agree to form a joint committee to investigate the need for the closure and the retrenchments

Union officials accused the company of breaking one of the oldest agreements signed with a black union by not negotiating the move

They are due to meet company officials this morning to discuss the retrenchments



Star 15/7/83

## Premier and union negotiate

Labour Reporter

Negotiations on the future of over 400 workers at Premier Biscuit factory in Springs continue

The factory was due to be shut down last Friday but protests by the Food, Beverage Workers Union over the workforce's future won a postponement

After meeting union officials, the company increased its pay-out offers to workers. Premier is also reportedly looking at the feasibility of re-training workers for jobs in other group companies

However, union officials are still unhappy and negotiations are expected to continue.

Shock *CAPE Times* 23/7/83

# new SA business shake-up

By GORDON KLING

**D R A M A T I C** changes in the management of one of the biggest conglomerates in the Republic, the R2,5-billion South African Breweries group, yesterday set the scene for a battle for control of the vast Southern Sun Hotel chain.

The development could also have major implications for the retail sector of the economy in general.

SAB's group managing director, Mr Dick Goss, announced his early retirement at a board meeting in Johannesburg yesterday at which another SAB director, hotel magnate Mr Sol Kerzner also tendered his resignation.

Both moves come less than two months after control of the huge consumer-goods empire was effectively gained by another major trading company Premier Milling.

Intense speculation in financial circles yesterday had it that a bid for control of Southern Sun by managing director Mr Kerzner, backed by the immense resources of the Old Mutual empire, was behind his shock resignation.

Mr Goss and other senior executives of SAB were reported to have been on the verge of resignation following the Premier deal an-



Mr Dick Goss



Mr Sol Kerzner

der sheared off in heavy seas. Her mayday calls were picked up by other vessels who relayed their pleas for help to the South African Navy. A South African Air Force Albatross was sent to locate the trawler which last night was being battered by heavy seas.

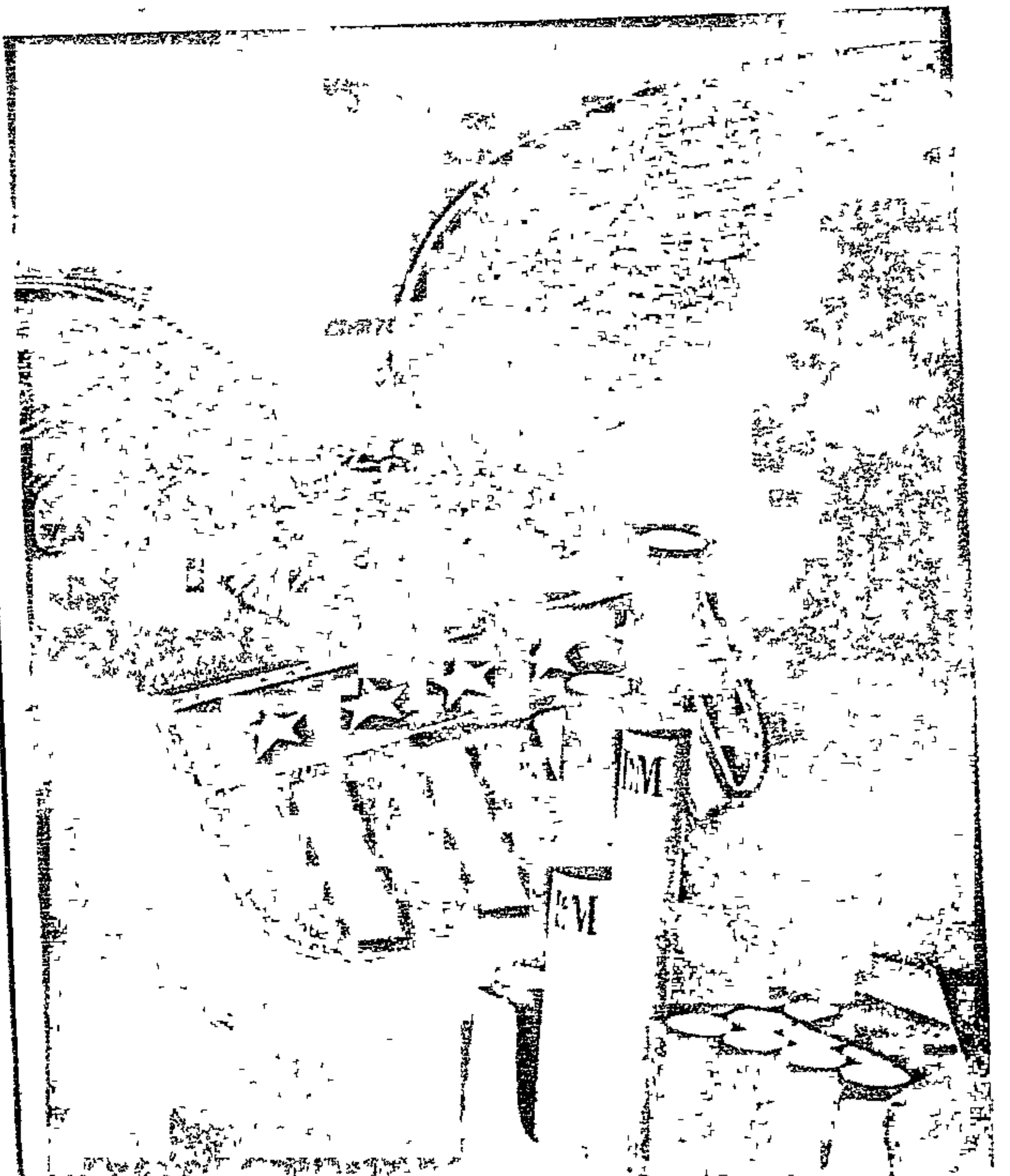
Three of the crew members who were brought to safety spoke of their ordeal. The cook, Lin Weu Chang, said in broken English that no-one aboard was seriously injured, but that the ship was almost completely submerged.

The three, and a deaf and dumb teenager, were later brought to Port Elizabeth while six more rescued by the second helicopter were flown to Mossel Bay.

At 6pm the Kuswag III was only 36 sea miles away from the trawler but because of the howling winds and mountainous seas it was estimated that it would not reach the stricken ship till late last night.

## Feature

READ the special feature on a new, go-ahead contracting company in today's Cape Times.





Cape Times 23/7/83

Handwritten scribbles and numbers (86)

# on speech zles PFP

had spoken to Dr Paton himself

Dr Paton, famous for his novel "Cry the Beloved Country", is reported to have told children at Woodmead School that South Africa was changing for the better because the government was trying to dismount from a dangerous political course

He said the government was like a weak rider trying to dismount from a strong and dangerous tiger, but that it was as dangerous to get off the tiger as it was to ride it. The tiger was rising black nationalism

"Those people who expect our politicians to get off the tiger immediately and say 'I love you tiger' and 'I am going to have one country with you tiger' are asking for the moon," Dr Paton said

The government was trying to do an "impossible thing" by making a constitution for "getting

off a tiger".

Politicians were doing this for the security of their community, the desire to remain part of Western democracy, and to satisfy a conscience that was less able to tolerate the "wholesale decay in the rule of law"

He was not betraying his past and his friends by saying the country was changing for the better, he said

Most of all, he blamed the former prime minister, Mr John Vorster, for "the great harm that he did to my country and its peoples".

Dr Paton endorsed the school's belief that South Africa's problems would not be solved until different races learned to accept, understand and appreciate each other as members of one nation

### Universal suffrage

These were "dreams of a world that has never been attained," but it was often by dreaming for the unattainable that people achieved anything at all, he said

Dr Paton, who said he would have been prepared to pay the penalty of death for his vision of universal suffrage in a unitary society, told pupils that their vision of an undivided country would lead some of them to devote their whole lives to building a better and more just society

"One reaches the point when, if the government says to you, 'You must stop being the kind of person you are or you are going to die', you must say 'I would rather die than become the kind of person you want me to be'"

nounced on May 27 which saw a consortium consisting of Anglo American Corporation Johannesburg Consolidated Investment Company, better known as Johnnies or JCI, and Liberty Life Association of Africa purchase the 52 percent of Premier held by its British parent company

In terms of the deal, Premier gained effective control of SAB through the purchase of a 34 percent stake from the consortium in return for new shares in itself issued to the consortium

Mr Goss, tipped as successor to SAB chairman Mr Frans Cronje before the Premier deal which market speculation maintains pulled the carpet from under him, has confirmed that he believed there were "huge and serious problems having a major trading company holding a major interest in SAB"

### 'No harm'

The government, however, allowed the deal to go ahead after an investigation by the Competition Board found it would not harm the public interest

SAB is by far the largest consumer trading operation in the country, with holdings including its near-monopoly beer division, OK Bazaars, Edgars Stores, the Southern Sun hotel and time-sharing enterprise, and the Amrel retail furniture operation

The Premier Group is a huge miller, manufacturer and distributor of food products and has extensive outside interests, including books and records through Gallo and other subsidiaries

In an interview, Mr Goss said "it is in the best interests of the everyone" to resign after 16 years at SAB's helm

because his total commitment to the job had begun to weaken

### Had not lost

Premier's purchase "did nothing more than to precipitate more careful thought about my future"

He had not decided what he was going to do but was confident he would get back into "SA's exciting business world" He had not lost financially through the separation

SAB's new group MD, Mr Meyer Kahn, told the Cape Times from Johannesburg yesterday that Mr Goss's early retirement "was met with great regret by all of us on the board"

He rejected speculation that the decision had been prompted by the possibility that the Premier Group and its chairman, Mr Tony Bloom, could now be seen as having moved from being a competitor to having a major direct hand in the management of SAB

Mr Bloom was appointed to the SAB board yesterday

### 'Pure ethics'

Mr Kahn said Mr Kerzner had to resign out of "total pure and clean ethics" which demanded that he should not sit on the SAB board while it was deliberating a bid for a purchase by him of its shares in the hotel group

SAB holds about 70 percent of the R330-million Southern Sun hotel due to open in the City-centre in October, while Mr Kerzner is estimated already to hold about 12.5 percent

Mr Kerzner said yesterday "I obviously have confidence in the Southern Suns group and I want a bigger stake in the business" He would not disclose the extent to which he hoped to increase his holding

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## ert to speak

ical Correspondent

Opposition, Dr Van Zyl Slabbert the government's constitutional public meeting in Sea Point on Monday

of three Peninsula meetings Dr Slabbert as part of the Progressive campaign to inform the public of the dangers of the govern-

at Monday night's meeting in the Joint Civic Centre will be the PFP Parliament and of the Provincial two constituencies

John Eglin, who will speak on rent control, Mr Tian van der Merwe, opposition leader in the Provincial Dr John Sonnenberg

meetings Dr Slabbert is to address at Debonbosch Town Hall on August 1 and at Remont Civic Centre on August 9

## APOLOGY

the TV publicity on July 14th in "Uit en Tuis" about and his famous boerewors, Morris apologises to all from near and far and could not be supplied. any inconvenience, but please come and sample delicious boerewors at our daily tasting session between 12 noon and 2pm

## Alleged robber shot dead

Crime Reporter

A MAN was shot dead during an alleged robbery attempt on an off-duty police sergeant in Lenton Road, Bishop Lavis, last night.

A police liaison officer for the Western Cape, Captain Jan Calitz, said Sergeant J R Pietersen, had been confronted by two men while he was walking home about 9 45pm "They threatened him with knives and went through his pockets"

The men, both in their early 20s allegedly then tried to take Sergeant Pietersen's privately-owned car. This pulled away

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2/8/83 (186) (232) RDM

# Biscuit monopoly as Premier sells to Bakers

By PAT SIDLEY  
Consumer Mail

PREMIER GROUP has sold its biscuit manufacturing division to the Durban-based Anglo-Transvaal subsidiary, Bakers Ltd, ensuring a virtual biscuit monopoly for Bakers

The deal was approved by the Competitions Board, but yesterday it declined to comment on the transaction. However a spokesman for Premier said the deal had been approved by the board.

Brand names which will disappear from the Premier fold are Pyotts (the factory had already closed with the loss of 400 jobs), Three Rings, Westerns, Mosmarks and Homaco.

Retailers estimate that Bakers will now control about 90% of the industry. Premier estimated that it had previously had about 15%.

About 40 000 tons of biscuits were manufactured in 1982 in South Africa with a value of at least R100-million. About 35 000 tons of flour are used in the manufacture of biscuits annually.

In the six months to the end of December 1982, Bakers made a profit after tax of R4 763 000 and their turnover in that six-

month period was as high as R84-million. Confirming the sale yesterday, Mr Peter Wrighton of Premier would not reveal the value of the deal. He said shareholders would be informed "in due course".

He said the division had been sold to save the remaining (600-odd) jobs in the factories as the division had for some years been losing money. About 400 jobs had been lost when Premier closed its Springs plant earlier this year.

The 1983 annual report of the Premier Group said "The losses in this division have been gradually reduced over the past three years. Profitability was however adversely affected by the delayed implementation of a selling price increase which was justified by additional costs of materials and labour."

Ms Peta Lomborg, spokesman for a major supermarket chain, said last night she was "horrified by this further example of concentration in the food industry. It will inevitably lead to increased prices through lack of competition."

"We would like to hear the explanation of the Competitions Board as to how they could allow this concentration to take place," she added.

## Witness describes shooting

Court Reporter

A POLICE detective who shot dead a burglar while the man was crawling through the bathroom window, pleaded not guilty to a charge of murder in the Rand Supreme Court yesterday.

Mr Christiaan Dydelief van Jaarsveld, 46, of Kempton Park, appeared before Mr Justice T T Spoelstra charged with murdering Mr Kombula Mafiri at Birch Acres on February 2, 1982.

Miss M Spinks testified she saw two black men prowl about an empty neighbouring

house. When they opened a bathroom window and one of them entered the house, she called the police.

Shortly after Mr Van Jaarsveld came around the back of the house and positioned himself behind a wall.

Miss Spinks said she saw Mr Mafiri peep out of the bathroom window and start crawling out. Mr Van Jaarsveld fired three shots when Mr Mafiri's head and shoulders were showing.

She said Mr Van Jaarsveld did not give Mr Mafiri, who was unarmed, any warning

before firing. Mr Mafiri fell back into the house after the third shot.

Mr Van Jaarsveld told the court in his defence that he shouted at Mr Mafiri and fired a warning shot when his head appeared in the window.

It seemed to him that Mr Mafiri was armed and he feared for his life. He then fired two shots. He later ascertained Mr Mafiri was not armed, but had a camera in his hand.

The hearing continues today.

## Private funeral for actor David Niven

Mail Correspondent

GENEVA — A private funeral service will be held for actor David Niven this afternoon at the small Anglican church he attended near his Swiss Alpine chalet, a family friend said.

Niven, who was 73, died early on Friday after months of suffering from a rare muscle-wasting illness.

The friend said the service would be taken by Scottish Pastor Arnot Morrison, a close friend of Niven's.

"It will be for his close friends and family — Niven was a very private man and the service will be in keeping with his wishes," the friend said.

Violinist Yehudi Menuhin said he and seven of his students would play the Andante

from Mendelssohn's string octet at the service.

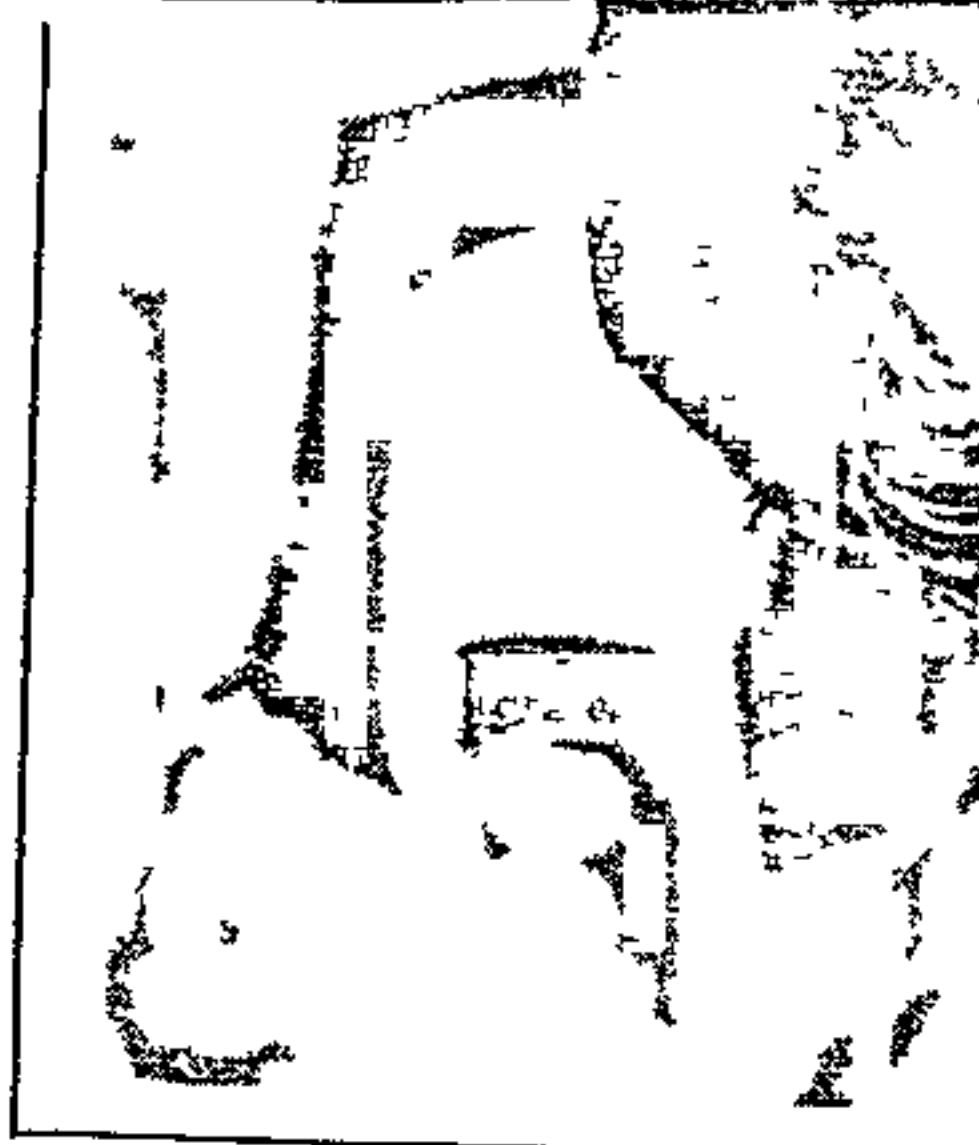
"I admired him enormously — he was an incredibly courageous man and talented artist and author," Menuhin said.

