MANUFACTURING — Iron & Steel Engin.

1983

JANUARY — JULY.

3/1/83

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1982 recession, 1983 consolidation and adjustment — Seifsa

THE final quarter of last year eflected definite recessionary onditions in a number of najor sectors, particularly the mportant iron and steel industries, the Steel and Engineerng Industries Federation of South Africa (Seifsa), said in heir review of business conditions in the metal and engineering industries during 1982 and outlook for 1983

Real economic activity in the metal and engineering industries started to slow down towards the end of 1981, but retained some carry-over momentum from the relatively satisfactory growth rate of 1981 during the first half of 1982

But it declined sharply from the third quarter

In addition to softening domestic demand, widespread reductions in inventories towars the end of the year, and some postponement of planned capital investment, both in the public and private sectors, aggravated the general downswing

During 1982, conditions generally, reflected the overall contractionary phase in national economic activity However the heavy electrical machinery industry, the telecommunications and electronics sectors and and some subsectors of the large and heterogeneous engineering industries were able to report growth rates above the estimated 1% rate for the economy as a whole

Physical production volumes in the basic metals sector, particularly in the ferrochrome sector of the ferro alloy industries, showed a month by month downward trend during 1982 Both domestic and export demand for steel products weakened considerably in the final months of the year and output of steel ingots is now expected to be some 8 500 000 tons as compared with the 8 800 000 tons of 1981

The continuing crisis in the Western European steel industry also severely affected steel exports which are expected to show a drop of some 36% in tonnages exported for 1982 compared with the previous year

Steel producers are not anticipating any turn around in the world steel market until mid-1984 Despatches of rolled and drawn steel products, including exports, are also expected to drop by some 15% during 1983, and near to medium term prospects look bleak

In contrast the stainless steel industry which entered a new phase of expansion during 1981, maintained relatively satisfactory production levels and, despite the overall recessionary trends, anticipates some further potential for import eplacement and export demand in the medium term

The export-intensive ferro alloys industry faces similar difficult trading conditions to the iron and steel industries and is operating at substantially reduced capacity Output for 1982 is now estimated at some 1 100 000 tons 7,7% below 1981

The substantial capacity in the foundry industry continued underutilised during 1982 and demand is expected to weaken further during 1983 in line with the declining activity of major end-users in the automotive, heavy engineering and mining industries

The metal fabricating and engineering industries reported a general slowdown in activity with substantial deterioration in trading conditions during the final quarter of the year

In particular, manufacturers of agricultural and irrigation machinery and equipment experienced a considerable drop in order intake and production levels in the latter half of the year as a result of the overall deepening downturn, higher interest rates on loans from the bank and the fall in real agricultural output due to unfavourable weather conditions

Automotive component manufacturers reported relatively satisfactory demand throughout the first three quarters of the year with a marked fall-off in demand in the final quarter, where new passenger and commercial vehicle sales dropped by some 20% compared with the same period of 1981

The steel construction industry reported an overall drop in activity which accelerated towards the end of the year with the severe pruning of development programmes in the public sector, including the South African Transport Services

Fabricating shops also reported considerable unused capacity in the second half of the year and no correction is seen in the short to medium term Despite this downturn, the structural steelwork sector, in particular, reports a continuing shortage of artisans, draughtsmen and technicians and is busy with intensifying its efforts in the field of manpower devolpment and training

Despite the current severe economic slowdown in the metal and engineering industries, the 1980 forward move to increased capital investment in a number of major Seifsa sectors continued throuhout 1982

Spending on new machinery, plant and equipment was aimed, primarily, at modernisation of production capacity, improving the quality of products, and productivity in general

New capital investment was centered on the basic metals sector and, in particular, on the basic iron and steel industries, which anticipate a greater per capita use of steel from the mid-1980's onwards

New investment in the basic metal industries amounted to R247-million at current prices in 1981, an improvement of 47% on the 1980 level and 'an estimated R596-million for 1982

The trend in employment of workers in the metal industries is reflected in the following table.

Percentage Increase/(Decrease) in scheduled employment in metal industries for 1976, 1977, 1978, 1979, 1980, 1981 and 1982 respectively.

Employees (1,2), (10,3), 5,9, 7,4, 11,2, 2,4, (2,8)

The 1982 figure is at 1st May 1982

The figures show that numbers employed are sensitive to economic conditions and in the 197. recession there was a drop in employment of 10% Figures are not yet available for the current year on a comparative basis While a significant number of employees has been retrenched in the metal industries during the current downturn, many employers are adopting alternative courses of action in an effort to avoid retrenchments where this is possible

Increases in scheduled wage costs in the metal industries ranged from 14% in 1976, to 6,7% in the recession year of 1977 and then climbing to 16,1% in 1980, 18,9% in 1981 and 20,2% in 1982

A major factor in these high increases has been the scarcity of skilled workers

The wage drift in respect of these workers has inevitably accelerated during the economic upturn of the late seventies as a result of this scarcity and this in turn has impacted on the wage aspirations of unskilled and semi-skilled workers The removal of the artificial barriers which contributed to the skills scarcity has cleared the way for the metal and engineering industries to get to grips with this problem in a number of ways, namely

- New apprentices approved at regional committees in 1982 reflected a further significant increase over the all-time high intake of 1981
- An alternative route to the apprentice system for training artisans has been agreed with the trade unions This approach is open to those who have missed the opportunity to become an apprentice and should act as an important supplement to the apprenticeship system
- Additional funds being generated from increased training levies have been earmarked for the establishment of industry level apprentice training centres, the first of which, is planned to open on the East Rand early in 1983

"The establishment by many employers in the metal industries, at considerable capital cost, of modern training workshops for the training of apprentices

As far as the outlook for 1983 is concerned there are a number of severe constraints

The continuing weakness of the world economic situation gives small cause for optimism of any meaningful revival in the economies of South Africa's major trading partners during 1983

Present indications are that the downswing in the South African economy will become firmly entrenched and the expected further decline in the levels of activity of the mining, automotive and transport sectors will severely inhibit production performance in the Seifsa group of industries

Seifsa also anticipates there will be further difficulties in the industrial relations field during 1983 and recent strikes are seen as a serious warning of possible future industrial disruptions

Nevertheless Seifsa believes sound industrial relations procedures can be established at both company and industry level for resolving worker problems and disputes when they arise

In overall, 1983 is seen as a year of consolidation and realistic adjustment for the basic metal, metal fabricating and engineering industries Further, despite fairly general deterioration of production performances in the majority of the metal and engineering industries, the relatively high levels of capital spending, as recently announced, reflect a continuing confidence by the Seifsa Group of Industries in the long term outlook of the South African economy — Sapa

Section A

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Hope of more work for ship repairers

E. Post
4.1.83

By GEORGE YOUNG

THE encouragement afforded the South African marine ship repair industry recently when SA Transport Services allowed Dorbyl at Durban a concession on established drydock tariffs to ensure the R500 000 contract for a Norwegian freighter being awarded in the Republic, stimulates enthusiasm for an extension of the industry

Despite the recession, there is a considerable number of ships on both the east and west coast requiring periodic overhaul, and if the Republic can submit competitive prices, there is good reason to believe the business can come here

The operators of the passenger service to St Helena and Ascension from Avonmouth have seen great benefits from the use of South African engineering facilities

The Norwegian freighter to be repaired in Durban for about a month, and to enjoy a 50% discount on the usual tariff for the period in excess of 15 days, would have returned to Europe had it not been possible to do the work here Canadian yards, which are at the other end of the vessel's route, are even more costly than Europe

Steel in this country is cheaper for the expected 100 tons the Japanese-built hull of the freighter requires for repairs

In recent months the main competitor for South African engineering complexes has been Singapore, but prices there have tended to rise Yards at Lisbon, which were thought to be a keen competitor for South Africa, are having serious profitability troubles since the demise of the big tankers.

South Africa wisely resisted the temptation to expend capital on facilities for the ultra-large ships, and if a massive drydock scheme has been established by Verolme in Saldanha Bay in terms of a 1970 project, it would have been a disaster. There is small inducement to build drydocks anywhere now because complexes all over the world are suffering a shortage of work

However, existing docks in South Africa could, with the aid of vigorous marketing, find more cargo ships, bulk carriers, rig tenders and other craft to compensate for the loss of tankers

But it is still doubtful if the Princess Elizabeth dock at East London could ever be made economically viable, and neither the Durban nor the Cape Town drydocks are enjoying the patronage they once had A rise in tariffs would compound problems

2 — DAILY DISPATCH, SATURDAY, JANUARY 8 1983

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Steel plant to start in June

QUEENSTOWN — The R6 million steel pressing plant being established here will start production by the end of June

A spokesman for the development consultants, Mr Adri Loots, said the industry — which will serve motor manufacturers — already has orders to cover it for the next two years

Mr Loots, director of Jalc Holdings, said building on the Stateline Pressed Metal plant would resume on Monday The earthworks had been completed and the plant, being erected by Jalc Construction, would be ready for production by the end of May

"We are rushing things a bit, but we have dead lines to meet for certain components," said Mr Loots

The factory would serve mainly Eastern Cape motor manufacturers

Meanwhile, the man behind the establishment of the steel press, Mr Russell Oliveto, an American, has arrived in South Africa

Mr Loots said he would be in Queenstown on a full-time basis from February 1

Stateline Pressed Metal, which, according to Mr Loots, is the "biggest single development in the history of Queenstown, will employ about 100 workers in its first year of operation

When in full production the plant is expected to use 24 000 tons of sheet steel a year and its eventual output will be worth some R100 million annually

The cost of the land and buildings has been put at R3,5 million and the plant itself will cost more than R2,2 million

Mr Loots said yesterday Mr Oliveto was in Johannesburg attending to permits to import machinery for the plant — DDR

S Tribune 9/1/83

SEIFSA head fears more unrest

By Mike Peirson
Finance Editor

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A FEAR of further industrial unrest this year in the metal and engineering industries in South Africa is expressed by Sam van Coller, director of the Steel and Engineering Industries Federation in his annual review this week.

But he is confident that sound industrial relations procedures can be established at both company and industry level for solving disputes when they arise.

One of the bones of contention is bound to be unemployment and in the 1977 recession there was a drop in job levels of some 10 percent. So far figures are not available for the present downturn but there have been significant numbers retrenched in the past year.

Many employers have adopted alternative courses of action in an effort to avoid retrenchments where this has been possible.

Van Coller explained that increases in scheduled wage costs in the metal industries ranged from 14 percent in 1976 to 6 7 percent in 1977, climbing to 16,1 in 1980, 18 9 in 1981 and 20,2 last year.

This was due mainly to a shortage of skilled workers whose pay has accelerated during the boom and resulted in inevitable higher wage demands from unskilled and semi-skilled workers.

The removal of the artificial barriers which contributed to the scarcity has cleared the way for these industries to get to grips with the problem.

In this respect the following developments have taken place.

- New apprentices approved at regional committees last year reflected a further significant increase over the all-time high of 1981.

- An alternative route to the apprentice system for training artisans has been agreed with the trade unions. This approach is open to those who have missed the opportunity to become an apprentice.

- Additional money being generated from increased training levies has been earmarked for the establishment of industry level apprentice training centres, the first of which is due to open early this year on the East Rand.

- The introduction by many employers of modern training workshops.

The substantial capacity in the foundry industry continued to be under utilised in 1982 and demand is expected to weaker further this year in line with the declining activity of major end users in the automotive heavy engineering and automotive industries.

The shipbuilding industry experienced a general drop in activity last year and the absence of orders in the medium to long term and continuing severe competition from overseas yards are matters of major concern.

Substantial volumes of low cost imports coupled with favourable foreign financing offered for a number of major projects continued to erode the markets of domestic manufacturing, particularly in the machinery and electrical machinery sectors.

Van Coller sees the coming year as one of consolidation and realistic adjustment for the basic metal, metal fabricating and engineering industries.

Court orders 51 back to jobs

RDM

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11/1/83

By CHRIS FREIMOND

IN A landmark decision that is likely to have far reaching implications for South African labour relations, the Industrial Court has ordered the reinstatement of 51 workers dismissed last year by an Olifantsfontein company

It was the first time the court had ordered the reinstatement of sacked workers

The case was brought by the Metal and Allied Workers' Union (MAWU) — a Fosatu affiliate — and 51 migrant members against the firm Stocks and Stocks and its holding company, Stobar Reinforcing

The respondents had asked for the temporary reinstatement of the workers because they alleged their sackings were unfair

In a statement yesterday MAWU hailed the "historic judgment" The chairman of Stobar's shop stewards' committee, Mr Robinson Ramasodi, said "We are very, very happy to have won this order, not only for ourselves, but because it will help all workers"

The union and workers alleged in court that they were fired without warning in an attempt by the company to avoid negotiations over retrenchments so that it could carry out "disguised retrenchment" by dismissing all the workers and then rehiring only some

Mr H Cheadle, for the union and the workers, argued that it was an "unfair labour practice" to "unilateraly" dismiss an entire work force to avoid retrenchment negotiations with a representative union

Mr M Brassy, for the companies, submitted that Section 35 of the Metal Industrial Council agreement which sets out procedures employers must follow before dismissing or retrenching workers, was "void for vagueness"

He said it had no legal force because it did not spell out what an employer had to do to fairly dismiss workers

Reasons for the judgment will be given later The court made no order on costs

Top labour sources said last night that the order was "heartening", but it was difficult to say exactly what its effect on labour relations would be before the resons for the judgment were known

One source said the order seemed to show that the court was "doing what it was set up to do".

(189)

11/1/83

RDM

ATI, Macdem in R46m deal

By STEVE ELLIS

A JOINT venture company is to be formed to buy for R46-million a number of engineering operations from Anglo-Transvaal Industries and Macdem (Pty)

When the merger takes place, the enlarged company will have assets worth more than R60-million, will employ more than 2 000 people, and is expected to record a turnover of more than R130-million in its first year

Macdem — which is 45% owned by Haggie and 55% by McKechnie Bros (UK) — is to sell its wholly owned subsidiaries McKechnie Bros South Africa and Maksal Tubes (Pty) to the new holding company, and ATI is to sell its Denver Metal Works (Pty)

After the merged company is formed, it will buy another Macdem wholly owned subsidiary, SA Copper Alloys (previously Huletts Metals), for either cash or shares

Macdem will have a 60% stake in the holding company and ATI will get 45%

The deal will become effective retrospectively from January 1

Macdem will manage the merged operation and its chief executive, Mr C M Coutts-Trotter, has been appointed executive chairman ATI and Macdem will have members on the board

A statement by the two companies yesterday said that "although the trading companies will initially continue to operate as seperate units, their production and other facilities will be rationalised over the longer term'

The deal is not expected to have a material impact on ATI's share earnings or net asset value

A spokesman for the companies said the deal had been precipitated by the rising cost of scrap metal, for which the companies involved had proviously competed

The move would also reduce to some extent the overcapacity in the industry

● **Haggie's latest annual report says it has an option to buy a further 5% in Macdem in 1984 which, if taken up, would give Haggie and McKechnie Bros (UK) equal shares in Macdem**

Star 11/1/83

Company told to reinstate 51 workers

By Tony Davis. Labour Reporter

The Industrial Court has ordered an Elandsfontein firm to reinstate 51 workers who were dismissed during a dispute last August

The decision is viewed as highly significant as this is the first time the court has made such an order and it confirms the right of dismissed workers to demand temporary reinstatement from their previous employers

Fosatu's Metal and Allied Workers' Union made an urgent application to the Industrial Court last September after the management of Stocks and Stocks dismissed the workforce of 78 men after a week's go-slow dispute

The court met in Johannesburg in November where Mawu claimed the workers had been dismissed without sufficient reason and without being able to state their grievances to management

Stocks and Stocks, and the holding company Stobar Reinforcing had failed to fully investigate the go-slow before dismissing workers counsel for the 51 men stated

Disciplinary procedures laid down in the metal industry's industrial council agreement were described as being too vague

Judgment was reserved but was awarded this month to the 51 workers, ordering the temporary reinstatement of the men by the firm in terms of Section 43 of the Labour Relations Act

The chairman of Mawu's shop stewards' committee at Stobar, Mr Robinson Ramasodi, said they were pleased with the decision

Magnum

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move against whatever personal assets Mr Summerley holds by applying for the sequestration of his estate

Last night at least one Lamborghini car — owned by the Magnum group and driven by Mr Summerley — was safely locked up in a Johannesburg sports car company's garage

The garage is owned by a personal friend of Mr Summerley but an employee said he was not allowed to comment on the car or allow pictures of it to be taken without the permission of the owner, who is out of town on business

It is believed that another, older, Lamborghini is being sought by the liquidators who maintain that it too could be an asset of the Magnum group

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d annually to a pharmacist who an outstanding contribution to the ceutical profession in South Africa herland, a retail pharmacist from Dur- the award for initiating the in-depth study into the future of pharmacy Africa

nel Maggs

LL-KNOWN Pretoria businessman, Eugene O'Connell Maggs 83, has died Pretoria home after suffering from Born in Port Elizabeth and edu- Cape Town, Colonel Maggs also at- the London School of Economics and in both World Wars He was a member Board of the South African Reserve d on the boards of various other concerns A Pretoria resident for ears, Colonel Maggs' family home in et, Arcadia, was given to the British He is survived by his widow, three and six grandchildren

in tonight

the top amateur photographers in frica Mr Terry Carew, will be guest at the Springs Colour Slide Club's ing of the year tonight He will give ated lecture on "Aspects of Photo- in the Founder's Hall of St Michaels ican Church in Seventh Street The starts at 7 45

ton Jaycees

al meeting of the newly-formed Jaycees will be held at 6 30pm on January 17, in the Rivonia Room of Holiday Inn Interested members public between the ages of 18 and 40 e most welcome For further details John Ford, phone 832-2933

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MAIL is YOUR column about hap- in YOUR area Pass on any snippets al or community interest you come to the News Editor's Secretary, Rand il P O Box 1138, Johannesburg 2000 her on 710-9111 or 710-2510 after or Pretoria the number is (012) 38861 East Rand 56-2534

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destiny'

ati- s" the cap- ism the war, it

rably turning into a bronze monument of herself She is living out a legend in the Falklands which will go down in history and in myth

"Years after she and her politics have crumbled,

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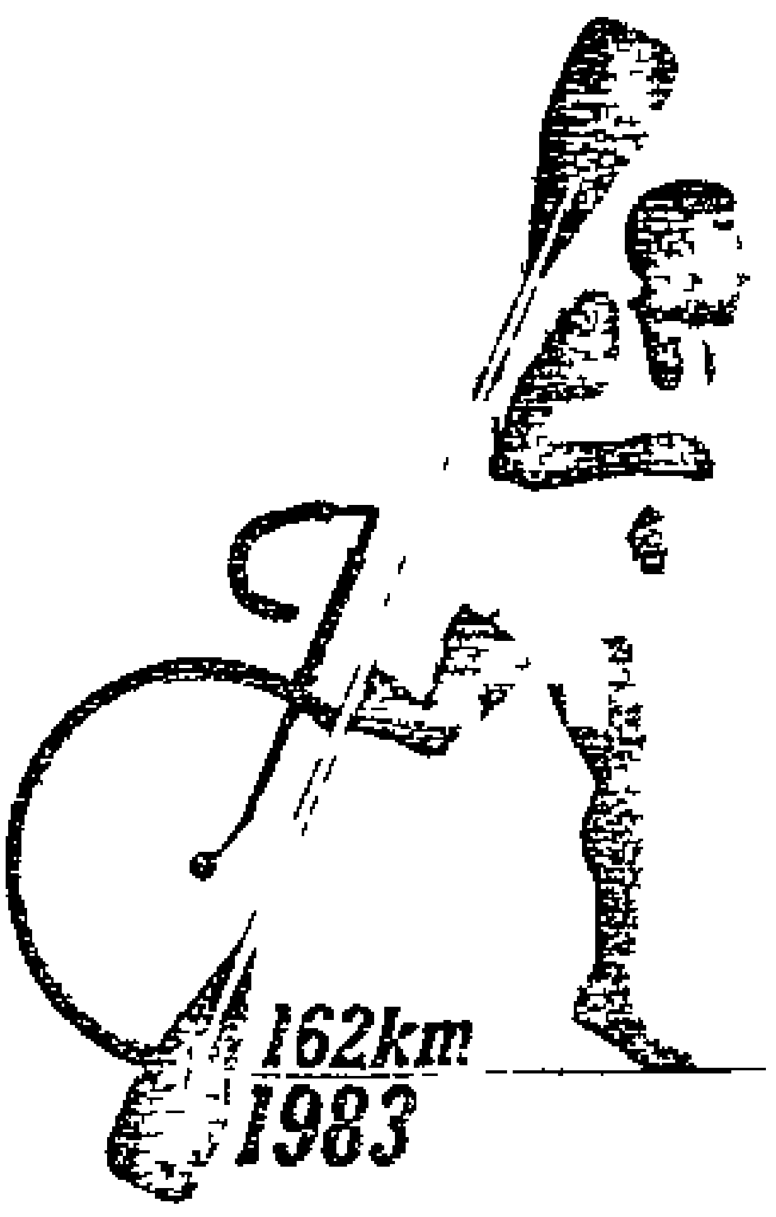
18 entry days left for Mail Iron Men



By LARRY LOMBAARD

ASPIRANT qualifiers for the Rand Daily Mail Nutri-Sport Iron Man triathlon on February 26 have 18 days left in which to enter

The energy-sapping event — rated among the toughest endurance tests in the world — has attracted 107 entries so far The closing date is January 31

Competitors will canoe once around Hartbeespoort Dam, a distance of 28km, cycle 90km to Voortrekkerhoogte and then run a 42,2km marathon on the Old Pretoria Road to the finish in Sandton They must finish within 13 hours of starting at 5am

The competition has a R20 000 sponsorship The winner receives two tickets to Hawaii, valued at R8 000, where he can compete in the Hawaii Iron Man competition if he wishes to

The second prize is an overseas trip valued at R3 000 The third man home will receive a prize valued at R3 000 There are also prizes for the two age-group categories, the Masters section between 35 and 40, and the veterans of over 40 The first three receive R1 000, R750 and R500, with the same money breakdown going to the first three women

● The Sandton Holiday Inns has offered special rates to competitors over the weekend of the competition — R39 a person for bed and breakfast (double bedroom) for two nights, or R24 a person per night for a double room only, or R40/person per night for single accomodation

● Entry forms can be obtained from Promotions Department, Rand Daily Mail, P O Box 1138, Johannesburg 2 000, or telephone 710-2263

MATTER OF FACT

TO CORRECT specific errors of fact, write to the Editor at P O Box 1138, Johannesburg, or telephone the Editor's secretary at 710-9111 between 9am and 5pm on weekdays

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(~~1404~~) RDM 13/1/83 (189)

Mawu says 140 were dismissed

By CHRIS FREIMOND

MOVES are under way to request the governments of Botswana, Zambia and Zimbabwe to consider banning the import of products from a South African company because of its alleged exploitation of black workers

In a statement yesterday the Metal and Allied Workers' Union (Mawu) said it was declaring a dispute with an Alberton company, Screenex Wireweaving Manufacturers, because it had dismissed its entire work force of about 140 after a dispute over retrenchments

A union spokesman said the matter might be taken to the Industrial Court In the meantime the workers had called on Fosatu — to which Mawu is affiliated — to ask the governments of neighbouring countries to which Screenex products were exported to reconsider allowing the trade to continue

Screenex makes wire screens mainly for the mining industry Its customers are believed to include mines in neigbouring states, De Beers, Anglo American and Gencor

According to Mawu Screenex has refused since the middle of last year to negotiate with the union

The union says 11 workers were effectively retrenched on December 10 in spite of an agreement that all contracts would be renewed

The remaining workers stopped work and were told they would be fired if they did not resume work the following Monday, when most were due to start their leave

A Mr Freissle at Screenex yesterday denied that the company had a dispute with Mawu "We don't have any of their members here," he said

He also denied the work force was fired last year, but confirmed that after the stoppage workers were told that they would be replaced if they did not resume work

He said the company was not concerned by possible moves to stop exports to neighbouring states Screenex exported very little, he said

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Weath

THE Weather Bureau's fore

TRANSVAAL — Partly clo thundershowers, but somewh the highveld where it will be

FREE STATE and CAPE north o cloudy and hot with isolated th north, but cloudy in the mornin Free State

CAPE south of the Orange — Fine hot, but cloudy along the south and the morning with light rain clearing

NATAL — Cloudy and cool with lig partly in the south and becoming warm

SOUTH WEST AFRICA — Partly cloudy scattered thundershowers over the centre isolated in the south-east

BOTSWANA — Partly cloudy and hot with is dershowers, but scattered over the north-west

Temperatures are Celsius maximums expected for each city

Rand Daily Mail Weather Station

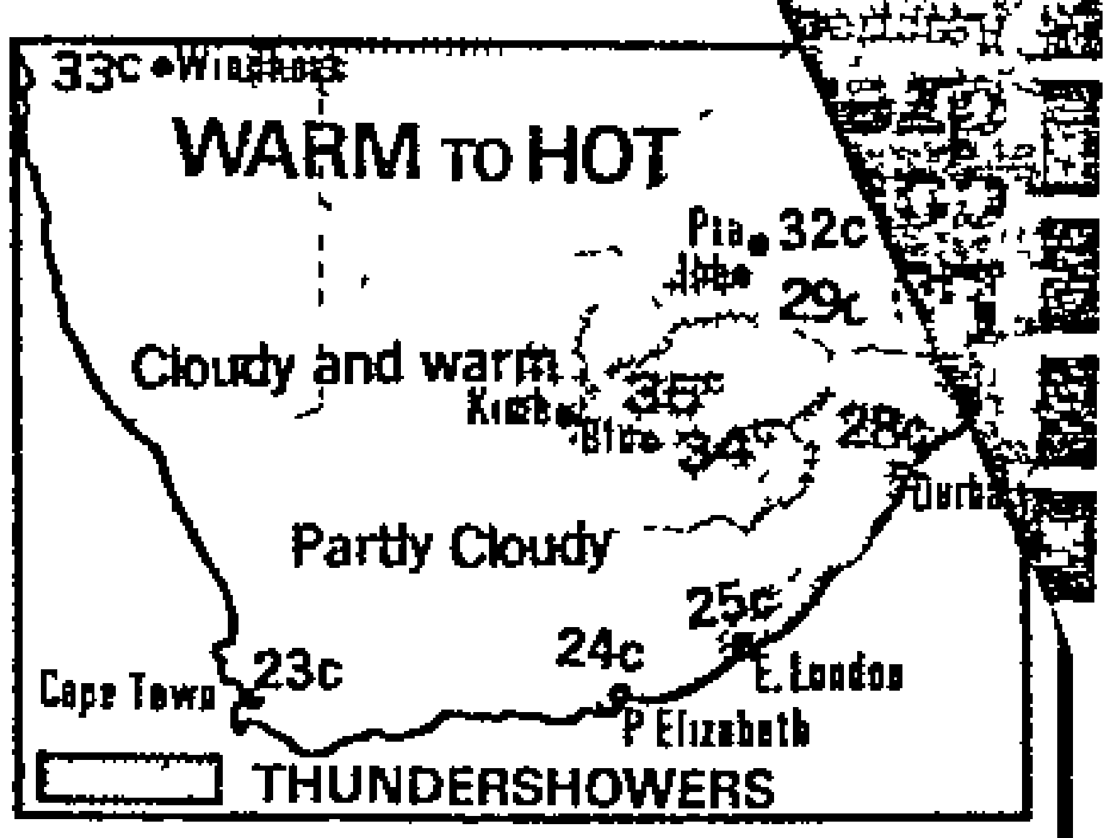
YESTERDAY
Wednesday
January 12, 1983
Temperatures.

08h00	14h00	21h00
26°C	32°C	24°C

Humidity

38%	25%	42%

Max temp 33°C
Min temp 19°C
Rain 24 hours to 20h00 Drops



SOUTH AFRICA YESTERDAY

Temperatures at 14h00

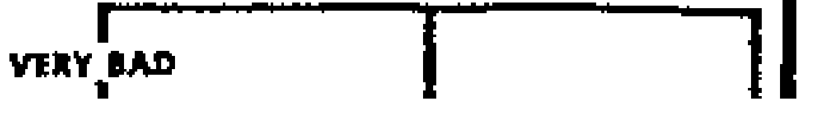
	°C		°C		°C
Bloemfontein	31	Jan Smuts	32	Potchefstroom	32
Cape Town	20	Nelspruit	32	Pretoria	34
Durban	26	Pietersburg	32	Rustenburg	36
East London	20	Port Elizabeth	21	Skukuza	36

SOUTH AFRICA. Hottest at 14h00 Ellisras 38 8°C. Coldest at 08h00 Sutherland 5,6°C

TRANSVAAL. Hottest at 14h00 Ellisras 38 8°C Coldest at 08h00 Standerton 15,3°C

POLLUDEX

THIS SHOWS THE LEVELS OF POLLUTION OF THE CENTRES OF JOHANNESBURG AND PRETORIA FOR THE 24 HOUR PERIOD ENDED 6PM YESTERDAY



THE WORLD YESTERDAY

	Min °C	Max °C	Weather
Amsterdam	3	8	Cloudy
Athens	4	15	Clear
Brussels	4	10	Cloudy

Dispute is declared after 100 dismissed

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Star 15/1/83

Labour Reporter

The Metal and Allied Workers' Union has declared a dispute with the management of an Alberton wire weaving firm for dismissing its workforce of more than 100 workers following a recent dispute over retrenchments

The Fosatu-affiliated union has accused Screenex of having dismissed the workers and replacing most of them with migrant workers

A Mawu statement said the company had been unable to replace its skilled staff and had refused to hold talks with the union since mid-1982

REQUEST

The affected workers had asked Fosatu to request that the neighbouring governments of Botswana, Zimbabwe and Zambia reconsider importing wire products made by Screenex, the statement said Clients of the firm include mines in Southern Africa

Mawu would also notify the Industrial Council about the dispute

A Screenex spokesman has said that workers were dismissed only after they had refused to return to their jobs after the dispute at the end of last year, and the firm was replacing workers ([illegible]) (189)

S. Times 16/1/83

Landlock: 3 new deals

By John Spira

LANDLOCK has bought three companies — Alkauff Golden City, Staples & Wire and Clayville Foundry — from Abercom for R4,7-million.

Alkauff produces nails, split pins, can keys and fasteners; Staples & Wire manufactures a wide range of staples and stapling machines; and Clayville produces iron and non-ferrous castings.

The acquisitions — which dovetail neatly with Landlock's existing operations — will have little impact on Landlock's net worth or profits in the current financial year.

Next year, however, the three new companies are expected to add R10-million to group turnover and R1,5-million to pretax income.

S. Times 16/11/83

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New metals giant formed

By Don Robertson

THE gross over-capacity in the non-ferrous semis manufacturing industry and the threat of substitution prompted the merger this week of the copper, brass and bronze interests of the Macdem group and Anglo Transvaal Industries

The new company, still to be named, will become the undisputed leader in its field with an estimated turnover this year of R130-million compared with the total industry turnover of between R200-million and R250-million

In terms of the deal, Macdem will sell its wholly owned subsidiaries, McKechnie Bros South Africa and Maksal Tubes, to the new holding company, while ATI will contribute Denver Metal Works

Once the deal has been completed, SA Copper Alloys, previously Huletts Metals, will be added

The purchase price for McKechnie, Maksal and Denver will be satisfied by a package of shares and cash, the details of which will be completed only by mid-March SA Copper Alloys will be bought for cash

The deal will also involve the 5,7ha site owned by McKechnie in Wadeville and other properties, some of which might be sold in the future

Because of the relative sizes of the various divisions, Macdem, which is 45% owned by Haggie, will have a 60% stake in the new group, with ATI holding the balance. Macdem will manage the new company.

While it is generally contrary to Anglovaal's policy of accepting a minority stake in an operation and ceding management control, the group was prepared to accept a minority role because of conditions in the industry

Speaking to Business Times, the new chief executive of the company, Murray Coutts-Trotter, said that, in the extrusion field alone, industry capacity was about 40 000 tons a year compared with a current local demand of about 17 000 tons and exports of between 2 000 tons and 3 000 tons

Conditions in the rolling and tube sectors, which together make up an industry total of about 100 000 tons a year, is similar

Compounding this is an expected growth rate in the industry of about only 5% over the next few years, and the very real threat of substitution by other products such as plastic and aluminium

By pooling the manufacturing facilities of the three companies, rationalisation of operations will be possible, which will mean longer runs, hence lower unit costs

This will also result in the closure of some operating facilities, a reduction in stocks and a rationalisation of the distribution network

The new company will focus its attention on exports in the future, an area in which South Africa is competitive internationally, exporting between 8 000 tons and 10 000 tons of material annually.

"The tendency in the past has been for local companies to compete with each other on the overseas market,' says Mr Coutts-Trotter, and by merging the operations of the various companies this will be eliminated.

In addition, the export links that the companies enjoy can be pooled for the overall benefit of the group

McKechnie has recently completed an R18-million expansion and refurbishing programme, which has led to an improvement in the quality and specification of the product, with a resultant boost for the export effort

It has also resulted in a cut in imports of products which were not previously manufactured locally.

"The immediate priorities of the new group are to get the rationalisation introduced, to weld the team together and to make optimum use of the increased coverage of export markets," according to Mr Coutts-Trotter

Big business is up against it

16/1/83

Makers and merchants are in trouble

189

C. Times

LOCAL machine tool manufacturers and merchants are struggling with plummeting turnovers in an increasingly competitive market sector — some companies have already laid off as many as 50% of their workforce

Heinz Wippern chairman of the Machine Tool Merchants' Association says the average drop in turnover recorded in the 1981 1982 period is 50% and that the bottom of the trough has not yet been reached

By Kerry Clarke

He expects the downward trend to continue until the middle of the year

Les Webster, chairman of the Machine Tool Manufacturers Association, says local manufacturers have also found their turnover figures cut in half

Many of these manufacturers are attempting to offset the unfavourable market by diversification into engineering of a similar nature

Mr Webster says his 600 Group has adopted this option and many of the larger local manufacturers are following suit

Gerhard Rothel, vice-chairman of the Manufacturers' Association and MD of Elga Engineering says his company has laid off about 25% of its workers and has experienced a volume decrease of about 75% over the previous year's trading

He says his company's solution has been to cut overheads and rationalise business

Colin Rochat past chairman of the Used Machine Tool Merchants' Association, criticises local manufacturers for the low discount figure of 10% they offer to merchants

We cannot survive on 10%. We get a far higher percentage on imported machines and can therefore afford to stock deliver and give after sales service for these machines

We also find that we stock local machines and are then unable to sell them because the manufacturers undercut us This happened a lot in November and December 1982," says Mr Rochat

Accusations fly thick and fast from both the merchants (importers) and the manufacturers with each side accusing the other of aggravating the unsatisfactory state of affairs

The manufacturers claim there is a lot of dumping going on with machine tools originating in the Far East and behind the Iron Curtain filling up South African warehouses and being sold at below cost

In an attempt to counteract this, the Manufacturers' Association has made an application to the Board of Trade for import control in the form of restrictions on numbers rather than tariffs

Mr Wippern says he doesn t believe dumping is a problem

"There has been an increase in the amount of cheap machine tools coming from overseas, and, although these sellers are prepared to reduce prices considerably to reduce stocks, I do not know if they are prepared to drop below cost," he says

We cannot control such imports because this would then be a regulated economy

Market forces must be allowed to play their part in regulating the prices We do not want to penalise the consumer by putting up trade barriers and not let them take advantage of cheaper machines

"The association's members have no aversion to local manufacture and have bought and distributed local products but we do not like unjustified support of local manufacturers to the detriment of the economy as a whole," says Mr Wippern

One thing manufacturers and importers are agreed upon is the undesirability of auction sales

The culprits are importers and factories that have gone under

Most of the importers are speculators who were hoping for a boom and a quick profit but find their plans foiled by the downturn and are now throwing their stock on to the market at rock-bottom prices

The Used Machine Tool Merchants' Association is actively trying to absorb stocks of any of its members which might be in difficulty, rather than let machines go into the market via auctions

If a member is in financial difficulty the association will buy his stock and give other members a chance to acquire it

Its rationale is that, if the machine tools are kept within the organisation rather than put to auction, reasonable prices will be maintained

Workers upset over sackings

ARGUS 17/1/85 (18)

Labour Reporter

ABOUT 15 to 20 workers at the Tedelex factory in Atlantis will have no jobs to return to this year They were informed by letter during the Christmas holidays that their services were no longer required

The workers say they were retrenched However, Mr S G Bernhardt, the managing director of Tedelex in Atlantis, denies this He says they were dismissed

An Atlantis source who did not want to be named said letters from Tedelex were hand-delivered to at least 20 workers on December 29 by the chairman of the management committee, Mr A Krautz, who is also employed in the personnel department of Tedelex

REGRET

They read "We regret to inform you that as a result of an adjustment of staff complement your services are no longer required The attached cheque includes any pay due to you, any leave pay due to you, the amount refunded to you from your savings account and an amount in lieu of notice"

References, signed by the personnel manager, Mr C L Caswell, saying the workers had lost their jobs due to a "re-organisation of staff" were included

The source said people were unhappy at the "ungentlemanly" way in which Tedelex had informed people they had lost their jobs

UNFORTUNATE

He said it was "unfortunate" that the chairman of the management committee had delivered the letters

Mr Krautz refused to comment

Mr Bernhardt said 15 workers whose service had been unsatisfactory had been dismissed

"This was due to the re-organisation of staff, but that was just a nice way of putting it We wanted to give them an opportunity of finding another job," he said

The dismissals had been made on the recommendation of foremen and supervisors, he said

Union declares war with wire factory

189

Sowetan
17/1/83

Company dismissed entire workforce after dispute

By SELLO RABOTHATA

THE Metal and Allied Workers Union (Mawu) has declared a dispute with Screenex Wire Weaving Manufacturers (Pty) Limited following retrenchments, and is to notify the industrial council about the matter in the near future.

Mawu, an affiliate of the Federation of South African Trade Unions (Fosatu), said the Alrode company dismissed its entire workforce after their leave had started, following a dispute over retrenchments The owners of the company, Messrs Freissle and Rosenbusch are also alleged to have refused to speak to the union since the middle of last year

"They have not answered letters and telexes They have stated that they will not, in any way, deal with the union " the union said

"Following discussions with the workforce all but one of whom are Mawu members the management agreed to renew all migrant labour contracts However, just before closing, they cancelled 11 call-in-cards and refused to discuss this with the workers or the union The union tried on many occasions to speak to management but failed when workers reported for work on January 3 this year Management called the police and six workers were arrested Only one was later charged with trespassing "

Mawu said the company had now hired about 73 migrant workers and was hiring coloured and Indian workers to replace the skilled operators who have all been dismissed Workers say that the company cannot produce anything without its old workforce Most of them have very long services and are the only ones who can set and operate the machines

The Mawu members intend to ask all the company's customers whether they are prepared to buy from a company which treats its workers in this way and exploits the migrant labour laws and racial differences The major customers are mines in neighbouring States and locally

The SOWETAN could not get a comment from the company as the personnel manager was said to be in a meeting

Pipeline saves bay

(249) 17/1/83

From Page 1

and out of the harbour bringing a dismantled smelter plant from Nippon Light at Miigata - part of Alusaf's R280 million expansion to double aluminium at its existing 1 4 km-long factory there

Harbour improvements by the South African Transport Services (Sats) are substantial while the Richards Bay Coal Terminal Company's R360 million extension to its coal handling facilities for 44 million tons of exports annually is in full swing

A dredging pond being built by Richards Bay Minerals at a cost of R25 million, IA Bell's erection of a R10 million plant and Suncrush's R10 million bottling plant underway complete the line up of main work

"A number of companies are believed to be finalising plans for lesser expansion work, so I cannot foresee any work shortages occurring in this field this year," said Van der Walt

Union rules under review

~~166~~ (189) Industrial Week 18/1/83

By Priscilla Whyte

THE National Manpower Commission is working on a special injunction, the 5th Report of the Wiehahn Commission, to simplify and expedite trade union registration applications more speedily

This was disclosed to Industrial Week by Dr Hennie Reynder, chairman of the National Manpower Commission, who said that at present 'registration of a trade union into the traditional collective bargaining system can take between three months to a year "

There are 1 2 million registered trade union workers, as well as 50 unregistered unions involved in organising workers

Matt Le Roux, the registrar of trade unions at the Department of Manpower said "The Labour Relations Act requires all unions to submit their constitutions, details of their office bearers, financial statements, number of members and head office addresses

Applications for registration are time-consuming, because applicant unions fail to submit their constitutions in accordance with the Labour Relations Act

"The problem with the industrial council system is compounded by the rejection of it by unregistered black trade unions, which prefer plant level bargaining to industry level negotiations," said industrial analyst Geoff Mymin

Recommendations

Mymin believes this attitude had negated some of the Wiehahn Commission recommendations in instituting trade union rights for blacks

In the National Council for the Iron Steel and Metallurgical Industries there are 45 registered employer organisations and 14 registered trade unions Nine other unions in the industry are not party to the Industrial Council

In theory about 9 000 companies employing over half a million workers fall under this industrial council

"The present situation is in a state of flux

Confusion

"We are not in favour of shop floor bargaining It would result in considerable confusion and destruction of a set of employment conditions established over the years," Sam van Coller, executive director of Seifsa, told Industrial Week

He added the National Manpower Commission was looking at changes to the Industrial Council system in terms of registration, but changes in legislation, if any, may be expected next year

Strikes will spread, warns labour expert

EMPLOYERS who believed the labour unrest of the Eastern Cape could not happen in other parts of the country were "burying their heads in the sand," writes Fred Roffey

This warning came from Prof Roux van der Merwe professor of industrial relations at the University of Port Elizabeth - the city regarded as the crucible for South African industrial relations because of the strikes and labour unrest in the motor and allied industries

"Companies are living in a fool's paradise if they think they can avoid industrial unrest by avoiding or moving from the Eastern Cape " said Van der Merwe

"The show of strength by the unions over the past few years in Port Elizabeth and Uitenhage is the precursor to the pattern of labour relations that will develop throughout the rest of the country "

However, he believed the deepening economic recession in 1983 should have a helpful spin-off for both employers and trade unions - it would give them a period of consolidation after the "enormous" industrial relations stresses of the past few years

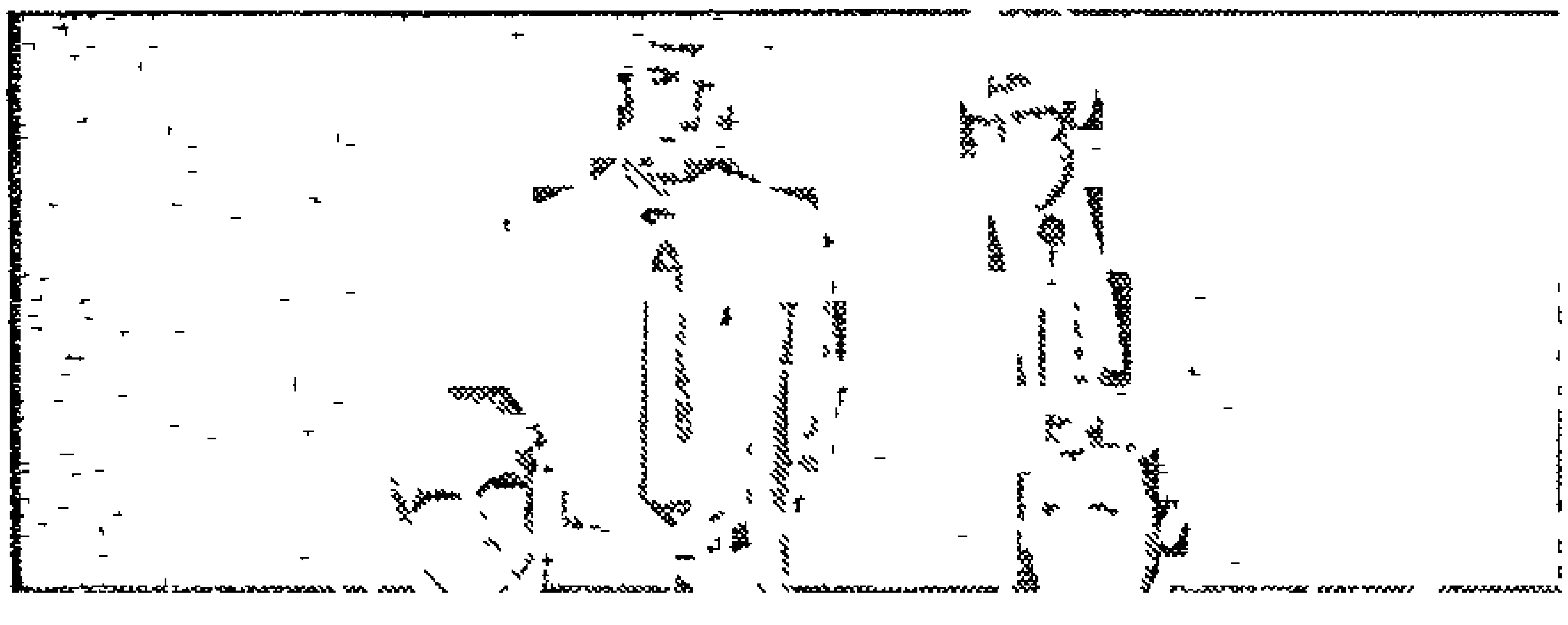
"After two years of frenetic industrial relations activity by trade unions and employers SA can expect less direct industrial relations conflict in 1983 because of the economic downturn "

Research group formed

THE CSIR has recently established the National Institute for Materials Research (NIMR)

It will be run on a multidisciplinary basis and its staff will include physicists, chemists and engineers

[illegible] company formed



Floral drug blossoms

AFTER years of study a South African pharmaceutical company has achieved a breakthrough with the development of two new floral based medi

ess Steel

3

Distillation columns manufactured by Almaks

STOBAR SETTLES

[illegible] [illegible] 189

FM 21/1/83

A settlement has been reached between Stobar Reinforcing and the Metal and Allied Workers' Union (Mawu) in the wake of the Industrial Court ruling that the company must reinstate 51 workers it dismissed last year

The court ordered (*Current affairs*, January 14) that the workers should be reinstated with effect from October 1 last year Following talks with Mawu, Stobar has announced that it will re-employ the workers and pay them a percentage of back pay Neither of the parties are revealing details of the agreement, but the *FM* understands that the dismissed workers are receiving a fairly substantial portion of back pay

"We are satisfied that a measure of understanding has been reached with Mawu and that the agreement will form the basis of sound labour relations with the union in future," says a spokesman for the company

(189) (~~232~~) S. Times 23/1/83

New metals supergiant

SECOND COLOSSUS IN A WEEK POINTS TO MASSIVE MARKET BATTLE

By Stephen Orpen

HARD on the heels of the mammoth merger reported in Business Times last week between the non-ferrous metals interests of Anglovaal Industries (ATI) and the Macdem group, the country's second-largest copper and alloy producer and caster, the Non-ferrous Metal Works Group (NFM), has acquired the multi-million Metal and Chemical Industries group (MCI), leading ingot producers on the Reef

Combined, the new group will enjoy a turnover "well in excess of R70-million" — enough to provide stiff competition to the R130-million-turnover ATI-Macdem operation

The mergers have produced two giants which will enjoy no less than R200-million of the estimated total SA industry turnover of some R250-million

A spokesman for this week's agglomeration tells me "It is no accident that the new takeover — I cannot disclose the price — follows so closely on the announcement of the merger of NFM's main opposition in the copper, brass and bronze semi-manufacturing industry"

Reacting to the ATI-Macdem deal, NFM director Bernhard Lazarus said "The collapse of leading fabricators in the UK, Western Europe and the US during the current economic recession has taught the South African non-ferrous industry that in times like these you rationalise where possible"

NFM's takeover of MCI, a company previously controlled by the International Associated Metals and Minerals Corporation of New York (Asoma), is more than an exercise in rationalisation and "muscle-flexing"

"Of immediate benefit will be the strengthening of NFM's presence in the Transvaal, which up to now has been confined only to branch offices at Germiston and Pretoria These outlets are to be strengthened in product range and personnel

"Specifically, our Durban smelter is now augmented by the ingot production facility on the Reef The MCI deal also means that we have a stronger arm in the Transvaal scrap-metal buying market", says Mr Lazarus

Bernhard and his brother, Gunter, who control Durban-based NFM, have retained MCI's John Hess as managing director and left Asoma with a "substantial" minority shareholding

They believe this will give them additional penetration into important overseas markets

Explains Bernhard Lazarus "With Asoma's worldwide offices and contacts, we aim substantially to boost exports, which presently account for 15% of our trade

"Despite the recession, our group looks forward to continued growth during 1983 We certainly do not envisage any cutbacks in either production or personnel"

The Argus Monday January 24 1983

Workers in Atlantis face unemployment

Argus 24/1/83

Labour Reporter

HUNDREDS o workers in Atlantis face a grim and possibly jobless 1983 following the spate of retrenchments over the past few months

Last month the R450 million project, Atlantis Diesel Engines retrenched 250 workers — 1[illegible] percent of their staff

Another large firm in Atlantis Tedelex caused a minor storm in Atlantis recently by telling workers by letter during the Christmas holidays that their services were no longer needed due to an adjustment of staff complement

The manager of Tedelex in Atlantis Mr S G Bernhardt denied the workers had been retrenched and said they had been dismissed because of unsatisfactory service

But workers angrily denied this statement

"I have worked there for nearly three years,' said one woman

Shocked

"We were all shocked when these letters came There have never been complaints about our work and we have never had any warnings We have a number 2 stamped on our unemployment cards which means retrenchment not number 3 which means you have been dismissed' she said

A man who used to work at Tedelex as a supervisor said workers suspected management had laid off those people who had worked the longest because they were earning the highest wages

Mr A Lottring the vice-chairman of the management committee in Atlantis said Tedelex was denying that the workers had been retrenched 'because they did not want to accept responsibilty for them

Cover-up

"Why is their work suddenly unsatisfactory now after three years? This is all a glorified cover-up' Mr Lottring said

When asked to comment on whether the lay-offs were dismissals or retrenchments, the co-managing director of Tedelex in Johannesburg, Mr Jack Cohen, said there had been certain "minor changes" in staff, involving 17 workers

"But it's such a smal matter I don't think one should create a production over it

He dismissed the claim that longer-term, higher paid workers had been laid off as 'crazy

Maternity

It is not the first time Tedelex has cut down on staff

In September last year between 60 and 80 Tedelex workers were retrenched

Atlantis community sources speak of women going on maternity leave or men going on long sick leave and not being able to get their jobs back when they return to work

Workers say job-hunting in Cape Town is impossible because of transport costs A return bus-fare from Atlantis to Cape Town costs R3 50 The proposed increases in fares would increase the cost by about 25 percent

Mr Colin McCarthy secretary of the Atlantis Industrial Group said he knew of no retrenchments other than those at Tedelex and ADE

But the people who will suffer are the school leavers who are coming onto the labour market, he said

Mr McCarthy said industry in Atlantis was subject to the same trends affecting the Western Cape as a whole

Incentive

The attractive incentives for industrialists investing in Atlantis including a 40 percent rail rebate and 40 percent of the coloured wage bill for the first few years were merely the cherry on the top and not the ice-cream' Mr McCarthy said

'Those who try to rely on these benefits to get a market for their products will be on dicey ground

Projects Director of Atlantis Mr Piet Burger, said those who had been retrenched would be taken up by fifty new factories due to open in Atlantis this year

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said the situation wa grotesque unbelievable bizarre and unprecedented

SUPPLIES CUT

By yesterday the water workers overtime ban in the countdown to the strike had brought widespread trouble

Because of the overtime ban a fractured main went unrepaired and supplies were cut off to hundreds of homes Residents collected water from street standpipes

About 2 5-million people in the Greater Manchester area were warned to boil all water for cooking and drinking Wales was one of the first areas to be hit

Water polluted by sewage could cause typhoid or cholera

RATURE

RE

Cape Town (yesterday 2 pm)
Cape Town (today 9 am)
D F MALAN climatological data to January 2
The figure in brackets shows the average for the
Maximum temperature
Minimum temperature
Mean temperature
Maximum humidity
Minimum humidity
Mean humidity
Mean atmospheric pressure
Rainfall 8 am — 8 am
Progressive rainfall for the month
Sunshine
Prevailing wind direction
Maximum hourly velocity
Maximum gust
For the latest up to the minute detailed weather
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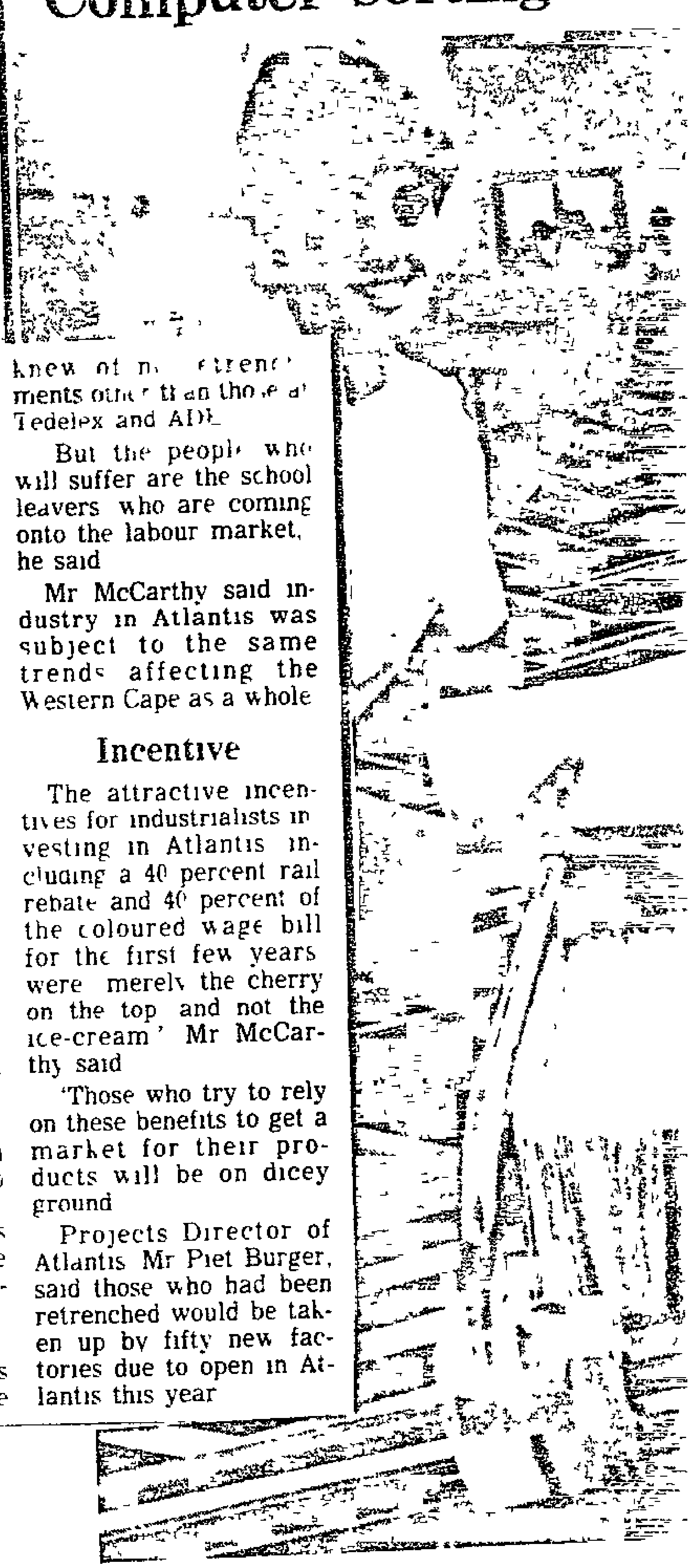

POST OFFICE employees, Derryl Walker, above, and Charlotte Kros, right, takes piles of letters from one of the sorting bins of the Post Office's new high-tech Optical Character Reader (OCR). The highly sophisticated, computer-based system can sort 30 000 items an hour.

The OCR eliminates tedious human sorting as long as addresses are set out correctly. It can only read typed, addressographed, typographed and computer printed characters. Very clear, printed handwriting is sometimes accepted by the system but not usually fed in.

System re

Merged firm aims for 50 percent boost in exports

189

By Stan Kennedy

McKechnies and Denver Metals, recently merged, expects to increase exports by 50 percent in the next year or two and reports slightly increased US interest.

The group, with excess capacity, hopes to raise exports to about 3 000 tons a year. It has a R130 million share of the R250 million a year non-ferrous market in this country which has a throughput of about 50 million tons a year.

Bigger production runs and lower unit costs are the main aims of the new company formed by amalgamating the non-ferrous interests of Anglo-Transvaal Industries and Macdem.

From January 1, Macdem's interests in McKechnie Bros SA and Maksal Tubes were merged with ATI's interests in Denver Metal Works, through forming a joint holding company to acquire the three businesses and, at the same time, buy Macdem's interest in SA Copper Alloys

The total involved was R46 million, settled by shares and/or cash in the new company.

Macdem will manage the merged operation and its chief executive, Mr Murray Coutts-Trotter, is executive chairman of the new holding company. Both ATI and Macdem will be represented on the board, to be complemented by representatives of the three operating companies.

Mr Bill Keen, a manager of Anglovaal, said that capacity utilisation was the key to the merger

"There is excess capacity in the market for extrusions and phosphor bronze, resulting in assets not being used economically," said Mr Keen.

"Our future programme will include plans for longer runs of these products, to bring down unit costs and make us more competitive overseas

"We also see on the horizon a threat of substitution of our products and we want to pool our resources to compete with this"

Denver recently perfected the continuous casting of aluminium bronze in solid, hollow and shaped configurations and is believed to have the widest casting of phosphor bronze in Southern Africa

The company has already received a US order and Mr Keen said the alloy was set to make a big impact on export markets

80,5

Call for Iscor to go private

CAPE TIMES 25/1/83

(189)

Staff Reporter

TOP management of the State-owned Iron and Steel Corporation (Iscor) yesterday called for the handing over of the corporation to the private sector as a long-term project

Giving evidence before the President's Council economic affairs committee, which is investigating measures restricting the effective functioning of a free-market econonomy, were the corporation's managing director, Mr F P Kotze, and the general manager (steel marketing), Mr P A Olivier

They also criticized the beleagured South African Transport Services (Sats) for the uneconomic nature of its activities

Discussing the handing over of Iscor to the private sector, they said "the normal reasons given for the privatization of Iscor are only true in a very limited sense"

However, the privatization of the corporation would free Iscor from State interference and would enable it to derive benefits usually reserved for private companies

The Iscor men requested that because the corporation did not receive the advantages of other State-owned corporations, like advance capital outlay, provisions should be made as soon as possible for its privatization

"Consequently, we can justifiably ask why the chains cannot be thrown off now and profitability be improved as fast as possible so that (Iscor) becomes a proposition for privatization at the earliest possible date '

Turning to Sats, Iscor said three aspects of the Sats operations were "extremely disruptive ' of the free-market system These were

- The coupling of the Sats budget to that of the State, and the accompanying ' stand-walk ' approach to the allocation of capital
- The "excessive cross-subsidization of rail tariffs as a result of the maintenance of uneconomic services"
- Sats' lack of any profit motive

UNIVER TOWN
EXAMI ER BOOK

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Examiners' Initials		

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1 The answers only on ll be marked The left har for rough work, but no c such work

2 Enter at the top of eac) of the block on this cove tion you are answering

3\. Blue or black ink must ers The use of a ball poi d or green ink may be ing, emphasis or for diagra also be used

4 Names must be prin heet (e g. graph paper) to examination book(s)

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 r able to disqualification and to possible exclusion from he University

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l escaper ked to)beries

rime Reporter

APLE gunman wh[illegible] this week has [illegible] police [illegible] armed robberies [illegible] while he was o[illegible]

[illegible] said yesterday tha[illegible] who escape[illegible] prison [illegible] this month while [illegible] count of armed [illegible] suspected of hav[illegible] R12 000 holdup [illegible] Lisbon in L[illegible] after his

[illegible] Murder and Rob[illegible] detectives who [illegible] the man in a park at [illegible] Valley on [illegible] said he had also [illegible] to an attempted [illegible] at Volkskas Bank in [illegible] Johannesburg

[illegible] holdup attempt was [illegible] hours before police ar[illegible] the man He is expect[illegible] appear in the Johannes[illegible] Magistrate's Court

Union anger on shacks grows

RC 1/

By STEVEN FRIEDMAN
Labour Correspondent

ANGER at the demolition of shacks in East Rand townships is rising among Metal and Allied Workers Union members and MAWU shop stewards plan to approach employers to ask them to intervene union [illegible] said yesterday

He said the decision to take the matter up with employers followed [illegible] demolition of shacks in the township many of which were occupied by union members

The decision was taken at a meeting of the union's Wadeville shop stewards council

Demolition of township shacks by the East Rand Administration Board began towards the end of last year with the board alleging that the shacks were "illegal" structures

According to MAWU members in the townships demolitions are continuing

MAWU organiser Mr Moses Mavekiso said yesterday that most of the union members who had occupied demolished shacks were contract workers who [illegible] of influx control laws [illegible] live in hostels without [illegible] families

Mr Mavekiso said [illegible] these workers had been joined by their families [illegible] [illegible]

[illegible] were workers who [illegible] residence [illegible] who had built shacks as they could find no other accommodation in the townships

At the meeting shop stewards said they believed that employers had a responsibility to see to it that their workers had proper accomodation

They also believe employers must support workers who want to live with their families in the cities

It had been decided that stewards would approach employers and ask them to either intervene or to see to it that accommodation was provided for workers and their families

Public water record is clear

Mail Reporter

W[illegible] charged [illegible] them

Most municipal representatives who spoke to the Rand Daily Mail yesterday could not specify what the penalties were for violating the restrictions in their areas but all said that as yet nobody had been charged

In an earlier interview Mr John Bate a spokesman for the Johannesburg City Engineer's Department said fines in the city were pegged at R20 but he pointed out there were no special personnel to ensure the implementation of the new restrictions

He said the Johannesburg Municipality was having to rely on police officers to make checks in the course of their normal duties

A spokesman for the Pretoria Municipality said yesterday it had set a fine of R10 for offences in terms of municipal by laws dealing with water restrictions

The Pretoria local authority has embarked on a campaign to gain co operation by alerting the public to the water situation

In Germiston the fine for contravening water restrictions is R50 but the town clerk Mr J du Plessis said nobody had yet been caught

In both Vanderbijlpark and Vereeniging fines for water contraventions may not exceed R100

The Vaal Dam the main source of water for the Reef is 42% full at present

Johannesburg's average daily water consumption is 650Ml during the summer months However the average daily consumption for November was 667Ml and for Pretoria 261Ml.

Leaving a trail of debris behind, a tr barrier and shrubbery on the roadside .

More rail t hikes are li

LON.

By GERALD REILLY
Pretoria Bureau

FURTHER rises in railways tariffs are possible in the SA Transport Services budget on March 2 it was learnt in Pretoria yesterday

Tariffs were raised by 15 from the beginning of January

If they are raised again the fight to keep inflation below 14 [illegible] may be lost [illegible]

And from Cape Town yesterday the Minister of Transport Affairs Mr [illegible] Schoeman said that during the next two weeks he would have discussions with his senior officials on the financial plight of the administration

'We will come to certain decisions after studying the available figures which will be made known in the budget,' he said

However Mr Schoeman indicated that the fuel pipeline tariffs would not be raised because of the undertaking given by the Prime Minister of a 1c cut in the fuel price from April 1

"For the foreseeable future there is no intention of adjusting the pipeline tariffs

However the SATS was still suffering severe losses and the prospects of an upturn in reve[illegible] against a ba[illegible] current depr[illegible] the economy

A measure [illegible] of the rec[illegible] tions of SAT[illegible] the morning [illegible] ship due [illegible] Town [illegible] man said

The whole [illegible] depressing [illegible]

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For the fi[illegible] — to the end the loss wa[illegible] R300 million

It was poi[illegible] cember ev[illegible] conditions [illegible] for the railw[illegible]

So even [illegible] raised by 15 1, it was pro[illegible] remaining the financia[illegible] istrations co[illegible] tinue to pil[illegible]

Dr Grove [illegible] fallen off ov[illegible] the past few

Japanese invent TV wristwatch

Mail Reporter

THE latest in micro-electronics is the creation of a tiny 17mm by 25mm television set that straps onto the arm like a wristwatch

Claimed to be the smallest television set in the world and weighing only 80g it also tells the time and has day date and alarm facilities

The watch comes with a pocket receiver and stereo headphones which double as an aerial

Its advantage is that instant image and sound can be seen and heard outdoors as well as indoors

The watch is still in the development stage but is expected to hit the Japanese market in April this year It may also even be marketed in South Africa next year

A spokesman for the Department of Posts and Telecommunications said yesterday there were no legal obstacles barring the sale of the TV watch in South Africa

ed to be the smallest in the world is this 80g at straps on like a watch It will be launched in in April this year

Union gets wage deal

Labour Correspondent

TRAILER manufacturers Henred Fruehauf and Fosatu's Metal and Allied Workers Union have negotiated an interim wage agreement at the company's New Germany plant outside Durban.

According to a joint statement by Henred and the union, the agreement provided for an across-the-board increase of 16c an hour which brings minimum starting pay at the plant to R86 a week, "well above the average starting wage in the area".

Mawu's shop steward chairman at the plant said union members were satisfied with the increase.

Natal Scrap metal firms join forces

189

S. Tribune

Finance Editor

30/1/83

THE SERIOUS decline in demand for scrap metal has resulted in the merger this month of two of Natal's top merchants, Chicks Scrap Metals and Ferrous Metals

Also included in the deal is Waste Services, the industrial collection company All are based at Prospecton

They are now trading as Metal Reclamation Services with Waste Services retaining its own identity

The new company will be managed by Reclam, the national group of scrap processing companies in the Macdem stable

Former head of Chicks, Alan Sayer, is executive chairman Ferrous Metal's managing director, Jack Rozentvaig, will be general manager

"One fact considered was the ever-increasing difficulty in providing a high level of service to customers while still remaining competitive against a background of escalating costs amd capital replacements," says Sayer

"We believe that rationalisation of our combined resources will result in a better all-round service to our clients and will help us neutralise some of the effects of inflation"

Iscor scrap move hailed

~~322~~ (189) ~~210~~ Mercury 1/2/83

Financial Editor

ISCOR'S decision to withdraw as a member of Ferrous Scrap Distributors (FSD) meant that free enterprise would reign in the scrap industry, Mr Harry Druker, chairman of the Scrap Metal Merchants Association, said from Johannesburg. 'It's the best news we have heard for a long time,' he said

Until now FSD bought 95 percent of the metal scrap from more than 50 scrap merchants

But merchants are still furious about a 15 percent price cut late last year and further cuts in purchases by FSD two weeks ago

Mr Druker said Iscor would buy on the open market and that they might pay coastal merchants a premium to cover transport costs to inland blast furnaces

The original agreement between scrap merchants and FSD was to expire on March 31 but Mr Druker thought that Iscor's withdrawal would mean a total collapse now

Mr Druker thought Iscor and other purchasers would increase their scrap purchases towards the year end The market is depressed at present

Merchants would get high prices in times of high demand and low prices when there was a metal surplus This, said Mr Druker, was the best thing that could happen to the industry

The merchants are expected to meet again in March to discuss the developments in FSD and Iscor

UNIVERSITY OF CAPE TOWN

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BUSINESS

Natal scrap firms' merger reflects market problems

189 Star 4/2/83

Financial Staff

The serious problems faced by scrap metal dealers in many parts of the country are reflected by a development in Natal, where two of the province's most important merchants, Chicks Scrap Metals (Natal) and Ferrous Metals, have merged

The decline in demand for processed scrap has become steadily more acute in recent months and last month a drastic cutback in suppliers' quotas led to widespread criticism from merchants, who saw prospects of trading levels being reduced even further

Reasons given were based on the serious downturn in the world steel market and the subsequent crisis in the scrap industry, says the new group, known as Metal Reclamation Service

It says that the current oversupply has resulted in merchants throughout South Africa being placed on a "drastically" low quota system to steel scrap consumers

Another factor is the increasing difficulty in providing high-level service to customers while remaining competitive against a background of rising costs and capital replacements

Concern is now being expressed in some quarters that the current problems within the scrap business could lead to far-reaching changes in its structure

In Natal, it has been argued that a real danger exists of a local monopoly emerging

This follows the decision by Iscor to withdraw from Ferrous Scrap Distributors, through which most merchants channel their output, as well as the Chicks-Ferrous Metals merger

The Natal sources also express disappointment at the failure by the Competitions Board to take positive action to prevent the emergence of a monopoly

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Paper No I. Section B.
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EDSON

Workers take second unpaid leave

ARGUS 4/2/83

189

Labour Reporter

SIXTY-TWO workers at a Cape Town engineering firm are to take a second unpaid leave in an attempt to avoid further retrenchments because of the economic downturn

This brings the total number of Dorman Long Swan Hunter Ltd workers on two months unpaid leave to 101, a management spokesman said

The company's labourers, most of whom belong to the General Workers' Union (GWU), were told last August by management that between 30 and 40 workers would have to be retrenched because of the recession in the engineering industry

IN CYCLES

However, after negotiations between management and the GWU committee, it was decided that all the workers — about 180 — would take unpaid leave in cycles

A GWU spokesman said today all the workers had already gone on long leave and many of those now starting their second cycle had only been back at work for two months

"This means they have worked only two months out of the last six It is an extreme hardship for workers to be without work for so long, but they have decided it is better for all of them to take unpaid leave than for some to be retrenched

EXPERIENCED

"The workers are all experienced engineering workers who would be an asset to any firm They are without work through no fault of their own," the spokesman said

The union has found 18 men temporary work at another engineering firm Workers recommended that those who had worked the least over the past months take the jobs offered

A management spokesman said 62 workers would return to work in March while the remaining 39 would return in May

CONDONED

It was difficult for management to have sections of the workforce coming back in two-month cycles, but the firm was prepared to condone it

"We understand the hardships black employees go through when they are retrenched, particularly those from the homelands"

Although the workers were classified as unskilled, they had acquired certain engineering skills, he said

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The Natal Mercury, Tuesday, February 8, 1983

Industrialist to shut down factory after being granted bail

~~166~~ 189 ~~[illegible]~~ ~~[illegible]~~

C

Mercury Reporter

AN INDUSTRIALIST yesterday told a Verulam Magistrate that he would shut down his engineering company permanently so that there was no likelihood of him interfering with State witnesses

Mr Louis Duncan, 71, said this in evidence during a fresh application for bail before Mr H J Hitchcock in the Verulam Magistrate's Court

The industrialist is facing charges on 15 counts of contravening the Labour Relations Act two counts of perjury and another for defeating the ends of justice He has pleaded not guilty

Before yesterday's application Mr Hitchcock had refused an earlier application by advocate Chris Manewick for Mr Duncan, that he recuse himself on the grounds that he had made a finding on credibility alone

Mr Hitchcock found that Mr Duncan had been interfering with State witnesses and ordered that he be detained in custody

Mr Manewick said yesterday that in view of new problems encountered by Mr Duncan he should be allowed bail

He said Mr Duncan had consulted a doctor at the weekend and had been asked to see a specialist neurosurgeon on Thursday this week

Prosecutor Mr Roderick Callum objected to bail on the grounds that the Court had found that Mr Duncan had been interfering with State witnesses in spite of warnings by the Court

Mr Manewick informed the Court that Mr Duncan was having financial problems and had put his house on sale Also he had decided to shut down his factory

He said the factory would be closed down immediately under the supervision of the Industrial Council so that there was no likelihood of Mr Duncan interfering with State witnesses

Mr Duncan was allowed bail of R1 000 and was ordered to be at his business premises only until February 22 for the purpose of closing it down

The hearing was postponed to February 11

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Made in South Africa R.A LTD Vervaardig in Suid-Afrika

189

RDM 10/2/83

Building societies ignore Barclays

By NORMAN CUTHBERT

BUILDING societies will not be much affected by the decision of Barclays National Bank to cut the interest rate on its home loans from February 24.

Admitting that the bank's move would put the societies under a certain amount of pressure, spokesmen said Barclays rates were mostly still ¾% above that of the societies

"There is no crisis as long as the bank's rates are above ours," said Mr Keith Symonds, assistant general manager mortgages of the SA Permanent Buiding Society

The societies are looking at rates and margins on a daily basis and the consensus is that the more the pattern of lending rates comes down and the further Barclays rate drops "the more on our toes we have to be"

"But we have got to get the margins right before we cut mortgage rates We still have too much expensive money in our system and we will withstand the pressure as long as possible"

One spokesman said Barclays had entered the home bond market with R500-million to invest "But they have lent only R237-million"

Even the Standard Building Society, whose rates are higher than those of most other societies, does not feel threatened From February 24 until April 1 when the Standard's rates, as already announced, are due to be cut, Barclays rates will be lower

Mr Terry Powers, Standard's managing director, said,"As from April 1, our rates will be ¾% below Barclays at the bottom end and ½% at the top end of the scale."

Deficit for Japan

TOKYO — Japan's Customs-cleared trade balance swung into a deficit of $1 590-million in January from a $1 600-million December surplus and compared with a $1 860-million deficit a year earlier, says the Ministry of Finance — Reuter

Wolhuter to set up R20m plant

By JOHN MULCAHY

A HUNT Leuchars & Hepburn (HLH) subsidiary, the Wolhuter group, is establishing a R20-million steel-processing facility on Iscor's premises at Vanderbijlpark

The capital cost of the plant and the estimated R10-million working capital needed for the project will be financed by loans from foreign suppliers, by SA borrowings and the use of the group's resources

Wolcut, the Wolhuter group's steel processing plant now at Wadeville, near Germiston, will be relocated to Vanderbijlpark, and the Woltube operation will eventually also be relocated.

The Vanderbijlpark plant will provide a high precision cut-to-length and blanking service to Wolhuter's customers

Mr Chris Perry, managing director of HLH, said yesterday the steel industry was moving in a different direction, with customers requiring product in an immediately useable form instead of raw steel which they had to fabricate.

The Vanderbijlpark would reduce steel users' inventory needs, and Mr Perry said the logic in transferring from Wadeville was to provide an improved service for customers

The machinery to be installed at Vanderbijlpark arrived in South Africa towards the end of last year, and the plant would be phased in

Appropriate machinery would be transferred from Wadeville to Vanderbijlpark, and there was no doubt that Woltube would at some stage also be moved to the Iscor site

Mr Perry said Vanderbijlpark would be a cash-generating project, and would in a full year contribute about 20% of the steel division's turnover

In the year to February 28, 1982, HLH's steel division's turnover was R149-million, and the target for the current year was R205-million, but Mr Perry said the division would probably fall short of its budget

The first cutting line would be in operation by the end of this month, and the project was expected to be fully operational by October

The directors say considerable benefits are expected from the project in the year to August 31, 1984, but it is not expected to have a material impact on earnings in the current year

The land, buildings, certain services and the road throughways are being leased from Iscor at commercial rates applicable in the Vanderbijlpark area

Mr Perry said slow demand in the steel industry favoured expansion at Vanderbijlpark.

It had been difficult calculating working capital for the project, but it now seemed that for the first months of the operation only a small proportion of the estimated working capital would be needed, with a greater injection of funds later in the year

Mr Perry said the Vanderbijlpark plant would probably start generating its own development capital in a short time.