Earlier Niven's family said they would hold the service in a bigger church, but then decided against this.

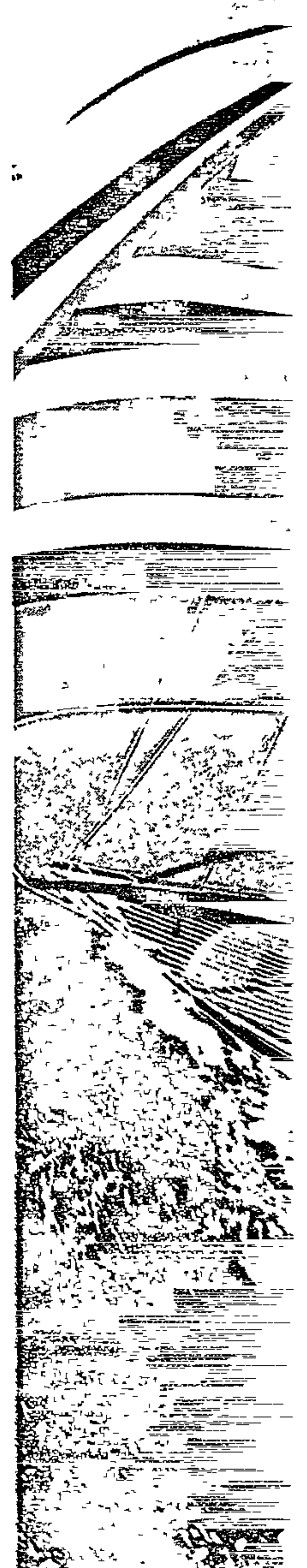
"They wanted to have it in the church Niven knew and where his two daughters were christened," the family friend said.

Niven's two sons by his first marriage arrived over the weekend from the United States to join his Swedish widow, Hjordis, and her two adopted daughters.

Memorial services are also planned in London and Hollywood later this year.



### WHATSITSNAME



# Food company suspends 10 after incident

By CLAIRE

PICKARD-CAMBRIDGE

TEN workers at ICS Foods in the Markman Township of Port Elizabeth were suspended from work after an incident between management and workers at the deboning department yesterday.

Mr Michael Tofile, vice-chairman of the members group of the General Workers Union at the factory, said the incident arose after workers were told they could go off duty when they had finished offloading cartons.

The foreman, Mr Brian Smith, reportedly reversed his decision after workers had done this and said they had to move more heavy cartons into the coldroom.

Mr Tofile said workers had refused to do this because the three pallets, with 40 cartons on each, were too heavy to move and the job was normally done by forklift trucks.

He said the workers were "willing to work, but could not perform a duty needing the power of a machine".

Secondly, the personnel manager of the deboning department, Mr Terry Kelly, had refused to communicate with the shop steward and would not let him discuss the issue with management.

He said Mr Kelly had given management the "unfair suspicion" that workers were on strike.

"We are not trying to squeeze the management, but just want a good working relationship with them."

Mr Tofile said they had not taken the issue to the General Workers Union as they hoped to discuss it with the manager who returned on Monday.

Mr Kelly said he did not wish to comment until the manager returned.

The assistant manager, Mr George van der Merwe, also declined to comment.

~~186~~ 186  
**Sugar  
trade  
unions**  
March 9, 1963

THE Industrial Council of the Sugar Manufacturing and Refining industry decided to amend its constitution to provide for representation for trade unions based on their numerical strengths

The decision was taken at a meeting last week in Durban

In the past, each union in the council was represented by one delegate. The amendment provides for representation to be based on one delegate for every 1 000 members or part thereof

This will result in the National Sugar and Refining and Allied Industries (NSRAI), employees' union having six delegates in the council with the remaining five unions each having one delegate

The NSRAI union represents the majority of black workers in the sugar manufacturing and refining industry



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The Star Thursday August 11 1983

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Labour Reporter

## Loser dissatisfied after union battle

The Food Beverage Workers' Union (FBWU) this week won a struggle for union dominance in the Springs process food division of Irvin and Johnson.

Intense inter-union rivalry between the Cusa-affiliated FBWU and Fosatu's Sweet Food and Allied Workers' Union (SFAWU) led to a verification exercise being held on August 9 to determine the representativeness of both unions.

The outcome of the exercise, based on signed stop orders, revealed 52.77 percent support for the FBWU and 37.4 support for the SFAWU.

At a meeting with the two unions before the exercise, I & J management

emphasised that, while they agreed with freedom of association and collective bargaining, they were prepared to recognise only one union on site. It was for the workers to decide which union should represent them, the group's industrial relations officer, Mr T Brodrick, said yesterday.

The meeting was also told that the rivalry between the two unions was disturbing to both the workers and the company and it was proposed that the loser in the verification exercise should bow out gracefully. Only

one union agreed to this proposal.

Mr Brodrick said that the outcome of the verification exercise was rejected by the SFAWU representatives who alleged that some workers had been victimised and forced to sign FBWU stop orders. They then requested that a referendum be held among the workers.

Neither the FBWU nor management accepted the proposal as the SFAWU had initially rejected a proposal for a referendum in favour of a verification exercise.

# Stop order test in battle for workers

Labour Correspondent

A BATTLE over recruiting at Irvin and Johnson's Springs plant between unions in the food industry affiliated to the Federation of SA Unions (FOSATU) and the Council of Unions of SA (CUSA) has ended in victory for the CUSA union, according to both it and the company

But the FOSATU union disputes this and says it will make fresh attempts to demonstrate that it has majority support

These claims follow a recruiting war in which FOSATU's Sweet, Food and Allied Workers' Union was accused of "poaching" members from CUSA's Food, Beverage Workers' Union, which is recognised at the plant. FOSATU has denied this, saying workers had approached it and asked it to recruit at the plant

On Tuesday I&J held a "verification" test to determine which union had majority support. The test was based on the number of "stop orders" workers had signed for each union, asking the company to deduct union dues on their behalf

According to a CUSA spokesman and a company statement issued yesterday,

the CUSA union submitted stop orders on behalf of 52,7% of the 450 or so workers at the plant and the FOSATU union on behalf of 37,4%

But a spokesman for the Sweet, Food and Allied Workers' Union, Mr Chris Dlamini, disputed the test's validity and alleged some workers had been "pressured" by foremen into signing stop orders on behalf of the CUSA union

He said his union had told the company it would approach it soon for a new test, but I&J's statement yesterday implied it would oppose this

The company said it told the unions before the test it was only prepared to recognise one of them at the plant and suggested that the loser "bow out gracefully"

Mr Dlamini claimed that before the test, Sweet, Food had submitted 245 stop orders to the company, whereas Food, Beverage had submitted only 194

"Between then and the verification exercise, 94 workers who had signed our stop orders took out Food, Beverage stop orders

"We have evidence they were pressurised into doing so," he said

# Firm invests R13m in Ciskei

August 1983  
D. Dispatch

**EAST LONDON** — International Power Marketing (IPM), a group of diversified companies, has announced a phased R13-million development programme for the manufacture of stainless steel non-stick cookware, cutlery and domestic appliances in Ciskei.

The company says this makes it one of the biggest investors in the area with an investment, in conjunction with its partners, of R9 million. The new development, expected to be completed in the first half of next year, will provide an estimated 1 000 additional jobs.

Through its subsidiary, Supa Foods, IPM recently established a food processing company in Ciskei with an investment of more than R3,5 million. The factory supplies bulk frozen foods to mining houses and institutions on the Reef. It also has an ice-producing plant and is shortly to start production of smoked salmon.

The company also announced yesterday that, as part of a Ciskei-based social responsibility programme, it would donate 1,3 million meals to the Ciskei Government. During the course of the next 18 months, the meals would be distributed to children and the aged through clinics by the Ministry of Health. The meals, consisting of a frozen light stew, would be prepared under IPM supervision, the company said.

IPM will manufacture cookware and cutlery at Dimbaza in Ciskei in partnership with the Spanish domestic ware manufacturer, Magafesa.

The company's managing director, Mr Ray Hurwitz, met Ciskei officials yesterday in connection with the project.

IPM is a Johannesburg based group that has achieved a R75 million turnover since its establishment in 1975, and, through its subsidiary IMM, claims to be the largest direct sales company in South Africa —  
DDR



Cape Times 23/8/83

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# Drought knocks Kanhym — profits slashed 85,3%

By STEVE ELLIS

**JOHANNESBURG** — Earnings of drought-bedecked Kanhym Investments crashed 85,3 percent in the June half-year and the group has only a R1 389 000 deferred tax credit to thank for keeping it in the black.

Earnings a share slumped to 10c from 68,2c in the comparative 1982 half

## Vulnerability

Bottom-line profits totalled a paltry R1 223 000 (1982 half R8 272 000) during a period in which Kanhym's vulnerability to the rural sector was ruthlessly exposed by the drought.

Interim dividend has been passed and there is every indication that the final distribution will suffer the same fate. Last year, a 20c interim was paid which — together with a 40c final — made 60c for the year.

The result heralds the end to the hopes of the chairman, Mr Ted Pavitt, who earlier this year projected 1983 to be "a year of recovery" — a forecast voiced in the group's 1982 annual report.

Kanhym's profit plunge just goes to show that even when it doesn't rain, it pours — not only were its agricultural operations stricken by the drought but its coal interests were hampered by weak export markets.

Group turnover fell a marginal 1,3 percent to R526m (R532m) but deteriorating trading margins accelerated the decline at the pre-tax profit stage to 91,5 percent — down to R1 017 000 from R11 846 000.

## Tax credit

As mentioned, a R1 389 000 (R923 000 debit) deferred tax credit — before deducting a R656 000 (R1 610 000) current tax payment — enabled the group to stay in profit.

The directors say "Substantial mining and farming capital expenditure, together with reduced profits, substantially decreased the company's deferred tax liability".

Minorities took R527 000 (R1 041 000).

The disappointing performance is attributed to the drought, the economic downturn, and high interest rates.

Although volume sales of livestock and processed meat rose — the

group, in some cases, expanding market share — prices were lower and revenue thereby decreased.

The directors say the feedlot division suffered from lower cattle prices and higher processing costs but they add that the feedlot is now fully utilized with "reasonably priced" cattle and profitability has started to improve.

## Prospects

However, the fears Mr Pavitt expressed about the group's piggery operation in his 1982 annual review appear to have materialized and the short-term prospects of the division are not rosy.

"Kanhym has been placed in a position where it may not be able to realize a satisfactory return on its capital investment in pigs due to marketing controls introduced by the Meat Board."

Meat Board controls were imposed after the group committed itself to the industry.

"Although the group has the capacity to absorb all the pigs produced by its piggery in its own factories, the marketing controls of the Meat Board have severely limited our ability to market our full production of pigs."

The directors say the Meat Board restrictions are likely to lead to shortages in Kanhym's processing division while its farm has a surplus of pigs.

"Until this matter is re-

solved it is unlikely the piggery will contribute significantly to group profitability.

The piggery incurred an unquantified loss in the past six months.

On the crop farming side "Crop yields were small due to the very serious drought conditions. The total maize and potato crops have been harvested and all the losses arising from the drought have been brought to account in this period."

The directors say that satisfactory yields were returned from Kanhym's investment in the Eikeboom Colliery but, because the export market is contracting, second-half profits will be lower.

The capex programme at the Middelburg mine — in which the group has a 6,5 percent interest — is nearly finished and export sales began in June.

"Export coal prices are low and, until these improve, the profit contribution from this division will be small."

In conclusion, the directors say the group is well-placed to take advantage of any improvement in the economy but trading conditions in the second half of the year are expected to remain difficult.

"Under present conditions — with the continuing drought, rising interest rates and prevailing livestock prices — it is not possible to make a forecast for the balance of the year."



Mrs Margaret Essberger has been appointed a director of National Consultancy Services (Pty) Ltd.

## Gold at \$424,62

**LONDON** — Gold closed at \$424,25-\$425,00 compared with its close on Friday of \$417,50-\$418,25 and yesterday's opening \$421,75-\$422,25.

Dealers said the price was strengthened by the downtrend in the dollar and speculation over United States rates may have peaked, linked with Friday's \$500m drop in United States (M1) money supply. The conflict in Chad also remained a bullish factor for gold.

## Closing prices

(In \$ an ounce)

**LONDON:**

424,25-425,00

Fixing am: 421,25

Fixing pm: 421,75

**ZURICH:**

421,00-424,00

(421,20-424,00)

— Reuter

## Kruger rands

JSE Closing

	Buyers	Sellers	Sales
1 oz	544	—	542
1/2 oz	270	275	270
1/4 oz	14400	14500	14500
1/10 oz	6000	—	6000

## Cape Gold Coin Exchange

Buyers Sellers

1 oz	542 (542)	545 (543)
1/2 oz	248 (248)	278 (278)
1/4 oz	127 (127)	148 (148)
1/10 oz	51 (51)	61 (61)

## Gold & Hard Asset Exchange

Buyers Sellers

1 oz	541	541
1/2 oz	264	274
1/4 oz	238	147
1/10 oz	—	—

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## Sasol in takeover bid

By JOHN MULCAHY

**JOHANNESBURG** — The government is likely to allow Sasol to phase repayments of the loans from the State Oil Fund, which will reduce the immediate funding requirement for the Sasol II takeover to about R500m.

Sasol dipped to 470c on the Johannesburg Stock Exchange yesterday in the wake of confirmation that takeover of Sasol II was imminent.

The market last week speculated on a R500m rights issue, which pushed the Sasol price to 482c on Friday from a peak of 500c on Thursday. It was not possible yes-

terday to establish a date be raised from the public, at the current price of 470c a one-for-two issue would raise about R600m.

for details of the Sasol II takeover, but sources close to the company said a rights issue to raise about R500m would accompany the acquisition details. Of the total capital of R2 500m required for the development of Sasol II, about R490m was funded through export credits, another R100m came from equity contributions by the State and Sasol Ltd, and the balance of about R1 900m was borrowed from the State Oil Fund.

The State has a 30 percent interest in Sasol Ltd, with the general public, mainly through a spread of institutions, holds the remaining 70 percent. Assuming R500m is to

## Reserve Bank to launch R50 note

Own Correspondent

**JOHANNESBURG** — The Reserve Bank is soon to issue a R50 note — possibly to be followed at some stage by a whole new series of banknotes.

# 300 strike at Delmas plant

Jul 29/8/83

*[Handwritten signature]*

By Carolyn Dempster,  
Labour Reporter

186

The retrenchment of five workers at the Delmas Milling Company in Randfontein on Friday resulted in a work stoppage by 300 of the factory's 800 workers today

Mr P M Louw, managing director, said there was no union operative in the plant

Management intended talking to the workers, but the stoppage had not brought the factory to a standstill and the lorries were still going out

The Food Beverage Workers' Union, which claims representative membership at the milling plant, said today that among the five workers retrenched were two of the union's branch executive committee. The "retrenchments" appeared to be nothing more than victimisation.

The union, affiliated to the Council of Unions of South Africa, intends contacting management to seek the reinstatement of the retrenched workers.



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2078/83

## Workers on strike over dismissal of union leaders

Labour Correspondent

WORKERS at an East Rand milling company Delmas Milling downed tools yesterday, alleging that the company had "victimised" two leaders of the Food, Beverage Workers Union at the plant

By yesterday afternoon the strike was continuing. About 800 workers are employed at the plant, but it is not clear how many have joined the strike.

A union spokesman said yesterday that the strike had been prompted by the dismissal on Friday of two

members of the union's branch executive committee at the plant.

He said management had said the workers had been retrenched, but the strikers believed they had been "victimised".

Management comment could not be obtained yesterday, but it is understood that the company denies that the retrenchments were connected to union activities and says it is not aware that a union is active in the plant.

Talks between the company and union aimed at settling the strike were due yesterday.



# PE gets new R2.2m cold storage unit

186 Mercury 11/9/83

## Business Editor

A NEW R2.2-million storage unit to cope with an "enormous" increase in demand from the company's Port Elizabeth distribution depot has been commissioned by Irvin and Johnson

The expansion, already completed and occupied, provides the food processor and distributor with a five-fold increase in storage capacity

The project was approved last year when a revised forward planning exercise by the company's

Cape Town head office underlined the need for expanded premises, said a company spokesman today

Principal features of the expansion programme are

- A new chillroom with a capacity of 660 tons of merchandise (stored at a temperature of -25°C)

- A chillroom with a capacity of 106 tons (stored at 0°C)

The combined effect of the expansion programme is to raise I&J's storage capacity for over 600 products distributed from the local warehousing facility by 500%

According to the company spokesman the construction of the facility followed a novel method pio-

neered by I&J's project engineering division and which results in a 50% saving in construction costs over comparable conventional facilities

"It is the seventh of its type installed by I&J and consists of a container-sized, non-corrosive steel frame enclosed with alternating insulated and louvered panels and featuring internally-compounded ammonia compressors which are connected to an inter-cooler," explained the spokesman

"The net result is a 50% saving in construction costs, but energy costs would be roughly comparable"

The spokesman said the previous I&J facility had

been "bursting at the seams" for some time and the reason for the expansion was "clearly because the local market is growing at an enormous rate and with a better facility will come an even better turnover"

I&J's trawling division have now taken over the old dock facility

Architect for the project was a Cape Town firm, Chapman, Cohen, Versino and Associates, consulting engineers were Hill Kaplan Scott, the structural engineering work was conducted by Port Elizabeth firm A Mendonca, the quantity surveyor was S Burger, and the building contractor H Jorritsma

British economic

# Mill 'normal' after major strike ends

186 #3 RSM  
1/9/83

**Mill Reporter**

DELMAS MILLING, the West Rand firm hit by a major strike earlier this week, is back to normal after "constructive talks" with the Food and Beverage Workers' Union, a company spokesman said yesterday

The personnel manager Mr Charles Morlend said the work stoppage had ended and production was back to normal

"We had constructive talks with union officials and will be talking to them again at a further stage," he said.

"We believe we did not victimise in any way and we do

not agree with the report that we were unaware of the union's activities in our factory

"We had had talks with their officials once before and are in the process of recognising the union"

The spokesman for the union, which is affiliated to the Council of Unions of SA (CUSA) was not available for comment

On Monday 800 workers downed tools, alleging that the company had victimised two union leaders at the plant

The two were members of the union's branch executive committee at the firm

# FBWU and Maizecor conclude agreement

Star 12/9/83

Labour Reporter 186

After months of turbulent negotiations, the Food, Beverage Workers' Union has concluded a recognition agreement with Maizecor Industries in Silverton. The agreement, signed at the weekend, was heralded by union members as a singular achievement.

Conflicts between the union and management in the months preceding the signing of the agreement led to a number of work stoppages and the dismissal of several workers.

The agreement provides for a retrenchment procedure and includes a clause on alternative measures management should consider in the face of retrenchments.

FBWU spokesman, Mr Glen Mokwena, said among issues to be discussed further with management were a substantive health and safety agreement and an agreement on maternity leave.



Argus 13/7/85 (186) (187) (188)

# Hout Bay fish factory sacks 89

Labour Reporter

EIGHTY-NINE workers have been retrenched at Harvest Dawn, a fish-processing factory in Hout Bay

Mr W Visagie, financial manager of SA Sea Products, which has a major but not controlling share in Harvest Dawn, said 17

men and 72 women had been laid off

"This is about 63 percent of the workforce. We will try not to retrench any more workers, but there are very adverse market conditions for hake fillet at present," Mr Visagie said

The workers, all members of the Food and Canning Workers' Union, were guaranteed severance pay of one week for each year's service, said a union spokesman

The union had not been told whether additional workers would lose their jobs, he added

way into the causes of the explosion

Iscon's managing director Mr Floor Kotzee said the official finding would be announced as soon as it was available. In a statement issued in Pretoria he said unnecessary speculation before the facts were known would be inappropriate.

• The condition of three of the mineworkers injured in the explosion and being treated in the intensive care unit at the Rand Mutual Hospital in Johannesburg was described yesterday as 'critical'.

### Major burns

Five other men all treated in Ward 3 of the hospital also received major burns and of three of them it could be said that their burns were "very serious". Dr D Visser superintendent of the Rand Mutual Hospital in Johannesburg said yesterday.

Only two of the mineworkers flown to the hospital on Monday afternoon received minor burns. One man had a fractured skull and burns on his eyes and the other a fractured tibia. Mrs Vanessa Ward, nursing superintendent said.

Yesterday the hospital was still waiting on an official at the Hlobane Colliery to identify some of the men. Only a few of them were able to give their names.

Their names could not be made public as it is not known if their relatives have been informed yet. — Own Correspondent and Sapa

# Blast at Durban sweet factory

Own Correspondent

DURBAN — A bomb exploded against the outer brick wall of the Wilson Rowntree factory in Umbilo Road Durban about 7.45 last night.

Little damage was caused. Bricks from a low brick wall separating the factory from the pavement lay strewn across the road.

The blast shook buildings in the area and windows in nearby blocks of flats were broken, but no serious damage was reported.

No damage was done to the factory itself and no-one was hurt.

A loud bang was heard several kilometres away and people came from as far away as the city centre to see what had happened.

The pavement across the road from the blast was lined with curious spectators.

### Security police

Security police under command of Brigadier J R van den Hooven were soon on the scene. A section of the road was cordoned off and closed to traffic.

An explosives dog, Baxter, and his handler, Sergeant Andy Budke, were brought in. It is not yet known what the dog found.

A police mobile generator with powerful arc lights was brought in to illuminate the scene of the blast while members of the security police swept up debris to be taken away for analysis.

Mr James Scorgie, who lives at Hagan Court across the road from the scene of the explosion, said "I saw a blue flash through the window and then felt the shock of the blast."

"I went flying down the stairs and saw a white car pull casually away from the robot in the direction of the city."



A file picture of Mrs Monika Zumsteg-Telling whose decapitated and beheaded husband, Mr Michael Telling, 33, a member of Britain's richest families, was charged on Monday with her murder. His body was found in the garage of their home in West Wycombe and there was no body had been kept in a freezer. Mrs Telling's parents live in Santa

# UDF plans campaign against referendum

Own Correspondent

JOHANNESBURG — The United Democratic Front (UDF) is to hold a nationwide "people's weekend" of mass rallies, prayer services and vigils on the eve of the November 2 referendum.

Leaders of the UDF announced at a press conference yesterday a broad programme of action for their campaign against the proposed new constitution and the "Koornhof Bills".

The programme will culminate in "huge regional mass rallies calculated to reflect vibrant opposition to the new Constitution Act and the Black Local Authorities Act" they said in a statement.

### House-to-house

They have already launched a house-to-house campaign to educate people about the new constitution and to mobilize opposition.

lies and church services. Towards the end of October a special weekend of meetings and vigils would be organized.

National publicity secretary Mr Terror Lekota said the UDF will oppose "all processes which will be set in motion by this so called new deal".

### 'People's will'

The present minority government was seeking to force upon the people of South Africa a constitution not based on the will of the people, he said.

"We assert that an acceptable and truly democratic constitution can only be worked out in an atmosphere which is free of fear, mistrust and harassment of one section of the population by another."

That includes the release of all political prisoners, the unbanning of the banned and restricted and the release of all those who

and for all that they are determined to control their own destiny by doing all in their power to halt the current process of apartheid legislation.

The rest of the programme of action would be made known later.

"Obviously there are going to be shifts and changes by the Nationalists which will necessitate adjustment of our tactics," they said.

### 'Every person'

The Transvaal vice-president, the Rev Frank Chikane, said they hoped to reach every person in South Africa and to succeed in their goals.

National treasurer Mr Cas Saloojee declined to say whether they were calling on white supporters to boycott the referendum.

"We say we reject the constitutional proposals and all the processes that flow from it."

If necessary to the re



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Reply by PM on Roads

186  
Triomf

to act  
on AECI

By SIMON WILLSON  
Industrial Editor

DESPITE losing its court case against AECI, Sasol I and Sentrachem on Monday, Triomf Fertilizer is to take further legal action against AECI.

In a statement yesterday, Triomf chairman Mr. Louis Luyt said his company had no further case against Sasol I but would pursue further its claim against AECI.

The Rand Supreme Court ruled on Monday that Triomf Fertilizer, as a *de facto* party to a supply contract between Sasol and AECI, had no legal recourse.

Mr. Luyt had asked for an interdict to prevent Sasol from marketing fertilisers to its newest subsidiary, Sasol Fertilisers.

The judge found that the original papers before the court did not mention a tacit agreement between AECI and Triomf as alleged in paper filed later.

No mention was made of a tacit agreement in the founding affidavit, and yet Mr. Luyt's replying affidavit relied heavily on such an agreement, the judge found.

On the basis of this technicality, the judge rejected Triomf's application to lead oral evidence on the existence of the tacit agreement.

"Triomf argued that AECI had committed a breach of contract against Triomf. This dispute was rejected on a procedural point," Mr. Luyt said yesterday.

"The court did not give a ruling on the merit of Triomf's allegations in regard to AECI's breach of contract. Triomf intends to take further legal action against AECI."



~~2/17/83~~  
Bomb  
~~rocks~~ 186  
Durban  
Mercury  
sweet  
14/9/83  
factory

**Mercury Reporters**

A BOMB exploded against an outer brick wall of the Wilson-Rowntree sweet factory in Umbilo Road, Durban, last night

Little damage was caused, but bricks were strewn across the road.

The blast shook buildings in the area and windows in nearby blocks of flats were broken. No damage was done to the factory and no one was hurt

The loud bang was heard several kilometres away and dozens of people rushed to see what had happened. The pavement across the road from the blast was lined with curious spectators.

Security Police, under the command of Brig J R van den Hooven, were soon on the scene and a section of the road was cordoned off and closed to traffic

An explosives dog, Baxter, and his handler, Sgt Andy Budke, were called in

A police mobile generator with powerful arc lights lit up the scene while police swept up debris for analysis

Mr James Scorgie, who lives at Hagan Court across the road from the explosion, said 'I saw a blue flash through the window and then felt the shock of the blast

'I went downstairs and saw a white car pull casually away from the robot in the direction of the city.'

At the time of the blast people in the area had been watching a TV documentary on the dog school of the S A P, showing scenes of dogs sniffing out explosives

Wilson-Rowntree were the target of a country-wide boycott two years ago following the dismissal of 500 workers at their East London plant.

15/9/83 (186)  
**Enrich  
maize,  
urge ~~the~~  
doctors**

By HELENE ZAMPETAKIS  
DOCTORS have urged mill-  
ing industries not to delay in  
enriching maize following  
medical studies showing no  
"significant" taste difference  
between fortified and non-  
fortified maize meal

Results of studies on  
groups of black adults and  
adolescents conducted by Dr  
J Metz, director of the South  
African Institute for Medical  
Research, Dr A R P Walker,  
head of the Human Biochem-  
istry Research Unit with the  
SAIMR, and Dr B F Walker,  
of the same department,  
were revealed in the latest  
edition of the South African  
Medical Journal

Studies on 64 pupils and 24  
SAIMR employees showed  
there was no significant devi-  
ation in appearance or taste  
between enriched and non-  
fortified maize meal

But the partial or total re-  
moval of the bran portion of  
cereal grains during the re-  
finement process caused  
large losses of certain vita-  
mins and mineral salts

This was partially respon-  
sible for some deficiency  
diseases, including pellagra,  
beri-beri, flacid and skin and  
oral lesions, the doctors said

Enriching maize meal  
would be "beneficial" in alle-  
viating these diseases

THE size of the bread subsidy over the years has dramatically shifted the eating patterns of bread consumers, providing a direct link between the price of the bread and its consumption

It has changed most white bread eaters into brown bread eaters

Since bread is a basic and staple food for many of the poor — particularly the urban poor, its role in avoiding malnutrition could be crucial

In 1974-75, when the subsidy of R35 700 000 was split into R18 700 000 on white bread and R17-million on brown about 738-million white loaves were sold and 378-million brown loaves were sold. In those days the price of a loaf of white was 20c and loaf of brown was 16c.

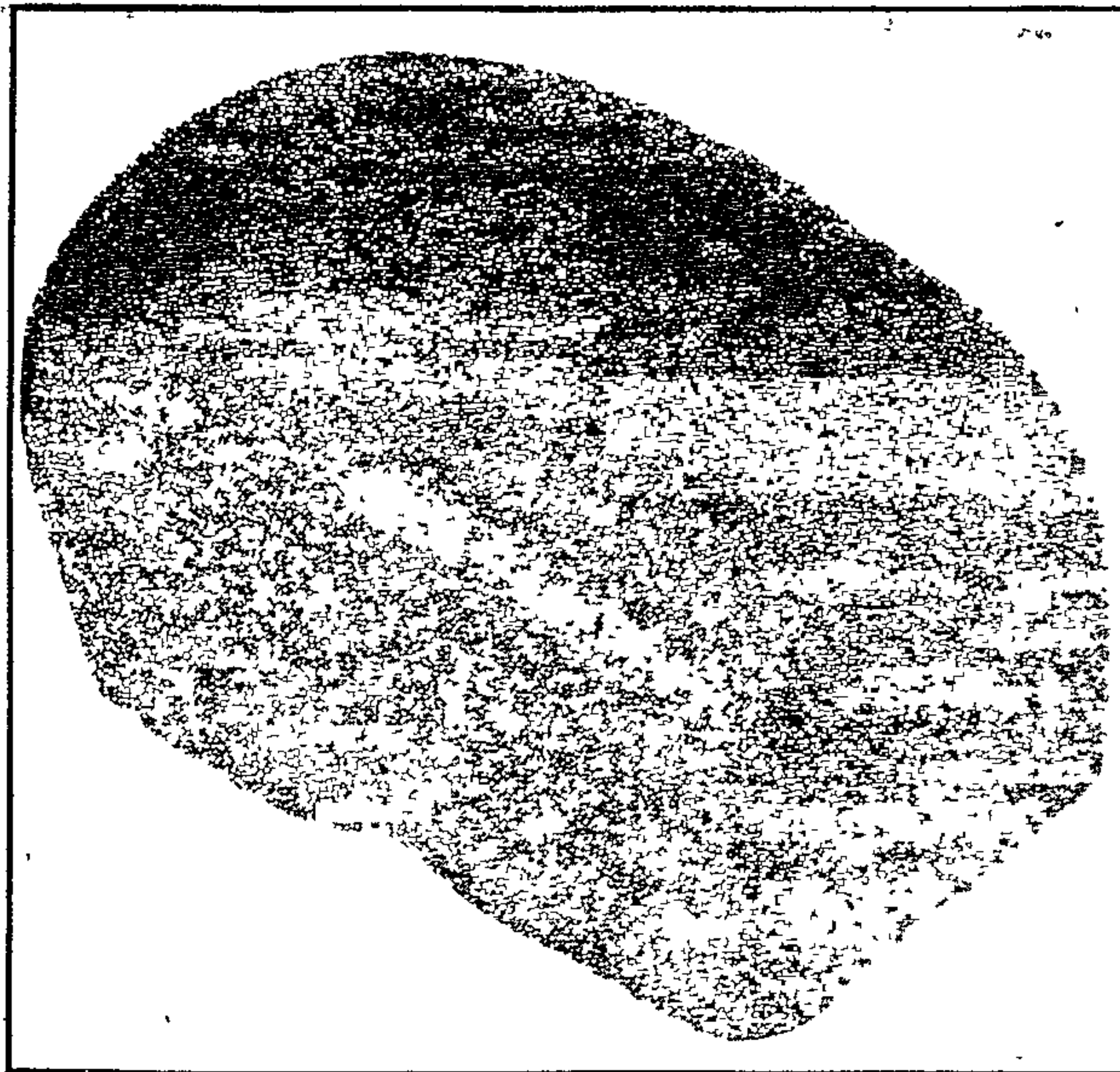
Around 1978 the Government decided to switch its focus from white bread to brown and provided R40 300 000 for brown bread and R5 400 000 for white. That year 900-million loaves of brown bread were sold and 379-million loaves of white were sold. The subsidy that year kept the price of brown bread down to 16c a loaf and white bread went up to 25c.

Till then the pattern had been that about 65% of bread consumed was white and the rest brown.

But 1982/83 estimates show that the R200-million subsidy, paid almost entirely on brown bread, shifted sales so that of the 1 600-million loaves of bread sold, about 75% were brown and 25% white. The price of the brown loaf was (and is for the time being) 35c with tax and a white loaf 53c with tax.

These figures illustrate dramatically that when the size of the subsidy alters the prices, eating patterns change radically.

This means if the Government were to reduce the subsidy — or allow costs to millers and bakers — and the price of brown bread moved up by 8c, consumption of brown bread would drop, a spokesman for Premier Group, one of the largest food companies in the country, said.



# How the slice gets thinner and thinner

*ROM 24/9/83*  
*186* ~~*3*~~ ~~*740*~~

By PAT SIDLEY, Consumer Mail

For the very poor urban adults who may be malnourished, this could exaggerate their problems. According to researchers in the Community Health Department of the University of the Witwatersrand Medical School, malnutri-

tion in adults is mostly a combination of protein and energy deficiency. This is treated by increasing carbohydrates.

Mealie-Meal would provide similar and sometimes cheaper nourishment and when times are hard and

cash is shorter than usual, the move tends anyway from bread to mealie meal.

The Wits research shows that for 100 kilojoules of mealie meal the consumer is likely to have to pay about 0,2c and for 100 kilojoules of

brown bread it would cost about 0,5c.

An increase in the cost of any basic food would exaggerate malnutrition and when fuel for cooking mealie meal is hard to come by, bread is an easy solution.

Over the years the subsidy has forced white taxpayers to transfer some of their incomes to black taxpayers — effectively a net income transfer from high earners to low earners.

This justifies the subsidy and is a reason to maintain it, Mr Peter Moll maintains in a research and policy paper produced for the South African Labour Development Research Unit (SALDRU).

This is born out by both Saldru's figures and the Wheat Board's quoted above.

Though it would seem the size of the subsidy has increased dramatically, it has in fact been dropping in recent years, Mr Moll's research shows.

This is reflected by the fact that the subsidy as a percentage of the Gross Domestic Product (GDP) was about 1,88% in 1980-81. The GDP then was R65 531-million. Between 1960 and 1970 however, the subsidy as a percentage of the GDP was between 1,15% and 2% and in the late 40s through 50s the subsidy represented between 2% and 5% of the GDP. (In 1947 a white loaf cost 7pence and a brown cost 6½pence.)

Whites in 1975 ate about R13,35 of bread in 1975 — and blacks bought about R5,47 worth per head in the same year. The average white eats more food anyway.

Despite the need for low prices for the poorer sections of the population however, farmers and on occasion the Wheat Board have asked the Government to drop the subsidy as they believe it is taken into account to their detriment when the wheat price is set.

This year the price of wheat did not rise at all and so it is quite likely there will be some pressure from this very powerful lobby at the very least not to raise the subsidy — and possibly to drop it.