French nuclear power plans may slow

PARIS. — The French Government appears to be preparing a considerable reduction in its nuclear power station programme

Reports in Paris newspapers that the Government plans to reduce by half the number of nuclear power stations to be built in 1984-85 have received half-hearted denials from officials who say that the programme is under study

Current nuclear plans assume an annual real economic growth rate of 5%, but France this year is likely to achieve 1,5% and little more in the years ahead Huge excess nuclear power capacity has become an increasing danger

The Government's problem is to present the cutback in a manner that minimises the opposition to it of the Communist Party The communist-led CGT union, the largest in France, is deeply committed to the expansion of nuclear power because of the number of jobs it provides for CGT members

Initial plans provided for the construction of six nuclear stations in 1984 and 1985 — the same level as for 1982 and 1983 when one reactor of 900 mw and five of 1 300 mw are being started

This in itself was a slowdown from the nine reactors begun in 1980-81 under former Mr Raymond Barre's Government and from the nine planned for 1982-83 Shortly after coming to power, the socialist administration decided to prune the plans it inherited

Apart from the reduction in the economic growth rate and in electricity consumption, the other compelling reason for a cutback is the high cost of nuclear power construction in the light of both the Government's budgetary squeeze and the large financial deficits of Electricite de France (EDF)

Investments by EDF are running at 30 000-million francs (R5 000-million) a year of which some FFr 21 000-million is accounted for by the nuclear programme At the same time, EDF has borrowed heavily abroad to finance its programme and run up medium- and long-term debts of FFr 120 000-million

The review now in hand of France's future power generating needs seems certain to confirm the increasing predominance of nuclear energy

SECT 3

189 ~~197~~ ~~[illegible]~~

TV factory strengthens EL ties

D. Dispatch 11/2/83

BY TOM LOUW
Business Editor

EAST LONDON — Tek Corporation, formerly SATV Manufacturers, the East London-based television and audio equipment manufacturer, is concentrating its entire South African manufacturing operation in East London

Subsidiary plants on the Witwatersrand and in Durban are being moved to East London, adding a capital value of about R2 million to the local complex

The managing director, Mr Mike Bosworth, said the corporation had taken advantage of the economic downturn to re-assess its operations, and to rationalise and restructure

"We have learnt a lot from the recession," he said

An important consideration was the availability in East London of a stable labour force of high calibre It was felt to be important to make the best use of this labour force, and this led to the decision to move the Reef and Durban plants to East London

The moves will leave the Swaziland factory making television and audio equipment, which was acquired last year, as the only manufacturing facility outside East London

Mr Bosworth said moving the two plants to East London meant that further retrenchments could be avoided and Tek would go back to a five-day week from the beginning of April after being on a four-day week since August

Eventually more than 300 new jobs would be created in East London

As part of the rationalisation process, the sales and marketing division of Tek Corporation was moving to Johannesburg

"That's where our major customers are," said Mr Bosworth "We realised there was no basis on which our sales and marketing people could go on sitting here, a thousand kilometres away from our main market "

The relocation would make sales and marketing more efficient, "and the more efficient selling is, the better for the East London plant "

Mr Bosworth added "We retain very strong confidence in East London "

He expected 1983 to be a difficult year, but "when the upturn comes it's going to be very sharp " In the interim, Tek was concentrating on training, so as to be ready for the upturn

"We've got a lot of ground which we don't intend to farm, and we are planning further expansion " Mr Bosworth would not be drawn on detail, but remarked "We have exciting plans for East London in 1984."

MPC dies

PRETORIA — The Nationalist MPC for Carletonville, Mr P du Plessis, collapsed and died while speaking in a debate in the Provincial Council yesterday afternoon — DDC

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189 ([illegible]) Hansard

One-channel marketing of ferrous scrap metal

Q.61, 81-82 11/2/83

*18 Mr P R C ROGERS asked the Minister of Industries, Commerce and Tourism

> Whether the Competition Board has completed its investigation into the one-channel marketing of ferrous scrap metal, if not, when is it expected that the investigation will be completed?

†The MINISTER OF INDUSTRIES, COMMERCE AND TOURISM

> The Competition Board is not investigating a one-channel marketing of ferrous scrap metal The Board is, however, presently conducting an investigation into the existence of possible restrictive practices relating to the supply and distribution of ferro-scrap metal in the Republic of South Africa
>
> This investigation has not yet been completed and it is unfortunately not possible to give an indication of the date on which the investigation will be completed

Angry unions draft new pay demands

ROM ~~[illegible]~~ 189 ~~211~~ ~~316~~ 11/2/83

By STEVEN FRIEDMAN
Labour Correspondent

ESTABLISHED unions in the metal and mining industries are drawing up demands for this year's wage negotiations against a background of anger at speeches by Cabinet Ministers which unionists see as calls for a wage freeze

Union sources said yesterday that, at a recent meeting, metal unionists — most of whom negotiate with the mines as well — had "taken strong exception" to these calls and would insist their members received increases which "compensate for the buying power they have lost through inflation"

They believe negotiations in these two major industries will be tough

The unions are angered by remarks made by the Minister of Internal Affairs, Mr F W de Klerk, in which he said that, because civil servants were not receiving pay increases, other workers should forego them as well

Some unionists also interpret a speech by the Minister of Manpower, Mr Fanie Botha, for an end to the escalation of wages and prices, as a call for a wage freeze — although other unionists differ

Established unionists say that calls like these will "damage the credibility of the industrial council system" if they are heeded

Earlier this week, metal unionist Mr Ike van der Watt predicted hard bargaining in major industries as employers pushed for cuts in real wages which, he said, the unions would resist

According to unionists, pay demands for the mines have been drawn up and those for the metal industries are due to be finalised at the end of the month

The mine demands may be presented to the Chamber of Mines as early as Monday and the metal demands are expected to be discussed at the industries' industrial council in mid-March

Unionists will not say what they are demanding But they say that, while their demands "take into account that our bargaining power is weakened by the recession", they will seek "compensation for what our members have lost"

"At any rate, the more our members have to spend, the better the chance of economic recovery," a unionist said

"All the unions are angered at the Ministers' statements We believe the Government is responsible for the rise in the inflation rate — after all administered prices have risen sharply," he added

"We also believe what they are suggesting would harm the industrial council system The unions who are not on councils are going to demand increases, whatever the Ministers say If we were to agree, we would be giving powerful ammunition to those who say councils cannot deliver the goods."

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EDSON

189

AE Motor Spares excluded from deal

UK parent pays R15m for Asseng SA

RDM

14/2/83

By STEVE ELLIS

ASSOCIATED Engineering of Britain is paying R14 900 000 — or 225c a share — for the manufacturing and warehousing divisions of its SA subsidiary, Associated Engineering (SA).

Also announced today by Standard Merchant Bank and Senbank is that Mr Peter Rhodes, the television entrepreneur who recently acquired control of Katz & Lourie, is to buy Asseng's major problem child, AE Motor Spares

To implement Asseng's reconstruction, these steps are planned

- AE (PLC), the British company, will buy all of Asseng's assets apart from the Motor Spares subsidiary for R14 900 000
- Asseng will retain Motor Spares, which has been valued by the parties involved at R6 314 000, or 95c an Asseng share
- Asseng will subdivide its 6 625 900 ordinary 25c shares into 6 625 900 ordinary 15c shares and 6 625 900 redeemable preference shares of 12,5c each
- The preference shares will be redeemed immediately and shareholders will have the option of receiving a 225c capital repayment, or a 65c capital repayment plus a 160c special dividend
- AE (PLC) will sell to Mr Rhodes the 4 269 956 12,5c shares it holds in the smaller Asseng company for R298 676, or 7c a share — the same offer to be made to minorities

Asseng will disappear from the lists of the Johannesburg Stock Exchange when the deal is concluded Mr Rhodes will change the name to Nationwide Motor Spares

The deal is conditional on the approval of the SA exchange control authorities, the UK Treasury Department, the JSE and Asseng's shareholders

The effect of the proposals is that shareholders will receive 225c in cash and hold one 12,5c ordinary share in Asseng with a net asset value of 95c The 320c offered compares with a net asset value of 415c at the end of September last year

Today's announcement follows four weeks of speculation about the likely make-up of the reconstruction reported to have been be under consideration by Asseng

The need for the overhaul became obvious after the group suffered a disastrous R8 500 000 loss in the year to September 1982, largely as a result of difficult trading by the Motor Spares and Indusem subsidiaries

The chairman, Mr Cecil Dace said, in the 1982 report "The loss in AE Motor Spares and Indusem is a result of unprofitable trading practices which were masked during the year by a breakdown in administrative, financial and operating controls"

Mr Rhodes said at the weekend he was pleased with the deal, and had acquired a good company for a cheap price

"Although the division has been in trouble, particularly from an overstocking point of view, remedial action has been taken and I am confident that it will return to profitability once it has been separated from the Asseng manufacturing operations and put under our control"

Asseng's managing director, Mr Johan Meyer, was also happy with the deal — particular with the AE PLC offer, saying "This gives minorities the opportunity of finding alternative avenues of investment instead of being tied into a company which has little prospect of a dividend payment for several years ahead"

189

Feb 1983

Delta merger can stop profit slide

Star

Minorities of the troubled electrical group LH Marthinusen can be pleased about the merger of the company with the electrical repair and insulation business of Delta SA (Pty), writes Alec Hogg

LHM, suffering from ineffective management, steadily lost profits in the past two years, to the extent that this year the group is expected to break even

This compares with pre-tax profit of R2,1 million in the year to end March 1981, and R1,5 million in 1982

By contrast, the operations of Delta which are to be merged have performed well, with earnings in the 12 months to end-December of R1,4 million.

Delta is being issued 3,5 million new LHM shares This is 51 percent of the enlarged share capital, and is effectively a reverse take-over by the private company

Delta is part of the huge Delta PLC group, which is a company quoted on the London Stock Exchange

Delta's other interest in SA is a joint venture with Haggie through the Macdem group of companies.

The former controlling shareholder of LHM, UK-based General Electric, has had its stake in the group diluted from 55,4 percent to 27,1 percent.

GEC has let it be known that it is disappointed in the performance of LHM Merger talks have been in progress since October.

The biggest asset which the Delta group brings to LHM is the management, which has shown more success despite operating from a smaller asset base

In addition to the merger, LHM has disposed of its Zimbabwean interests for R619 750. This will be paid to existing LHM shareholders (at the equivalent of 18,5c a share) by way of a cash capital distribution

Blue Circle's decision to spend R200 million on expanding its Lichtenburg factory has meant a slowdown in profit growth for the first time in ten years and company chairman Mr Trevor Coulson says the company hopes to maintain earnings and dividends in 1983

Cement companies operate in a cyclical and capital intensive industry The timing of large expansion programmes is always difficult and often recessionary phases are chosen

Unfortunately for Blue Cicle, expansion at Lichtenburg coincided with interest rates moving to historically high levels and the impact on profits has been severe

Pre-tax profit fell to R20,3 million from R24 million in the year ended November 30, while interest charges rose 55 percent to R13,9 million

Earnings a share fell 20 percent to 86,2c, but the total dividend was maintained at 38,5c

Mr Coulson says the capital expenditure should be seen as providing a good foundation for the company's major cement operations

The effect on profit and balance sheet ratios should be offset by strong cash flows reducing borrowings and interest payments

By the end of last November R100 million of the R200 million earmarked for the expansion project (due for completion by 1985) had been spent

A further R20 million will be spent this year, but part of the remaining R80 million — which it is hoped, will enable the company to raise production a further 600 000 tons a year — has been deferred to after 1985 when additional capacity is required

The Lichtenburg plant has a capacity of 1,9 million tons of cement a year, and when the projected extra 600 000 tons is eventually brought in, the factory will consist of three cost efficient kilns.

The engineering activities of the group have been affected by the downturn, particularly the construction and mining divisions

The directors say 1983 has started with order books at lower levels than last year, with the exception of Tractec which has secured substantial orders for new locomotives from OFS gold mines.

12 RAND DAILY MAIL, Tuesday, February 15, 1983

Engineering shake-out on the way

JSE bulls ignore warnings as the recession bites

By STEVE ELLIS

AN extensive rationalisation of the engineering sector is likely this year.

Two groups in the industry — Associated Engineering (SA) and L H Marthinusen — have been forced to seek shelter under the wings of larger organisations, and more are expected to follow

Industry leaders have been warning shareholders and the public for more than six months about a crunch late this year, but until now they have been largely ignored

Profits of engineering sector companies in the period before September 1982 showed that the economic downturn had already begun to bite.

Some results were

- Afrox — earnings a share 1,7% higher from 65,1c to 66,2c
- Cemenco — earnings 0,6% up from 70,2c to 70,6c
- GIC — R535 000 loss incurred in September half-year (1981, R2 307 000 profit)
- Metkor — earnings 39,1% down from 40,4c to 24,6c
- Stewarts & Lloyds — earnings 6,5% higher from 74,1c to 78,9c

An unexciting performance, but alone not enough to prompt second thoughts among Johannesburg Stock Exchange bulls who think that a $500 gold price will bring immediate relief to all sectors

Since September 31, the RDM engineering sector index has climbed from 285,4 to 334,8 — by 17,4%

This is in spite of repeated warnings of even tougher times ahead Indeed, it is widely believed that 1983 will provide the industry with its sternest test of efficiency for at least a decade

Forecasts for this year by the directors of companies quoted above

- Afrox — "Trading conditions will be more difficult and it is likely that the results for the coming year will be affected accordingly"
- Cemenco — The chairman, Mr Ron Shaw, expects earnings in the "difficult year ahead" to be maintained at an acceptable level, providing there is no substantial decline in the economy
- GIC — The directors are not confident that a return to previous profit levels is possible this year, and fear that 1983 will provide more difficult trading conditions tha before
- Metkor — "The majority of companies in the Metkor group are experiencing the effects of the downturn and it is therefore anticipated that group earnings may be at a lower level than that of the (past) year"
- Stewarts & Lloyds — The financial director, Mr David Price, says earnings will not remain at 1981-82 levels

The two engineering companies to report for the year to December have both suffered falls in profitability Haggie's earnings slipped 12,3% from 186,6c to 163,7c a share and Fintec earnings fell 11,2% from 26,8c to 23,8c

Profits have been squeezed by several factors, including reduced SA demand, lower capital expenditure in the mining industry, fewer orders from the big quasi-Government organisations like Escom, higher import costs and a drop in exports

Perhaps the most punishing of these is falling capex by mines

With the gold price sinking to below $300 early last year, mines were forced to abandon or curtail capital projects in areas where it was no longer profitable to extract ore

In 1980, 1981 and 1982, the mining industry built up supplies of engineering equipment to set off against huge profits By the time the gold price slumped, the artificial buying had caused fully stocked warehouses

The latest surge in the gold price has resulted in a slight increase in capex by mining companies, but in most cases it takes between eight and 12 months until engineering companies meet orders, and therefore account for profits

The government organisations started to reduce costs mid-1982 and they have yet to resume the big buying which has kept the industry fat for so long

Another influence expected to have a profound impact on demand this year is the Eastern Transvaal and Free State drought

However, Mr Richard Savage, managing director of Haggie, sceptically points out that demand from the agricultural sector could hardly worsen from the disastrously low level last year

This year will be crisis time for engineering companies and although some in the industry welcome the trying times ahead as an opportunity to weed out the boys from the men, holders of shares in companies run by the boys may not be as gleeful

On the other hand, mergers and takeovers could become common - in which event investors should benefit if offer prices are realistically calculated

Whether investors win or lose, the engineering sector will be leaner and more efficient by the time the next upturn comes — and smaller

STEEL SCRAP (189) FM 18/2/85

Unbolting the market

There's going to be a lot of scrapping over who gets to buy the country's limited supplies of scrap steel now that Iscor has pulled out of Ferrous Scrap Distributors (FSD)

This organisation is a near-monopsonistic company which buys up 95% of all local scrap on behalf of its shareholders These include all the big and almost all the small, steel producers and foundries It is at present being investigated by the Competition Board (CB) for allegedly restrictive practices and it is highly likely the CB will recommend curtailment of FSD's powers

Such a recommendation would appear justified to some as the FSD has recently shown just how much muscle it has A few months ago it unilaterally cut its prices paid for scrap to members of the Scrap Metal Merchants Association (SMA) And, a little later, it imposed volume quotas on its scrap purchases despite an earlier undertaking to buy everything the merchants sould supply (*Business* October 15)

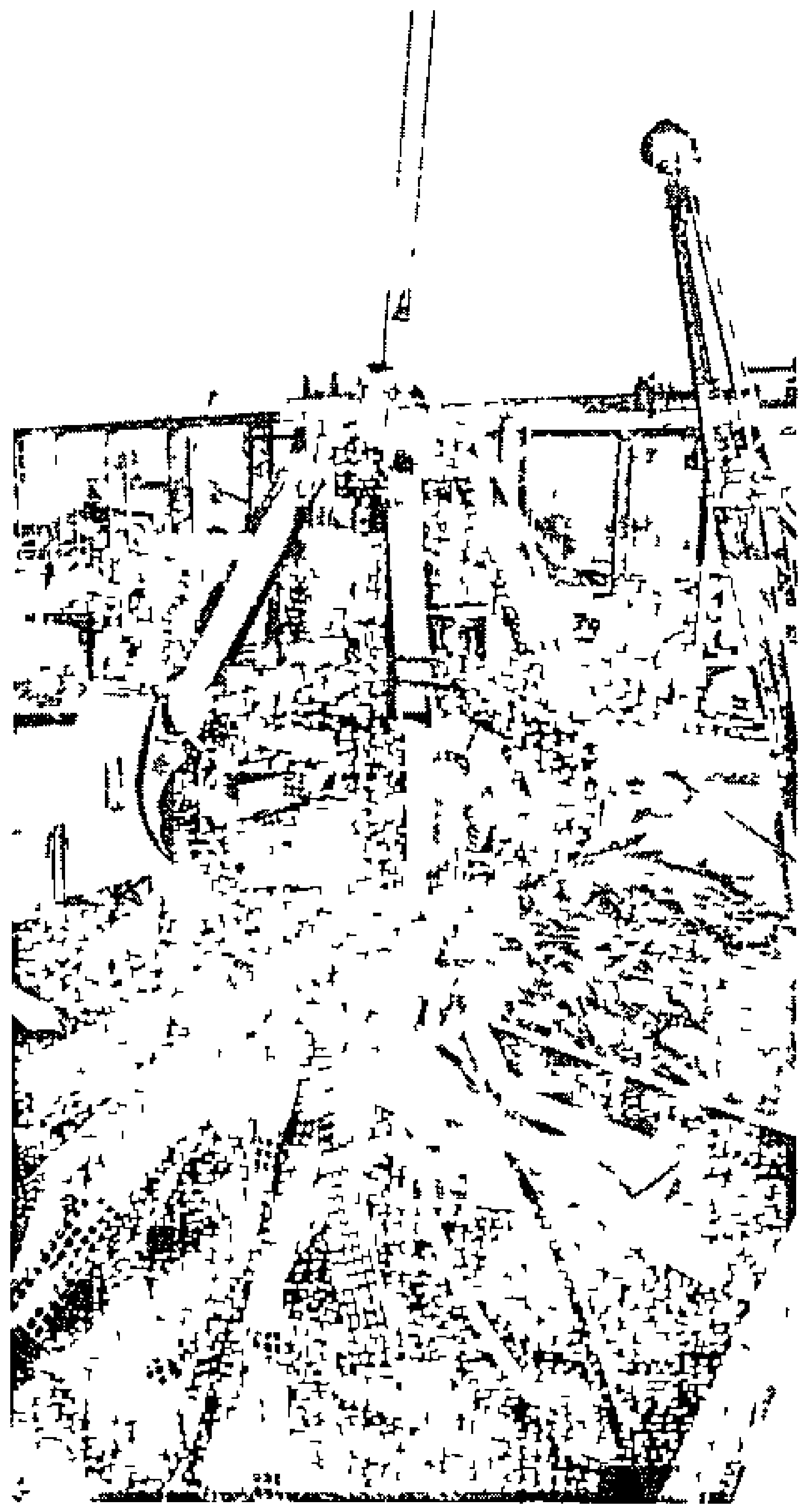
Iscor's withdrawal, in which it was joined by its associated companies, Cape Iron & Steel (Cisco) and Union Steel (Usco), should pre-empt any recommendation of the CB, as it will break the power of the FSD and give suppliers of scrap more room to bargain

But this was not the main motivation behind the move Iscor left the FSD mainly because it had long been dissatisfied with the relatively low allocation of scrap it receives in terms of FSD rules Iscor produces some 75% of SA's steel output, and hence generates most of the scrap, but is allocated only about 18% or 200 000 t/year of the scrap bought by the FSD Highveld, the country's second biggest producer, gets only 50 000t/year while Dunswart, Scaw and Usco, which produce far less, get about 200 000 t/year each

The immediate cause of the withdrawal appears to have been a disagreement over the levy rebate normally paid by the FSD to Iscor and Highveld for their compensation for their low allocation In the last quarter of last year the depressed steel market created a glut of scrap Consumption tumbled and most producers topped buying Iscor, which has large storage capacity, became the major buyer — throwing scrap merchants a lifeline in the process It now has stocks exceeding 1 Mt

Other steel producers refused to continue paying the rebate "It was felt that we could not have the scrap and the money," explains Highveld MD Les Boyd

Iscor's planning and development GM Keith Prince says the withdrawal from FSD was "a business decision considered for some time, made in the long-term interest of Iscor " There are numerous potential benefits



Steel scrap .. cause for conflict

It is cheaper to make steel directly from scrap In the conventional steel-making process, coking coal and iron ore are mixed via the blast furnace route to produce iron, which is then converted to steel By starting with scrap metal, the steel producer can eliminate the blast furnace process

Prince says that Iscor cannot swing heavily towards producing directly from scrap because it has major capital invested in mines and blast furnaces and it will continue to bear the fixed costs But it is keen to increase its use of scrap as far as possible "We must show a net gain in costs," he says "We won't be a disruptively large buyer of scrap "

Another consideration is that in normal markets, there is a shortage of scrap in SA Although most steelmakers are building direct reduction (DR) plants, which do not consume coke or scrap, and produce sponge iron which is a substitute for scrap, the scrap shortage is expected to worsen

By using its muscle as a bulk buyer, Iscor hopes to ensure its long-term supplies It also expects to negotiate more favourable prices

Industry sources believe Iscor aims to secure scrap supplies from State corporations which generate large tonnages, particularly SA Transport Services (SATS) and Escom Prince concedes this is among the alternatives being considered "But we haven't signed long-term agreements with anybody yet," he adds

Other scrap consumers are quick to point out that organisations such as Sats generally produce good quality scrap Private sector steelmakers Scaw, Highveld, Dunswart and Middelburg — owned by Anglo American, Gencor and Barlow-Rand — could reach formal or informal in-house supply agreements with mines, which are major generators of scrap Some are certainly doing so But, they say, mines create lower quality scrap than railways

The battle lines being drawn on scrap buying also reflect growing competition between the public corporations and private producers for sales of new steel

Iscor has competition from Scaw, Dunswart and Davsteel in reinforcing rods, light sections and wire rod, and from Highveld in plate and heavy sections From next March, Highveld will compete in hot strip products Albeit unintentionally, Highveld is commissioning its hot strip mill at a time when steel demand is more depressed than in many years

Prince points out that Iscor and Highveld do not compete directly for scrap and says that Iscor's withdrawal from FSD was unrelated to Highveld's expansion However, he notes "Anything that improves profitability provides a competitive advantage "

The FSD may well collapse when its current agreement with the SMA expires on March 31 "If this happens,' says Boyd, "there could be a very disorderly market in scrap "

In the meantime, scrap metal merchants are going to feel the pain of drastically reduced demand, whatever happens to the FSD "Scrap prices haven't bottomed yet," says Boyd, "and we expect a further decline But they should rise when the economy recovers again "

S Times

Giant Fedmech has laid off hundreds

20/2/83

(185)

By Elizabeth Rouse

SOUTH Africa's largest manufacturer of farm machinery, Fedmech retrenched hundreds of employees this month, and factory operations have been scaled down substantially.

Group managing director Dr Leon Knoll told Business Times "We have done our best through early retirement and generous separation pay policies to soften the blow for these employees."

This is the latest step taken by Fedmech, whose Massey Ferguson tractors were market leaders last year, to ride out the severest-ever decline in farm machinery sales.

Dr Knoll says "As is by now well known, the recent rapid economic downturn has impacted particularly seriously on the agricultural sector.

"This has been compounded by the fact that summer crops have now been ravaged by drought for two consecutive years."

Masferg sales dropped from 6 087 units in 1981 to 2 310 units in 1982.

The tractor achieved a 22.6% share of 1982's total market of 10 822 units, which showed a massive 59% decline on 1981's record sales of 28 862 tractors.

Prospects are dismal. "Our organisation is now structured to match the low level of market demand we foresee continuing well into 1984," says Dr Knoll.

He was prescient about the sad state of the tractor market, warning in March last year that sales would be down by 50%.

Appliance firms join forces

Star 22/12/83

189

Financial staff

Two of South Africa's leading manufacturers and distributors of small household appliances, Defy Housewares and Swift Appliances, have merged to form International Appliances (IA)

Swift Appliances was formerly a wholly-owned subsidiary of Sweidan and King

IA now becomes the country's biggest manufacturer and distributor of small electric appliances, which include such leading brand names as Defy, General Electric, Russell Hobbs, Swift and Regal

The new company has control over three factories — the Defy factory in Babalegi, and two Swift factories in kwaZulu and Johannesburg — which make electric kettles, irons, food preparation products, hotbrushes, hairstylers, carving knives and heaters

Sweidan and King has a 51 percent shareholding in the new company and Defy 49 percent

Mr Geoff Sharman, a marketing director of IA, says the joint venture will capitalise on the assets of both companies to improve production, distribution and marketing skills

He says IA will have access to the technological resources of Defy Corporation and General Electric in America

"The small appliance market is growing steadily, and with the increased buying power of the new company, we will endeavour to give the consumer the best deal in price and product range." he says.

Among new products to be launched soon are an electric frying pan, filter coffee mixer, plastic kettle and a new range of heaters

189

WH 22.2.83

Dispute threat as steel giant seeks pay freeze

By STEVEN FRIEDMAN
Labour Correspondent

THE giant Steel and Engineering Industries Federation of South Africa, whose members employ nearly 500 000 workers, has told trade unions on the metal industries' industrial council that it is opposed to negotiating any pay increase for steel workers until October at the earliest.

This would mean at least a six-month "freeze" on annual pay rises for metal workers

According to union sources, Escom has also asked unions to accept a wage "freeze" because of the state of the economy

But yesterday, the private sector's biggest white union, the 38 000-member SA Iron, Steel and Allied Workers' Union, rejected Seifsa's and Escom's stance and said it planned to table demands dealing with pay and retrenchments

Other unions on the metal council have already said they are not prepared to defer pay demands and a wage dispute in the industry may be on the cards

Seifsa's request to the unions came in a letter tabled at the council in which it asked them to agree to an extension of the industry's legally-binding wage agreement for six months

Iron and Steel said its management committee had decided at a meeting yesterday to reject Seifsa's and Escom's request

Its acting general secretary, Mr Henry Ferreira, said Iron and Steel's branches were in the process of submitting demands to the union and that these would be put to metal employers next month

Seifsa's director, Mr Sam van Coller, said yesterday "We have told the unions we are prepared to meet again in October to re-assess the situation in the light of the state of the industry"

He said any increase in employers' costs would "jeopardise the ability of employers to keep individual employees in work"

The director of the Confederation of Metal and Building Unions, Mr Ben Nicholson, said metal unions on the council were determined to win for their members at least some "compensation for rises in the cost of living"

Steel union presses for new pay pact

Star 22/2/83

189

Pretoria Correspondent

The powerful South African Iron, Steel and Allied Industries Union, representing 38 000 workers countrywide, has rejected demands from employers who want the existing wage agreement to be extended

Proposals for new agreements, including wage increases and severance pay, were being drawn up now and would be served on employers through the Industrial Council on February 28, Mr Henry Ferreira, acting general secretary of the union, said in Pretoria today

He said many employers, including SEIFSA, had applied for an extension for the present agreement for another six months This would mean no increase or changes in working conditions

"We have to move with the times," Mr Ferreira said in explaining why the severance pay clause had become so important

He said many of the large iron and steel works, such as Iscor, had laid off hundreds of workers over the past few months Under the present agreement retrenched workers need only be paid one day's wages

Under the new clause workers could be paid according to length of service and salary scale if they were retrenched, he said

The new agreement will be effective from July if employers accept it

Proposals on wage demands had already been forwarded to the union's head ofice by the end of last year and at a meeting of the union's executive it was decided demands would be presented and negotiations with employers called for

The executive had also decided there would be no giving way to pressure from any employers, no matter how big the concerns

But there is "'no confrontation — yet," Mr Ferreira says

PE dry dock plan will go ahead

(189) E. Post 23/2/83

Post Reporter

THE worldwide swing away from large oil tankers towards smaller ships which could use the Suez Canal route would not affect plans for proposed dry dock facilities in Port Elizabeth, said Mr Henry Combe, the managing director of the Algoa Bay Dockyard Development Company

Mr Combe said the dockyards would largely cater for dry bulk carriers and that oil tankers would be only a peripheral part of the potential market

"As a result of overproduction in the early 1970s, only about 45% of the world's tanker fleet is in operation at the moment, but by 1997 South Africa will be generating about 10% of the world's dry bulk trade, which is double the present figure, and will be exporting about 200 million tons of coal, iron ore and manganese by ship," he said

He said Port Elizabeth was ideally situated for dry dock facilities because it was situated exactly halfway between Saldanha Bay and Richards Bay, the two major ports involved in the export of these minerals

The proposed dry docks would have two berths, big enough to accommodate carriers of 350 000 and 150 000 tons respectively

(189) Hansard Q Col. 247 - 248 23/2/83

Processing of metals

*4 Mr P. R C ROGERS asked the Minister of Industries, Commerce and Tourism

(1) Whether his Department has (a) short, (b) medium and (c) long term plans for the processing and/or manufacture of goods from metals mined

7

in the Republic as opposed to the export of raw material in bulk, if so, which organizations and Government Departments are involved in such planning,

(2) whether such organizations and Departments have put forward any proposals in this regard, if so, what is the purport of such proposals?

23 February 1983

[illegible]

Skok slams rival firm's tariff bid

189

Industrial Week 23/2/83

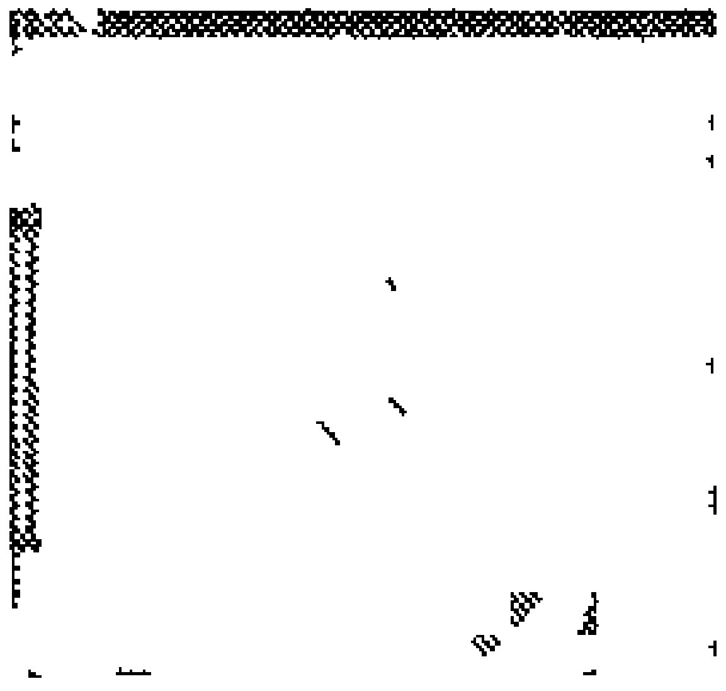
By Priscilla Whyte

THE world of machine tools is once again a mine of protectionist controversy.

Strong objections are being lodged with the Board of Trade and Industries in reaction to a plea for tariff protection submitted by Continental Machine Tools of Chamdor

The application specifies an import duty of 30% by value or R4 a kg

Robert Skok, chairman of Robert Skok & Sons said "We have made an analysis of the effects of such an import tariff using the standard range of machines, which we import and have ascertained that if the tariff of R4 a kg is applied the resultant import duty will not be 30% but between 60 and 64% of the FOB cost of the machines, which we import "



Robert Skok... "tariff protection of this magnitude is absurd."

He continued "We believe that import tariff protection of this magnitude is absurd and will have the most inflationary effect on the sale of such machines "

However Johan Ardendorff, MD of Continental Machine Tools argued "The success of our manufacturing programme will give more work opportunity to our labour force and it could positively help to get a better ratio on the Government's balance of payments and eventually result in a lower inflation rate "

Skok said that the application should be rejected out of hand "as there is no manufacturing industry involved At best only an assembly operation can result "

Ardendorff told Industrial Week "We manufacture our bandsawing machines partly on our own premises and we also make use of subcontractors for certain parts "

He claimed that this local content can be extended from 44% to the region of "70% plus, if we are able to order local parts and hardware in quantities of 50 to 100 "

Skok however contended "In the case of horizontal bandsawing machines of the conventional type, we believe it will be possible to reach a South African content of no more than 40% by value "

He sees the application as being "lodged in order to secure a major share of the market, which they can not obtain in open competitive market conditions "

STEEL COMPANIES (189) FM 25/2/83

Hard as nails

The steel industry is in the doldrums Over the next three weeks, the *FM* will examine the investment merits of the listed companies involved This week, we look at two of the hardest hit

A rapid and severe downturn in the local steel market late last year, dead-as-doornails international demand and the cost of financing major capital expenditure have combined to hammer the three local listed steel producers Prospects for this year are even more gloomy and two of the manufacturers are uncertain that a dividend can be paid

Dunswart has already announced that it will pass its 1982 dividend following a dive into losses from the first half of the past financial year And MD Ken Brightman is not shy about saying that chances for a payout to shareholders this year are not particularly good

Although steel demand held up reasonably well for most of 1982, offtake plummeted in the last quarter of the year and most steel plants closed for considerably longer than normal over the Christmas season Dunswart, in fact, shut down its sponge iron plant in November and has not yet re-opened it, while taking the opportunity to close down production at its old 12-inch mill

On the other hand, the company has been engaged recently in a R27m expansion programme which included the commissioning of a second continuous casting plant and a new light section mill While financing the capex has been a constraint on profitability over the past year, only relatively minor expenditure — about R1m — remains to be made this year

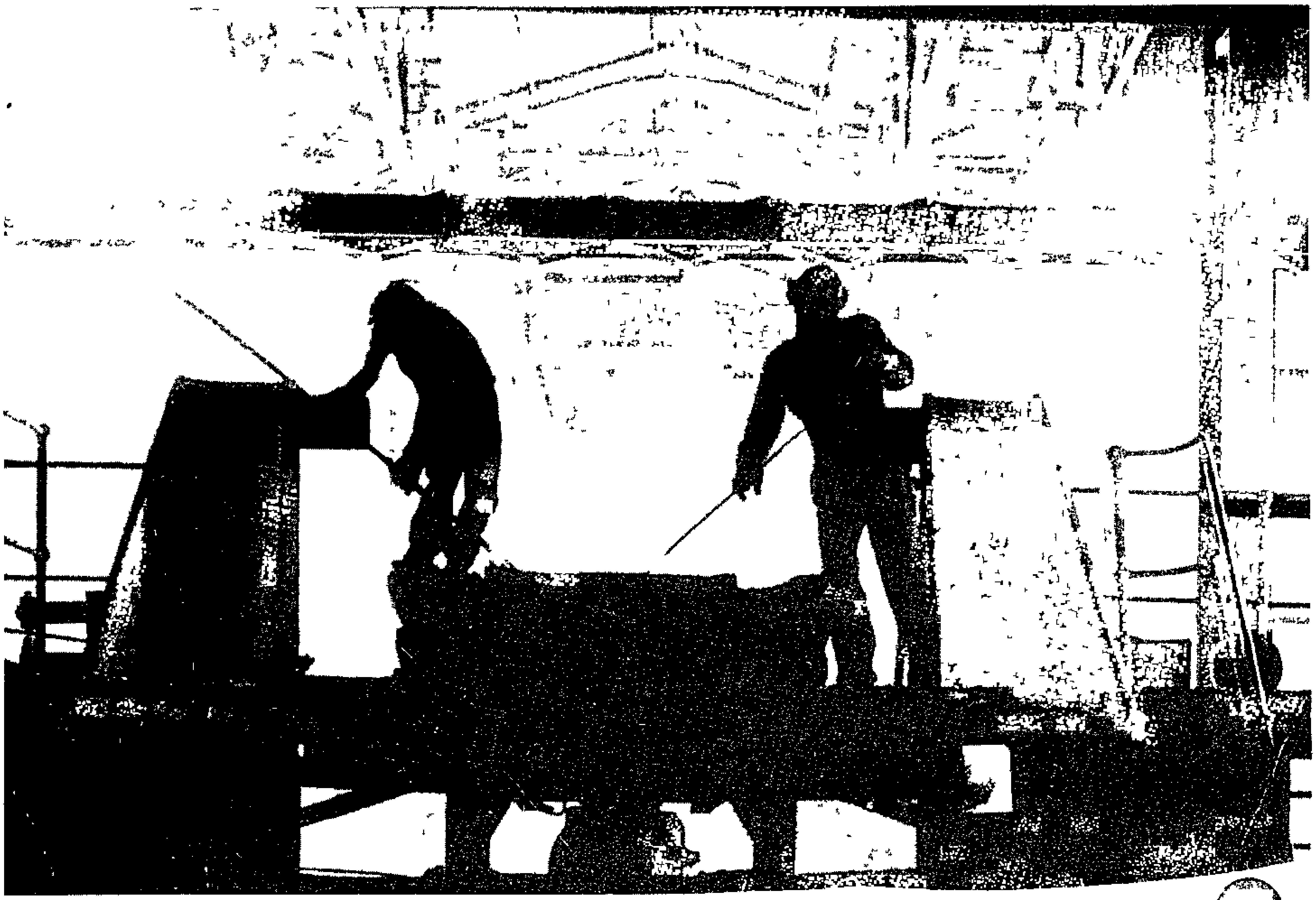
The capital expenditure decision unfortunately seems to have been based on expectations of a recovery earlier than now seems apparent — as has been the case with a number of other industrial companies of late As a result, and after commissioning difficulties added to Dunswart's problems, the new plant came on stream in time for the downturn

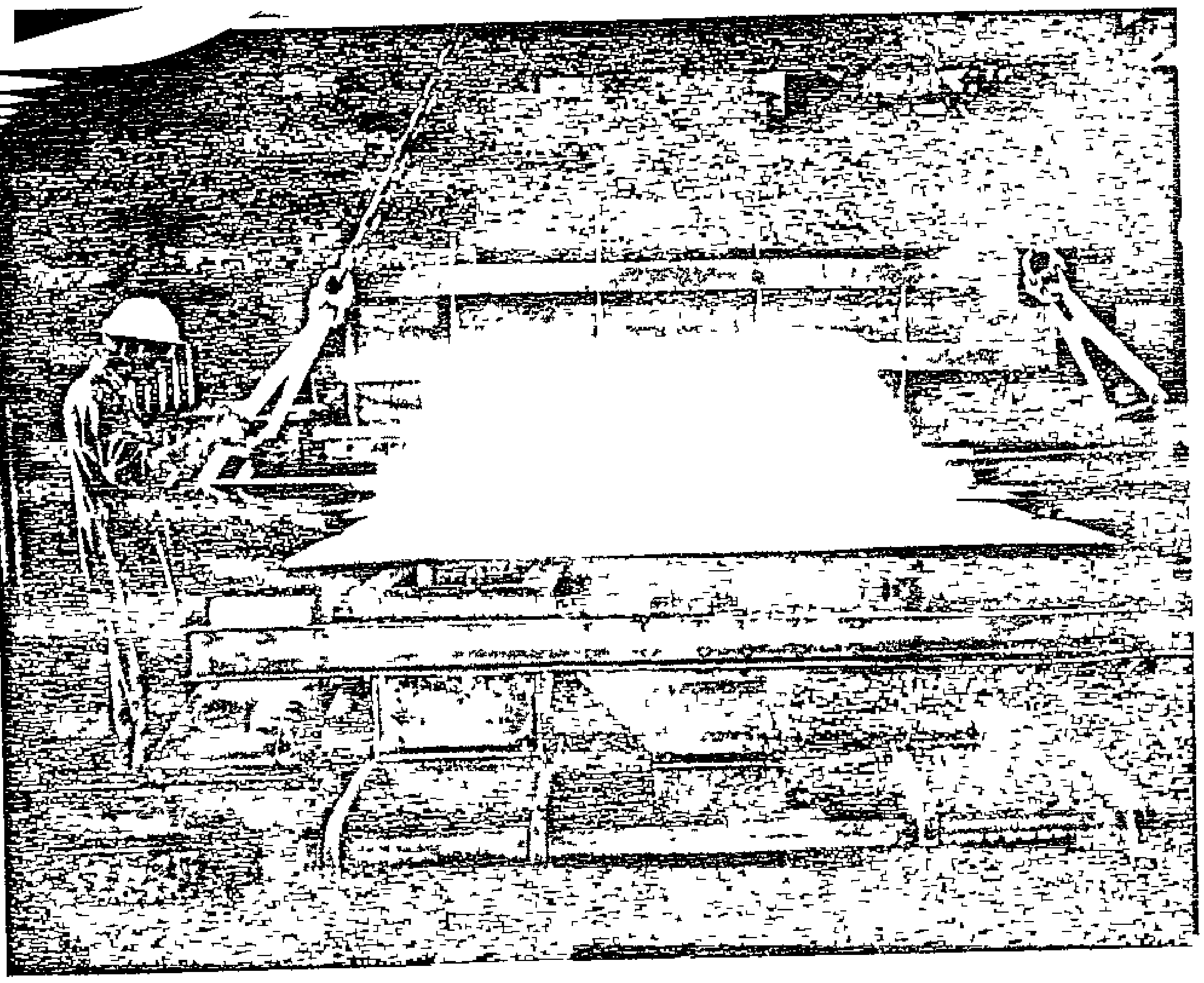
Now, the first signs of a local recovery are expected only around the third or fourth quarter this year A revival in world steel markets is not expected before the first half of next year, though Dunswart is fortunate not to be greatly affected by the volatile international market While the company does involve itself in export markets and foreign sales are expected to build up once the recession ends because of the greater capacity available, the amounts involved and the proportion of Dunswart's sales abroad will eventually decrease

Brightman says the company has been able to maintain market share for certain products, though clearly at unprofitable prices and despite the fact that production budgets were not matched He adds that once the upturn comes the new plant should enable Dunswart to gain additional business because of both greater capacity and increased efficiency The new equipment, Brightman reckons, could trim R10/t-R15/t off the cost of steel produced at the plant.

The continuous caster will help boost yields from 87% to around 93% For Dunswart this means an additional 15 000 t/year of steel input with no additional overheads This could make a significant difference to marginal costing when the market revives

The changing product profile of the group should also boost longer-term earnings performance Much of the additional capacity is designed to allow Dunswart to manufacture a greater range of engineering steels Apart from the added value the more sophisticated products represent to earnings, they are also free from the restrictions of price control There could be a





Steel producers ... profits in the melt

R50/t advantage from the beneficiated products

This year, it is quite possible that the authorities will not grant the normal domestic steel price increase in July but will wait until later in the year before announcing the hike In 1982 the price rise was 13%, with producer costs running 3%-4% above that

Brightman is bullish about prospects for 1984-1985 and says that even 1983 should be profitable — though most likely it will not result in a dividend He adds that balance sheet ratios have not deteriorated markedly over the past year, though it is obviously a priority that loans be paid off before dividends are resumed

Unfortunately, future dividend flows will be influenced by two divergent forces First will be parent Gencor's cash requirements over the next few years The holding company is presumably already unhappy that a dividend is unlikely this year and must be pressing for a payment as soon as possible

Without Gencor behind it, Dunswart would probably have been lucky to get the finance together for the now-completed expansion and would certainly be in a much worse position than at present So the mining house obviously has a considerable lever with which to encourage the payment of dividends

On the other hand, however, further major capex is certain to be required and could force dividend cover up in order to build internal resources Certainly, Brightman says, the existing 18-22-inch mill will have to be replaced Though he is reluctant to quantify the amount involved, the expenditure is certain to be higher than for the programme just completed, even at current prices

The share has been traded up to 105c from its 1982 low of 75c This price seems unjustifiable with little or no dividend in prospect for this year To put the share on a reasonably acceptable price earnings ratio 5, earnings would have to be 21c a share — just under half the 1981 level While this is a possibility, the share is likely to fall back Though the longer term prospects for Dunswart look better now than they have for some time, investors should be in no rush to buy

The same probably goes for Union Steel Results for the year to September 30 were very poor and MD Jan de Waal believes the company will be doing well to break even in financial 1983 Interest rates on finance for the company's major capital expenditure programme are obviously a drag, but De Waal says the impact of the recession has had an even greater effect

Currently, there is an upturn in demand for some of the company's specialised steel products, but De Waal is reluctant to forecast whether this trend will be continued or is just a flash in the pan

Like Dunswart, Usco has had to lay out considerable amounts to update and upgrade production facilities It spent R30m last year and has earmarked a further R27m for 1983 This presumably includes the first stages of a brand-new sponge iron plant expected to come on stream in about 1985-1986, and which is likely to cost R35m

The plant was decided upon because of the changing nature of the scrap market in SA, De Waal says Firstly, Iscor is commissioning a plant at its Pretoria works which will operate purely on scrap, severely constricting the amount available to other producers Until now, Usco has been the country's largest consumer of scrap Furthermore, increased rail charges have meant that scrap from coastal regions especially the eastern Cape, has become prohibitively expensive

On the technical side De Waal explains the company s more "up market product range tends to require clean inputs and the SA scrap pool is becoming more and more polluted as time goes on

The sponge iron plant, while solving these problems should also have considerable longer-term benefits as new techniques are brought into operation, but it will certainly be another three years or more before any benefit is felt in earnings In the meantime there may be restrictions on dividend flows in a similar manner to Dunswart

Chairman Marthinus Marais is normally a pessimistic forecaster of economic trends, and now expects no revival in the local or overseas economies until the end of 1984 De Waal points out that Usco tends to be conservative largely because it is easier for a steel plant to gear up from a low level of production than it is to reduce output if assumptions had been over-optimistic

Nevertheless, if Marais' forecasts are correct, shareholders are not going to have a happy time of it until the 1985 financial year at least Perhaps there are grounds for being a little more optimistic on the timing of a revival in demand In any event, De Waal says that much of the sponge iron plant will be paid for out of cash flow arising from the absorption of large stockpiles of scrap But with Usco's gearing at 0,77, interest rates punitive, and more borrowings almost certain to be required, retentions are likely to be increased

Of the company's diversified operations — which, apart from steel production, include the manufacture of copper wire, aluminium conductor, castings and agricultural implements — the latter division, through subsidiary Veldmaster, has been probably the least successful The operation has consistently lost money and De Waal says it is now being run down This year, the company says, the steel products division will make further losses, though the non-ferrous side will be in the black

The share price has bounced back from a low of around 85c to trade at 100c at present The historic yield at that level is only 6%, but income this year is unlikely Speculators will probably have a long wait on their hands to recoup their investment

With Highveld also coming to the end of a major capital expenditure programme, there could be a tussle for market shares in a number of steel product lines when the economy comes around Though the two shares described here do not represent buying opportunities at present, a two- to three-year view puts them in a different light

Scott Hawker

Feb 1983

Big steel company pays out workers

A MAJOR steel company, Dunswart Iron and Steel, has agreed to pay more than R30 000 in compensation to migrant workers who were retrenched at its East Rand plant last year, according to informed sources

The settlement is the first to be revealed in which an employer has compensated migrant workers for being retrenched before their contracts expired

It is understood that Dunswart, which is controlled by the Gencor group, agreed to pay the compensation at a time when it faced the possibility of court action to challenge the retrenchments on the grounds that the workers were migrants whose contracts with the company had not expired

A company spokesman yesterday reacted to queries about the settlement with a brief "no comment" And Mr David Sibabe, general secretary of the Metal and Allied Workers Union (MAWU), also refused to comment.

The retrenched workers are members of MAWU and it is believed that the union played a role in the negotiations after their retrenchment.

It is understood that, after negotiations in which the possibility was raised of court action to test the legality of retrenching migrants in mid-contract, Dunswart agreed to pay the workers R500 each as compensation

Estimates of the amount paid out in terms of this formula range between R32 000 and R35 000

Retrenchment of migrants in mid-contract has been a common practice in manufacturing industries and, until last year, it had been assumed that there was no legal obstacle to it.

However, last year the giant Steel and Engineering Industries Federation issued a circular on retrenchments to its members saying it had taken legal advice on the issue

LABOUR PATTERNS FM 25/2/83 (187) ~~[illegible]~~ ~~[illegible]~~

The war over wages

Management and labour appear to be heading for extremely tough wage bargaining this year Some major employers have begun to press for wage negotiations, which are usually held within the next two months, to be delayed until October This would effectively result in a six-month wage freeze

The Steel and Engineering Industries Federation of SA (Seifsa), whose members employ about 500 000 people, and Escom have been among the first to propose the delay in negotiations However, they may set a trend which will be followed by some other employers and industries as well

Not surprisingly, union leaders are opposing this move Ben Nicholson, director of the Confederation of Metal and Building Unions, says unions are determined to obtain at least some compensation for their members for rises in the cost of living He appears to be unfazed by Seifsa's opposition to pay talks taking place next month "This is a disease for which we have our antidotes," he declares He says union leaders will meet soon to formulate their pay demands

Seifsa has asked unions on the metal industries industrial council to agree to an extension of the industries' present agreement for six months Seifsa director Sam van Coller points to the extremely difficult period that the metal industries are going through due to the downturn in the South African and Western economies He says Seifsa's major priorities are the preservation of the viability of companies in the industries and their ability to maintain current levels of employment

Some observers are asking whether the attempt to delay pay talks is merely a strategy to induce unions to make modest pay demands next month If this is so, it may be a useful tactic to moderate the kind of demands that unions have made in recent years Employers have complained that some of these demands have created high expectations, especially among black workers, which have been impossible to fulfill

Implications

However, if employers are really serious about delaying the talks, they will obviously have to consider implications which could result from a delay

One possibility (which is feared by established unions) is that it could lead to an increase in shopfloor bargaining by emerging unions — and hamper efforts to persuade them to join industrial councils Should emerging unions make significant gains in shopfloor bargaining during the next few months, those unions which agree to a delay could suffer a severe loss of credibility — especially among black workers

Some observers claim that if employers want to bring about a six-month wage freeze they will have to present an extremely well-motivated case This means they will have to make disclosures about their financial position that they may have been unwilling to make in the past

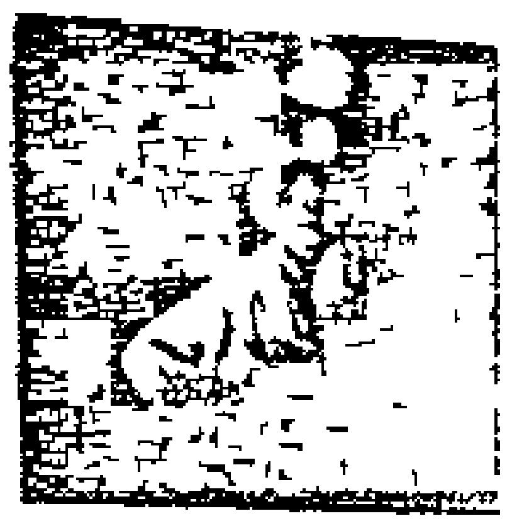
Van Coller's response is that the published results of companies in the metals industries provide a clear indication of the problems facing employers "The next round of results will probably be even worse," he adds

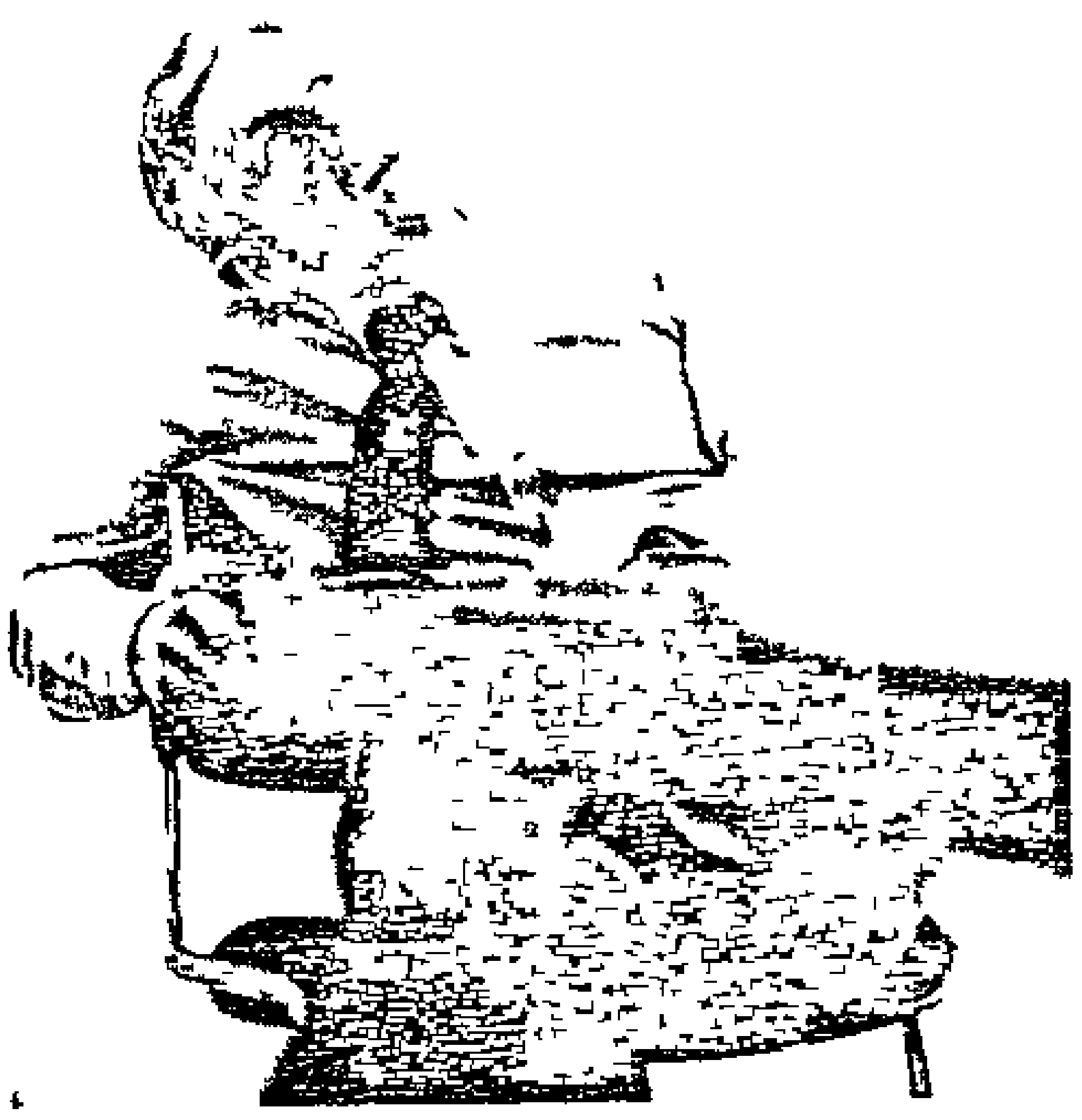
Many employers are insisting that emerging unions will have to accept that higher pay will inevitably result in higher levels of unemployment However, leaders of some of these unions deny that there is necessarily such a direct trade-off

Employers in most industries will be making extremely low wage offers this year But some union leaders say that the rising cost of living and an inflation rate of about 14% are creating strong pressures from the shopfloor for higher pay Some unions also believe that even in a recession they do have considerable clout and that employers are still wary of a confrontation

Says Taffy Adler, a senior official in the National Automobile and Allied Workers' Union "There is enormous competition between companies for orders at the moment and no-one wants to lose production"

Industrial relations consultant Andrew Levy says such pressures are evident at a time when some white workers are being retrenched, or are feeling threatened by black advancement He is probably correct in predicting that employers are in for a torrid time





Seifsa's Van Coller ...
companies' viability a priority

Union's reasons

189 RDM 25/2/83

HERE is an edited version of the major policy statement, reported on Page 2, announcing the Metal Workers Union's decision to join an industrial council

MAWU said it would be guided on the council by these principles

- That factory floor bargaining "is fundamental" Industry-wide bargaining "may supplement, but can never take (its) place"
- MAWU is "democratically controlled and will be represented primarily by elected worker representatives", who will be "mandated at all stages of negotiation by shop stewards"
- The union will "represent all its members regardless of race",
- It "will not be party to any agreement or action of the council with which its members do not agree"
- It "will withdraw from the council if necessary"
- The union "understands that the council will not attempt to limit or discourage shop-floor bargaining"
- It will insist on facilities for reporting back

MAWU said it had warned members "of the many potential dangers of becoming a member of the council" MAWU is "a minority on the council and cannot hope to win big gains"

It thus remained committed to shop-floor organisation

Giving its reasons for applying, the union said that since its formation in 1973, "the employers and the State have tried to kill or cripple MAWU" But it had grown into a national union with about 200 organised factories and was one of the two largest in the industries

During the 1981 and 1982 strike waves, MAWU members made "substantial gains" until mid-1982 when "unemployment, action against migrants by Administration Boards and concerted action through Seifsa allowed employers to resist these demands"

The strikes assumed industry-wide proportions, but workers in different factories did not unite in their demands

"It has become clear that MAWU needs a focus around which workers could unite demands

"The employers are solidly united behind Seifsa while the unions are divided So at this time the council will have to be the focus of mobilisation"

To "dominate the industry", MAWU would have to organise a large fraction of "at least the 1 000 major factories in the industry

"Moreover demands made by MAWU have been hijacked and mishandled by the council

"Some unions now on the council claim to speak for black workers It is necessary to establish that only MAWU and a very few other unions with the same policies are the true representatives of oppressed workers"

RAND DAILY MAIL, Friday, February 25 1983

Fosatu union joins council in key move

189

140A

By STEVEN FRIEDMAN
Labour Correspondent

IN A key change of tactics which could have a major effect on labour relations the Federation of SA Trade Unions' Metal and Allied Workers' Union (MAWU) has decided to apply to join the giant metal industries industrial council

MAWU's decision follows a three-year battle in which it refused to join the council, the country's biggest, despite the refusal of most employers to bargain with the union outside this official forum

However, MAWU says it will continue to insist on bargaining with employers at individual plants — which the council and the industries employer federation, the Steel and Engineering Industries Federation of SA (Seifsa) oppose

It says it will regard council bargaining as secondary' and also says it will demand various changes to the council, will review its participation from time to time and will withdraw if necessary

The council issue has been one of the most important sources of conflict between employers and emerging unions

MAWU is the first Fosatu union to announce formally that it is applying to join a council since the new labour dispensation was introduced Its decision is likely to have repercussions beyond the metal industries

MAWU said the decision to apply was taken unanimously' by its executive last end after eight months of "intensive dis sion' with shop stewards and ordinary men bers All its branches had now voted to

In its statement MAWU says it will on representing all its members, regar of race, which may bring it into conflict wi white-led unions on the council

It also says it will demand facilities report back to members on negotiations that it "understands" that the council will not attempt to "limit or discourage' factory floor bargaining

Among its reasons for joining are employer resistance to bargaining outside councils and its belief that industry wide bargaining will enable workers to unite demands

It says it has warned members that it will not be able to make major gains on the council and that factory-bargaining remains "primary

Reacting to MAWU's announcement yesterday, Seifsa's director Mr Sam van Coller said "This is obviously an important and lengthy statement of policy and we will make arrangements to discuss it at the next Seifsa Board of Management meeting"

It is understood MAWU's move is unlikely to jeopardise union unity talks between Fosatu and other key emerging union groups who are against councils

● See Page 9

Santa training centre gets R65 000

Mail Reporter

PEOPLE with charity at heart saw the fruit of their generosity when a cheque for

vice-hairman of the Christmas Stamp Fund, to the national chairman of Santa Mr P H Anderson at Santa's

money would be used at the centre to educate blacks on the dangers of tuberculosis

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Break-in while at hustings

Mail Correspondent

MELBOURNE — Detectives in Melbourne are investigating a burglary on Wednesday at the home of the Leader of the Oppostion, Mr Bob Hawke, while he was away on the campaign trail.

A police spokesman said they were treating the incident as a straight criminal matter rather than a political one, since there had been a number of burglaries in the Sandringham area in recent months

Mrs Hazel Hawke was alone in the house at the time of the late-night break-in, which she discovered next morning

She said Mr Hawke's study had been broken into, his private desk opened and his papers rifled, although she could not be certain if any were missing A video recorder was stolen

Mr Hawke was told of the break-in when he arrived in Brisbane after a night on the hustings

Obviously a robbery is upsetting", he said, 'but I have nothing to hide

"As I have been saying all along there are no skeletons in my cupboard"

Mrs Hawke said she did not see the break-in as particularly sinister

"I am not making any assumption about what the motive was," she said

The general election here is on March 5 and Mr Hawke is believed to be marginally in the lead of the Prime Minister, Mr Malcolm Fraser

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The drought in Ciskei, he was the worst in living ry and unless copious fell within the next h, loss of life was nent.

aking at an Institute of Relations forum on k resettlement, Mr croft said only a month ined in which the veld recover before winter e South African Govern-, he said, had a responsi- to come to the aid of er people, especially in resettlement camps, s policies had contribut- the destruction of natu- esources in the territory spokesman for the Dement of Foreign Affairs ape Town said yesterday Government was giving ent attention to the ight in the country, ing in Ciskei

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expertise

each were being planned. would be assigned to the agriculture, financial and infrastructure, community authorities

a meeting of the committed as soon as replies had the invitations

Turnhalle Alliance spokes- DTA would not serve on be instituted by the Admin- — Sapa

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Fugard

Fugard, 51, said he did not nt to leave South Africa rmanently "I think I'm ally too old to make a ange to a younger society w,' he said

"I'm rooted in that society an stand on a street corner d watch people passing, d I feel I know their stoes I can't do that in Manttan." — Sapa-AP

Manhunt

RAND DAILY MAIL, Saturday, February 26, 1983

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Jnions may block MAWU bid

By **STEVEN FRIEDMAN**
Labour Correspondent

'ABLISHED unions on the :al industries' industrial ncil could oppose an applica- to join the council by the eration of SA Trade Unions' al and Allied Workers' Union WU)

ais is the implication of the reac- by the director of the Confeder n of Metal and Building Unions BU), Mr Ben Nicholson, yester- to the news that MAWU had ded to apply to join the council CMBU is the biggest union body he council

No union can join a council unless all the parties on the council agree to admit it

MAWU's announcement follows a three-year battle in which employers, often supported by established unions have refused to bargain with it outside the council

It was expected that both employers and unions on the council would see this decision as a major breakthrough and accept MAWU's application

However in its announcement, MAWU said its letter of application would contain a list of principles which the union would follow on the council

These included continued support for factory-floor bargaining on wages outside the council, which both the giant Steel and Engineering Industry Federation of SA (Seifsa) and the established unions oppose

Mr Nicholson said he could not comment fully before examining the text of MAWU's letter of application

He said "If they have simply applied to join the council I cannot imagine anyone objecting '

He said the MAWU statement may mean that their letter will be hedged with conditions which imply that they are trying to dictate terms on the council

"If this is the case I am sure unions already on the council will treat MAWU's application with the greatest circumspection

Mr Nicholson said the way the council operated was agreed by its members and that this was constantly changing in the light of new circumstances

"But it would be unacceptable for a new union to come in and immediately insist on dictating the way the council should operate," he said

Factory-floor bargaining on wages, he added, "runs counter to the whole idea of an industrial council '

Mr Nicholson stressed, however, that much would depend on the wording of MAWU's letter

"If they are not setting conditions to their application, we would certainly support it," he said

RDM 26/2/83

Stoppage could affect union

[redacted] [redacted] [redacted] (189)

LPM

1/2/83

Labour Correspondent

A WORK stoppage has hit one of only three plants in the Eastern Cape to recognise the unregistered SA Allied Workers' Union (SAAWU)

According to informed sources the stoppage began on Thursday at a smelter at Berlin, near East London, which is owned by the Wadeville-based company Fry's Metals

The smelter was originally owned by battery manufacturers Chloride (SA), the first company ever to recognise SAAWU — first at its East London plant and then later at Berlin

When the smelter was sold to Fry's the new owners agreed to honour the recognition agreement on Chloride's advice It is understood, however, that Fry's has been intending to renegotiate the agreement with SAAWU

The dispute could, therefore, have a bearing on SAAWU recognition at the company It comes at a time when police action, unemployment, and tough employer action have taken their toll on SAAWU in its East London stronghold

Yesterday a union spokesman refused to comment on the dispute at the smelter "We are engaged in talks with the company and cannot release information until the dispute is resolved," he said

But a company spokesman confirmed there had been a stoppage

"The issue is delicate and we are attempting to find a way to sort out the problem I am sure a solution acceptable to both sides can be found," he said

"Because of the delicacy of the situation, we would prefer to say as little as possible," he added

27/2/83

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Steel men set for pay battle

By BEVIS FAIRBROTHER

THE country's 500 000 iron and steel workers are nervously pacing the sidelines waiting for union representatives and management to start annual pay negotiations.

But this year the workers know they are unlikely to get increases as usual in June

The industry is in a serious financial crisis.

Hundreds of workers have been retrenched and smaller sub-contractors are in danger of closing

"I can't stress strongly enough how serious the situation is," Mr Sam van Coller, director of the Steel and Engineering Industries Federation of South Africa (Seifsa), said.

The federation asked to put off negotiations until October.

Management and unions deny there will be a showdown, but sources believe it is imminent

Workers have refused to accept a six-month "freeze".

Seifsa has put suggestions to the unions and is waiting for counter-demands

The issues will come under discussion again at the next meeting in March

Smaller companies, essential to the industry, are especially battling

Mr Henry Ferreira, acting general secretary of the SA Iron, Steel and Allied Industries Union, said its members were also feeling the economic crunch.

Dr Rick Turner with his mother and daughters, Jann, then aged eig
Kim, four, on the steps where he was murdered outside his ho

S. Times 27/2/83

Automotive tool market boom

By Vera Beljakova

189 AA

SOUTH Africa's automotive tool market, which saw sales of R16-million last year, is poised to expand to a turnover point of R20-million this year, despite the depressed tool market in general.

The two main competitors in the automotive market are Atlas Utas (a Barbican subsidiary with a 60% market share) and National Machinery Suppliers (NMS) with a 40% market share.

NMS, with its R6-million turnover, is a subsidiary of Bifco (assets R150-million), which in turn is owned by Nedbank (25%), PG Glass (20%) and the SA-resident German family Hochstadter with 55%.

"Though the tool machine market is dead, sitting with high inventories and low sales", according to NMS MD Glenn Cartwright, "the automotive tool industry is still booming

"The continued growth comes as a result of the recession, when the motor industry turned to repairs instead of new products. We supply the motor industry with machinery for reconditioning engines, brakes and clutches"

NMS predicts a real growth of 10%.

Aiming for market supremacy, it recently increased its sales staff by 400%, changed its management system and revamped its board.

This week NMS is opening three new premises (warehousing, showrooms and workshops) around the country, offering a better service to the end-consumer

Part of the revamp is aimed to stop clients from "banding together into a force which would import tools directly from overseas suppliers", says Mr Cartwright

NMS's major supplier is Italy's Zanrosso — the world's largest automotive tool manufacturer, whose factories are working double-shift to fulfil international orders

Zanrosso supplies 60% of the world's needs, and its president arrives in South Africa this week

NMS's other main supplier is Ammco of the US, which provides brake and clutch servicing equipment.

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S. Times 27/2/83

Major takeover

By Julian Kraft

ONE of the country's largest specialist foundries has been acquired for R5-million by the R20-million-a-year Mill & Industrial Services (MIS) group, manufacturers and suppliers of alloyed castings and pollution control products

The acquisition of the Alberton foundry, previously owned by Rexnord of the US and operating as Nordberg Manufacturing, represents a vertical integration for MIS's specialist alloy division, Mitak

"By bringing this foundry under our own roof we will be able to increase production, particularly of our high-chrome, abrasion-resistant alloys," Alex Anderson, MIS chairman, told Business Times.

"We will also be able to effect quicker deliveries, develop new products, meet customers' requirements more effectively and achieve a faster rate of import replacement."

Mitak is one of two operating divisions in MIS, the other being the air-handling and dust-control equipment division, where the company last year took over its main rival, Colt International, and integrated it into its operation

189 The

Iscor tie-up may help hard-hit company

Cullinan holds interim despite earnings drop

By Alec Hogg
Assistant Financial Editor

Steel associated conglomerate Cullinan Holdings has expressed confidence in the future, holding last year's interim dividend at 12c despite a drop from 53c to 0,6c in earnings a share in the six months to end-December

And although executive chairman Mr Neil Cullinan does not believe that earnings for the year as a whole will reach last year's 97,5c, he says the final dividend payment of 15c a share will be held

Mr Cullinan told The Star today "In 1981 we dropped our dividend from the previous year's 36c to 27c — a level we are sure we can maintain

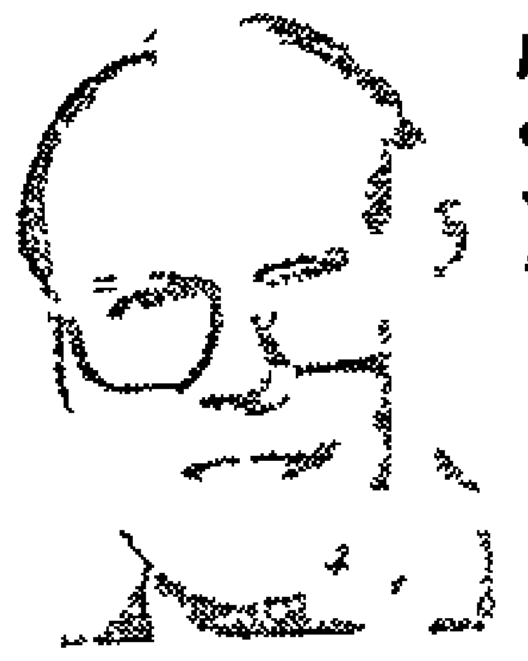
Recovery

"If we are unable to cover this proposed payout by earnings, we will pay out of reserves and this will not really be significant as reserves stand at about R33,5 million at present

"Unless the next financial year (to June 1984) promises no prospect of improvement, the dividend will not be cut then either," he said

The group's philosophy was based on building up reserves in good times to ensure regular dividend payments in bad, he said

Mr Cullinan expects a recovery in the group's fortunes within the next 12 to 18 months, as economic conditions improve both locally and abroad



Mr Neil Cullinan "We were one of the first companies to feel the effects of the downturn"

He said "The recession is very serious We were one of the first companies to feel the downturn due to our close relationship with the steel sector

"The export market is also important to us as a diversification from our local operations This market fell away strongly almost overnight

"We saw the recession coming but did not expect it to be as severe as it has been"

In the six months to end December Cullinan suffered a sharp reversal with refractories, in particular, feeling the downturn

Turnover in this division fell from R32 million to R23 million, but the future augurs well

Cullinan is to enter a partnership with Iscor and its refractories will be the major input Mr Cullinan said this would reduce the group's debt-equity ratio from last year's 64 percent to "somewhere in the 20s"

After the partnership becomes effective in July, the refractories division of Cullinan (which accounted for 43 percent of turnover but just 30 percent of operating profit last year) will be deconsolidated

The electrical division, which last year accounted for 43 percent of turnover and 39 percent of profit, had a disappointing six months

Although turnover was maintained, this was at the cost of margins in an increasingly competitive market

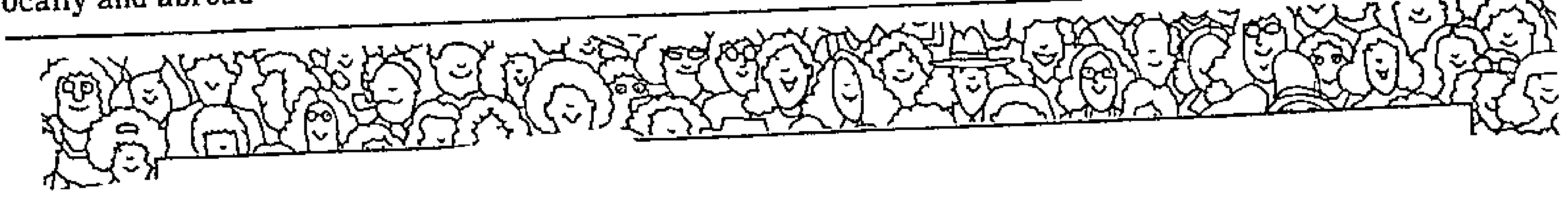
The three smaller divisions of Cullinan's operations, property, bricks and mining, performed satisfactorily in the six months

The property division is at the point of tying up two major deals and this, Mr Cullinan said, would have a material effect on the group's earnings for the year as a whole

Mr Cullinan said that although the second half of the year should be significantly better than the first, he did not expect earnings would exceed the proposed dividend payment of 27c a share

Comment There is little doubt that the market expected disappointing results from Cullinan, with the bid price falling from 380c to 300c in the past two trading days

With the group promising an unchanged dividend, Cullinan yields a prospective 7,5 percent for this year and probably next year at the last sellers' price of 360c



Labour Week

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By STEVE FRIEDMAN

RDM 28/2/83

Industrial council victory

SUPPORTERS of industrial councils seem to have won a major victory now that the Metal and Allied Workers' Union has applied to join the Metal Council

For the past three years, MAWU, with other emerging unions, has resisted joining these cornerstones of the Government-approved bargaining system

It argued that to join the council would be to bargain where it would be weak, rather than in the factories where it was strong

But "seems" may be the operative word MAWU's move doesn't automatically imply greater black worker support for councils

MAWU has not changed its basic view of the council, but two factors have now forced it to apply to join There is almost universal employer resistance to bargaining with it outside the council

And the recession, which has brought unprecedented retrenchments and tougher Government action against migrant workers — most of MAWU's members — has weakened its ability to use factory muscle to force employers to do so

So it believes tactics force it to join the council — perhaps temporarily, until it feels strong enough to move outside it again

That MAWU is applying to join the council while proclaiming that it will continue to bargain outside it and will withdraw if necessary, and while warning workers not to expect great things from the council, confirms this

Its move may usher in a stormy period on the council and it does not necessarily mean greater grass-roots worker support for the council

In previous strike waves, black workers ignored, or rejected, wage deals made at the council and may do so again when the economy improves

Even before its membership application MAWU lacked control over worker action — employer refusal to bargain with it in factories meant it could not develop the muscle to control events and its scanty resources worsened the problem

There is still gut black worker resentment of councils and MAWU's ability to control worker action may not grow simply because it has joined a council

Much will depend on whether MAWU can, by its presence, effect the kind of changes which will increase the Metal Council's black worker credibility

Only if it does will MAWU's move herald a beginning of an end to the battle over councils

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A MINOR dispute at three OK Bazaars stores in Port Elizabeth has placed labour relations in the major chainstores on a knife-edge

The strike comes at a time of worsening relations between stores and the Commercial, Catering and Allied Workers Union (CCAWUSA) and has already led to a decision by OK to suspend recognition negotiations with the union

The stakes are high Last year CCAWUSA's membership snowballed as its members were involved in a series of strikes at leading stores

Employers agreed to negotiate recognition with the union in an attempt to stabilise relations These talks, which seemed set to lead to black bargaining rights in many major stores, have reached a relatively advanced stage

Now the entire deal could be in jeopardy Employers claim that since the beginning of the year CCAWUSA has been damaging negotiations by adding new issues for discussion whenever agreement seems to be reached.