The consequences for the health of the nation would be severe.



RDM. (186) (3) ~~186~~  
1/10/83  
**Warning on margarine and oils price rises**

THE prices of yellow margarine and cooking and salad oils would jump by around 15 to 20% once current stocks ran out, housewives were warned yesterday.

But, with luck, it should be possible to hold off the price hikes until after the festive season.

Mr Lance Japhet, chairman of the SA Oil Expressers' Association and vice-chairman of the SA Margarine Manufacturers' Association, said yesterday the industry had been forced to import raw materials from high-priced overseas markets because of the drought-stricken local crops.

"We are now in a position that vegetable oil and yellow margarine manufacturers are having to buy their raw materials on the international market for prices where replacement costs are higher than current South African retail prices."

"Regrettably, therefore, but inevitably, the prices of both salad and cooking oils and yellow margarine will rise when current stocks are exhausted," he said.

Mr Japhet said his estimate, "though we are buying on an ever-rising market, is that in the next few months our costs — which we have no choice but to pass on — will rise by about 15 to 20%."

He said there was a certain amount stockpiled and he did not foresee much likelihood of rises being necessary before the end of the year. "But it won't be long after that."

"Even if good rains fall, vegetable oils obtainable from local oil seeds will not be available before the end of April or beginning of May, 1984, during which period the shortfall in requirements will continue to be imported," he said.

Unlike the maize market, the oil expressers and margarine industries could not expect to be helped by the Government.

Hopefully, prices could be reduced once the emergency was over and imports could be curtailed — if the drought ended, and depending on the Minister's announcement on crop prices for the coming season — Sapa

# Boland's solution for food shortages

W/E AR645  
15/10/83  
186

By FLORENCE SHORT

BOLAND canning factories could point the way to solving future food shortages if research at the Cape Technikon can be practically applied

And should the right type of protein producing micro-organism be found, sufficient proteins to keep 20-million people healthy could be produced in a 400 sq m factory.

Mr Justin Roberts, head of the Food Technology department at the Cape Technikon, is now obtaining "promising" results by cultivating micro-organisms in water, rich in sugars after being used to rinse fruit, from one of these factories

## Problems

Protein yielded by the micro-organisms grown in this nutritious mix are high but some problems still need to be solved

The same principal — similar to that utilised in transforming milk into yogurt — could be applied to intrinsically nutritious "waste" from other types of food processing factories

Proteins gained from this process could be used either to feed animals or humans — either as an enrichment for conventional foods or made up into new products

The research at the Cape Technikon is part of a world-wide search for increasing food production and many scientists feel that most of man's food will in future come from microbiology laboratories

## Ultra-efficient

Single-cell micro-organisms such as algae, yeasts, fungi and bacteria are already being used in food processing

And now genetic engineering is being used to create new and harmless micro-organisms which are ultra-efficient protein producers as well as to increase yields from plants

For instance 1 000 kg of yeast can produce 1-million kg of protein a day while 1 000 kg of bacteria could daily yield 1 000 000-million kg of protein

It is this high efficiency which would make it possible to produce enough protein for 20-million people in a 400 sq m factory

## A lot to do

Mr Roberts said "A lot of work has yet to be done, including testing the products. Small amounts can be fed to human volunteers as well as to animals

"If people have come to no harm by eating yoghurt, mushrooms, yeasts in bread and moulds grown on cheese as well as mould incorporated into soy sauce and other soy bean products, there is no reason to be believe that this product will be much different

"With limited food resources, this type of research is vital — not only for the survival of mankind, but of his environment

"And if man cannot produce safe and nutritious food without the help of animals and earth vegetation, he will never go into space. Space ships will have to be equipped to use re-cycling to the utmost"



# Tongaat-Hulett in R86 m food deal with Amic

By JOHN MULCAHY

**IN another move in the realignment of the Anglo American food interests, Tongaat-Hulett is buying African Products (Pty) from Anglo American Industrial Corporation (Amic) for R86-million**

The takeover price will be satisfied by a combination of R3,1m in cash and the issue of Tongaat-Hulett shares, which will take the Anglo group's holding in Tongaat to 47,1% from 38,3%

This will fall to 42,7% if Tongaat succeeds in its bid to acquire the minority shares in its Tongaat Corogroup building products division.

At the end of December last year Amic's interest in Tongaat-Hulett was 28,1%, and the issue of another 9,5m shares

takes this holding to 38,4%

At Friday's 875c closing price the 9,5m shares have a total value of R83,1m.

The move shifts Amic's entire food-related investment into Tongaat-Hulett, and means that Anglo's food interests are now clearly split between Premier and Tongaat-Hulett

African Products is South Africa's sole manufacturer and supplier of a range of starches and syrups

## Pressure

Speculation on the takeover has been doing the rounds in the food industry for some time, but sources within Tongaat and African Products (Afprod) said a month ago there was no substance to the rumours

The Afprod acquisition comes at a time when Tongaat-Hulett is facing severe pressure on earnings due to the devastating drought and the allied depression in the sugar industry

Tongaat's earnings for the year ending March 31 are expected to be enhanced by 3c a share as a result of the can Products deal

The new Tongaat shares to be issued to Amic will rank for the Tongaat interim dividend for the six months ended September

Dr Geoff Cleasby, Tongaat-Hulett's managing director, at the weekend described the African Products takeover as "a significant expansion area for Tongaat, with the potential for sustained growth in the years to come"

Amic acquired 100% ownership of Afprod in 1978 through the purchase for R18,4m of Tate & Lyle's 51,5% stake, and an equivalent offer to minorities. The value then placed on Afprod was R35,8m

Afprod was first consolidated by Amic for the year to December 1978, when attributable profit (for three months) totalled R1,4m and dividends to Amic amounted to R700 000.

In succeeding years Afprod's attributable profit and dividends were as follows: 1979 — profit R6,0m and dividends R2,1m; 1980 — profit R8,5m and dividends R2,9m; 1981 — profit R8,1m and dividends R3,2m, 1982 — profit R7,0m and dividends R2,5m

## Revaluation

Amic's total income from Afprod since the 1978 acquisition is R11,4m and R19,6m of profit has been ploughed back in that time

At the end of December last year Afprod's net asset value according to Amic's annual report was R70,3m, substantially higher than at the end of 1981 because of a R31,6m surplus arising from a revaluation of assets undertaken last year.

It has embarked on a major modernisation and expansion programme that involved

the investment of R31-million in new plant and machinery since the beginning of 1982

There will be a 2% dilution in Tongaat's net asset value, while for Amic the deal will have only a minimal effect on earnings and net asset value

Improved internal efficiencies and a continuation of the steady growth in demand from its main customers — the beer, sweets, food and paper industries — have enabled Afprod to revise upwards its forecast taxed earnings for 1983

In the Amic annual report for 1982 it was stated that due to the major expansion programme and the continuing effects of the drought Afprod's earnings this year would probably not match the R7,0m achieved in 1982

This forecast has now been revised to R8,5m, equivalent to Afprod's earnings peak in 1980

Maize is Afprod's main raw material, about 300 000 tons being bought each year for processing at its mills in Germiston, Meyerton and Bellville

## Opportunities

Tongaat's six maize mills produce breakfast cereals and animal feeds as well as a full range of maize products

Other benefits which will be derived through Afprod becoming a division of Tongaat include enhanced opportunities for diversification

In Kwazulu and Northern Natal, Afprod is investigating the cultivation of cassava — a root crop that is not widely exploited in Southern Africa — as a source of starches and starch derivatives which are at present fully imported

Tongaat already has extensive sugar and other agricultural interests in the area. Afprod has a long-term technical agreement with CPC International of America, a R4bn-a-year multinational that is a world leader in the production of maize-based sweeteners

The food industries in the US, Europe and Japan are using increasing quantities of maize-based sweeteners — which are known as "high fructose corn syrup" — for special purposes such as beverages

Afprod has been investigating the feasibility of producing high fructose corn cyrup in South Africa

"In addition, there is potential for the development of new sweetener and food products comprising blends of sugar and maize derivatives," Dr Cleasby said

"It will be some considerable time before decisions can be made on whether the local marketplace is sufficiently big to justify the erection of a plant for the manufacture of high fructose corn syrup.

"We want to ensure that when such a plant is justified in SA, it will be owned by Tongaat"

## DOUGLAS COMMUNITY

Objectives: Tradit. 5600

Address: Kingwl P.O. B. DIMBAZA BEADCRAFT

Objectives: (1) Resear (11) Unempl (111) Cattle

Contact: Norman Telephone: (033) 3200

Address: Unvel Peter 3200

## DEVELOPMENT STUD

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# Another move in revamp of Anglo food interests

## Tongaat to pay Amic R86m for Afprod

*7/6/83 186 RDM 17/10/83*

By JOHN MULCAHY

IN another move in the realignment of the Anglo American food interests, Tongaat-Hulett is buying African Products (Pty) from Anglo American Industrial Corporation (Amic) for R86-million.

The takeover price will be met by a combination of R3,1m in cash and the issue of Tongaat-Hulett shares, which will take the Anglo group's holding in Tongaat to 47,1% from 38,3%.

This will fall to 42,7% if Tongaat succeeds in its bid to acquire the minority shares in its Tongaat Corogroup building products division.

At the end of December last year Amic's interest in Tongaat-Hulett was 28,1%, and the issue of another 9,5-million shares takes this holding to 38,4%.

At Friday's 875c closing price the 9,5-million shares have a total value of R83,1m.

The move shifts Amic's entire food-related investment into Tongaat-Hulett, and means that Anglo's food interests are now clearly split between Premier and Tongaat-Hulett.

African Products is South Africa's sole manufacturer and supplier of a range of starches and syrups.

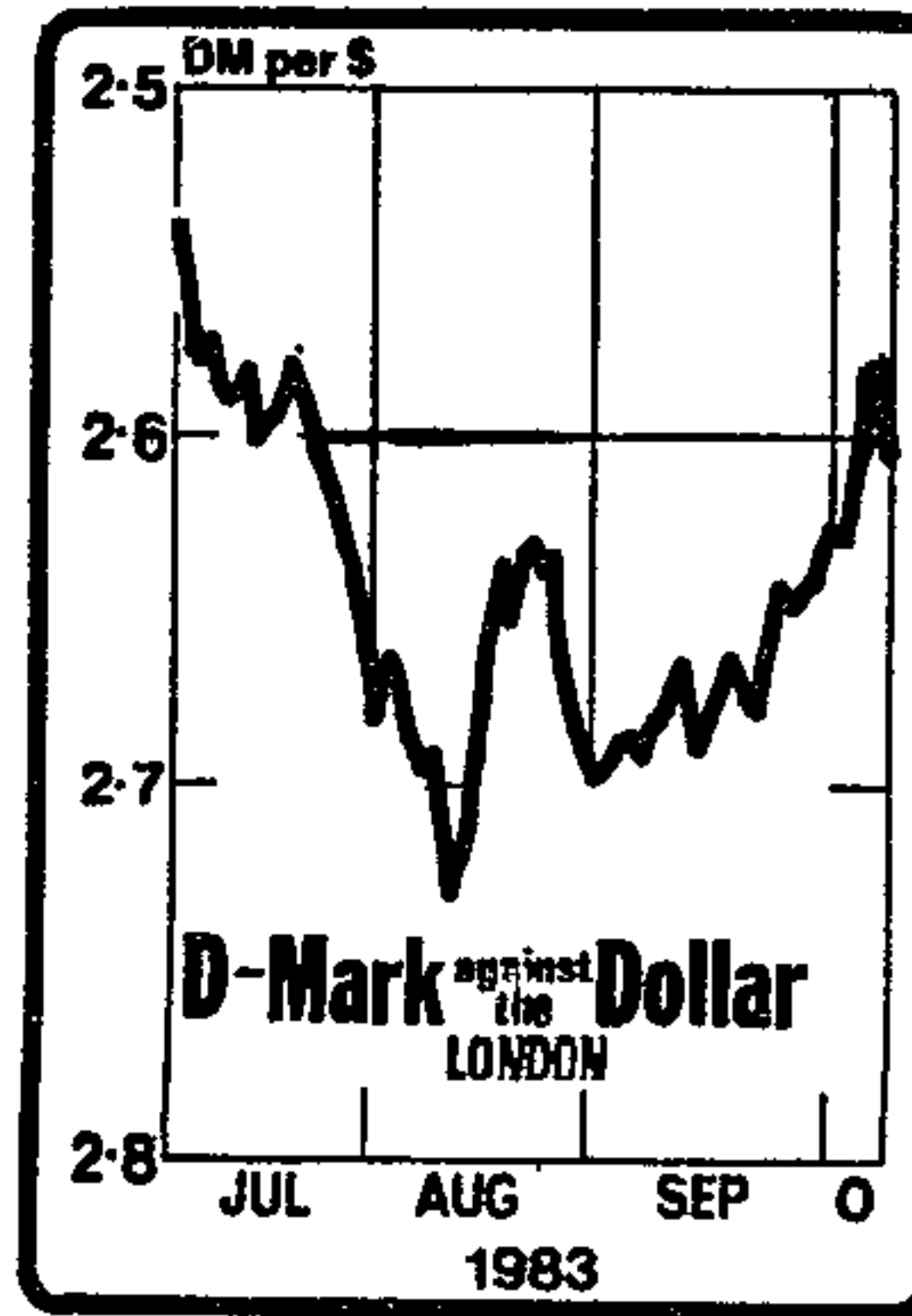
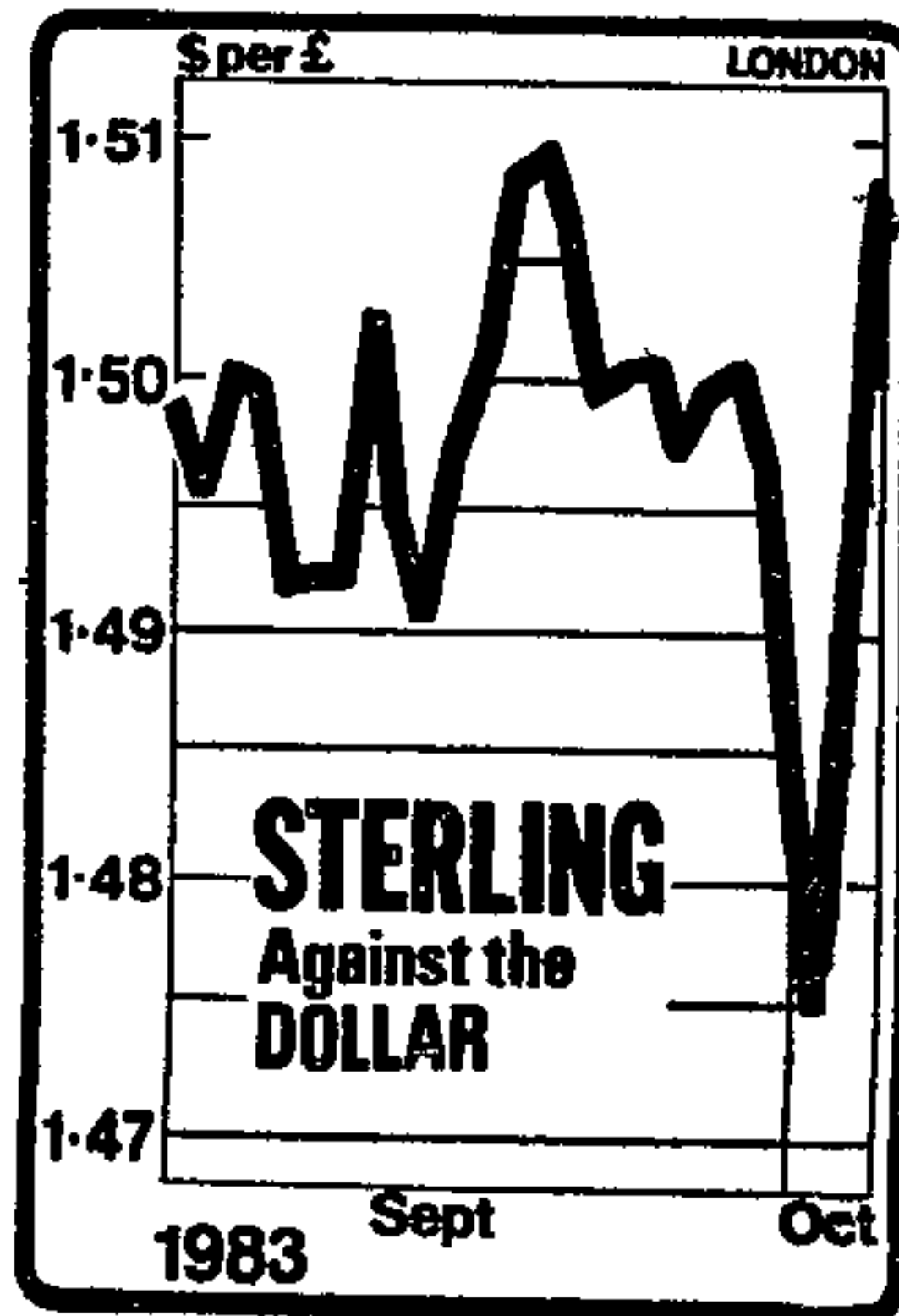
Speculation on the takeover has been doing the rounds in the food industry for some time, but sources in Tongaat and African Products (Afprod) told Business Day a month ago there was no substance to the rumours.

The Afprod acquisition comes when Tongaat-Hulett is facing severe pressure on earnings because of the drought and the depression in the sugar industry.

Tongaat's earnings for the year to March 31 are expected to be enhanced by 3c a share as a result of the African Products deal.

The new Tongaat shares to be issued to Amic will rank for the Tongaat interim dividend to September.

Dr Geoff Cleasby, Tongaat-Hu-



The dollar has been strong against most major currencies this year. But most analysts think it is now over-valued. Sterling and the German mark recovered some ground against the dollar at the end of last week. The South African rand could also firm against the dollar, perhaps back above 90 US cents, if gold can hold at or above \$400 this week. See story below.

let's managing director, described the African Products takeover as "a significant expansion area for Tongaat, with the potential for sustained growth in the years to come".

Amic acquired 100% ownership of Afprod in 1978 through the purchase for R18,4m of Tate & Lyle's 51,5% stake, and an equivalent offer to minorities. The value then placed on Afprod was R35,8m.

Afprod was first consolidated by Amic for the year to December 1978 when attributable profit (for three months) totalled R1,4m and dividends to Amic amounted to R700 000.

In succeeding years Afprod's attributable profit and dividends were 1979 — profit R6,0m and dividends R2,1m, 1980 — profit R8,5m and dividends R2,9m, 1981 — profit R8,1m and dividends R3,2m, 1982 — profit R7m and dividends R2,5m.

Amic's dividend income from Afprod since the 1978 acquisition is R11,4m and R19,6m of profit has been ploughed back.

Last December, Afprod's net as-

set value — according to Amic's annual report — was R70,3m. This was higher than nav at the end of 1981 because of a R31,6m surplus from a revaluation of assets last year.

It has embarked on a major modernisation and expansion programme that involved the investment of R31m in new plant and machinery since the beginning of 1982.

There will be a 2% dilution in Tongaat's net asset value. The deal will have only a minimal effect on Amic's earnings and net asset value.

Improved internal efficiencies and a continuation of the steady growth in demand from its main customers — the beer, sweets, food and paper industries — have enabled Afprod to revise upwards its forecast taxed earnings for 1983.

The Amic report for 1982 said that because of the major expansion programme and the continuing effects of the drought Afprod's earn-

ings this year would probably not match the R7m of 1982.

This forecast has now been revised to R8,5m, equivalent to Afprod's earnings peak in 1980.

Maize is Afprod's main raw material, about 300 000 tons being bought each year for processing at its mills at Germiston, Meyerton and Bellville.

Tongaat's six maize mills produce breakfast cereals and animal feeds and other products.

Benefits from Afprod's becoming a division of Tongaat include enhanced opportunities for diversification.

In KwaZulu and Northern Natal, Afprod is investigating the cultivation of cassava — a root crop that is not widely exploited in Southern Africa — as a source of starch and starch derivatives which are imported.

Tongaat has extensive sugar and other agricultural interests in the area. Afprod has a long-term technical agreement with CPC International of the US, a R4bn a year multinational that is a world leader in the production of maize-based sweeteners.

The food industries in the US, Europe and Japan are using increasing quantities of maize-based sweeteners — which are known as "high fructose corn syrup" — for beverages.

Afprod has been investigating the feasibility of producing high fructose corn syrup in South Africa.

"In addition, there is potential for the development of new sweetener and food products comprising blends of sugar and maize derivatives," Dr Cleasby says.

"It will be some considerable time before decisions can be made on whether the local market place is sufficiently big to justify the erection of a plant for the manufacture of high fructose corn syrup."

"We want to ensure that when such a plant is justified in SA, it will be owned by Tongaat."

● bn denotes billion, and represents a thousand million.

# Factory strike over canteen price rise

By STEVEN FRIEDMAN  
Labour Correspondent

BETWEEN 100 and 130 workers at Premier Group company Farm Fare's plant at Eastgate near Alexandra are on strike over wage and other demands

The general secretary of Cusa's Food, Beverage Workers Union, Mr Skakes Sikhakhane, yesterday said the strike began on Tuesday, but management refused to discuss the dispute with the union

He said the union had recently negotiated a wage rise with another Farm Fare plant in which workers chose higher pay in place of a canteen subsidy by the company. As a result, canteen prices had risen

"However, the company has now introduced the same price rises at the Eastgate plant, but without giving workers the same increase," he said

"We are angered by the company's attitude. Their refusal to even talk to us is hampering a settlement and I am trying to contact Premier Group head office to take the matter up," he said. A company spokesman yesterday refused to comment

Meanwhile, Sapa reports that only three of the 75 workers on strike at Check-

ers' Virginia store in support of demands that three managers be fired have returned to work

The company has replaced the other strikers with temporary labour, but says it will not fire them

A Checkers representative, Ms Peta Lomborg, said management had offered to give final warnings to two of management representatives accused of using racial language and had found that allegations against a third were unfounded

But the company would not fire the managers and charged that workers had struck without using the company discipline procedure

And the Metal and Allied Workers Union, which has threatened a legal strike at tyre company Dunlop's Durban plant, has rejected a company statement that Dunlop is prepared to continue negotiating on wages at the plant

Dunlop replied yesterday by repeating that it was willing to continue talks and added that, as a result of union rejection of its offer, it would now implement a wage rise of between 10c and 23c an hour, as contained in the industrial council agreement which covers Dunlop

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# Strike after SP take away Fosatu leaflets

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By STEVEN FRIEDMAN  
Labour Correspondent

IN THE only strike thus far as a result of Fosatu's campaign against the proposed constitution, workers at Epol in Maritzburg downed tools briefly last week after Security Police confiscated workers' stickers and pamphlets

The pamphlets were returned the next day, but talks are continuing between the company and the Sweet, Food and Allied Workers Union, whose members at the plant say they fear a company employee called the police

The company denies Security Police were called to the plant and the Premier Group, which owns Epol, yesterday reiterated that it was group policy not to call Security Police into the factory.

"Ironically, our chairman, Mr Tony Bloom, is one of the few leading businessmen to have called on voters to reject the proposed constitution," the group's deputy managing director, Mr Peter Wrighton, said yesterday.

Meanwhile, union and employer sources in Natal report that the Fosatu campaign has gathered momentum with unionists distributing thousands of pam-

phlets and some shop steward committees requesting meetings with management to gauge their stance on the constitution

Fosatu has called on employers to reject the proposed constitution and its union's shop stewards have been asked to challenge employers on their stance and on whether they have contributed to the "Yes" campaign

At Epol, a Sweet, Food organiser, Ms Rene Roux, said yesterday workers were angered by an incident in which she was allegedly prevented by security guards from delivering literature opposing the constitution to the union's chief shop steward at the plant

Later in the day, she said, Security Police arrived at the plant and confiscated pamphlets as well as stickers calling for "one man, one vote"

Workers suspected the company had called the police and, after attempts to discuss the issue with management failed, they downed tools, she said.

"The stoppage lasted six hours, during which workers demanded the return of their pamphlets. The plant's managing

director denied he had called the police and workers then demanded the dismissal of whoever had," she added

Workers returned after the company agreed to investigate the police presence and the next day police returned the pamphlets, she said "Workers then immediately began distributing them around the plant," she added.

Ms Roux said workers had identified two employees who they suspected of calling the police and were awaiting the outcome of the company enquiry

Mr Wrighton yesterday confirmed the incident, but denied Epol management had attempted to stop distributing pamphlets

"When the union official arrived with the literature, she met the chief steward and began handing it to him. The operations manager warned the steward that he was supposed to be at his workplace, but did not try to prevent the documents being delivered," he said

Mr Wrighton added "Apparently, the pamphlets were being distributed throughout the street where the plant is based and Security Police became aware of it in that way"



# Unions clash over strike

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**Labour Correspondent**  
INTER-UNION strife has broken out over a strike at the Umfolozi sugar mill at Mthubatha, sparked by workers' rejection of the Government's proposed constitution, says a union official. An statement by another union denies this. According to Mr Selby Nsi-bande, general secretary of the National Union of Sugar Manufacturing and Refining Employees (NUSMRE), 500 workers at the mill downed tools in protest at the Government's plan and in support of demands for union recognition.

A spokesman for the mill said the strike "had political implications" and concerned union recognition.

Yesterday, however, the Sweet, Food and Allied Workers Union (SFAWU) issued an angry statement which gave a different explanation and accused NUSMRE of "intimidatory" tactics.

It alleged the strike had been "provoked" by NUSMRE's demand that certain members of the Federation of South African Trade Unions (FOSATU), of which SFAWU is a member, be dismissed.

The statement alleged that nearly 300 of the mill's workers had resigned from NUSMRE. It said NUSMRE's representatives saw this as a sign of "a massive switch of workers to SFAWU".

As a result, NUSMRE had demanded the dismissal of "certain active SFAWU members" at the mill and "provoked" the strike.

"If a union fails to present the interests of its members, then those workers have a democratic right to join a union of their choice," the statement added.

It said workers at another mill, Umzimkulu, had resigned to join SFAWU.

Sales almost R2bn as tax falls

# Tiger shows how to make bread

By JOHN MULCAHY

TIGER OATS & National Milling Company has produced results for the year to September that are almost embarrassingly good.

Attributable profit rose by 33% to R69,572m from an annualised R52,193m for the seven months to September last year. Directors hasten to point out the extraordinary circumstances that partly helped in achieving this remarkable performance.

Turnover for the year rose by 14,5% to R1,942bn (from R1,696bn) and pre-tax profit was 12,5% higher at R123,254m (R109,565m).

Tax was the first area which contributed unusually to the bottom line, dropping to R36,316m from R42,669m, because of investment allowances on the purchase of fixed assets and accumulated export incentive allowances.

Accepting that a fair proportion of the allowances claimed this year was non-recurring, shareholders will still benefit by a 21,7% increase in the total dividend to 140c from an annualised 115c

A final dividend of 90c was added to the 50c interim, representing a 15c increase from the projection made at the interim stage.

The dividend is covered 3,7 times by earnings of 515c a share, compared with the annualised earnings of 388c a share for the seven months to September last year.

Although the latest results will be a difficult act to follow, the directors confidently expect dividends to be maintained and be "suitably covered by earnings"

However, in a note to the preliminary results, the directors say "In the 1983-84 year difficult economic conditions, coupled with the adverse effects of the drought, will continue to have an unfavourable impact on certain of the group's main divisions, added to this, a higher effective tax rate for the group is expected in the current year"

Mr Rudi Frankel, Tiger's chairman, says the group is reaping the benefits of the heavy investments made in the past seven years.

Mr RUDI FRANKEL  
.. reaping investment benefits

"It is fair to say that this year's results, and next year's, are indebted to decisions taken many years ago."

Mr Frankel also compliments all levels of management who, by improved productivity, contributed to a better overall performance

"We have trained an excellent team, we've got some good men from the Barlows side, and we're happy with the combination"

Mr Frankel says that in the past four months Tiger's role as an exporter of food and feed had been reversed and the group has become a significant importer.

Some traditional export markets are still being serviced to keep the lines of communication open, but imports have surged

This situation is likely to continue until February or March when the summer crops start coming in. Prospects look good, but much depends on good rainfall.

Setting aside the extraordinary influences on the tax position, Mr Frankel says the increased turnover reflects the disciplined approach Tiger has applied to problems inherent to the food industry

Taxed return on turnover rose to 4,5% from 3,9%, and Mr Tony Norton, chairman-elect of Smith Foods, says the margins on basic foods made decisions on new investment

in an inflationary period difficult.

"It is not easy to run a low-margin business in times of double-digit inflation. The allowed rate of return is 15% pre-tax on historic depreciated cost," Mr Norton says

The return on assets is a shade over 18%, no better than could be achieved by depositing money with a bank instead of investing it in a business.

While the return could be accepted purely on a current operating basis, when the time comes for new investment — and this is not far off — it will be difficult to justify given the existing constraints.

Mr Norton says that in attempting to control price increases on basic foods, the authorities should look at input costs — such as the cost of machinery and fuel

Not included in the figures are ● A non-recurring capital profit of R5,476m arising mainly from the disposal of Tiger's investment in the Imperial Cold Storage and Supply Company to C G Smith Foods

● Associated companies, in which at least 20% of the equity is held, are included only to the extent of dividends received during the period.

If the retained income of these associates were included, earnings would have risen to 569c a share (441c annualised)

COMMENT: The lengths to which directors have gone to explain the extraordinary circumstances surrounding the excellent earnings advance carries an implicit warning that they might not be as high next year.

Tiger has no control over its margins, other than through management of overheads and productivity, and the continuing recession and effects of the drought, many of which have yet to be felt, point to a challenging year.

In forecasting the directors have chosen to highlight the chances of an unchanged dividend, but they do not go so far as to suggest that earnings will improve, as at 3,7 there is a comfortable margin for cover to be cut to protect the payment



ent Times 3/11/83

# Tiger Oats

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## profits soar to R69,57m

Own Correspondent

JOHANNESBURG — Tiger Oats and National Milling Co has produced a set of results for the year to September 30 that is almost embarrassingly good

Attributable profit rose by 33 percent to R69,572m from an annualized R52,193m for the seven months to September last year, but the directors hasten to point out the extraordinary circumstances that partly assisted in achieving the remarkable performance

Turnover for the year rose by 14,5 percent to R1,942 billion from R1,696 billion and pre-tax profit was 12,5 percent higher at R123,254m (R109,565m)

Tax was the first area which contributed unusually to the bottom line, dropping to R36,316m from R42,669m, because of investment allowances on the purchase of fixed assets and accumulated export incentive allowances, confirmed in the year

### Benefit

Accepting that a fair proportion of the allowances claimed this year was non-recurring, shareholders will still benefit by a 21,7 percent increase in the total dividend, to 140c from an annualized 115c

A final dividend of 90c has been declared to add to the 50c interim, representing a 15c increase from the projection made at the interim stage

The dividend is covered 3,7 times by earnings of 515c a share, compared with the annualized earnings of 389c a share for the seven months to September last year

While the latest results will be a difficult act to follow, the directors confidently expect dividends to be maintained, and that they

will be "suitably covered by earnings"

However, in a note to the preliminary results the directors say "In the 1983/84 year difficult economic conditions, coupled with the adverse effects of the drought, will continue to have an unfavourable impact on certain of the group's main divisions, added to this, a higher effective tax rate for the group is expected in the current year"

Commenting on the results yesterday, Mr Rudi Frankel, Tiger's chairman, said the group was now reaping the benefits of the heavy investments made over the past seven years

### Decisions

"It is fair to say that this year's results, and next year's, are indebted to decisions taken many years ago"

Mr Frankel also complimented all levels of management, who by improved productivity had contributed to a better overall performance

"We have trained an excellent team, we've got some good men from the Barlows side, and we're happy with the combination"

Mr Frankel said that over the past four months Tiger's role as an exporter of food and feed had been reversed, and the group had become a significant importer

Some traditional export markets were still being serviced to keep the lines of communication open, but imports had surged

This situation was likely to continue until February or March, when the new summer crops started coming in

The signs for the new crops were encouraging, but much depended on rainfall for the rest of the season.

Setting aside the ex-

To page 17

# Tiger Oats

From page 16

traordinary influences on the tax position, Mr Frankel said the increased turnover reflected the disciplined approach Tiger had applied to problems inherent to the food industry

### Drought

"Not the least of these have been the effects of the drought and the high cost of resultant imports"

Taxed return on turnover rose to 4,5 percent from 3,9 percent, and Mr Tony Norton, chairman-elect of Smith Foods, noted that the margins on basic foods made decisions on new investment in an inflationary environment extremely difficult

"It is not easy to run a low-margin business in times of double-digit inflation. The allowed rate of return is 15 percent pre-tax on historic depreciated cost," said Mr Norton

The return on assets was a shade over 18 percent, which was no better than could be achieved by depositing money with a bank instead of investing it in a business

While the return could be accepted purely on a current operat-

ing basis, when the time came for new investment — and this was not a long way off — it would be difficult to justify given the existing constraints

### Input costs

Mr Norton said that in attempting to control price increases on basic foods, the authorities should look at input costs — such as the cost of machinery, and particularly fuel

Not included in the figures are the following items

● A non-recurring capital profit of R5,476m arising mainly from the disposal of Tiger's investment in The Imperial Cold Storage and Supply Company to CG Smith Foods

● Associated companies in which at least 20 percent of the equity is held have been included only to the extent of dividends received during the period

If the retained income of these associates were included, earnings would have risen to 569c a share (441c annualized)



# Stayaway ~~186~~ halts sugar mills

## Mercury Reporter

PRODUCTION at two Zululand sugar mills ground to a halt yesterday after 1 400 workers staged a stayaway in protest against the exclusion of blacks from the new constitutional proposals

The mills are the Felixton Sugar Mill and the Amatikulu Sugar Mill, both of the Tongaat-Hulett group, of which 'Yes' vote supporter Mr Chris Saunders is chairman

A spokesman for the National Union of Sugar Manufacturing and Refinery Employees said the workers were protesting about the three-chamber parliament for whites,

coloureds and Indians from which the blacks who are in the majority, had been effectively left out

'The workers made it clear that they had no grievances with the management. They were merely demonstrating their dissatisfaction with the new dispensation in the hope that white voters would make the right decision when they voted in the referendum yesterday,' he said

## No violence

Mr Ron Phillips, the group's public relations director, confirmed that 1 400 workers at the Amatikulu and Felixton mills had stopped work

'for political reasons'

He said the striking workers had been 'well behaved' and there had been no violence. Production had come to a standstill and the management had assisted in shutting down the mills

Mr Phillips said the management understood the feelings of the workers, who had been subjected to extreme pressure

The 500 mill workers at the Umfolozi Co-operative Sugar Planters Ltd, in Mtubatuba, who downed tools on Tuesday to protest against the exclusion of blacks from the new constitution, returned to work yesterday

# No change to millers' sugar price

*Handwritten: Sugar 5/11/83*

*Handwritten: 186*

## Financial Editor

SUGAR millers are not likely to have their sugar price freed of control — as happened with the wholesale and retail price this week.

An industry source said that while they were hoping that the price would be increased to cope with the combined effects of low world sugar prices and the drought, there were wide implications to such a move and there were no signs, at present, of it happening.

Borrowings by the sugar industry are expected to exceed R200 million by the end of this season.

Changes to the basic pricing system of the industry were another matter, he said.

At present the industri-

al sugar price is determined by the Government and is backed by complex calculations which determine a capital return and profit to farmers and millers.

It is understood that the basic question is being discussed with the Department of Industry, Commerce and Tourism as part of the sugar industry's scheme to draw up a long-range plan.