If OK continues to hold off on recognition talks — and this depends on the outcome of the dispute — other stores could do the same

This could lead to all-out conflict between CCAWUSA and employers

In the short term, bearing in mind the recession and the fact that CCAWUSA has still to consolidate its newly-won support, employers hold the whip-hand So there is little mileage for CCAWUSA in confrontation

But in the long-term, stores are vulnerable to walk-outs by key staff and to consumer action and employers need a permanent acccomodation with a union

So there is still incentive aplentv for both sides to rescue matters

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RETRENCHING or firing workers is becoming a costly business for some employers

Last week a major steel firm, Dunswart Iron and Steel, paid out more than R30 000 to retrenched migrant workers because they were fired before their contracts expired which, lawyers, believe, may entitle workers to damages

The Durban textile company SA Fabrics, too, shelled out R16 000 to ex-workers on the eve of an industrial court case in which a union planned to allege it was an "unfair labour practice" to retrench workers without consulting a majority union and building in certain safeguards for workers

Recently, the industrial court twice ordered reinstatement of fired workers, and meat giant Vleissentraal agreed to rehire fired workers

All this confirms that unilateral employer decision-making on firings and retrenchments is under intense pressure

It also shows that, because their power has been weakened by lay-offs, better-organised unions are turning to court action to reinforce their demands

Although the scope for this sort of action is clearly limited, they appear to be doing so with some success

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THERE were clear signs last week that major employers are pushing for an unofficial wage "freeze" for at least the next few months

Both Escom and metal employers said as much and they are not alone

Some tough talking lies ahead But this punter is backing two near-certainties There *will* be negotiated pay rises, but these will be the smallest for some years

Star 1/3/83

1189

Unions will not postpone pay talks

Labour Reporter

Trade unions in the iron and steel industry are rejecting employer requests to postpone wage negotiations until October this year

The Steel and Engineering Industries Federation of SA (Seifsa) had asked unions to forgo negotiations for a new agreement which would start in July and instead start talks in October for an agreement covering the first six months of 1984

But the trade union caucus on the industrial council has told Seifsa in no uncertain terms that employers cannot expect workers to bear the brunt of inflation because they are the least capable of doing so

The unions intend to submit their proposals for new wage increases to the industrial council in the near future

In a statement issued by the SA Boilermakers' Society this week, the union warned that freezing wages while not freezing price increases would not serve any useful purpose

Such a freeze would lead only to a deterioration in the position of workers

The union also warned that this could in turn lead to labour unrest

● Some 500 000 workers are represented in the iron and steel industry

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Tough metal wages battle ahead

RDM 1/3/83

Labour Correspondent

FURTHER evidence that tough bargaining lies ahead in the metal industries was given yesterday when the SA Boilermakers Society released a newsletter urging its branches to submit wage proposals — thereby ignoring an employers' request to shelve the pay bargaining scheduled now

The SA Boilermakers Society is the largest metal union

And yesterday the biggest white union in the industries, the SA Iron, Steel and Allied Workers Union, announced that its executive had endorsed a recommendation from the union's management committee that it reject the employer request for a wage "freeze"

The Steel and Engineering Industries Federation (Seifsa) recently formally requested unions on the Metal Industrial Council to agree to a postponement of wage negotiations for at least six months

Major metal unions on the council have rejected this request

In the newsletter to members, the boilermakers say the union "cannot accept this suggestion" and "must insist on the usual negotiations which begin in March or April"

It says any delay in compensating workers for "the loss in value of the rand" would only aggravate what was seen as a sensitive situation The union adds that it does not believe that postponing wage negotiations "will really act as a means of reducing costs"

The rapidly rising price of essential foodstuffs, which the drought was sure to bring, would hit workers hardest, the union said

Freezing wages would lead to labour unrest "which is a major contributor to inflation, increased unemployment and a further recession"

- The SA Iron, Steel and Allied Workers Union yesterday announced the appointment of a new general secretary, Mr Henry Ferreira

He replaces one of the stalwarts of the white union movement, Mr Wessel Bornman, who has served as secretary of the all-white SA Confederation of Labour

~~(154)~~ (189)

Record cash payment for fired workers

RDM 1/3/83

Labour Correspondent

AN OLIFANTSFONTEIN company, Stobar Reinforcing, has paid R38 000 in back pay to 51 Metal and Allied Workers Union members fired last year, according to Fosatu Worker News journal of the Federation of SA Trade Unions

This follows a recent landmark Industrial Court ruling in which the court granted the workers a "status quo" order, instructing the company to reinstate them temporarily while their dispute with it was being resolved

It is believed to be the biggest cash settlement paid by an employer to dismissed workers in the current series of disputes over dismissals and retrenchments

The court's order temporarily reinstating the Stobar workers was made in early January and was the first such order made by the Industrial Court

The case arose out of dismissals last August Management charged that the workers had been fired for engaging in a "go slow" The union disputed this and alleged that the firings were "disguised retrenchments".

A party fit for a queen

LOS ANGELES — Hundreds of Hollywood stars put on a spectacular show for Queen Elizabeth on Sunday night that had her clapping her hands and tapping her feet to the music

"The Queen had a great time, she was relaxed and she was super' said British actor Dudley Moore, who was at the top table

Mrs Nancy Reagan was the hostess for the party, held in a lavishly-decorated set at 20th Century-Fox studios in Los Angeles

Five hundred of Hollywood's biggest personalities packed the studio for the party — Sapa-Reuter

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Cape Times 1/3/83 ~~201~~ ~~206~~ 307

11 illegal KTC squatters guilty

Staff Reporter

MOST of the 11 women found guilty in the Langa Commissioner's Court yesterday of being in the Peninsula for more than 72 hours came from Transkei to find work, to seek medical treatment for sick children or to be with their husbands

All 11 of those acquitted on charges of being in the area "illegally' were legal residents in the Peninsula but chose to live at KTC because of overcrowding and lack of housing in the Cape's black townships

One of those found guilty of being in the area "illegally" was Mrs Miriam Maqaqa, a 37-year-old woman from Cofimvaba, Transkei

She appeared in court with her three children — an infant on her back, a three-year-old son and a six-year-old daughter

Miss Y Meer, appearing for Mrs Maqaqa, said she was 'the wife of a sick man who lives and works in Cape Town

'She has come here to be with him and attend to him while he is sick, as he has no-one else to care for him in Cape Town"

Mr D Mngomeni, for the State, said "It was not necessary for the accused to come to Cape Town, as there are people specially employed to care for the sick.

"The accused built a shelter of her own at KTC Further, if the accused was coming to visit a sick husband, she should have come alone and left the children in the homelands"

The commissioner, Mr J J Uys, found Mrs Maqaqa guilty and fined her R70 (or 70 days), suspended for two years

The full sentence would come into force if she did not leave Cape Town for Transkei by this Sunday, or if she was convicted of a similar offence within the next two years

Cape Times 1/3/83 ~~307~~ ~~206~~ ~~307~~

A From page 1

tween R30 and R70, with the option of the same number of days in prison Four of the sentences were suspended for periods of one and two years, provided the person left for Transkei by this Sunday and that he was not convicted of the same offence again within the period of suspension

When the crowd gasped at one of the answers given by an accused, Mr Fourie warned them to "behave" and said "If I hear any more remarks from you people, I will order that you be vacated from this courtroom This is not a circus tent"

The remaining 219 KTC residents who are still in prison awaiting trial will appear in court in batches between today and March 10

Mr P Crossly appeared for 11 of the accused Miss Meer appeared for the remaining 12

● PFP hits at KTC 'madness', page 4

Woman dies in Paris blast

PARIS — A woman was killed and three people were injured yesterday in an explosion at a Paris travel company specializing in flights to Turkey

The Armenian Secret Army for the Liberation of Armenia claimed responsibility in a phone call to news agencies Police said the blast was caused by escaping gas, but could have been set off by an explosive device They said the dead woman was a telephone operator, Mrs Renee Morin, 26, of Paris — Sapa-AP

R38 000 back-pay for 51 sacked workers

Cape Times 1/3/83 189

Own Correspondent

JOHANNESBURG — An Olifantsfontein company, Stobar Reinforcing, has paid R38 000 in back-pay to 51 Metal and Allied Workers' Union members sacked last year, according to Fosatu Worker News, journal of the Federation of SA Trade Unions

This settlement follows a recent landmark industrial court ruling in which the court granted the workers a "status quo" order instructing the company to reinstate them temporarily while their dispute with it was being resolved

It is believed to be the biggest cash settlement paid by an employer to dismissed workers in the current series of disputes over dismissals and retrenchments

The court's order temporarily reinstating the Stobar workers was made in early January and was the first such order made by the industrial court

Although it was known that the dispute had since been settled, the precise terms have not yet been disclosed

The case arose out of dismissals last August Management charged that the workers had been fired for engaging in a "go slow"

The union disputed this, charging that the dismissals had followed retrenchments at the company which had been rejected by workers It alleged that the firings were "disguised retrenchments"

Military funeral for officer

Staff Reporter

A SENIOR South African Navy officer who died on Friday will be buried with full military honours from the Da Gama Park Free Church at 3pm today

Commander Walter McDonald Henderson 43 was attached to Naval Training Command in Simon s Town

His wife Mavis said last night that he had suddenly become ill at home during the afternoon Doctors suspecting cardiac arrest, had transferred him to Wynberg Military Hospital, where he died later

Commander Henderson went to sea as a leading seaman at the age of 16 He served in several naval vessels, including the frigates SAS President Pretorius and SAS President Kruger, which sank in mid-ocean last year with the loss of 16 men

He is survived by his wife, son Roy and daughter Cheryl-Lee

Sowetan 1/3/83 (189)

MAWU DECIDES IT IS TIME FOR A CHANGE

By SELLO RABOTHATA

THE METAL and Allied Workers' Union (Mawu) decided to apply for membership of the industrial council for the Iron, Steel, Engineering and Metallurgical Industry at a meeting held last week.

According to a statement released by the union, which is affiliated to the Federation of South African Trade Unions (Fosatu), this decision was taken after eight months of intensive discussion among the union members, shop steward committees and executive committees All the union's branches have now voted in favour of applying and the national executive committee decided last week to do so

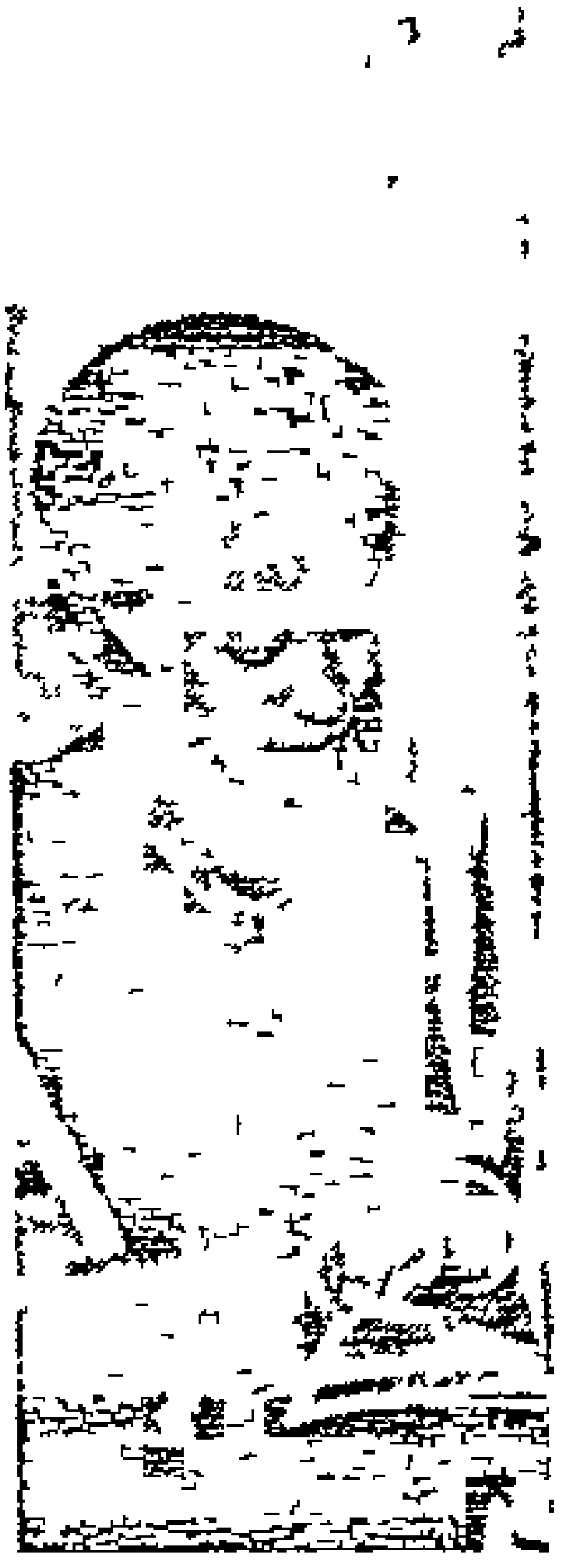
The letter of application sets out the union's principles

- Mawu organises primarily at the shop floor level and that it is committed to the principle that shop floor bargaining is fundamental Industry wide bargaining may be supplemented but can never take the place of shop floor bargaining on all issues including wages and working conditions
- Mawu is democratically controlled by its members and that it will be represented primarily by elected workers representatives These representatives will be mandated at all stages of negotiations by the union's shop steward councils
- The union will represent all its members regardless of race
- Mawu will not be party to any agreement or actions by the council which the union's members do not agree with
- The union will withdraw from the council if necessary
- It understands that the council will not attempt to limit or discourage shop floor bargaining In addition Mawu will insist on facilities for reporting back during negotiations

WARNED

In a booklet circulated to the union's members following the national executive committee's decision, members are warned of the many potential dangers of Mawu becoming a member of the council Members are warned that Mawu is in a minority on the council and cannot hope for big gains, so they should not rely on the council in any way The union remains committed to shop floor organisation as being its most important function — industry wide organisation is secondary

In the statement, Mawu said it decided to apply because from the time it was inaugurated in Pietermaritzburg in 1973, employers, the Steel and Engineering Federation of South Africa (Seifsa) and the State repeatedly tried to kill or cripple the union Despite this Mawu has grown into a national union with about 200 organised factories It is one of the two largest unions in the metal industry and has a mass membership organised factory by factory and concentrated in the main industrial areas of South Africa



Mr Davis Makhaga
through a Blackch
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Unita Oliphant dur

Mr Kenneth Maki
bananas with an

Mamelodi residents set to take legal action over lodgers fee issue

Sowetan 1/3/83 (~~343~~) (~~127~~)

By ALINAH DUBE

MORE than 200 Mamelodi residents are to take legal action to try and force the Central Transvaal Administration Board not to remove the married dependants of permit holders from house files until alternative accommodation has been provided

Residents under councillor H M Pitje, told a meeting held at the Monare Higher Pri- removed from the house files

Mr Pitje said the only way to remedy the situation was to take the board to court The move was applauded by residents who said the problem had gone too far with the authorities constantly turning a deaf

Aphane had gone to the homeland in preparation for the coming elections, the meeting called for his resignation

"Mr Aphane and his council have failed the community of Mamelodi Let him resign as chairman, stop deceiving the community and go to serve in the home-

able to run matters related to the development of a township There would be no progress in the area if such behaviour was allowed

On the issue of the increased rent in the township, residents said they were not in a position to pay and that a public meeting should be called to "let the people of Mamelodi know who their killers are " They said

2 March 1983

NEWS

Giant piston factory opens

185

THE largest automotive piston factory in Africa was officially opened last week by Dr Dawie de Villiers Minister of Industries, Commerce and Tourism

Karl Schmidt SA recently completed a R6-million expansion programme on its aluminium automotive piston plant at Alrode, Johannesburg

A subsidiary of Karl Schmidt GMBH, the company will initially increase its production capacity by 50% from 1 million pistons a year to 1,5 million

This will enable it to increase its annual group turnover from the present R20 million to R30-million a year in 1985

Karl Schmidt SA provides Kolbenschmidt original equipment pistons to every major motor manufacturer in SA, that assembles engines locally, in addition to a R3,3-million a year contract with Atlantis Diesel Engines (ADE)

"This can be seen as an invitation from us to the South African motor industry at large, to go confidently into increased local content", said chairman Casimir Prince Wittgenstein

"We are utilising the current recession – even though it has delayed a number of our important projects – as a training period for the 'Big Match', and our newly-introduced, sophisticated manufacturing technologies will ready Karl Schmidt for future ADE challenges, new original equipment contracts and the next phase of the local content programme", he said

The expansion programme affects every section of the factory, from the foundry, gudgeon pin plant and heat treatment section through to the machining facility

About R4-million of the total budget was allocated for the acquisition of the new plant and machinery, while the R2-million balance will provide additional buildings

Industrial Week 2/3/83

CAPE TIMES 3/3/83

Unions facing hard bargaining

~~[illegible]~~ ~~[illegible]~~ 189 ~~[illegible]~~

By PHILLIP VAN NIEKERK
Labour Reporter

WITH the Steel and Engineering Industries Federation of South Africa (Seifsa) advocating a six-month wage freeze, employers and unions in the recession-hit metal industry are gearing up for a tough round of bargaining

And the decision by the Metal and Allied Workers Union (Mawu) to apply for membership to the metal industry's industrial council could further focus attention on the body which negotiates wages and working conditions for some 500 000 workers

Mawu's decision makes it the first affiliate of the largest independent black union grouping, the Federation of South African Trade Unions (Fosatu), to apply to join an industrial council since the government's new labour dispensation was introduced

Industrial councils, the official negotiating machinery, are a major issue among emerging black unions and have been severely criticized by black workers

Mawu, which represents 200 organized factories, was at the centre of a wave of strikes on the East Rand last year which saw individual plants, as opposed to the industry-wide industrial council, emerge as the main industrial relations arena for black workers

Weakened by masssive retrenchments and facing strong employer opposition to shop-floor wage bargaining, Mawu says its decision to join the council is tactical It insists that participation in the council will remain secondary to shop-floor bargaining and it will withdraw if necessary

Mr Sam van Coller, the director of Seifsa, said that though employers had not yet discussed Mawu's decision, "the more employees represented in the council the better"

Explaining the employer's call for an effective six-month wage freeze Mr Van Coller said "In the light of very serious economic conditions in our own industry, in South Africa as a whole and among our main trading partners, it is essential to avoid cost increases which could jeopardize the viability of companies and the jobs of employees"

He said there had already been a major reduction of employees in the industry

However, the biggest white union on the council, the South African Iron, Steel and Allied Workers Union, and the multi-racial South African Boilermakers Society have rejected the call for a wage freeze

'Sensitive situation'

In a union newsletter, the Boilermakers Society said it did not believe that postponing wage negotiations would reduce costs

"Any delay in compensating workers for the loss in the value of the rand will only aggravate a sensitive situation The rapidly rising cost of foodstuffs, which the drought is sure to bring, will hit workers hardest

"Freezing wages will only lead to labour unrest which is a major contributor to inflation, increased unemloyment and a further recession"

Coal-mining equipment races in SA

189

RDM
3/3/83

By BRENDAN RYAN
Mining Editor

THE MARKET for coal-mining equipment in South Africa is expected to grow faster than in any other in the world according to Joy Machinery's president, Mr Carl Heinz

He said at the opening of a R8-million service centre in Wadeville yesterday that he expected the South African coal industry and the market for coal-mining equipment to grow at a compound rate of between 5% and 10% annually over the next 10 years

Major reasons for this were that South Africa had a national committment to mine and use coal It also had a highly developed coal industry in a developing economy

"This means demand for coal will continue to rise at a more rapid rate than in developed countries with well-established coal industries," he said

The operations of Joy-Manufacturing in South Africa provided about 12% of the $1 200-million turnover of its United States holding company, Joy Machinery in 1982

Joy estimates that in 1979-81 it captured 85% of the market in South Africa for coal-mining machinery

The number of Joy machines on South African coal mines is estimated at 2 000

The volume of back-up and service work these machines provide for the company accounts for 17% of its annual revenue and justifies the expansion of Joy's service operations at the new site at Wadeville

The profit margin on sales of spare parts and the overhaul of machinery is higher than on the sales of new machines

The building housing the service operation cost R5-million and an additional R3-million was invested in the equipment required for servicing and overhauling the machines Another R1-million is invested in spare parts inventories at the plant

It is the first stage of a R25-million plan to move Joy's entire manufacturing operation to the 13 ha Wadeville site in four to five years

The company s manufacturing facilities are at Steeledale

The timing of the next stages in the plan will depend on the growth of the South African and world economies and consequent demand for Joy's products Mr Heinz said little growth in the SA market for coal-mining equipment was expected over the next 18 months

Joy Manufacturing's managing director, Mr Ian Heron, said the new service factory was Joy's vote of confidence in the long-term future of the coal-mining industry

It is also a reinforcement of our policy of not only providing high-quality, cost-effective mining equipment but of supporting this equipment with the highest level of product support services," he said

Mr Heinz said the policy of the American holding company regarding its South African subsidiary was not to take dividends out of its operations now

The cost of the building and its equipment had been financed entirely from earnings

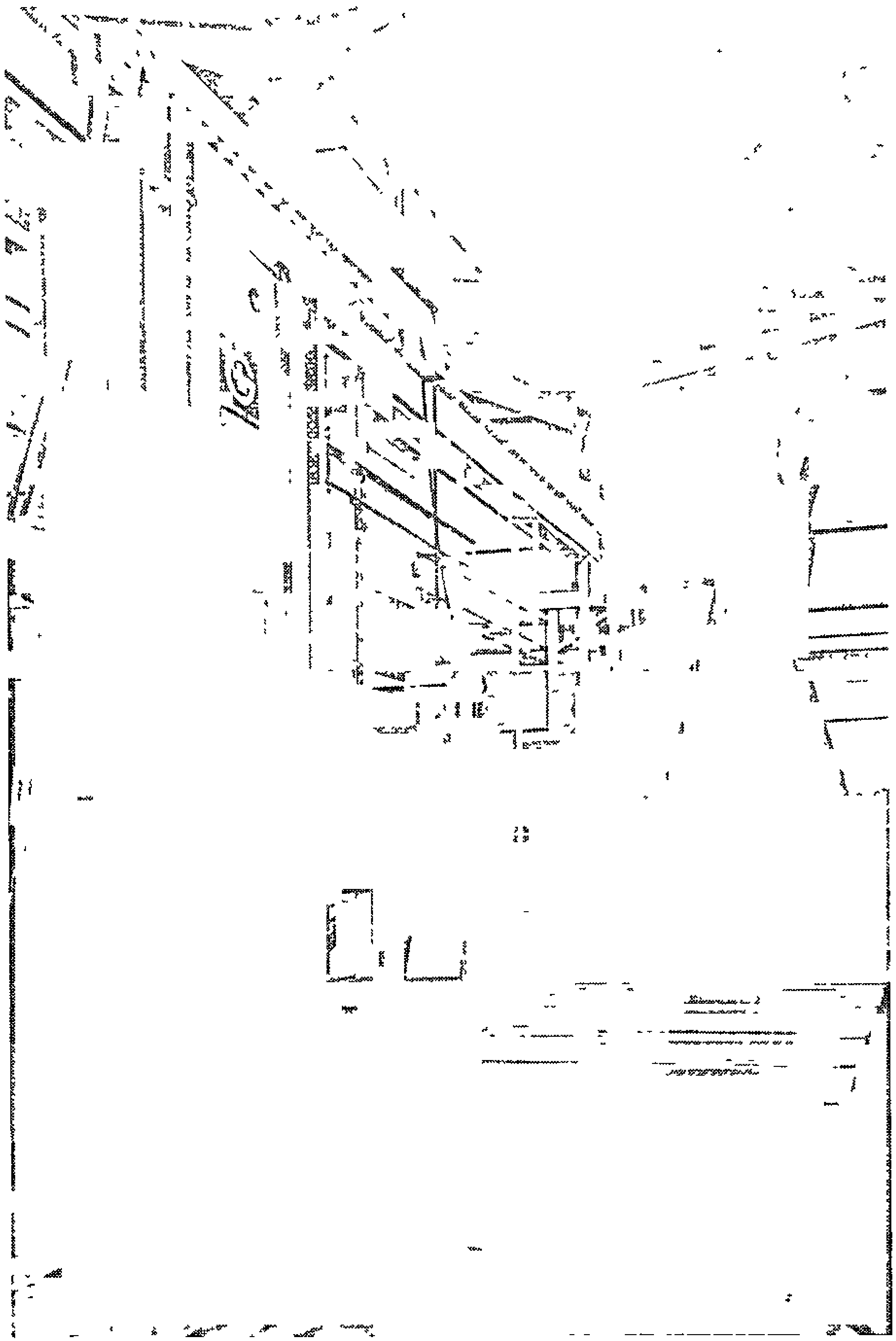
"We are ploughing the profits from the South African operation back into it with a view to increasing the company's size in the growing South African market

Those of us who regularly visit South Africa have developed an admiration for the expertise and energy we find in your mining industry

"That industry is fast growing and dynamic The future for mining, coal mining in particular, is bright in South Africa and we in Joy are anxious to participate in that growth

"Our committment is displayed in machines like the 12HM9 continuous miner designed primarily for this market and in this service centre"

The SA content of Joy's mining equipment is 90% for cutters and loaders, 80% for shuttle cars and more than 75% for continuous miners The company claims it has built up availability levels of nearly 90% in its parts inventory



Final machining on a loader gathering head being carried out in Joy Manufacturing's new service centre at Wadeville.

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It's the battle of the boere

By CHRIS MARAIS

THERE'S more than talk a brewing in the Western Transvaal town of Derby — the heartland of mampoer stills of a national white likker meeting on Saturday

Perhaps the veteran stokers of the madness mix just tired of pub talk speculation on which area of South Africa produces the finest mampoer

Or perhaps it originated in a moment of *mampoenae dementia*, that condition which often ails those lusty farmers in our country areas

The national competition — the first of its kind in South Africa — will be held on the farm Koperfontein on Saturday

More than 50 of the 100 registered licensees in the Transvaal have already signed up Entries have come from the Cape and the Free State as well

The owner of Koperfontein is Mr Apie van Staden Mr Van Staden, Snr, was one of the founding fathers in the drive to have the traditional mampoer stoking licences passed on from generation to generation — just to keep the family still, so to speak

When we phoned Koperfontein, Mrs Ella van Staden answered

"Yes, you heard right My husband? Where did you hear he mixes his mampoer with coke? Never He drinks it straight (touch of pride) — he's been working the still for more than 30 years now"

Word is that a 10-year-old breed of mampoer — a veritable witblits veteran — has been entered

In years gone by, it has been terribly difficult for reporters to do in-depth stories on mampoer stills and their owners You can't buy it, and the law forbids anyone to take the brew off the farm it comes from

So you have to drink in the voorkamer and stumble out into the arms of the hot sun and perhaps a breathalyser-bearing traffic policeman on the highway

But this time they say the public is welcome After all they're expecting a Government Minister to open the proceedings

ager in court

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car
manager of

ing parked outside

"A black driver of the vehicle came to me and said he had some parcels for us

"He brought the parcels into the shop

'I later noticed the con-

(189) ROH 2/3/83

Iscor sacks 110 workers

Mail Correspondent

DURBAN — Iscor's "staff rationalisation programme" has resulted in 110 employees being fired from the corporation's Newcastle site this week — and more could follow soon

A spokesman for the giant iron and steel-producing conglomerate yesterday described many of the affected 40 whites and 70 Indians, of varying occupations, as 'excellent workers

They had been given notice that their services would be terminated from the end of March, but they would be paid until April 30, he said

Group personnel chief Mr Johan Prinsloo said management was 'taking a whole fresh look' at manpower needs in relation to production

Every effort had been made to transfer those who had been laid off to other centres and it was hoped — but not certain — that there would be no more redundancies

An announcement on whether more dismissals could be expected is imminent

"We need to adjust the numbers continually' Mr Prinsloo said

The Group Areas Act had caused housing problems with transferring Indians to other Iscor locations where vacancies might have existed but where residential areas were not zoned for use by the Indian community

We had to retrench those who were no longer needed at Newcastle but who could also not be accommodated elsewhere It sounds hard but there was no alternative

Security regulations move

Mail Africa Bureau

HARARE — The Zimbabwean Government was prepared to amend the controversial security forces indemnity regulations to show it had no intention of denying fundamental constitutional rights the Minister of Legal and Parliamentary Affairs, Dr Eddison Zvobgo said yesterday

He was responding to an adverse report by the Senate legal committee on the regulations which effectively place the President Cabinet and security forces above the law in security matters

Dr Zvobgo said that the government accepted the committee's objections were "perhaps arguable" and "although we do not concede the point we are prepared to amend the regulations to remove the parts which the Senate legal committee finds offensive'

But he said as long as there was a "security situation ' in Zimbabwe the regulations would be a "necessary evil" to protect security forces from civil action in the course of their preserving national security

The Senate legal committee is expected to comment on the proposals today after studying the draft amendments which indemnify security forces from damages actions but which allow certain other actions against them

Matabeleland sources say some soldiers have openly abused emergency regulations

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South African-ba
from Bophuthatswana
added howeve
ers living in the
working in South A
would be allowed to
South African unions

This affects Pret
workers many of whom
in the Ga-Rankuwa town
which is in Bophuthats
Both NAAWU and the
and Allied Workers'
have members in Bophu
swana A representati
the Food and Canning W
ers Union confirmed ye
day the union had recrui
worker majority at a ba
in Bophuthatswana

It was owned by a
food company
said appeared to be
a union recognition

'Any move to ba
be a problem But wor
there were organised by
fellow-workers, not unio
ficials and it is difficu
see how the authorities
going to stop this without
ating conflict she adde

A NAAWU spokesman
that while the planned
seemed not to affect
members who worked in
toria, it posed a threat
future organising plans

"We would obviously
to organise the BMW pla
Bophuthatswana, as we
those employers who
planning to move there
Rosslyn,' he said

Rumpus over minister's gay 'wedding'

London Bureau

LONDON — Anglican clergy have been instructed not to hold services of blessing for homosexuals without first obtaining church approval

In a pastoral letter following such a service in Oldham the Bishop of Manchester the Rev Stanley Booth-Clibborn said that in future clergy must consult their area bishop

"This will make it clear that there is no authority or official encouragement whatever for such services," said a diocesan spokesman, although the bishop recognised the need for "compassionate understanding' for homosexuals

The Oldham service was held at St Mark's church, Glodwick by the Rev Brian Holt, who gave a blessing to two men named only as Ray and Paul They did not exchange vows The service included hymns, prayers and holy communion

Protesters later called for Rev Holt's resignat
claiming that a
wedding' had taken pl

The church warden,
David Wild said that th
vice was an insult to
members of the church

An internal inquiry
Suffragan Bishop of M
ton last week cleared
Holt of any misconduct

Exposed-heart baby dies

TAIPEI — A baby girl born with her heart outside her chest, has died of heart failure the National Taiwan University Hospital said yesterday

The five-day-old girl, identified only by her last name, Liu, died on Tuesday before doctors were able to operate

The baby's parents have agreed to donate the body to the hospital for medical research — UPI

Weather Mail

THE Weather Bureau s forecast for today —

TRANSVAAL — Partly cloudy and warm with scattered thundershowers over the south-west south and central areas

FREE STATE and CAPE north of the Orange — Partly cloudy and warm with scattered thundershowers over the Free State except the south-west and over the Kuruman-Mmabatho area It will become cooler over the west

CAPE south of the Orange — Cloudy and cold over the south-west and south and later also over the east with occasional rain otherwise fine to partly cloudy and cool but cloudy over the eastern interior at first with thundershowers

NATAL — Partly cloudy and warm with scattered thundershowers It will become cloudy and colder over the south later with occasional rain

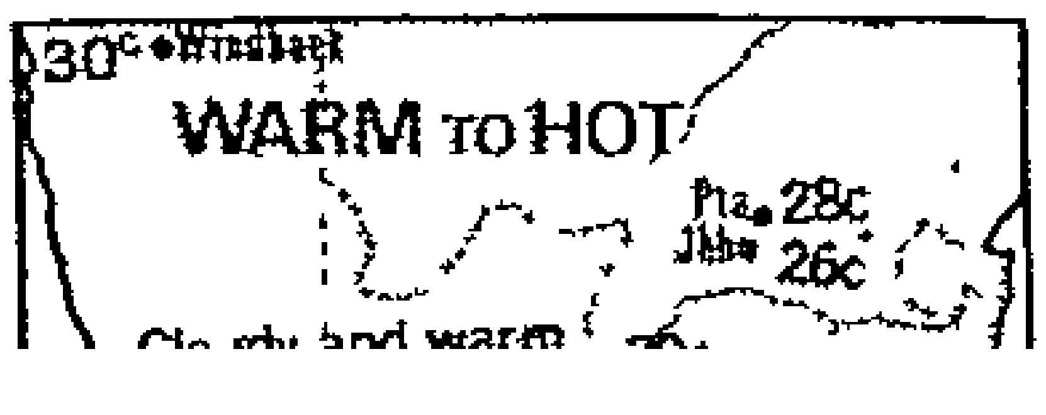
SOUTH WEST AFRICA — Partly cloudy and warm to hot with scattered thundershowers over the north-east and north It will be cooler over the south

BOTSWANA — Partly cloudy and warm to hot with scattered thundershowers except over the east It will clear over the south-west where it will become colder — Sapa

TEMPERATURES ARE CELSIUS MAXIMUMS EXPECTED FOR EACH CITY

Rand Daily Mail Weather Station

WEDNESDAY
March 2 1983
Temperatures
09h00 14h00 21h00



UNIONS FM 4|3|83

Mawu's IC decision

189

The decision by the Metal and Allied Workers Union (Mawu) to apply to join the metals industries industrial council is a significant event in SA labour However it may be a little soon for employers to celebrate

Mawu's announcement during the past week that it is to apply to join the industrial council has been seen in some quarters as a victory for employers in the turbulent relationship they have had with the union An affiliate of the Federation of SA Trade Unions (Fosatu), Mawu has until now opposed the industrial council Instead it sought plant-level negotiations and recognition agreements with individual companies

There have been predictions for a long time that emerging unions such as Mawu would ultimately be forced to join industrial councils because of problem involved in administering numerous recognition agreements And indeed there are signs that Mawu which has representation in about 200 factories, has seen the need for some form of industry-level negotiation

However, it seems there are two other important reasons for its decision Firstly the union faces extremely tough employer resistance to bargaining outside the council Secondly, widespread retrenchments and tougher government controls on migrant workers have affected its power on the factory floor

It therefore makes good strategic sense for the union to join the council especially as this can provide a focal point for union demands at a time when it is being weakened by the recession However, this does not necessarily mean that there has been a change of heart among its rank and file about the council Mawu has warned that it will not be party to any council agreement with which its members disagree and says it may withdraw from the council if this becomes necessary

Lack of control

One question which should be in employers minds is whether the union — which has been accused of lack of control over its members in the past — will be able to exert effective control over them once it is a council member

One way to help resolve this problem is to make the council more credible to black workers For that to happen, employers and established unions will have to consider a number of changes to the way in which the council has traditionally operated

They will for example, have to contend with Mawu s insistence that factory floor bargaining is "fundamental' and that it can only be supplemented — not replaced — by industry-level negotiations Many employers are extremely wary of two-tier wage bargaining They believe that where there are two levels of bargaining, one ultimately becomes irrelevant

There is little doubt that all the parties in the metals industries are heading into a period of tough negotiations However if they are able to reach accord they may set a trend which will be followed in other industries where disputes over councils have raged in the past

(189) FM 4/3/83

HIGHVELD

Waiting for the world

While the smaller steel producers such as Dunswart and Usco have been suffering badly from the economic downturn both at home and abroad (*FM* February 25), Highveld remains the only steel producer still firmly in the profit mould But even this private sector giant is feeling the pinch

The Anglo American group company has seen profits slacken at a steady rate over the past 18-month financial period Though it maintained dividends on an annualised basis as it had earlier indicated, dividend cover by the end of the year was very slim Cover for the full 18 months however, was only slightly down at just over 2 Prospects for a maintained dividend this year are poor

As is the case with Dunswart and Usco, Highveld has been involved in major capital expansion recently and has laid out some R200m over the past year and a half And, again, the plant has come on stream just in time for the harshest conditions in the steel markets in years Included in the expansion were a new hot strip mill costing R60m and a second iron plant which set the company back R110m

The size and direction of the expansion programme has generated speculation in the market of a clash between Highveld and Iscor in some of the State producer's traditional areas For instance, Highveld's new mill eventually will enable it to attack the market for flat steel products used in automobile and white goods manufacture Initially, the hot strip plant will see Highveld move into pipe and tube steel markets

MD Les Boyd stresses that over the next two to three years Highveld will add only 300 000 t to national flat steel capacity of 2 Mt/year and he believes that the amounts involved will not cause major disruption But others in the market are sceptical

The move into flat products is yet another attempt by a local steel producer to upgrade output — for one reason in an attempt to avoid the strictures of price control on the crude product Boyd adds that future expansion will be aimed not so much at increasing capacity but at adding value to the company's products He says that it is too early as yet to see just what effect this product beneficiation will have on earnings, but the company expects to expand its share of the steel products market in general, as a result

The keys to Highveld's financial performance are local steel revenue and overseas demand for the steel hardening additive, vanadium Currently, with some early signs of a recovery in the US economy, vanadium prices in the world market are beginning to show signs of improving — though from particularly low levels Boyd says the European and Japanese users have begun to inquire about vanadium deliveries, but he stresses that the movement has been very slight so far

On the other hand, there have been suggestions that Japanese producers, in particular, have been moving away from SA vanadium on price considerations As a result, analysts say, Highveld may have lost vanadium market share of late Boyd is non-committal and it is obviously difficult at this stage of the market to forecast just what may happen when demand picks up — rather a case of seeing the light from the bottom of the well

Last year, apparent consumption of vanadium pentoxide dropped from about 93m lb to around 75m lb This year indications are that consumption will rise by about 10% or so However, in 1982, worldwide production of the metal was around 95m lb so there are considerable stockpiles on hand

Consequently, international vanadium pentoxide production this year is expected to drop to around 70m lb, and stockpiles will begin to be taken up SA s share of the total should be just under 40m lbs

A bull point for the longer-term is the closure of a number of vanadium plants around the world over the past year or so Three major plants have shut down permanently in the past 18 months, one in Australia, one in Norway and one in the US The Finnish producers are to close down a major plant within the next month as well

These closures have taken about 16m lb/year from international capacity While this obviously makes little difference at present, and Highveld s Vantra has been operating at around 30% capacity since October 1980, the trend to closures should put Highveld on a better footing as and when the international economy revives

No breakdown

The company does not break down the profit or turnover contributions from steel, vanadium and other ferro-alloy production Boyd says, however, that Transalloys, which produces manganese and silicon alloys, turned in "a good profit" over the past 18-month financial period The first half of the current year will be difficult, he warns, but a significant increase in inquiries and quotes for the company's products indicate that the second half will be better

The plant has been operating at around 20%-25% capacity recently, so a good revival in international offtake would quickly reflect in Highveld's results Transalloys ferromanganese stocks are low so production would probably be geared up fairly soon after a revival became evident Boyd is currently investigating overseas markets and will make a decision on expanding production when the picture becomes clearer

The same goes for Rand Carbide, which also produces ferrosilicon as well as metallurgical char and other associated ferro-alloy products The company has been operating at between 20% and 50% capacity, depending on the product, and a better contribution is expected from the second half of the current year if international steel demand perks up

Profitability on the steel side hinges on long production runs which are boosted by smaller-margin export sales Consequently, when overseas demand is slack, margins on SA sales are cut When national and international steel markets as well as overseas demand for ferro-alloys are, in the dol-

Highveld's Boyd . world demand unfolding?

drums as now Highveld's whole profit picture can go for a loop

Last year local production of crude steel was around 8 2 Mt of which Highveld s share was about 11% This year forecast production is closer to 6 Mt because of the demand slump though Highveld should maintain its proportionate share of output Last year s apparent local steel consumption was around 5 5 Mt

Stockbrokers research pinpoints Highveld as a good long-term hold with earnings and dividend growth sustainable at around 22 a year – slightly better than the average for the rest of the steel sector This year will certainly see a hiccup in that trend but the underlying influences remain sound A battle with Iscor for increased market share may put some temporary pressure on margins but in the longer term there could be substantial benefits

The financial structure is conservative with gearing at around 50% at the end of the 1981 year — the last for which balance sheets are available Group policy has consistently been to fund growth from internal resources, so despite the heavy capital expenditure of the past 18 months it is unlikely that gearing will have deteriorated too severely With a period of consolidation ahead there should be no particular constraint on dividend payments from this side

The present drop in world oil prices could well be the trigger to set off the major western economies, of course, and Highveld stands to benefit significantly from a revival in demand for steel orientated products which would accompany the recovery Boyd is hopeful that this will indeed be the case and that second half results will begin to reflect improved conditions

The share has come down sharply with the market of late to trade at 490c At this level it offers an historic yield of 6 5% On these grounds this is could be a reasonable entry price for the institutional or other long term portfolio While the smaller investor may find other blue chips which will weather the recession better than Highveld the slowly changing profile of the group must enhance its investment merits

Union's 'sabotaged' by State

By JOSHUA RABOROKO

Sowetan 4/3/83

THERE IS increasing evidence that the country's migrant labour laws are being used against workers in an attempt to curb trade union strength

According to the Federation of South African Trade Unions (Fosatu) members of the more than 10 000-strong Metal and Allied Workers' Union (Mawu) involved in a dispute with Screenex company have found themselves confronted not only by a stubborn management but also by the might of the East Rand Administration Board (Erab)

Following discussions last year with workers at the factory near Elandsfontein, management agreed to renew all migrant labour contracts' However, just before closing time they cancelled 11 call-in cards

Screenex refused to discuss the issue with workers or the union and when workers reported for work in January, the management called in the police Six workers were arrested and one was later charged with trespassing, according to Fosatu

The company has not hired 73 new migrant workers and Mawu members have been threatened with eviction

"It appears that the Government is prepared to use the country's migrant labour laws against workers exercising their rights to withhold their labour "

Workers have slammed the German-owned company for not complying with the EEC code of conduct and for exploiting local workers

R500-m steel giant on takeover trail

(189) ([illegible]) 6/3/83

By Vera Beljakova S. Times

THE mammoth R500-million Macsteel group is back on the takeover trail.

Undisclosed plans are in the pipeline for further expansion.

The marriage that brought two of the mightiest steel merchants together late last year has culminated in an anticipated half-billion turnover for 1983-84.

What with orders flooding in up to three months in advance, sales figures are fairly predictable, says group chairman Eric Sampson.

Macsteel — now the largest in the land for both export and domestic markets — is beginning to integrate the various satellites, subsidiaries and offshots into one corporate company, which in future will trade under one name — Macsteel.

Meanwhile, the R16-million expansion programme is virtually over, according to MD Jack Gerber.

The Wadeville Macsteel yard was modernised and expanded at the cost of R9-million to become the new Steel Service Centre, and R5-million was invested in the Germiston South site of subsidiary Nathan's Steel Bank which becomes the new Macsteel Steel Yard, holding the bulk of the group's stock

Macsteel Natal, which saw a further investment of R3-million-plus, is running ahead of target.

The group, whose export sales constitute 50% of turnover, believes that with the general improvement in the US economy South African steel exports will increase to various parts of the world.

So far the group's most important export market remains the Far East — still the exclusive stamping-ground of Leo Raphaely

"It still has the greatest concentration of potential for development," says MD (International) Allan Levine, "followed by the Middle East"

The South American markets have become somewhat dormant after the continent's financial crises, but interest in the US and other African states is perking up.

The new trading emphasis, though, is on the Steel Service Centre — "a fairly new concept in South Africa, offering the customers a cut-to-length service with the resultant saving in scrap metal for the buyer".

20/3/83

ADM

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Impasse faces union in labour dispute

By STEVEN FRIEDMAN
Labour Correspondent

IN A highly unusual move, an Alberton metal company has refused to take part in the procedures laid down by labour law for settling disputes over alleged "unfair labour practices"

The company, Screenex Wireweaving, is involved in a dispute with the Metal and Allied Workers' Union over the alleged firing of 140 workers in January, after a dispute over retrenchments.

MAWU has declared a dispute with Screenex, alleging it is guilty of an "unfair labour practice", which could see the dispute referred to the industrial court.

But the Labour Relations Act lays down that an "unfair labour practice" dispute must first be referred to the industrial council in the industry affected, which must try to settle it within 30 days So the parties must appear before the council, which will try to settle the dispute If it fails, then the issue can be referred to the court

On March 1 Screenex wrote to the council refusing to attend a meeting

It says MAWU is "at liberty" to proceed to the industrial court and the company "reserves its rights" if the union does so

It says MAWU's charges against the company are "vague" and Screenex's failure to negotiate at the council should not be seen as an admission of accurate union allegations Repeated attempts to obtain Screenex comment have failed

MAWU general-secretary Mr Ginger de Jager said yesterday the matter was "sub judice" Asked if any employer had refused to discuss a dispute over an alleged "unfair labour practice" at the council, he said in one instance an employer refused to appear before the council, but made submissions in writing

In cases where either party refused to appear at all, the council found itself in a legal quandary, he said The Act gave the council subpoena powers, but the Industrial Registrar had to agree before a subpoena could be issued — and this would jeopardise the chances of resolving the dispute within the 30 days

● MAWU has also reacted to the dispute by asking Southern African governments and mining houses to which Screenex sells equipment not to buy its products

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NWM. 10/7/83

Advice to UK trade unions on SA

By STANLEY UYS
London Editor

LONDON — British trade unions were advised this week by the Labour Party not to accept visits to South Africa organised by the South African Government or by companies with interests in South Africa, or to have contact with the South African Confederation of Labour or the Trade Union Council of SA, which do not qualify as being "independent and nonracial"

The Labour Party says "visits should only take place at the request of and according to a schedule drawn up in co-operation between British unions and the independent and nonracial trade unions in South Africa"

The advice to the trade union movement in Britain is contained in the form of guidelines prepared by the Labour Party's national executive committee

"As the independent and nonracial unions (in South Africa) have grown in strength they have come increasingly to value their links with the international labour movement," said a Labour Party statement issued this week

"Many union representatives now travel overseas and a number of British unions have received invitations from their South African counterparts In particular, nonracial unions in disputes have at times felt that a visit by members of the international labour movement would assist their cause

"At the same time it must be recognised that the South African Government would on occasion welcome such visits, since they could be portrayed as breaking the policy of boycotting South Africa Certainly the regime will be at pains to extract any propaganda value that it can from such visits"

The Labour Party's statement distinguishes between unions that are "genuinely independent and nonracial" and those that are not It says unions affiliated to the South African Confederation of Labour, which organises white workers in "openly racist unions", clearly are not nonracial

Unions affiliated to Tucsa, although they include about 170 000 Asian and coloured workers and more than 20 000 African workers, also are not "independent"

Tucsa unions are "highly bureaucratic and are frequently brought into a firm with the co-operation of management to head off a recruitment drive by one of the independent nonracial trade unions"

The remaining unions, say the Labour Party, generally can be described as nonracial, since they organise all workers in an industry and are characterised by a commitment to participatory democracy, "so that the membership have a direct say in the policies and practices of their union"

According to the Labour Party statement, the best known and most representative of the trade unions in South Africa are those grouped around the Federation of SA Trade Unions (Fosatu), the Council of Unions of South Africa (Cusa) and unaffiliated unions such as the General Workers' Union, the South African Allied Workers' Union and the Food and Canning Workers' Union

STEEL REFRACTORIES AND ALLOYS

FM 11/3/83

Feel the blast cooling

(189)

Not only have the primary steel producers been badly hit by the recent decline of the local and international steel markets (*FM*, February 25 and March 4), but those companies which supply the industry — the refractory manufacturers and the steel additive producers in particular — have also felt the blast from the furnaces cooling.

Cullinan's results for the six months to December 31 reflect the difficult conditions. Despite the period representing not the worst of the local downturn in steel demand, the company's important refractories division turned in a loss Group attributable earnings were down from R5,5m to only R64 000 on a lifo basis and it is clear that the refractories market turned down far in advance of that for steel.

The company has maintained the interim dividend, however, and says it will try to hold the final, but its performance over the rest of financial 1983 will be uninspiring to say the least. Cullinan does have some longer-term advantages, however, not the least of which is a tie-up with Iscor for the supply of refractories.

The deal will allow Cullinan to run these operations at higher capacity than otherwise and receive an initial cash injection of more than R10m. It will also substantially reduce Cullinan's gearing through a transfer of liabilities to the partnership. Part of the R10m will be used initially to repay debt. This will give the company time and scope to look around for more profitable operations in a market with growth prospects

Vereeniging Refractories, the country's other major refractories manufacturer, and up until now the market leader, may be excused for feeling miffed over the Cullinan/Iscor tie-up MD Harvey Reid admits that the announcement came as a surprise to the Amcoal-controlled group and that market share is almost certain to be lost.

In addition, this may make it harder for Verref to recover from the recession as new outlets will have to be sought Reid says, however, that Verref hopes to be able to make up for the loss of some of its sales to Iscor in other local areas and particularly in exports

Another problem — this time for both companies — is the rapid change in refractories technology over the past few years The switch, both world-wide and locally, from open-hearth steel furnaces to continuous casting processes has reduced the consumption of refractory bricks on average from around 45 kg/t of steel produced to something like 15 kg/t.

Certainly the new refractories are more sophisticated and expensive, but the increased prices do not mean maintained revenues SA steel producers were quick to change to the new processes and something like 80% of local steel capacity exists in this form — this compares favourably with the levels reached in major producers such as Japan.

As a result, Verref will also to have to look at new avenues for growth Although the refractories market is likely to be maintained as the core of the business in the long-term, new activities may quickly have to be sought — perhaps in building products, where the company already has a stake.

Cullinan was somewhat faster to react It has already entered into a joint venture on its electrical operations with Blue Circle and the contract to supply Iscor tightens up the volatile refractories division The company looks well placed to cope with more difficult conditions in future and a major change in profile is possible

The difference in approach appears to be reflected in the share prices of the two companies, though Verref's price is distorted to some extent by the small volume of trade

At present, Cullinan yields 7,7% at its current 350c — and the dividend is likely to be maintained this year — while Verref is rated on an historic return of 8,3% at 700c Verref's prospective yield is likely to be lower, as profits at the interim stage were well down and prospects of maintaining second-half earnings were poor Equally the company may have to keep retentions fairly high in order to help finance any acquisitions or diversifications it may consider

Inputs to the steel manufacturing process also include all the ferro-alloys from silicon to manganese and chrome Prospects here seem just a little brighter than in refractories because of the greater dependence on export markets Samancor MD Pieter Streicher says there have been early indications of a slow rise in prices for ferro-alloys on international markets over the past couple of weeks in anticipation of a revival in steel production

Nevertheless, the base from which prices will rise is particularly low and 1983 is still going to be a tough year According to Seifsa, local ferro-alloy production dropped from an average of nearly 120 000 t/month in 1980 and 115 000 t/month in 1981 to under 70 000 t in December last year and was probably less than that in subsequent months

Optimistically, however, Streicher believes 1984 could be very much better World-wide stocks of alloys, and Samancor's own stocks, are low at present So, if the US economic recovery materialises, some local ferro-alloy capacity could be brought back on stream by around mid-year Samancor has already brought one ferrochrome furnace back on stream Again, the movement is likely to be very slow, with improved profits coming only towards the fourth quarter

An unexpected fillip for the industry recently was the restocking of the UK's strategic inventories of some metals and alloys Some 20 000 t of high carbon ferrochrome was required which SA managed to supply On top of that, there were calls for 40 000 t of ferro-manganese and though the source of this has not been revealed, it is a fair bet that SA was the supplier If so, Samancor would have benefited by deliveries being made from stockpile

Samancor did pretty well in the six months to August last year, boosting attributable earnings from 13,6c to 17,6c The interim dividend was pushed up from 4c to 5c Ferro-alloy demand really began to fall sharply immediately after this time, however, and the second half is unlikely to be anywhere near as good

Nevertheless, the year's dividend could be held at 10c at the expense of cover The market certainly appears to expect a maintained payout and at 395c the share offers a very slim 2,5% yield Samancor is clearly not for income-seekers, but should be sound in the longer-term

A shorter downturn

Anglovaal's and Assore's Associated Manganese will be in the same boat The company's performance held up fairly well at the interim stage to June 30, improving earnings a share from 232c to 279c The second half, results for which are expected around the end of this month, is likely to be more disappointing But if Streicher is correct, the downturn in earnings growth may last not much longer than a year

Less activity in steels in general has also hit Barlow Rand's unquoted Middelburg Steel which, through operating subsidiary Southern Cross, is the only stainless steel producer in Africa The company produces a range of ferrochrome, too, though by the time of Barlows' year-end in September there is unlikely to be much relief from the slowly rising market

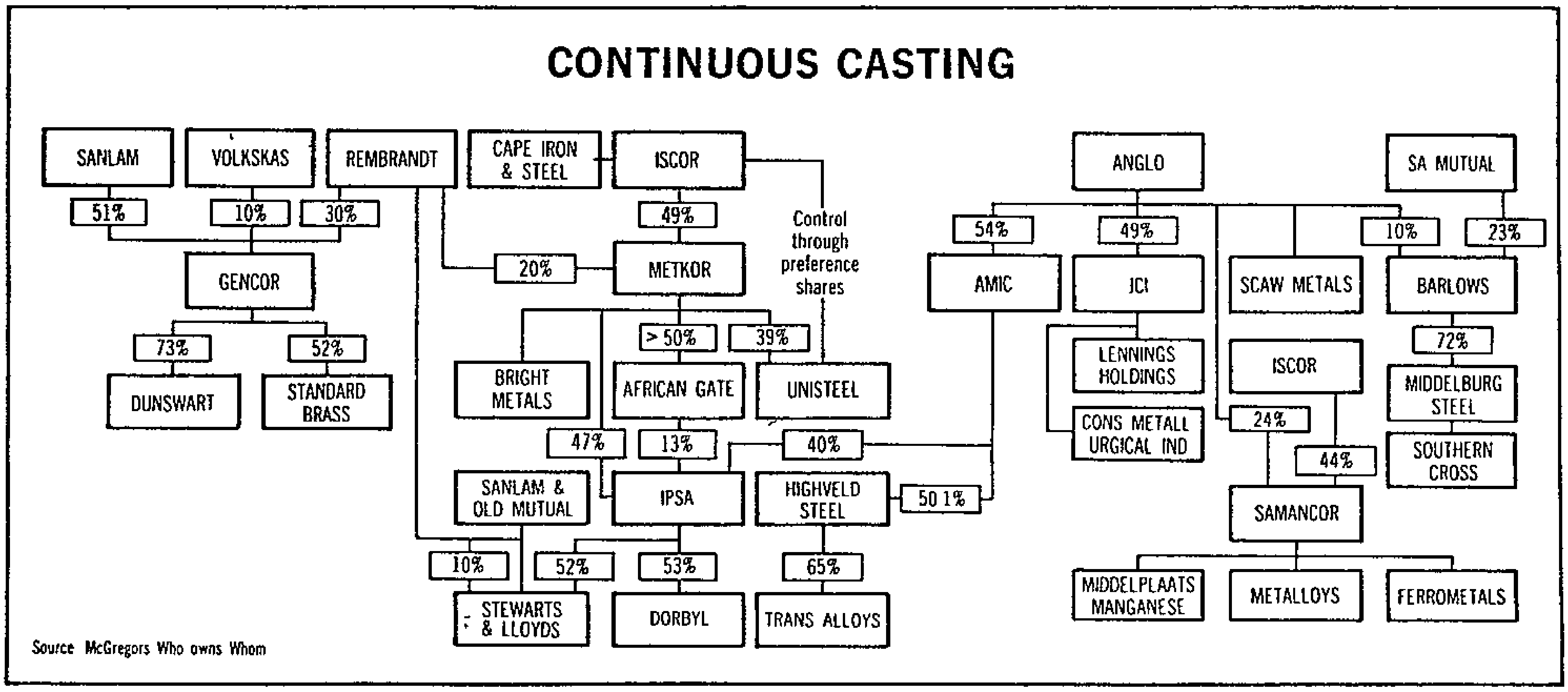
Middelburg has one trump card It has a new low chromium content corrosion resistant steel 3CR12, developed to fill the gap between ordinary crude steel and the higher quality stainless products Since it came onto the market three years ago, 3CR12 has gained considerable acceptance both at home and abroad Sales were around 8 000 t in 1982 and, despite poor economic conditions, are likely to double to around 16 000 t this year, even though Middelburg as a whole will be operating at around 60% of capacity To a large extent, sales of the steel have been sufficiently buoyant to offset recessionary pressures on the group's other products, chrome alloys and stainless steel

Growing contribution

In 1982, Middelburg contributed only around 1,1% of Barlows' attributable profit and on turnover of R134m (147m) produced an operating profit of R3,7m (R2m) On top of that, new executive chairman John Hall says this will be a very poor year for Middelburg and in view of heavy commissioning costs it will be a considerable achievement for the company to break-even In time, however, Hall believes Middelburg will make a "very significant" contribution to group earnings

The world-wide carbon steel market under normal conditions is around 600 Mt/year while stainless steel offtake is usually in the region of 7 Mt/year The local market uses between 3 Mt/year and 4 Mt/year of carbon steel and only some 40 000t/year of stainless. Middelburg's aim is to significantly expand the usage of 3CR12 in order to boost the size of the local market

A major increase in local availability of chrome steels could boost demand for chrome on the local market — the past three years have seen a doubling of ferrochrome usage in SA If 3CR12 is as successful abroad, demand for chrome could expand considerably *Scott Hawker*



CONTINUOUS CASTING

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DESPITE key changes in the industrial court's role, the law setting out its procedures still presents problems

One controversial clause requires workers who allege an "unfair labour practice" to take their dispute to an industrial council, which must attempt to settle it within 30 days

The council cannot dictate a settlement and there is no record of a council having achieved one Hence the claim that this simply delays the dispute on its way to the court

The problem has been lessened by a change allowing workers to go straight to the court to ask for temporary court orders, but it still persists

It was given a new twist this month when a metal firm Screenex which is involved in an 'unfair practice" dispute with MAWU simply told the council it did not wish to attend the meeting arranged to attempt a settlement

In what is believed to be a unique move, it said it could see no point in negotiating with the union on the dispute

The law says the council can force either party to attend such a meeting But it needs the permission of the industrial registrar and, by the time this is obtained, there is little time to attempt to settle the dispute in thirty days. In other words, labour law's answer to Catch 22

Another clause causing concern is that which says the court can only award costs to either party in special circumstances

This plays a major role in cutting down the ability of workers to approach the court Legal costs are steep and are made steeper if they are unlikely to be recovered, even if the case is won

14/3/83

Star 15/3/83 189

Iscor tie-up great benefit: Cullinan

By Alec Hogg,
Assistant Financial Editor

The full implications of Cullinan Holdings' tie-up with Iscor were explained by the group's top executives in a presentation to the Investment Analysts' Society

Executive chairman Mr Neil Cullinan said the agreement was one of the biggest things to happen to the group since its inception in 1902, going most of the way to achieve a more balanced earnings platform

It put the ideal of an equal four-way split in profits from the refractories, electrical, property and brick divisions within sight for the first time But this was still some way off The group had worked toward this aim since 1975

WORLD TRENDS

In the year to end-June 1982, the refractories and mining division accounted for 39,5 percent of group profits, the electrical division 39,2 percent, property 12,9 percent and bricks 8,4 percent

The chief executive of the refractories division, Mr Louis Sprenger de Rover, explained that South Africa was reflecting the world trend where the proportion of refractories used in relation to steel output was falling In Japan, for example, one ton of steel consumed 48 kg of refractories in 1960, 25 kg in 1970 and only 15 kg by 1980

Mr de Rover said "South Africa has now entered the same phase and while Iscor expects to increase its steel output by 50 percent by 1990, the tonnage of refractories consumed is expected to drop by 30 percent"

Because of more sophisticated products, however, the actual level of sales by refractories operations are not expected to decrease

Cullinan should for the most part be sheltered from the expected drop in volumes, as the link with Iscor guarantees a growing share of the local refractories market Iscor produces 77 percent of SA's steel, and 70 percent of refractories are earmarked for the steel industry

Although temporarily down, the group is happy with its performance and potential on the export markets, particularly in refractories supplies to the aluminium industry

Mr de Rover said "Using Andalusite, a unique SA refractory raw material mined by our group, we were successful in every tender for the building of carbon baking furnaces in the aluminium industry worldwide until that industry's downturn at the end of 1980"

But he noted that forecasts put the aluminium industry's growth for the rest of the decade at 5 to 7 percent a year

Using last year's balance sheet for comparison, the group's financial director, Mr Austin Plint, said the agreement with Iscor would reduce the group's gearing ratio from 64 to 18 percent, with refractories reducing from 47,6 percent of net trading assets to 31 percent

The group's return on capital employed was increased from 17,8 to 24 percent, and "we will have some R35 million available for re-investment", Mr Plint said

By implication, much of this freed capital would be earmarked for the brick and property divisions, where growth was expected to be the highest

GOOD PROSPECTS

He said that on a long-term average, the return from bricks was expected to be above 30 percent while "property is the highest returner of all — depending upon the mixture of industrial, residential and rent-producing development, it can return between 35 and 70 percent in any particular year"

Mr Cullinan said "We are satisfied now that the core businesses in which we are invested are all healthy It is our belief that the various sectors in which the group sells its products should start strengthening during our 1983/84 financial year

"I am confident that the changes made to our investment portfolio, together with the resourcefulness of our management team, will ensure a very good long term future for the group"

Mawu all set to join council

189

RDM

16/3/83

By STEVEN FRIEDMAN
Labour Correspondent

ACCEPTANCE of the Metal and Allied Workers Union's application to join the metal industrial council seemed almost certain after yesterday's monthly meeting of the council, which is the country's biggest

This means that opposition from some unionists on the council, which seemed set to greet MAWU's application, has abated

Mawu is the first Fosatu union to apply to join a council since the Government's new labour dispensation was introduced Its decision followed a three-year battle in which Mawu sought to negotiate with employers outside the council, but most employers refused

In its letter of application, Mawu set out nine principles which it intended to follow on the council

These included its right to continue bargaining outside the council, to refer negotiating issues back to its members and to withdraw from the council

Some unionists on the council saw these as conditions which ran counter to the way councils operated and hinted they might block the application because of this

But sources on the council said yesterday that, at the meeting, no major objections to the Mawu application were raised They added that unionists who had seemed set to oppose the application had changed their stance

"Seven of the nine conditions set by Mawu are standard rights which any union on a council enjoys, and the council will write to the union telling it this," a unionist on the council said

But the council would also, he added, write to Mawu telling it that it was entitled to negotiate agreements with employers outside the council only if these did not contain pay levels and work conditions which were less favourable to workers than the council agreement.

Mawu is certain to have no objection to this It would be impossible for the union to negotiate worse conditions than those in the agreement because this would be illegal

One condition set by Mawu — that it have the right to withdraw from the council giving only one month's notice — does, however, run counter to the council's constitution, which sets a three-month notice period.

The council is to write to Mawu pointing out this conflict

"It is now a matter of waiting for their reply and then application is likely to be discussed at the next council meeting on April 12," a unionist on the council said

It is unlikely that differences over the notice period will be a major obstacle to Mawu's joining the council

Metal unions demand 14% pay increase

RDM

16/3/83

189

By STEVEN FRIEDMAN
Labour Correspondent

TRADE unions on the Metal Industries Industrial Council, which sets minimum pay and conditions for about half a million yesterday tabled demands for an average 14% pay increase

The unions, who tabled their demands at yesterday's meeting of the council in Johannesburg, are also asking for redundancy and lay-off pay to be included in the industry's legally binding industrial agreement for the first time

But employers, represented by the Steel and Engineering Industries Federation (Seifsa), are sticking to their view, which they made public some weeks ago, that there should be no metal pay rises at all for the next year

According to union sources, Seifsa was unwilling yesterday to agree to a meeting to discuss these demands until May This was rejected by unions and no date for a negotiating meeting has been set.

Unionists say employers are trying to delay negotiations in order to "put pressure" on the unions to accept a wage freeze The current wage agreement expires in mid-year and, if bargaining commenced in May, there would be little time to conclude a new agreement before the old one expired

Yesterday's meeting confirms earlier signs that tough wage bargaining can be expected in the metal industries this year A breakdown in negotiations, with unions declaring a dispute with employers, seems a distinct possibility

According to union sources, the demands tabled yesterday are for different raises in the various job categories, but these average out at around 14%

This is roughly the same as the rise in the cost of living over the past year

Unionists have said they believe their members must be compensated for "the loss in purchasing power" of the rand over the last year

Employers say the metal industries are facing their worst slump in decades and that increases would jeopardise employers' ability to keep workers in jobs

The unions have also asked that the agreement guarantee retrenched workers one week's pay for every year they have worked for their present employer

They also want workers who are laid off temporarily to receive at least 25% of their pay for the period they are laid off

These demands indicate a growing interest in retrenchment by unions on the council, who have not demanded protection for retrenched workers before

Emerging, mainly black, unions, have been demanding protection for retrenched workers since the current recession began.

The metal unions have also asked employers for improvements in workers' fringe benefits.

Seifsa postpones wage increases

Labour Reporter

17/3/85 ⑱⑨

Employers and trade unions in the engineering industry failed to come to an agreement yesterday on the issue of wage increases for some 500 000 workers

At a meeting of the Industrial Council in Johannesburg, the trade union caucus presented employers with demands for wage increases of about 14 percent for workers in various job categories

But the Steel and Engineering Industries Federation of SA (Seifsa), representing industry employers, has called for wage talks to be postponed for at least six months because of the current recession

The unions rejected this plea and presented their wage demands at yesterday's council meeting

While union spokesmen said they saw the meeting as a start in wage negotiations, they were told by Seifsa that employers were unwilling to discuss the subject until May

Employers have agreed to canvass union members who will be notified of a decision by the end of April, sources said

"They gave us the impression that they really didn't want to negotiate any new wages at this time," a union spokesman said

Unionists said their demands also included protection for retrenched workers in the form of lay-off pay-outs

After Seifsa's announcement earlier this year that employers would seek a delay in the annual negotiations, trade unions banded together to voice their opposition They said workers were in no position to bear the brunt of the recession by not receiving increases this year

Annual negotiations in the engineering industry usually start in March or April

Star 19/3/83 (189)

Unions peg wage claims lower than inflation rate

Labour Reporter

Trade unions in the engineering industry are calling for wage increases lower than the rate of inflation

In a statement issued this week by the SA Boilermakers Society in response to planned negotiations affecting about 500 000 workers the unions say their wage demand is pegged at about 12,6 percent, against the inflation rate of about 15 percent.

The Steel and Engineering Industries Federation of South Africa (Seifsa), representing employers, had called for an extension of the current agreement and to postpone new wage negotiations for about six months.

"The Boilermakers Society and other unions firmly rejected that recommendation and insisted that negotiations should go forward as usual," the statement says

Seifsa agreed to canvas its members on the unions' stance.