This was a result of the submission of the Rorich commission of inquiry which was handed to the Government last year.

The Government has not yet responded, officially, to the report which dealt with cane transport and expansion of the cane-growing areas as well.

# Producers replace 18 000 tins of milk

LABORATORY tests could not prove conclusively that there was anything wrong with the smelly milk powder which some mothers complained about recently.

But the Cape Town City Council, nevertheless, has returned the batch of 18 000 tins to the producers who have supplied a fresh batch.

Two weeks ago, Mrs Beatrice Dyers, of Lentegeur, Mitchells Plain, complained that the milk powder, which she had bought from the council's clinic was making her child sick. She claimed that the powder was off

## SUSPENDED

When the City Council heard of this, they suspended sales of the milk powder while the government laboratories tested samples of the powder.

The results of test done by two laboratories have shown that there was nothing wrong with the milk.

The City's Medical Officer of Health, Dr Reg Coogan, said that he felt it best to return that batch to the producers. He said the council was following general principles in returning the milk powder even though tests have shown that there was nothing wrong with it.

## COMPLAINTS

"We returned the milk powder because of the complaints and because the milk did look and smell slightly off when I examined it," Dr Coogan said.

A spokesman for the distributors said that their independent tests had also proven that there was nothing wrong with the milk powder. He said that they were exchanging the milk powder at the insistence of the council, and not because there was something wrong with it.



THE EXECUTIVES

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12/11/83

# I and J plans R60-m expansion

Mr J J Williams (right) graduated in engineering at the University of the Witwatersrand and studied law before persuading the international firm Richardson, Merrell Inc to accept him on its executive development programme for promising graduates in the United States. He started the South African Foreign Trade Organisation before becoming managing director of National Chemical Products. He moved to ITT and while there was invited to join Irvin and Johnson as managing director.

By AUDREY d'ANGELO

IRVIN and Johnson, the Cape Town based food company, plans to spend R60-million on expanding its production and distribution facilities in the next three years.

Managing director Mr J J Williams said in an interview this week that this was "a market-building exercise" and he expected sales to grow at a compound rate of 6 to 8 percent a year.

Much of this growth is expected to be in the market among blacks, where incomes are expanding at a faster rate than those of whites.

Irvin and Johnson already has a large share of this market.

### In catering

Mr Williams said "We do a lot of business in the catering field."

"We sell bulk caterers' packs including some lines which are never seen in a shop, and food which is ready

to serve when it has been thawed out.

"We sell more chicken than anyone else, a lot of it to black people."

"They also like fish. Our Yankee clipper (frozen stockfish) has a significant black usage."

### 54 trawlers

Most people in Cape Town associate Irvin and Johnson with frozen fish and vegetables.

But, although it has a fleet of 54 trawlers and 3 700 of its total workforce of 7 000 people are employed in the fishing division, Mr Williams says this accounts for only about one-third of the company's business.

"We have a well-balanced, diverse business in perishable foods."

Realising that there is a growing market for frozen cakes overseas, the company is pushing

sales of frozen Sara Lee cakes, made in Australia.

Sales have grown by 270 percent in the past year and I and J's expansion programme includes a new factory in the Transvaal where the cakes will be made under licence in this country.

More frozen meat products have been introduced to the market in the past year but Mr Williams says the company avoids having too wide a range of products and concentrates on those for which there is a big demand.

"We avoid fancy dishes which will not have a big sale. We don't want to clutter up the system with 'Mickey Mouses' which lessen our ability to be competitive and cost effective."

But the company does occasionally find it has made a mistake. "One was 'Uncle Sam Southern fried chicken', but that was partly because we chose the wrong time to introduce it."

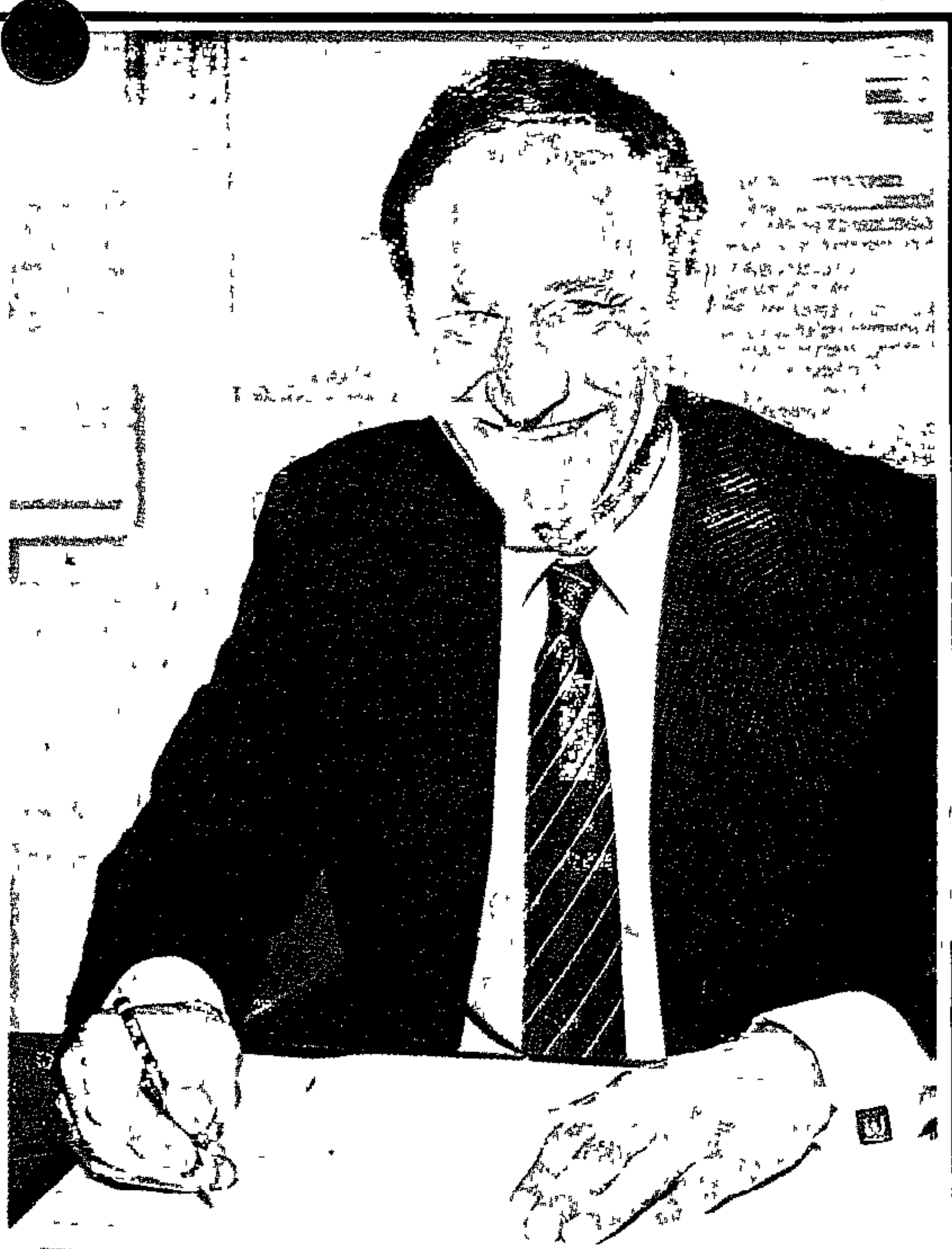
Exports make up "a sizeable proportion" of the company's business. This is why, like other

exporters, Mr Williams regards the inflation rate as a major problem which must be solved before it prices South Africa out of world markets.

He thinks administered price rises, cartels and price controls "which create cartels because they end competition," housing subsidies and the fact that most new cars are now bought by companies are largely responsible for this.

"If these could be dealt with a sizeable

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From Page 21

dent would be made in our inflation rate

"We are a trading nation and we cannot go on with a rate of inflation far higher than that of our trading partners"

I and J's trawler fleet provides careers for local men of all races and Mr Williams says there is no discrimination

"Some trawlers have a coloured captain with white men reporting to him"

Mr Williams has sea experience himself, but not on the crew of a trawler

Before starting his management career he was a ship's engineer for a short time, as part of the practical work he had to do during his engineering course at the University of the Witwatersrand

## R60-m expansion

W/E AGUS 12/11/85

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He also worked in South African Railways' Salt River works and in Cape Town Harbour

"But my aim was always to go into management"

He was studying law when he heard there was an opening in South Africa with Richardson, Merrell Inc. But when he learned at the interview about the executive development programme he asked for the opportunity to join that instead

He refused to be discouraged and sent telegrams to head office until he received a reply agreeing to accept him provided he paid his own fare from South Africa — and back again if he proved unsatisfactory.

The course gave him a comprehensive management training which included working as a salesman, in factories and in the marketing division

"One of the most encouraging things that ever happened to me was that the chairman sent for me one day and gave me an envelope

"I was doing so well that they had decided to refund my air fare from South Africa"

But when he completed the course Mr Williams insisted on coming back to this country in 1960

"I knew the opportunities in South Africa were considerable for someone with drive and the broad-based skills I had acquired in the US"

15/11/83



# Govt accepts all but one Rorich recommendations

PRETORIA — All but one of the recommendations of the Rorich Committee of Enquiry into the Sugar Industry had been accepted by the government, the Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers, announced yesterday

The bypassed recommendation was that the Sugar Association be given the responsibility of determining the industry's sugar prices within parameters approved by himself, the minister said in a statement in Pretoria

The most important proposals made last year by the committee concerned the expansion of the sugar industry and the method of

paying cane transport costs

"The proposed expansion of the sugar industry has been accepted in principle, on condition that no expansion will be allowed before 1985, and that the quantities for expansion as recommended would not necessarily be adhered to, and would depend on future circumstances," Dr De Villiers said

As far as cane transport was concerned, it had been accepted in principle that growers had to accept responsibility for the cost of transporting their cane to the mill, he said

"Those growers who will lose as a result of the new scheme will be compensated on a cap-

italized basis by collecting from those who will gain, until the compensation has been paid

"Thereafter, growers will receive the full benefit of closer proximity to the mills"

The government was prepared to render financial assistance with the change-over to the new cane transport system

The implementation of the new scheme and compensation payments would be undertaken by the SA Sugar Association and would come into effect on May 1, next year

A special arbitration board was being appointed to deal with cases of hardship and matters not covered by the rules of the new scheme, Dr De Villiers said — Sapa

## Falling oil prices

Commodities



186 RUM 15711/83

# Frankel to retire next year

By JOHN MULLCAHY

MR. RUDI FRANKEL, the executive chairman of Tiger Oats & National Milling, retires next year after completing 55 years with the company.

Making the announcement at Barlowpark, Sandton, yesterday, Mr. Bas Kardol, executive chairman of CG Smith, said Mr. Frankel would be retiring from his executive position on September 30, 1984.

He is being succeeded by Mr. Tony Norton, now executive vice chairman of Tiger

Mr. George Antglevich, who has been with Tiger for more than 30 years, retires next March 31. His position on the board is being taken by Mr. Brian Steele.

Mr. Norton is being succeeded as executive vice-chairman by Mr. R. A. Williams, who will have reporting to him the following: Mr. J. A. Frankel, Mr. C. Wolpert, Mr. N. Dennis and Mr. B. P. Steele.

Mr. J. A. Frankel and Mr. Wolpert will continue as joint deputy chairmen and joint managing directors of Tiger.

Mr. Frankel yesterday described the relationship between Barlow Rand and Tiger Oats as a merging

of two very different cultures and philosophies.

"We have found it a very interesting period. There has been a moulding of these two philosophies taking place, but Tiger's traditional philosophy will not be lost."

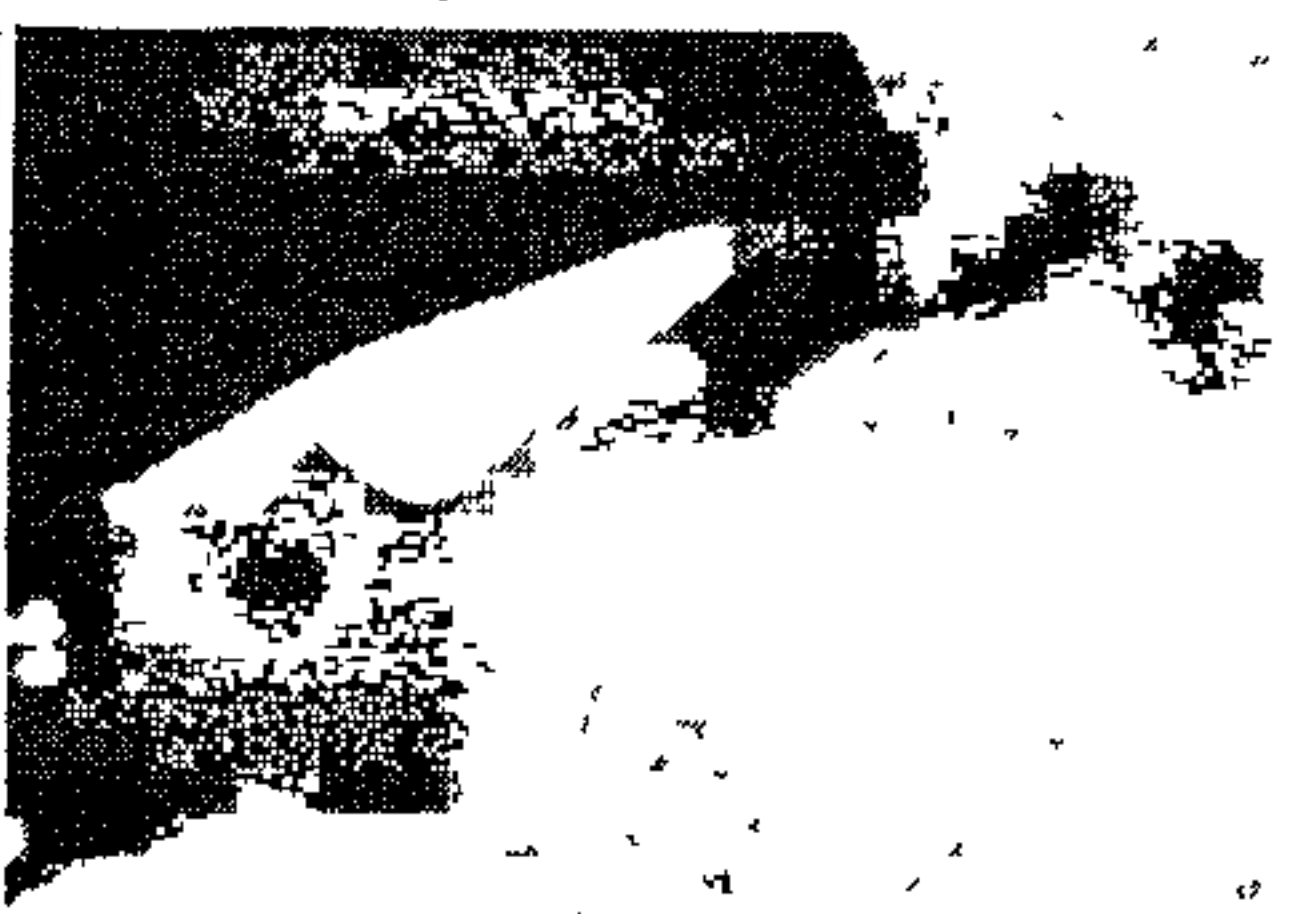
Commenting on Tiger's former association with Anglo American, Mr. Frankel recalled that he approached Sir Ernest Oppenheimer on three occasions before the former Anglo American chairman agreed to assist in Tiger's re-financing, which had led to the group's listing in 1944.

Anglo subsequently reduced its interest in Tiger.

Later on, it was Old Mutual that "sponsored" Tiger and, through this association, it was not surprising that Tiger ended up in the Barlow fold.

Mr. Frankel said that Premier Milling, now firmly in the Anglo stable, was initially supported by Rand Mines, which was later acquired by Barlows.

Mr. Kardol said fuller tribute would later be paid to Mr. Frankel, who was universally recognised as the architect and builder of the Tiger Oats group, and to Mr. Antglevich, "who has also done so much for the well-being and development of the group."



MR RUDI FRANKEL

**Bakery,**

**union**

**reach**

**accord**

(181)  
(182)  
(186)

17/11/83

Post Reporter

THE Food Beverage Workers' Union of South Africa (FBWUSA), a Council of Unions of South Africa (Cusa) affiliate, and Brito's Bakeries in Port Elizabeth reached a recognition agreement yesterday

The general secretary of FBWUSA, Mr S Sikhakhane, who came from Johannesburg to attend the meeting, said the success of an agreement relied upon a sound relationship of co-operation between the company and the union

This was essential to prevent conflict and to negotiate optimal conditions of employment for the workers, while the situation of the company involved was taken into account

Following this approach meant everybody involved could contribute to industrial peace in the interest of all parties, Mr Sikhakhane said





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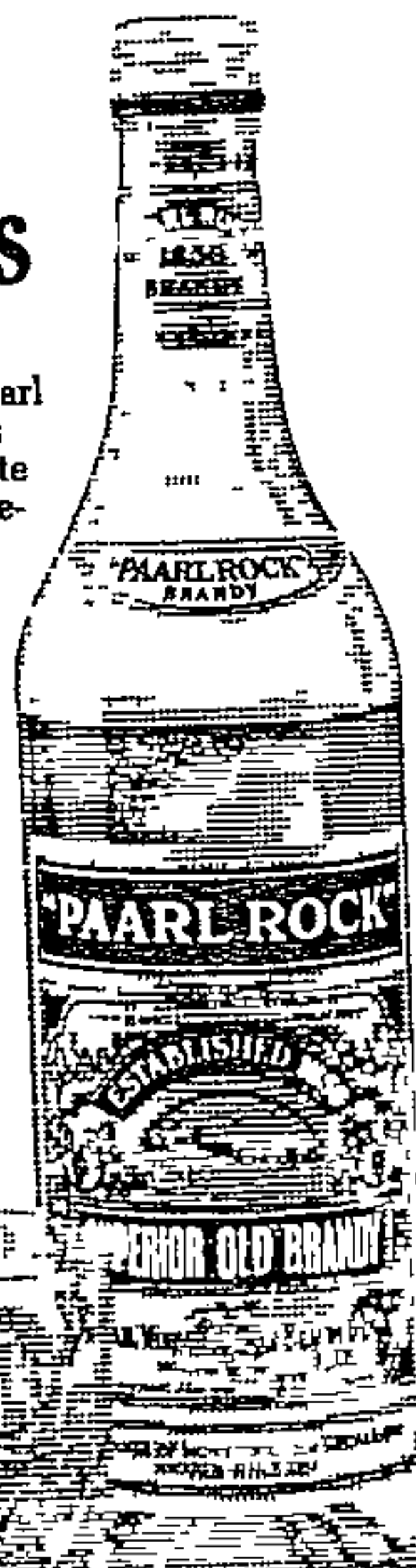
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**Rail tariffs lead to chutney plant moving to Reef**

BROOKE BOND OXO have announced that the group's chutney factory at Steenberg Cape Town is to be closed and manufacture centralized at the Johannesburg plant.