Workers' battle is over as union signs agreement

Tribune Reporter

20/3/83

TWO Durban industrial companies this week signed recognition agreements with a trade union representing more than 1 500 black workers

This is seen as a breakthrough for the workers, who battled for 18 months to get Defy Corporation and Wireohm (Pty) to recognise their representatives, the Metal Iron and Steel Workers' Union

Sam Kikine, general secretary of the South African Allied Workers Union (SAAWU), said yesterday this was the first time in South Africa two companies simultaneously signed a recognition agreement

"This is a breakthrough for the South African labour force, especially in the metal industry, and means the industry is progressing," said Mr Kikine

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THE BATTLE lines are now drawn in official metal and mining wage negotiations

Metal unions have tabled demands for a 14% rise, but employers are against any increases at all and want to delay negotiations

Unionists claim this violates a new agreement to negotiate on issues within 45 days

Mine unions want 13,1%, but the Chamber of Mines is likely to offer much less Disputes could well be on the way in either or both industries

But white mine unions' hopes that the Chamber would agree to negotiate the pay of union men and officials jointly have already been dashed, at least for this year

The unions, who believe an alliance with officials would strengthen their bargaining position, claim they agreed to separate talks because the Chamber "threatened" two officials' associations who wanted joint bargaining

But perhaps the most significant event of this week's opening wage talks is that the Chamber has agreed to discuss forming an industrial council with registered unions on the mines

These unions want a council, but black mine unions are opposed to the idea

So the prospect of yet another battle over the council system now looms on the mines

Word is that the Chamber is loath to accept any bargaining forum which excludes the new black unions a stance which would avoid such a battle but could anger registered unions

☐ ☐ ☐ RDM 21/3/83

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EVER since the mines granted access to black unions last year, there has been speculation that the Federation of South African Trade Unions might recruit black mine workers

So far, that has seemed unlikely Fosatu is the biggest emerging union group, but a Government fund-raising ban and other factors have meant that it has not always had enough resources for even its work in key manufacturing industries

Now it may well be about to enter the mining fray Next month, its central committee will discuss a request by its Metal and Allied Workers Union that Fosatu recruit mine workers

The immediate reason is that MAWU is recognised at a far Eastern Transvaal plant, Tubatse Ferrochrome, whose workers live in the same township near the Lebowa homeland as men who work at three mines in the area

The miners apparently want to join MAWU

But it feels its own resources are too thinly stretched to take on the three mines as well and has asked Fosatu to consider doing so, perhaps by setting up a new union for the purpose

MAWU suggests a new union could concentrate on two or three mines and then consider expanding

The biggest black mine union, the National Union of Mineworkers, belongs to Fosatu's rival, the Council of Unions of SA If Fosatu goes ahead, it might well accuse it of "poaching" from NUM

But Fosatu is likely to argue that the chances of one black union organising the industry on its own are slim and that a decision by it to move into the mines would prompt a further growth in black mine unionism

Defy and Saawu sign deal in Durban

Star 21/3/83

~~157~~

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Labour Reporter

The South African Allied Workers Union (Saawu) signed a recognition agreement with the Defy Corporation in Durban on Friday which covers workers at two factories in the industrial suburb of Jacobs

Mr Ron Collie, for Defy, confirmed that the agreement formalised a previously informal relationship between the company and Saawu

MEMBERSHIP

The agreement also provides that the union must sign up more than half the workforce among hourly paid workers to receive recognition at Defy, Mr Collie added

Defy and Saawu earlier this year signed another agreement which provides for alternative measures to be taken in the event of any pending retrenchments

Saawu's general secretary, Mr Sam Kikine, said the union was also seeking recognition at Defy's operations in Newcastle

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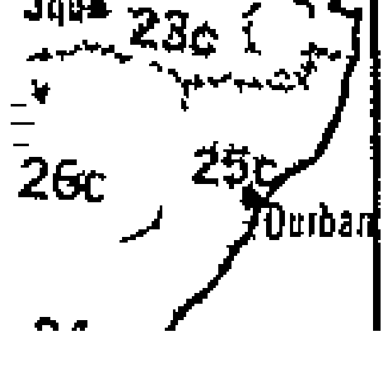

DOM 189 187

Saawu rights victory at Defy

22/3/83

Labour Correspondent

THE unregistered SA Allied Workers Union has won its biggest recognition agreement yet — bargaining rights at the Durban plant of household appliance firm, Defy

The agreement was signed on Friday and follows a year of informal dealings between Defy and Saawu Defy s general manager, Mr Ron Colley said yesterday

It comes at a time when the union s East London-based president and vice-president, Mr Thozamile Gqweta and Mr Sisa Njikelana, have been detained by Ciskeian security authorities

Although Saawu has won several recognition agreements in the Durban area and is recognised at three Eastern Cape plants, Defy's site at Jacobs, outside Durban, is the largest at which the union has won representation rights

Some 1 300 workers are employed at the Jacobs site, which houses Defy s appliance and wiring plants

The agreement signed on Friday is similar to one between Defy and Fosatu s Metal and Allied Workers Union at the company's East Rand plant

Defy and Saawu have been negotiating informally since the company was hit by a strike over workers' demands to withdraw their pension contributions from the metal industries pension fund

Mr Colley said yesterday the agreement signed on Friday was largely procedural and dealt with election of shop stewards and other general recognition issues

But Defy and SAAWU already have a retrenchment agreement at the plant and have signed other agreements on factory issues

The agreement does not provide specifically for wage bargaining between Defy and SAAWU but it is expected this will take place if the union requests it

Pat Senior's funeral today

Mail Reporter

THE Johannesburg Art Gallery will close at 1pm today for the funeral of the former director of the Art Gallery, Mrs Pat Senior

The funeral will take place this afternoon

Mrs Senior, who was killed by a bus last Thursday, will be cremated at the Braamfontein cemetery crematorium at a 2pm service

Donations may be made to the Pat Senior Memorial Fund for the purchase of art works for the gallery

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More unity likely after rival unions hold talks

22/3/83 DOM

By STEVEN FRIEDMAN
Labour Correspondent

IN an "historic' move which heralds increased unity between union groups which were once bitter rivals shop stewards of the Federation of SA Trade Unions Metal and Allied Workers' Union have met stewards of the General Workers Union to discuss common problems at the giant Dorbyl group

The meeting was held at the weekend and will be followed by attempts by the two unions to negotiate jointly retrenchment pay for members with Dorbyl

MAWU said in a statement yesterday stewards of the two unions were sharply critical of Dorbyl s unwillingness to pay retrenched workers severance pay

The joint meeting between the two stewards groups is the most concrete evidence so far of co-operation between the GWU and Fosatu unions such as MAWU

It is understood that there has also been 'informal co-operation between other Fosatu unions and both the GWU and the Food and Canning Workers Union

Union sources expect this to lead to an alliance between these unions when emerging unions meet in Cape Town to discuss unity on April 10

In its statement MAWU described the first-ever meeting between shop stewards of the two unions at Dorbyl as "historic" and said the meeting had discussed common grievances against the Dorbyl group'

The major issue was 'the refusal of Dorbyl to pay retrenchment pay The statement said stewards were disgusted ' with Dorbyl which earns millions in profits but does not think at all for the workers it retrenches

It claimed the group had earmarked R40 million for projects at one of its companies alone but was unwilling to compensate retrenched workers

It said that where factories had been closed Dorbyl had paid workers only one day s pay for each year of service which 'compared very badly with other big metal groups which paid one week s pay for each year

Dorbyl is expected to reply to the statement today

MAWU also said yesterday it had held its first national shop stewards' council meeting for Barlow Rand companies at the weekend Stewards from Transvaal and Natal firms in the group had attended

It said recognition talks with Barlow firms were "deadlocked over several points ' and accused the firms of setting "unreasonable preconditions' to recognition

Comment from Barlow Rand could not be obtained yesterday

'Blind led blind' inquest

CAPE TOWN — The composition of the watch on SAS President Kruger at the time of the collision with SAS Tafelberg could be described as a case of 'the blind leading the blind ' according to the Deputy Attorney-General of the Cape Mr Frank Kahn

He said at the inquest into the death of Chief Petty Officer Donald Webb yesterday that he would argue that at the time of the collision President Kruger had an inexperienced first officer of the watch leading another inexperienced second officer of the watch

The first OOW was in turn taking orders from the Principal Warfare Officer (PWO) who was himself not qualified

The officers of the watch on board President Kruger at the time of the collision were Lieutenant Peter Smith (the PWO) Sub Lieutenant R E Pickstock (first OOW) and Sub-Lieutenant A J Meintjies (second OOW)

Commander J F Wainwright of the Tactical and Torpedo Anti Submarine School said in reply to a question by Mr Kahn that the competence of officers of the watch was decided by the captain of the ship

Mr Kahn then asked him if he would accept that the three officers were in charge of the ship when it collided

Cmdr Wainwright "That is fact '

In answer to a question from Mr Kahn earlier, Cmdr Wainwright said Lt Smith, the PWO on President Kruger had under his control, passed a course which aimed to produce a man capable of acting as a PWO on a frigate

However, he had entered certain reservations about the Lt Smith's personality in his report at the end of the course

Cmdr Wainwright said he would have expected Captain Wim de Lange of President Kruger to have read the course report

He said he had stated in his

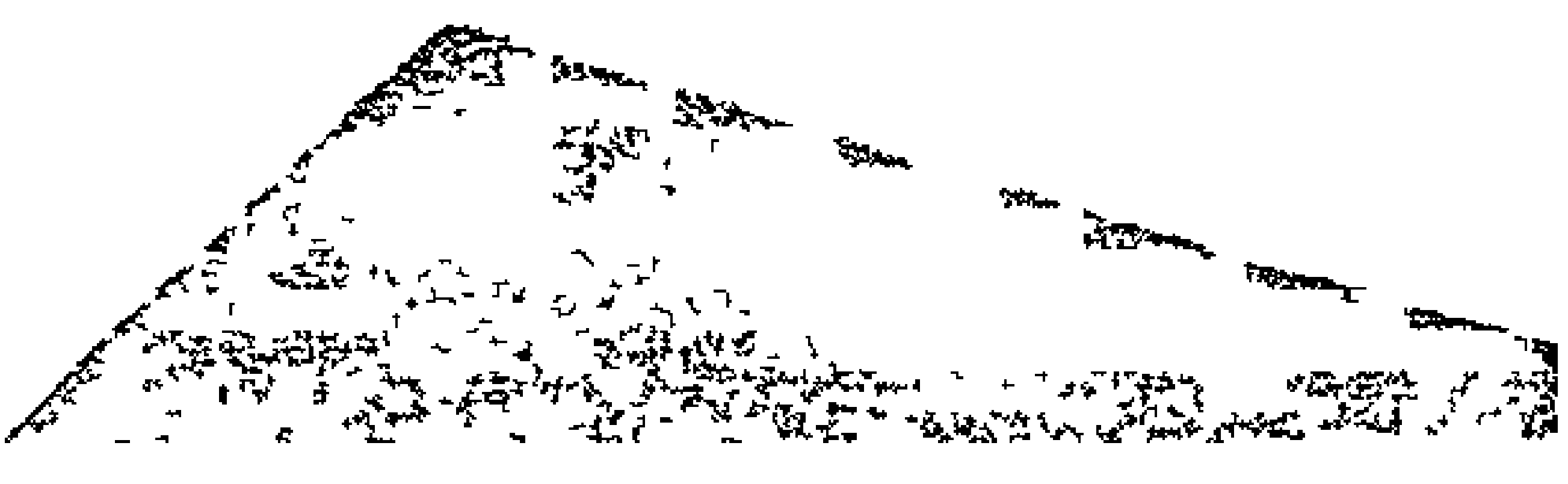
Mandrax tablets worth R31

Mail Correspondent

CAPE TOWN — Police in the south-western districts made one of their biggest drugs hauls ever at a roadblock between Graaff Reinet and Willowmore at the weekend

They found Mandrax tablets worth more than R300 000 hidden in a secret compartment attached to the chassis of a light delivery vehicle and hidden in the vehicle s canopy

Major Eddie Snyman police liaison officer for the area said policeman stopped the vehicle at about 8 45pm on Saturday night In searching it the men found 31 700 tablets which sell at about R10 each on the black market



Chairman's review

HIGHVELD
STEEL AND VANADIUM CORPORATION LIMITED

(189) RDM

22/3/83

A significant improvement in domestic and overseas markets cannot be expected before the second half of 1983 – MR W G BOUSTRED

An abridgement of the review for the 18 months ended December 31 1982 by the Chairman, Mr Boustred

Following the merger and related transactions between Anglo American Industrial Corporation (AMIC) and De Beers Industrial Corporation, Highveld became a subsidiary of AMIC in January 1982 and as a result the group's year end was changed from June 30 to December 31 The period under review deals with the 18 month period from July 1 1981 to December 31 1982

The corporation's consolidated profit before providing for tax and minority interests for the 18 month period was R95 137 000 After providing R23 132 000 for tax and after deducting minority interests of R2 935 000 the attributable profit was R69 070 000 On an annualised basis this is equivalent to a reduction of five per cent on the previous year's earnings of R48 704 000 The attributable profit for the period was achieved after providing net interest charges of R15 320 000 and depreciation of R35 905 000

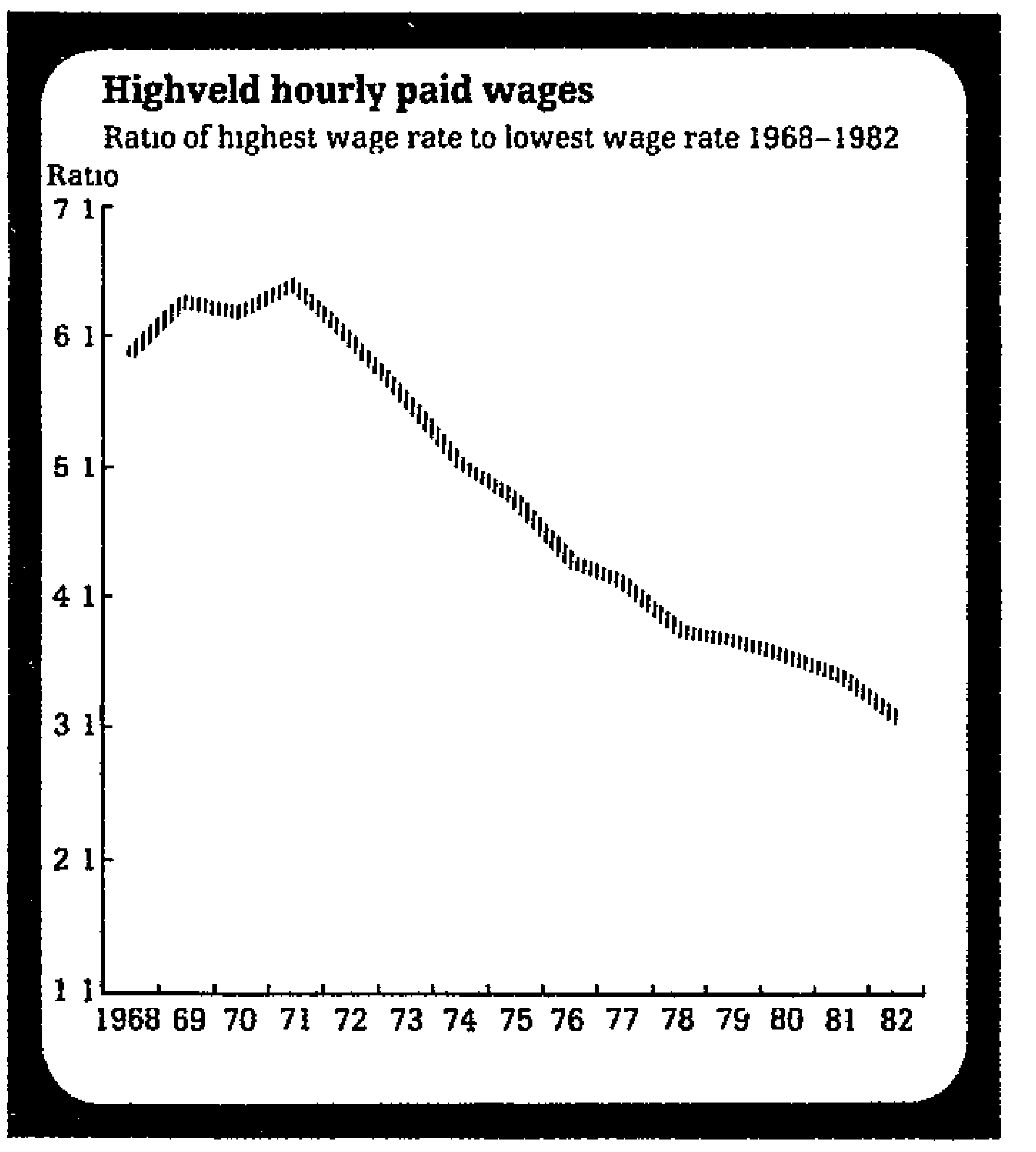
The results are based on the LIFO method of accounting for raw materials, manufactured stocks and work in progress. As a result of the large stocks of semi-finished and finished products the charge of R12 587 000 for the period was much higher than in previous years, raising the cumulative LIFO charge to date to R16 044 000

As intimated in the second interim report, a final dividend of 22 cents a share has been declared, which is equal to the final dividend declared for the financial year ended June 30 1981 The total dividend for the 18 month period is 49 cents a share which, on an annualised basis, is equivalent to 32⅔ cents a share compared with the 32 cents a share declared for the previous year

The amount transferred to the group's deferred tax provision now totals R108,7 million, and this should ensure that the charge for tax in later years does not absorb a disproportionate amount of the income earned in those years

Highveld hourly paid wages

Ratio of highest wage rate to lowest wage rate 1968–1982



There was no charge for normal tax due to the high level of capital expenditure A total of R200 943 000 was expended, of which R98 355 000 was spent on the expansion of the iron-making capacity At the end of the period the capital expenditure commitment had reduced to R47 628 000 compared with R116 852 000 at the end of the previous year The remaining capital expenditure commitment is related almost entirely to ancillary equipment associated with the hot strip mill

The turnover for the group was R536 318 000 which on an annualised basis shows a seven per cent increase on the R332 967 000 recorded in the previous year Export earnings at R242 056 000 were at a record level and showed a 46 per cent increase on the R110 386 000 earned last year on an annualised basis.

Steel

During the first 12 months of the period under review Highveld's steel exports showed satisfactory profit margins As the period progressed steel export dollar prices came under increasing pressure due to intense competition and the strengthening of the dollar against most other currencies

Highveld's total tonnage of steel sales showed a drop of four per cent on the previous 18 month period due to a reduction in domestic sales of 14 per cent The tonnage sold in export markets represented 34 per cent of total steel sales compared with 26 per cent in the previous 18 month period

For the first time since the Highveld iron and steel works was commissioned in 1968, it became necessary to cut production This was due to the adverse market conditions in the final quarter of the financial period In November 1982 two iron furnaces were taken out of operation, effectively reducing steel capacity to 67 per cent It was also necessary to reduce the number of operating shifts on the mills and further cut-backs may be necessary in 1983 unless there is an improvement in the market place

Vanadium

World-wide vanadium consumption held up reasonably well during the first 12 months of the 18 month period, but from mid-1982 there was a progressive deterioration in consumption This was associated with the substantial fall-off in steel production and a dramatic drop in the production of "oil country goods" seamless tubes

The present free world production capacity is about 109 million pounds of vanadium pentoxide a year During the period under review the vanadium pentoxide facilities in Australia and Norway and one of the American plants ceased production and the largest Finnish plant is due to close down in April 1983 Most of the other producers operated below capacity and as a result free world vanadium pentoxide production in 1982 was estimated to be 85 million pounds In addition to this it is estimated that communist China moved about 10 million pounds into Western markets Against this availability of 95 million pounds of vanadium pentoxide it would appear that consumption in 1982 dropped below 75 million pounds As a result of this vanadium raw material oversupply, prices came under pressure and by the end of 1982 the free market price of vanadium pentoxide had halved and was well below the cost of production for most producers

Free world primary vanadium pentoxide production

	Million lb vanadium pentoxide per annum		
	Estimated production 1982	Present capacity	Present and planned capacity
South Africa	45	58	68
North America	28	39	46
Europe	10	10	3
Others	2	2	15
Total	85	109	132

As a result of these market conditions, the group did not sell its entire output of vanadium-bearing slag and production was reduced in the final quarter by 33 per cent The Vantra division continued to operate only one roasting unit out of eight, which situation has prevailed since October 1980

Rand Carbide

The first six months' operation of the financial period was highly satisfactory and the plant operated at capacity However, as the crisis in the world steel industry deepened, the market for all ferro-alloys deteriorated Rand Carbide was affected not only directly but also indirectly through its sales of metallurgical char and Soderberg electrode paste to the southern African ferro-alloy industry By the end of the period the production of all the division's products was well below capacity

Transalloys

The plant operated at full capacity for the first six months of the period under review and export sales of manganese ferro-alloys were satisfactory From January 1982 export sales progressively weakened, in terms of both price and volume, necessitating production cut-backs and by the last quarter of the financial period only one furnace was in operation

In June 1982 No 6 furnace, a new 22 MVA smelter for the production of silicomanganese, was commissioned at a capital cost of R11 million

Labour

Until the middle of 1982 the shortage of skilled labour continued to be one of the major problems on the South African labour scene Black apprenticeship continued to develop and of the 300 apprentices employed in the group, 41 are black The acceptance of these black apprentices in the work place during their "on the job" training has been most encouraging From mid-1982 the skilled labour shortage has eased and artisan turnover has shown a significant drop The group will continue to recruit and train apprentices despite the economic down-turn as it is expected that when the economy recovers skilled labour will again be in short supply

Before the middle of 1983 SEIFSA will open the first Metal Industries Apprentice Training Centre at Benoni at a cost of approximately R3 million. The centre will train 200 apprentices of all race groups and the apprentices will be indentured by smaller and medium sized companies in SEIFSA

The question of centralised bargaining versus plant level bargaining has been the subject of much debate throughout the year The National Industrial Council for the Steel and Engineering Industries has remained the cornerstone of collective bargaining in the metal industries Four black trade unions are parties to the Council, two of the long-standing members of the Council have opened their ranks to black members and a third trade union will shortly do the same SEIFSA continues to communicate with the non-party unions and a number of meetings have been held throughout the year with representatives of these unions to ensure that their leaders are fully informed on the industrial council system As a result of this intensive communication, the non-party unions involved in the metal industries are showing much less opposition to the industrial council system and it is to be hoped that these unions will eventually join the Council and participate fully in the bargaining process for the industry

In October 1982 more than 1 200 employees were retrenched as a result of the production cut-backs mentioned earlier in the review The retrenchment was based on the principle of last-in, first-out, redundancy payments were made and the group helped a number of those retrenched obtain employment with other organisations in the Witbank area

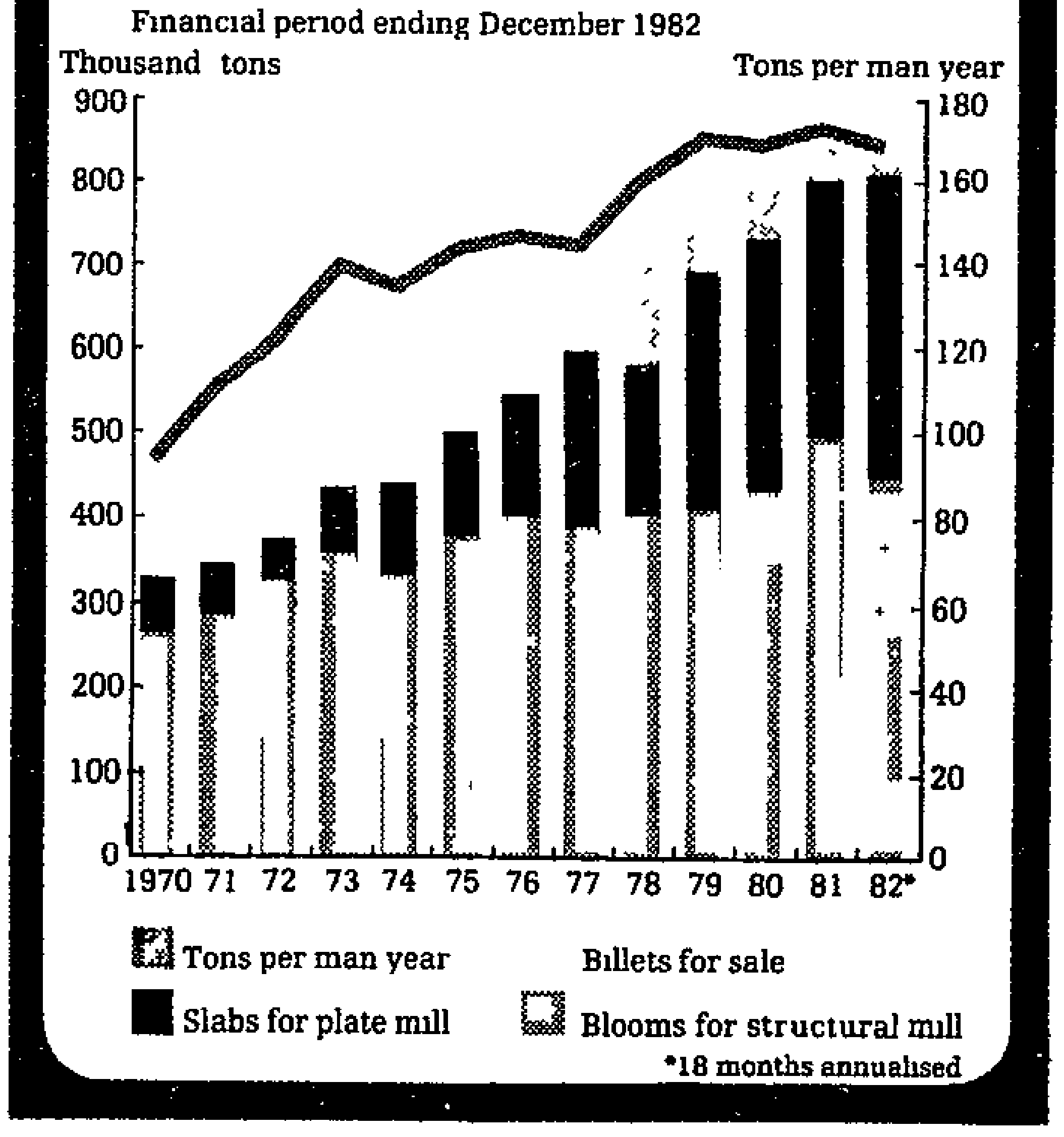
Inflation

During the past 12 months there have once again been major increases in the main elements of the group's cost structure, power increased by 30 per cent, labour by 17,5 per cent, raw materials varied between 13 and 15 per cent and railage by an average of 12 per cent Against this background it is pleasing to report that steelworks costs rose by only 12 per cent mainly due to improved efficiencies in the steel plant related particularly to refractory and yield savings arising from the use of larger ladles and a consequential larger cast size This increase in the cost of producing steel was offset by the October 1 1982 increase in domestic steel price, which averaged 12,5 per cent for the group's product range Of great concern, however, are the substantial increases in power and railage costs that have already been introduced early in 1983

The dramatic growth in the South African ferro-alloy industry took place in the early 1970s and during the past ten years the increase in power costs has been such that the competitiveness of the South African ferro-alloy industry in international markets has been seriously affected This increase in power costs has more than offset the savings from the improved efficiencies that have resulted from the application of higher technology in ferro-alloy production

Steel production 1970 – 1982

Financial period ending December 1982



*18 months annualised

Expansion

In November 1981 the board approved expenditure of R60 million for the installation of a reversing hot strip mill in the iron and steel works Compared with similar facilities in the world steel industry, the mill was hot commissioned in record time at the end of November 1982 and will be in full operation by April 1983 Additional capital expenditure of R16 million has since been approved to cover the installation of temper rolling and sheet cutting facilities

The erection of the first furnace and three pre-reduction kilns in the second iron plant continued on schedule and the units will be ready for commissioning by April 1983. However, in view of the current market conditions the plant will probably not be brought into operation until 1984

Outlook

The group started the new financial year with the weakest order book in its history, both in terms of local and export sales As a result operations are at their lowest levels since the early 1970s. Domestic demand for the group's products is expected to remain weak and in the overseas markets a significant improvement cannot be expected before the second half of 1983 Inflation in the major cost elements mentioned earlier and the possibility, despite the recent change in exchange control policy, of a strengthening of the rand, will have an adverse impact on the competitiveness of the group's products in overseas markets As the year progresses the product from the strip mill will have a beneficial effect on group results as it will allow increased participation in the domestic market It is expected that the group will remain profitable but earnings per share will show a substantial decrease

General

Mr H F Oppenheimer retired from the board on December 31 1982 Mr Oppenheimer was the first chairman of Highveld Steel and Vanadium Corporation and it was his "act of faith" that enabled the Highveld project to proceed, notwithstanding the great risks involved His contribution to the group has been incalculable and his constant support and enthusiasm will be greatly missed However, I am confident that in spite of the difficult times that lie ahead in the short term, the managing director and his colleagues will ensure that Highveld remains profitable and that once trading conditions improve, as is inevitable, Highveld will resume the remarkable record of growth that has been achieved to date

Mr N F Oppenheimer joined the board on January 1 1983 and I am very pleased to welcome him, as I am sure that he will make an important contribution to Highveld

Dr W B Coetzer has decided not to offer himself for re-election to the board and so he will retire at the annual general meeting Dr Coetzer has served on the board since 1967 and I would like to record my appreciation of his contribution to the affairs of the group over many years

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The full text of Mr Boustred's statement and the annual report for the 18 months ended December 31 1982 are obtainable from Consolidated Share Registrars, 40 Commissioner Street, Johannesburg 2001

The annual general meeting of members will be held at 44 Main Street, Johannesburg, on Friday, April 29 1983 at 12h00

22/3/83 The Star Tuesday ~~Marc~~

Rival unions join to fight pay issue

189

Labour Reporter

Two rival trade unions met at the weekend to discuss common complaints against a major engineering and automotive components group

The meeting is seen as a significant alignment against an employer

The General Workers' Union (GWU) and the Metal and Allied Workers' Union (MAWU — an affiliate of the Federation of SA Trade Unions) met in Johannesburg at the weekend to discuss industrial relations problems with the Dorbyl group

A statement said the talks concerned Dorbyl's unwillingness to negotiate retrenchment pay

MAWU complained that in cases of retrenchment Dorbyl had paid out only one day's pay for each year of service, while other major employers paid at least one week's pay for each year

The GWU-MAWU meeting resolved to call for a joint meeting with Dorbyl's board of directors before the end of March to negotiate retrenchment pay

A spokesman for Dorbyl in Johannesburg said the unions' statement would be looked into before any public reply might be issued

● Fosatu's first national shop steward council for Barlow Rand companies also met at the weekend. The meeting discussed difficulties in concluding recognition agreements with Barlow subsidiaries

Fate of workers in the balance

189

E. Post

22/3/83

Post Reporter

THE fate of about 250 workers at ICI (SA) in Port Elizabeth after the merger of the Zip and Narrow Fabrics division with Perl-Zip Limited of Cape Town will probably become known this week when management releases a statement

The Evening Post has twice received anonymous phone calls asking whether the ICI employees would lose their jobs

ICI's group personnel manager, Mr Clive McCombie, has said the two companies had formed a working committee to study the practical implications of the merger

The consolidated interests of the merger could be based in Cape Town or Port Elizabeth

Mr McCombie said from Johannesburg today that he would probably be able to comment on the future of the ICI workers later this week, but only after the workers themselves were informed

Unions fail to reach accord

18a

Sowetan 22/3/83

REPRESENTATIVES of the Confederation of Metal and Building Unions and the Iron Steel and Allied Industries Union failed to come to an agreement at a meeting held recently on when negotiations for new wage agreements should be held.

According to the South African Boilermakers' Society, unions asked that negotiations should begin before Monday, March 28 The employers felt that they needed until May 12 before they could fix an actual date on which negotiations could begin

The employers, represented by the Steel and Engineering Industries of South Africa (Seifsa), had to consult all their members before a date could be set The unions felt this was unacceptable

A statement by the boilermakers' society said "It will be remembered that Seifsa suggested that the existing agreement should be extended until the end of the year and that negotiations should begin in October, and cover only the first six months of 1984 The society and other unions firmly rejected that recommendation and insisted that negotiations should go forward as usual

"We are now waiting until March 28 for a reply from the employers on the timing of the negotiations A specific wage increase has been calculated to roughly 12,6 percent That is well below the current inflation rate which is probably 15 percent by now "

SOWETAN, Wednesday, March 23, 1983 Page 5

Old rival unions meet

SHOP stewards from one-time rival unions, the General Workers Union (GWU) and the Fosatu affiliated Metal and Allied Workers Union (Mawu) met for the first time to discuss common grievances against the giant Dorbyl group at the weekend.

The major issue at the meeting which was described as historic was the refusal of the company to pay retrenchment pay Shop stewards said they were disgusted with the company, which earned millions of rands in profits every year while not considering the workers it retrenched

The meeting heard that, while the Dorbyl group was spending tens of millions of rands every year on various projects, where factories had been closed the company had sometimes paid retrenched workers only one days pay for each year of service

Shop stewards said this compared very badly with the other big groups in the metal industry, most of which paid at least one week's pay per year of service The meeting resolved to recommend that all the company's shop stewards should ask their managements to arrange a joint meeting with the board of directors before the end of March to negotiate this issue

Also held at the weekend was Fosatu's first national shop steward council meeting for the Barlow Rand companies which was attended by the federations shop stewards from the Transvaal and Natal

The meeting concentrated on the problems faced by the federation in trying to negotiate recognition agreements with the group's companies

Negotiations have reached deadlock over several points according to the shop stewards council especially the "unreasonable preconditions which companies are insisting on to restrict collective bargaining"

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77 in PE zip plant out of work

E.Post 23/3/83

Post Reporter

THE entire staffs involved in the manufacture, sales and distribution of zip fasteners for ICI in Port Elizabeth and Johannesburg will become redundant next month

The announcement by ICI's chairman and managing director, Mr D W Swarbrick, today comes after the merger this month of the zip manufacturing interests of ICI and Perl Zip Limited of Cape Town

ICI staff today received a copy of the announcement saying that a working party had been set up to consider the merger implications

It had concluded that "in the interests of streamlining the business in the newly-merged operation and in order to safeguard continuing manufacture and sales and the employment of as many staff as possible in the new company", the centre of operations would be transferred to Atlantis in the Cape

This means that 77 in the zip manufacturing section in Port Elizabeth, 26 in the narrow fabrics division, and seven in Johannesburg will lose their jobs

ICI's group personnel manager, Mr Clive McCombie, said today some employees would be offered positions at Atlantis

He said ICI retained an interest in Perl Zip

Pension fund dispute

Mercury

23/7/83

189

Labour Reporter

A SHORT work stoppage took place at the S A Wire plant in Glen Anil yesterday morning when workers downed tools in support of their demands to withdraw their pension fund contributions and for the company to recognise their union

A South African Allied Workers' Union official said more than 400 people were involved in the stoppage, although a spokesman for the company set the figure at 250

He confirmed that the stoppage was over pensions and union recognition Employees had resumed work when the management told them that a delegation from the Metal Industries Pension Fund would visit the plant to discuss pensions

The conditions of the Metal Industries Pension Fund are that money cannot be withdrawn until an employee resigns or reaches retiring age

The Argus Thursday March 24 1983

75 000 jobs may be axed

ARGUS 24/3/83

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Argus Correspondent

JOHANNESBURG — More than 75 000 jobs may have been axed in the steel and engineering industries by mid-year, says a top Anglo American Corporation director

Mr Graham Boustred, chairman of Anglo's steel division, estimates that the labour force in the metal industries will show a fall as deep as 15 percent from the peak of more than 500 000 reached in the 1981 boom

MONEY

He makes this assessment in the annual report of Highveld Steel and Vanadium, which alone has retrenched 1 200 workers at Witbank as a result of production cutbacks

He says almost one-third of steel capacity at Highveld is idle and more cuts in operating shifts at the mills may be necessary unless there is a fast improvement in domestic and export markets

Researchers at the Steel and Engineering Industries Federation forecast that the worst should be over after mid-year, with a flattening out of the downward curve by the year-end

But a turnabout to recovery cannot be expected until the middle of next year, according to reports from major sectors

The gloom is not universal, however

Among positive factors is a relatively satisfactory growth by the electronic and telecommunications industries in the first few months of 1983, despite cutbacks in capital spending by SA Transport Services and the Post Office

SHARP DROP

Even so, industrial production in the metal and engineering industries reflects a sharp drop in the iron and steel basic industries, with indications of further falls in non-ferrous and motor products sectors before revival starts

The next quarterly review from Seifsa is likely to show that sharp falls were still occuring at the start of the year in such key spheres as crude steel production and pig iron and ferroalloy outputs, running far below levels current even six months ago

PRESS STATEMENT

MAWU

MAWU 25/3/83

THE Metal and Allied Workers Union has decided to apply for membership of the Industrial Council for the Iron Steel and Engineering and Metallurgical Industry

This decision was taken after eight months of intensive discussion among the union's members, shop stewards committees and executive committees. All the union's branches have now voted in favour and the National Executive Committee decided unanimously on 20.2.83 to apply for membership of the Industrial Council the letter of application from the union sets out MAWU's principles.

1. That MAWU organises primarily at the shop floor level and that MAWU is committed to the principle that shop floor bargaining is fundamental. Industry wide bargaining may be supplemented but can never take the place of shop floor bargaining on all issues including wages and working conditions.
2. That MAWU is democratically controlled by its members and that the unioin will be represented primarily by elected worker representatives. These representatives will be mandated at all stages of negotiations by the union's shop steward councils.
3. That MAWU will represent all its members regardless of race.
4. That MAWU will not be party to any agreement or actions by the Council which MAWU's members do not agree with.
5. That MAWU will withdraw from the Council if necessary.
6. That the union understands that the Council will not attempt to limit or discourage shop floor bargaining. In addition MAWU will insist on facilities for reporting back during negotiations.

In a booklet circulated to MAWU members following the NEC's decision, MAWU members are warned of the many potentail dangers of becoming a member of the Council. Members are warned that MAWU is in a minority in the Council and cannot hope for big gains. So members should not rely on the Council in any way. MAWU remains committed to shop floor organisation as being the most important - industry-wide organisation is secondary.

Why has MAWU decided to apply?

From the time it was inaugurated in Pietermaritzburg in 1973, the employers -

(~~1404~~ ~~546~~) (189) Mawu 25/3/83

SEIFSA - and the state have repeatedly tried to kill or cripple MAWU. Despite this MAWU has grown into a national union with about 200 organised factories. It is one of the two largest union in the metal industry and has a mass membership organised factory by factory and concentrated in the main industrial areas of South Africa.

During the wave of strikes in the metal industry in 1981 and 1982, MAWU members made substantial gains until the middle of 1982. A combination of high unemployment, action against migrant workers by the Administration Boards and concentrated action by employers through SEIFSA, allowed employers to strongly resist workers' demands.

MAWU has fully reviewed the events of the past year. All the strikes were over the same issues - wages, pensions, job security and retrenchemnt. Although the strike wave assumed industry wide proportions the strikes themselves were fragmented. Workers in different factories did not unite in their demands.

MAWU has made various attempts to overcome this problem, as for instance in the campaign on the East Rand against retrenchment this campaign was conducted through shop steward councils. However it has become clear that MAWU needs a focus around which workers could unite in their demands. Industry wide bargaining is needed for this level of mobilisation of members.

MAWU needs to mobilise its members as a mass union and to unite them across factories. The employers are solidly united behind SEIFSA while the unions are divided along racial, political and occupational lines. Most of the unions have aligned themselves in support of the Industrial Council. So at this time, the Industrial Coundil will have to be the focus for mobilisation.

With 200 organised factories MAWU has to rely more and more on the shop steward councils. The union cannot any longer rely only on the structure in each factory. To dominate the industry MAWU will need to organise a large fraction at least of the 1 000 major factories in the industry out of a total of about 8 000 factories.

So strategies to work as a mass union are of crucial importance.

Moreover, the Industrial Council is more and more taking over demands made by MAWU to individual employers. These demands have been hijacked and mishandled by the Council. These demands include:

- minimum R2 per hour
- retrenchment procedures

140A ~~346~~ ~~189~~

Mawu
25/3/83

- layoffs instead of retrenchment
- recognition of shop stewards
- recognition agreements and dispute procedures
- bargaining in industrial sectors.

Whether MAWU likes it or not the minimum conditions of employment are negotiated annually in the Industrial Council. Some of the unions now in the Council claim to speak for black workers. It is necessary to establish clearly that only MAWU and the very few other unions in the metal industry with similar policies are the only true representatives of the oppressed workers.

MAWU will review its decision to enter the Industrial Council at regular short intervals and will withdraw if necessary. Besides entering the Council, MAWU is also developing strategies to build its power in the industry. During 1983 the union has resolved to concentrate on organising and consolidating a few sectors of the metal industry in order to reach a dominant position.

MAWU will also continue to build its structures to face employers at all levels:

- in the factory
- joint company shop steward councils
- local shop steward councils
- shop steward councils for different sectors.

25th March 1983

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RETRENCHMENTS

Pressure on Dorbyl

FM 25/3/83

This week's joint meeting between shop stewards of the emerging General Workers Union (GWU) and the Metal and Allied Workers Union (MAWU) to plot strategy over grievances against the Dorbyl group may reflect increased union unity It certainly does reflect the recession The issue that brought them together was retrenchment pay

The two unions have long been rivals Their decision to form a united front against Dorbyl on the retrenchment issue indicates that rivalry in other areas does not necessarily preclude joint pressure on managements over specific issues In this instance, they charge Dorbyl with failure to make severance payments or with calculating payments on a low basis

Dorbyl's industrial relations adviser, Mike Beaumont, counters that the group is not "unmoved" by retrenchments, "but would prefer it to be dealt with at industry level We consider retrenchment to be a last resort option where alternative measures have been exhausted or are not feasible in the circumstances However, it has been our practice to pay out where we've closed factories permanently"

The unions allege that "where factories have been closed, Dorbyl has sometimes paid only one day's pay for each year of service This compares badly with the other big groups in the metal industry, most of whom pay at least one week's pay per year of service"

Shop stewards told the meeting that "Dorbyl is spending tens of millions of rands every year on projects For instance, Dorbyl Auto Products has earmarked R40m for 1983, but refuses to pay for service on retrenchment"

Counters Beaumont "We consider profits and expansion in a favourable light as they have a positive influence on both job security and job creation for our employees We also consider the overall conditions of service in the group better than the industry average For example, Dorbyl is probably the largest trainer in the metal industry and this permits advancement and upgrading"

The unions' meeting resolved to recommend "that all Dorbyl shop stewards should ask their managements to arrange a joint meeting with the board of directors before the end of March"

Beaumont says "We haven't been approached by GWU and Mawu jointly, but we will continue to talk to all trade unions with members in our employ We regard any action bringing unions together as positive and to be welcomed We support the idea of freedom of association and, if our employees wish to get together, we would not resist"

The joint approach could well spur efforts to draw emerging unions together A meeting is to be held in Cape Town in April, at the instance of GWU, to discuss the issue

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MANU
28/3/83

PRESS STATEMENT

CALL FOR R90.00 a week

AT A meeting held in Durban on Saturday Mar 26 one thousand members of the Natal Branch of the Metal and Allied Workers Union unanimously called for a minimum wage of R90.00 a week in the metal industry.

The meeting was convened by the union in order to discuss its proposals to the Industrial Council for the Iron, Steel and Metallurgical Industry. This meeting was the first of a series of meetings to be held in all MAWU branches to discuss the proposals with members.

The members also strongly rejected an earlier proposal from SEIFSA the powerful employer association in the industry which had called for a freeze on mid-year wage increases.

Further demands were made for an R18.00 a week across the board increase for all workers, increased overtime rates, longer notice and a 40 hour working week.

Many speakers emphasised that the union was now entering a new phase of organisation which involved mass mobilization of members across factories while retaining and continuing to build stable structures at the shop floor.

"We can see clearly that the time has come to use our collective strength to push workers demands in the industry. For too long workers real interests have been ignored at the industry level - we cannot allow that situation to continue" the President of the union Mr. Jeffrey Vilane said.

Discussions were also held on the Metal Industries Pension Fund because it was reported that the enabling agreement was due to expire. A unanimous resolution was consequently adopted calling for the control of the fund to be handed over to the unions properly representative of the members of the fund so that workers would be able to make the necessary changes.

Finally, the meeting discussed the Presidents Council and the "Koornhof Bills". These were totally rejected and a call was made for the scrapping of the pass laws and for a free and democratic South Africa with one parliament.

28.3.83

Anger as Iscor clinches UK deal

2/4/83 E.Post (189)

Weekend Post Correspondent

LONDON — Officials of South Africa's Iron and Steel Corporation (Iscor) slipped quietly into Britain last week — and bought an entire steel plant

Welsh politicians strongly objected to the hush-hush sale of the Duport steelworks at Llanelli, Wales, but they were too late — the contracts had already been signed

The deal — conservatively estimated at R10-million — was negotiated by the British Steel Corporation (BSC)

Included in the deal are Duport's almost brand new electric arc furnaces

These were part of a R50-million modernisation scheme which had still not been completed when the plant was closed exactly two years ago with the loss of more than 1 000 jobs

The furnaces have been idle since the end of March 1981, when steel making finished at the plant

It will take at least six months to dismantle them before they can be shipped out to South Africa

The sale was attacked by the Llanelli MP, Mr Denzil Davies, who said it added "terrible insult to injury'

"It is a further illustration of how disastrous the Government's policy was towards Duport " he said

"Sir Keith Joseph, then Secretary for Industry, and Mrs Thatcher closed the plant down and now the BSC chairman, Mr Ian Macgregor, has completed the rape of Duport by selling off these modern furnaces — which could be producing steel for Britain — to South Africa, where no doubt the steel will be produced by sweated black labour "

The row was fuelled by some Llanelli councillors who claimed the deal was a way of exporting jobs from south-west Wales

Councillor Mathonwy Jones said "It seems stupid that they are taking away steel equipment to create jobs in South Africa when they rightly belong in Wales "

But Dupont's company secretary, Mr Jack Davies, said "You cannot export jobs where there are no jobs in the first place

"There is no way this plant could have survived

"Obviously, they have the business for it in South Africa, whereas we did not," Mr Davies said postponed to Monday.

Atlantis Diesel Engines face R50-million parts surplus

AK6.3 7/4/83 189

Staff Reporter

THERE is a R50-million "mountain" of surplus diesel engine components in storage in Atlantis where the demand anticipated by Atlantis Diesel Engines has not materialised

The surplus is of such size and nature that it has been necessary for ADE to acquire additonal premises for storage, and a portion of the surplus has been stored in containers on factory premises.

The managing director of ADE, Mr Helmut Bechurts, and the financial director, Mr Otto von G Scholtz, attributed the position at ADE to the the downswing in the economy and the importation of engines prior to the "protection date"

This was the date stipulated by the Government after which it became virtually impossible for companies to import engines and after which ADE would have no competitors

Mr Bechurts said the drought meant farmers had no money to buy tractors or vehicles and was additional factor which created the surplus The combined effect had resulted in a production cut-back of about 25 percent of ADE's capacity.

250 WORKERS RETRENCHED

In December last year ADE told employees that production was expected to be considerably lower than planned for a lengthy period About 250 workers were retrenched in a move which the company discribed as "very unfortunate"

Since being approved by the Cabinet in November 1978, ADE has been steeped in controversy. Buyer resistance has been marked by claims that prices are too high and a scepticism about the quality compared to imported engines — claims which ADE has repeatedly and strongly denied.

But in answer to queries about buyer resistance and unhappiness about prices, Mr Bechurts said ADE was not experiencing any problems regarding sales and the engines were generally well accepted.

He said it was interesting that the purchase price of vehicles or tractors was no longer the first consideration, but had moved to third place behind operation costs and quality of production

ADE employs about 2 000 people

~~221~~ 189

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7/4/83

Tvl steel firms head for Natal

By Mick Collins

TWO huge Transvaal steel firms have joined forces to vie for a share of the lucrative Natal market

Van Reenen & Nicholls have teamed up with Amsteel to buy out the Natal based company, Precision Profilers for an undisclosed sum

Both companies are headquartered in Alrode and working in close cooperation will offer a comprehensive service in profile cutting any type of steel, including stainless steel

Speaking on the takeover, Patrick Nicholls, a director of Van Reenen & Nicholls, said the new acquisition "is a company ideally suited to our expansion in Natal

"We have, in cooperation with Union Steel Corporation, just introduced a new roller quenched and tempered flatbar, VRN 360, on the local market which will carve 25% off the price of the equivalent imported flatbar

"The flatbar is used extensively in the sugar industry for grain-cutting knives and we will now be in a position to meet demand in the Durban area", he said

A director of Amsteel, Barry Friedman, said that his firm had recently awarded a R2-million contract to Van Reenen for their specialised steel plates thus enabling the company to offer a complete cutting service including plasma

"Next month we start on a R2,5 million expansion programme which includes new offices and a second factory in Alrode

"This has been necessary to cope with the increased demand for steel profiling", Friedman said

Precision Profilers, now trading as VRN Steel Centre, has four profile cutting machines, one of which can cut up to a 3 metre circle disc

The company offers customers the full range of specialist abrasion and impact resistant steel plates such as Roq Tuf, Roq Last, BS4360 Grade 50B and 3CR12 used mainly in the mining and sugar industries

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Port haulage fleets feel the squeeze

DWINDLING exports and imports, as well as a depressed economy are testing Durban Transport harbour carriers and the prospect is of even tougher times ahead **writes Kathy Gibson**

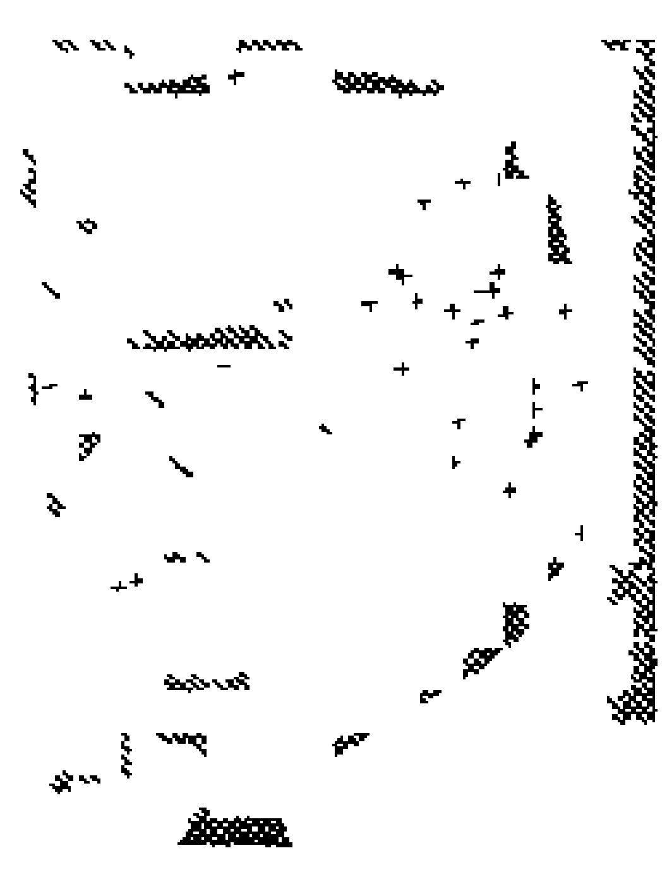
Cost efficiency is now a survival policy for all transport contractors with permits to operate in harbour area

If the Harbour Carriers Association is to survive all of its members should be commited to a course of sound management and forward thinking", said Brian Collin, chairman of the Association

"We are now experiencing a period of unprecedented depression", said Collin

"I would suggest to the SA Transport Services that under the present climate it would be unwise to issue any additional harbour carriers' licenses as the hauliers are experiencing difficulty in keeping their fleets occupied"

The Harbour Carriers Association represents the 40 companies in Durban licened to operate in Durban Harbour Durban is the only SA port to allow private enterprise to operate



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Shipbuilding in SA is costly business

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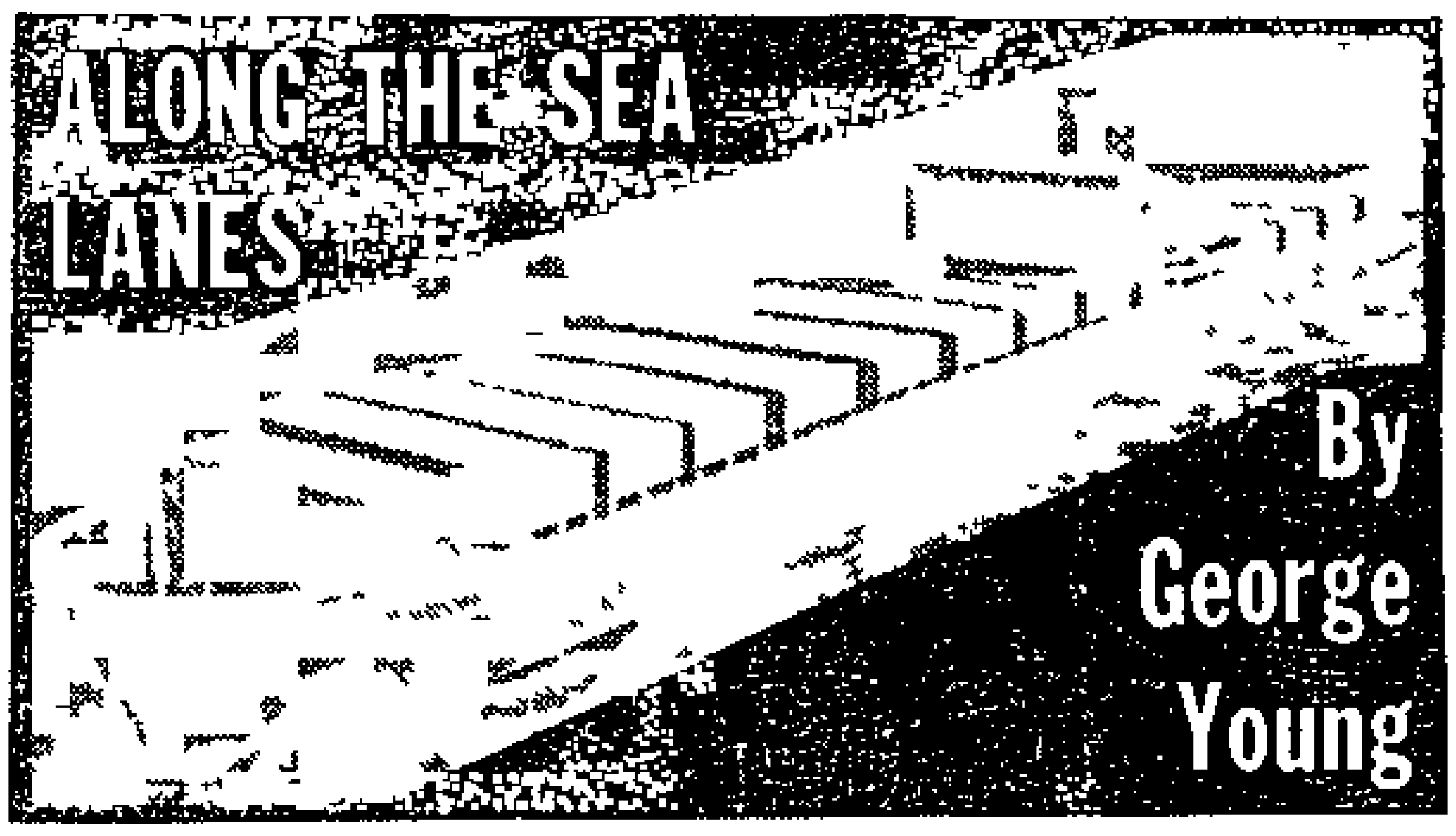

SINCE the Evening Post has provided what is now the only in-depth shipping feature dealing with both the international and local maritime scene, numerous readers have sent in queries about facets of the industry Since many of these have a wide appeal they are answered below

● Since South Africa possesses such advanced engineering know-how, produces steel, and has suitable ports for shipyards, why are so few of the nation's ships built here?

Durban yards have already delivered sophisticated container vessels, general cargo ships, tugs, rig tenders, and other specialist plant But since much of the work is of the one-off type and involves importing substantial quantities of specialist equipment, it proves highly costly, the Government subsidy notwithstanding, to build in the South Africa

Some contracts involved the builders in unbearable losses In addition, shipyards with standard drawings, subcontractors on the spot and highly developed prefabrication can deliver so much earlier, and this is where the Japanese have a big advantage

South Korea is now the runner-up for low-priced, early-delivery ships

Safmarine has three 99 109m^3 (35 000dwt) ships nearing completion in Japan

● Is there any prospect of South African ports securing more major marine repair contracts?

In pre-Second World War years marine engineering complexes depended for a living on business brought by marine casualties, but in more recent times Durban, as the terminal port for many services, sees important refitting contracts

Because it has facilities for the biggest tankers, Cape Town received numerous tanker refits involving empty VLCCs returning to the Persian Gulf in ballast

For a period they represented important business and a Greek owner spent about R3 million during the course of a year

This traffic has now come almost to a dead stop, the collapse of the oil business being the main cause,

● Is there no prospect of passenger liners returning because many people would appreciate a sea voyage to Britain In former years the ships were full between March and June

It is more than likely that a passenger ship sailing between South Africa and Europe would be full between March and June, but what does it do for passengers for the rest of the year?

Experience has convinced shipowners that South Africa with its relatively small holiday population cannot sustain an all-year-round passenger service — and if a ship is full southbound, with nobody sailing north, how can a shipowner justify a floating hotel for only a few months each year?

Because of the cost of running a passenger liner, meeting current wage bills and subscribing to safety regulations, a passenger would have to pay upwards of R100 a day to make a voyage economically viable, and on the 17-day voyage to Britain this would be beyond the resources of most people

Sea travel is now more costly than air travel, but for those who must have sea air there are numerous cruises in distant waters, and a few out of South Africa later this year, and at Christmas

However, none is cheap and the R60 trip between Durban and Cape Town in a big liner is not likely to return

● If long-distance voyages are not possible, could one of the coasting companies not run regular trips along the South African coast?

One winter gale — and there are many — on a voyage down-coast between May and October would be sufficient to keep a tripper away from the sea for the rest of his life Unless there were sufficient passengers — more than 200 each trip — the operation of a passenger ship along the coast would not be a viable proposition

But would there be 200 each trip? The fares would have to be pitched at a level to cover cost of the provision and maintenance of a sophisticated passenger vessel, plus its crew including medical staff, a full ra-

But if a ship has 12 passengers, must it give priority to cargo or to passengers?

In the past many passengers have demanded consideration usually given only in generously-staffed liners

They dislike being hung up in port, working cargo, they complain about the noise at night, they say there are not sufficient amenities on board, the officers do not show them enough attention — and much more But in an age when crews are small and officers effect regular watches, there is little time for entertaining passengers

If passengers are carried there must be more hotel staff, and this increases costs Since cargo ships frequently berth in container terminals, this is no place for passengers who must dodge cranes and boxes, and could suffer injury

If a ship is delayed awaiting cargo at a port of call, passengers living on board eat out the profits Some complain of the delay So shipowners everywhere have found it better not to mix passengers and cargo in the same ship

● Could a standard container be converted into a beach bungalow, and where could I get one?

Shipowners in South Africa, as elsewhere, have frequently to replace containers, and old or slightly damaged units are available at low cost

They are capable of serving in many capacities and it is surprising that housing authorities have not seen virtue in using them for victims of the shanty towns and squatter camps of South Africa

They are to be seen as offices on building sites, or garages alongside houses

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and the fact tankers are scrapped rather than repaired when they ail

It is a safe assumption that Durban will continue to receive business from regular callers in need of attention Other ports may not see the same patronage because ships with clients' cargo in the holds cannot protract its delivery while undergoing overhaul

It is invariably the terminal port that benefits

The recent concession in drydock charges for ships of more than 79 287m³ (28 000 tons) should encourage greater use of both the Durban and the Cape Town dry-docks by bulkers, but there have not been so many ships on the coast to use the facilities

dio station, amenities and so on The shipowner will say that cargo requires less attention, pays a fair sum, and never complains

A ship of modest proportions to carry passengers could cost R15 million, unless it was a rustbox, and to recover capital and interest on the coast would be a tall order

● **Would South African owners of cargo ships not be willing to provide berths for a limited number of passengers?**

Twelve is the maximum number of people allowed without special classification as a passenger line involving more watertigh bulkheads, safety devices additional staff and so on

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Asseng to lose R9m if offer fails

By STEVE ELLIS

ASSOCIATED Engineering has provided a convincing counter to suggestions that the takeover offers by AE PLC of Britain and Mr Peter Rhodes are not high enough

It has been forecast that the group will suffer a bottom-line loss of R9 382 300 in the year to this September if the takeover proposals do not receive shareholder approval next month

The loss in the half-year to March, figures for the first five months of which are already known, is estimated at R6 361 000

The forecasts have been made under the guidance of the Standard Merchant Bank and the group's auditors, Alex Aitken

In the year to last September, the loss was R8 500 000 compared with a profit of R6 200 000 in the previous period, and the continuing losses are seriously eroding the group's capital base

AE PLC intends to buy the group's manufacturing and warehousing divisions as well as several sundry investments for nearly R15-million through a 225c a share cash offer

Excluded from the purchase is loss-incurring AE Motor Spares, which is to be bought by Mr Rhodes for about R300 000, or 7c a share Of the R9-million loss projected for the present financial year, AE Motor Spares contribution is R6-million

It is believed that the Mine Officials Pension Fund initially intended to oppose the takeover, arguing that the 232c effective takeover offer was too much of a discount on the 415c net asset value.

However, the offer documents released today show that net asset value is expected to fall 52% to 273c as a result of past and projected losses

The March-end value of assets being bought by the British group was 224c — a marginal 1c less than the company's cash offer — but the value is expected to fall to 197c because of losses between March and the date the takeover becomes effective

The managing director of Asseng Mr Johan Meyer, confirmed yesterday that the Mine Officials Pension Fund was unhappy with the offer because of the apparent discrepancy between the offer price and the net asset value

"(However), my feeling now is that once they've seen these documents, they will realise that it would be very unwise of them to block the deal"

Mr Meyer said that Asseng executives had not met the fund's management because they did not want to treat them differently to any other shareholder

Now that the details of the group's plight were available, Mr Meyer said he was prepared to talk to any dissatisfied shareholder

The chairman, Mr Cecil Dace, says in the offer documents that the major contributors to the first-half loss were again AE Motor Spares and Inducem

The continuing losses have resulted in borrowings rising to above 100% of shareholders' funds — thereby causing the group to breach certain covenants of the group's debenture trust deed

"Asseng will therefore have to repay the 12% debentures prior to the financial yearend"

The R4-million of debentures would have had to be repaid anyway because the debenture trust says that if the group sells a major portion of its assets, the debentures have to be repaid automatically

To help to repay the debentures, AE PLC is to buy a troublesome line of AE Motor Spares stock which, according to a Standard Merchant Bank spokesman, fits better into Inducem's range

The purchase price for the industrial equipment stock is R1 500 000

AE PLC will also lend AE Motor Spares R2-million interest-free — repayable within 13 months — to help in the repayment

Mr Rhodes will provide the R500 000 balance

The British company's helping hand does not stop at the repayment of the debentures The documents say "AE PLC will lend AE Motor Spares R1 152 468 in respect of purchase finance due and payable by AE Motor Spares on June 12, 1983"

The loan is also repayable within 13 months and bears a 4% interest rate

COMMENT Now that the real extent of Asseng's problems have been spelt out, there should be little doubt that the offers — particularly that of AE PLC — are fair

Some sceptics will look at the reduction in losses forecast for AE Motor Spares in the second half of this year, down from R4 544 000 in the first six months to R1 456 000, but much work is still to be done before the division provides an adequate return

Indeed, if the prospect of a rapid recovery by the motor spares operation is rosy, why is AE PLC being so generous in providing the ailing division bridging finance?

> **With regards the fairness of the offers, I can only repeat Mr Dace's comment in his letter to shareholders "If the scheme is not implemented, (the) directors believe it will be some time before Asseng's earnings and dividends can justify a price of 225c a share"**

1989

Power blackouts pose major new threat to drought-hit South Africa

Jobs in danger when the lights go out

By Stephen McQuillan

South Africa is facing a major crisis and there is hardly a thing anyone can do to avert it

As the water nightmare intensifies the threat of a new but associated problem becomes more apparent — power blackouts

The picture is gloomy It is hard to say whether cuts in electricity supply will become a reality, though the Electricity Supply Commission (Escom) appears pessimistic and the Government is preparing for the worst

Escom predicts power cuts by August or September — the end of the dry season — unless it can get more water to provide cooling at power stations

Water levels in dams supplying stations are dropping rapidly The Directorate of Water Affairs at Pretoria is considering building a pipeline to keep water flowing to stations in the Eastern Transvaal which supply about 80 percent of the country's needs

Escom is suggesting an R80 million project to shift generation to older stations which are more expensive to run but have ready access to water, such as those on the coast

But what happens if the lights go out? South Africa could be facing a disaster — especially for industry

No doubt businesses would receive priority from Escom and from the Government But it seems they would escape power cuts completely only if the crisis were short-lived

The Chamber of Mines would rather not think so far ahead — the prospects are depressing

Gold mining, which consumes about 27 percent of Escom's power output, would be one of the last areas to be hit

But if the current stopped, so would the mines

> *'If there was a serious power failure it would certainly throw the cat among the pigeons.'*

"Obviously, if there were extensive power cuts it would affect gold mining very seriously indeed," said a spokesman

Mines have emergency generating plants, but they would be used only to recover miners underground if the normal supply failed Mines could not be operated on stand-by generators

Parts of the South African banking system would face total collapse

The world of finance becomes more and more dependent on computers as the years pass When the computers stop, so does the banking operation

Many banks have back-up power supplies Some have not

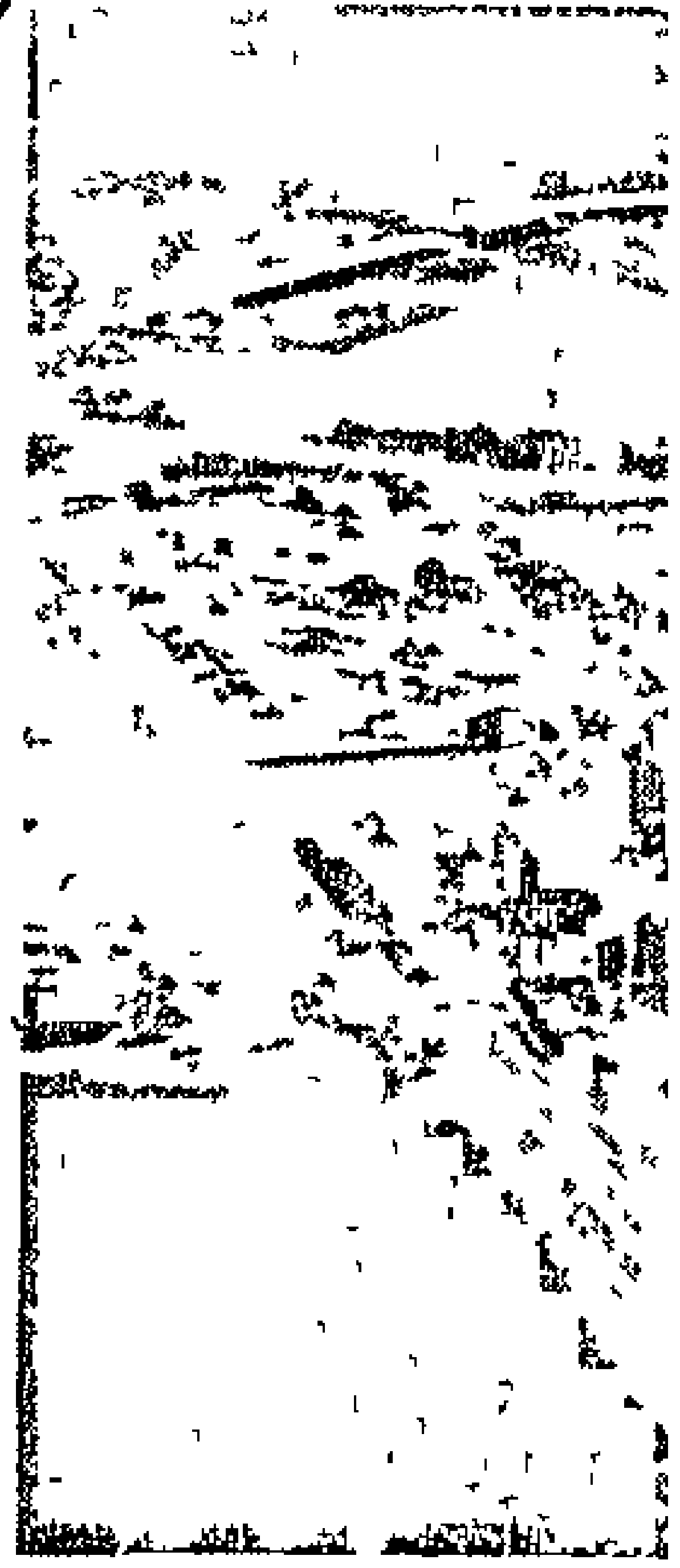
Banks would not cash cheques if they were unable to check computer records to see if an account was still in the black

Mr Bill Jones, general manager of operations with the Standard Bank, said that although his bank was well protected others could not rely on an uninterrupted power supply

"If there were a serious power failure it would certainly put the cat among the pigeons," he said "Banks with little or no protection would have to come up with something in a hurry

"Power is vital to our industry If the supply collapses, so does much of the banking system There is no way we can go back to pen and ink"

Mr Jones said Escom had always been co-operative in the past, warning banks in plenty of time about impending cuts



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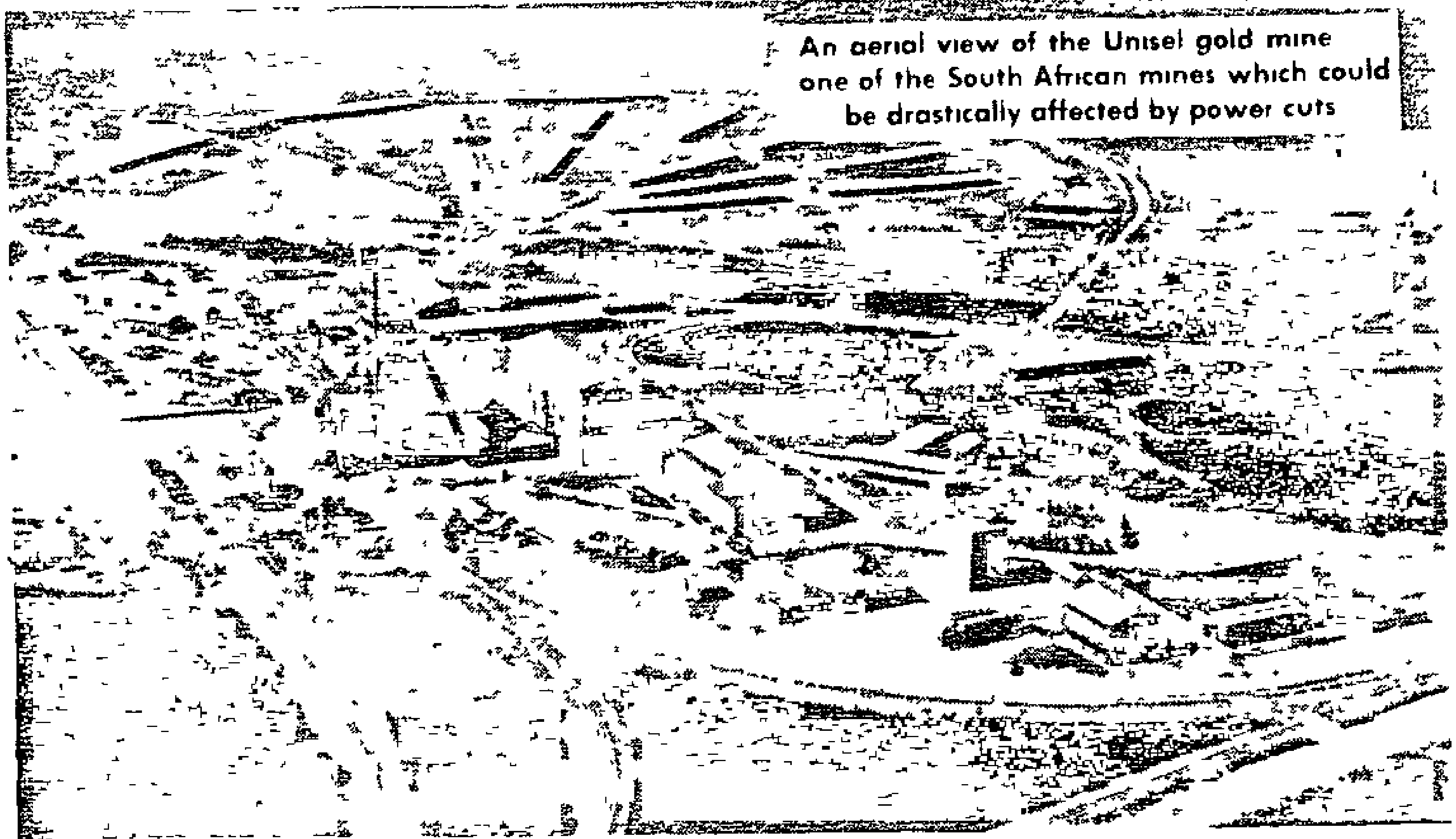

An aerial view of the Unisel gold mine one of the South African mines which could be drastically affected by power cuts

He said any bank which did not have uninterrupted power supply now must surely be planning it for the future, even though the cost would be well over R1 million

Mr John Nelson, acting president of the Steel and Engineering Industries' Federation of South Africa, said if power cuts occurred industry would face a "gigantic problem'

The federation, which represents mainly the steel and aluminium industries, feels there would hardly be a factory in the country that would be able to avoid laying off workers if power cuts were both widespread and lasting

Mr Nelson said it was essential to prevent molten metal solidifying in giant electrically-powered furnaces

"Furnaces could be destroyed or at least put out of action for a long time," he said

"My opinion is that industry would be given priority In no circumstances would power supply be cut until this became unavoidable "

Industries represented by the federation were major users of electricity

Mr Nelson said it was impossible to keep furnaces operating without the normal power supply They needed about 30 Mw to operate and back-up systems could not provide that amount of power

"If power cuts occur on a big scale, industry will grind to a halt," said Mr Nelson

Mechanised industry would be badly affected as plants fell idle

Mr Nelson said the South African Iron and Steel Industrial Corporation (Iscor) could be badly hit by widespread blackouts

Managing director of Iscor Mr Floors Kotzee said he was concerned because he did not know what to expect

Iscor had already launched contingency plans to keep its supply of water flowing It was using effluent from local authorities for cooling, re-cycling water and drilling boreholes

Only one plant, the Newcastle works with an output of 2 million tons a year, was facing problems with water supply and Mr Kotzee believed they would soon be overcome

No plans had been made to deal with widespread power cuts in spring, though temporary interruptions in supply had been taken into account

"We can only hope this situation does not arise," he said "We have limited back-up power supplies to keep furnaces 'ticking-over' but if power to a particular works were cut, men would have to be laid off

"You must bear in mind that steel is a basic industry. I think the idea would be that this industry would not be the first to be hit

"It is a vital industry which contributes substantially to the country's exports "

Mr Kotzee said that if power cuts spread to Iscor it would have to come to an arrangement with Escom on how to limit the use of electricity by cutting back some operations

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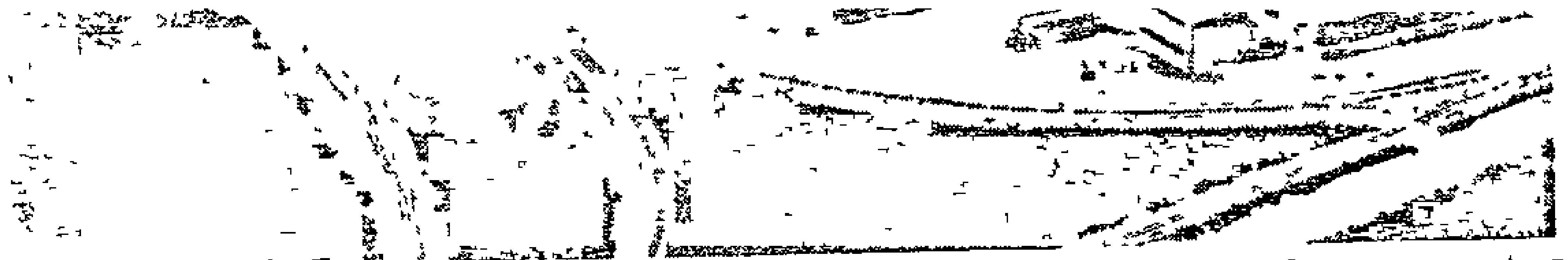

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Escom believes it is not overstating the threat The commission saw the threat of power cuts emerging as early as August 1982 and feels justified in warning of possible cuts in spring

But even Escom is unable to predict what will happen

Heavy rain could bring a reprieve, though it would have to be unprecedentedly heavy to change the picture drastically

"We are still trying to get the full story, in consultation with Government, on what is happening around the country in order to establish just how serious the problem is," said a spokesman

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Made in South Africa

D. Dispatch

13/4/83

Saawu goes to court

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EAST LONDON — For the first time, the South African Allied Workers Union (Saawu) has gone before an Industrial Court to resolve a dispute

The unregistered trade union brought an injunction for a restitution order against Fry's Metals at Berlin as the first step in getting dismissed workers re-employed

Judgment on the order is expected to be made by the chairman of the court, Dr D B Ehlers, within the next week

The vice-president of Saawu, Mr Sisa Njikelana, confirmed it was the first time the union had applied for an Industrial Court hearing

Neither Mr Njikelana nor the branch manager of Fry's Metals here, Mr R F Currie, would comment on the case, saying they would have to wait until judgment was passed

The assistant registrar of the Industrial Court, Mr P M Joynt, said from Pretoria that the next step in resolving the dispute would be the convening of an Industrial Council — DDR

(189) D Dispatch 16/4/83

Industrial court action denied

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EAST LONDON — The South African Allied Workers Union (Saawu) yesterday denied it had taken a Berlin company Fry's Metal either to an industrial court or the industrial council

In a statement confirmed by the union president Mr Thozamile Gqweta Saawu said that four workers were dismissed and that later the management fired the entire workforce, following a work stoppage

Saawu said that in accordance with principles it could not participate in industrial councils but was prepared to negotiate with Fry s Metal only on a shop floor basis

The four workers had filed the case in their individual capacities the statement said — DDR

LABOUR

Workers at Barlow want joint talks

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19/4/83

Labour Correspondent

THE Federation of SA Trade Unions wants the giant Barlow Rand group to negotiate a joint recognition agreement with it for all Barlow companies in which it has majority worker support.

But yesterday Barlow's industrial relations director, Mr Reinald Hofmeyer, said it was "open to serious doubt" whether this was feasible

The decision to ask for a joint agreement was taken at the second Fosatu national Barlow Rand shop stewards council, which brought together 45 stewards from 14 of Barlow's paper and metal factories in Natal and the Transvaal

The meeting had also discussed "on-going disputes between Fosatu members and some Barlow companies", a Fosatu statement said

It said the stewards council would ask for joint recognition negotiations to begin in May

Mr Hofmeyer said Barlow Rand was "unaware" of "ongoing disputes" between Fosatu members and Barlow companies

"Joint negotiations on a recognition agreement will be feasible only if unanimity can be reached between the managers of all the companies concerned and the union organisers involved

"Whether this is feasible in a group as diversified and geographically dispersed as our own is open to serious doubt," Mr Hofmeyer said

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Metal union wins battle for higher wages

THE METAL and Allied Workers' Union (Mawu) members have won significant wage increases after negotiations with management at Litemaster (Pty) Limited in Wadeville.

By SELLO RABOTHATA

The company agreed to an increase of 20 cents per hour with immediate effect and a further 10 cents in July The increase has been welcomed by workers at the company as a significant move towards a living wage The chairman of the company s shop steward committee, Mr Richard Ntuli, said "In the face of continually rising prices, workers are struggling more than ever "

Mr David Seabi, Mawu's general secretary, welcomed the increase and said "This increase and those recently negotiated in Durban by Mawu are highly significant because they show that even in this recession, companies can afford to pay increases

PROFITS

The vast majority of companies are still showing big profits Many companies have retrenched more workers than necessary and are now speeding up production They did this before the recession, when production increased much faster than the wage bill We can never accept that workers must carry the whole burden of the recession Workers and their families are starving — shareholders are not "

Meanwhile at local general meetings held by the Fosatu locals of Katlehong, Benoni and Kempton Park last weekend, members strongly supported the Mawu call for a minimum wage of R90 per week in the metal industry The union's demands for the negotiations of the metal industry's industrial council, which start this month were fully endorsed at the meetings

Besides the demand for a minimum wage of R90 per week, the meetings demanded an across the board increase of R80 per week In order to fight the growing and critical problem of unemployment and starvation, workers demanded that the working week be reduced to 40 hours with no loss of wages and that overtime be banned during times of retrenchment

They also noted that in many factories, managements have speeded up production with fewer workers and is talking about higher efficiency and "getting rid of the dead wood" Workers said they knew that management would try not to re-hire the retrenched workers when the economy improved, as they had done this after the last slump and then tried to get the remaining workers to do more work for the same wages

Workers were strongly in favour of the proposal that no exemption from the conditions of the industrial council agreement should be given without the prior approval of the majority of the workers involved

FOSATU MEETS

FORTY-FIVE shop stewards representing metal and paper factories from Natal and the Transvaal held a meeting at the weekend to discuss on-going disputes between union members and some Barlow Rand companies

The meeting was the second held under the auspices of the Federation of South African Trade Unions' (Fosatu) shop stewards council and was attended by 15 representatives from 14 Barlow Rand companies They resolved that all disputes should be reported to the company's shop stewards executive committee.

Mr B Fanaroff, of the Metal and Allied Workers Union (Mawu), said: "The meeting agreed to ask for joint negotiations of a recognition agreement to cover factories where Fosatu has more than 50 percent membership Negotiations should be between the company and a negotiating committee containing representatives of each factory plus union officials. The council will ask for negotiations to start in May."

"Shop stewards also agreed to demand the rules and constitutions of the Barlow Rand and Nampak pension funds. Enthusiastic support was given to Mawu's proposals on wages and working conditions, especially the demands for R90 per week minimum wage and one month notice on dismissal. These will be raised with the Barlow management at a later stage."

2 0 APR 1983

SOWETAN

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 1 MAG1           1      1     4     4    [illegible]
 2 RLGN           1      5     6     2    F
 3 TRAC55         1      7    10     4    F
 4 TRAC76         1     11    14     4    F
 5 AFFA55         1     15    21     7    F
 6 CULT55         1     22    27     6    F
 7 AFFA76         1     28    34     7    F
 8 CULT76         1     35    40     6    F
 9 FARM55         1     41    44     4    F
10 FARM76         1     45    48     4    F
11 DUMM55         1     49    51     3    F
12 DUMF55         1     52    55     4    F
13 LABM55         1     56    59     4    F
14 LABF55         1     60    63     4    F
15 DMWG55         1     64    67     4    F
16 DFWG55         1     68    71     4    F
17 LMWG55         1     72    76     5    F
18 LFWG55         1     77    80     4    F
19 MSTK01         2      1     1     1    F
20 REGL76         2      2     6     5    F
21 DUML76         2      7    10     4    F
22 RCWG76         2     11    17     7    F

GN SPECIFICATIONS

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Union dispute: Anglo knocked

26 APR 1985

189

STAR Labour Reporter

The Metal and Allied Workers Union (Mawu) has criticised Anglo American's gold division over the union's dispute with Screenex, an Albertson wire firm which does business with the mining giant

The Fosatu-affiliated union is taking Screenex to the industrial court because the Alrode firm dismissed its workforce earlier this year after a dispute over retrenchments

Mawu wrote to Anglo's gold division asking what the group thought about dealing with Screenex

"They have not even had the courtesy to reply to our letter," a union spokesman said yesterday

The union was also investigating worker allegations of underpayment at Screenex

An Anglo American spokesman said it was policy not to publically comment on a private letter

RDM 21/4/83

189

Workers revive council for IMF

Labour Correspondent

THE South African Council of the powerful International Metalworkers Federation, which collapsed two years ago because of feuding between black and non-black unions, has been re-established

And revived council is believed to be the only union body in the country in which unions affiliated to the Federation of SA Trade Unions and the Trade Union Council of SA have agreed to co-operate.

Fosatu, the biggest emerging union group, and Tucsa, the biggest established union group, are bitter rivals

A union affiliated to the Council of Unions of SA (Cusa) is likely to join the council later

The SA council, which brings together local metal unions affiliated to the 14-million member IMF, concerns itself with building metal union co-operation, and in implementing IMF policy in South Africa

But clashes between two Fosatu unions, the National Automobile and Allied Workers Union (Naawu) and the Metal and Allied Workers Union (Mawu), and white and coloured-led unions led to the breakdown of the council

Since then, two white unions, the SA Electrical Workers Association and the Amalgamated Engineering Union, have been expelled from the IMF

It is believed this move paved the way to re-establishing the council.

A statement issued by the unions yesterday said seven unions, all IMF affiliates, had decided to re-establish the council at a meeting on Monday

The council would, it said, "promote co-operation and understanding between (these unions) and represent the interests of their members jointly on a national and international basis"

Mr Ike van der Watt, general secretary of the SA Boilermakers Society, was elected president of the council

SA must 'use' gold, says expert

Star

22 AP 1983

By David Braun

uth Africa has the responsibility, as well as the opportuni, to use its international gold ply monopoly to advantage, David Hargreaves, director the British Metals Research nit, told the conference yesrday

"The gaining of a domestic vantage by the control of ply and price to the market eed not conflict with the well-being of the industry worldwide if such controls are installed within a framework of commercial reality," he said

To improve its market position in gold South Africa should consider

- Strategic witholding and release of newly mined supplies
- Use of the futures markets
- Use of gold as loan collateral
- A lobby for gold remonetisation

Mr Hargreaves said SA had resisted using futures markets as an adjunct to its sales policy while the Canadians, whose gold production was less than 10 percent of South Africa's, were adopting a fairly aggressive stance

The establishment of a market in Hong Kong had effectively heralded a 24-hour gold market upon which the traded price was totally dependant

"There is a danger of undue volatility and organised squeezes as a result of such a volume of activity but there is little possibility of the market being dismantled Continued growth is more likely," Mr Hargreaves said

"SA's presence can be viewed in two ways — a stabilising influence or potentially the most powerful addition to a fast-moving market "

These reports ~~are~~ based on papers delivered at the Second Southern African Metals and Minerals Conference in Johannesburg yesterday and today.

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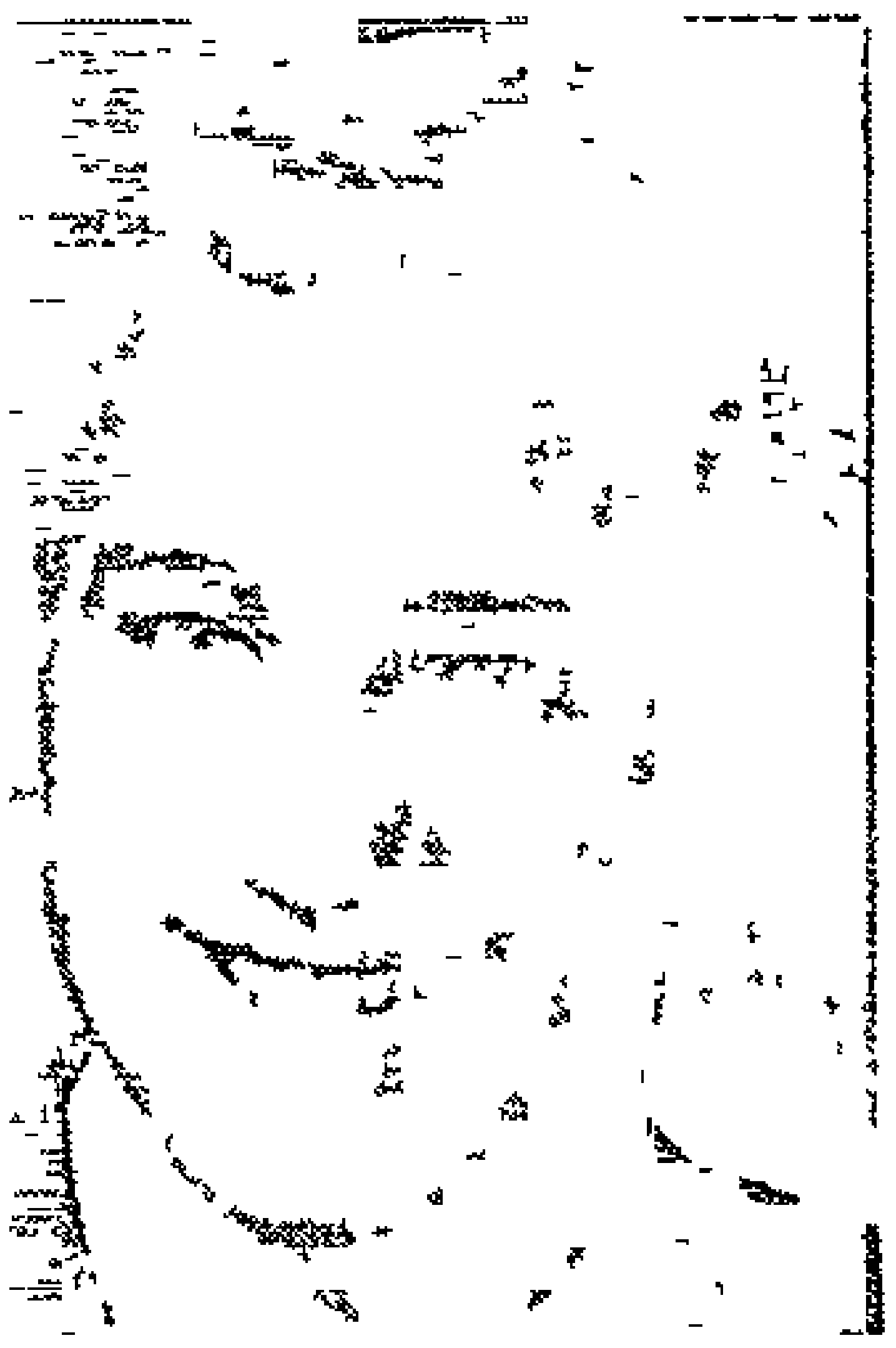


VAUGHN

ranium ecovery nlikely

here is little likelihood of a bstantial further recovery of anium spot prices in the near erm Mr Jim Vaughan, viceesident of Nuexco, told the nference yesterday.

Two basic reasons argue gainst significantly higher ear-term prices

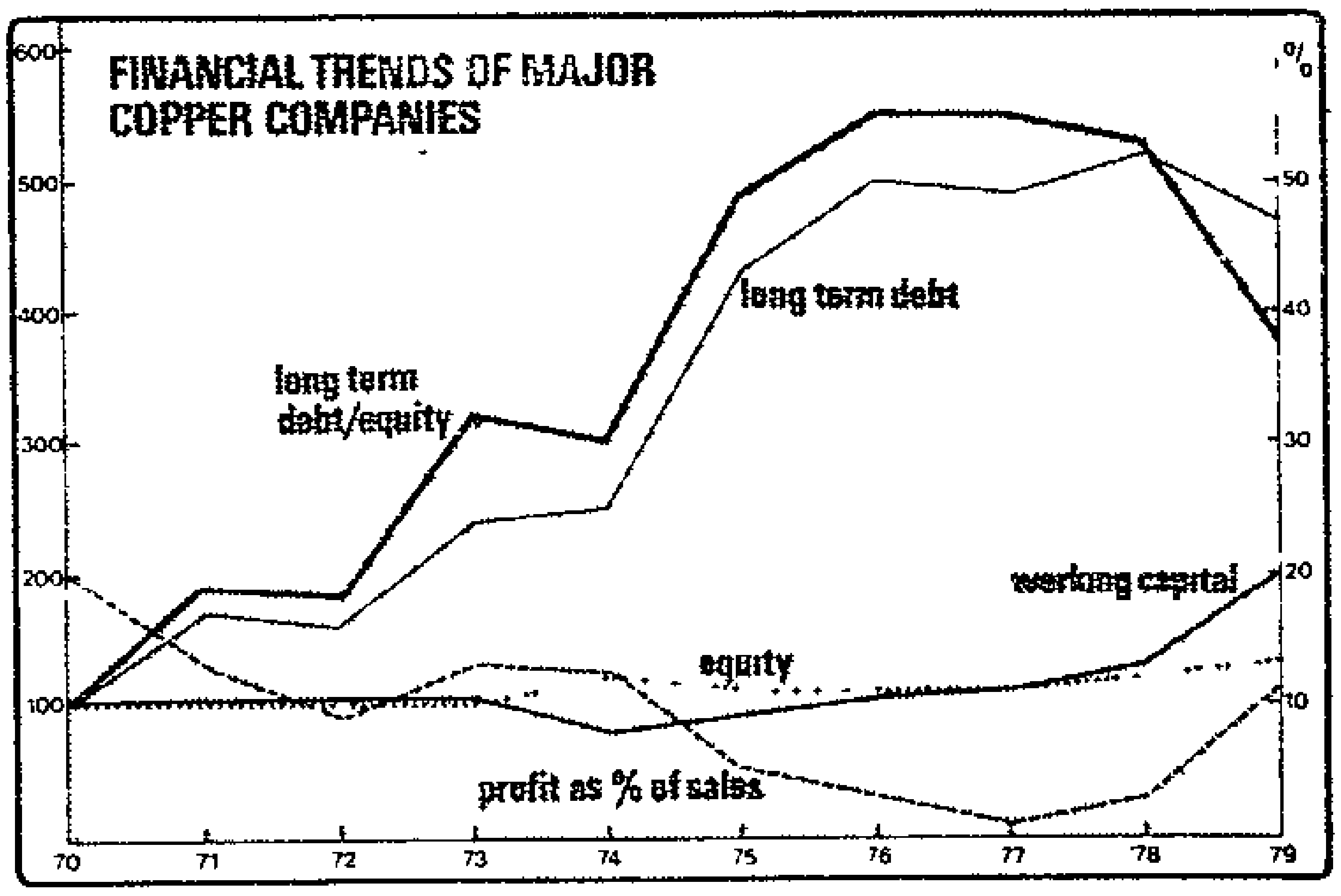
"First is the continued existence of a strong secondary arket, where holders of inentory are selling material ack into the market

"Second is the chronic imbalnce between consumption and oduction which will result in he world's inventory position ncreasing further over the xt five years '

Nuexco expects continued growth of installed nuclear capacity into the 1990s, from 146 gigawatts in 1982 to 370 gigawatts in 1996, a compound increase of about seven percent a year

Consumption of uranium (mainly in nuclear plants) on a worldwide basis is forecast by Nuexco to increase from 29 million kg to 58 million kg in 1996 a compound growth rate of five percent a year

Mr Vaughan said that with inventory redistribution likely to continue it was difficult to see a mechanism for substantial price strengthening in the near term



This plots the changing pattern of finances of the major commercial copper mining companies from 1970 to 1979 Whereas in 1970 longterm debt was only 10 percent of equity, by the late 1970s the figure had risen to more than 50 percent A so-called "high-risk" industry should not operate with such high debt levels, says Mr Reg Eccles

Plastics outdoing base metals

Copper faces a potential major threat from fibre optics in the telecommunications end-use market, Mr Reg Eccles, group executive for base metals, Consolidated Gold Fields PLC, told the conference today

"It is too early to assess with accuracy the extent of this threat but it has been estimated variously as displacing 100 000 tons to one million tons a year of mine copper production by 1990 "

Mr Eccles said plastics had made significant inroads directly and indirectly into most of the base metal end-uses It remained a major threat to copper in pipe and domestic construction materials, had taken a large share of the packaging market from tin, and had been a direct substitute of zinc in diecasts Yet immediate prospects were for a revival in consumption and prices of all metals

It appeared that copper, nickel and tin markets' problems would not be solved by a couple of years' reasonable economic growth

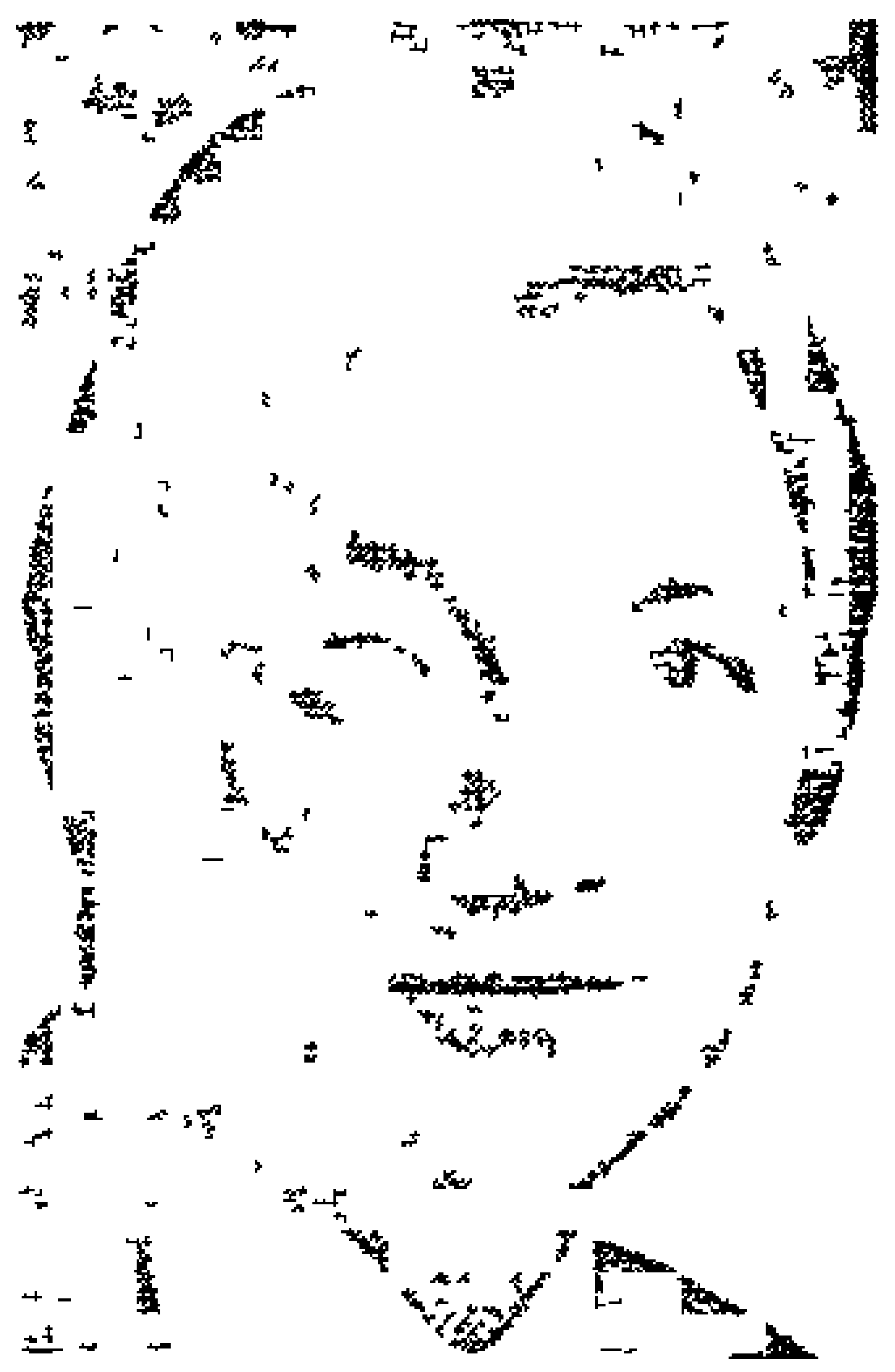
"In my personal opinion real metal prices will remain weak, by post-war comparison for most of this decade "

Mr Eccles said the fact that much Third World debt paper was worthless should result in a more conservative attitude on the part of banks to the financing of major minerals projects in developing countries

Likewise the banks probably would adopt a more cautious attitude towards loans to commercial mining companies, given the latter's recent profits record the worst in 50 years

The mining industry would have to rely on risk capital, in turn placing responsibility for decision-making more firmly where it belonged, in the mining companies, and much less in banking halls and government circles

The end result would be a healthier industry



ECCLES

Business 'uses' futures market poorly

The cash value of gold futures traded in 1982 was probably about R33 000 million, the Futures World editor said yesterday at a metals and minerals conference in Johannesburg

Mr John Parry said "A conservative estimate of world gold futures turnover in 1982 was 15-million contracts A more realistic figure was probably nearer 20-million At 400 dollars an ounce the nominal value of this trade was R660 000 million

This represents the face value of the contracts traded It is slightly unrealistic, because future contracts are traded on a margin, and because all contracts are closed before delivery falls due The cash value of the trade is considerably less then its nominal value but even so it was probably around five percent of its nominal value "

Mr Parry said although there were 11 gold futures exchanges world-wide, more than half the business was done at New York's Commodity Exchange

He said the futures business especially in relatively new areas like gold had been used poorly by many sectors who should have been more enthusiastic

Unions to join hands

SOWETAN

~~139~~ ~~134~~ 189

22 APR 1983

SEVEN trade unions have re-established a South African Co-ordinating Council to promote co-operation and understanding between unions in the metal industry, and to represent the interests of their members jointly on a national and international basis.

The unions, all affiliates of the International Metalworkers' Federation (IMF), are the Metal and Allied Workers' Union, the South African Tin Workers' Union, the SA Boilermakers' Society, the National Automobile and Allied Workers' Union, the Radio and Television Workers' Union, the Engineering Industrial Workers' Union and the Engineering and Allied Workers' Union

Mr Ike van der Watt, the general secretary of the SA Boilermarkers' Society, was elected president, with Mr David Sebabi of the Metal and Allied Workers' Union, and Mr Archie Pool of the Engineering Industrial Workers' Union, as first and second-presidents respectively Mr Brian Fredericks of the National Automobile and Allied Workers' Union was chosen secretary-treasurer

At its meeting this week the council decided to support the application of two more unions for affiliation to the IMF They are the Steel, Engineering and Allied Workers' Union and the Federated Mining Union The applications will be considered by the central committee of the IMF when it meets in Zurich, Germany in June

The IMF, with headquarters in Geneva, represents more than 14 million metal workers in the non-communist world

The South African Co-ordinating Council of the IMF ceased being operative two years ago because of a lack of agreement in its ranks

Shipbreaking yard idea turned down

(189) E. Post 22/4/83

THERE appears to be little or no enthusiasm in Government circles for the development in disused dock wharves of a shipbreaking industry When the question was raised in the course of the Transport debate last month, the shipbreaking idea was turned down flat

But Taiwan, Pakistan, Germany and Spain are breaking up ships because they are satisfied it provides the cheapest steel, and a whole variety of other metals and plant

The empty wharves at Port Elizabeth and at other ports, must therefore, remain empty

A major ship-scrapping operation would require provision of more rolling plant in the Republic, but people connected with the industry are satisfied that re-rolled steel is more economical than billets, and the importance attached to shipbreaking in other expanding industrial countries is attributable to the advantages of metal now available at low price in hundreds of surplus ships

Taiwan is taking giant tankers, each yielding up to 35 000 tons of steel, at a rate of four a month, and the only obstacle to even more purchases has been the congestion in the bay at Kaochiung where typhoons represent a hazard to anchored ships

There seems small prospect of many of the disused dock wharves being pressed into service again, unless owners are to be invited to secure their ships at low-cost berths for long-term mooring, to await better times

Some oversea port authorities are advertising wharves on this basis

The volume of tonnage now coming on to the scrap market has led to a sharp drop in the price being paid, and scrappers are getting giant tankers only 10 years old at a cost of R85 a ton, which is probably the cheapest steel in the world

In addition there is considerable electric wiring, motors, and other plant which commend themselves for resale, and the demolition industry in the Far East is reported to be a most lucrative business A giant tanker is cut down in two months and its entire contents sold

South Africa, despite its industrialisation, sees no purpose in scrapping ships, and they are generally scuttled

Ferrochrome doubling by 1985 for SA

189

RDM 23/4/83

Financial Reporter

SOUTH Africa is expected to double its ferrochrome producing capacity by the end of 1985, according to Mr John Hall, chairman and chief executive of Middelburg Steel & Alloys.

He also believes that unless major chrome ore reserves are found the world ferrochrome industry will eventually be confined to South Africa, Russia and Zimbabwe

Mr Hall thinks that by 1995 South Africa will have a ferrochrome capacity of more than 4-million tons a year compared with 1 650 000 tons in 1985 and 800 000 tons at present.

This year South Africa is expected to earn well over R200-million from ferrochrome exports

Mr Hall's views were set out yesterday in an address to the Southern African minerals and metals conference in Johannesburg

He argued that there was a "ferritic explosion" under way in the world — a steady switch away from standard steels and towards specialist stainless steels that required ferrochrome

Mr Hall said that implicit in this "will be the accelerated demand from chromium ore for metallurgical purposes moving from (world) consumption of just over 4-million tons in 1980 to 13 200 000 tons in 1995

"In the same time frame the demand for ferrochromium is expected to grow by 350% from 1 700 000 tons in 1980 to 6-million tons in 1995"

On Mr Hall's projections South Africa will supply 66% of the world ferrochrome market by 1995 against 10% in 1970 and 42% in 1980

I believe it would be possible to double SA's ferrochrome capacity by the end of 1985 by such developments as installing new transformers without huge new investment

Hundreds of millions of rands would, however, be needed to get capacity up to 4-million tons by 1995

(189)

Mawu wins recognition agreement

Star

By Tony Davis,
Labour Reporter

25 APR 1983

The Metal and Allied Workers' Union has won a recognition agreement in the Richard's Bay area which marks a significant breakthrough for the union

The union, an affiliate of the Federation of South African Trade Unions, [illegible] with the management of Baystone Sales last week

A joint statement by the union and company, which is half-owned by the Grinaker Group, said the agreement represented the first in the area for Mawu under the recent labour dispensation

"The discussions have been constructive throughout and the foundation has been laid for the future regulation of the management-worker relationship through a process of negotiation, involving the freely chosen representatives of both parties rather than by unilateral coercion or a paternalistic style," the statement said

MAJORITY

Baystone's managing director, Mr Toeks Botha, said the firm would negotiate with the union as it represented a majority of the work-force

Mawu has been involved in a number of labour disputes in the Richard's Bay area over the past few years and has complained of police harassment

The recognition agreement provides for wage and working conditions negotiations, grievance and disciplinary procedures, as well as procedures for retrenchment and disputes

189

RDM

26/4/83

Unions want pension control

Labour Correspondent

THE future of the Metal Industries Group Pension Fund, which covers about half a million workers hangs in the balance because three unions have refused to agree to a renewal of the agreement setting up the fund

None of the three are members of the metal industrial council, which set up the fund, and the agreement could, therefore, be renewed without them

However, unions on the council fear the government might then refuse to extend the pension agreement to workers who do not belong to council unions

In a statement yesterday, the Metal and Allied Workers' Union announced that it and two other unions, the General Workers' Union and Chemical Workers' Industrial Union, had refused to support the renewal at a meeting last week

Their key demand is that worker representatives should make up more than half of the members of the board which runs the fund

The pension fund was set up five years ago and the agreement setting it up is now due for renewal

The three unions are due to meet the fund's board of management, made up of employers and unionists who are on the council, on May 27, to discuss their demands for changes

The statement said the unions' two demands were that unions' representation on the board of management should be based on their number of members and that the Steel and Engineering Industries' Federation (Seifsa), which represents metal employers, should have less than half the seats

Both Seifsa and the Confederation of Metal and Building Unions, whose members belong to the council, want the fund to continue in its present form

Seifsa told the unions it would never give up 50% representation on the board because its members contribute 50% of the fund's revenue

The CMBU argued that employer help was needed to run the fund

The statement said the three unions rejected this, arguing that "the money paid by Seifsa is only deferred wages — which the worker can claim later"

It also said most workers were dissatisfied with the fund, which was made up of worker money and should be controlled by worker organisations.

Metbox and Barlows talk

26/4/83 189 RDM

By JOHN MULCAHY
Deputy Financial Editor

TALKS are in progress on the future of British-controlled packaging giant Metal Box South Africa.

The R400-million a year manufacturer and distributor of metal, plastic, board and paper packaging, as well as steel tube and pipe, electrical accessories and tin recycling, is controlled 51,2% by Metal Box Overseas of the UK

A statement issued by the parties says Metal Box UK and Barlow Rand "have agreed to undertake a joint review of the operations of Metal Box South Africa"

At yesterday's 875c Johannesburg Stock Exchange closing price, Metal Box's market capitalisation is more than R280-million, of which the UK interest is worth about R150-million

There has been no suggestion that the discussions are headed in the direction of an outright takeover by Barlows — a merger of interests seems the more likely route

Sources close to the negotiations said yesterday it was unlikely that Metal Box of the UK would wish to dilute its SA interests as they had regularly proved to be a solid contributor to group earnings

Metal Box SA's attributable profit almost quadrupled in the five years from 1978 to 1982 to R25-million from R6-million Sales rose to R401-million from R168-million

In the year to March 1982, Metal Box SA drew 78,5% of its attributable income from packaging and related activities, the remaining 21,5% coming from steel tubing and electrical accessories

The parties in the discussions with Metal Box are Nampak, Brollo Africa (Pty), Robor and Monoweld Galvanisers (Pty)

Nampak, a Barlow subsidiary, had a turnover of R602-million in the year to September and pre-tax profit of R82-million

Mr Bas Kardol, Nampak's executive chairman, said yesterday that in many cases Metal Box and Nampak had mutual end-consumers, and a merging of interests made sense

Nampak has launched a move into glass manufacture, which was previously the sole domain of Consolidated Glass, and an interest in metal packaging would provide it with an interest in every sector of the packaging industry

Mr John Maree, an executive director of Barlow Rand, said discussions were at an early stage, and although synergy had been found in many areas, it was too early to speculate on the final form of any agreement

Word in the market place is that speculation surrounding Metal Box reached such wide-ranging proportions late last week that it forced today's announcement

Metbox's share price surged last week by 28,7% to 875c from 680c amid takeover speculation

On Friday night a spokesman for Metal Box UK told Business Mail that the group did not comment on rumours It is believed the inquiries to Metal Box head office prompted today's announcement

Both Barlows and Metal Box insist that the talks were spontaneous, and not initiated by either side

Their statement says the purpose of the "joint review" will be to explore whether advantages could be gained from co-operation between or integration of some or all of the various companies' operations and activities

Without knowing the direction of the merger-takeover talks it is difficult to assess the likely impact on Metal Box, Nampak or Barlows, other than the advantages inherent in any rationalisation

It remains to be seen whether the market was precipitate in pushing the share price to the extent it did, but at first glance a merger might not have any immediate benefits to shareholders

Shareholders in Metal Box and Nampak are warned to exercise caution in dealing in their shares until the results of the negotiations are known dnesday April 27 1983 STAR

184

Employers may budge on freeze in wages

By Tony Davis, Labour Reporter

Metal, steel and engineering industry employers appear willing to budge from their stance of not granting wage increases until later in the year

Yesterday's meeting of the National Industrial Council for the Steel, Engineering and Metalurgical Industry in Johannesburg was adjourned until May 24 after employers and unions agreed to go back to their members on the wage issue

However, the Steel and Engineering Industries Federation of SA (Seifsa), which represents employers, must present the unions with their proposals before the next meeting

Union sources said employers were warned that, unless they were prepared to budge from their position of no new wage talks until later in the year, no agreement would ever be reached

Employers had called for more talks in June, but this was described by the unions as "delaying tactics" as they had already had the chance during past weeks to consult their members on the negotiations

The council said yesterday lengthy consideration had been given to both sides on industry problems under present economic circumstances

Employers had introduced the wage talks freeze due to the downswing in the economy, while unions had pressed for increases to match the rise in the consumer price index of about 14 percent

Negotiations affect about 500 000 workers nationally

It was the first time the Fosatu-affiliated Metal and Allied Workers' Union attended council wage talks and it asked employers where profits from the past five years had gone

The sizeable contingent of Mawu members insisted on addressing the negotiating teams

27/4/83 (199) RDM

Seifsa agrees to make wage offer

By STEVEN FRIEDMAN
Labour Correspondent

KEY pay negotiations in the metal industries, which affect about 500 000 workers, adjourned yesterday after the Steel and Engineering Industries Federation (Seifsa) agreed to make unions a wage offer

This means Seifsa has abandoned its earlier stance that the state of the industries was such that there should be no negotiated rises at all for at least six months

It is almost certain, however, that Seifsa's offer will fall well short of union demands for at least a 14% rise

It is understood that Seifsa adopted the same stance for much of yesterday's meeting of the metal industries' industrial council — which was called to negotiate the industries' annual pay agreement

But union sources said it agreed towards the end of the meeting to consult its members and then come back to the unions with an offer

Another meeting will take place on May 24 and a document setting out the employer position in the negotiations will be sent to the unions before then

Both Seifsa and the unions will now go back to their constituents to discuss their next moves

However, Seifsa, which represents employer associations in all sectors of the metal industries, told unions at yesterday's meeting that some sectors of the industries would not be able to make unions an offer

Union sources believe steel producers are most likely to stick to the view that a wage freeze is necessary

Unionists also pointed out yesterday that the metal pay agreement expires in mid-year and that the May 24 date would leave "very little time" to negotiate an increase

They said Seifsa had originally wanted the next negotiating meeting to be held in June — a move they described as "a delaying tactic to increase pressure on the unions" but had then agreed to the May date

Seifsa's director, Mr Sam van Coller, yesterday referred the Rand Daily Mail to a statement released by the industrial council

The council statement said both unions and employers had voiced viewpoints on wages at yesterday's meeting which took the current state of the industry into account

The statement said both sides had agreed to return to their constituents before meeting again on May 24 and that employers had agreed to present unions with a document outlining their position before the meeting

It said "a large number" of delegates had attended the talks

Yesterday's negotiations were the first which were attended by Fosatu's Metal and Allied Workers' Union, which has applied to join the council but has not yet been admitted as a member

It is understood that a large MAWU delegation took part in yesterday's talks

Rush

27/4/83

~~232~~ ~~64~~ 189

UK firm to buy part of Turner-Morris

Financial Reporter

DOBSON Park Industries of the UK is to acquire a "substantial minority interest" in Turner-Morris Holdings (Pty) for R2 200 000

Dobson Park has interests in mining, general engineering and power tools, and the arrangement with Turner-Morris means that the marketing, sales and servicing of the Wolf range of electric power tools in South Africa will be transferred to Turner-Morris

This will increase the SA coverage for Wolf from the existing branch network in Johannesburg, Cape Town and Durban to include Turner-Morris's branches in Pretoria and Welkom

Mr Howard Walker, managing director of Turner-Morris, said yesterday the group was "flattered in this show of confidence from such a large overseas company which leaves us free to pursue our traditional policies".

"We also look forward to carrying on the solid base that Wolf Power Tools has established in the SA market," said Mr Walker

PRESS STATEMENTS

FOSATU

27/4/83

~~410A~~ 189 ~~346~~ ~~457~~

MAWU

METAL & ALLIED
WORKERS UNION
OF SOUTH AFRICA

Delegates of MAWU yesterday for the first time attended a meeting of the metal industry Industrial Council to negotiate the annual industry-wide wage increases.

At the meeting, MAWU established some important precedents·

- The whole National Executive Committee of MAWU attended, all of whom are workers in the industry. The Branch Secretaries and the General Secretary also attended.
- The union did not nominate a spokesman. Instead, all members of the MAWU delegation participated.

Although MAWU is not yet a member of the Industrial Council, the delegation was accorded full speaking rights.

MAWU's opening speech emphasized that metal industry employers had made record profits over the last five years, but as soon as the recession had hit, workers were the ones who had to pay for it, through retrenchment and increased productivity. Now SEIFSA wanted to freeze wages MAWU completely rejected this.

In replying to the unions, SEIFSA reiterated their position that they did not want to negotiate at all.

Speaker from MAWU then put 3 questions to SEIFSA.

- It seemed that employers do not care about the retrenched workers and the dependants of metal industry workers who are literally starving in the rural areas because of the drought and unemployment. What was SEIFSA's attitude.?
- Where was the money from the record profits of the last five years?
- If SEIFSA said employers had no money to pay increases, were they prepared to produce the books of account of their members to prove this?

MAWU speakers also accused SEIFSA of "playing games". They said employers had tried for years to get MAWU to attend, and now that MAWU was present SEIFSA was refusing to negotiate.

After a long and very difficult meeting, SEIFSA representatives agreed to recommend to SEIFSA companies to change their position. They agreed to put forward a counter-proposal in writing by 18 May and to meet for negotiation on 24 May.

27.4.83 FOSATU

Economics have central political role

Cape Times 28/4/83 ~~747~~ ~~132~~ ~~154~~ ~~241~~ 189 ~~335~~

Labour Affairs reporter **PHILLIP VAN NIEKERK** says wage bargaining will be tough by people for whom unemployment and poverty are burning issues

THE claims by a University of Natal economist Mr Charles Meth, that the government's productivity figures are all wrong could create quite a stir between employers and trade unions, already squaring up for the toughest round of wage bargaining in years

Both the government and employer groups have made calls for a wage freeze based on the continuing recession But with inflation still soaring, it is not going to be easy to convince workers to accept an effective drop in income

In the metal and mining industries, in particular, a clash of demands has already become apparent

The argument commonly put forward to justify a wage freeze is that real wages rose during the past few years without a corresponding increase in productivity During lean times it is thus to be expected that workers pull in their belts a little

Mr Meth's claims represent a fundamental challenge to this view He found that the South African economy grew at a much higher rate during the 70s than official figures show and that most productivity figures based on the national accounting statistics are wrong In his analysis, workers earned their wage increases and a good deal besides

Seen together with the research findings of UCT economist, Mr Charles Simkins, that unemployment grew steadily from 11 percent to 21 percent during the 70s they paint a very different picture of what has been happening to the South African economy to the conventional version

Of course, there is by no means unanimity over the findings, and Mr Meth's work has already come under fire from economists of differing persuasions But the prospect of employers and trade unionists meeting across the bargaining table, each with their own figures backing up different claims on productivity, wages, inflation and so on proves that economic statistics are not necessarily hard and fast facts, and can be distorted to lend weight to opposing claims

Problems

Yet spokesmen from the government and the private sector have continually spoken out against the country's low record of productivity and claimed that wage increases for workers have not been fully "earned" Their self-confidence has belied the fact that measuring productivity is a process fraught with problems

It is not necessary here to go into the complex economic issues involved, or the pros and cons of Mr Meth's methodology It is important, though, to note that as the mainly black trade unions grow in strength, basic economic issues, and their political implications, are likely to move increasingly to the fore

In most Western countries elections are fought primarily over economic issues such as inflation, unemployment and social welfare In South Africa, because the electorate is drawn from the most economically privileged section of society and because of the over-riding predominance of the race issue, economic policies tend to take a back seat

Further the cause

And the public debate over economics has by and large been restricted to the "free marketeers", who represent one side of the spectrum

Mr Meth's work was done in co-operation with the Federation of South African Trade Unions (Fosatu) and his conclusions can be said to further the cause of organized labour But this makes him no more suspect than the large number of economists who are attached to banks or other big business corporations and who are constantly quoted in the business columns of the press

The growth of black trade unions, whose constituency includes those people for whom unemployment and poverty are burning issues will not only broaden the debate but deepen its political implications as well

Mr Bobby Godsell Anglo American's industrial relations consultant, pointed out in Stellenbosch on Tuesday night that black workers do already have a "vote" in one key area of their lives

On the shop floor they participate in "politics" through the collective bargaining process, which is the "habit and practice of compromise" And they have the power to go on strike and disrupt the normal functioning of society if they are dissatisfied

Mr Godsell said that "perhaps the patterns of interaction, compromise and partnership which are developing on the shop floor can provide a model for co-operation in society at large" They could provide a different kind of model as well

Far from being merely "shop floor' issues, the matters which will be brought to the negotiating tables this year are of central political importance affecting the lives of the majority of people in this country They would be recognized as such in any democratic society

29 APR 1983

STAR.

~~304~~

Unions demand bigger voice in pension fund

189

Labour Reporter

Three unions want workers to have a bigger say in the management of the metal industry's pension fund

At a recent meeting of the industrial council for the industry, the General Workers Union, the Metal and Allied Workers Union and the Chemical Workers Industrial Union opposed the fund's renewal

Also at the meeting were members of the Confederation of Metal and Building Unions and other unions as well as representatives of the employers' organisation, the Steel and Engineering Industries Federation of South Africa and, despite the objections of the three unions, the CMBU and Seifsa agreed that the fund helped workers and should continue

The three dissenting unions argued that unions with more members in the fund should should have more representation on the fund's board of management and that Seifsa should have fewer than 50 seats on the board

But Seifsa rejected this, stating that they contributed half the fund The CMBU said the fund needed Seifsa's management expertise

Mawu said that the funds came from the workers and should be controlled by them.

A further meeting between the three dissenting unions and the fund's board of management has been scheduled for May 27.

Dorbyl Marine asks Government for aid to avert shipyard shut-down threat

29/4/83

189 Mercury

Shipping Reporter

SOUTH Africa's only major shipbuilder, which can turn over about R30 million a year and employs more than 600 people, has made an urgent plea to the Government to help it out of a crisis that is threatening to close it down

Addressing the Minister of Transport, Mr Hendrik Schoeman, at the naming ceremony of a newly built harbour tug in Durban yesterday, the group executive for Dorbyl Marine, Mr K Jenkins, suggested that the Cabinet appoint a committee to investigate the future of shipbuilding in the country

Mr Jenkins said the new tug, the Dupel Erasmus, which is the third of four the yard has been building, should have been delivered in the middle of last month

'However, we asked the South African Transport Services if we could defer the delivery of the tugs by a month or so to delay redundancy measures for at least a few months,' he said

Staff at the shipbuilding yard has already been reduced by about half and the remaining 300 workers will soon have nothing to do when the last of Dorbyl's jobs is completed in under two months

'As an industry we are not very optimistic about receiving new orders in the immediate future,' said Mr Jenkins. 'If we have no shipbuilding contracts, it is not possible for us to continue to employ the large number of people necessary for the construction of ships

'This is an extremely sad situation and I am afraid one which may force us to cut back our operations drastically and at worst, withdraw from shipbuilding,' he continued.

Dorbyl Marine, he said, was not asking for a handout

'I am suggesting support from all interested parties who in turn should be properly co-ordinated so that some vessels can be built in South Africa in the immediate future,' said Mr Jenkins.

He also appealed to the Government to decrease harbour tariffs to encourage more shipowners to bring their vessels into port to make use of the local repair industry, also suffering from the worldwide recession

METAL PAY TALKS

(189) FM 29/4/83

Metals industries employers, who have sought to delay wage increases this year, have now agreed to make unions a pay offer

According to sources who attended the metals industries wage negotiations this week, the Steel and Engineering Industries Federation of SA (Seifsa) agreed to make an offer to unions in the industries

The unions are seeking a pay rise of about 14% However, Seifsa proposed earlier this year that negotiations should be delayed by six months because the industries have been badly affected by the recession

The parties agreed at this week's talks to return to their constituents before meeting again on May 24 Employers agreed to present unions with a document outlining their position before the meeting However, sources said Seifsa told unions at the meeting that some sectors of the industries were not in a position to make a wage offer.

The Metal and Allied Workers' Union, an affiliate of the Federation of SA Trade Unions (Fosatu) attended the industries' pay talks for the first time

Barlows seeks State support for heavy engineering

189 RDM

30/4/83

By SIMON WILLSON

Industrial Editor

BARLOWS Heavy Engineering is to lobby the Government for more State assistance for domestic engineering contractors tendering against foreign competition

Mr Derek Cooper, chairman of the group's electronics and general engineering division, will start the campaign by holding discussions with officials at the Department of Mineral and Energy Affairs

Mr Cooper raised the topic yesterday with the Minister of Mineral and Energy Affairs, Mr P T du Plessis, during a commissioning ceremony at BHE's Benoni headquarters Mr Du Plessis opened a fabrication bay and vertical boring facility

Mr Cooper said "Our problem is that there are big overseas countries which are cleverer than we are at subsidising industry and therefore offering more competitive prices than we can

"The Minister of Finance said this week that South Africa was embarking on a new industrial revolution We would like to spend time with Government departments discussing this new era"

The Government would have to rethink the whole question of funding import replacement industries

"We don't mind competing on costs, but we are faced with two problems in this area

"First, I don't believe South African inflation will ever get down to, say, the level of inflation in the UK, for social reasons Therefore, there will always have to be some sort of tariff protection to enable us to match prices

"The second problem is that countries like Japan are always prepared to make long-term loans available to big corporations as part of a tender for a heavy engineering contract"

If heavy industry was to stay competitive, SA could not afford to be myopic about interest rates

"For the next major domestic engineering project, funds should be made available at low rates of interest through, say, the IDC (Industrial Development Corporation) This would remove the built-in advantage held by foreign competition, which can beat local import-replacing industry by offering cheap funding as part of a tender package"

BHE would propose such a scheme, among others, to the relevant Government departments as part of its lobbying campaign

Police do not suspect a crime

-itution of the TIC would be pre-
ation and adoption at the meeting

seu
● See Page 8

3014

na puts paid htwad Bill . . .

Bureau

with tight-fisted Bill xpensive for his wife

of charges for almost

get a television set — lubbed together and charged them 80 c a icity it used

ied daughter, Lorna, ged her eight cents ower

day, when his wife, for a lift in his car he the petrol

the 65-year-old "Mr vealed this week when granted a divorce by

astham said it was in- 32-year marriage had

Bricklayer Mr Broadhurst was a "very selfish and insensitive man," said the judge He gave his wife only R30 a week to feed and clothe them and their three children

He spent his free time on golf, bowls and cars His wife said he was a scrounger who lived off his children She had to take a job as a wages clerk to make ends meet

Once, when she wanted the living room ceiling whitewashed, he charged her R8 to do the job

He never bought her a birthday present — one of his daughters bought presents for him to give

Mr Broadhurst opposed the divorce because it would mean his wife could claim a share of their home which would have to be sold to pay her

He denied he was mean and claimed he was "the henpecked worm in the house"

father, like son at Le Mans

EIM — acing ace etti, his 20- Michael and third driver Porsche 956 ans 24-hour ce this year, here (42), of Na- nsylvania, be only the second time he has driven a Porsche competitively The first time was last Sunday at the Riverside international endurance race in Riverside, California The car was unable to complete the race

"The car feels good There are no surprise breakaways," Andretti said of the 260 000 dollar machine to be used at Le Mans

Andretti said the third member of the team was yet to be chosen and he declined to speculate on who it might be

The race takes place on June 18 — AP

Mawu in pay talks advance

~~1794~~ ~~1551~~ 189 ~~3465~~

Star

Labour Reporter

30 APR 1

The past week saw the Metal and Allied Workers Union make inroads into the metal, steel and engineering industry's annual negotiations for the first time, despite the fact the union is not a member of the industrial council

Tuesday's meeting saw employers appear to reconsider their stand of not negotiating on any future increases until later this year

Mawu's delegation, which included the general and branch secretaries, insisted on addressing the council and refused to nominate a spokesman

The Fosatu-affiliated union stressed in its speeches that employers had made profits in the recent past, but there were no offers from them

The union argued that if there was no money for increases, then the unions should have the opportunity of examining the employers' books

but the

UCT row over

CAPE TOWN — A major row has erupted at the University of Cape Town between the authorities and students after the latter defied instructions not to print a speech by the Minister of Co-operation and Development, Dr Piet Koornhof, to political studies students earlier this week

Varsity the official UCT student newspaper yesterday published a special broadsheet in protest against the speech

In an almost unprecedented step, the vice-chancellor, Dr Stuart Saunders, has said the publication has been withdrawn from circulation A statement by university authorit said that under the Harvard Rules it was unet cal and contained information given in priv leged circumstances off the record

"This issue was p lished against a spe instruction from the vi chancellor"

However, president the Students' Represe tive Council, Mr A Richman, said 6 copies of the edition already been distri among students

The special claims Dr Koornhof to prevent them

Music ushers

30

13 0 APR

Star

By Michael Tissong

Soweto's multimillion-rand project, the So Homemakers' Festival, draws to a close this w after what the organisers called a successful run

The trade fair was the township's first on large scale After a tentative start on Friday week, the turnstiles clicked crazily on the first end as more than 23 000 people turned up

During the week attendance slacked off but ofpeople kept coming — for a chance to win R in prizes, the home improvement demonstratio in prizes, the home improvement demonstrations education and careers guidance talks and t

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MP — priority over amily?

says an official is the supreme au- even the monarch is

the only remaining deep pool in the district By nature, these animals do not move very far from their pool when searching for food at night

They have eaten all the food

sentries along their farm boundaries to keep the large animals away

A farm worker was recently trampled to death when he fell in the path of an aggressive

of these Trust land matters and is watching the situation carefully

"There are two possible solutions — to shoot the animals to

an emergeny guarantee th for the winter

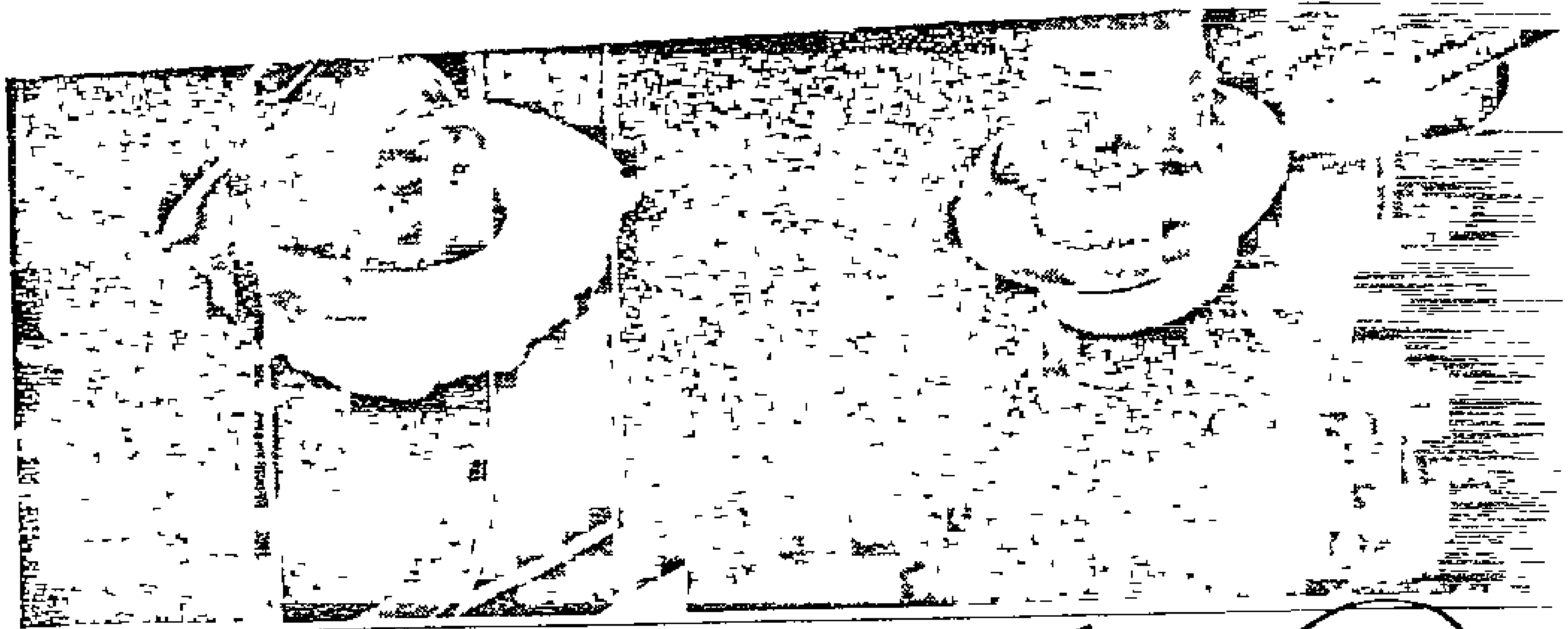
Mr Selley is possibilities

run SA dry?

107

Star

30 APR 1983



Ferrasse h grim mess for Mr Bot

30 APR 1983

Star

From James Tomlins in Paris
and Alan Robinson in London

French rugby chief Mr Albert Ferrasse is taking South Africans next month It is. "Abandon the or face a growing French freeze"

Superficially Mr Ferrase is on a rugby his mission — fully backed by President Francois much wider implications for Franco-South Afric

There is

Prospects for SA steel are looking chilly

(189) S-Times 1983

INDUSTRY'S SEVEREST CRISIS — SEIFSA BOSS

By Amrit Manga

PLUMMETING world iron and steel prices coupled with South Africa's high inflation rate will make South African steel uncompetitive on the international market.

This is the depressing view of Sam van Coller, director of the Steel and Engineering Industries Federation of SA.

He tells Business Times: "Drastic cutbacks in capital expenditure by gold mines and reduction in consumption by the defence force and the Railways have resulted in the industry experiencing its most severe crisis ever."

South Africa is not alone, as iron and steel production internationally has slumped to its lowest level for 14 years, with the industry in major Western countries functioning at less than half its capacity.

The volume index for iron and steel production in South Africa fell by 90 points in 1982, almost 7,5% down on the previous year, and the market is not expected to improve significantly this year.

South Africa's steel production for the first two months of this year dropped by 29,3% on the comparable period last year to 1,4-million tons February's production was 507 000 tons, 25,8% less than in February 1982.

■■■

Production of heavy and light steel rails was 18 000 tons less than 1980's 268 000 tons, increasing only in the third quarter of 1982 by a marginal 4 000 tons

Demand for steel by local car manufacturers in the third quarter of 1982 was almost 40% down on the same period in 1981.

World consumption has fallen to 670-million tons, which is almost 11% lower than the 1979 record consumption of 749-million tons

North American consumption declined by 30% in 1982 on the 1979 consumption level as production in the US slumped to 50% of its capacity.

Highveld Steel Corporation experienced satisfactory profit margins up to the first six months of last year, but came under increasing pressure as the year progressed

By the end of last year the tonnage of steel sales declined by 4%, mainly due to a reduction of 14% in domestic sales.

"For the first time since the Highveld iron and steel works was commissioned in 1968, cutbacks in production were necessary," says Highveld chairman Graham Boustred.

"The decommissioning of two iron furnaces effectively reduced steel capacity to 67%. Further cutbacks will be necessary this year if conditions do not improve"

According to the 1982 Iscor annual report, the downward trend last year gained momentum in the second half, forcing domestic demand for the whole of its 1981/82 financial year down to 5,8%.

■■■

This must be seen against the peak consumption period reached in 1981 after an upswing which lasted 54 months

The corporation's sales figures for ingot steel, pig iron and other steel products were down by almost 1-million tons in 1982 compared with 1980 sales

Although Iscor exported 30,3% more steel than in the previous financial year, whether the performance will be maintained in 1982/83 will depend largely on the dollar-rand ratios

Harris Druker, chairman of the Metal Merchants' Association, says that, "although demand is slack, the steel market is not as saturated as many believe".

An upturn can be expected in the next six months as the construction industry takes off, consuming much of the stockpiled fabricated and re-inforcing steel

Peter van Andel, Ferrous Scrap Distributors' GM, says "Though overseas demand has picked up again, lower world prices have done little to help the local industry.

"Although there is not much prospect in the near future of any improvement, it is possible that the industry will improve in the last quarter of this year provided that world prices improve"

Court rules on sacked Saawu four

RDM

189

5/5/83

By STEVEN FRIEDMAN
Labour Correspondent

A DISPUTE between the SA Allied Workers' Union and an Eastern Cape metal smelting firm has taken a new turn — the Industrial Court has ordered the smelter to reinstate four Saawu members whom it fired in February

This is believed to be the first time Saawu, which is against taking part in "Government institutions" has made use of the court

The firings prompted a work stoppage which placed Saawu's recognition agreement at the smelter in the balance and led to the firing of 73 members of the union at the plant

An Industrial Court action for the reinstatement of the 73 workers is also pending

The smelter — at Berlin — is owned by Fry's Metals, a Wadeville-based company which bought it recently from battery manufacturers Chloride

Chloride was the first company to recognise Saawu and the recognition agreement at the smelter remained in force when Fry's took over

But in February the firing of the four workers led to a dispute during which, the union alleges, Fry's said it was not bound by the agreement

Workers allegedly struck as a result and the 73 were fired

The union then undertook two separate actions — one for the reinstatement of the four and another on behalf of the 73

Last Thursday the court issued an order instructing Fry's to reinstate the four temporarily pending the outcome of the case The order was issued in terms of Section 43 of the Labour Relations Act which allows the court to order reinstatement of workers until a dispute before it has been settled

Fry's managing director, Mr George Griffiths, said yesterday the four would not be physically reinstated, but would be paid for the period of the order

He said the company intended to oppose the action asking for the reinstatement of all the workers

5 MAY D.DISPATCH

Reinstate workers, says court order

189

EAST LONDON — The industrial court has ordered Fry's Metals to reinstate four members of the SA Allied Workers Union (Saawu) fired from its smelter at Berlin in February

The court issued the order on Thursday under legislation which allows it to order the reinstatement of workers until a dispute before the court has been settled

The firings in February prompted a work stoppage which placed Saawu's recognition agreement at the smelter in doubt and led to the firing of a further 73 Saawu members there

An industrial court action for the reinstatement of the 73 workers is also pending but no date for it has been set

The managing director of Fry's Metals, Mr George Griffiths, said yesterday that the four workers ordered reinstated by the court would not be physically reinstated, but would be paid for the period of the order

He said the company intended to oppose the action asking for their reinstatement, and the second action asking for the reinstatement of the 73 other workers

Fry's recognition agreement with Saawu was "in limbo" pending the outcome of the two actions — DDC-DDR

Cape Times 7/5/83

Stewart & Lloyds profits slashed

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By SIMON WILLSON

JOHANNESBURG — Drought and the economic downturn combined to slash Stewarts & Lloyds' halfway profits by 59 percent and its interim dividend by 40 percent in the six months to March 31

The engineering group is paying a 7,5c half-time dividend, against 12,5c last year, with interim earnings 59 percent down at 13,2c against 32,5c Dividend cover dropped to 1,8 times from 2,6 times

Half-year attributable profit slumped to R3 023 000 from R7 405 000

In spite of a four percent increase in turnover to R228m from R219m, pre-tax profit plunged 64,3 percent to R3 774 000 from R10 579 000

Tax offtake

Net profit, however, was again helped by a shrinking tax offtake — 82 percent lower at R536 000 against R3 065 000 — thanks to the company's use of the investment allowances

The chairman, Mr Henri Kuiper, anticipates a further deterioration in economic conditions during the next six months, and doubts whether the company's traditional second-half improvement will be as substantial as it has been in the past.

Earnings for the year, therefore, are expected to be lower than last year's

The usual effects of recession on borrowing costs lifted interest charges by 46 percent to R4 371 000 from R2 994 000

S & L makes and distributes metal tubing and allied products and is controlled by Ipsa which in turn is owned by Metkor (60 percent) and Anglo American (40 percent)

Forecast

The managing director, Mr Percy Levick, said yesterday the company's forecast in its last annual report of a worsening in trading conditions this year had turned out to be "the understatement of the year"

S & L's agricultural branches on the coast had been seriously affected by the drought, although increased prospecting for boreholes could be reflected in the end-year order books

"South Africa has not yet recognized what the drought is doing to the country," he said

There had been a general fall in demand for rolled steel products and castings

Imported goods

"During the last half year, imported goods have been available at very competitive prices," Mr Levick said

"The price of imported stainless steel strip and tubing has dropped by 30 percent in the last six months"

The company had closed and amalgamated subsidiaries to cut costs, and had reduced its overall staff complement by about 20 percent

Working capital and capital expenditure had also been cut to meet the recessionary conditions

~~BAY BUS WORKERS UNION~~

~~P.O. Box~~ 4239
~~Port Elizabeth~~
6000

~~(041) 45911~~

~~Secretary: J.J. Makasi~~

~~eration: Port Elizabeth~~

on: ~~Applied~~

189

World coup for SA arms

Top military magazine gives the shopping list

SOUTH Africa has scored a major international publicity coup as a weapons exporter

By RAY JOSEPH in London and PATRICIA CHENEY in Washington

South African weaponry, sophisticated electronics, radio equipment and military vehicles have been given a four-page display in the International Defence Review (IDR), one of the world's leading arms showcases

The article discloses information about South Afican arms production which has not yet been released in this country

Among the newer pieces of ammunition shown in the IDR was a 60mm mortar fuse "which has been tested in at least one West European country" and a South African-produced projectile which the G5 cannon has fired at high altitude for "a remarkable 45 kilometres"

The IDR is published in four languages and is distributed to selected subscribers in 135 countries

A top Washington analyst has also predicted that South Africa will become a top arms supplier to 'pariah" nations that cannot obtain arms from Western Europe or America

Mr Ian Butterfield, formally with the Heritage Foundation, a conservative "think tank" with close ties to the Reagan Administration, made his prediction in the US News and World Report, a leading weekly news magazine

He told the Sunday Times that countries such as South Africa, Israel, South Korea, Brazil and Taiwan would form an arms-supply network for such right-wing regimes as Argentina and Chile, whose policies disqualified them from arms aid from Western sources

The four-page cover story in the International Defence Review is a major breakthrough for Armscor

The magazine is subscribed to by "people who have decision-making powers" and is considered essential reading in most defence ministries

The IDR was invited to visit South Africa's arms industry after approaches made to Armscor boss, Piet Marais, during last year's Defendory Expo in Greece

An invitation was extended to IDR's editor, Mr Bob Furlong, to send a team to South Africa to report on the arms industry

Mr Furlong told the Sunday Times yesterday that he hoped to send a team of experts to South Africa next year to try out the weapons

Orders

In a foreword to the IDR feature, photo-journalist Robert Boyle writes

"The South African arms industry's surprising participation in the Greek Defendory Expo last year was the result of a decision by the Government in Pretoria to increase foreign sales

"Large sectors of the South African -defence industry, headed by the Government owned Armscor, are currently working at less than half of their capacity due to the cutback in orders caused by the cessation of the war in Rhodesia (now Zimbabwe) and the wind-down in hostilities against Angola and the Swapo"

Mr Boyle says South Africa's arms industry must win orders if it is to recover its heavy investment while retaining its technical personnel

Mr Boyle notes that a number of successful sales have been "chalked up", notably in Latin America

Ratel

"Because of political sensitivities, however, several South African firms prefer to market their products via companies in Western Europe and elsewhere"

The cover of the glossy magazine shows SADF troops on a live firing demonstration in SWA/Namibia and features troops using locally produced, Israeli designed 5,56mm and 7,62mm machineguns

Among the vehicles featured are the Ratel 90, Ratel 60 and Ratel 20, as well as the Ratel's capabilities, giving details of the guns, crew, speed and range

Also featured is the Valkiri, South Africa's answer to the Soviet BM-21 multiple rocket launchers captured from Cubans in Angola

Missiles

The South African rockets, which can be fired in one-second intervals, have a range of 22,5km IDR also has pictures and technical details on the G5 and G6 cannons

An SA-produced missile which the IDR says is now avaiblable to foreign buyers, is the Kentron Kukri V3B air-to-air dogfight missile, on service with the SADF's Mirage 111s and Mirage f1s

Another item of interest was a frequency hopping radio which, according to the IDR, was reportedly used by Argentinian invasion forces in the Falklands

British forces who captured these sets were said to have found them more advanced than their own, according to the IDR

Sowetan

(189)

9 MAY 1983

Union leaders hit back at retrenchments

WHILE bosses and the Government say retrenchments are unavoidable during a recession, trade union leaders say companies retrench to maintain huge profits

By MONO BADELA

The deepening recession and its resultant retrenchments and high rate of unemployment is leaving in its wake the dreaded spectre of debt poverty and frustration among countless blacks

A glaring picture of this was evident when Iscor Steel Industries in Pretoria earlier in the year retrenched more than 40 percent of their 5 000 workers, mostly blacks

The general secretary of the General and Allied Workers' Union (Gawu), Mr Sidney Mufamandi, said that during recession bosses try to maintain their profit rate and do this at the expense of workers by cutting back their labour costs and dismissing large numbers of workers

He agrees that retrenchments may occur during an economic crisis but claims that recession always follows a boom period in the economy

In a boom bosses make very great profits In fact South Africa had one of its greatest economic booms between 1979 and 1982

He said bosses could use the high profits made in this period to support workers during the recession

Instead, he claimed, the workers who made the profits for the company were now put onto the streets

During recession, inflation increases and workers are faced with a rocketing of prices in household subsistence goods which make their burden even heavier, he said

He also claimed that bosses use retrenchments to weaken and disorganise worker organisations in the factory by dismissing leaders The workers who remain behind were overworked because bosses want to maintain a high level of production and because these workers are also doing the job of the retrenched workers

Mr Mufamandi said One realises that retrenchments are aimed at consolidating the bantustan strategy Contract workers are hardest hit and forced to go back to the 'homelands and are subjected to drought and general poverty in the balkanised homelands

'This forces them to join Government-created institutions like the army," he said

According to the Metal and Allied Workers' Union (Mawu) these companies did not retrench to stay in business but to maintain huge profits"

Different trade unions have put forward suggestions on how they plan to fight retrenchments

Some of the altern tives are

- Managements should give factory committees or unions long notice of an intended retrenchment and provide full information explaining why it is necessary
- All overtime must be stopped The bosses cannot be retrenching workers and still have enough work for overtime By working short time the number of hours which all workers work may be reduced, so the burden of the lack of work is shared

If retrenchment is to take place trade unions suggest the following guidelines

- "Last in first out' — workers with the shortest service should be retrenched first This prevents the bosses from getting rid of older workers who have given long service to the company,
- Workers must receive severance or redundancy pay according to the number of years they have served the company,

RDM. 9/5/83

Unions use court to settle disputes

(189)

A WHILE ago, a chief employer labour priority was avoiding strikes Now it is staying out of the industrial court

Since the recession began, Fosatu and, to a lesser extent, Cusa, have been using the court to seek redress against employers in cases where the unions believe they have no other avenue

But now there are signs that other emerging unions plan to use the court

Members of the SA Allied Workers Union and the Media Workers' Association of SA have filed papers before the court, asking it to reinstate workers fired during work stoppages

Saawu's case concerns a stoppage at a Berlin smelter — sold by battery firm Chloride to Fry's Metals — which led to the sacking of 73 workers and threatens one of the union's oldest recognition agreements

The court has already granted an order temporarily reinstating four Saawu members whose sacking sparked off the stoppage

The Mwasa case concerns the sacking of workers at The Star newspaper for striking

Both are key cases, because they may test for the first time the circumstances in which employers can fire strikers, a practice which is common here but less so in other Western countries

But the cases are also significant because both unions have opposed using Government labour machinery

The court is a key element in the official labour set-up, and in some cases — such as Saawu's — disputes which come before it have to be processed by an official industrial council first

Both Saawu and Mwasa say their members, rather than the union itself, are using the court but the distinction is a fine one

The two cases show the court is winning a credibility among black unions which once seemed unlikely and which even seems to override suspicions about taking part in "the system"

Courts are only used in cases where unions feel they have no other avenue, so its workload will reduce when the economy picks up and unions feel better able to settle disputes in other ways

While some employers are disgruntled about the court's new role in settling disputes, it is worth noting that this year has seen few of the boycotts and campaigns which might have been expected during the recession

☐ ☐ ☐ ☐ RDH (189)

9/9/83

A FOSATU union and a Barlow Rand company are once again at loggerheads

Thus time the battleground is Barlow subsidiary Premier Paper, which cancelled its recognition agreement with the Paper, Wood and Allied Workers Union after a week-long strike

Although workers have returned, the battle continues, with Premier insisting it will only negotiate with "worker representatives" and workers insisting they will only bargain through the union

The union now plans to take the matter to the industrial court

At the same time, two other disputes between Barlow companies and a Fosatu union are bubbling and a battle between the two sides could be looming

Meanwhile, Fosatu's National Automobile and Allied Workers Union has concluded a wage deal with motor firm Sigma, which seems to contrast with most other current wage negotiations

The settlement raises pay by 15% for the lowest grades and will push up Sigma's wage bill by about 13% It is also the first wage deal between the two to be settled without a dispute

Naawu says Sigma's willingness to pay this when it has announced heavy losses is "in marked contrast" with the attitude of most other employers

Firm to deal with a union it once fought

(189)

NDM

10/3/83

Labour Correspondent

IN A sequel to a bitter labour dispute two years ago an unregistered trade union, the National Iron Steel, Metal and Allied Workers Union, has won full recognition from a Richards Bay company, Richards Bay Minerals

The union announced this in a Press statement yesterday and said it would now ask the company, which employs over 950 workers, to commence negotiations on workers' demands for a R3 an hour minimum wage

The official industrial council minimum for the metal industry is less than half this figure

Members of NISMAWU, which is affiliated to the National Federation of Workers were involved in a bitter dispute with the company after a strike at its plant

However, the dispute was eventually settled and the two sides have been negotiating since then

The signing of the agreement follows an earlier decision by the company to grant the union interim recognition

In its statement, NISMAWU said it viewed the agreement as 'a breakthrough for the union, as well as a victory for the unions that have refused to register" with the Government

The statement thanked union members 'who have consistently fought hard for the past twenty four months to have NISMAWU fully recognised by their employer"

It said the recognition agreement gave its members the right to elect shop stewards and to negotiate on work conditions and wages

10 MAY 1983

Unrest simmering at Barlow Kew factory

189 STAR

Labour Reporter

Labour unrest is simmering at the Kew factory of the Barlow Manufacturing Company

Members of the Metal and Allied Workers' Union (Mawu) want the management to finalise a recognition agreement and propose new wage scales

But managing director Mr R A Williams said that the company had to await the outcome of wage negotiations between the the Steel and Engineering Industries Federation of SA, and trade unions

Mr Williams said that, while negotiations for a recognition agreement had been going on for some time, the company would be happy to resolve the matter and was awaiting proposals from the union

Mawu's shop steward council for Barlow Rand firms met at the weekend and criticised the company for delays over the agreement and for refusing to continue talks with shop stewards at the Kew factory

Last week there was a brief work stoppage at the factory

(189)

SOWETAN 10 M 1983

Row brews at Barlow plant

By MONO BADELA

A NEW row is brewing between the Fosatu affiliated Metal and Allied Workers' Union (Mawu) and another Barlow Rand company over wage demands and non-enforcement of the company's Code of Conduct

This time the battleground has shifted from the Barlow subsidiary Premier Paper Mill to Barlow Kew where the dispute was sparked off last week by selective wage increases The factory is on a four day week because of the economic slump

According to a spokesman for the Barlow Rand Shop Stewards Council, workers were now demanding to know why the slump affects some workers only

At a special meeting for shop stewards at the weekend workers are reported to have complained that since the four day week system was introduced, management had speeded up production so that the same number of stores and machines were now made in four days as used to be made during a five day week

The workers are also unhappy that only some workers work a four-day-week and that the white coloured and Indian employees are not affected by the short time The situation at the factory was described as 'extremely tense " At one stage two welders stopped working for two hours

MEETING

On Monday last week a special meeting was held with the local management and the managing director where it is alleged management walked out

Plans to strike following the failure of last week's meeting with the management were abandoned on Tuesday and workers plan to approach management again this week

Mawu has been recognised at Barlow Rand for more than a year now, but there is still no signed recognition agreement This was because, according to the spokesman negotiations for a preliminary agreement deadlocked after seven months when management insisted that the union could not discuss wages with the management

The Barlow Rand Shop Stewards Council is complaining that not all Barlow's companies act like Barlow Kew and Premier Paper Mills and the head office was not enforcing the Code of Conduct on it's subsidary companies.

189 ~~153~~ ~~184~~

RDM

10/5/83

~~151~~ ~~346~~

Barlows threatened with labour unrest

By STEVEN FRIEDMAN
Labour Correspondent

ANOTHER dispute between a Barlow Rand company and a union affiliated to the Federation of SA Trade Unions is simmering and unionists say they fear labour unrest at the Kew plant which is the site of the battle

According to Fosatu's Metal and Allied Workers Union, workers at Barlows Manufacturing in Kew, which employs some 500 workers, are threatening to strike because, they say, management has granted "unilateral" increases to some workers but not others and is refusing to negotiate wages with workers

MAWU says a meeting of Fosatu's Barlow Rand shop stewards council at the weekend persuaded workers not to strike immediately, but to seek a new meeting with management yesterday But a union spokesman said management had refused to meet union shop stewards yesterday

However, the company's managing director, Mr Robbie Williams, yesterday denied the union's allegations He said management had "at no stage" refused to negotiate with the union and said no meeting had been requested yesterday

"If workers had requested a meeting, we would have agreed It is our policy to meet worker representatives when they request this," he said

MAWU says Barlow Manufacturing workers requested a rise from the company but had been refused at a meeting last week They charged management "walked out" of the meeting refusing to discuss the wage issue any further

MAWU says workers charge that the company can afford increases because it recently decided to give increases to some workers, though not to others

It says they also allege that, although the plant is working a four-day week, production is the same as it was when it was on a full working week

It said the company had said it did not have money to pay increases, but had refused to disclose to workers production figures and whether it was making a profit or a loss

The union says workers told the shop stewards council that they wanted to strike but were advised to make a final attempt to talk to management

Mr Williams said the company had been negotiating a recognition agreement with MAWU, but that the union had broken off these talks in mid-February

"We are still prepared to discuss recognition, but they are not The ball is now in their court", he said

Despite this, Mr Williams said the company was willing to negotiate with the union and had discussed wages with shop stewards last week

"We told them we could not discuss a rise until we knew the outcome of the metal industrial council negotiations But we did not walk out"

He said the company had received no union request to negotiate since last week

Mr Williams confirmed the company had been unwilling to disclose its figures, which were confidential

He denied that workers had been given a selective increase These workers were reclassified into a higher job grade and their pay rose accordingly

189 RDM

10/5/83

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Mawu wants control over pension fund

1983

11/5/83

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Sowetan **By MONO BADELA**

THE MORE than 100 000-strong Metal and Allied Workers' Union (Mawu) is pushing for worker control of the multi-million rand metal industries' pension fund.