A group spokesman said that there is a growing demand for Mrs Ball's products and an investment had to be made in new production machinery

"At the same time the railway tariff structure has made it much more economical for the company to supply the Natal and Eastern Cape markets from its factory in Johannesburg

"This means that a large section of the market presently serviced by the company's Steenberg factory will fall away

"With these developments, the company decided, after detailed and extensive investigations, to consolidate its chutney and liquid ex-

tract production at its Ball's chutney factory in Johannesburg where continued investment and development is taking place"

The spokesman said that some 34 staff are being made redundant while five senior employees have been offered positions at the Johannesburg factory

The redundancy payments are above the statutory terms and include notice pay, pay for each years service to a maximum of six months, leave monies due, the annual bonus and pension contributions

"The availability of Mrs Ball's chutney to customers will not be affected in any way as stock will be available at all times and our regional sales and delivery services for the Western Cape region will remain unchanged and continue to operate from our Epping premises"

**Wall Street Barbican restructure postponed**

NEW YORK — Stock prices were mostly lower in late trading yesterday, stalling the market's three-week-old rally

Auto, retail, oil and telephone issues paced the losers, while mining stocks rose sharply after gold prices shot up \$17 an ounce on the Commodity Exchange in New York.

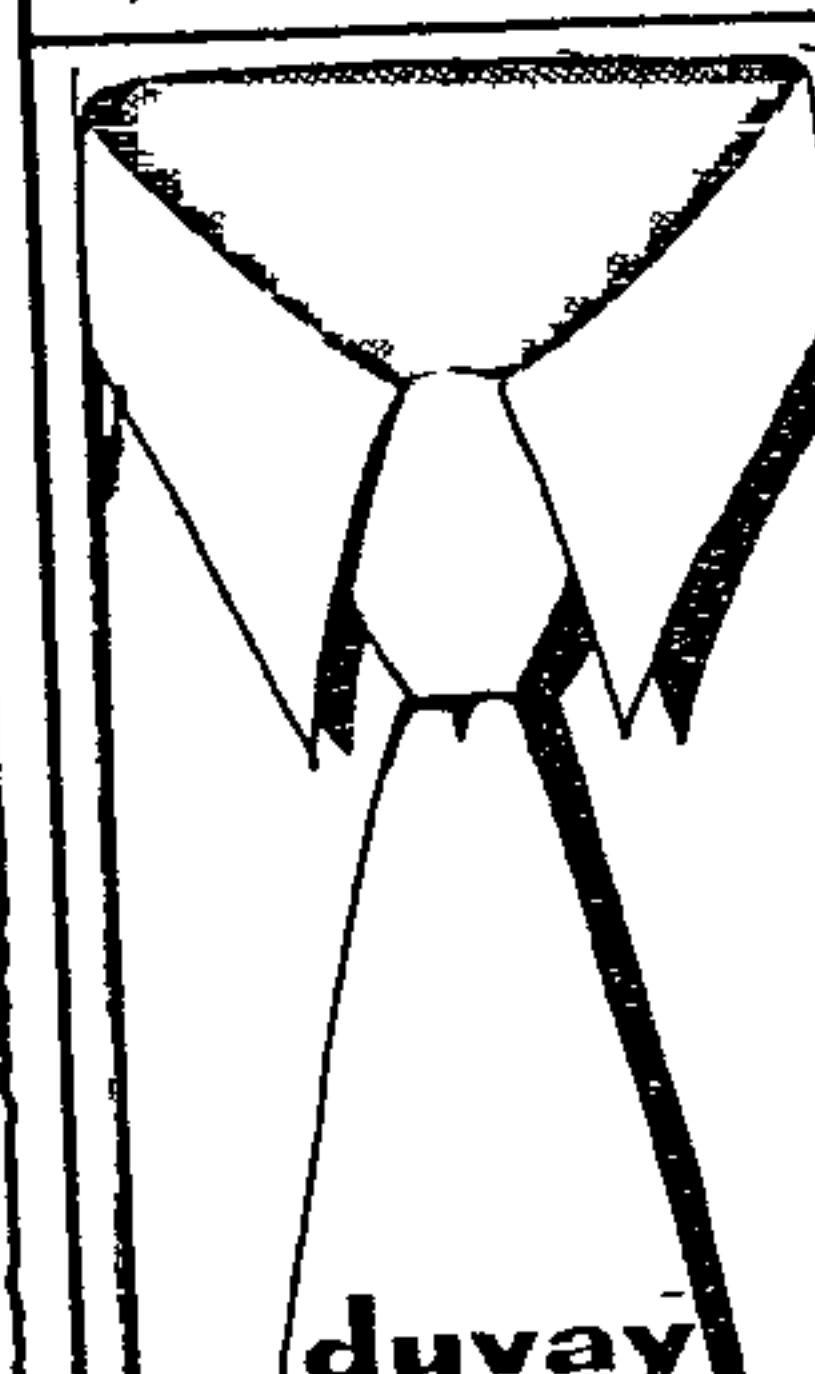
The Dow Jones average of 30 industrial stocks lost 7,62, to close at 1269,82 Declines led advances four to three on the New York Stock Exchange, whose composite index fell 0,36 to 96,19

JOHANNESBURG — The proposed restructuring of Barbican Industrial Holdings has been postponed

An announcement made by UAL Merchant Bank yesterday states that the controlling shareholders in Quincor — which holds 40 percent of Barbican — and Barbican have decided not to proceed with the restructuring at present, because of the continued difficult trading conditions prevailing in South Africa and certain non-recurrent losses in Barbican

However, to strengthen Barbican's financial position, its banker and Quincor have jointly agreed to subordinate approximately R4m of loans funds

The announcement says shareholders are confident that Barbican will return to profitable levels of trading within the next 12 months.



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## 700 at Simba end work stoppage

By Carolyn Dempster,  
Labour Reporter

The work stoppage by 700 workers at the Simba-Quix head office in Isando ended today when the employees returned to work, while union representatives continued negotiations with management.

The stoppage began last Thursday and was, according to workers, sparked by the aggressive actions of the production manager at the factory. They demanded his transfer before returning to work.

Negotiations continued through Friday, when management acceded to the workers' demands.

It is the first industrial action to be taken at the Simba head office. The management signed a recognition agreement with the Sweet, Food and Allied Workers Union, a Fosatu affiliate, at the beginning of 1983.

The union claims to be representative of the majority of the workers, although many are still members of the Tucsa-affiliated union, the National Union of Operative Biscuit Makers and Packers of SA.



SAB subsidiary starts ball rolling

# Price war could squash SA fruit juice producers

(86) ~~Street~~  
Dec 29/11/88

Someone may be about to get squelched in the fruit juice industry. And it is unlikely to be the South African Breweries subsidiary, Appletiser, which has started a potentially disastrous price war.

Appletiser controls Liquifruit and Fruitree. Its competitors are the small companies of Ceres and Freshup.

And the two small firms are convinced the move is an attempt to put them out of business.

Appletiser this week dropped its prices on fruit juice by 22,5 percent to what its competitors claim is a "loss level".

A director of one of South Africa's biggest supermarket chains also told 24 Hours that the price drop would lose money for Appletiser.

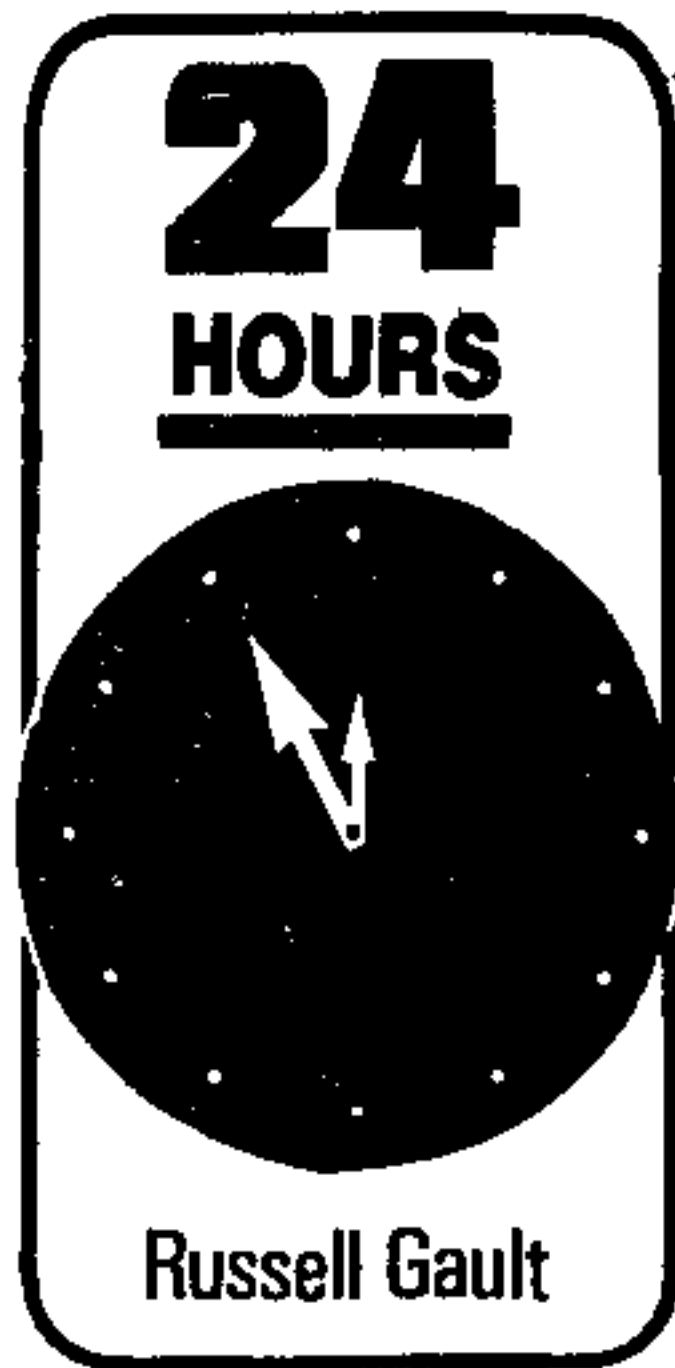
## PROFIT MARGIN

"The cost of juice and packaging and the retailer's profit would leave no room for a profit by the company," he said.

He added that the latest word in the industry was that Appletiser, acting through Big Brother South African Breweries — which is backed by the Grand-daddy of South African conglomerates, Anglo American — had budgeted for an initial loss of R2 million in the price war.

The managing director of Appletiser, Mr Guy Hallows, rejected the claims as incorrect.

When approached by 24 Hours he said: "Who told you about the price drop? This is just a normal business move."



next year compared with five this year."

Mr Michael Benn, managing director of Willards, which markets Freshup, said his firm could also drop its prices but it would lose money.

"It is an obvious attempt to try to hurt us and I'm surprised the SAB wants to knock out competition."

## TAKE CHARGE

Willards' marketing manager, Mr E Hancock, said that without competition a firm could charge virtually what it liked.

A stockbroker, considered an expert on brewery affairs but who declined to be named, explained the SAB move this way: "It is a natural instinct of the breweries to wipe out competition. That's how they make money."

would create yet another monopoly.

"Our organisation is a co-operative and we market a product we find is growing steadily in popularity. Claims of market stimulation don't ring true. We are planning to sell eight million litres

## SLOW GROWTH

"The fruit juice industry hasn't grown as fast as we would have liked over the past few months.

"So we are trying to stimulate business by cutting prices. We are not going to make a loss. And we aren't trying to put other people out of business."

Later during the discussion Mr Hallows said: "If the volume comes right we'll break even. If there's no consumer reaction we will have to think again."

The general manager of Ceres in the Cape, Mr M D S Hamman, said 40 million litres of long-life fruit juice was sold each year. Up to five million litres was each sold by Ceres and Freshup.

## NO CONTEST

"So you can see there's no real contest. We're small in the market. It's in the interest of consumers that SAB's subsidiary has competition. After all, look what happened in the beer market."

Long-life juice is a R35 million a year industry. Short-life juice is worth R70 million a year of which the dairy industry has more than half. But the big competition is in long-life juice — where the dairy industry does not figure.

Mr Hamman said if the long-life fruit juice industry came to be dominated by the SAB group it



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[Signature]

# Man in court for anti-bakery pamphlets

EAST LONDON — A Mdantsane man was charged in the regional court here yesterday with distributing pamphlets at Wilsonia station illegally, calling on people to boycott a bakery in the township

Mr Zamuxolo Gawe, 26, of 676 NU 9, was also charged with damaging the turnover of Sakies Bakery by inducing people at the station during August this year not to buy any products from the bakery.

Mr Gawe pleaded not guilty to both charges, but admitted that he had several copies of the pamphlet concerned in his possession when he was arrested by a South African Transport Services police sergeant at the station on August 17

The pamphlet alleged that the owner of the bakery, Mr Rudolph Sakie Sende, was "one of the vigilantes who beat and arrest people who refuse to board buses because of the fare hike"

Sergeant Steven Charles Leslie, of the

SATS Police in East London, told the court he saw Mr Gawe handing white pieces of paper to commuters on the station platform on August 17

Mr Gawe, he said, was a passenger on an incoming train and was leaning out of a window, passing the papers to commuters

He proceeded towards Mr Gawe who dropped the pamphlets on seeing him. He requested Mr Gawe to alight from the train and subsequently found an envelope containing more of the pamphlets in his possession.

Those in the envelope were the same as the pamphlets dropped by Mr Gawe, said Sgt Leslie

Cross-examined by the defence attorney, Mr M Gabaka, he said Mr Gawe handed about five or six papers to people on the platform

"I didn't see any particular person being given one as the station was crowded. But I saw his hand going out with the paper and every time it came back it was empty"

Sgt Leslie said he could not say whether the papers handed out by Mr Gawe were, in fact, copies of the pamphlet Mr Gawe, he said, moved back into the train when he saw him approaching

Mr Gabaka put it to him that the incident happened during the height of the bus boycott in which many policemen were involved. During this time, he said, drastic moves had been made to get commuters to use the buses, and people were arrested "for not doing anything"

As a result, said Mr Gabaka, many people in Mdantsane feared the sight of a policeman. He asked whether Sgt Leslie in the light of this regarded it as unnatural that a person drop a batch of papers when approached by a policeman in camouflage uniform

"I cannot comment on another country's political affairs, but I know people were arrested," said Sgt Leslie

A detective constable in the SATS Police, Mr D B Roux, told the court Mr Gawe had admitted to him voluntarily on Au-

gust 18 that the pamphlets were in his handwriting

He had questioned Mr Gawe for some 10 minutes. During this time Mr Gawe declined to make a statement but verbally admitted that he had written the pamphlet

Mr Gawe, he said, had told him there were some 200 copies of the pamphlet and denied that any other person was involved in producing them

Mr Roux said he had been given 80 copies of the pamphlet by a lieutenant in the security police when he was assigned to the investigation. To his knowledge the police did not make further photostat copies of the pamphlet.

He agreed that only two of the three versions of the pamphlet before the court were identical and said he had shown Mr Gawe one of the identical copies during questioning

The case was postponed until February next year. Mr D. Cronje was on the bench and Mr J I. Venter, prosecuted — DDR



# Picfood to get R42m for stake in Kanhym

CAPG 4/15 2/12/83

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By ALEX PETERSEN, Deputy Financial Editor

**PICFOODS is to finally exercise its option with Gencor on the sale of Kanhym shares, Mr Jan Pickard told the group's annual meeting in Cape Town yesterday.**

Under terms of the option, Picfoods will sell their holding in Kanhym Investments to Gencor for approximately R42m. Mr Pickard told the meeting that the necessary steps had already been put into motion. Payment will be made at the end of the month.

## Agreement

The agreement was initially made when Gencor was in the process of consolidating Kanhym and its other meat interests, in particular Karoo Meat Exchange, in which it held a 51 percent interest, early in 1982.

Picfoods, which held a substantial share of Karoo, exchanged these for 2,1m Kanhym shares, but at the time Gencor agreed to purchase these at any time up to December 31, 1983 at R14,40 a share plus interest at the prime over-

draft rate up to the date of purchase.

At R14,40 the Picfoods holding in Kanhym is worth R30,24m, while the interest factor will bring the total up to just over R42m.

## Investment

Mr Pickard told the meeting that there were no immediate long-term investment plans for investment of the cash. He said after the meeting that group policy favoured a spread of holdings, rather than seeking a controlling stake in any single operation.

The stake in Karoo was originally acquired when in 1962 Picfin acquired Picfoods, then Asokor, for R1,5m. Picfood's total realization for the asset will be R60m, since Picfoods realized R18m when the controlling interest in Karoo passed to Kanhym in the late 70s.