The fund to which more than 450 000 workers contribute contained 586 million rand at the end of last year and at present is controlled by a board dominated by management representatives Mawu's general secretary, Mr David Sebabi, said that it was crucial that workers who were members of the fund should be able to control the fund

He said workers would then be able to make the changes to the fund that they wanted

At a meeting with the employers' association Seifsa last month Mawu argued that the unions with the most members in the fund should have the most seats on the controlling board and that employers should have less than half the seats on this board

11/5/83 (189) RUSH

Power cuts won't threaten aluminium

By SIMON WILLSON
Industrial Editor

ALUMINIUM producers and manufacturers are confident that their industry will come through the winter with few, if any, problems from power cuts

The aluminium industry is particularly vulnerable to interruptions in electricity supply, as smelting of the ore is a highly energy-intensive process entirely dependent on electricity

The Electricity Supply Commission (Escom) has warned of possible power cuts this winter on a rota basis around the country because of shortages of water for cooling at power stations

But Mr Fanie Malan, executive director of the Aluminium Federation of South Africa (AFSA), says the industry has not found it necessary to date to draw up any emergency plans to cope with power cuts later in the year

"The smelters dealing with primary metal would obviously be seriously affected by any power interruptions, but there is only one primary smelter — at Richards Bay

"If it can last the winter with a constant power supply, the rest of the industry should be relatively unaffected

"This is because nearly most of the smelting of secondary metal (scrap) is done by gas," Mr Malan said

AFSA represents 44 smelting, casting and fabrication plants in South Africa's R600-million a year aluminium industry, which has an annual output of about 120 000 tons

South Africa's only producer of primary aluminium — metal smelted from ore rather than scrap — is Alusaf, based at Richards Bay The Industrial Development Corporation and Swiss Aluminium are its major shareholders

By June this year a new smelting plant imported from Japan should be fully commissioned, with the goal of doubling Alusaf's production capacity to 170 000 tons a year

But even with this huge increase in its installed plant, the company is confident that it will not have to shut down any capacity this year due to electricity shortages

"We have been in touch with Escom about the power supply situation and the feedback so far has been that the probability of black-outs hitting us is not very large," said Alusaf's general manager, production Mr Hans Kaiser

"We reacted sharply to earlier reports of critical power shortages this year, but we have found that the position is not so black for us There seems to be a large number of projects on hand to overcome Escom's water shortage"

Mr Kaiser said Alusaf was accustomed to cutting back its total power demand during the winter months, because the national grid was often unable to cope with seasonal consumption peaks

"We regularly reduce our power demand in winter to what the system can handle We can manage a 5-10% reduction in electricity demand without much trouble, and our production is directly proportionate to the amperage available to us"

He pointed out, however, that the Richards Bay plant had yet to reach its peak electricity demand, which would only come after the commissioning of the new smelter next month

The plant's full electricity consumption would then be more than 300MW By comparison, a town the size of Witbank needs only 65MW, whereas Johannesburg needs 1 200MW

Pietermaritzburg-based Hulett Aluminium a subsidiary of the multinational Alcan group, is South Africa's biggest processor of secondary aluminium, doing most of the extruding and semi-fabricating of re-smelted scrap

The company has spent more than R40-million over the past 10 years on new plant, but it too foresees no problems this year from power cuts

"We have a very good working arrangement with the authorities We have not suffered any power cuts in the past and we do not expect any this year," said Mr Gerhard Christiansen, general manager of Hulett's rolled products division

"We are taking great care not to exceed our usual maximum electricity demand level of 17,5MW We set this demand target ourselves, and we have very strict internal controls to ensure that it is maintained

"These measures include switching off all our air-conditioners, and cutting out all office lights at night"

Hortor
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By JOHN MULCAHY

HORTORS Trio-R
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(189)

SA ferroalloy outlook brightens this year

By HOWARD PREECE

SOUTH African ferroalloy producers say that the world market is picking up well this year after what was a disastrous period in the second half of 1982

They base their assumptions very largely on the main established steel producing countries and do not believe other markets can remotely substitute for them

So far as ferrochrome is concerned confidence is based almost entirely on the prospects for the big three markets — the United States, Western Europe and Japan

Other newer markets, such as Taiwan and South Korea, are regarded as useful additions to demand but still of very limited importance

Total potential South African sales to Taiwan, for example, are reckoned at no more than 20 000 tons

The ferrochrome position was so bad towards the end of last year that, South African industry sources say, some of the country's producers were operating for periods at as little as 30 per cent of capacity

SA Manganese Amcor and Consolidated Metallurgical Industries are two producers known to have been particularly badly hit

South Africa takes an extremely secretive approach to ferroalloys and discloses as little statistical information as it can

According to projections by the South African Minerals Bureau the country exported about 600 000 tons of ferrochrome in 1982

But, sources say, that figures is certainly an extravagant over-estimate and is derived from trends in the first half of the year before the worst conditions hit the industry

This ties in with data from the South African Iron and Steel Industries Federation which says that while the country's total ferroalloy production was averaging around 110 000 tons a month in the first quarter of 1982 it had slumped to 73 000 tons by the last quarter

South Africa has a ferrochrome capacity of 820 000 tons It appears that production in 1982 was less than 500 000 tons of which around 16 000 tons was for domestic production and the balance went into exports or stockpiles

But the industry is now reasonably optimistic about 1983

I am told that total US market for ferrochrome, leaving side stocks, slumped last year to about 160 000 tons

The South African industry believes this will be back up to 400 000 tons in 1983

It further believes that nearly all the extra tonnage will have to come from imports and that South Africa expects to supply about 70 per cent of those

Japan is expected to show a steady demand at about 500 000 tons this year, of which some 200 000 tons will be imported

South Africa is confident of contracts for 140 000 tons of imports

This confidence is reinforced by the power troubles that have hit the ferrochrome industry in both the Philippines and India

South Africa also anticipates selling well over 100 000 tons of ferrochrome to West Germany this year and expects better conditions in other important European market such as Britain and Sweden

But for all that the South Africa ferrochrome industry is bound to continue operating well below capacity for this year at least

A recent review by one of the country's largest banks, the Standard group, said it was facing some serious difficulties

The review added "The industry's medium term prospects are fairly good provided only that the recession in the established industrial countries abates soon

"South Africa and some other southern hemisphere and Third World producers possess important comparative advantages in the production of ferro-alloys when compared with First World producers

"In consequence a migration of the world ferroalloy industry has been in progress for some time

"However, a perpetuation of the world recession in 1984 would retard this process

"The difficulty is that governments in the First World are able to tolerate only limited economic pain and if the intensity of the pain increases they are likely to adopt strongly protectionist positions with regard to their own ferroalloy production"

According to the SA Minerals Bureau South Africa exported approximately 450 000 tons of ferromanganese in 1982

That figure, sources, say, is also an over-estimate, but not so much out of line as the ferrochrome claim

South Africa's own usage plus substantial stockpiling accounted for over 200 000 tons last year so that technically the industry was operating to around 70% of its 800 000 ton capacity

There were, however, lots of problems

I understand, for example, that South African ferromanganese sales to the whole of the member countries of the European Economic Community were no more than 80 000 tons last year

Back in 1976 South Africa supplied that much to West Germany alone

For 1983 South Africa is looking for double the 1982 sales level to the EEC and is banking on sales of 200 000 tons upwards to the United States and Canada

Unlike ferrochrome South African ferromanganese has no market in Japan

A cautiously optimistic view of South Africa's ferroalloy prospects is taken by Dr J P Kearney, chairman of SA Manganese Amcor, Samancor, the world's largest integrated producer of ferroalloys

He points out that the cost pressures and recession effects which have hit the South African industry have taken a much heavier toll on some of the foreign competition

The United States ferrochrome industry, for example, is facing severe hardship as many plants have been forced to stop operations

European producers, Kearney adds, also generally are facing major difficulties

Dr Kearney argues that while the South African industry has its present share of problems these are showing some signs of easing, particularly on the ferrochrome side, and that South Africa can hope to gain additional market share as some of its competitors are forced further to reduce or close operations

Mr Les Boyd, managing director of Highveld Steel and Vanadium Corporation, whose interests include the production of ferromanganese and ferrosilicon, says that the world market slump may be over the worst now

He believes that the US may have passed the bottom and that Japan probably turned the corner during the first quarter of this year

But Mr Boyd says that ferroalloy prices are still "awful"

All South African producers agree that they would have been in a hopeless plight but for the dramatic relief they have had over the past 18 months from the sharp fall in the foreign exchange value of the rand against the dollar

They are not, however, particularly worried about the emergence of new ferroalloy industries in other countries

Dr Kearney says that Mexico, on the ferromanganese side, and Brazil, on ferrochrome, are able to make some sales in the US but that the quantities involved are not really important, although they have sold at very low prices

Also, he says, Australia has power and transport difficulties with its manganese ore located in remote areas

However, Mr Boyd argues that Brazil and, to a lesser extent, Venezuela have had a "disruptive" effect on world ferroalloy prices

He says that both countries seem to be selling well below cost with the help of large export subsidies

South Africa enjoys enormous advantages internationally in ferroalloy production from suitable raw material, power costs, labour costs, anti-pollution costs and technological expertise and infrastructure

A warning note about South Africa's 15% inflation level was sounded last month, however, by Mr Ted Pavitt, chairman of General Mining Union Corporation which controls Tubatse Ferrochrome

Mr Pavitt said in Gencor's annual report "We are losing our competitiveness in the asbestos, ferrochrome, chrome and manganese areas

"We are going to find ourselves in serious trouble unless we can get some relief from this ongoing escalation in costs"

However, Standard Bank predicts "Once the world recession has passed the South African industry will emerge in an even stronger position than before

"Some of the other southern hemisphere and Third World producers may come to challenge South African dominance in time, partly reflecting First World consumers desires to diversify from South Africa's supplies, but for a period of several years the local industry seems likely to enjoy a strategic window in the ferroalloy marketplace"

Metalworkers council revived

STAR

12 MAY 1983

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Without much accompanying fanfare the South African Co-ordinating Council for the International Metalworkers Federation was revived in Johannesburg recently

The council broke up more internal divisions in 1980 but was reconstituted on Monday under the leadership of Mr Ike van der Watt, general secretary of the South African Boilermakers Society

The significance of the local council for the IMF lies in its membership which straddles many trade union divisions in the metal industry

There are seven unions in the council -- three are affiliates of the Trade Union Council of South Africa (Tucsa), two are affiliates of the Federation of South African Trade Unions (Fosatu) and two are independent unions

There has been a significant move in the South African trade union world, writes Labour Reporter Tony Davis.

The union alignment on the council points to the reconstituted body's credibility

There had been some speculation in June last year that the local council for the IMF could be revived after two large metal unions were expelled from the international organisation meeting in Rome

The Amalgamated Engineering Union and the S A Electrical Workers Union, representing a combined 50 000 members, were kicked out for their stance on racial membership, largely at the instigation of Fosatu

The seven new council unions are all members of the IMF and are looking at the admission of two more metal unions -- the Steel, Engineering and Allied Workers Union and the Federated Mining Union rejected the argument ball

Boilermakers want union unity

RDM 12/5/83

181/2

Labour Correspondent

DISUNITY and a lack of co-operation between unions in the giant metal industries and elsewhere are hampering them in their negotiations with employers says a leading metal union

In a newsletter released yesterday, the SA Boilermakers Society a member of the Trade Union Council of SA (Tucsa), the biggest union in the country, says unions face two problems in their current wage negotiations

The first it says, is a 'lack of co-ordination among the unions involved in the negotiations"

This is believed to refer chiefly to the metal industry negotiations where established unions are demanding a 14% increase but Fosatu s Metal and Allied Workers Union (Mawu) is demanding an increase of around 40% in minimum rates in order to bring them up to R90 a week

Mawu's demands and those of other unions also differ in other crucial respects Last year there was also a sharp difference between the demands of established unions and those of the Councils of Unions of South Africa (Cusa) affiliated Steel Engineering and Allied Workers Union

The Boilermakers say there is 'a crying need for closer co-operation between the unions' and add that a "united approach to the employer in negotiations is needed Another obstacle referred to in the article is the "unprecedented economic complications as a result of the drought the worst in living memory'

"We must take into consideration the fact that we are going to have to pay much more for essentials which our families need When employers oppose our demands and plead economic difficulties they must bear this fact in mind"

Amardah yards face temporary closure

(189) ~~[illegible]~~ Mercury 13/5/83

Shipping Reporter

THE OIL rig building boom is now history and Amardah shipyards, which like other yards sprung up to cash in on the large number of orders, will be forced to close temporarily unless it wins a further order soon

On May 31 the yard, which at one time employed as many as 1 300 workers, will have to pay off its remaining artisans and release engineers and other workers who can be absorbed into other branches of the huge Murray and Roberts group

The prefabricated site offices, store buildings and anything else which Amardah can sell, will gradually disappear from the Bayhead premises while the sixth rig to be built here is towed to her owners in the United States

Idle

The huge tract of land between Elgin Brown & Hamer's ship repair facility and Sandock Austral's shipyard will stand virtually idle but Amardah says it does not plan to move out

The yard is now desperately trying to secure an order for a rig which could be completed in 1985 — by which time there might be a renewed demand for the structures

Managing director Jan Tromp prefers to describe the yard's fate in terms of 'mothballs' and says 'We would like to keep the name Amardah alive and will be paying periodic visits to the States to let them know that we are still here

'The tragedy is that just as we were getting into the swing of things and operating economically, the bottom fell out of the market,' he said

'There are about 176 rigs lying idle and 30 new buildings that will emerge from yards this year will have no drilling contracts Some predictions name the end of 1985 as the time when the market will pick up again

In November last year Murray & Roberts resolved to keep the yard going That was not long after the group's partner, Darling & Hodgson, pulled out of what it regarded as a no-win venture

'There's been no change in decision ' said Mr Tromp 'We've just had to face facts and mothball the yard until things improve

About three years ago Amardah began rig building under licence of the U S company Baker Marine, which 'took us by the scruff of the neck and threw us in the deep end to learn'

The yard, working under licence to U S-based Baker Marine and subsidised by the Government, went into the market place offering an attractive purchase price that included convenient financing

The Industrial Development Corporation provided 85 percent financing over an eight to 10-year period, at 9 percent interest on the rand value of the rig, so long as the local content exceeded 68 percent

But now that's of little use, seeing nobody needs new rigs

Besides looking to the U S for orders, the yard will be keeping an eye on the success of Soekor in finding oil off the South African coast

Amardah has already told Soekor that it would be interested in building rig jackets and says Mr Tromp 'If there's any chance of an order we will go hammer and tongs to get the work

Diversifying as Amardah is difficult because of the size of Murray & Roberts 'We would be bound to tread on somebody's toes ' said Mr Tromp

Rigs

When rig building was first considered opinion among the leadership of Murray & Roberts was divided and now the original sceptics are no doubt saying 'we told you so

'My own feeling is that it was right to embark on the venture,' said Mr Tromp 'We have always had a policy of diversification You know, a tortoise can't move until it sticks its neck out '

In the meantime, Amardah will be active with its only possible resource — crane hire — a far cry from its activities in the last two years when it was busy on at least two rigs at any one time, as the country's biggest exporter of fabricated steel

SHIPBUILDING

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Mayday, mayday

FM 13/5/83

For the umpteenth time, shipbuilders have sent government a distress signal to save their sinking industry.

Dick Brass, executive director of Dorbyl Marine, says "The situation is critical and we need urgent action."

Dorbyl, SA's largest commercial shipbuilder, is putting the finishing touches to two harbour tugs for SA Transport Services at its Durban yard. Once they are completed next month, it will begin to wind down its operation. Apart from the possibility of a few small orders for the fishing industry, prospects of further business are gloomy.

The situation at Amardah, the Murray & Roberts-owned rig building concern, is even more serious Amardah MD Jan Tromp says that when the rig it is currently constructing leaves Durban, the company will be "mothballed"

The oil industry, he notes, is particularly depressed and the prospect of acquiring new contracts "remote"

The only other shipbuilding company is Sandock-Austral, which is engaged mainly in highly sensitive government contracts

Brass says shipbuilding's precarious position was spelt out for Transport Minister Hendrik Schoeman at a recent naming ceremony The Minister, he says, is aware of the problems and has given an undertaking to investigate.

"We are not looking for handouts," says Brass "What is required is for government to appoint a committee to investigate shipbuilding in SA as a matter of urgency."

One area where Brass believes government can make a contribution is on the subsidy scheme. The present system operates on the basis of 25% on the owner's price or 20% on the yard price for vessels over 500 t. Brass contends that the system should be amended to allow some flexibility He would like to see a bigger subsidy, say up to 40%, on some vessels and a reduced subsidy or no subsidy on vessels where the yard is more competitive

In 1980, the government appointed a committee to investigate the subsidy scheme, but it is not likely to report before the end of the year

Another approach that has been widely discussed is for government to force SA shipowners to place all new orders with local yards But Brass, for one, would be unhappy with this kind of arm-twisting "Owners operate in a competitive market If they are going to have to subsidise SA builders, they will no longer be competitive"

It would be far better, he says, to improve owners' initial tax write-offs to "make the bottom line look rosier" Moreover, he doubts whether local owners would have sufficient work to keep builders occupied — especially with the tendency to purchase second-hand vessels at half replacement cost

Brass says shipbuilders would consider closure only as a last option "But," he adds, "if it comes to that, we won't have acted unilaterally We've been talking to government at a very senior level"

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S. Express 15/5/83

Electrical firms join hands in attempt to stop flood of imports

By DAVID PINCUS

DEFY and Barlows, South Africa's electric appliance manufacturing giants, who had nothing in common a few years ago other than a burning desire to take as much market share from each other as possible, now find themselves to be virtual bedfellows

This new relationship is not to either of their liking and does nothing to lessen the competition between them, but is one that has to be accepted if they are to stem the flood of imported appliances being dumped on the South African market at little more than their cost of raw materials which is drastically diluting the market share of both

And flood it is Owen Dinsdale, Barlow Manufacturing's general manager, said "A few years ago imported large appliances, or white goods, amounted to a trickle, of between 5% and 10% of the market

"But it has now become a torrent Imports now account for a third of the refrigerator and freezer market and the same goes for washing machines At one stage, imports accounted for about 50% of that market"

"In a normal year the local market absorbs about 250 000 refrigerators and freezers, about 150 000 stoves, and about 200 000 units are sold into the laundry market (washing machines and tumble driers)"

He made no secret of the fact that he was a worried man and that, to an extent, the barrier between Barlow Manufacturing and Defy has crumbled and that the main competition at the moment does not come from Defy

"We'll be doing our best to ensure that we don't lose market share to imports Otherwise it will take longer to recoup our investment which will affect our plans to reinvest and improve our technology

"On white goods we support local manufacture because it creates many jobs and puts money back into the economy, which supports us and other local manufacturers"

Bill Muirhead, marketing director of Defy which is to officially open a new R20-million refrigerator factory at Vulcania, Brakpan, on June 2, said there could be little doubt that South Africa was regarded as the happy dumping ground by German, Italian and Japanese manufacturers

"I refuse to believe that they can make an appliance, pack it, put it in a container, send it to a South Africa, allow a distributor an "interesting" mark-up and still land it here for what we would pay for just its raw material," he said

"No factory in Italy would dare do anything like that to say France, because in a matter of days the French would retaliate But they feel they can do it to South Africa, because we are too far away to retaliate"

He said one of the reasons why overseas manufacturers could get their foothold in South Africa was that during boom periods, "when South Africans habitually over-reach themselves we (the local manufacturers) are hard-pressed to keep up with demand, so imports are allowed

"Those imports continue coming in when we go into recession, and traditionally over-react, and protective tariffs have to be imposed to protect us, but by then the importers have creamed off a lot of the market"

He said that with the new Defy factory and Barlows' new one that was commissioned about 18 months ago there should be no shortage of locally-made refrigerators, even during boom times

Muirhead believes the increase of imported white goods on the South African market is due to the worldwide recession — to counter its effects overseas factories are prepared to continue producing, provided they show no losses and don't expect any profits either — and to the anticipated growth of the appliance market in South Africa

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RDM
16/9/83

TODAY should provide important pointers on two disputes between Barlow Rand companies and Fosatu unions

At Premier Paper — where the Paper, Wood and Allied Union's recognition agreement was cancelled during a recent strike — talks are continuing and an announcement could be made today

The signs are that relative peace between company and union may be restored

And at Barlows' Manufacturing in Kew, Metal and Allied Workers Union shop stewards will meet management today about wage demands Unionists say tensions are still running high at the plant

Relations between Barlow Rand and Fosatu are worth watching Barlows is the group in which Fosatu have developed an active and functioning shop stewards council

This body brings together worker leaders in Barlow companies across industry lines, and has played a key role in advising workers in both disputes

There are obviously several other conglomerates where unions could decide to apply the same strategy if the Barlows' council becomes a significant force

Industrial Week 17/5/83

Barlow MD denies walkout

187 ~~140A~~

CHARGES by the Metal and Allied Workers Union (MAWU) that senior Barlow Manufacturing management refused to negotiate wage increases have been vehemently denied by MD Robbie Williams writes Kathy Gibson.

"That is absolute nonsense," he said. "The issue of wage increases came up at the last meeting with shop stewards, and we are unable to reach an immediate agreement.

"We could not discuss a raise until we knew the outcome of the Metal Industrial Council negotiations"

Another meeting with the shop stewards has been scheduled for this week, and the wage issue will be discussed again

"We are always prepared to meet with the workers' representatives," said Williams

"We have had meetings with MAWU to discuss a recognition agreement, and pay increases will be discussed at this next meeting with the shop stewards,"

Williams has strongly denied an allegation by MAWU that management "walked out" of a meeting with representatives

He said that there were no more issues to be discussed and the meeting had ended normally.

He also denied reports that workers were threatening to strike

(189) RDM 18/5/83

Workers meet over pay

Labour Correspondent

FOUR mass meetings at the weekend of Witwatersrand metal workers will decide whether to accept or reject an expected wage offer from the Steel and Engineering Industries Federation (Seifsa)

The meetings have been called by the Metal and Allied Workers' Union, which claims meetings such as these herald a new era of black worker participation in official pay negotiations in the metal industries

MAWU is taking part in official Metal Industrial Council pay negotiations for the first time this year, although it is not yet a member of the council

At a recent meeting of the council, Seifsa agreed to make a wage offer to the unions after initially saying it was against any rises at present But it said some sectors of the industries would be unable to make any offer

The Seifsa offer is to be discussed at a council meeting on Tuesday and Seifsa has agreed to send details to the unions this week

According to a union spokesman, MAWU had called mass meetings in all four of its Witwatersrand locals to discuss the Seifsa offer and to "prepare for next week's negotiations"

He said the meetings would be held on Sunday, by which time the unions hoped to have details of Seifsa's offer The meetings would be open to all metal workers on the Witwatersrand, he said

When it applied to join the council, MAWU said it would not sign any agreements without first obtaining a mandate from its members Established unions on the councils rarely refer decisions on annual wage negotiations back to their entire membership, according to MAWU

MAWU said workers in its Germiston/Wadeville/Alberton local would meet in Katlehong township on Sunday and those in its Benoni local would meet in Actonville

Its Isando/Elandsfontein and Johannesburg locals would also meet to discuss the employer offer

Seifsa pay talks next week

20/5/88

Labour Reporter

Trade union leaders and employers in the metal industry meet again in Johannesburg on Tuesday to attempt to negotiate wage increases affecting about 500 000 workers

The Steel and Engineering Industries Federation of SA (Seifsa), representing employers, wrote to the unions this week with a suggested wage offer The unions have demanded increases of about 14 percent Seifsa's offer is understood to be well below this demand

RDM 23/7/83

(199)

TWO potential showdowns — both with implications for the future of bargaining in key industries — are due to take shape this week

In the metal industries, unions and employers meet tomorrow to continue annual wage negotiations

Employer federation Seifsa has now made an offer to unions after first pushing for a wage freeze It has offered 3% to those at the top of the scale and 5% to those at the bottom

But artisan unions on the council label this an "insult" and may declare a dispute with Seifsa This would delay a settlement, but there should be an accord sooner or later

What gives the negotiations more long-lasting import is the fact that Fosatu's Metal and Allied Workers Union is taking part for the first time, though its application to join the council hasn't been accepted yet.

Its participation, the first involvement by Fosatu's biggest union in metal's official bargaining system, is a key pointer to the future

It is firstly a test of the council's ability to meet black worker aspirations

But it is also a test for the union Having taken a controversial tactical decision to join the council, it will now have to show that this can pay off

MAWU members were due to meet at the weekend to discuss their stance at the talks But the union's stated policy is to accept not less than a R2-an-hour minimum wage and the present metal minimum is R1,42

So with employers determined to keep rises to a minimum, there is no chance of a wage accord between MAWU and Seifsa

In the current economic climate, there is also little chance of strikes by MAWU members on the wage issue

The union may simply react by issuing angry statements — but the negotiations provide a first crucial test of its role on the council

RDM

24/5/83

(189)

Metalworkers reject 5% rise and claim 30%

By STEVEN FRIEDMAN
Labour Correspondent

KEY pay talks in the metal industries — which affect the wages of nearly 500 000 workers — resume today with prospects of a settlement seemingly slim

Yesterday, the Metal and Allied Workers Union said in a statement that mass meetings of its members in nine areas at the weekend had rejected a pay offer by the Steel and Engineering Industries Federation (Seifsa), which would raise the industry's minimum wage by 5%

It said they had branded the offer an "insult" and would continue to press for a R90-a-week minimum wage, an increase of over 30% It said other metal unions would back this demand

It is also likely that artisan unions on the metal industrial council will oppose Seifsa's offer After originally pushing for a wage "freeze", Seifsa has now offered to raise the pay of the highest-paid workers by 13c an hour and that of the lowest-paid by 7c, 3% and 5% respectively

This increase would be implemented on October 1 Annual increases in the industries are usually implemented at the beginning of July MAWU is taking part in the talks for the first time although it is not yet a member of the Metal Council

In its statement, MAWU said that at meetings in Johannesburg, Durban, Port Elizabeth, Katlehong, Thembisa, Benoni, Vereeniging, Witbank and Empangeni it had rejected the Seifsa proposals It said workers had branded the proposals an "insult"and it was clear that Seifsa companies had money, whatever they said

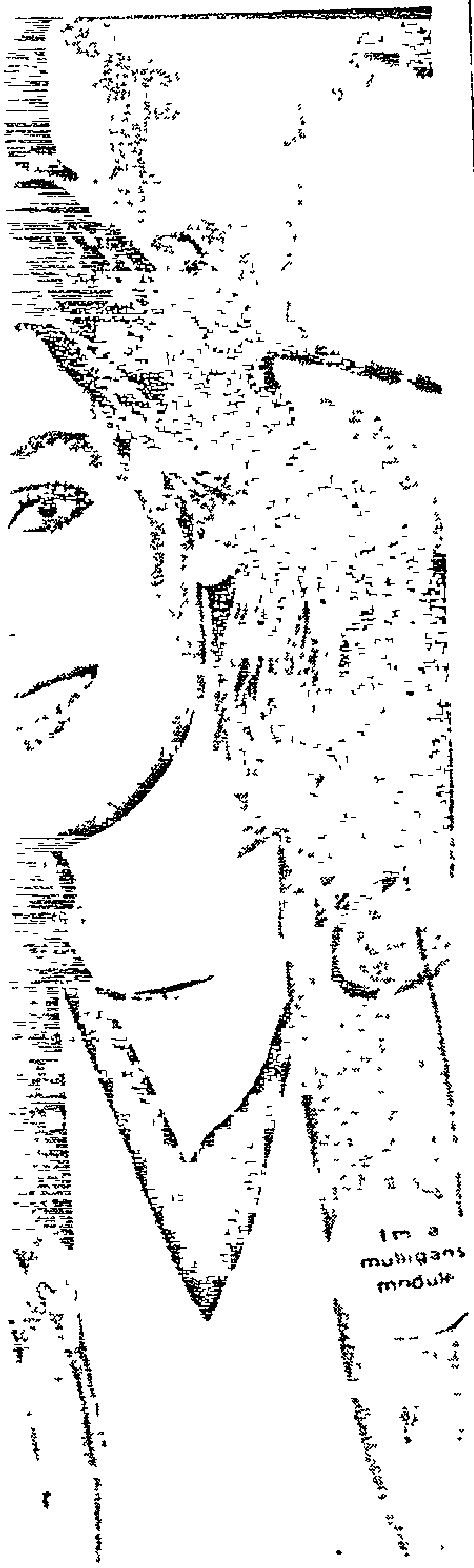
It said the meetings had decided that MAWU should again demand a R90-a-week minimum at today's meeting

"Workers noted the excessive profits achieved by companies like Amic and Dorbyl They proposed that the director of Seifsa be called to the next round of general meetings to explain to workers where the profits of the boom years have gone," the statement said

It added that if a company claimed to be losing money, "its books should be shown to its employees" and if it claimed workers were unproductive, they should be shown production and turnover figures

The director of Seifsa, Mr Sam van Coller, was unavailable yesterday However employers have insisted during the negotiations that they cannot pay high increases without jeopardising workers' jobs

They say the recession in the industries is the worst for decades and that the drought is likely to worsen the position of metal companies



Disneyworld to take part in the interna-
- of the Face of the 80s contest on June 4
ıźe is a R100 000 modelling contract with
the Ford Model Agency

Witness: I found glass in my bread

Own Correspondent

CAPE TOWN — A Pollsmoor prisoner testifying in the murder trial of a teenage hairdresser said in the Supreme Court here today that he had found ground glass in his food this morning

State witness Billy McCarthy said that before leaving the prison he had been given food

"When I ate part of the bread at court this morning, I bit on something that felt like a stone Then I discovered it was a bit of glass I opened the bread to find it filled with ground glass"

McCarthy said the glass had cut the inside of his lower lip

The accused, Mr Billy van Rooyen (43), of Heideveld has pleaded not guilty to murdering Miss Debbie Dicks (16) of Observatory on July 29 last year

Miss Dicks died at Groote Schuur Hospital shortly after she was stabbed in the neck severing her main artery

McCarthy said Mr van Rooyen had told him he had already killed nine women but had been arrested on only three occasions

The case is continuing

Mr Justice de Kock is sitting with two assessors Mr W S O'Brien and Mr B L O'Leary Mr S Baker appears for the State Mr G B Griesel, instructed by Smitcher Cohen and Smitcher, represents Mr van Rooyen.

Unions are divided on wage rises

25/5/83

189

Labour Reporter

Trade unions at the National Metal Industries' wage negotiations held in Johannesburg yesterday were divided over the final settlement of a five and seven percent increase effective from July 1 this year

Unions party to the industrial council accepted the agreement "under protest" while the Metal and Allied Workers Union (Mawu) did not sign the agreement, stating it failed to conform to their federation's policy of a basic living wage for workers, and that they did not have their members' mandate on the offer

The agreement reached with the employers, represented by the Steel and Engineering Industries Federation of SA means a seven percent increment for workers at the bottom of the scale by some 10c an hour and the five percent rise means a 21c hourly increase for those at the top of the scale

The director of the Confederation of Metal and Building Unions Mr Ben Nicholson, said that while they had not got what they wanted they had had to come to some agreement because of the economic situation

He said unions had reserved the right to approach employers individually and seek better increases and they had also received the commitment of employers to rationalise future wage negotiations in the industry and an urgent survey of retrenchment provisions.

Labour observers said the largely white-member craft unions at yesterday's talks were fearful of the economic situation and further lay-offs and thus felt obliged to accept Seifsa's offer

They had asked Seifsa to postpone talks until next month when they could canvas their membership but the agreement went ahead It was unlikely their members would accept the settlement because they were committed to the principle of a living wage

Mawu at the weekend had called for a 30 percent increase which would have brought the basic minimum wage up to R90 a week

● The agreement still has to be sent to the Department of Manpower to be approved and gazetted before July 1 to be effective About 500 000 workers are affected by the agreement.

v scheme to farm workers

Star 25/5/83

Reporter

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Foundation for
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tween the private sector, agricultural organisations and a State representative, he said

The foundation subsidises schemes to the tune of 75 percent, with the farmer paying the remainder

Meanwhile a Government-initiated scheme is battling to overcome various problems

The Boskop Training Centre near Potchefstroom, which trains farm labour in conjunction with the SA Agricul-

A unique South African coin, an 1898 Kruger "pond" with a single "9", was sold for R132 000 in a recent coin auction — the largest yet held in South

Kruger coin is

Maaske to run in marathon

Springs runner Louis Maaske, who pulled out of The Star/Mazda 1 000 km marathon because of lack of training time, is back in the race

He changed his mind after his employers, Raeburn Manufacturers, decided to pay any expenses not met by the sponsors

He has already trained one of his fellow workers to be his second in the 10-day event which begins in Johannesburg on June 17

189

[illegible]

~~154~~

26/5/83

~~346~~

~~135~~

Boiler union wants talks

By STEVEN FRIEDMAN
Labour Correspondent

IN A highly unusual move, the SA Boilermakers' Society, the country's biggest union, will seek pay talks with individual metal companies "as soon as possible" to try to win bigger rises for workers than those negotiated at the metal industrial council this week

The move has been backed by other unions on the council and may put them on a collision course with the Steel and Engineering Industries Federation (Seifsa)

Seifsa, which represents metal employers, has repeatedly urged its members not to negotiate wages with unions outside the industrial council system

The boilermakers were one of the unions who this week reached a pay agreement with Seifsa which will raise pay for about 500 000 workers by between 5% and 7%

The Metal and Allied Workers' Union (MAWU) has dissociated itself from the agreement

In a statement yesterday, the boilermakers joined MAWU in condemning the agreement and said the union had accepted it under protest

It said the 7% rise for workers in the lowest categories was "wholly unrealistic" and would cause hardship for them and their families

"Many of these workers come from areas which are ravaged by drought and their families are more than ever dependent on the wages earned by workers in the industry", it said The 5% rise at the top of the scale did nothing to compensate for the erosion of wages by inflation.

The union said it objected not only to the "inadequate" rises but to the "unsatisfactory and cumbersome" process of negotiation which produced them

It had accepted the offer as "any further delay would have endangered the main agreement and may have left workers without the protection it provides"

But it said it had made clear at the talks that it would continue to negotiate with individual employers to increase wages Other unions in the industry had also agreed to do this

The union said that although employers agreed to negotiate wages at the council again this year "if circumstances permit", it would not wait for that It hoped to negotiate with companies in conjunction with other metal unions

"Our action is not aimed at weakening the council system It is generally agreed that aspects of the system are in need of revision and, if this is done, unions who still regard it with suspicion will have no reason to shun it," the union said

Its object was to ensure that wages were realistic and it appealed to all unions and employers involved "in the present crisis" to approach it "with a sense of their larger responsibility to the country as a whole"

Iscor attacks steel price control

RDM 27/5/83

189

By SIMON WILLSON
Industrial Editor

CAPE TOWN — Iscor is facing a financial crisis mainly because of the imposition of administered prices, according to the managing director, Mr F P Kotzee

He told the annual congress of the Afrikaanse Handelsinstituut in Cape Town yesterday said it was important that the price Iscor received was determined responsibly

"Despite the existence of a price formula for establishing administered prices for steel, and despite Iscor's continued performance as far as increases in productivity are concerned, Iscor is once again in the undesirable position where its business is worsening and is once again building up into a crisis situation

"The reason for this is mainly found in the continued reduction in returns through the scaling down of administered prices by the authorities for economic and even for political reasons," Mr Kotzee said

As a result of the 1975 Pistorius Committee report which recommended that the steel price be kept as low as possible, Iscor's financial structure had become totally unhealthy with a debt ratio of as much as 70% It had an unbearable financial burden

Another reason for Iscor's financial position was that between 25% and 35% of its production was exported at "murderously low" prices which were not provided for in the overall pricing formula for iron and steel

The present system of administered prices caused serious problems for the primary steel industry and ultimately for the whole manufacturing sector

The administered price system was cumbersome Often its application led to uncertainty, market distortion and malpractice

"The question arises whether the system of administered prices is really functioning properly Has the time not come for price control on steel products to be abolished thus allowing producers to fix their own prices without reference to the Government in a totally free market-related system? Mr Kotzee asked

Iscor was not a monopoly as there were seven other domestic steel producers which combined to contribute up to 25% of national iron and steel production

Government intervention was irreconcilable with the free-market principles which formed the core of Government policy

However, the Government should not refrain from its role as overseer of strategic industries and should persist with effective protection measures against unfair and possibly damaging competition from abroad

Mr Jan Smith, chairman of Escom, also condemned the system of administered prices, saying they were not "a wonder aid" that would rectify the problems of the public sector

"We believe that administered prices distort the price mechanism of electricity In other words, the cost of electricity becomes unrelated to the price of electricity

"In the long run this will mean higher real electricity prices "

When the real price of electricity became distorted the financial stability of the supplier was undermined This could delay capital expansion and would lead to an increase in the real price of electricity

Mr Hennie Bester, the Postmaster-General, referred to similar problems in his branch of the public sector

Costs were mainly derived from inputs from the private sector and he was bound for this reason to maintain price comparability

If the public sector did not keep pace with the private sector s prices, prices would in the end be even higher in the public sector

FM 27/5/83

METAL INDUSTRIES PAY

Modest rises [redacted]

(189)

Given the sorry financial state of SA's metals industries it is not surprising that some employers and union leaders are unhappy about the pay rises negotiated this week

Increases for about 500 000 metal workers will rise by between 5% and 7% following the agreement reached at the industrial council for the industries The agreement was reached after employers increased their offer of 3% for workers at the top of the scale and 5% for those at the bottom

Employers, represented by the Steel and Engineering Industries Federation of SA (Seifsa), had proposed that wage negotiations should be delayed until October at the earliest However, strong union pressure finally saw them agreeing to negotiate and to grant the increases Although the pay rises are modest, the *FM* understands that some employers are extremely unhappy about them, believing that they are too high

The unions are dissatisfied as well Established ones say they have reluctantly accepted the settlement because they do not want the current agreement to expire without a new one having been reached They have however warned that they may approach companies which can afford to pay more than the agreement for further pay talks

The Metal and Allied Workers Union (Mawu), which took part in the industrial council negotiations for the first time this year has not endorsed the agreement It has criticised the established unions for not having referred the employer proposals back to their members

It seems possible that in the year ahead some union leaders will press for changes to the way in which pay negotiations have been conducted at the industrial council in the past They say that while there is merit, in having a central agreement covering conditions of emplovment wage negotiations should take place in different sections of the industries, because some sections can afford to pay more than others They complain that as matters stand now, the employer offer is determined by the increases that can be afforded by companies in the most depressed sections of the industries

However many employers argue that it is impossible to create a clear distinction between different groupings of companies in the industries and that fragmented wage bargaining would result in chaos

The low pay increases are obviously good news to government Seifsa officials describe the pay rises — which will obviously have an influence on collective bargaining in other industries — as anti-inflationary

RDM 27/5/83 ~~300~~ 189 ~~546~~ ~~1401~~ 145

orkers' bid to control fund

STEVEN FRIEDMAN

ur Correspondent

TING with key impl the future of the industries pension which affects about workers takes place annesburg today

emerging unions Metal and Allied Workers General Workers and Chemical Workers strial Union will meet ard of management of Metal Industries Group Fund to discuss their for majority worker sentation on the fund's

onists on the metal in trial council — who sup the fund and sit on its — fear that this de ould spell the end of and leave metal without pension

But the three unions claim workers are dissatisfied with the fund and that they are seeking to reform it rather than to have it scrapped

The issue has come to a head because the five year old industrial council agreement setting up the fund is due for renewal

While none of the three belong to the council at present they were asked by the Steel and Engineering Industries Federation which represents metal employers to agree to a renewal of the agreement setting up the fund

The unions said they had reservations about the fund but would do so if their demand for majority worker representation on the fund's board was met

Half the members of the fund's board are employer representatives and half represent unions on the metal council

The three unions argued that the fund was financed by worker money and that workers therefore ought to have a majority say in how was run

But Seifsa rejected this arguing that employers contributed half the money in the fund and were therefore entitled to half the seats on the board

Today's meeting has been called in an attempt to resolve the impasse

Although the metal council could renew the agreement without the three unions consent it would still have to be extended to workers who do not belong to council unions by the Department of Manpower

Unions on the council fear the department would be unable to do this if it was clear that a substantial body of workers — the members of the three unions — did not want the agreement extended

It would be impossible to continue the fund unless all metal workers belonged and if the deadlock continues the fund's future will be in jeopardy

Emerging union sources say they will stick to their demands at the meeting

The question of representation is crucial to us and we cannot agree to an extension of the agreement unless this is settled a source said

Unions on the council believe it may be possible to find a formula to allow the fund to continue even if emerging unions withhold support

Scene is set for a hot wage war

RDM 189 ~~346~~ ~~457~~

30/5/83 ~~1109~~

Labour Week

By

STEVEN FRIEDMAN

THE annual metal pay ~~battle~~ is temporarily over, but other developments at last week's pay talks may have key implications for metal's bargaining future

The battle is only "temporarily" over because established unions on the metal industrial council such as the SA Boilermakers Society are now going to approach some companies and request direct pay talks

They say they know some employers can pay more than the 5%-7% agreed at the council and hope unions will approach them jointly

This is a key departure from the previous practice of these unions, which has usually been to bargain wages through councils only

It will also bring them into conflict with metal employer federation Seifsa which is as opposed as ever to wage negotiation outside the council

While conflicts between Seifsa and emerging unions on this issue are routine, the entry of established unions to the fray could add an interesting twist to the issue

A further facet is that the Boilermakers issued a statement last week complaining about the "cumbersome" negotiation system in the metal industries The union said it still backed the council system, but revisions to it were necessary

It might simply be backing a demand by unions on the council — which Seifsa agreed last week to discuss — that council wage bargaining be decentralised so that the various metal sectors negotiate pay separately

But it might also be considering some measure of bargaining with individual companies alongside council bargaining

Another key development could be afoot following Seifsa's agreement to discuss with Fosatu's Metal and Allied Workers Union the Fosatu "living wage" concept

Fosatu sees R2 an hour as a minimum "living wage" and the metal minimum is only two-thirds that — hence MAWU's angry rejection of last week's pay deal

But Fosatu unions have also advocated a new method of wage bargaining for the lowest-paid

Instead of haggling over a percentage rise, they have argued, employers and unions should agree on a "living wage" figure and negotiations should then centre around how quickly the goal can be reached

MAWU may put this idea to metal employers

However it is received, bargaining in the industries is clearly entering a fluid period

(189) ~~1407~~ ~~157~~ June (1983)

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AN
URGENT MESSAGE
TO
JOURNEYMEN!!!

YOUR JOBS
ARE IN
DANGER.

GENERAL MEETING

which will be held at the

CATHEDRAL HALL
(St. Georges Cathedral)
Queen Victoria Street
Cape Town

TUESDAY, JUNE 7th, 1983

6.00 p.m.

AGENDA

1. Minutes General Meeting 29/4/1982
2. Negotiations for new agreement
3. Dispute (Industrial Court)
4. Election of Officers
   The following vacancies must be filled: -
   Chairman
   Vice-Chairman
   2 members of Executive Committee
5. General

TRANSPORT WILL BE PROVIDED.

We will get you home. There can be no excuse, you MUST attend this meeting.

Yours fraternally
A.E. Frazer
Secretary

SETAN
2/6/83

ops it

ruled yesterday that Ernest Dipale (21) of Vorster Square in

MAKOBANE

that on August 6 he wrote a statement and insisted on repeating it before a magistrate

He had been aware he would be charged with ANC activities and not terroristic activities that would make the charge against him much lighter To speculate why he committed suicide would not bring the court very far but it was possible he had fears that the discovery of more activities and arrest of others at large must still come about,

SOWETAN
2/6/83

ide hize

27

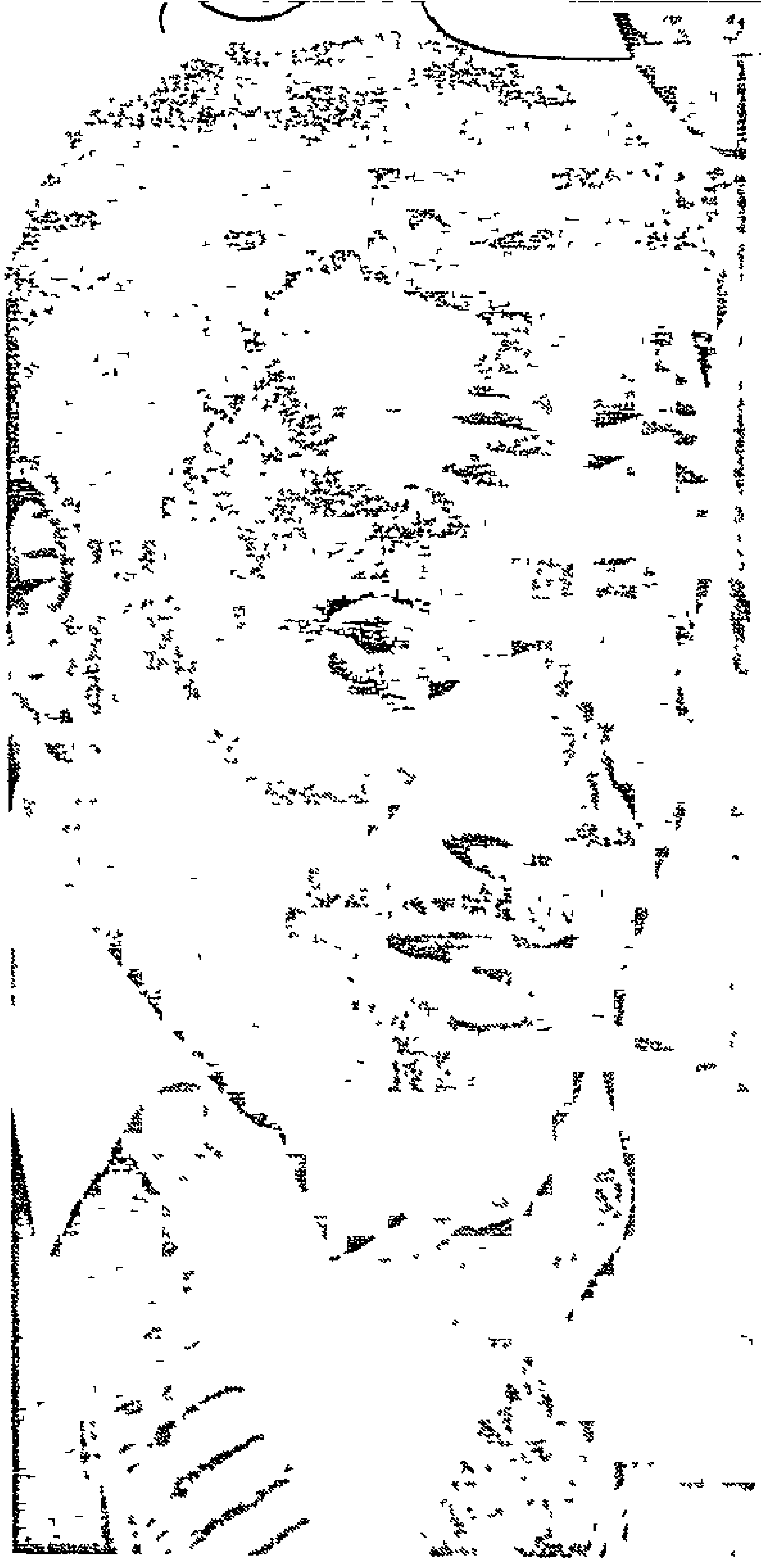
the policeman when he ordered them to disperse

Last month, two residents of Driefontein, Mr Themba Manana (38), and Zephania Sibanyone (16) died at Dirkiesdorp Police Station where they were held as witnesses

After the deaths, police opened two murder dockets, one into the death of Mr Mkhize and the other into the death

1 300 Krost workers down tools

189



DENIAL: Mr Elias Novela, Mawu chairman at Krost chapel

PRODUCTION AT Krost Brothers, an office equipment manufacturing company on the East Rand, was yesterday hit hard by a full day's work stoppage which involved some 1 300 workers

The entire workforce refused to take up their tools following management's refusal to address and discuss the retrenchment of workers with them

Last Friday about 130 workers, black and white, were retrenched Mr Sydney Derman, the managing director told **The SOWETAN** that the company had no option but to reduce its workforce because of the "economic crisis "

He said management did not discuss the issue with the Metal and Allied Workers' Union (Mawu) which represents the workers, because recognition negotiations had not been concluded

"We offered to negotiate with shop stewards appointed by the workers but this was rejected as the workers wanted management to address them " he said

Mr Elias Novela chairman of Mawu at the plant refuted the statement of the management and said on May 20 and May 27 management had walked out of a joint meeting with shop stewards after being confronted for failing to follow the procedure on retrenchment

When the shop stewards met management last Thursday Mr Novela said the 130 workers had already been informed of their fate

On Monday the workers decided that they would not resume work unless they were addressed by the management

Surgery made 'man out of him'

Police are investigating the case of a man who disappeared with a portion of a youth's private parts after conducting a backyard circumcision

The family of the youth, Oupa Dlamini (17) of 36 Senaoane, who is a pupil at Ndondo Higher Primary School

According to the youth's brother, Mr Joseph Dlamini, the incident occurred last week after the man called Oupa and told him he was going to "make a man out of him "

The youth bled a lot after the "surgery" and was rushed to hospital

"After the circumcision the man took the flesh with him and disappeared We went to

Star 2/6/83

Seifsa in grip of tightening economy

189

By Stan Kennedy

There is a deepening downturn in the metal and engineering industries in the first quarter and prospects for any short-term recovery are gloomy, says Mr David van Coller, director of the Steel and Engineering Industries Federation of SA, in his quarterly review.

Monthly surveys of conditions in the Seifsa group confirmed severe contraction in the overall economy. Orders and inquiries dropped in the first quarter to early-1977 levels — trough year in the previous downswing

"In the mechanical and structural engineering sectors, order books are shrinking. Tendering is becoming more competitive, with foreign companies bidding for work at low prices and offering attractive financial packages," he says "

The constructional steel industry reports narrowing profit margins, with some tenders submitted at unrealistic prices.

"In the highly-diversified general engineering sector, and the electrical and non-electrical machinery industries, business conditions are worsening. These are expected to deteriorate further this year "

With no recovery apparent in steel consumption in the industrialised countries, Seifas exports of steel products had dropped significantly. Secondary steel products managed to maintain export volumes but at generally reduced prices.

Also depressed was the export-intensive ferro-alloy industry Only a real upturn in the industrialised countries could help achieve satisfactory use of its sophisticated plant.

"Overall, indications are that the downswing in industrial production in the metal and engineering industries is firmly entrenched."

Constraints are the slow recovery of South Africa's major trading partners, relatively low export prices and the continuing high inflation rate

"Recent substantial increases in energy and transport costs, plus a strong upward movement in raw materials prices and other inputs are eroding the competitiveness of the manufacturing sector," he says

RDM 3/6/83 (189)

Appliance-makers launch campaign to stem imports

By SIMON WILLSON

SOUTH Africa's household appliance manufacturers opened a campaign against competition from imports when Defy opened a R20-million refrigerator factory in Brakpan yesterday.

The factory, capable of turning out 80 000 units a year, is the short-term bulwark for the domestic white goods industry against what it claims is a torrent of dumped foreign appliances

The South African market annually absorbs about 250 000 refrigerators and freezers, 200 000 washing machines and tumble driers and 150 000 stoves

From comprising between 5% and 10% of the total white goods market in the late 1970s, foreign appliances now account for than a third of all sales

Executives of Defy and Barlows, South Africa's two biggest domestic electrical appliance manufacturers, say SA is used as a dumping ground by German, Italian and Japanese white goods manufacturers

Foreign appliances are being sold for little more than their raw material cost, they claim, eroding the sales of the two domestic market leaders

Mr Richard Newby, Defy group managing director, said yesterday that the company's factory would reduce the number of imported domestic appliances entering South Africa

The factory is part of a plan by domestic manufacturers to prevent any shortage of SA-made refrigerators in the next economic upswing

The increased market share gained by imported appliances in the last upswing was attributed to a sudden shortfall in SA production as manufacturers underestimated the strength of demand

National sales of domestic electrical appliances are falling, according to the Central Statistical Services in Pretoria

Domestic appliances and women's and babies' clothes were the only two categories of goods whose sales were lower in January 1983 than in January 1982

In January 1982, seasonally adjusted domestic appliances sales were worth R55 500 000 Although this rose to R55 900 000 lasy December, it fell to R54 400 000 in January this year

Sir Leslie Fletcher, chairman of Defy's majority shareholder, UK-based Glynwed International, said at yesterday's opening ceremony that South Africa had to invest in new technologies if it were to survive in an increasingly competitive world

SOWETAN 3/6/83

Workers still on strike

THE LABOUR unrest plaguing Krost Brothers, an office equipment manufacturing company in the East Rand, entered its third day yesterday with no sign of the more than 1 300 workers shifting from their declared stand.

Production at the plant has been hard hit by a work stoppage that started on Wednesday Workers yesterday continued their stand not to return to work in protest against what they claim was "summary retrenchment" of 130 of their colleagues by the management

189

The leader of the workers, Mr Elias Novela, claimed in a statement that management failed to follow the retrenchment procedure presented to the company by their trade union

~~1400~~ 335

In an interview yesterday Mr Sydney Derman, managing director of the firm, said that the situation by late yesterday afternoon had not changed

He had not discussed the retrenchments with the workforce as had been requested by them He said management was prepared to discuss the problem with the shop stewards It was, however, learnt that some top officials of Mawa visited the plant yesterday and held talks with representatives of the workers

Because management walked out of a meeting with shop stewards last week Thursday, the workers decided on Monday that management should address them personally to account for the retrenchments

(189) RDM

3/6/83

Seifsa orders lowest since 1977 slump

Industrial Editor

ORDERS in the metal and engineering industries are the lowest since 1977, the trough year in South Africa's previous economic downswing.

A survey of the industries' performance in the first quarter of this year by the Steel and Engineering Industries Federation of SA found shrinking order books, shorter working hours and intense competition from foreign steel producers

The downturn among South Africa's steel producers is deepening and there is little prospect of any short-term recovery, says Seifsa

Business conditions in the highly diversified general engineering sector and the electrical machinery industries continued to worsen in the first quarter and are expected to deteriorate

Even the constructional steel industry, supported by the booming property sector, reports narrowing profit margins

Times have also been hard among export industries, with steel exports dropping significantly because of world steel overcapacity and continuing low steel consumption in industrialised countries.

No turnaround in the worsening export trend is expected before mid-1984

Secondary steel products are, however, maintaining physical export volumes, although at relatively low prices

The only positive reports in the quarterly survey concern the electronic and telecommunications-related industries where output has been maintained in spite of expenditure reductions by South African Transport Services and the Post Office.

FM 3|6|83

(189)

BEN NICHOLSON

Changing the basics

Ben Nicholson is general secretary of the Federation of Electrical Trade Unions and director of the Confederation of Metal and Building Unions The *FM* spoke to him about last week's pay negotiations at the industrial council for the metal industry

***FM* How do you feel about the pay increases negotiated at the industrial council?**

Nicholson No one can be happy with a 5% increase when the CPI is running at about 13% But in this difficult economic climate that we are in, to be without an agreement is not a very good thing either There are a number of factors in the agreement which protect employees, especially lower-paid ones, against actions such as retrenchment and arbitrary dismissal

These are the kinds of things one must weigh up in one's mind However, I must emphasise that while we are not happy — and we accept there are a number of firms which cannot meet an increase at this stage — we believe there are others who can pay more We have made it clear that we reserve the right to approach them individually to grant an increase more in line with the CPI

It seems that you will be concentrating on the larger companies

There are about 9 000 companies in the industry, but about 80% of people in the industry are employed by less than 200 firms We have never had problems with small companies They go for quick contracts and don't have employees until they get the contracts As soon as they get a contract they are willing to pay to ensure they meet their deadlines At the moment when contracts are not so easily available, the small firms are not able to pay more anyhow

So it is the larger firms that one must concentrate on because 80% of our people are employed there We must try to get the greatest return for the greatest number of members possible, within the limits of our resources

Do you think many employers will ignore opposition from the Steel and Engineering Industries Federation of SA (Seifsa) to such negotiations?

I know Seifsa has issued an injunction to members not to break ranks But these are the challenges that we will have to face Given the cogent arguments that we have, I am pretty certain it will not be a case of breaking ranks, but of facing reality Employers, of course, will want to maintain credibility with employees who know they can afford to pay more

This is a new ball-game for us, let's be quite clear about that We have now accepted that the centralised negotiations will be the forum where we will determine minimum wages — and then it will be up to the individual employer to decide whether to go beyond that

In the past we have been undermined by employers who, at the main negotiations, have hidden behind those less able to afford to pay They have then said to their employees "Look you guys, you don t need a union, we'll give you more Your union can't get you that' This has happened over the last three years and has given us the resolve to say Okay if that is how you want to play the game, we re in We've read the rule-book too

Some union leaders are now saying that industrial council wage negotiations must be fragmented because pay increases for the entire industry are determined by what can be afforded by its least profitable sector Do you support such fragmentation?

I made a proposal for this 10 years ago We believe this is necessary because the negotiations are far too large In addition, those employers who can afford to pay are able to shield behind those who cannot

We have eight group technical committees in the industry — each of which adjudicates on the interpretation of technical matters in a particular sector of the industry So there are eight natural groupings of the industry into particular sectors, and we would like to have pay agreements negotiated by the people in each sector But I must make it clear that we are not after sector agreements for everything We want an umbrella agreement covering normal conditions of employment such as holidays, leave, overtime and those sort of things which are general throughout the industry

What is the employer response to this proposal?

The initial employer response 10 years ago was positive, but they then changed their minds When I raised this again 18 months ago they agreed to look at it again, but it has never got off the ground except for preliminary discussions However, in private talks I have had with employers I get the impression they are getting cold feet They see this as a way in which unions could attack a sector and force it into an agreement that others could not meet

I think we have been fairly responsible While one would attack the sector that is in the position to pay most, one obviously has to take into account the areas which are not as well off

One of my main concerns in this is to also bring the black union representatives into negotiations With all the goodwill in the world it will be many years before they can meaningfully participate in the kinds of negotiations we have now These do not meet their grassroots requirements, and certainly they feel a little lost in these negotiations After all, it is a professional negotiation and they believe the industrial council is merely pandering to the professionals in the industry and not the people who know what the industry is all about I can accept their position, although I must say they did very well at last week s talks But a big meeting like that is not their scene

Are you optimistic that a good working relationship can be created between the council's traditional union membership and a union such as the Metal and Allied Workers' Union (Mawu)?

Yes, very much so I think they are beginning to realise that we are also trade unions

What is your response to complaints that last week's pay talks did not result in any real closing of the wage gap?

I have never considered it a wage gap I believe there has been a skills and opportunity gap One must look at the skills exercised by people in the lower rated occupations and make a comparison between their wages and those of a fully trained journeyman The skilled/unskilled pay ratio was 3,8 1 and is now 2,9 1 That in itself is a very small gap when you compare the skills and training of a journeyman with the guy at the very bottom end of the scale who is sweeping the floor

I think we have made great strides in this area But we have not made enough progress in providing the opportunity to get the skills This is being corrected, but it will not be corrected overnight

I would certainly like to see the basic minimum rate raised But that would mean a big reorganisation of the industry insofar as job classification is concerned — and that could only happen if we were negotiating sector-wise

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~~150~~

Union recognised

C. Herald 3/8

THE General Workers' Union, an unregistered union, has been officially recognised by the Industrial Sand and Engineering Company, a subsidiary of the Consul group

Both parties confirmed that a recognition agreement was signed on Friday May 20 after two months of talks.

The agreement affords the union and its representatives the right to take up any matter affecting its members

These include wages, retrenchment, grievance, discipline and conditions of work Procedures for these are now to be negotiated.

According to a statement by the General Workers Union they were heartened by the attitude displayed by the management of Industrial Sands

"We are sure that this agreement will enhance harmonious and peaceful industrial relations at the Phillipi plant," it said

Mr Norman Taberner, the company's general manager, said that they were looking forward to harmonious and constructive industrial relations with the union and its representatives

Unfavourable outlook for metals and engineering

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E. Post 6/6/83

JOHANNESBURG — Present indications overall are that the downswing in industrial production in the metal and engineering industries, which reflected a decline of 3,5% for calendar year 1982 as compared with the 1981 average, is now firmly entrenched according to the Steel and Engineering Industries Federation of South Africa

In its survey covering the first quarter of the year, Seifsa says its current indices of physical volume of production confirm these recessionary conditions, indicating a marked downturn in the iron and steel basic industries, the metal products sector and machinery industry

Current reports to Seifsa also identified a number of major constraints to any short-term stabilising of activities in the metal and engineering industries The slow rate of recovery of South Africa's major trading partners, the relatively low export prices and the continuing high rate of inflation are now impacting severely on export performance

In addition, recent substantial increases in energy and transport costs, together with the strong upward movement in the prices of raw materials and other inputs, are seriously eroding the competitiveness of Seifsa's manufacturing sectors

On broad trends, Seifsa says reports during the first quarter of 1983 provided further evidence of the deepening downturn in the metal and engineering industries with prospects for any short-term recovery regarded as gloomy

Monthly opinion surveys of business conditions in the Seifsa group of industries also confirm the severe contractionary phase in the overall economy and reflect that new order intakes and order inquiries have now dropped to the levels prevailing in early 1977, the trough year in the previous downswing phase

The surveys also indicate that some 70% of respondents advise sluggish activity with their production situation regarded as below normal with an increasing tendency towards shorter working hours

Deepening recessionary conditions are reflected in the mechanical and structural engineering sectors, where order books are shrinking and tendering is becoming even more competitive with foreign competitors bidding for work at low prices and offering attractive financial packages

The constructional steel industry also advised narrowing profit margins with a number of tenders being submitted at unrealistic levels Business conditions, generally, in the large and highly-diversified general engineering sector and the electrical and non-electrical machinery industries, also continued to worsen, and these are expected to deteriorate further during 1983

Difficulties also continued to be experienced by Seifsa's export sectors With the crisis in the world steel industry continuing and no real recovery apparent in steel consumption in the industrialised countries, exports of steel products have dropped significantly No turnaround is now expected before mid-1984

South Africa's secondary steel products, however, are managing to maintain physical volumes of exports but at generally low price levels

The export-intensive ferro-alloy industry also continues to contend with a depressed world steel industry and must look to some real upturn in the economies of the highly industrialised countries if it is to achieve satisfactory levels of utilisation in its sophisticated plants for the production of ferrochromium and silicon manganese alloys

Some positive factors, however, are seen in the relatively satisfactory performance of the electronic and telecommunications industries, despite the accelerating downward slide in the general economy

In the current and projected phases of slower growth in the metal industries, Seifsa member firms report that redundancy is now a significant issue in labour relations, particularly as regards semi- and unskilled workers

There has been some easing in the skilled labour supply situation, but the drop in employment at year end 1982, which continued during the first quarter of this year, further underscores the severity of the downturn relative to the previous trough of 1977

Seifsa, however, views this severe downswing phase as an opportune time to intensify training of both skilled and semi-skilled workers The first metal industries apprentice training centre at Benoni is to open shortly and, initially, will offer apprentice training in the trades of fitter and turner, fitter, turner, tool jig and diemakers, plater/boilermakers and electricians — Sapa

East Rand strike over

Sowetan 8/6/83

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THE THREE-day work stoppage that hit the office equipment manufacturing company, Krost Brothers, in the East Rand last week, is now over.

A spokesman for the workers, Mr Elias Novela, said that during the weekend the management had relented and had reinstated the dismissed workers Instead the 130 workers will be laid off for a month In the meantime the workers would be kept on the payroll which means that the company will continue to pay their unemployment insurance contributions The workers have been asked to return their UIF cards Permits of the migrant workers whose services were terminated would be restored to enable them not to break their service

Meanwhile the talks between the management and the shop stewards will continue this week

100 strikers dismissed

(189) Star 10/6/83 ([illegible])

East Rand Bureau

More than 100 employees at a Boksburg factory have been dismissed after going on strike earlier this week.

The cause of the strike at Bitcon Industries, Lilianton, is not known. The management refused to comment and a reporter from The Star was ordered off the premises

The company today began re-employing workers, and large groups of people gathered outside the factory to apply for the jobs listed at the main gate.

Sowetan 12 6 83

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BOKSBURG FIRM DISMISSES 160

By SELLO RABOTHATA

A BOKSBURG company yesterday fired its whole workforce, about 160 workers, after they approached management demanding a return to a five day week and refusing to accept the dismissal of 36 of their colleagues.

According to one of the workers at Pitcon Industrial the managing director, Mr John Oscar, had told them he would not be controlled by them. The workers had demanded to revert to a five-day-week after working four days a week since February. They said they were already feeling the pinch of the high cost of living

HOURS

He said: "We noticed that the workload at the company was picking up, that is why we approached him We also put it to him in hours, asking to work at least 45 hours a week. The managing director instead told us that he was supposed to have a workforce of 120 instead of the present 160 and if he were to accept our demand, 36 of us would have to be fired

"We proposed that we work at least 43 hours a week so as to accommodate the 36 He then said that we could not control him and that we were all fired Yesterday when we reported for work at 7am we found a big board on the gate advertising our jobs "

The worker said management yesterday told them to wait at the gate and that a list of names would be called out Those who were called would enter the company's premises and those who were not called, would have to come back today This was not accepted by the workers as they felt others were going to be victimised, so they all left

Mr Oscar, the managing director, told The **SOWETAN** he had no comment to make

The workers have also approached their union, the South African Boilermakers Society, to intervene on their behalf The union promised to take the matter up with the company today, as the national organiser was not available yesterday

RDM (189

Workers rehired after strike

11/6/83

By STEVEN FRIEDMAN
Labour Correspondent

A BRIEF strike by part of the workforce at a major East Rand foundry, Salcast, has ended and management has agreed "on compassionate grounds" to reinstate 13 workers who had been fired

The company, which employs about 1 700 workers, is owned by Stewarts and Lloyds According to management, between 200 and 300 workers took part

Meanwhile, the Metal and Allied Workers' Union says workers at Dunlop tyre plants in Durban and on the East Rand are staging a boycott of the company canteen in protest at the delays in the company's recognition talks with MAWU

Recently, MAWU applied to join an industrial council which covers the Dunlop Durban plant only, but the company then withdrew from the council

At Salcast, Mawu organiser, Mr Moses Mayekiso, said workers had downed tools at midday on Thursday in protest at the sacking of several colleagues They had returned to work yesterday morning after management agreed to reinstate their colleagues

But a Stewarts and Lloyds spokesman, Mr Howard Russell, disputed this He said after 200 to 300 workers failed to return to work after a lunch-time meeting in protest against the sackings, the company agreed to hold an inquiry

The workers had been fired, he added, for persistently going off shift early

"The first two workers whose case was heard admitted that they were guilty, but begged the company for another chance. On that basis, management decided to reinstate them, but to give them a final disciplinary warning," Mr Russel said

RDM

11/6/83

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Firm 'fired entire staff'

By STEVEN FRIEDMAN
Labour Correspondent

A BOKSBURG metal firm, Bitcon Industries, has fired its entire workforce — about 160 workers — because they opposed the retrenchment of 35 workers, a spokesman for the SA Boilermakers' Society said yesterday

He said the company had told workers they could reapply for their jobs on Monday and that two Boilermakers organisers had gone to the factory to negotiate with the company

By late yesterday, the outcome of the dispute was not known

The company's managing director, Mr John Oscar, refused to comment

According to the union spokesman, all the workers at the factory belong to the Boilermakers, an established union which belongs to the Trade Union Council of SA

Established unions are rarely involved in factory-floor disputes similar to that at Bitcon

Workers sources were quoted yesterday morning as saying that the dispute began when workers told management they wanted to go back to a five-day week instead of their present four-day week

They said they were finding it difficult to pay their bills on four days pay and had noticed that business at the company was "picking up"

According to the workers, management said that if the company returned to a five-day week, workers would have to be retrenched

Workers said they offered to work a shorter week to save the jobs of any workers earmarked for retrenchment

However, Mr Oscar had reacted by saying he would not be "controlled" by the workers and dismissed them all

Union gets recognition

THE General Workers Union, an unregistered union, has been officially recognised by the Industrial Sand and Engineering Company, a subsidiary of the Consul group

Both parties confirmed that a recognition agreement was signed on Friday, May 20 after two months of talks

It gives the union and its representatives the right to take up any matter affecting its members

Wage, retrenchment, grievance, discipline and conditions of work agreements will now to be negotiated

According to a statement by the General Workers Union they were heartened by the attitude dislayed by the management of Industrial Sands

"We are sure that this agreement will enhance harmonious and peaceful industrial relations at the Phillipi plant," it said

Mr Norman Taberner, the company's general manager, said they were looking forward to harmonious and constructive industrial relations with the union and its representatives

189 RDM
11/6/83

Alusaf project comes to fruition

RICHARDS BAY — New production facilities of the Alusaf Richigata project, involving two potlines bought three years ago from the Nippon Light Metal Company in Japan at a cost of R40-million, were commissioned at Richards Bay yesterday

Total cost of the whole project, including housing, interest and construction overheads, amounted to about R280-million, according to Mr R A Barbour, managing director of Alusaf

"Finance was obtained through a mixture of shareholders' funds, external borrowings and a plant lease

"The new plant provides additional employment for about 300 whites and 800 blacks and already meets all design performance expectations," Mr Barbour said

Total output from the expanded Alusaf plant is currently absolute 170 000 tons per year, of which about 100 000 tons must be sold on the export market, yielding net foreign exchange earnings of some R70-million annually

Alusaf's domestic expenditure on electricity and fuel, materials, labour and services now exeeds R200-million a year

Mr Barbour said the project originated in 1979-1980, when, in the face of increased demand for aluminium and expectations of a continued high growth rate as well as indications of a tight world market supply situation developing during 1984/85, the expansion of the Alusaf primary aluminium production facilities at Richards Bay was already being considered and investigated

"At the time the economical expansion of primary aluminium capacity in the USA, Europe and Japan was severely limited due to rapidly rising energy costs, with a large portion of the Japanese capacity already in the process of being shut down

"Following a comparison with new plant costs and negotiations with the Nippon Light Metal Company of Japan, which was in the process of closing down and dismantling its Niigata smelter plant, Alusaf decided during 1980 to purchase the basic facilities of two Niigata potlines with a combined capacity of 86 000 tons of metal per annum and to transfer the facilities for re-erection at Richards Bay Thus the Richigata project was born on August 3, 1980"

The dismantling, transportation, offloading and re-erection of the facilities proved to be a major logistical operation including the participation of teams of Japanese, Swiss and South African engineers and other personnel

Altogether 35 000 tons, or 130 000 freight tons, of equipment had to be transported from Japan in nine shipments which were eventually completed during early 1982

"In the meantime," Mr Barbour said, "construction work had advanced rapidly and the first of the 288 new reduction cells was commissioned on December 31, 1981, only 17 months from the date that the official decision was taken to proceed with the project

"Thereafter commissioning followed on a gradual planned basis in the wake of the construction progress until full capacity utilisation was reached today"

Although the original market growth expectations failed to materialise with domestic demand actually receding during the period of construction and international prices sinking to their lowest level for eight years during 1982, the sharp increase in export prices during the past six months has served to vindicate the decision to undertake the expansion, Mr Barbour said

"If the upward price trend continues as is expected, and Alusaf is able to contain operating costs at current levels, not only will the project's economic viability be confirmed but sufficient capacity will have been created at relatively low cost to meet the future demands of the domestic market for a very long period" — Sapa

Star 13/6/83 (189)

Metal unions to ask for more

By Tony Davis,
Labour Reporter

In the wake of last month's metal industries wage negotiations, various trade unions are seeking further increases from individual employers

Unions were highly critical of the negotiations, which resulted in increases of between five and seven percent — well below union demands

The unions told employers they would continue to press for their demands from individual employers

Mr Ben Nicholson, director of the Confederation of Metal and Building Unions, said several letters had been sent out to employers requesting further wage talks on behalf of his electrical union members

He said it was likely that employers had budgeted beyond the negotiated minimums and could pay more

The general secretary of the SA Boilermakers Society, Mr Ike van der Watt, said his union felt it was important that trade unions adopt a joint approach to employers for higher wages

"It is fine to negotiate with employers where there is only one union but there is a problem where there are more unions involved," he said

The Metal and Allied Workers' Union, which was not a signatory to the talks because it said it had no worker mandate to accept the employers' low offer, is still to meet the Steel and Engineering Industries Federation of SA to discuss their concept of a "living wage" for workers

Mawu still expects to enter into some individual company negotiations for higher wages

● About 500 000 workers across the country were affected by last month's negotiations

Union seeks legal advice against Seifsa on wages

(189 Sowetan 14/6/83

By JOSHUA RABOROKO

THE 40 000 strong Metal and Allied Workers' Union intends seeking legal advice against employer organisation Steel and Engineering Industries of South Africa (Seifsa), for rejecting their demands during wage negotiations last week.

In a statement to **The SOWETAN** yesterday, the union's spokesman said· "We strongly reject the way Seifsa used the mechanism of the industrial council to stifle bona fide negotiations with Mawu."

The spokesman said the union demanded a minimum wage of R90 a week, and an increment of R18 across the board, whereas Seifsa offered approximately R68 minimum and R4,50 across the board effective from July 1

Seifsa subsequently concluded a wage agreement with unions, including Electrical and Allied Workers' Union, Boilermakers' Union, Amalgamated and Engineering, Steel, Engineering and Allied Workers' Union and Industrial and Engineering Union.

However, Mawu refused to sign the agreement on grounds that they wanted to get a mandate from the general membership because "we were not happy with what the employers' organisation offered."

The statement released after the union's Transvaal shop-steward council meeting also condemns other unions in the council for co-operating with Seifsa

The meeting resolved to reject Seifsa's proposals because "we want a living wage for all members and instruct the union's negotiating delegation to re-open discussions on this highly contentious issue."

"We instruct the delegates to take any steps which may be necessary to compel Seifsa to re-open negotiations and to compel them to negotiate the bona fides," the statement says

Mawu, an affiliate of the Federation of South Africa Trade Unions, made history early this year when it accepted to participate in the industrial council They had refused and rejected the industrial council system

In terms of this industrial council agreement Mawu is bound to adhere to it because it embraces all workers in the steel and engineering industries and it remains to be seen whether the union will succeed in challenging the industrial council agreement

(189) RDM 14/6/84

Metal union wants more

By STEVEN FRIEDMAN
Labour Correspondent

GENERAL meetings of the 30 000-strong Metal and Allied Workers' Union have rejected the recent wage rise agreed at the metal industries' industrial council and instructed Mawu leaders to attempt to re-open wage negotiations

A meeting of Mawu shop stewards from throughout the Transvaal at the weekend instructed the union's negotiating delegates to "take any steps that may be necessary" to force the Steel and Engineering Industries Federation (Seifsa) to reopen negotiations and to bargain in "good faith"

According to the union a similar resolution was adopted by Mawu's southern Natal shop stewards

At a council meeting last month, Seifsa and metal unions on the council agreed on a 5% rise for highest-paid workers and a 7% rise for the lowest paid

Mawu, which attended the meeting, rejected this and said it would canvass its members on their response It says it asked the council to delay an agreement until it received a mandate from its members but that this was refused

The weekend's meetings were held to test membership opinion

The resolution which was adopted sharply criticised Seifsa and accused it of using the council to "stifle bona fide negotiation with Mawu"

Seifsa's director Mr Sam van Coller, said yesterday he preferred not to comment on Mawu's statement until the union had contacted employers formally

However Seifsa is likely to oppose any move to re-open talks

The resolution rejected Seifsa's 5%-7% offer which established unions accepted and added "We confirm that we still want a living wage"

Mawu members instructed the union's negotiating delegates to "continue to press Seifsa to re-open bona fide negotiations with Mawu" and instructed delegates to take steps to compel it to do so

At the meeting, union members also instructed Mawu leaders to take part in the various negotiations for "house agreements" at individual metal companies which take place under the council's umbrella and to continue to press Mawu's demand for a minimum wage of R90 a week

SA INDUSTRIAL WEEK

Arc furnace will slash steel costs

(189) Industrial Week 14/6/83

By Lynn Carlisle

FIERCE rows have failed to stop the British Steel Corporation approving the sale of a massive R60-million furnace to SA for only R6.8 million

The plant, less than three years old, is an electric arc furnace which will enable Iscor to cut production costs by R205-million over a seven-year period at its Pretoria works

"It's a scandal," complained the general secretary of Britain's Iron and Steel Trades confederation," but it's typical of the lunatic decisions being taken in the present political climate"

The arrival in Durban later this year of the 5 000-ton Duport plant from Wales presently being dismantled in Britain will be a major feature in a R116-million modernisation project, said Jerry Jerling Iscor's public relations manager

"Higher productivity and savings in costs were the overriding considerations

"The expected cash flow of the electric arc furnace project for the seven year period up to 1993 is almost R205 million better than the next alternative" he said

It is anticipated that the plant comprising two 125 t electric arc furnaces with associated overhead cranes scrap buckets and transfer cars a fume cleaning plant and ancillary equipment will be commissioned during the second half of 1985 following the provision of a 275 kV electricity supply

A new gas producing plant is scheduled for commissioning in 1986 and will provide the gas requirements of the works after the coke ovens and blast furnaces now in operation have been phased out

"Alternative courses for Iscor's modernisation programme which have been economically evaluated have proved to be less viable than the British scrape-based electric arc furnace route, primarily because of the lower investment and operating costs involved, and due to coking coal not being required in the process

In order to get the best financial benefits from buying the plant every endeavour will be made to erect it at Pretoria almost unchanged

Further savings will be made by using stepdown transformers regulating transformers and 60/72 MVA furnace transformers which are being replaced at the Vanderbijlpark Works as part of major plant modifications associated with the direct reduction plant

'An important advantage of the British plant as indicated by studies, is that it can be commissioned one year earlier than a similar new plant said Jerling

"In the planning phase consideration has also been given to the future use of direct reduced iron and the matching of the furnace with a continuous casting machine '

The Duport plant was commissioned in two phases in 1978 and 1979 Production was halted in 1981 due to the sharp decline in overseas steel sales

During that period each furnace proved capable of producing on average 46 5t of liquid steel an hour with a tap to-tap time of less than 3 5 hours using 54/65 MVA transformers

Production capability using the bigger (60/72) transformers at Vanderbijlpark is estimated to be around 900 000t of liquid steel a year

189

RDM

16.6.83

Vital move for black unions in metal industry

By STEVEN FRIEDMAN
Labour Correspondent

IN A move regarded as a breakthrough, mainly-black unions in the metal industries are to be given an opportunity to have a say in running the industries' pension fund — whether or not they are registered and members of the metal industrial council

The fund covers nearly 500 000 workers and has assets of well over R500-million It is the biggest of its kind in the country

A meeting of the industries' board of management — which is made up of employers and unions on the metal council — agreed this week that the 10 unions in the industries who have most members covered by the fund will each be entitled to a seat on its board Employers will hold the other 10 seats

This will apply whether or not the unions are members of the metal industrial council or are registered with the Government.

On the other hand, emerging unions, whose opposition to the fund at one stage threatened its existence, have agreed to apply tc serve on the fund's board

This arrangement is believed to be unprecedented and, although black union representatives will be a minority on the fund's board, it is expected that they will be able to exert considerable influence on the fund's direction

This week's meeting at which the agreement was reached follows a period during which the fund's continued existence was in jeopardy

The five-year-old agreement setting it up has been due for renewal and three emerging unions — the Metal and Allied Workers Union, the Chemical Workers' Industrial Union and the General Workers' Union — refused to agree to renewal unless their demands for changes in the fund's boards were accepted

These were that unions have a majority on the board — they now have half the seats — and that bigger unions hold more seats than smaller ones

Unions on the council argued that this deadlock could make it impossible for the agreement setting up the fund to be renewed

According to sources at this week's meeting, the agreement setting up the fund will now be renewed for six months, although it could be amended if all parties agree to this

The three unions once again failed to win acceptance for their demand that workers hold a majority of seats on the board, but have agreed to apply to sit on it and will not oppose the agreement's renewal

The sources said the three expressed dissatisfaction with the decision not to grant workers a majority and said they would raise this again soon

The director of the Steel and Engineering Industries Federation, Mr Sam van Coller, yesterday confirmed details of the agreement and said a procedure for determining which 10 unions qualified for seats had been agreed

This procedure was being put into motion now, he said

Emerging unions who win seats on the council are expected to use them to push for major changes to the fund in response to what they say is mounting black worker dissatisfaction with it

Metal workers 'strike most often'

(184.) RDM 16/6/82

Labour Correspondent

THE metal industries are more strike-prone than any other South African industry at present, according to a study on strikes by a leading labour relations consultancy Andrew Levy and Associated

- The study also finds that unions affiliated to the Federation of SA Trade Unions are involved in far more strikes than all other unions put together

These are among the findings in a Special Report on Industrial Action released by the consultancy yesterday

According to the study, metal is well ahead of any other industry in the number of strikes it has experienced

It is followed by food and beverage and motor, both of which are much more strike-prone than other industries

But it also finds that metal only became the most strike-prone industry in the past 18 months Before that food and beverage "consistently" experienced most strikes

In a geographical breakdown of strikes, the study also sharply challenges the view that the Eastern Cape and Natal are particularly strike-prone areas

It finds that nearly half of all strikes between 1979 and 1982 occurred in the Pretoria-Witwatersrand-Vereeniging area The Eastern Cape and Natal each account for just over 20% during that period

The study gives a breakdown of union involvement in strikes, but cautions that these figures do not mean the unions caused the strikes, merely that their members were involved It suggests the figures could indicate the relative strength of the unions

"It must be remembered that a union's 'militancy' cannot be judged in terms of its rhetoric alone It needs to have the density of membership as well as the will amongst its members to turn slogans into action

"In this sense, there is little doubt that the (figures) are a reflection of the reality (of various unions' strengths)", the study argues

Where unions were present in strikes, Fosatu unions were involved in 65% of strikes, the Council of Unions of SA was involved in 7,75% and other emerging unions, notably the SA Allied Workers Union (SAAWU), General Workers Union, and Commercial Catering and Allied Workers Union accounted for the other 27%

The union involved in most strikes is Fosatu's Metal and Allied Workers Union, followed by its National Automobile and Allied Workers Union (NAAWU)

SAAWU comes third, Fosatu's National Union of Textile Workers fourth and the Food and Canning Workers Union fifth

However, when man-days lost to employers, rather than the number of strikes, is calculated, NAAWU is far ahead of any other union

Union to ask living wage

189

6

RDM 20/6/83

Mail Reporter

OFFICIALS from the Metal and Allied Workers' Union's Transvaal branch will meet Seifsa director Mr David van Coller today to discuss demands for a "living wage'

MAWU also intends to tackle Seifsa for signing an agreement for the cable manufacturing industry which excludes the union

"MAWU was disappointed to see Seifsa signed an agreement for the cable manufacturing industry with unions not representative of a majority of workers In doing so, Seifsa chose to ignore MAWU, which has a much larger membership in the industry than any party unions and has majority membership among employees of four plants,' said a MAWU statement issued at the weekend

According to the statement, this is the second time Seifsa and a group of unrepresentative unions have co-operated to exclude MAWU's democratic negotiating principle

When applying to the Industrial Council for membership, MAWU claims it made it clear the union could only negotiate on the basis of report-backs and mandates Neither Seifsa nor the other unions objected

"Now, however, both are concluding agreements in such a way as to block MAWU completely from usefully reporting back or obtaining mandates

"It seems Seifsa is determined to continue negotiating agreements at industry level with unions which represent a minority of workers and do not even report back to their members after negotiation"

All parties to the negotiations admitted that unions other than MAWU were unrepresentative and the decision to go ahead and sign an agreement for the cable industry was a gross example of bad faith, said the statement

At today's meeting, the delegation will point out that MAWU members are serious about the struggle for a living wage and are dissatisfied with a refusal from a highly profitable industry to move to paying living wages, concludes the statement

Asked for comment yesterday, Mr Van Coller said he had not been aware of the outcome of negotiations

"The matter concerns the Association of Electrical Cable Manufacturers and I am not aware of the details," he said.

RAND DAILY MAIL, Monday, June 20, 1983 7

~~151~~ ROM

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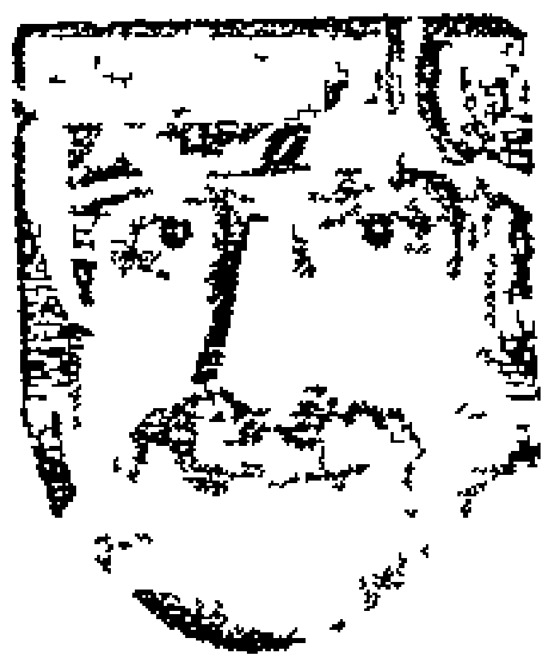
Unions score a big breakthrough

20/6/83

Labour Week



By STEPHEN FRIEDMAN

NEGOTIATIONS on the future of the metal industries' pension fund this week produced an agreement whose impact might be felt for a long time to come

Readers may recall that the agreement setting up the fund, which covers nearly 500 000 workers and has assets of over R500-million is due for renewal

Three emerging unions the Metal and Allied, General Workers and Chemical Workers Industrial unions, refused to agree to this unless the fund's board — composed of employers and unionists on the metal council — agreed to changes in the board's composition

These were that worker leaders hold most of the seats and that bigger unions have more seats than smaller ones

The clash over these demands threatened the fund's continued existence

But last week a formula was found which will allow the fund to continue and the agreement is to be extended for six months

As expected, union demands for a majority of seats were not met

But, in a major departure the board has agreed that the 10 unions with most members in the fund will sit on the board — whether or not they are registered or sit on the metal council

The fact that mainly black unions, particularly those not on councils, now have a say over a fund worth R500-million is clearly an event of moment

Although the mainly black unions will be in a minority on the board, they may well exert a good deal of influence over decisions

Indeed, this may be the first time black representatives have been given a say over the investment of this much money

But in one key area, union decision-making power will be sorely limited

One of their demands is that pension money be invested to the benefit of the black community They are unlikely to class investing in the Government in that category

But the law stipulates that over half the investments of all pension funds must be in Government stock

WM 20/6/83

Union and trailer firm discuss wages

189

Mail Reporter

WAGE negotiations will start today between the Metal and Allied Workers' Union and Henred Fruehauf Trailers

It is the first time a union has negotiated wages for a plant in Isithebe KwaZulu, a statement issued by MAWU said yesterday

Henred Fruehauf Trailers signed a recognition agreement, to include wage bargaining, with MAWU two years ago

Workers at four Henred plants, at Wadeville, Driehoek, Pinetown and Isithebe will be covered by negotiations on wages and working conditions

The talks follow a meeting earlier this month, when 26 Henred shop stewards from the four plants discussed common problems

At the meeting they decided to form a national shop stewards council for the Henred group, to hold national negotiations with the group to hold an annual general meeting to support workers at all plants, and possibly to forge links with Henred workers in other countries

The shop steward council meeting also resolved to support workers at Driehoek and Pinetown who had refused overtime work until retrenched workers were rehired, the statement said

189 ~~193~~ ~~200~~

Industrial Week 21/6/83

‘ADE let down by local aluminium men’

ATLANTIS Diesel Engines has finally acquired R7 million from the IDC to establish an aluminium foundry, after an unsuccessful foray to secure the funding from the SA aluminium foundry industry, writes Priscilla Whyte.

Barry Osler, marketing manager of ADE, said at a press conference: “We were very badly let down by the SA aluminimium foundry industry and then looked to the IDC for the cash ”

Osler said the IDC acquired the funds in Germany and that the total project with ancillary equipment would cost about R15-million and production of a small amount would come on stream by the end of this year

When ADE sought financial assistance from SA private enterprise, offers of only a 20% loan were made and a firm commitment was expected on aluminium casting volumes

(189) ~~(157)~~ (~~110A~~) RDM 21/6/83

Metal workers seek new wage talks with Seifsa

Labour Correspondent

DEMANDS by the Metal and Allied Workers' Union to re-open wage negotiations, which cover nearly 500 000 metal workers, will be put to the board of the Steel and Engineering Industries Federation (Seifsa) next month

This is the outcome of a meeting yesterday between MAWU and Seifsa director, Mr Sam van Coller, on the union's demand that wage talks be re-opened

Mr Van Coller said yesterday that he had listened to the union's arguments for a re-opening of talks and had indicated that these would be conveyed to the Seifsa board, which will meet in the second week of next month

The board's answer would then be conveyed privately to the union, he added

Last month, Seifsa and unions on the Metal Industrial Council agreed on a wage increase which would raise minimum pay in the industries by 7% for the lowest-paid workers and 5% for the highest-paid

Although MAWU attended the meeting at which this was agreed, it rejected the agreement and, subsequently, general meetings of its members called for a re-opening of negotiations

MAWU complained that the parties to the industrial council had not given it an opportunity to consult its members about the 7% offer

It is understood that MAWU has been considering further action in the dispute should the Seifsa board turn down its request to re-open negotiations

Metal Box merger talks are called off

184 ~~[illegible]~~ [illegible] 22/6/83

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By JOHN MULCAHY

TALKS between Metal Box, Barlow Rand and Nampak on the future of Metal Box South Africa are off

Mr Bas Kardol, executive chairman of Nampak, said last night that in the final analysis, "the numbers did not click"

Speculation on a possible takeover or merger at Metal Box first surfaced in mid-April, when the share price surged to 875c from 680c, and on April 26 a joint statement from Metal Box, Nampak and Barlows said the parties had agreed to "undertake a joint review of the operations of Metal Box South Africa"

Metal Box closed at R10 on the Johannesburg Stock Exchange yesterday, an all-time high, and 47% above the price immediately before the talks commenced in April

Subsequent statements from both Metal Box and Nampak indicated that the talks were headed in the direction of a merger of operations rather than a takeover, and this is supported by the large contribution Metal Box SA makes to the UK parent company's earnings

Mr Derek Jacobs, managing director of Metal Box SA, was in a meeting yesterday afternoon and could not be reached last night

Mr Kardol would not elaborate on where the talks had foundered, but he stressed that negotiations had at all times been handled on a friendly basis

Commenting on the two months that elapsed between the date the first announcement was made and the collapse of negotiations, Mr Kardol said at no time was it envisaged that formal talks would commence before last week

Up to that time, the parties were discussing informally which of their interests might dovetail into each other, and once formal negotiations commenced it soon became clear that agreement would not be reached

It is believed the final talks revolved around the establishment of a new holding company, with two main divisions — packaging and metal tubes

The discussions over Metal Box have been of particular interest in the light of the dramatic developments on the SA business scene in the past few weeks, which have seen control of Premier return to SA at a cost of R337-million, while Rennies Consolidated Holdings was last week bought from its Hong Kong parent, Jardine Matheson, for about R200-million in cash

It remains to be seen whether Metal Box UK is interested in disposing of its SA wing, but given the current "repatriation" climate, there will be no shortage of willing buyers, especially for a company with a profit record as impressive as Metal Box SA

The group's latest annual report, released yesterday, shows that attributable profit has grown by 254% in the past five years, from R8 687 000 for the year ended March 31, 1979, to R30 775 000 for the latest financial year

Over the same period, earnings have risen to 88,5c a share from 32,7c and dividends to 45c from 25c

Iscor in row with Gencor

23/6/83 RDM

By BRENDAN RYAN
Mining Editor

NEARLY 5 500 jobs and capital investments totalling R80-million are threatened by a dispute between Iscor and Trans-Natal Coal Corporation, the coal-mining arm of Gencor.

Trans-Natal announced yesterday it had given three months' notice of closure of the Hlobane Colliery in Northern Natal to the Minister of Mineral and Energy Affairs.

Hlobane has reduced mining operations by a third and is cutting staff by more than 1 200 — about 25% Gencor hopes to place these workers in other jobs in the group

The mine supplies nearly a million tons of coking coal annually to Iscor

Trans-Natal has spent about R80-million since 1980 to modernise Hlobane after reaching agreement with Iscor to exploit coal reserves in the western area of the No 1 mine

Two deposits, the Gus and Dundas seams, are mined separately by fully mechanised operations and a two-stream coal preparation plant has been built.

Both Gencor and Iscor remained tight-lipped about the cause of the dispute last night.

Mr Floors Kotze, managing director of Iscor, said. "I have nothing to say about it, it is a business matter"

Mr Johan Fritz, head of Gencor's mining division, said. "As discussions may continue between ourselves and Iscor it would not be constructive for me to elaborate any further on the statement we have published."

The Trans-Natal statement said the company had been advised that Iscor could no longer accept coking coal from Hlobane Colliery, except on certain conditions determined by Iscor

"Under the circumstances Hlobane has been left with no alternative but to stop delivery to Iscor of Gus seam coking coal.

"In view of the fact that the unilateral conditions stated by Iscor are unacceptable to Hlobane, the question of the feasibility and extent of further deliveries of Dundas seam coking coal has necessitated the giving to the Minister of Mineral and Energy Affairs of the requisite statutory three months' notice of closure of the colliery

"Discussions between the company and Iscor have, however, taken place and may continue This may lead to a change in the position

"The financial implications cannot be quantified until more clarity has been achieved A further announcement will be made as soon as circumstances allow"

Iscor has drastically reduced its output and work force because of the domestic and world recession in steel markets

Several coking coal mines belonging to Amcoal and Gencor have been closed because of Iscor's reduced requirements, but these are old mines and were due to be closed shortly

Although Iscor may be trying to force production cuts on Hlobane, it is believed the dispute concerns the price of Hlobane's coking coal

The row started at the end of April this year

Given Trans-Natal's huge investment, much of which may have been financed through loans, the company cannot afford any cut in price or planned production which would endanger its ability to pay the debt burden.

In the September quarter last year Trans-Natal raised loans of R145-million to be used as and when required for its capex programme.

Should the mine be closed the company would have to service its loans for Hlobane without any return from the investment. It would also have to carry the costs of mothballing the plant.

Trans-Natal, Iscor dispute threat to 5 500 jobs

~~335~~ 189 ~~360~~ ~~275~~

Cape Times
23/6/83

By BRENDAN RYAN

JOHANNESBURG — Nearly 5 500 jobs and capital investments totalling R80m are threatened by a dispute between Iscor and Trans-Natal Coal Corporation, the coal mining arm of Gencor

Trans-Natal announced yesterday it had given three months notice of closure of the Hlobane Colliery to the Minister of Mineral and Energy Affairs

Hlobane has cut back mining operations by a third and is reducing its staff by more than 1 200 or about 25 percent Gencor hopes to place these workers in alternative employment in the group

The mine supplies nearly a million tons of coking coal annually to Iscor

Agreement

Trans-Natal has spent about R80m at Hlobane since 1980 to modernize the mine after reaching agreement with Iscor to exploit coal reserves in the western area of the No 1 mine

Two coal deposits, the Gus and Dundas seams, are mined separately through fully mechanized operations and a two-stream coal preparation plant has been built.

Both Gencor and Iscor remained tight-lipped about the cause of the dispute last night

"I have nothing to say about it, it is a business matter," said Mr Floors Kotze, managing director of Iscor

"As discussions may continue between ourselves and Iscor it would not be constructive for me to elaborate any further on the statement we have published," said Mr Johann Fritz, the head of Gencor's mining division

The Trans-Natal statement said the company had been advised that Iscor could no longer accept coking coal from Hlobane Colliery, except on certain conditions determined by Iscor

"Under the circumstances Hlobane has been left with no alternative but to stop delivery to Iscor of Gus seam coking coal

"In view of the fact that the unilateral conditions stated by Iscor are unacceptable to Hlobane the question of the feasibility and extent of further deliveries of Dundas seam coking coal has necessitated the giving to the Minister of Mineral and Energy Affairs of the requisite statutory three months notice of closure of the colliery " the statement said

"Discussions between the company and Iscor have, however, taken place and may continue This may lead to a change in the position

Announcement

"The financial implications cannot be quantified until more clarity has been achieved A further announcement will be made as soon as circumstances allow "

Iscor has drastically reduced its output and workforce in the face of the domestic and world recession in steel markets

Several coking coal mines belonging to Amcoal and Gencor have been closed because of Iscor's reduced requirements but these were all old mines due to be closed shortly anyway and Iscor's cutbacks merely speeded up this process

While Iscor may be trying to force production cutbacks on Hlobane as well it is believed the dispute concerns the price of Hlobane's coking coal

The row started at the end of April this year

Investment

Given Trans-Natal's huge investment, much of which may have been financed through loans the company cannot afford any cut in price or planned production which would endanger its ability to pay back the investment and service the debt burden taken on.

In the September quarter last year Trans-Natal raised loans of R145m to be used as and when required for its capex programme

Should the mine be closed the company will have to service its loans for Hlobane without any return from the investment they financed It will also have to carry the costs of mothballing the plant and may resort to extraordinary write-offs of the investment

NEGOTIATIONS

Dispute threatened

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The Metal and Allied Workers' Union (Mawu) is considering declaring a dispute with employers who agreed to this year's pay rises negotiated at the industrial council for the metals industries

The Steel and Engineering Industries Federation of SA (Seifsa) and established unions on the council agreed to a 5% rise for highest-paid workers and a 7% increase for those at the bottom end of the scale The agreement affects about 500 000 employees in the industries.

Mawu, which has applied to join the council, attended the meeting and took part in the negotiations However, the union rejected the settlement, saying it wanted to canvass its members on their response. Its demand that the agreement be delayed until it had received a mandate from its members was refused

The pay rises negotiated at the industrial council have since been rejected by Mawu members Meetings of Mawu shop stewards have instructed the union's negotiating delegates to "take any steps that may be necessary" to force employers to reopen wage negotiations

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Last week the union deplored a wage agreement reached between established unions and the Seifsa Cable Manufacturers Association Again, this agreement was concluded despite Mawu's demand that it be given time to report back to its members The union claims that although it has a much larger membership in the industry than any of the other unions, it was "ignored."

"When it applied to the industrial council for membership, Mawu stated many times that it only negotiates on the basis of report-backs and mandates," says a statement released by the union "Neither Seifsa nor the other unions objected Now, however, both are concluding agreements in such a way that Mawu is completely blocked from reporting back usefully or from obtaining mandates"

Mawu sources tell the *FM* that the union is seriously contemplating declaring a dispute with employers in terms of the council's dispute procedures A decision on this is likely to be taken during the coming week. It appears that the declaration of such a dispute would open up three options for the parties mediation, arbitration, or possible legal action through the industrial court.

Financial Mail June 24 1983

RDM
25/6/83
189

1 100 workers down tools

By STEVEN FRIEDMAN
Labour Correspondent

ABOUT 1 100 workers at major metal firm Dunswart Iron and Steel downed tools briefly yesterday in protest against impending retrenchments, a spokesman for the Metal and Allied Workers' Union (MAWU) said yesterday

The spokesman said workers had struck when the company announced that 85 workers were to be retrenched next Friday

He said they had demanded that the company negotiate with MAWU on the retrenchments They also wanted retrenched workers to be paid severance pay

After discussions between Dunswart management and MAWU officials, the company had agreed to hold talks with the union on the retrenchments and the workers had responded by saying they would return, he added.

The talks will take place on Monday evening, the MAWU spokesman said

Comment from the company could not be obtained yesterday

Earlier this year, Dunswart and MAWU were involved in a dispute over the retrenchment of contract workers which led to the company paying retrenched workers over R30 000 in compensation

The union had threatened to take legal action over the retrenchments, arguing that employers were not permitted to retrench migrants in mid-contract without paying them the wages they would have earned for the remainder of their contracts

However, the dispute was settled before legal action was taken

RDM 27/6/83

(29)

WAGE disputes rarely if ever end in the industrial court

But this is precisely the possibility created by the Metal and Allied Workers' Union's opposition to the metal industries wage agreement

MAWU, which has rejected the agreement reached at the metal industrial council may declare a dispute with employer federation Seifsa on this issue

It is able to do this because the council's own dispute procedure has been changed to make such action possible

If this failed to settle the dispute it would be referred to mediation arbitration, or the industrial court

Any attempt to ask the court to pronounce on an agreement reached at the country's biggest industrial council is certain to attract widespread interest

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28/6/83

Dumping of used tools 'causes disruption'

By Priscilla Whyte

The "dumping" of used machine tools is causing at least as much disruption in the SA market as the "dumping" of new ones, claim SA producers

But machine tool distributors, who import the new and foreign tools, says there is no "dumping" of either

Gerhard Röthel, vice chairman of the SA Tool Manufacturers' Association said "Used machines are flooding into SA from England on a consignment basis "

Fred Thompson, MD of F Thompson Machine Tools

These machines, he claimed, were sold at any price "and they are perhaps causing more disruption in the market than the new ones "

But Fred Thompson MD of F Thompson Machine Tools, strongly defended the position of the used machine tool merchants

"As far as dumping is concerned I strongly object to the use of the word ' he said

No serious business man dumped machinery "Garbage is dumped on the rubbish heap, not capital equipment "

Thompson said speculation and buying of imported machines was a complicated business

Transportation costs had gone up drastically" and with the advent of containerisation, with all its advantages, it had to be paid for

Economics

Previously, machine tools could be crated with deck cargo, but today the economics of a transaction might necessitate filling the container with more machines than the dealers had firm orders for, to obviate paying for wasted space

Containers are of specific sizes and are not custom built for specific cargo

Thompson categorically stated that he did not wish to take issue with either local manufacturers or new machine tool merchants, but was committed to the general engineering industry

He said complaints about machine tools coming in from England needed closer consideration

Insolvent

"Due to the high level of insolvencies in England over the past five to six years late model used machines, which have been well maintained have come onto the international market "

Thompson believed that end users were often too influenced by NC and CNC machine sales options, and that these high production machines were not always suitable for the low volumes of this market

The armaments industry was quiet and this is "the only area which commands large production runs "

Thompson contended that a conventional machine tool was ideally suited to the first machining operating and thereafter the NC may do the finer machining

Benefits

He said many engineers did not see the benefits derived from having a matching of conventional and NC equipment

He admitted that the used machine tool market was "not healthy" at present

He believed, however, that the used machine tool market was essential because new engineering businesses were starting up "even now"

The customary pre delivery service given to a used machine tool ensured that it could perform adequately in a jobbing shop, or production line

He was of the opinion that the economy should start taking a turn for the better towards the end of 1983 "not just for machine tools but more importantly for the engineering industry "

Confidence

Although the whole engineering industry has taken a knock it has to regain confidence "

Machine tools were vital to power station construction, coal exploitation and the possibility of a Sasol IV must offer opportunities eventually

Thompson contended that at the moment a mopping up operation was ensuing in the aftermath of the boom and in 18 months the situation would be looking a lot brighter

Thompson also pointed out that 10 years ago Boksburg had no machine tool merchants for new or used machine tools

Market

Today there are 15 to 20 dealers all trying to get a slice of the market

Industrial Week tried to pin Thompson down on the size of the used machine tool market

He wriggled out of that one by saying "It must be worth more than the new machine tool market (R60 R80 million), because even a 6 month-old repossesed machine tool is a used machine, and all new machines are made by used machines '

Block system saves time

DOWNTIME on changing of cutting tools can be reduced by up to 80% using a newly introduced turning tool cutting unit, say the makers

The unit, known as the block tool system, was demonstrated by Sandvik's metalworking products division on Efamatic's EFA 250, the first CNC lathe to be made in South Africa

In the case of conventional cutting tools, three or four bolts have to be loosened to change the tool holder and changing inserts requires careful handling because of the heat generated

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MACHINE TOOLS & METROLOGY

This broad based subject is of such

Dia

Thyssen Machine recently provided Beer's Botswana Company with a range of maintenance machine tools for use

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Blade output boosted

THE HEAVY demand for locally produced axial flow turbines and compressor blades has forced Sulzer Bros (South African) of Johannesburg, to establish a new department and move the existing manufacturing facility from Market Street to a larger factory in Isando

The new Turboblading Department, which will turn out axial flow turbo machinery blades only, will be run by Heinz Leuenberger, who has been in charge of blade production since local manufacture started in 1979 Other senior positions will be held by Ernest Peter, Works Manager; Peter Dawson, Chief Inspector; and Eddie Gray, Administration

"With a 50% bigger and more modern fac

Sowetan 28/6/83

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E Rand 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 SOWETAN** 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

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Industrial Week

Jewellery 'vital to gold mining industry'

28/6/83

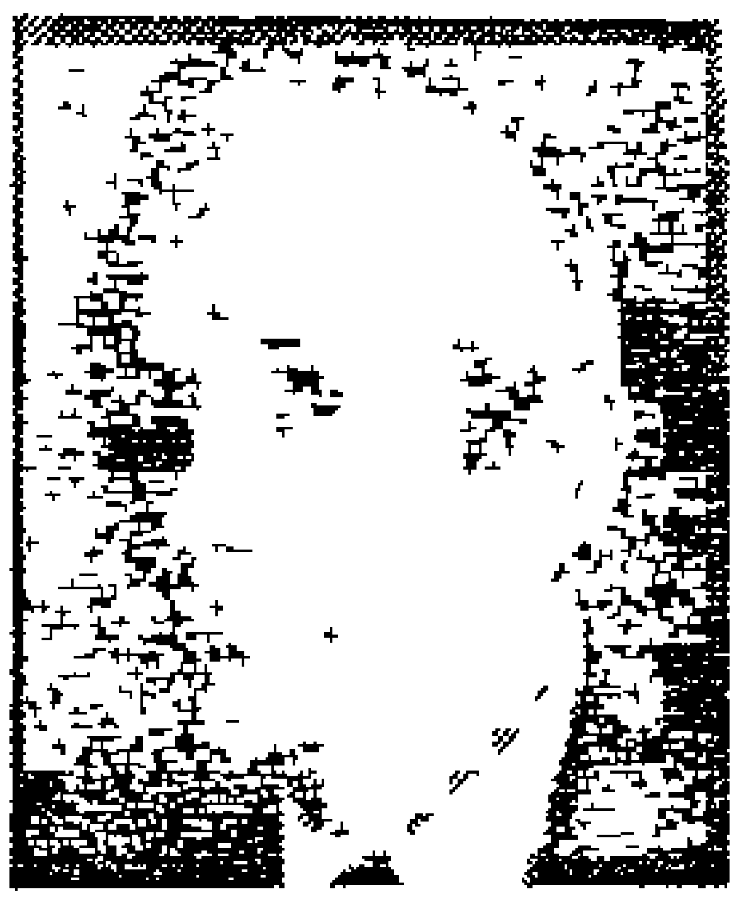
By Priscilla Whyte

CONSUMPTION of gold by the R100-million a year SA jewellery industry was greater than SA's total gold production of 644t for 1982 said Willie Malan president of the Chamber of Mines of SA at the opening of the jewellery trade fair

Gold was nevertheless the predominant product of the mining industry and was responsible for 47% of SA s export earnings last year

Malan said 870t of gold including recycled scrap was used by the international jewellery industry in 1982 – an increase of 15% over 1981 when there was a dramatic rise in demand after the depressed year of 1980

A healthy and expanding jewellery industry was of vital importance to the gold mining industry



Willie Malan

The gold mining industry through the International Gold Corporation – the marketing and gold promotion arm of the Chamber of Mines was currently administrating a budget of R45-million a year to stimulate a desire for gold jewellery in 22 countries worldwide

Intergold said Malan, spent R33 million of an annual budget on gold jewellery promotion and trade partners made a further contribution

Platinum was another metal produced principally for the free world by SA

Malan pointed out that although demand for platinum had fallen jewellery was one of the outlets for the metal which had continued to bolster sales

SA also had a large vested interest in diamonds and last year the jewellery manufacturing industry worldwide turned over an estimated $18 000 million incorporated in some 32 million individual pieces of jewellery amounting to about 7,8 million carats of polished gems

Malan said that last year SA produced 17 4 million carats of an estimated Western world output of around 45 million carats used for both industrial and jewellery purposes

Some 7% of this output was used in jewellery

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Patons strike goes on

Sowetan

29/6/83

MORE than 400 black workers employed by Patons and Baldwins in Randfontein yesterday entered their fifth day of striking in demand of wage increases.

The workers say there was a deadlock when their demands for a 30 cents increase per hour was rejected by management which is prepared to give them only 5 cents

In a statement to **The SOWETAN** the company's PRO said the company was prepared to listen to the workers grievances but that they were unable to meet their demands particularly in the prevailing "poor trade conditions in the textile factory".

The company had called in the secretary of the Textile Workers' Union Mrs M Selora to advise the workers to return to their positions while negotiations were continuing, but they refused

Meanwhile about 300 workers at T W Beckett and Company at Isando have returned to work following an agreement with the management The workers had downed tools in solidarity with two fired colleagues

At Dunswart Iron and Steel near Benoni about 500 workers involved in a sit-in have also returned to work

29/6/83

Lay-offs: talks continue

189

Labour Reporter

Star

Negotiations between two trade unions and the management of a Dunswart metal firm continued today after last week's strike over retrenchments

The SA Boilermakers' Society and the Metal and Allied Workers' Union were both involved in talks with management to resolve worker protests when about 500 workers downed tools over pend-ing retrenchments at Dunswart Iron and Steel

A worker at the T W Beckett coffee and tea firm at Isando was reinstated yesterday after about 300 workers went on strike on Monday

Workers had returned to their jobs yesterday pending negotiations Company spokesmen were unavailable for comment

se Mr Pierre Machielse (left) toasts the mayor of Sandton, Mrs
in-Sandton yesterday

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500 Barlows workers strike for more pay

1/7/83

Labour Correspondent

BETWEEN 450 and 500 workers at the Barlows Manufacturing plant at Kew near Johannesburg have been on strike since Tuesday in support of demands for a 50c an hour wage increase a company statement announced yesterday

In the statement, a company spokesman, Mr Andre Minnaar, said the company was willing to negotiate on the workers' demands through a union

He claimed recognition talks between the company and the Metal and Allied Workers' Union had been broken off by the union in February and that the company had invited the union to resume them without success

But yesterday MAWU rejected the claim and accused the company of 'rebuffing repeated attempts to settle the dispute through negotiation' It said the company had originally refused to negotiate on the dispute

The company said increases it announced prior to the strike "amount to a minimum of 8% on current wages, which would mean 14c on the minimum wage paid

Mr Minnaar said the increases ' go as high as 54c for the highest-paid workers out on strike

The company was willing to negotiate wages with bodies of our employees choosing for example trade unions within an agreed framework for such negotiations'

He said this could be contained in a recognition agreement with a union

"Recognition negotiations between the company and MAWU broke down in February this year when the union withdrew from negotiations Since February we have on various occasions invited the union to re-open negotiations and put forward their proposals for a recognition agreement ' Mr Minnaar said

However, the MAWU spokesman said management had only agreed to meet union shop stewards yesterday after initially refusing to talk to them

"At the meeting we raised a series of ideas aimed at settling the dispute These also centred around concluding recognition negotiations quickly and then negotiating wages We were rebuffed each time," he said

He said another meeting was due today "but we have no doubt the company will adopt the same intransigent stance"

The agreement Barlows wanted the union to sign was 'so restrictive that workers would be conceding their right to have a say in anything besides basic wages , he said

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against SA

held in Los Angeles next year to estimate the extent of sports participation with South Africa by countries intending to compete in the 1984 Olympics

Mr Ghebo is chairman of the UN Special Committee Against Apartheid

Conference delegates saved their heaviest condemnation for the United States Britain and New Zealand for continuing sporting links with South Africa — Sapa-AP

AA to have SOS service

Mail Reporter

THE Automobile Association will provide breakdown services for motorists travelling on the two main routes from Johannesburg to Durban when the Transvaal school holidays begin next week

Its help campaign will start when schools close on Thursday, July 7, and go through until Saturday, July 9 Pick-up trucks

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Mill hit by legal strike

1/7/83

Labour Correspondent

THE first legal strike by black workers in seven years — and only the second in labour history — has begun at a Natal textile mill, a National Union of Textile Workers (NUTW) statement announced yesterday

It said the strike, at Natal Thread Company in Hammarsdale was taking the form of an overtime ban which was cutting production time by 27,5 hours a week It began on Monday and was prompted by a wage demand

Company comment could not be obtained yesterday

To strike legally, unions must go through various steps provided by the official bargaining machinery, in-

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Tension over mine demands is eased

1/7/83

Labour Correspondent

TENSION between the Chamber of Mines and two unions representing black mine workers — which threatened a confrontation between the two sides — appears to have been defused after a meeting yesterday

The unions the National Union of Mineworkers and the Federated Mining Union, met the chamber yesterday to discuss their demand for a re-opening of wage talks, which were concluded a fortnight ago

The NUM said it had discovered that the chamber had withheld information from it and had bargained "in bad faith", charges which the chamber denied

The NUM had threatened to declare a dispute, the first step towards a legal strike if the chamber refused

It is understood that wages will not be under discussion, but that the unions have accepted this

A NUM statement yesterday said 'The chamber agreed to hold negotiations with the unions within 1[illegible] days after it has obtained a mandate from mining groups regarding the demands made by the unions

"The chamber also agreed to furnish the unions with all information regarding conditions of employment affecting workers in the industry "

A chamber statement said it had "reaffirmed its commitment to meet them before July 17 to discuss outstanding issues raised during the recent wage negotiations"

It added that this was accepted by the two unions

When agreement was reached during the recent wage talks, the chamber said

PRESS STATEMENTS

FOSATU

1 July 1983 (189)

MAWU

METAL & ALLIED WORKERS UNION OF SOUTH AFRICA

METAL AND ALLIED WORKERS UNION OF SOUTH AFRICA

ABOUT 400 workers at W B Camerons in Jacobs a subsidiary of Barlows downed tools for the third consecutive day today in support of a demand to negotiate wages with their employer All workers are members of the Metal and Allied Workers Union

At Barlows manufacturing in Kew members of the union have also downed tools in an effort to get the Company to negotiate wages

However Barlows is continuing to refuse to negotiate wage increases because they say they have not finished negotiating recognition agreements with MAWU at the two factories Instead the Company has unilaterally declared increases of 8 per cent

These increases have however been rejected by MAWU as totally inadequate and they called for bona fide wage negotiations

'We have been waiting for months to finish the recognition agreement but the Company has continually stalled on this - we cannot accept the Company hiding behind the recognition agreement - they could easily delay the agreement for many more months', said local organiser, Mr Vusi Shezi

01. 07. 83

THE Natal branch of Metal and Allied Workers Union has made some major break throughs in wage negotiations with a number of companies falling under the Iron and Steel Industrial Council agreement

At A P V Kestner in Pietermaritzburg the union negotiated a 18c per hour wage settlement and at Pillar Naco agreed on an across-the-board increase of 15c per hour. In Pinetown, Glacier Bearings agreed to meet MAWU's demand for a minimum wage of R2,00 an hour and at Forbo Krommenie in Jacobs the company agreed to a 30c per hour across-the-board increase and a minimum wage of R2,42 per hour

The negotiations have not been without incident and there are still certain factories which are refusing to negotiate increases with Metal and Allied Workers Union which rejected the 7 per cent increases offered by SEIFSA at the Industrial Council.

At W.B. Camerons and a number of other factories workers have downed tools in order to secure wage increases over and above the rates agreed to by the unions party to the Industrial Council

"We informed SEIFSA that we did not believe our members would accept the 7 per cent they were offering - clearly they have not - that is why we are negotiating at factory level to ensure our members get proper increases", said Maxwell Xulu the branch chairman.

01. 07. 83

(189) D. Dispatch 1/7/83

Textile workers on strike

JOHANNESBURG — The first legal strike by black workers in seven years — and only the second in labour history — has begun at a Natal textile mill, a National Union of Textile Workers statement announced yesterday

It said the strike, at Natal Thread Company in Hammarsdale, was taking the form of an overtime ban which was cutting production time by 27,5 hours a week

It began on Monday and was prompted by a wage demand, the union added

More than 300 workers at a stainless steel manufacturing company in Jacobs downed tools on Wednesday and were still on strike yesterday, demanding a 40 cents an hour wage increase

The company W B Camerons (Pty) Ltd, announced a minimum increase of eight per cent on current wages, or 16 cents an hour, whichever was the greater

Workers rejected the offer and were sticking to their demand which, if met, would earn a worker at least R2 an hour — DDC

Prices of steel go up by 10 pc

ARGUS 1/7/83

189

PRETORIA — The controlled maximum producer prices of all steel products — except for tinplate — have been increased from today by an average of about 10 percent

This was announced here by Mr F P Kotzee, chairman of the South African Rod and Steel Producers' Coordinating Council

The council represents the nine primary steel producers, Highveld Steel and Vanadium, Dunswart, Usco, Scaw, Davsteel, Stott, McWillaw, Cisco and Iscor

Details of the new maximum basic prices are published in today's Government Gazette

The price of tinplate was raised on April 1, also by about 10 percent This date was chosen to fit in with the seasonal needs of the fruit and vegetable canning industry, one of the major consumers of tinplate containers

Mr Kotzee said "The prices of the individual products are being adjusted in a differentiated manner and increases range from 5 to 12,5 percent, with a weighted average of under 10 percent

"The whole of the primary steel industry continues to experience exceptional cost increases in regard to its inputs, such as raw materials, spares, services, refractories, railage and labour, which are largely beyond the industry's control

MUCH LESS

"The average actual increase of these inputs to the industry amounted to about two to three percentage points above the current general rate of inflation of 13 percent

"However, the statutory price increase now granted is even more than three percent lower than the rate of inflation and consequently much less than is required for the industry to offset increases in its input costs

"In the light of the serious inflation problem with which the country is faced, the industry feels itself compelled, however, in the national interest, to continue as in the past to absorb part of these costs increases itself and to compensate for it by further improving productivity and efficiency

MINIMAL EFFECT

"Intensified efforts in this regard are already yielding significant results for each of the nine producers

"For example, Iscor, the largest single producer, is maintaining its achievement of a productivity improvement of five percent a year

"According to input-output tables relating to the whole of the steel processing industry, this steel price increase will have a minimal effect of only 0,3 percent on the general rate of inflation " — Sapa

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300 workers down tools at Jacobs steel company

Mercury 1/7/83

Mercury Reporter

MORE than 300 workers at a stainless steel manufacturing company in Jacobs downed tools on Wednesday and were still on strike yesterday, demanding a 40 c/hour wage increase

W B Camerons (Pty) Ltd, in Voortrekker Street, announced a minimum increase of 8 percent on current wages, or 16 c/hour, whichever was the greater

Workers rejected the offer and were sticking to their demand which, if met, would earn a worker at least R2 an hour

Company spokesman Owen Sellers said the company was prepared to negotiate wages with employee groups or trade unions within an agreed framework

He said negotiations between the recognised Metal and Allied Workers' Union were taking place

Meanwhile, the National Union of Textile Workers, an affiliate of Fosatu, started its first official strike yesterday at a firm in Hammarsdale

A pay dispute in March at Natal Thread Company deadlocked when the company refused to meet union demands

The company offered half the percentage increase given to members at other mills in Hammarsdale, the union said

Put to a vote 315 workers decided to strike by banning all overtime while eight agreed to accept the company offer

The Star/BUSIN

Now Dunswart is on the line

(189)

Star 1/7/83

By Duncan Collings

Dunswart Iron and Steel has joined the growing list of companies whose directors have warned shareholders of negotiations taking place which may affect the market price of shares

The company declines to say more at this stage other than to advise shareholders to be cautious in share dealing

Like other iron and steel producers, Dunswart has been severely affected by the local and international economic slump and, in the annual report for 1982, warned that 1983 would be a difficult year for the company.

It was forced to introduce short-time working during the last quarter of 1982 and the medium section mill was closed because of the severe recession in the steel industry which resulted in some lay-offs, black and white

The weak local and international markets were mostly responsible for a decline in sales to R84,7 million from R89,3 million and net results moved into a deficit of R2,9 million from a profit of R4,5 million the previous year

Plant utilisation was expected to be no more than 75 percent this year, but to improve in 1984-86

The one bright spot was the possibility of the company working with the German steel manufacturer Krupp in the installation of a Codir/Dunswart sponge iron plant at what would be one of the world's largest sponge iron producing facilities in the Philippines

At the year-end the consortium — which also includes Kawasaki and Marubeni — had a letter of intent for the 1,5 million tons a year plant, due for commissioning in 1985. If the order is confirmed it could significantly affect Dunswart, and it may be to this that today's announcement refers

Brokers told The Star today that trade in the stock had been fairly lethargic of late as "underlying fundamentals of the company are not good at the moment".

One broker said that at about 95c in April, the stock had been punted as a speculative recovery and had then risen to 120c, but "had now run out of steam."

Most steel prices go up today

Star 1/7/83

The controlled maximum producer prices of all steel products — except tinplate — are to rise by 5 to 12,5 percent today.

The chairman of the South African Rolled Steel Producers' Co-ordinating Council, Mr F P Kotzee, said rising prices were hitting the entire primary steel industry.

Costs of raw materials, spares, services, railage and labour were all up, raising the industry's expenditure by two or three percent above the general inflation rate of 13 percent.

The latest statutory price increase was on the average more than 3 percent lower than the inflation rate, he said

Despite this, the industry felt it was in the national interest for it to continue absorbing part of the cost increases and compensate by further improving productivity and efficiency.

Iscor, the country's largest steel producer, was already attaining a 5 percent annual increase in productivity, Mr Kotzee said.

Going by the industry's input-output tables, the new steel prices would have a minimal effect on the general rate of inflation.

Mr David van Coller, director of Seifsa, said. "Everyone is trying to reduce inflation and steel producers themselves are making every effort.

"It will hit the engineering industry most of all Any price increase in a recession is difficult to absorb and at this stage it is impossible to say what effect it will have on the consumer."

Steel prices rise

1.7.83

189

RDM

THE controlled maximum producer-prices of all steel products — with the exception of tinplate — would be increased with effect from today, the chairman of the South African Road and Steel Producers' Coordinating Council, Mr F P Kotzee, announced in Pretoria yesterday.

The Council represents the nine primary steel producers — Highveld Steel and Vanadium, Dunswart, Usco, Scaw, Davsteel, Stott, McWillaw, Cisco and Iscor

"The prices of the individual products are being adjusted in a differentiated manner and increases range from 5,0% to 12,5%, with a weighted average of under 10%," said Mr Kotzee

"As is customary, the price of tinplate was adjusted on April 1, also at a rate of less than 10% It had been decided previously that price adjustments in respect of this product would be effected once a year in about April, which would fit in better with the seasonal needs of the fruit and vegetable canning industry, one of the major consumers of tinplate containers

LABOUR Fm 1/7/83

No fragmentation (189)

4 4

Employers who want to fragment artisans' jobs to enable their work to be performed by lower-paid, semi-skilled workers, can expect especially strong opposition from artisan unions

This is the message contained in an editorial in the latest edition of the *Metalworker*, official journal of the 32 000-member Amalgamated Engineering Union. It is written by AEU general secretary Tom Neethling, who vigorously defends the artisan unions' long-held obsession with the maintenance of training standards for their jobs and the boundaries between the different trades

He lists the artisan unions' traditional arguments in favour of these boundaries, emphasising the need for clearly defined areas of responsibility in the workplace He argues that the boundaries are important for job security, safety and establishing liability in the event of an accident or other failure

Some employers, of course, often see matters differently They favour fragmentation of artisans' jobs to allow various aspects to be peformed by a number of lower-paid, semi-skilled workers at an overall lower labour cost

Neethling says the retention of boundaries may appear to be inefficient, but points out that trade unions throughout the world have for long resisted even minor infringements However, in SA, the unions have been remarkably co-operative, he claims

AEU's Neethling ... protecting artisans' jobs

"In fact, we can think of no other country in the world where trade unions have been so obliging and co-operative in meeting employers' demands for a greater degree of flexibility . The economy periodically experiences boom conditions when artisans' skills are much in demand and artisans are in short supply There are numerous cases on record where, under such conditions, the unions have agreed to industrial councils granting exemptions which permit the use of non-artisan labour."

He says the granting of such exemptions is against union principles However, unions have reluctantly accepted them to avoid endangering the economy and possibly, in the long run, their own members' jobs

"But in times like the present, when jobs are scarce and unemployment is serious and threatening to become even worse, there is no way that the unions are going to condone the use of semi-skilled labour to carry out aspects of an artisan's job which requires lesser skills," he says

London meeting will decide fate of PE shipyard project

E.Lst

2/7/83

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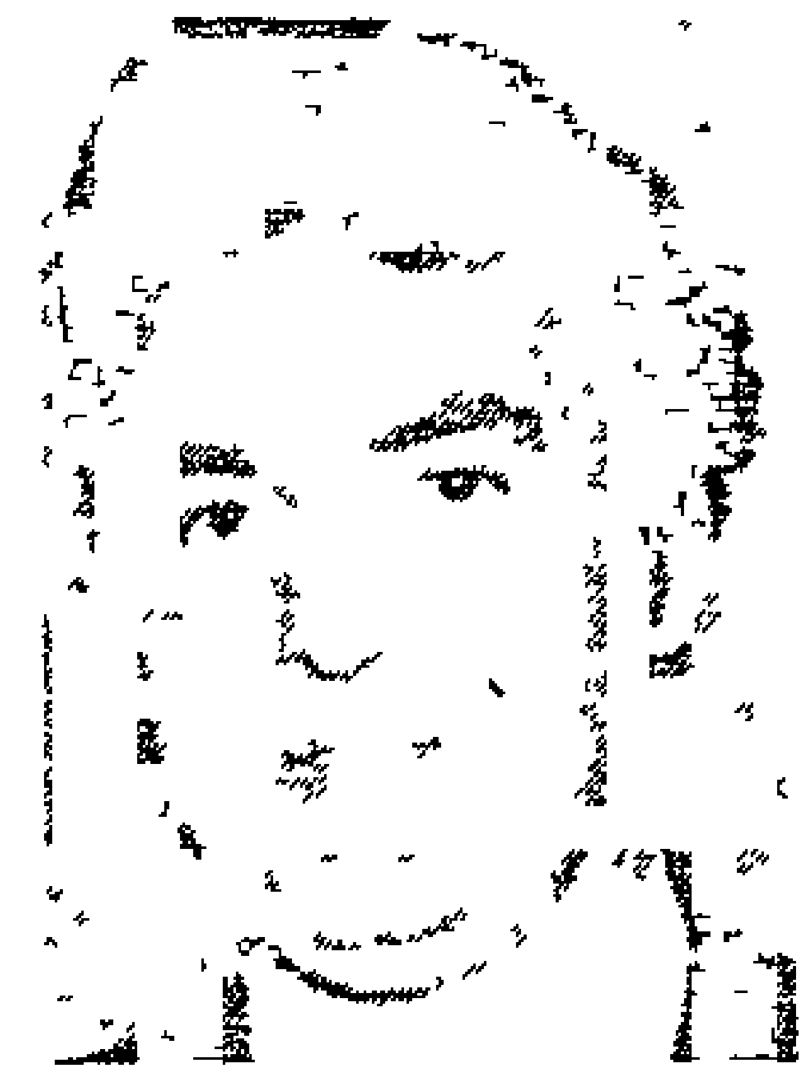
By LOUIS BECKERLING
Business Editor

A CRUCIAL meeting in London next week could provide the final chapter of the nine-year-old saga of the proposed Port Elizabeth ship repair yard

At the meeting which will be attended by potential US financiers of the scheme, a decision will be taken on either to proceed with the final phase of the project or to shelve it entirely


Mr HENRY COMBE

Mr Henry Combe managing director of the Algoa Bay Dockyard Development Company, yesterday confirmed this information and said he was headed for a "make-or-break" meeting

Also at the meeting will be

- ● The recently-installed new chairman of the dockyard company, Dr Konstant Brunette, who is currently in the United States
- ● The key figure in the design and management of the proposed dockyard, Mr Manuel Perestrello de Vasconcellos
- ● Representatives of the London firm, H P Drewry, which recently concluded a market study of the feasibility of the project

Mr Combe said "The decision to be taken in London is whether to proceed with the ultimate phase, which would lead to the finance being put together for actual construction We don't yet know exactly how much money we would need but the finance is lined up and there are several sources we could employ "

Mr Combe said he would divulge details of this "ultimate phase" on his return from London

"Should the financiers, who will be attending the meeting merely as observers and advisers, decide to withdraw from the scheme, there are several other sources of finance we could employ said Mr Combe

Mr Combe declined to identify the financiers They are, however, believed to represent US banking interests

Explaining his reluctance to identify the US group, Mr Combe said there was "a wave of anti-South African sentiment in the States and we can't say who will be involved'

At a meeting of the Exporters Club in May, Mr Combe said he believed this would be "within 12 months", and yesterday Mr Combe stuck by this assessment

Shipping industry sources do not share Mr Combe's optimism Next week's meeting takes place against a background of depression in international trade and a total change of emphasis in modern shipping since the scheme was first mooted in 1974

Coincidentally the Lisnave Shipyard on the Tagus River in Lisbon, which Mr Perestrello de Vasconcellos designed and built in the mid-sixties this month appealed to the Portuguese Government to bail it out of bankruptcy

Workers at the yard have not been paid for two months and the company administering the yard has forecast a $60 million (R66 million) deficit for the current financial year

The Lisnave yard's collapse apparently followed as a consequence of costly mid-sixties expansion by Mr Perestrello de Vasconcellos to accommodate super tankers

Since then the giant tankers have virtually disappeared from international trade routes, as have extra-large bulk carriers

Preference is now shown for ships of less than 150 000 tons (The proposed Port Elizabeth shipyard initially aimed at accommodating 550 000-ton tankers but the plan has since been scaled down to cater for 350 000-ton ships and, in a second, smaller dock, vessels of about 150 000 tons)

Commenting on the collapse of Lisnave, Mr Combe said "We have the market study by H P Drewry to go by, and it paints a very rosy picture of the future for the Port Elizabeth yard "

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Big fall in SA steel output

RDM 4/7/83

Financial Reporter

PRODUCTION of crude steel in South Africa is expected to fall to 6-million tons in 1983 from 8 200 000 tons in 1982, according to the South-African German Chamber of Trade and Industry

"Highveld Steel is operating at 67% of capacity Middelburg Steel is operating at an overall 60% of capacity despite the fact that demand for stainless steel is less affected than carbon steels and sales of 3CR12 are developing well

"Dunswart temporarily closed down its sponge iron plant in November last year," says the chamber's 1983 report

It estimates that increases planned before the downturn are expected to push production capacity of crude steel to 10-million tons

"If fully implemented there will be increased dependence on export markets to keep plants fully operational and unit costs down

"With the world steel oversupply situation and the adverse trend in the competitiveness of the South African economy caused by high inflation and low productivity, this is hardly a pleasing prospect for the industry

"Future investment is likely to be directed to overcome three main problems

"Firstly, the shortage of high quality steel scrap is likely to continue Iscor's commissioning at its Pretoria works of a new plant operating purely on scrap will aggravate this situation

"It is not surprising therefore that Usco will follow the lead of Dunswart and Iscor's Vanderbijlpark works by investing in a new sponge iron plant expected to be commissioned in 1985/86

"A second area for investment is the need to increase value added to steel products rather than investing in additional production capacity

"Highveld has, for example, invested R60-million in a hot strip mill which will enable it to compete in the pipe and tube steel markets and eventually provide flat steel products for use in the automotive industry

"Iscor also plans to exploit the automotive industry market to a greater extent following the introduction of a new zinc-coated corrosion-resistant steel sheet produced under licence to a European producer

"The third problem requiring new investment is modernisation of existing facilities, to increase the competitiveness of the South African steel industry

"Iscor is taking the lead here through developments at its Pretoria and Vanderbijlpark works"

(189) Sowetan

Reef strikes go on

4/7/83

MORE than 1 000 workers who went on strike at four different factories on the Reef have vowed not to return unless their managements meet their demands today.

And, managements have urged workers to return and open negotiations or be sacked

At D and DH Limited in Cleveland, about 200 workers downed tools on Friday after management refused to meet their demands for an R80 wage increase

About 200 workers employed by Golf Steel near Katlehong went on strike after management had refused to listen to their demands for higher pay Management urged workers to return today

More than 70 workers, mostly women, employed at Checkers in Killarney, stopped work on Friday after a colleague was allegedly threatened with assault and complained of ill-treatment by a white supervisor They called for his replacement

The Commercial, Catering and Allied Workers Union of SA intervened on behalf of the workers, but management has declined to replace the supervisor and warned that workers would not be paid while on strike

In Randfontein, Patons and Baldwins' management has warned about 500 workers on strike to return and to negotiate They had also stopped work because of pay demands

More than 450 workers at Barlows Manufacturing Company, Kew Site, near Johannesburg striking over wages increases have vowed that they will not return unless management meet their demands

Cape Times 4/7/83 189

Gencor becomes biggest shareholder in Samanco

By JOHN MULCAHY

JOHANNESBURG — Gencor has become the biggest shareholder in Samancor and Iscor has acquired Hlobane Colliery and Dunswart Iron & Steel in a series of deals that have arisen out of the dispute between Iscor and Trans-Natal over coking coal supplies

The dispute, which culminated in an announcement by Trans-Natal 10 days ago of its intention to close the Hlobane colliery in three months, a statutory requirement, is believed to have centred on the price of coking coal supplied to Iscor from Hlobane

Although neither Trans-Natal nor Iscor has been prepared to discuss in detail the reasons for the dispute, some industry sources have pointed to the high price charged by Trans-Natal for the Hlobane product, and the apparent inclusion of debt servicing and other controversial items in the basis for the mine's fixed costs

The wrangle came to a head when Iscor unilaterally refused to accept delivery of Gus seam coking coal from Hlobane, which in turn caused Trans-Natal to question the feasibility and extent of further deliveries of Dundas-seam coal

Gencor then entered the discussions, and as managers of Trans-Natal, arrived at the complicated settlement. Apart from the transfer of various assets between Iscor, Gencor and Trans-Natal, the parties have agreed to waive all claims they may have had against each other arising from the dispute

Resolution of the dispute leaves Iscor with the mine and a guaranteed supply under its control, and Gencor with the valuable stake in Samancor, but the advantages to Trans-Natal are not as obvious

The notice given to the Minister of Mineral and Energy Affairs placed the jobs of almost 5 500 workers in jeopardy, and threatened further hardship for the depression-struck towns of Newcastle and Vryheid

In terms of the deal struck between Iscor and Gencor, the mining house will first acquire Hlobane colliery from Trans-Natal at net asset value, and then transfer that interest to Iscor

Iscor will also receive from Gencor its controlling interest in Dunswart Iron & Steel Works, and Gencor will acquire 50,25 percent of the issued capital of African Metals, whose sole asset is about 59 200 000 shares, equivalent to 39,6 percent, of Samancor

The total value of these transactions is R92 300 000, equivalent to 310c a Samancor share

In return for Hlobane, Trans-Natal will receive certain coal mining rights, now being exploited by Trans-Natal but owned by Gencor. Gencor will also assume some of Trans-Natal's loan obligations

A value of R69 900 000 has been placed on the Trans-Natal leg of the transactions

Dunswart minorities will be offered 185c an ordinary share, 100c for every 10,5 percent redeemable cumulative preference share, 120c for every six percent cumulative preference share, 120c for every six percent second cumulative preference share and par value for all 14 percent unsecured debenture stock

Gencor holds about 56 percent of Dunswart's ordinary share capital, and the Dunswart is valued at just over R20m in terms of the offer to minorities

Merchant banks Barclays, Senbank and Finansbank advised on the deal for the various parties

Gencor stymies Anglo

~~[illegible]~~

189

~~240~~

RDM

5/7/83

By BRENDAN RYAN
Mining Editor

GENCOR has pulled off a major coup in gaining control of SA Manganese Amcor (Samancor).

News of the development took Anglo American Corporation, previously the largest private shareholder in Samancor, by surprise.

The Anglo directors who sit on the board of Samancor yesterday held a meeting to assess the implications of the move which has ended any plans they might have had for gaining control of the manganese and ferroalloy producer

Anglo and General Mining were keen bidders in 1977 for Iscor's 40% stake in Samancor, but then Minister of Economic Affairs, Mr Chris Heunis, ruled that Samancor must remain under Iscor's control

They sought control of Samancor since then and Gencor has won through the deal announced at the weekend in which it traded Hlobane colliery and 70% of Dunswart Steel for 50 75% of Iscor subsidiary African Metals which in turn holds 39 6% of Samancor

Gencor now has control over Iscor's 39 6% stake as well as a direct 7% holding in Samancor

In addition a Gencor investment company UC Investments holds 1,4% of Samancor The Iscor pension fund has more than 2% to take the total percentage held by Gencor Iscor to more than 50%

Mr Tom de Beer Gencor's executive director for finance, and Mr Floors Kotzee Iscor's managing director said yesterday that the two corporations had an informal arrangement to maintain control of Samancor between them and this agreement had been in existence for several years

Asked whether Anglo knew of this arrangement Mr de Beer said 'I don't know"

An Anglo American spokesman refused to comment on the deal or its implications

The course of action followed by Anglo since its offer for Samancor in 1977 was overruled would indicate it did not know of the arrangement

After the failure of the 1977 bid Anglo set about developing its own manganese mine Middelplaats Manganese which it then sold to Samancor at a book loss for 9-million Samancor shares

This brought Anglo's stake in Samancor to 24 6% which it increased by buying shares until it reached 29 8% at March 31 this year

Gencor has also been buying Samancor shares in the market over the past year increasing its holdings from 8 774 000 at December 31 1981 to 10 480 000 at December 31 1982

Anglo has three directors on Samancor's board — Mr Graham Boustred chairman of Amcoal and Amic Mr Leslie Boyd chairman of Highveld Steel, and Mr Alan McKerron, head of Anglo's new mining business division

Gencor will now appoint its own directors to the Samancor board

The deal had its roots in a dispute between Gencor and Iscor over reductions demanded by Iscor from Trans-Natal's Hlobane colliery near Vryheid

Gencor retaliated with the threat of a law suit over the supply contracts it held with Iscor

Mr de Beer said "It was a very difficult situation. Iscor needed the coal and they had to either take over the colliery or face a law suit.

'The Samancor holding was an obvious exchange asset and from our side Dunswart Steel is a small producer restricted by the controlled steel price and by lack of space for expansion

'Iscor, however, gains more flexibility in its operations on the Reef through Dunswart"

Mr de Beer and Mr Kotzee said they were pleased with the deal and with avoiding legal action

COMMENT Gencor is the clear winner in this deal, grabbing control of Samancor in exchange for a high production cost colliery whose fortunes were tied to Iscor and a steel producer with a restricted life

Samancor has good prospects when the benefits of the recovery in the Western economies come through' However, its current price of more than R3 a share reflects the fight between Anglo and Gencor for control and cannot be justified on fundamentals

In the longer term Trans-Natal will be affected by the loss of earnings from Hlobane Any detrimental effects on Iscor will probably be met by the taxpayer

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Dollar strong after M-1

LONDON — Gold was little changed and the dollar rose in quiet markets yesterday

Gold was fixed at $416 in London in the afternoon and the morning Friday's second fixing was $416,25

Hong Kong gold dropped 73c to close at $417 33 Trading was dominated by exchange-rate changes especially in US/HK dollar trading Chartists noted some resistance around $416,50

News of a $600-million increase in the US weekly M-1 money-supply figure against an expected fall meant there was no follow through in London to the rally in US futures late on Friday Markets had predicted a drop of up to $2 000-million in M-1

The dollar rose in New York on Friday and in the Far East and Europe as the M-1 figure took markets by surprise

Dealers are awaiting the reopening of US markets today before taking a view on the figures in relation to growing signs of a US economic recovery and forecasts of lower US prime rates by the end of the year

The dollar gained against the yen closing in Tokyo at 240,15 after being traded at 240 80 at one point — nearly two yen to the dollar more than Friday's close of 238 95

Sterling firmed in London along with the dollar

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By ALEX PETERSEN

CAPE TOWN — Trans Hex group's taxed income dropped to R1 548 000 in the year to March 31 from R1 607 000 in 1982

The directors say that in times of relatively depressed diamond prices policy is to continue with normal diamond mining and exploration, but to limit sales to finance operational requirements and to maintain dividends

Diamond stocks are R2 489 00 compared with R1 610 000 at the 1982 year-end
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Metal union wins big pay increases

ND24 5/7/83

Labour Correspondent

THE Metal and Allied Workers Union says it has won wage increases from several Natal firms which exceed the 7% increase negotiated recently at the Metal Industries Industrial Council

Recently the Steel and Engineering Industries Federation (Seifsa) which represents metal employers and unions on the metal council agreed on increases from 5% for the highest paid to 7% (or 10c an hour) for the lowest-paid

MAWU rejected this agreement and the unions who signed it said they had done so with grave reservations, adding they would seek higher increases with individual companies

Seifsa said it was opposed to such negotiations

In a statement MAWU said that a Maritzburg firm, A P V Kestner, had agreed to an increase of 18c an hour in talks with the union

A second Maritzburg firm Pillar Naco, had agreed on a 15c an hour increase

It said Forbo Krommenie, of Jacobs, had agreed to pay a 30c an hour across the board increase and a Pinetown engineering firm, Glacier Bearings had agreed to meet MAWU's demand for a minumum wage of R2 an hour

MAWU added however, that the negotiations had not been without incident and that certain factories were still refusing to negotiate increases with it.

At some factories, it said, workers had struck in an attempt to win increases over and above those negotiated at the council

"We informed Seifsa that we did not believe our members would accept the 7% they were offering — clearly they have not,' said Mr Maxwell Xulu, MAWU's Southern Natal branch chairman

Remex in red over unsold SA stocks

Star 189

5/7/83

Financial Correspondent

HONG KONG — Huge stocks of unsold watches in South Africa have helped to push Remex, a leading Hong Kong manufacturer, deep into the red.

Managing director Mr Keith Brooks said this week the company had been badly hit by recession

Last year Remex showed a loss of £1,2 million before interest charges of £3 million

The company is part of the British concern Time Products PLC, which reported a loss of £3,8 million in the year to January 31

Most of this was due to the Hong Kong offshoot, including Remex's property operations.

Mr Brooks said that savage destocking in industrialised countries had worsened the effects of the recession.

The South African outlets were among those especially hard hit.

Remex was set up here in 1965

It was the first Hong Kong company to assemble complicated movements and says that it is the largest manufacturer of movements and watches outside Japan

Governor Sir Edward Youde opened the 22-floor Remex centre in the town of Aberdeen only seven months ago

Remex has 17 floors of the centre and employs more than 1 000 people

Now 17 banks are involved in a bid to get Remex back in the black

They asked why a watch firm got into the property market, which is now deep in the doldrums and have said Remex must reduce its property holdings, currently on the books at HK$40 million

189

Mercury 5/7/83

Ship builders cut back 130 jobs

Labour Reporter

THE slump in the ship building and repair industry was yesterday blamed for the cut-back of nearly 130 jobs at the Durban engineering firm Dorbyl Marine

The company's executive director Mr C R Brass told the Mercury yesterday that the workers had been laid off over a period of three weeks Staff was reduced by not replacing workers who resigned or retired Some were retrenched

Meanwhile, more than 300 workers at a stainless steel factory at Jacobs, W B Cameron (Pty) Ltd, returned to work yesterday after a two-and half-day strike over pay

Star Tuesday July 5 1983

Dozen pay rise disputes in a week

Star 5/7/83

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Labour Reporter

Wage strikes and stoppages are increasing as workers call for cost-of-living rises and employers refuse because of the economic recession

About a dozen such disputes arose last week, largely in the metal and textile trades in the Witwatersrand and Durban areas

Both emergent and long-established unions are calling for cost-of-living or Consumer Price Index increases of about 14 percent

Employers, however, are offering between five and eight percent, arguing that the present economic downturn must mean lower wages as businesses try to curb costs

The alternative to higher wages this year is more lay-offs, say employers, but unions blame managements for not preparing for bad times

The recent metal industries wage negotiations saw unions grudgingly accept employers' five to seven percent offer but warn that they would continue to seek further increases from individual employers

Talks are expected to start soon in the Eastern Cape between motor unions and employers

In some current wage unrest workers have resorted to strikes or declared disputes — the first step towards legal strike action

In Hammarsdale in Natal last week the National Union of Textile Workers launched a legal strike — only the second in many years — against the management of the Natal Thread Company over wage demands

At Huletts Aluminium in Maritzburg, a dispute was declared after management refused to meet the South African Boilermakers Society demand for a 14 percent increase and instead offered between five and seven percent

Managements in the metal industry, such as Hullets, argue that they are bound by the increases granted by their industrial council

About 500 workers struck at Barlows Manufacturing in Kew over a 50 c an hour wage increase demand, but management later talked to the Boilermakers Society and the Metal and Allied Workers Union

Other wage disputes

- ● Patons and Baldwins (textile) in Randfontein where 180 workers stayed away from work until yesterday after a wage talks deadlock
- ● W B Camerons (metal) in Jacobs where 300 workers demanded a 30 c hourly wage increase last week
- ● Prima Fine Meats in Doornfontein where 250 workers struck over wage increases last Friday
- ● D and D H Fraser in Heriotdale where about 200 workers rejected management's annual wage offer and demanded an R80 across-the-board increase They were warned to return to their jobs this week or face dismissal

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Mercury

Oil rig company to close

Labour Reporter 6\7\83

HUNDREDS of workers have been retrenched by a Durban-based off-shore oil rig construction company, Amardah Shipyards Ltd, which is to close down as a result of the current recession in the engineering industry

This was confirmed yesterday by the manager at the company's shipyards at Bayhead, Mr S S Tokelove, who said that Amardah would be consolidating its operations with its sister company, Elgin Engineering which is part of the Murray Roberts Group

He said at one stage the company had a workforce of 700, but this had been reduced to 100 with the workers being phased out over several months

'Those workers whose services were no longer required after the completion of certain projects were retrenched

'Over the past four weeks we have laid off about 15 workers,' he said, adding that as the contracts for off-shore oil rig drilling decreased so were the workers

The shutdown of the company comes in the wake of a gloomy picture painted by the Steel and Engineering Industries Federation of South Africa in its latest quarterly survey

189 ~~173~~

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7/7/83

Workers return to declare a dispute

By **ANTON HARBER**

WORKERS at three Barlows factories have ended work stoppages and declared a dispute with their managements over pay rises

A spokesman for the Metal and Allied Workers' Union said the workers had decided to return to work "for the sake of progress", but had informed the industrial council of a dispute

The three factories were W B Camerouns in Jacobs, Durban, Barlows Manufacturers in Kew, Johannesburg, and Barlows Manufacturers in Alrode, Alberton

The Durban factory ended a four-day strike on Monday, the Johannesburg factory ended a six-day strike yesterday and the East Rand factory will go back to work this morning after a three-day stoppage

The dispute was over the refusal of the company to negotiate discretionary increases they had given above those negotiated at the industrial council

The union spokesman said workers had expressed their dissapointment at the "intransigent line taken by management" at all three plants, but had decided to go back in order to negotiate recognition agreements

"Workers were reluctant to take this path because of long delays previously experienced in getting agreements, but they agreed to try it out for a limited period for the sake of progress," the spokesman said

Negotiations for recognition had already begun at two of the plants, and talks will begin at the third today

A Barlows spokesman could not be contacted for comment

‘Remex crisis not our fault’

(189) Star

By Duncan Collings

8/7/83

Reports that large stocks of unsold Remex watches in South Africa had contributed to the Hong Kong manufacturer's problems have been denied in Johannesburg.

Mr Jeffrey Solomon, managing director of Time Trade, local Remex distributor, told The Star that the financial ties between his company and Remex were very loose Time Trade is 50 percent owned by Century Watch Company of Hong Kong, in which Remex has a shareholding

"The financial situation of Time Trade in South Africa can have little or no effect on Remex of Hong Kong Their financial difficulties stem from their property involvement and problems associated with their US marketing," Mr Solomon said.

Time Trade had an 8,5 times stock turnover in South Africa last year and this is continuing this year. "This is certainly not indicative of a slow stock moving situation "

Time Trade carries other ranges apart from Remex. In the watch line they sell the Pierre Laro and Claude Pascall ranges and also market hand-held computer games. Remex, however, does account for about 60 percent of local business

Mr Solomon says that overall sales are running 30 percent up this year compared with 1982, and gross profits are five percent ahead

However, he says that while unit sales of watches have continued to increase this year, the rand value of turnover is virtually unchanged

He says that the company operates on a five-week order book, having reduced this from two months when the market hardened last year.

The company's major market is at the lower end of the price scale — below R20 The company has about 25 percent of this market sector. Its Claude Pascall range is the exception, being sold in the upper end of the market.

Mr Solomon describes the state of the analog quartz and digital quartz watch markets as very tight at present.

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RDM 8/7/83

Strikers blocked me worker

Mail Reporter

A JOHANNESBURG magistrate heard yesterday how members of the Commercial, Catering and Allied Workers' Union of South Africa (CCAWUSA) had allegedly intimidated a worker in an attempt to stop him from returning to work at a Johannesburg factory

Mr Jacob Rafapa Mr Jack Mangwane Mr Josiah Podile Mrs Joyce Mokola and Mr Victor Damoied appeared in the Johannesburg Magistrate's Court yesterday on charges of assault and inciting people to strike

The hearing follows a strike at the Teltron factory in Faraday Street Johannesburg on November 16 last year

Yesterday Mr Christopher Hlongwane told the court Mr Mangwane Mr Podile Mrs Mokola, and other union members approached him at Faraday station on November 18 when he wanted to return to work.

He said they told him not to go back to work because there would be "a fight" if he did

Mr Hlongwane said he was taken to work in a police van after asking a Railways policeman to escort him

Mr Trevor Kieck, personnel manager at Teltron, told the court about 200 black workers had gathered outside the factory on November 16

He said some employees had walked towards the factory but did not enter the building after they were approached and spoken to by other blacks — whom he could not positively identify

The trial continues today

F.M. (189) [illegible] 8/7/83

ISCOR

Sticking to steel

In the first tentative steps towards selling off portions of its business to the private sector, Iscor has called for tenders from prospective buyers for its two retail stores in Thabazimbi The move comes after years of pressure from Assocom and other private sector organisations

Iscor has an iron ore mine at Thabazimbi where subsidiary company Iscor Utility Stores (IUS) operates a supermarket, a butcher, a garage and a bottle store Advertisements inviting offers for the supermarket and the butcher have appeared in the press

"Assocom maintains that Iscor's stores constitute unfair competition with the private sector," says John Pels, head of Assocom's distribution committee and a past president "Meetings we have had with Iscor have never dispelled this belief"

Iscor runs other stores at a few remote mining communities in Namibia But only the Thabazimbi outlets have so far been discussed by Assocom, mainly on the initiative of the Thabazimbi Chamber of Commerce

Eighteen months ago, government told Iscor to sell its retail trading businesses in the town Albie Myburgh, secretary of government's Standing Advisory Committee on State Competition, confirms that it was told to do so "as soon as practical," but no timetable was set

"I don't know why it has taken them so long," he says "Perhaps it's because business conditions are quiet and nobody wants to buy them"

Pels says Assocom is also mystified "We were told 18 months ago about government's decision and we were very distressed at the delay," he says "The tender advertisement was the first concrete development we have seen since Even that only happened after Assocom was asked to make further representations'

What surprises Assocom more is that Iscor has not so far asked for buyers of the bottle store and garage Pels says Assocom has written to Iscor to ask what is to be done about these remaining businesses

However, Floors Kotzee, Iscor's MD, says that Iscor would be happy to consider reasonable offers for all of its businesses in Thabazimbi And he adds that there were two reasons for the 18-month delay before asking for tenders

☐ Early last year Iscor was seriously considering closing the Thabazimbi mine and carried out lengthy studies before deciding not to do so He says it would have been unethical to have sold retail businesses if there was any possibility of the mine closing, and

☐ Subsequently, when it was clear the mine would stay open, Iscor negotiated directly with Checkers to take over the supermarket, but the chain did not buy

Kotzee adds that during the period, Iscor also asked Assocom, through Pels, to help find somebody in the private sector to make an offer

"We sell stores when the private sector is interested in taking over and we feel it is in the interests of our employees," he notes "But there must be sufficient competition in the area first We don't want to land our employees in a situation where the private sector is taking advantage of them because it has a monopoly in a remote area"

A recent decision by Checkers to open a store in Thabazimbi encouraged Iscor to ask for tenders, Kotzee adds Also, Iscor closed a store at Sishen some years ago and will continue its divestment in line with its "policy of not competing with the private sector"

Pels asserts that Assocom has always maintained that without the IUS's presence, the private sector would be more active in Thabazimbi anyway

Frasers, which operates 90 specialised estate and mine stores at remote sites is considering tendering for the stores in Thabazimbi

Says John Sampson deputy MD of Frasers "We do not believe that Iscor — a strategic steelmaker — should operate a trading arm It is not in the interest of Iscor or the nation"

He adds that in past negotiations with Iscor, they were told that the IUS stores sell to Iscor employees at close to cost price But Frasers' "basket checks" have always shown its own prices to be competitive

And, he says, Frasers would also be keen on looking at taking over the Namibia stores "We operate profitably in the remotest of areas" he says

8/7/83

Court told of Teltron stoppage

Sowetan

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By JOSHUA RABOROKO

PLAIN-CLOTHED police were summoned when about 200 workers at Teltron Company stopped work in support of the re-instatement of a colleague and a wage demand, a witness told the Johannesburg Regional Court yesterday.