Other news in the Pi-

cardi stable was that Picprop have agreed with Adidas Switzerland to acquire a 49 percent interest in Adidas SA.

## Franchise

Mr Pickard said that this was the first such agreement entered into by the Adidas International group. Adidas SA hold the Southern African franchise for the full range of Adidas products.

A Picprop subsidiary, Sechic, manufactures sportswear under the Adidas label under a 10-year agreement.

Piccan subsidiary Katz International are to open a further R5m factory in Mandini, Kwazulu to manufacture Hitachi tumble dryers.

Mr Pickard was generally cautious about prospects in the coming year for companies in the group.

"We don't see the up-

turn before 1985," he said, predicting that there might well be a number of false starts in 1984, but until 1985 the economy would not have sufficient foundation to support a sustained upturn.

On the Picotel group, he said that liquor sales had been particularly depressed in the country districts due to the drought.

## Liquor sales

"I believe that in the long term the liquor trade has a very small future in South Africa," he said, pointing out that national liquor sales had remained static for the last three years, and that there was still a problem of a "wine lake" in South Africa.

The recession had also hit at hotel occupancy rates, with fewer Transvaalers taking holidays at the coast.

# Union fights 'unfair' dismissals

By JOSHUA RABOROKO

THE entire black labour force at Screenex Wire Weaving Manufacturers in Alberton stopped work in protest against a management's treatment of migrant labourers during last December, a witness told the Johannesburg Industrial Court yesterday.

Mr Maxwell Mdakane, a shop steward of the Metal and Allied Workers' Union, was testifying in an application by the union that the retrenchment constituted an unfair labour practice.

In papers before the court, Mawu contends that on December 9 last year Screenex refused to renew the contracts of 14 migrant workers and signed off their reference books thereby purporting to retrench them with immediate effect.

The company's refusal to negotiate the issue with the union members and shop stewards was followed by the work stoppage by the entire labour force which was later dismissed, thus constituting an unfair labour practice.

Mr Mdakane told the court that on several occasions between Sep-

tember 1982 and January 1983, Mawu had requested to meet the management on a variety of issues but such meetings did not take place.

It had been a practice of the company to renew migrant labourers' contracts. The company had agreed that they would not retrench workers without notice.

On December 9 last year, Screenex informed some workers that it would not renew their contracts and shop stewards then went to talk to a Mr Fraser on the issue. He refused to talk to them and this was followed by a work stoppage. The following day the workers were warned if they did not return to work they would be discharged. The action was subsequently taken.

Mr P J Pretorius, for the union, contended that the retrenchments were unnecessary and unfair because they had taken place contrary to a prior undertaking by management not to do so, and that they took place in an unfair manner in which no procedure was followed.

Proceeding

# Fired workers back at work

Labour Correspondent

ABOUT 160 workers fired last week after a work stoppage at the Johannesburg firm, Fresh Meat Supply, have been reinstated by the company and returned to work yesterday morning, the general secretary of the Sweet, Food and Allied Workers' Union, Mrs Maggie Magubane, said yesterday

It is understood the union was considering legal action against the company had it not reinstated the workers

Attempts to obtain comment from the company were unsuccessful yesterday. The Rand Daily Mail was told the company official who is empowered to talk to the Press was unavailable

The stoppage at the company occurred last week when, according to the union, workers in a particular department refused to work overtime

The union says they were then told to go home and that, when they returned the next day, they found the gates locked. Other workers then refused to work in sympathy

Mrs Magubane said yesterday that, at a meeting on Monday, the company had said it was willing to reinstate the fired workers

However, it added that it had already employed about 80 contract workers to replace the strikers. It said it would be overstaffed if it reinstated the fired workers

"We suggested that all the workers be reinstated and that we then meet next year to discuss how to deal with the problem," Mrs Magubane said

The company agreed to this



# MAWU hearing continues

By JOSHUA  
RABOROKO

MIGRANT workers re-  
cruited by Screenex  
Wire Weaving Manufac-  
turers in Alberton were  
registered in terms of  
(influx registrations) at  
the East Rand Adminis-  
tration Board offices, a  
court heard yesterday.

This submission was

made by the company's  
counsel, Mr Johan  
Gaushe, when cross-  
examining a Metal, and  
Allied Workers' Union  
(MAWU) organiser, Dr  
Bernard Fanaroff, in the  
Johannesburg Industrial  
Court

He said it was "dero-  
gatory" to suggest that  
the company did not  
register its employees

because in terms of the  
law a migrant should be  
registered.

Earlier Dr Fanaroff  
had said that after the  
retrenchment of mi-  
grants which was fol-  
lowed by a work stop-  
page, Screenex had em-  
ployed a new workforce  
which was recruited  
from Bushbuckridge  
and was not registered

~~153~~ 186  
RDM 9/12/83  
**Firm sacks entire workforce of 120**

By PHILLIP VAN NIEKERK

A GERMISTON factory Caramel Sweetmaking, has fired its entire workforce of 120 — four days after they asked the company to recognise their union

Mr David Makhene an organiser of the Fosatu-affiliated Sweet, Food and Allied Workers' Union alleged yesterday that the workers had been fired because they had refused to resign from the union

A spokesman for the company said the workers had been unhappy about their conditions of employment, while the company had been unhappy with the way they were working

"So we decided to give the whole lot a week's notice last Friday," he said

The workers were all paid out yesterday, a few days before the plant was due to shut for the Christmas period — and the company say they will be recruiting a new workforce in the new year

Mr Makhene said the workers had started joining the SFAWU last month They had approached management to recognise the union last week, but were told they should

resign from the union or be fired

"The workers refused and were all given a week's notice last Friday but were paid out a day early yesterday"

Mr Makhene said the company was "totally anti-union" and the union was considering possible legal action if other workers were hired to take their place

The company spokesman said leaders of the workers had approached management saying they were dissatisfied with their working conditions and salaries

They had "mentioned" the union 10 days ago, but the company was not prepared to discuss union recognition with the workers at that stage

"They stopped work for two hours We gave them a week's notice last Friday, but today (Thursday) the entire workforce stopped working and we politely asked them to leave

"We paid them out till the end of the week — which means they got two full days pay without working

"We would have been closing within a few days for our annual leave, and the company will be hiring a new workforce in the new year" he said

## Canned foodstuff prices are on the increase again

By Zenaide Vendeiro

The price of canned fruit, vegetables and jams will rise by about another nine percent from February 1, the biggest national canning company announced yesterday

This is the third price increase announced this year by the Langeberg Co-operative, which holds an estimated 75 percent of the fruit, vegetable and jam markets

Canned jam, fruit and vegetable prices went up by an average 14 percent last January. A five percent trade discount also fell away, making an effective increase of 19 percent

Prices of certain lines went up again in July and trade discounts were further eroded

The prices of canned fruit and jam are those most affected by the latest increases. The average price increase in the case of canned vegetables, which make up the largest part of Langeberg's local sales, will be slightly more than eight percent

The increases, the co-op said, were necessary because of the crippling, protracted drought

Dr J A Mouton, Langeberg's general manager, said that while profit margins had been under pressure the whole year, Langeberg had kept the new price in-

creases to a minimum, in line with the Government's fight against inflation

"In addition, we decided to postpone until February 1 these increases, which normally become operative on January 1. At the same time, we tried to further provide for consumers by keeping to a minimum the prices of certain high-volume lines like baked beans"

A retail-chain spokesman said that the increases would be met with consumer resistance

"Customers were paying 89c to 95c for a tin of apricot jam this time last year. Now the cost is R1,20," he said



## Growers hit hard by drought

# Price of jam, canned fruit to rise by 9%

*RD.M* *186* *10/12/83*

By PAT SIDLEY  
Consumer Mail

THE PRICE of jam, fruit and vegetables canned by Langeberg Co-operative will increase by an average of 9% in February next year.

Canned fruit will increase by an average of 14,7%, vegetables by 8,7% and jams by about 13,3%

This means that a can of guavas which costs about 75c in a supermarket now, will cost about 89c in February

Peach slices are likely to increase by even more as Langeberg is to pay its peach growers about 32% more for fruit next year

This will be the third increase since the beginning of this year by Langeberg, which estimates it has around 60% — but could have 70% — of the canned foods market in South Africa

The price was increased in 1981 when it took over the interests of the beleaguered Pican canning company for about R6 800 000

Prices rose by about 19% this year — with about 13,5% on average in January and the rest in July

A statement from Langeberg said that "in the new season deciduous fruit, in particular, would cost the canner much more than was the case a year ago"

"In an effort to keep the productive producer in the industry, the price of deciduous fruit has been dramatically increased by comparison to that of the previous season. For example a ton of the new season's peaches is expected to cost the canner 32% more than was the case a year ago"

Depending on stocks, Langeberg believed consumers would not feel the increases before April next year.

"While profit margins had been under pressure the whole year, Langeberg had kept the new price increases to a minimum, in line with the Government's fight against inflation

"In addition, we decided to postpone until February 1 these increases, which normally become operative on January 1. At the same time we tried to further accommodate consumers by keeping to a minimum the prices of high volume lines like baked beans in tomato sauce," the statement said

A spokesman for Langeberg told Consumer Mail that the drought had hit the co-operative very hard and many deciduous fruit growers were leaving fruit growing. In order to keep being supplied the co-op was having to pay more to fruit growers

Langeberg lost R7 700 000 in the 1982 financial year and this year (its financial year ended in October) is expected to be a similar disaster

It lost R1 100 000 in 1981

It attributed most of the R7 700 000 loss to Land Bank interest rates — which were lower than commercial banks' interest rates at the time

Major supermarket chains had mixed reactions to the announcement yesterday

One chain believed that with consumers resisting, and demand lower, it was unwise to put prices up. Another believed that because of Langeberg's problems, the drought and the necessity for imports, the increase was both expected and reasonable

Both chains agreed yesterday that although Langeberg had a huge slice of the market, the market remained competitive. If Langeberg's prices rose too far it could price itself out of the market, one chain warned

"If we find their prices are too high we buy from one of the small independent canners. Langeberg has to take cognisance of this," another said

Production in the canned fruit industry has dropped by about 50% over the past three years

This is partly because of cutbacks in the export market, the recession and the drought.



**THE CANNING INDUSTRY** has priced itself out of reach of the bulk of South Africa's consumers — and has done so deliberately.

By far the largest canner, the beleaguered co-operative Langeberg, has announced that it has had to raise prices once again — after two controversial rises this year. Langeberg holds at least 60% of the canned fruit and vegetable market.

It hoped with increased prices, production cutbacks and rationalisation within its very large group to improve its profitability, according to its general manager, Dr J A Mouton. And losing consumers was a function of this.

But the strategy has yet to prove itself. Production is down, consumption is down and Langeberg is likely to have at least as bad a year financially when it reports its 1983 results as it did in 1982, when it lost R7 700 000.

During the past couple of years five canners have stopped canning fruit, 5 000

# All in a stew over big canned food price hike

**PAT SIDLEY reports**

Jobs of about 14 000 have been lost, and a major canner — Piccan, whose biggest label was All Gold — had to be taken over by Langeberg to save it from bankruptcy and a further loss of jobs.

The canning industry is worth about R400-million to R600-million annually, and if Langeberg was to face closure it would mean the loss of a major portion of that sum to the Western Cape as well as the loss of tens of thousands of jobs.

That is possibly why the general secretary of the Food and Canning Workers' Union, Mr Jan Theron, is not committing himself to the recent planning about the price rise. But he is not apologetic about it either, and questions its wisdom.

He notes that most of his workers — many earn R46 a week and would face lay-offs

if further canners closed down — cannot afford canned food. He believes this bodes ill for the industry in the long term.

About 87% of South Africa's canning produce is exported — and the export market has dropped back drastically. The proportion of exports to local sales has not changed much over the past three years, but the local market has shrunk too — partly because of price increases.

In 1982, about 1 500 000 cartons of canned fruit were sold in South Africa (A carton is 24,41kg of canned food). In the same year, 10 300 000 cartons were exported. This gave sales of 13% local and 87% exported, according to the SA Fruit and Vegetable Canners' Association.

In 1980, total production was 15 300 000 cartons and

other arrangements to finance itself.

Keeping stock on hand also costs money in interest rates, hence the cutback in production to sell as much existing stock as possible.

Langeberg had hoped for benefits of the Piccan takeover to be more apparent — but the soaring interest rates wiped out any hope of that for the time being.

Meanwhile, Langeberg has grown into the crippled giant it is today.

Canners involved in exporting cite among the reasons for export cutbacks ● SA's higher inflation rate than overseas buying countries,

● High interest rates here and abroad,

● The recession abroad, and

● Heavy subsidies for European Common Market countries producing canned fruit and exporting it within the EEC.

Local canners are also subsidised for exports. As well as the normal range of export benefits SA exporters are allowed, canners have interest on loans subsidised for export purposes to the tune of about R1 200 000. But this is a drop in the ocean of a R400-million industry.

However small the drop, it causes embarrassment. The spokesman for the Fruit and Vegetable Canners' Association refused to confirm, deny or comment upon the subsidy.

Canned vegetables are hardly exported at all. About 4-million cartons are produced annually and about 96% of that is sold here. The market for these has remained largely static and

shown minimal growth, but the drought has forced imports and price increases.

Locally consumers are resisting canned food for a variety of reasons, the chief one being the price. And with each increase, this phenomenon is exaggerated. Adding to the gloomy picture is the current recession and a change of taste from canned to fresh foods.

The Canning Workers' Union is unlikely to have particularly strong feelings about the price increase. The workers cannot afford the product, but if canners are unprofitable they will lose more jobs.

Canned goods are not basic foods. They are not included in poverty datum line assessments, nor in the Department of Health's delineation of a minimum healthy diet, nor in

the Consumer Price Index which reflects what most people must buy.

But Mr Theron comments that the reduced local market may not pay off in the long term and price increases cannot win consumers back. It's too much of a gamble.

The union has to accept that the EEC subsidies have helped reduce the market share SA canners have abroad. Mr Theron believes canners have concentrated on the overseas market to the exclusion of local consumers like the well-being of the population.

SA canners, he says, have relied on low production costs like labour, to export relatively cheaply. With so much of the output being exported, this is probably true.

He finds it "ironic" that

the conditions like the drought and local overseas recession have eased and the oversupply to the EEC has eased as well. Canners believe 1984 holds out more hope.

Dr Mouton is gambling on regaining consumers here and abroad at the higher prices to recover his volumes when the long-awaited turnaround in the economy takes place.

He is not certain Piccan would have gone out of business entirely had Langeberg not taken it over — someone else might have.

Dr Mouton, too, is not certain the Piccan companies and workers might not have done better had they been taken over or merged with another company. He says the question can't be answered.

# ICS hit by recession and drought

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THE Imperial Cold Storage and Supply Company has been badly hit by the recession and drought.

After-tax profit for the year to September was R12,7-million compared with R22-million for the 12 months to February 1982 and R7-million for the seven months to September 1982.

The chairman, Mr W H Neate, says in his annual report the pre-tax operating profit of R20,6-million represents a return of 2 percent on turnover.

"This margin is very modest having regard to the capital involved in modern food handling and it is only large volumes that make it possible for the company to operate under such a small margin."

#### NEW FACILITIES

The group's prospects for the coming year "depend to a large extent not only on whether sufficient rains fall this summer to provide adequate relief to the drought but also on whether the expected upturn in the economy and resultant increase in consumer demand materialise."

Meanwhile the group has spent R48,7-million on providing new facilities and improving existing ones, including a new ice cream factory and pork packing plant, a new distribution cold store and two distribution depots.

The cold store in Dock Road, Cape Town, which has operated since the end of the last century, has been decommissioned and it is intended to dispose of it.

#### RESTRAIN PRICES

Discussing the effects of the recession and the drought, Mr Neate says that the oversupply of red meat combined with low demand made it impossible to recover increased operating costs.

Heavy rains and improved grazing might cause a temporary shortage of fresh meat in the current year but "feedlots in the country are well stocked and this, with the Meat Board stocks, could restrain any undue rise in market prices."

Milk sales were static and fruit juice sales declined but there was a growth in sales of milk products such as soft cheeses and yoghurt.

Audrey d'Angelo



# Bakers workers in fruit-cake row

Own Correspondent

DURBAN — A row over cakes as Christmas gifts for workers led to a brief work stoppage at Bakers Ltd in Durban yesterday

According to a spokesman for the workers, about 200 employees stopped work at 10am because of alleged dissatisfaction with their Christmas gift — a fruit cake instead of the usual box of biscuits

Workers said the fruit cake was a Bakers product and they preferred the biscuits, which came from another division of the company

Workers returned to their jobs an hour and a half later after talks with management

The spokesman said supervisory staff had taken over workers' duties during the stoppage to prevent heavy losses "There was bread and cakes in the oven at the time and if left unattended all of it would have been lost"

Mr Morris Grant, the company's managing director, yesterday confirmed that there had been a "minor work stoppage" but denied it had anything to do with the workers' Christmas bonuses or gifts.

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Simba  
strike  
is over <sup>RAM</sup> 23/12/83

Labour Correspondent

STRIKERS at Simba-Quix's Isando snack factory have returned to work and wage talks between their union, the Sweet, Food, and Allied Workers' Union, and the company, have resumed, the plant's managing director, Mr. Jan du Toit, said yesterday.

About 400 employees stopped work on Tuesday after wage talks between the union and the company broke down. Simba-Quix recognises the union, which is demanding a 20% wage increase.

The strike was also prompted by worker dissatisfaction because some supervisory workers were given increases while other workers were not.

According to Mr Du Toit, the company awarded these workers rises because they had not benefited from a 30% wage rise negotiated with the union in mid-year.

On Wednesday afternoon, union shop stewards attempted to persuade workers to return pending further talks, according to a union spokesman.

Mr Du Toit said yesterday that Wednesday's night shift had resumed work and that yesterday morning's day shift was also back at work. "Production is back to normal and we are hopeful that the return to work is permanent," he said.