Teltron's personnel manager, Mr Trevor Kieck, was testifying before Mr T Kleinhans at the trial in which six shop stewards of the Commercial Catering and Allied Workers' Union of South Africa (CCAWUSA) are charged under the Intimidation Act and with assault with the intent to do grievous bodily harm.

The accused, Mr Jacob Rafapa (31), Mr Jack Mangwane (45), Mr Joshua Podile (55), Ms Joyce Makola (27) and Mr Victor Damoid (44), have all pleaded not guilty A warrant of arrest has been issued by the court for the sixth accused, Ms Stella Mashego (27), of Soweto

The State alleged that the accused intimidated several workers to abstain from work and to participate in a strike, or threatened workers with assault and injury last November 16

They are also alleged to have stormed Mr Christian Sibisi and sjamboked Mr Moses Mosia, who were both employed by Teltron, on December 2 last year

In his evidence Mr Kieck told the court that prior to the strike he had received a letter from the union concerning the dismissal of a worker, Mr Marshall Sithole The union's letter was replied to and later Mrs Emma Mashinini, the union's general secretary, had contacted him

On November 15 he received reports that there was going to be a strike at the plant On arrival at work on June 16 he found several workers outside the building and he learnt that there was a work stoppage on the go

Police were summoned and he addressed the workers, giving them an ultimatum to return to work or to leave the premises

The workers did not listen and left en mass There was no violence

Proceeding

Star
9/7/83

200 men in brief strike

(189)

Work at the Consolidated Wire Industries plant in Pretoria West was reportedly halted yesterday when about 200 black workers went on strike But by noon all was reported quiet

Babcock seeks partner in SA

SIR JOHN KING ... "No question of disinvesting from South Africa"

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Times 10/7/83

LISTING ON JSE MOOTED

By David Carte

BABCOCK International, the multi-billion-rand British boilermaker, is looking for a South African partner

Babcock has been in SA for a century, has built one third of Escom's steam generating capacity and turns over between R200-million and R300-million a year in SA

The international chairman, Sir John King, told Business Times that Babcock would like to do a deal with a large SA engineering company or mining group to South Africanise itself further

Sir John said Babcock would even consider a listing on the Johannesburg Stock Exchange to obtain South African participation in its burgeoning business here

Sir John is also chairman of British Airways and one of Britain's most eminent businessmen He was granted a peerage in the Queen's Birthday Honours list and enters the House of Lords soon.

"There is no question of disinvesting from South Africa We also do not need the money that might arise from taking in a partner."

Sir John said Babcock's business in SA was growing and diversifying rapidly, and the local company now warranted a separate existence But the main incentive is further South Africanisation

Babcock's main rivals in tendering for Escom's lucrative business all have SA links

While Babcock is most interested in doing a deal with a large SA engineering company or mining house, it will consider floating off a parcel of its shares on the Johannesburg Stock Exchange

This would enable wider-spread SA participation and would put it more in the limelight.

Prudential Assurance of the UK followed this step, and it was not lost on Babcock International that this R25-million offer of blue-chip British scrip attracted R900-million in applications.

Because it serves Escom, which is expanding its generating capacity at 8% a year and which must replace power stations built more than 20 years ago, Babcock would enjoy blue-chip status on the JSE, although it would probably not be accorded the PE of 19 that it enjoys on the London Stock Exchange

Babcock's main rivals in tendering for Escom business are Steinmueller, Stein EVT and Combustion Steinmueller enjoys participation by the Government-backed IDC

Stein EVT has links with General Erection, a local-listed engineering company, while Combustion is linked to Ical, which is part of JSE-listed Northern Engineering.

Babcock does between R200-million and R300-million of business with Escom and other major SA industrial companies annually

Its profits here are a secret, but at times the SA operations of Babcock have contributed up to 25% of Babcock International's total income

Babcock also does a large volume of business with mining houses, chemical, paper and sugar companies It has done much of its work in SA in collaboration with SA companies

Babcock built the boilers for Escom's 3 600-mW Matla power station, which during the drought has attained more than its rated output for the first time and on its own generated 22% of Escom's output

Samancor sale: Flak flies

189

~~260~~

10/7/83

S-Times

THE manner in which Gencor this week snatched control of Samancor, the world's biggest chrome and manganese company, has stirred a hornets' nest in financial and political circles.

But the two main parties to the deal, Gencor and Iscor, insist that the transaction is fair and in the best interests of all — including the public

By DON ROBERTSON and DAVID CARTE

Critics, however, claim that, as Iscor is a State corporation, any sale of its assets should have been by tender to ensure that the best price was received

They are particularly concerned as the Government has stated its intention of "privatising" further State assets

Gencor gained control of Samancor by swapping its shares in Dunswart Steel and Hlobane Collieries

For the purposes of the transaction, Samancor was valued at its market price of 310c, while Dunswart was valued at 185c Hlobane was valued at net asset value

This means that Samancor was valued 32% lower than its price in April, before shocking results because of the world steel crunch sent it reeling, while Dunswart was valued 80% higher than its level in April

Since it owns the biggest chrome and manganese reserves in the world, many feel that Samancor's long-term growth record and outlook are decidedly better than Dunswart's. Dunswart has had a chequered recent history

Few, even in Gencor, would dispute that control of Samancor passed on favourable terms

Samancor has been a prize cherished by other suitors over the years, including Anglo

Anglo six years ago, before a share split quintupled the number of shares in issue, offered 1 080c cash per share against a 900c offer by Gencor The Government blocked the deal

■ ■ ■

Anglo subsequently acquired 29,8% of the highly desirable company through the sale of its Middelplaats mine to Samancor for 9-million shares — and buying all available stock on the market

This it did in competition with Gencor, and it is believed that, had it been allowed to bid for the Samancor stake, it might have been prepared to offer more than the 310c a share paid by Gencor

Anglo remains quiet on the deal, but is undertood to be more than peeved

Floors Kotzee, managing director of Iscor, tells Business Times that the deal was so structured because of the dispute over supplies and the only way in which it could be resolved was for Iscor to acquire the colliery

To pay for this, it had to relinquish control of African Metals and hence Samancor

Had the dispute not been resolved, says Mr Kotzee, a court case involving about R120-million could have ensued

Referring to Dunswart, he says the company is expected to break even in the current financial year, and points also to the strategic importance of Dunswart's sponge-iron plant.

Barlows gets Metbox

189 RDM

12/7/83

UK parent nets R67m, keeps stake

METAL BOX SA is to be carved up into two companies — packaging and industrial — and control of both will lie ultimately with industrial conglomerate Barlow Rand.

The 51,2%-controller of Metbox SA, British-based Metal Box PLC, will retain a 25% stake in each of the two companies, and will pocket R67-million in cash.

By STEVE ELLIS

Metbox SA's packaging interests will merge with four Nampak divisions — liquid packaging, cores and tubes, flexible packaging and glass containers — to create a group with net assets of between R280-million and R300-million.

Nampak will receive R93-million for the four divisions, to be settled through the issue of 5 395 000 Metbox SA shares at R10,75c apiece, and R35-million in cash The shares will give Nampak, a Barlow Rand subsidiary, a controlling 51,2% stake in Metbox (packaging) This group will retain the name and Johannesburg Stock Exchange listing of Metbox

The industrial interests of Metbox SA, comprising Metal Rolling & Tube Holdings (Pty), Aluminium Extrusion (Pty) and their subsidiaries, will be merged with three Barlow subsidiaries with similar activities to form Robor Industrial Holdings

The Barlow companies involved are Robor, Brollo Africa (Pty) and Monoweld Galvanisers (Pty)

Barlow will hold a 64,9% stake in Robor Industrial which, spokesmen for the groups say, will probably be listed in October or November

Both deals are effective from October

The offer to Metbox SA minorities is reportedly the same that was made to Metal Box PLC

Minorities are being offered R10,75 a share for 43% of their Metbox SA holding, and will also receive a pro-rata allocation of shares in Robor Industrial

Therefore, for every 100 Metbox SA shares held, minorities are being offered

- 20 shares in Robor Industrial, and
- about 57 new Metbox shares, representing those shares Nampak is not offering to buy, and
- about R462 in cash, or receive Nampak shares at R14 a share for up to 65% of R462

If all minority shareholders accept the cash offer, Nampak will pay half the sum in cash and the other half in shares — the rights to which shares may be renounced in favour of another Barlow-subsidiary, C G Smith, for the R14 cash

The two Barlow companies stand to distribute another R75-million in cash — on top of the R67-million already paid by Nampak to Metal Box PLC

If demand for the cash-only offer is such that C G Smith pays half, its holding in Nampak will rise from about 74% to 78,4% However, a Nampak spokesman said that institutions were likely to opt for the scrip, and demand for the cash-only option was expected to be minimal

Nampak's closing price on the JSE yesterday was the same as the offer price of R14

After all is done the shareholdings in the two companies will be

- In Metbox (packaging) Nampak 51,2%, Metal Box PLC 25%, Metbox SA minorities 23,8%
- Robor Industrial (industrial) Barlow 64,9%, Metal Box PLC 25%, Metbox SA minorities 10,1%

Metbox shareholders will receive both the 28c final dividend for the year to last March and an interim dividend this year of "not less than 17c" — the same halfway distribution as that paid in the 1982-83 trading period

However, Metbox shareholders who take Nampak shares in terms of the offer will not receive Nampak's final dividend for the year to September 1983

At a news conference yesterday, the chairman of Nampak and an executive director of Barlow, Mr Basil Kardol, said the deal was readily acceptable to the British controller of Metbox

Not only did it receive R67-million in cash, but the profit projections of the two new companies were such that Metal Box PLC did not expect any drop in earnings as a result of its diluted interest

Mr Kardol insisted that Metal Box PLC was not an eager seller and that it was not involved in negotiations until 10 days ago — a point which some found hard to believe

The official British line is "These proposals will enable Metal Box PLC to retain a significant stake in a much-enlarged SA business through holdings that reflect a more appropriate balance for the spread of the Metal Box PLC group's activities worldwide, and will strengthen our financial position with an improvement in gearing and liquity"

It is difficult to gauge the value of the Robor Industrial shares to be alloted to Metbox SA minorities Not only is the dividend policy of the new company unknown, but the nominal value of the shares is also a mystery

However, there is no doubting the strength of the industrial holding company

If the deal had been tied up before the start of the year to March, the net asset value of the Robor group would have been more than R110-million, and the attributable profit R14 300 000

The number of shares to be issued by Robor Industrial is about 32-million

The effect of the deal on the net asset value and earnings of Metbox SA and Barlows is not expected to be material

However, "it is estimated that the effect of the disposal of certain of Nampak's packaging interests to Metbox, and the acquisition by Nampak of a controlling interest in the restructured Metbox, will marginally improve earnings and will result in a slight decrease in Nampak's net asset value", says a statement

Before the transactions can be implemented, approval must be given by the minorities of Nampak and Metbox SA, and by the shareholders of Metal Box PLC The JSE must also consent to the Robor Industrial listing

The composition of the boards of the two companies has not been settled

However, Mr Kardol will be chairman of the new Metbox board and Mr P K Nanda, who chairs the board of Metal Box PLC's overseas division, will be his deputy Mr P L Campbell, deputy managing director of Metbox SA, will become managing director

Mr John Maree, an executive director of Barlows, will head the board of Robor Industrial with Mr Nanda as his deputy, and Mr Derek Jacobs, the present managing director of Metbox SA, becoming managing director

Sowetan 13/7/83

Litemaster fires 260 strikers

SOME of the 260 workers at Litemaster Products in Wadeville who went on strike over the replacement of 44 retrenched colleagues were yesterday "summarily dismissed" by the management.

In a statement to The SOWETAN the management said the workers were offered interviews individually to determine whether they were prepared to go back to work or not

The statement said that due to the economic downturn the company has found it necessary to retrench 44 workers

Meanwhile after lengthy negotiations Checkers management and the union have settled the strike and the workers will return to work immediately

Workers have been assured that they will will not be victimized on returning to work, but as stated before, workers will not be paid for time out on strike

About 200 workers at Universal Lace and Fabric Mills in Pinetown Durban yesterday downed tools in support of their demand for more pay, reports Sapa

AECI's public relations officer Mr Vermont said that about 350 workers who had downed tools after an explosion at the factory in Sasolburg two weeks back, have all agreed to start work today

And, at AECI Paints in Alrode the entire labour force that had downed tools have returned to work after agreement with the management

EVERY day for the last 10 months 249 workers at Brits have gathered to discuss their dismissal from a steel factory

They have sold all their possessions, including their livestock. and have become relient on relatives and friends to keep them and their families alive

They have had to take their children out of creches and schools and, in some case, send them away to relatives who will look after them

But they have been locked in a dispute with B & S Steel Furniture Company since an incident in the Brits plant on September 7 last year and — in an unprecedented show of resilience and unity — have refused to give up their fight for reinstatement.

Earlier this year they declared a dispute at the Industrial Council But the deadlock was not broken

This week they instituted an action at the Industrial Court. asking for an order declaring their dismissal unfair and unlawful and reinstating them to their jobs

They also claimed R850 000 in back pay and costs for the legal action

Since the costs are likely to be extremely high, the claim against the company could amount to nearly R1 000 000

The case could be crucial to labour law, because it is by far the highest claim ever to be made before the court and because the court has never before faced a demand for retroactive reinstatement of as many as 249 workers

The case could determine whether the court is prepared to award such large amounts and reinstate so many workers

There have also been allegations that the practices which the union has claimed were illegal are common in outlying areas such as Brits

If the court agrees with them, the case could be a first step in stopping such practices

According to papers before the court, the Metal and Allied Workers' Union (Mawu) has claimed that workers from the factory began approaching them for help in April last year

UNITED ... Brits steel workers during one of the meetings they have held every day for the

The defiant 249 i for the right to v

189 1~~52~~ ~~165~~ ~~1904~~ R.

By ANTON HARBER

Within two months, they had organised 35% of the factory

Although Mawu had not yet asked for recognition, management learnt of their organising efforts and allegedly made intensive efforts to stop them

For example, there were repeated searches of people suspected of carrying recruiting forms

Two workers have said the managing director offered them extra pay if they spied for him He wanted to find out who the union activists were so that they could be "kicked out" of the factory

When a shop stewards' committee was elected, the 12 members were summarily dismissed

According to Mawu, they were the only people dismissed that day The reason given was retrenchment

A work stoppage occurred in an attempt to get the 12 workers reinstated After negotiations, they were reinstated on condition they did not serve on any committees

Meetings and negotiations with management continued, with some success

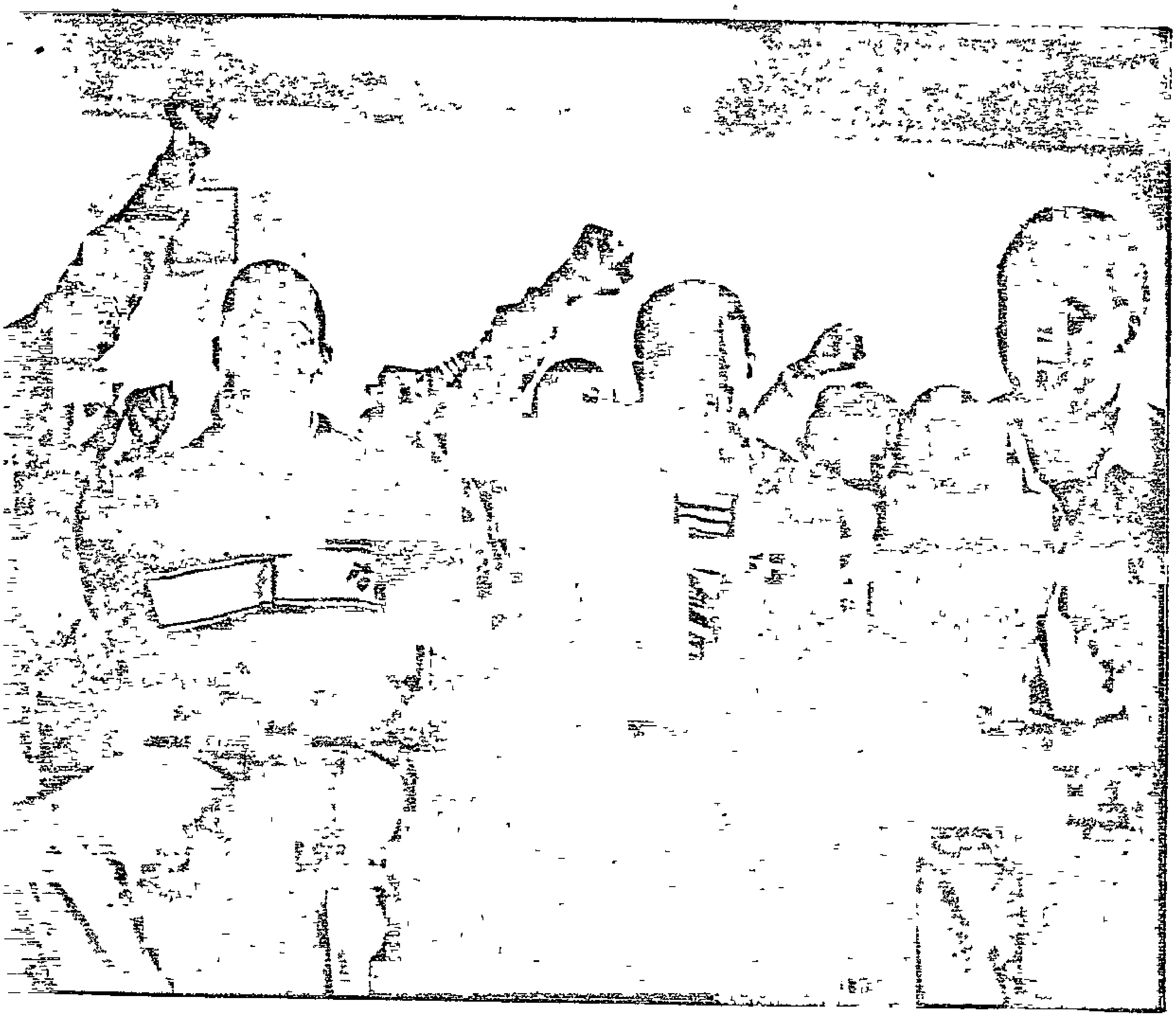
But, according to Mawu, management's attitude changed when the shop stewards asked for the union to be recognised

Management are alleged to have made a number of efforts to erode the influence of the union by threatening workers with dismissa cause of their membership

At a meeting about the missal of a worker, managing director was the boss and what he liked," to Mawu's the court

"It was his factory and then on there would more committee"

The next day, Septe management turned the machines 10 after starting time formed the workers were all dismissed



kers during one of the meetings they have held every day for the past 10 months

defiant 249 fight he right to work

189 RDM 14/7/83

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Management are alleged to have made a number of efforts to erode the influence of the union by threatening workers with dismissal because of their union membership

At a meeting about the dismissal of a worker, the managing director said "he was the boss and would do what he liked," according to Mawu's submission to the court.

"It was his factory and from then on there would be no more committee"

The next day, September 7, management turned off all the machines 10 minutes after starting time and informed the workers they were all dismissed and would have to reapply for their jobs

No reasons were given and management allegedly refused to talk to the shop stewards' committee about the action

Management then re-employed only people who had not joined the union, according to Mawu

Some 600 re-applied and 400 were accepted The 249 who have instituted the court action have never reapplied

Because Brits is a small business community, Mawu said, the chances of workers finding jo [illegible] ewhere in the town w [illegible] nal.

But to add to t [illegible] anagement allegedly [illegible] ook active steps to [illegible] their prospects of employment elsewhere

Mawu has claimed that the company sought to use the influx control law to prevent workers from getting work elsewhere

They also claimed that the dismissals constituted victimisation were in breach of the workers individual contracts and in breach of an Industrial Council agreement

The company failed to give the workers a proper hearing and failed to negotiate properly with worker representatives. The purpose was to rid themselves of a union presence Mawu claimed

Mr H Back the managing director yesterday rejected the union's story and said he would be contesting the case

"It is impossible to deal in the Press with these complex legal and factual allegations

"We consider that at all times we have behaved correctly and fairly towards our workers' he said

For all this time the workers have gathered every day some coming from as far as 25km away

When they ran out of money for their bus fares, they shared bus tickets and took turns to attend the meetings.

If they had been able to find other jobs during the 10-month dispute, they would gladly have taken them, they have said But there are no jobs in Brits

For a while they could live on their savings and on the money they made from selling their possessions Now, according to one worker leader, they live on charity

"Some of us do not eat properly and cannot feed our children like we used to," he said

"Some of us have had to sell our goats and cattle and this was very difficult, as we sold them for very litte

"We have come to realise what it is to sacrifice and stick together and to trust one another Most of us were not aware of our rights

"We learnt that by being alone nothing could happen and the only way was to stick together."

also released
Those who appeared in court yesterday are
Ms Esther Hlatshwavo Mr Ishmael ngene Ms Meisie Cefu Mr Juda Ms Betty Koba Mr Isaac hwanazi Ms Agnes Modise, Mr Wil- Khumalo Ms Wilhemina Mokone, Sophie Cefu, Ms Doris Siwane, Mr Mashindi Ms Aletta Makgale- Ms Lilian Siwela, Ms Ntombifikile jola Ms Maria Tsotetsi Ms Theodora lakutsa Ms Maria Maneetsi Ms Lydia ngene Mr Johannes Thom Mr Jo- Rafel, Mr Jeremiah Makgetha, Mr Dlamini Mr Amos Mkhize and Tommy Mofokeng

the gun which was smuggled to him by members of the ANC in Mozambique whom he met while visiting his wife and child He said he had no intention of using the gun and had sold it within four hours of receiving it.

In passing judgment, the magistrate Mr J van Dam said it was improbable that the ANC could send a firearm to a person who was just a casual acquaintance

"You could have shown the messenger the door, pistol and all," said Mr Van Dam

He said although Langa got rid of the firearm, it was not a mitigating factor, because he showed complete disregard for the legal control of firearms

He said he must take cognisance, in deciding sentence, of the actions of the ANC, including the killing of police officials and the indiscriminate bombing of members of the public

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RDM 14/7/83 189

Union to sue firm for fired workers

Mail Reporter

THE Metal and Allied Workers Union has instituted an R850 000 claim — the biggest ever to come before the Industrial Court — on behalf of 249 Brits steel workers who have been on strike for 10 months

And, in an unprecedented show of resilience the 249 workers have been meeting every day since they were fired by B & S Steel Furniture in Brits on September 7, 1982

The union is claiming the workers were dismissed in an attempt by management to get rid of union presence in the factory

They are asking the Industrial Court to rule their dismissal unfair and illegal and reinstate the workers They have also asked for back pay, totalling R850 000, for the workers and for payment of legal costs The costs are expected to be about R1-million

In a statement yesterday, the managing director Mr H Beck, said the company considered that at all times it had behaved correctly and fairly towards the workers

The case will be important because it could determine whether the Industrial Court will grant such a high amount and reinstate so many workers

● See Page 9

RDM 299

icapped

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the conception of their child

The report recommended that the genetic services programme of the Department of Health and Welfare should be considered as a priority programme Funds should be made available for research, development and technological aids to prevent and eliminate the consequences of genetic handicaps as far as possible.

14/7/83

Terror victims claim from fund

RDM

By WIM VANVOLSEM
Pretoria Bureau

THE board of the State President's Fund has received its first two applications for assistance from terrorist attack victims

The secretary of the Board, Mr A D Barnard, told the Rand Daily Mail yesterday many more requests for application forms had also been received

The fund, which was established on June 22 this year, now stands at over R1-million

This includes cash contributions, public pledges by municipalities and other authorities, a cheque for R25 000 by Sasol, and the Government's rand-for-rand contribution

The applications for assistance will now be evaluated by the board, assisted by several expert committees on matters such as medical expenses, rehabilitation and values of properties

Application forms are obtainable from the secretary of the board at room C215, Pensions Building, 34 Hamilton Street, Pretoria (Private Bag X63, Pretoria 0001) or by telephoning 012-323-9311

Contributions can be deposited at any bank in South Africa to the credit of the fund's account No 000-652-113, Pretoria Main Branch, Volkskas

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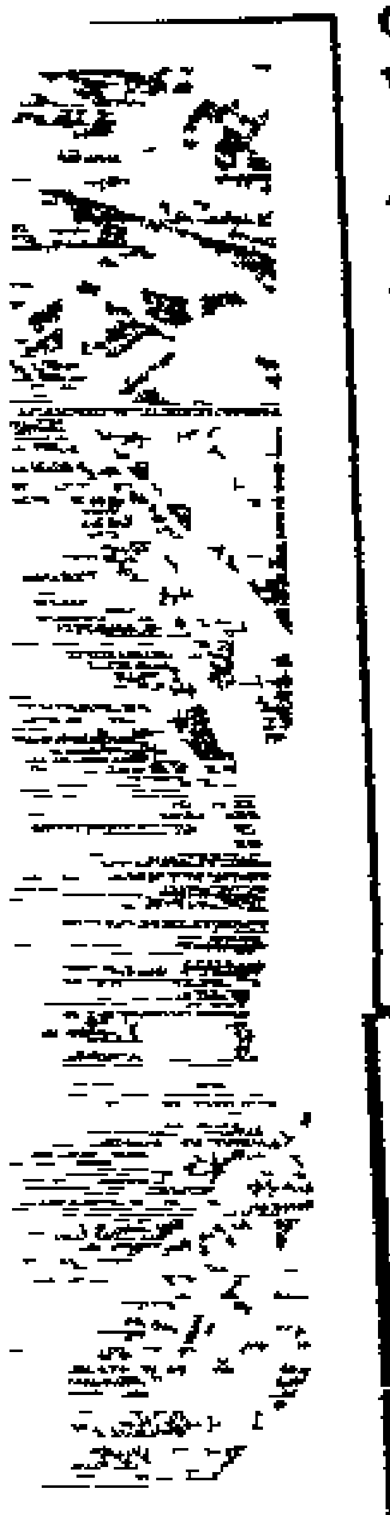

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State's wording under fire . . .

Mail Reporter

THE "bad" Afrikaans used in the Government's constitutional proposals came under fire at the annual meeting of the Federasie van Afrikaanse Kultuurverenigingе in Pretoria yesterday

A delegate, Mr Nic van Rensburg, said that the way Afrikaans was used in the constitutional proposals was "bad" and "worrying"

"Irrespective of whether the constitutional proposals are accepted or not, it is difficult for me to see how some of our foremost legal advisers could have worked on the proposals," Mr Van Rensburg said

Professor J H Senekal, chairman of the language committee of the FAK, declined to comment on Mr Van Rensburg's speech

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Mines Benefit Society to employ full-time doctors.

RDM By JOHAN BUYS 14/7/83

THE Mines Benefit Society is to appoint two full-time doctors for its 1 750 members in Boksburg to replace 11 panel doctors who resigned because of the "capitation fee system"

The panel doctors were leaving because they claimed the scheme did not cover overhead costs and was "no longer an economical proposition"

The mass resignations left the MBS with only three panel doctors

The doctors had given their patients three months notice of their intention to contract out of the scheme by the end of July

A doctor said yesterday "The capatitation fee does not cover our costs and we still have to pay for increased rents, nurses salaries and other essentials."

The general manager of the Mines Benefit Society, Mr C Cook, said "We intend to appoint two full-time doctors to attend to our members from the beginning of August

"They will be able to look after their needs adequately"

According to Mr Cook, a panel doctor was paid a monthly "capitation fee" for each MBS member regardless of whether the member visited him once, or 10 times a month

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MATTER OF FACT

TO CORRECT specific errors of fact, write to the Editor at P O Box 1138, Johannesburg, or telephone the Editor's secretary at 710-9111 between 9am and 5pm on weekdays

If you have broader complaints about the Rand Daily Mail these can be taken up with the Mail Ombudsman, James McClurg, c/o the Editor's secretary

POLITICAL comment in this issue by R A Gibson Benjamin Pogrund newsbills by Michael Stent headlines and sub-editing by Bryan Pearson cartoons by David Anderson Dave Gaskill all of 171 Main Street Johannesburg

450 sacked for Kew strike

189

Star 14/7/83

By Tony Davis, Labour Reporter

About 450 workers at the Barlows Manufacturing site at Kew were dismissed yesterday after refusing to meet a return-to-work deadline

They went on strike after 12 colleagues had been fired for allegedly intimidating other workers during a wage dispute

A statement issued by Barlows Manufacturing today said the 12 were dismissed for involvement in either acts of intimidation, violence or damage to colleagues' property during the earlier wage dispute.

The 450 workers were dismissed because they would not meet a return-to-work deadline, the statement said

A spokesman for the Metal and Allied Workers Union said workers downed tools yesterday because management had not followed disciplinary procedures. Workers also objected to "identity parades" of those who allegedly intimidated non-strikers during the earlier dispute

Mr Andre Minnaar, for Barlows Manufacturing, said the company could not condone acts of violence or intimidation

He said a handful of workers at the Kew site were still at their jobs and management was considering taking on new employees

300 fired workers criticise Barlows

Star 15/7/8 **Labour Reporter** 181

More than 300 former workers at the Barlows Manufacturing factory in Kew met in Johannesburg yesterday to condemn the firm for their mass dismissal on Wednesday

And officials of the Metal and Allied Workers Union (Mawu) said they were consulting lawyers about possible legal action against Barlows

Barlows fired about 450 workers who refused to return to work after downing tools in protest against the earlier firing of 12 colleagues for alleged intimidation of fellow workers during a wage dispute at the factory two weeks ago

A Barlows statement said the 12 were dismissed because they had endangered worker freedom of association through acts of violence, intimidation and physical damage to property.

'UNION-BUSTING LAWYERS'

Union officials said the group refused to include rights to negotiate working conditions in their agreements, had employed "union-busting" lawyers, invited the police into disputes, and did not hold to its own Barlow Rand industrial relations code of conduct

However, Barlow Rand's industrial relations director, Mr R T Hofmeyer, in a statement said all group companies held to the code of conduct and an important principle was worker freedom of association

This had been violated in the Kew dispute and police were investigating

Barlow Rand was a leader in concluding recognition agreements — they have already concluded more than 30 — and knew of no instance where there had been a unilateral refusal to include the right to negotiate wages and conditions of employment in an agreement, Mr Hofmeyr said.

These measures will

Sowetan

(189) 15/7/83

Mawu takes up cause of 500 fired workers

THE METAL and Allied Workers Union (Mawu), an affiliate of the Federation of South African Trade Unions (Fosatu), is seeking legal advice over the dismissal of 500 members by Barlow Manufacturing.

The workers were dismissed after refusing to meet a return-to-work deadline from management's plant at Kew, Johannesburg this week

They went on strike after 13 of their colleagues were dismissed for having allegedly intimidated others during a wage dispute which started at the factory last month

At the time, a union spokesman said that workers were not on strike but wanted an explanation for the dismissals

- About 300 workers at Vaal Bottlers in Vanderbijlpark yesterday entered their third day of work stoppages in demand for higher pay

INCREASE

Workers claim that they made representations to the management concerning their grievances, including a demand for a R2,50 per hour increase

- About 150 employees of Liberty Life Insurance Company in Braamfontein yesterday stayed away from work after lunch when their management refused to meet the officials of their union

The workers, who are members of the Insurance Assurance Workers Union, met at lunch and resolved that management should meet their union executive to hear their complaints about a recent wage increment

Management refused to meet with the union because they believed in a non-racial union and did not want outsiders to speak on behalf of their workers

189

15/7/83

LABOUR LITIGATION

Breaking new ground

Labour relations in SA may never be quite the same in the wake of an Industrial Court action launched by the Metal and Allied Workers' Union (Mawu) against a Brits metals industry company and its associates

The union believes that 249 workers dismissed in September last year have a monetary claim of more than R850 000 against B & S Furniture Company and its associated companies Furthermore, the union claims they are entitled to be reinstated in their jobs

Issues raised in the case — allegations of victimisation of union members and unfair dismissal — have been heard in previous cases in the ordinary courts and the Industrial Court, and have been declared unlawful However, never has the Industrial Court been faced with a case of such magnitude

The case will demonstrate, therefore, whether the court is willing to award amounts as large as R850 000 should it find that an unfair labour practice has been committed In addition, if it makes employers pay costs of the action — something which the union is seeking — the total cost of the case to the employers could be close to R900 000, perhaps even more

No matter what the actual outcome of the case, it will have one important practical effect The mere fact that a union is both willing to pursue such a case and has the resources to do so, emphasises yet again to managements that an issue such as dismissal — especially mass dismissal — has to be approached with great caution

A spokesman for the companies strongly denies the union's charges and says the court action will be opposed He says it is impossible to deal in the press with such complex legal and factual allegations 'We consider that at all times we have behaved correctly and fairly towards our workers," he adds

According to the union's version of the events, the case has arisen from a deteriorating relationship between management and workers at two adjacent Brits factories The union alleges that, after it began recruiting workers last year there were repeated searches of people suspected of having recruiting forms that threats were made to workers about their joining a union and that some were offered payment to act as management spies

It says 12 elected shop stewards were dismissed in July, but were reinstated after a work stoppage It complains further that management stalled on granting it recognition

The union alleges that on Monday September 6, management sought a pretext to dismiss a leading shop steward committee member and declared that there would be no committee in the factory at all It claims that management stopped production the following day and informed workers that they had been dismissed The union says it soon became clear that union members would not be re-employed

Since then fairly extensive negotiations have taken place between the union and the companies, both inside and outside of the metal industry industrial council, but to no avail

Mawu claims the major issues in the case are

☐ That the companies sought to rid themselves of a union presence They could not do so by dismissing only union members because that would obviously infringe on the criminal prohibitions against victimisation Instead, they dismissed everybody and then re-hired non-union members selectively,

☐ That the dismissals amount to victimisation of people because of their union membership,

☐ That dismissals were in breach of the contracts of employment of individual employees,

☐ That the companies failed to properly negotiate with a workers' committee or the union as the representative of the workers,

☐ That the companies failed to give the employees a hearing prior to their dismissal

☐ That the companies adopted criteria for re-employment that constituted victimisation, and

☐ That the companies have influenced the local administration board to prevent union members from being re-employed elsewhere in Brits

The union is accordingly seeking an order declaring the dismissal of the employees to be an unfair labour practice, or, alternatively, that the failure to re-engage them after their dismissal should be declared an unfair labour practice It is also seeking the payment to workers of all accrued wages and other benefits they should have received since their dismissal

There are other significant features of the dispute Firstly there is the union's extreme dissatisfaction as revealed in papers placed before the court, with the manner in which industrial council agents have investigated the dispute And, secondly, it has shown the extraordinary tenacity and determination of the workers to continue their struggle against the companies, despite suffering considerable financial hardship over the past 10 months

LABOUR MOBILITY

Pretoria's guilt

In his annual statement as Chairman of Anglo American Gavin Relly pinpointed a major SA industrial weakness when it

PE company helps keep Britain clean

(184) E. Post 16/7/83

A PORT ELIZABETH company has secured a multi-million rand export contract cleaning up old baths in the United Kingdom

And in the process Mend-a-Bath International (Pty) Ltd, jointly managed by Mr Rob Hamilton and Mr Ivor Bennm has become the first South African company to franchise a system outside of the country Mr Hamilton believes

Key to the success of the novel export was a R300 000 research and development programme which went into the chemical formulation and application processes required in re-enamelling old baths

Developed in conjuction with German chemical company Bayer the formulation upon which the process relies has rocketed Mend-a-Bath into international prominence from a modest launch in Port Elizabeth in 1979

The franchise agreement sealed in April this year in the United Kingdom will generate a licence fee on a "master franchise" of R800 000 over the next five years, plus exports of "bath kits" targeted to generate export earnings at today's prices of around R1,5 million by 1986 and twice that over the following few years

By 1980 Mend-a-Bath was operating from three branches — one each in Port Elizabeth Cape Town and Johannesburg

The following year the company began enfranchising its branches and today there are 19 such franchised operations (a market-feasibility study indicated that the country could be carved up into 20 viable marketing sectors which means one franchise opportunity remains)

Mr Hamilton believes the market is worth some 1 000 baths a month in the country and claims to be doing 600 via all the branches at present

Price of a reconditioning job is some R160 compared with an initial price of R220 to buy a new bath and the cost of removing the old bath and refitting the new one

Mr Hamilton says contracts with two major South African hotel groups may account for the fact that he has had numerous unsolicited inquiries from as far afield as Bermuda (possibly from a visitor to South Africa who saw the results of the reconditioning job)

Once the UK operation has been consolidated a "positive" inquiry from Australia will be pursued, he added

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EVENING POST EXPORT AWARD

EP EA

THE Evening Post export awards are presented annually in two categories for sustained growth in an existing export market, and for an innovative breakthrough into a new export market Administrator of the 1983 awards is the Port Elizabeth Chamber of Commerce and exporters wishing to be considered for the awards may direct their inquiries to the chamber at telephone (041) 337801

16/7/83

Kew factory halted as strike continues

RDM

Mail Reporter 189

ABOUT 450 workers from Barlow Manufacturers in Kew on the East Rand were still on strike yesterday and no negotiations were taking place

The workers were dismissed on Wednesday after downing tools in solidarity with 12 fellow workers who were fired by the company

The company has alleged that the men were strongly suspected of having been involved in acts of intimidation violence and damage to fellow workers property during a strike in May

But the workers members of the Fosatu-affiliated Metal and Allied Workers Union have claimed that the men were not given a fair hearing

A company spokesman said yesterday the workers were still on strike, the plant was not working and no negotiations were taking place

RDM 14/7/83 (~~[illegible]~~)

(189)

Dunlop and union agree

(~~[illegible]~~) ([illegible]) (~~126~~)

DURBAN — Recognition negotiations between Dunlop South Africa's tyre factory and the Metal and Allied Worker's Union were concluded on Friday July 8

A procedural agreement signed on Wednesday, July 13, provided for wage negotiating procedure, conditions of employment of shop stewards, disciplinary and grievance procedures, and retrenchment — Sapa

United we stand, say workers

City Press
17/7/83

189

~~188~~

~~157~~

THEY HAVE had no income since September last year, have sold their possessions, but still 249 Brits workers refuse to give up their 10-month struggle for fair treatment.

● B & S workers meet . . . "the only way is to stick together."

CP Reporter

The 249 workers were fired from B&S Steel Furniture Company on September 7 last year

They believe they were unfairly dismissed and have been fighting for reinstatement since then They believe they were dismissed because the company was trying to get rid of a union presence in the factory

Managing director H Back said this week he believes he has always treated his workers fairly and properly

Everyday for 10 months the workers have gathered in a church hall in Brits to discuss their position and make decisions on their next move

The Metal and Allied Workers Union, to which most of them belong, took the matter to the Industrial Council earlier this year, but the council failed to break the deadlock

This week they began an Industrial Court action that could become crucial to labour relations in this country

They are asking the court to rule that they were unfairly dismissed and to reinstate them retroactively They are also asking for R850 000 in back pay, the largest claim ever to come before this court

It is also believed that the kind of labour practice these workers are fighting is common in outlying areas like Brits If the court finds these practices to be unfair, this could be a first step towards stopping them

The 249 workers claimed the company turned off the machines on September 7 last year and fired everyone

This came the day after a meeting between shop stewards and the managing director over the sacking of a worker

Mr Back told the shop sterwards he was the boss and would do as he liked.

The union says the company had hindered the union in its attempts to organise workers

The company then rehired some of the workers, leaving out those who were active in the union, say the strikers

"Some of us have had to sell our goats and cattle and this was very difficult, as we sold them for very little," one worker said

"We have come to realise what it is to sacrifice and stick together and to trust one another

"We learnt; that by being alone nothing could happen and the only way was to stick together," he said

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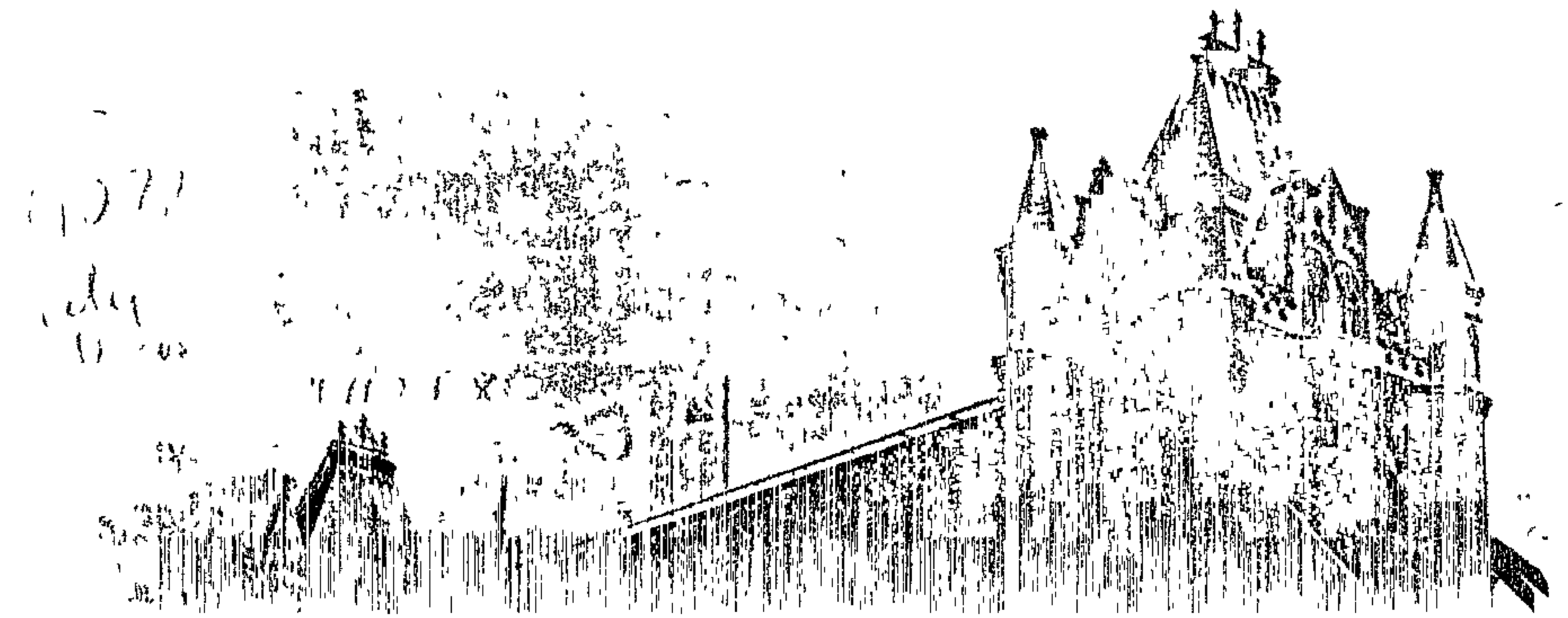
'GARLIC JUICER KILLED BUTCHER'

London's most famous landmark — Tower Bridge



(189) (~~153~~) (~~1176A~~)

City Press 17/7/83

Barlows sacks 400 workers

MORE than 400 Barlow Rand workers were sacked this week when they went out on strike to protest the dismissal of 13 of their colleagues at the Kew plant outside Johannesburg.

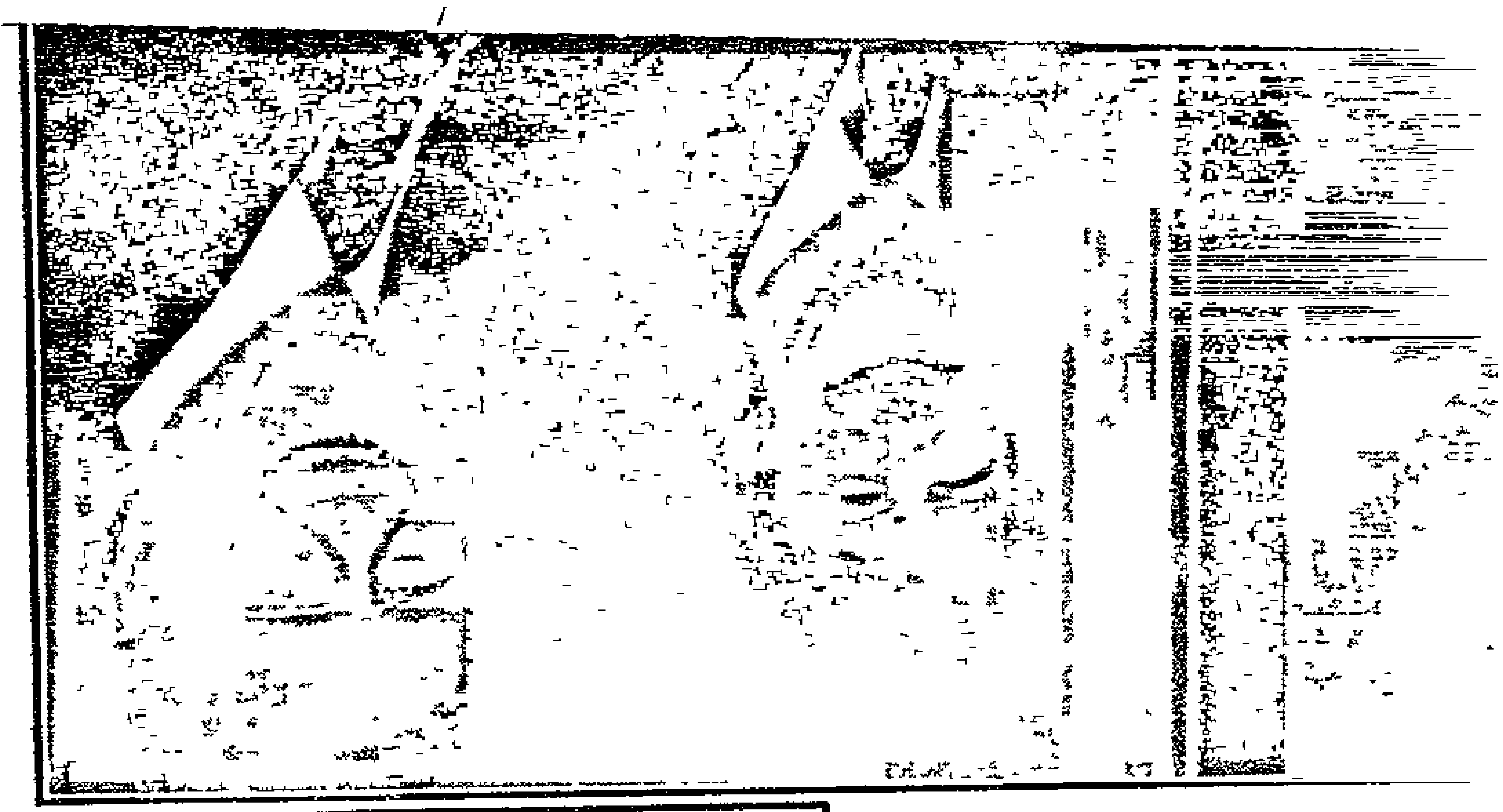
The workers, members of the Metal and Allied Workers' Union, a FOSATU affiliate, alleged at a Press conference yesterday that management had dismissed 13 of their colleagues who were facing accusations of assaulting fellow workers who did not join a five-day stay away last week.

Trouble at the plant started early this year when the workers demanded a 50c an hour across-the-board increase. This was refused.

Last week they staged a stayaway and it is alleged that some workers assaulted colleagues who did not take part.

When the workers resumed work early this week, those who allegedly assaulted their colleagues, were "pointed out" and taken to the local police station.

They appeared in court, were granted bail and returned to work.

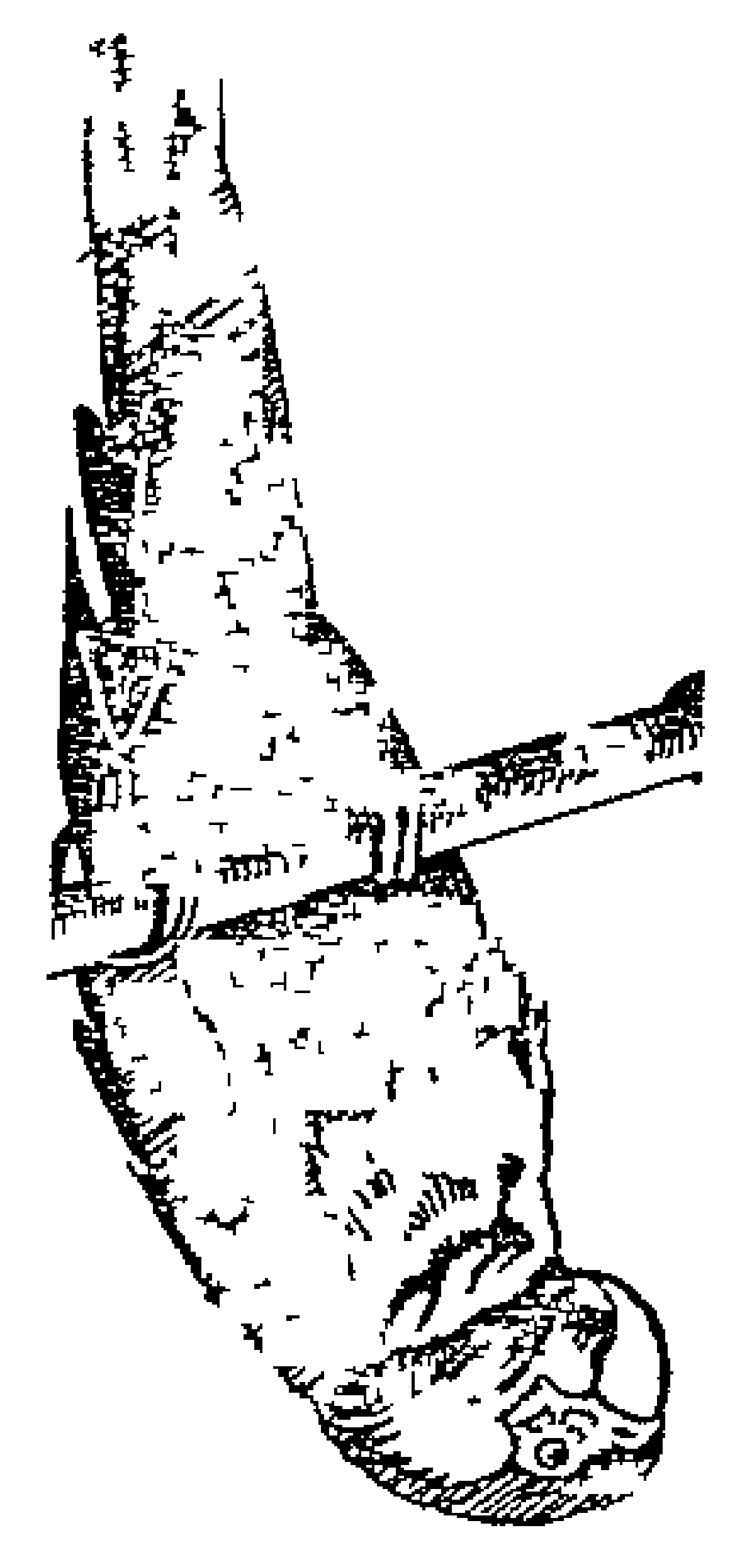


Parrot takes the f . . . oath

A PARROT called Michael swore an oath in court here of the wrong kind, telling three magistrates "F. off."

The African Grey parrot was produced as an exhibit in a case against a pet-shop owner accused of selling a similar parrot which refused to talk at all. The case was dismissed.

After the hearing, Michael ran through his 200-word vocabulary, much of it rude, for the benefit of reporters. — Sapa-Reuter.



17/7/83

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deputy president of the Industrial

black staff.

Major win for Mawu

RDM 19/7/83

189

Mail Reporter

THE Metal and Allied Workers' Union (Mawu) has signed a major recognition agreement covering 1 500 workers at five plants of the CI Industries group in Pinetown, near Durban

The agreement which gives the union plant-based bargaining rights and recognises shop stewards, was signed on Friday, according to a statement from Mawu

CI Industries, makers of caravans, trailers and mobile houses, is the biggest employer in the motor industry in the area

The Fosatu-affiliated union has begun negotiations with the company for wage increases that will be back-dated to July

"We proved two things at CI Industries," said Mr Geoff Schreiner, the Mawu branch secretary

"Firstly, that it is quite possible that recognition agreements be negotiated and signed in less than a month, and secondly that Mawu is one of the few unions in the industry seriously able to represent a properly multiracial membership"

19/7/83

'New boys' save on imports

189

Industrial Week

SLICING its way into the R30-million-a-year non-ferrous strip metal market, fledgling manufacturer Bradbury Equipment claims it has already proved capable of replacing "considerable quantities" of imported materials, writes Kathy Gibson.

Bradbury's general manager, Graham Fletcher, told Industrial Week that the non-ferrous strip metal market's "somewhat tarnished image" has been improved this year as a result of healthier competition among manufacturers.

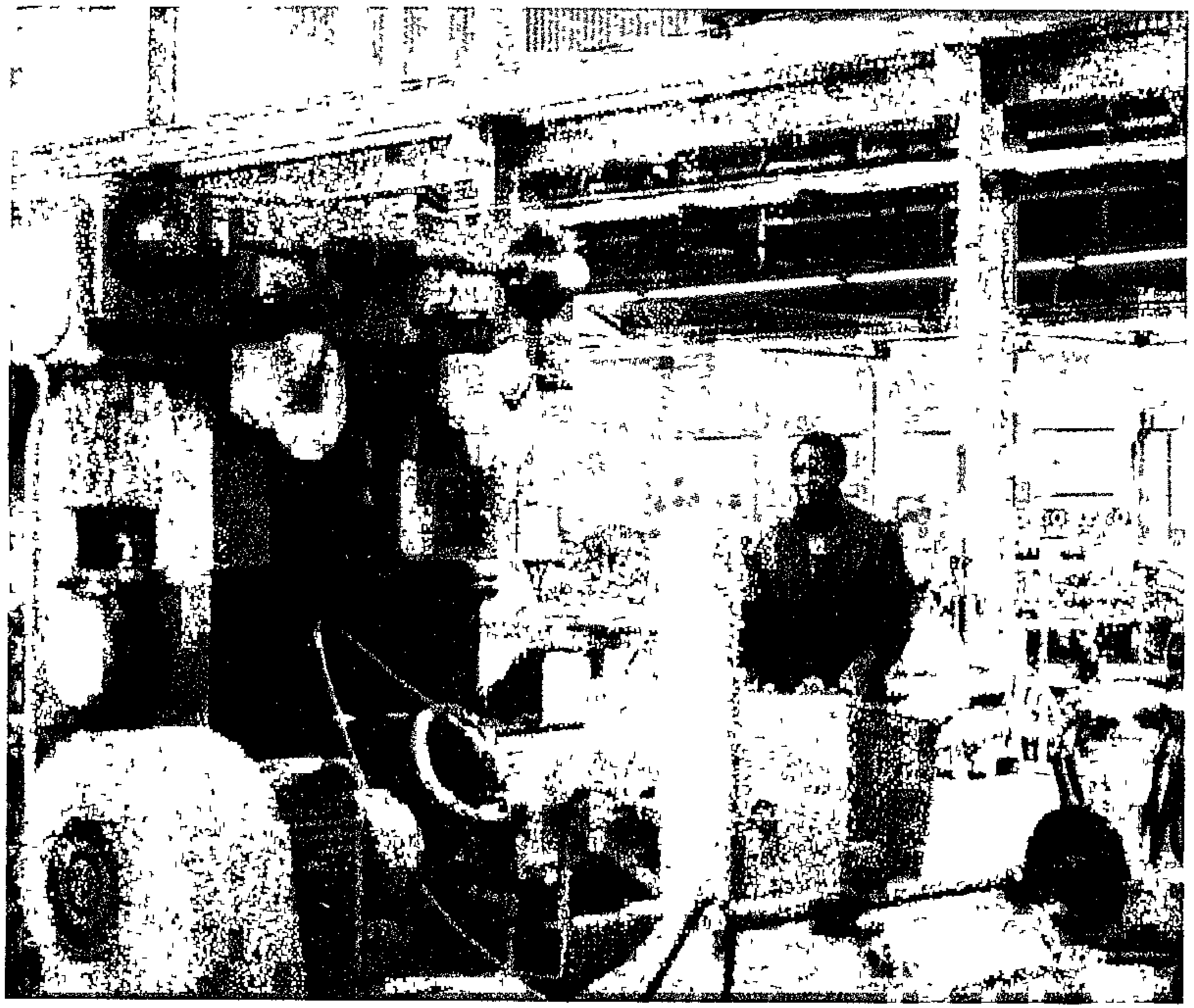
His company, which expects production to approach 100t a month by the end of its first year, already has the capacity to expand to about 200t, and it is intending to curb increasing imports by satisfying the local market.

"We have proved capable of satisfactorily replacing considerable quantities of imported materials and already supply some major local electrical equipment and cable manufacturers," said Fletcher.

The plant is capable of rolling copper foils of 0,05mm or thick strip of 4mm, with widths of up to 310mm.

"We can satisfy all the electrical and allied industries in terms of high conductivity copper requirements," Fletcher said, "and will soon be moving into copper alloys to cater for all sectors of the marketplace."

He claimed that Bradbury Equipment was self-sufficient even to making its own rolls and tooling facilities to cover all parts of the production process.



One of the new intermediate rolling mills at Bradbury Equipment — coining it in copper after only nine months in operation.

Strike at W Cape steel plant

Cape Times 19/7/83

189

Labour Reporter

ABOUT 175 workers went on strike at the Cape Town Iron and Steel Corporation in Kuils River yesterday morning over a union recognition dispute

A spokesman for the General Workers' Union (GWU) said recognition agreement discussions had been "dragging on" for 15 months and workers were "extremely unhappy" at this

They would return today and there would be a meeting to attempt to resolve the issue

Mr K D Kynoch, managing director of the company, which is a subsidiary of Iscor, said he would start recruiting new staff if the workers did not return today.

"They are asking for a signature to an agreement not yet in existence. The union has been given the latest draft of the procedural agreement."

If the workers returned to their jobs he would "consider" taking them back, Mr Kynoch said

PIPING PLOT ALLEGED

Industrial Week

189

By Priscilla Whyte

19/7/83

LOCAL large bore piping manufacturers have allegedly formed a "cartel" with the bigger merchants - now smaller merchants apparently are being forced out of business.

"I challenge them to an open discussion with the Board of Trade, the Competition Board and the newspapers," said John Howard, director of Supplicon.

Industrial Week discovered that Hall Longmore has applied for tariff protection for large bore piping (Government Gazette, no 8495 of 31 December 1982)

Howard has taken exception to Hall Longmore's application to the Board of Trade and Industries to increase duty on tube and pipes of iron or steel and blanks with an outside cross sectional dimension exceeding 219mm form 10% plus 0,22 per kg to 15% or R700 a ton, less 85% ad valorem

"The R700 a ton, less 85% ad valorem tariff protection application, will give them an effective 45% advantage," claimed Howard, although, he conceded "I accept that the local industry should be protected against undue competition from abroad "

What concerns him is his belief that the protection given by way of quantitative import control measures appears to be administered in a way which encourages larger companies to create an apparent monopoly situation in the market

This in turn has the effect of these larger companies dictating to Government when and how to allow import facilities

Howard said matters came to a head recently when a contract from Potchefstroom Municipality was awarded to Supplicon

"The tenders lodged by two local manufacturers of a substitute type of piping were about R140 000 more than the amount quoted by us (Supplicon)," he said

"After consultation with import control an invitation was sent to both Hall Longmore and Steel Pipe Industries to quote again to avoid the unnecessary importation of piping They quoted prices reduced by more than R100 000, which was still not sufficient to secure the tender for local piping "

Howard said Supplicon was then visited by an import control officer "to investigate "whether my firm had sufficient storage facilities "

He said the officer was told the relevant facts and Customs and Excise issued an import permit to Supplicon

"It is not my objective to import to the detriment of local industry, but merely to maintain my share in the market place ' said Howard

"If local mills can manufacture AP15LX42 or AP1LX52 to the required standard and specification, with TUV quality control I am more than willing to support them provided their prices are not unreasonable "

Howard said pipe manufacturers asked merchants such as Supplicon to stock their products and then "did the dirty" on them by tendering against merchants for contracts

"When large tenders are invited manufacturers decline to disclose who the contractors and merchants are, making out that they (manufacturers) are the only potential tenderers

No local manufacturers could produce specification 15M03, IOCRM0910 X20CRMV121 and 13CRM044 in seamless "So why must end users, like Escom and power station contractors, pay excess duty on piping not manufactured in SA?,' said Howard

He estimated the large bore piping market to be worth R160-million (250mm upwards) and the SA consumption to be 150 000t a year

"Consumption is growing at 15% a year," he said

Ronnie Hobbs, MD of Hall Longmore declined to comment because the matter is still with the Board of Trade

John Howard, director of Supplicon, has thrown down the gauntlet . . .

Supplicon feels so strongly about the matter that it has placed an advertisement on Page 10

19/7/83 RDM 187

Barlows offers to rehire fired hands

BARLOWS INDUSTRIAL in Kew, Sandton, closed by a strike since last Wednesday began hiring a new work force yesterday

The management issued a statement saying it would rehire any of the striking workers who applied for a job They would be given the same salary they were receiving before the strike and at a later stage the company would consider reinstating long service benefits, the statement said

About 500 workers downed tools at the plant last week when management fired 13 men alleged to have been involved in violence during a previous strike

The workers, members of the Metal and Allied Worker s Union (MAWU), said the men had not been given a proper hearing and management had not followed proper dismissal procedures

Barlows alleged yesterday that strikers had prevented those who wanted to return to work from doing so

The statement said a large number of strikers had showed up yesterday morning, but did not enter the premises After two hours most dispersed

"The company engaged a number of new workers this morning and will continue to employ new workers as fast as proper selection, induction and training can be provided," the statement said

All striking workers — except the 12 who had been dismissed for "suspicion of involvement in intimidation and violence" — would be rehired if they applied

(~~452~~) (~~475~~) (189) ROM 20/7/83

Workers strike after dispute over union

CAPE TOWN — About 175 workers went on strike at the Cape Town Iron and Steel Corporation in Kuils River on Monday morning over a union recognition dispute

A spokesman for the General Workers Union said recognition agreement discussions had been "dragging on" for 15 months and workers were "extremely unhappy'

They were to return yesterday and a meeting was to be held to try to resolve the issue

Mr K D Kvnoch managing director of the company, which is a subsidiary of Iscor, said he would start recruiting new staff if the workers did not return yesterday

"They are asking for a signature to an agreement not yet in existence The union has been given the latest draft of the procedural agreement '

If the workers returned to their jobs he would "consider" taking them back, Mr Kynoch said — Sapa

(189)

RDM 20/7/83

Barlows rehires 450 fired workers

Mail Reporter

THE 450 workers fired from Barlows Manufacturing Company in Kew, Johannesburg, last week were all rehired yesterday after agreement was reached between the company and the Metal and Allied Workers' Union

A company spokesman said yesterday the 450 had all returned and would be given the same wages and the same long-term benefits they had before the strike last week

The 450 were fired after they downed tools last week after management dismissed 12 workers who, they alleged, had been involved in violence in a previous strike

The workers have claimed the company did not go through the correct dismissal procedure for the 12

Talks with union representatives yesterday afternoon ended in agreement though the union may still take legal action over the dismissal of the 12

The company spokesman said extra workers hired earlier this week after the firings would help with increased production requirements as a result of the strike and increased demand

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Barlows take back fired 450

Labour Reporter

Star 20/7/83

Barlows Manufacturing Company at Kew has rehired the 450 workers fired last week after they downed tools in protest against the dismissal of 12 of their colleagues.

Company executive Mr Andre Minnaar said previous rates of pay were being restored in addition to long-term benefits

The 12 were fired for allegedly intimidating other employees during an earlier wage dispute

The mass reinstatement followed negotiations between management and the Metal and Allied Workers Union

OBITUARIES

Illustrious career in radiology

The eminent radiologist Professor Jack N Jacobson died early this week in Johannesburg after a long illness

Professor Jacobson was born in Durban and qualified as a radiologist at St Thomas in London before joining the medical staff at Groote Schuur in Cape Town

During a long and illustrious career he received the Rontgen Award as well as many others for his work in radiology

Professor Jacobson was attached to the Chamber of Mines in Johannesburg at the time of his death, on consultation and research work

He leaves his wife Winifred

Star 21/7/83

Failure of 'fear,' 'smear' tactics

189

A Ph.D was conferred last month on Dr Eddie Webster, a senior sociology lecturer at the University of the Witwatersrand, for his research on worker organisations in South African foundries. Staff reporter Tony Davis takes a look at the study.

In the early 1970s metal industry employers in South Africa resorted to tactics of "fear and smear" to prevent the rise of trade unionism among workers, according to Dr Eddie Webster of Johannesburg

A 500-page doctoral thesis by this senior lecturer at the University of the Witwatersrand outlines the history of worker organisations in the foundries, as well as the more recent attempts by employers to curtail union activities of black workers

The formation of liaison committees, warnings and dismissals were destabilising tactics used by employers until the Wiehahn labour legislation changed the character of industrial relations

"The Labour Process and Forms of Workplace Organisation in South African Foundries" is a personal triumph for Dr Eddie Webster.

At face value, the subject appears to be as drab and colourless as the inside of a foundry, but this is far from the case.

Foundries are very much in the news today, either as a result of closures, or worker retrenchments, due to the economic recession or strikes by workers over wages or other issues

The history of worker organisations in the foundries dates back more than 60 years as craft unions developed with the influx of skilled British moulders

These artisans wanted to maintain job privileges through the closed-shop system, and controls on apprentice training, but mechanisation eventually led to the "deskilling" of their jobs, writes Dr Webster

The racial issue in the foundries made its presence strongly felt with the Industrial Conciliation Act of 1924, which excluded blacks from the collective bargaining process, thus preserving skilled jobs for white union members

In the 1930s and 1940s coloured, semi-skilled workers began making inroads in the industry, but white unions turned to statutory job reservation and the closed shop to keep out non-whites and protect their jobs

The persistence of racial domination over the majority of non-white workers eventually led to a "crisis of control" in work relations in the foundries in the 1970s

Dr Eddie Webster

The craft unions' monopoly over jobs limited the employers' desire to increase productivity and managements were also finding it difficult to try and control the rise of black union activities

The tactics of fear and smear were designed to prevent this growth, but the rise of black industrial unions as opposed to craft unions were on the rise. And in 1979 the Wiehahn labour reforms attempted to deracialise industrial relations in South Africa

The emergence of a strong shop stewards' movement in the Metal and Allied Workers Union in the 1980s with its shop floor operations displayed aspects of mass industrial unionisation

"The major challenge facing MAWU has been how to consolidate the gains made between 1980 and 1982 while retaining participation in the organisation as it has grown in size and complexity," writes Dr Webster

Workers also use trade unionism as an outlet for frustrated political aspirations By withdrawing their labour on the shop floor, workers are showing their opposition to certain legislation, such as pensions, according to Dr Webster

Another recent feature of union activity in the foundries is the relocation of companies in the homeland, which has in turn led to worker organisations being extended to the rural areas

235 are fired for downing tools

Star 22/7/83

189

DURBAN — About 235 workers at a Pinetown refrigerator and freezer manufacturer, Ocean Manufacturing Ltd, were dismissed yesterday after they stopped work over a wage dispute

Mr P R Cole, the company's managing director, confirmed the workforce had downed tools shortly after 3 pm on Wednesday and had ignored a request to resume duties

He said that by their actions, the employees had breached their employment contracts

"Management was therefore compelled to terminate their services and is recruiting a new workforce," he said

The workers recently expressed dissatisfaction with the pay conditions under the latest Iron, Steel and Engineering Industrial wage agreement which came into effect on July 1

Mr Cole said that negotiations with employees had been in progress At a meeting of stewards and senior officials of the Metal and Allied Workers' Union on Wednesday it had been resolved work would revert to normal Further discussions were scheduled for July 27, he said, but even so the employees had downed tools later the same afternoon

A spokesman for the workers said today they had requested an increase of 50 c an hour, but management rejected it and instead offered an "incentive bonus" to workers who exceeded their daily target

This was not acceptable to the workers, the spokesman said

Mr Geoff Schreiner, branch secretary of the Metal and Allied Workers' Union, said last night that he would prefer not to comment at this stage — Sapa

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Workers fired in wage dispute

Mercury

22/7/83

Mercury Reporter

ABOUT 235 workers at the Pinetown refrigerator and freezer manufacturers, Ocean Manufacturing Ltd, were dismissed following a work stoppage resulting from a wage dispute

Mr P R Cole, the company's managing director yesterday confirmed the workforce had downed tools shortly after 3 p m on Wednesday

'The employees through their own action have breached their employment contracts The management therefore was compelled to terminate their services and is recruiting a new workforce'

The workers recently expressed dissatisfaction with the pay conditions under the latest Iron, Steel and Engineering Industrial wage agreement which came into effect on July 1

In a statement to the Mercury yesterday, Mr Cole said 'Numerous constructive negotiations between management and employees — direct and through the work's liaison committee — have been in progress ever since

'At a meeting with shop stewards and senior officials of the Metal and Allied Workers' Union on Wednesday afternoon, it was resolved that work would revert to normal and that a further meeting would take place on July 27

'But the workforce downed tools the same afternoon,' he said, adding that every effort was being made to ensure that production reverted to normal soon

A spokesman for the workers said yesterday they had requested a 50 c-an-hour increase but the management had rejected it and instead offered an 'incentive bonus'

'This was not acceptable to the workers who felt it was impossible under present conditions,' he added.

Mawu condemns 'refusal'

RDM **Mail Reporter** 25/7/83

THE Metal and Allied Workers' Union yesterday condemned the "rigid refusal" of the Association of Electric Cable Manufacturers to continue wage negotiations and said it was proceeding with a dispute against two companies

Mawu also warned it had asked for the co-operation of employees of these two companies in Sweden and Germany and had contacted the International Metalworkers' Federation to co-ordinate this support

Mawu has been in dispute with Asea Cable and Semens Cables since the association refused to allow them to return to the workers to get a mandate on wage negotiations

The dispute centres around Mawu's claim that the negotiations were concluded prematurely and that the wage increases were too low

In a statement yesterday, Mawu 'strongly condemned the rigid refusal of the association to show any movement in their dispute'

Mawu said the employers had refused to negotiate at a meeting last week and had also refused to follow the alternative steps for a dispute set out by the industrial council

These steps were voluntary mediation or voluntary arbitration

The refusal to take these steps made a mockery of the industrial council's procedures

Mawu is now proceeding with disputes against Asea Cable and Semens Cables, where it claims to have majority membership

"The union has also notified Swedish and German workers in Asea and Semens of the disputes and has asked for their co-operation The International Metalworkers' Federation has been contacted to co-ordinate this

"Mawu is also calling on workers in Aberdare Cables Aycliffe Cables, African Cables and ATC to join Mawu and unite with other workers" the statement said

July 1983

30 WEEKS WITHOUT THEIR JOBS BACK!!!

189

MORE than 80 workers at a screen manufacturing company near Germiston have entered their 30th week of unemployment. City Press

The deadlock follows a dispute over Screenex's ~~refusal~~ to renew contracts of migrant colleagues.

As a result the workers, who are members of the Metal and Allied Workers Union, are on their knees praying that their union succeeds in bringing the matter to the Industrial Court.

Mr Siza Mdakane,, chairman of the shop stewards at the company, said trouble started last December when Screenex said it would not renew "calling cards" for migrant workers

Workers dismissed by Screenex 30 weeks ago at a union meeting this week.

"That," Mr Mdakane went on, "meant our employer was dismissing our colleagues . . . He advanced no reason why they would be without jobs We tried to reason with him and the whole thing ended in a deadlock."

On December 10 the workers went on strike and the company claimed the entire 146-strong black workforce had broken contract

On December 14 the workers were locked out. They had gone to the factory to collect their wages and holiday pay.

"We were never paid. Our employer just didn't have time for us. His argument at the time was we were no longer his employees.

"Without our union, families, mothers, wives and relatives could have never survived, said Mr Mdakane as the 86 workers "formally" joined forces with another 78 workers from an adjacent factory on strike after a dispute three weeks ago.

Screenex refused to talk to reporters.

185

Sowetan 25/7/83

Tough guidelines

THE Metal and Allied Workers' Union (Mawu) says it has been informed by some employers that SEIFSA is circulating new and tough guidelines in the metal industry on how to deal with strikes

The guidelines are said to advise employers who are faced with a restive workforce, or by any industrial action, to take a hardline and to carry out the following actions

- to dismiss all employees,
- to re-employ all employees except those allegedly implicated in intimidation,
- to reinstate long service benefits only after the workforce prove themselves to be docile

(89) RDM 25/7/83

Steel bosses getting tougher

Mail Reporter

THE Metal and Allied Workers' Union (Mawu) claims that Seifsa the employers body in the metal and engineering industries, has issued tough new guidelines for companies faced by industrial action

In a statement yesterday, Mawu condemned the guidelines and said the companies were using the recession to crack down on unions

Mawu has been informed by some employers that Seifsa is circulating new guidelines in the metal industry the statement said

It was not clear whether these are formal or informal guidelines, but they advised employers faced by a restive workforce or by any industrial action, to take a hard line, according to Mawu

The guidelines apparently tell employers faced by industrial action to dismiss all employees then re-employ all except those allegedly implicated in intimidation and to reinstate long-service benefits only after the workforce has proved docile

This hard line was consistent with the very rigid attitude taken in negotiations by companies such as Highveld Steel Dunswart Steel and the Cable Manufacturers Association, the statement said

26/7/83

Machine tools 'story dismal'

189

By Priscilla Whyte

DESPERATELY quiet is the stated condition of the machine tool industry and with no evidence of any enormous capital projects it is a wait-and-see game

'There has not been much change in the machine tool trade over the past three months As the annual financial statements from the big boys surface they paint a very dismal picture and record substantial losses," Heinz Wippern, chairman of the Machine Tool Merchants' Association told Industrial Week

"If the big boys are suffering, the small boys must be effected on a pro rata basis," he said

Industrial Week asked when an upturn in trading conditions could be expected

"My personal view is the second quarter of 1984 at the earliest and I really mean at the earliest"

Wippern is of the opinion that a turnaround in the US economy is evident and SA depends very much on the momentum gained in the US economy

The minimum time lag between an upturn experienced in the US and one felt in SA is 12 to 18 months

Wippern said there is a theory that the US administration is not keen on a "tremendous upturn" because it would mean higher interest rates and general reserve debts would have to be paid for with more costly money

In the motor industry it is an acknowledged norm that more than half a manufacturer's investment is immediately absorbed in tooling, which has to be altered or scrapped when new models are launched

Industrial Week asked if the motor industry was offering tooling contracts

Wippern said tooling for the motor industry is a one-off type of business and that there is no great volume of business in this arena at present

Robert Skok, chairman of Robert Skok and Son told Industrial Week that the complete tooling for the new body of a car costs about R30—R40 million

He said the local cost of dyes is 25% to 30% more expensive than equivalents from Japan and if import duties are totted up the local tooling is 50% more expensive than the Japanese

Adapting

Industrial Week asked Hartmut Beckurts, MD of ADE, if the tooling for diesel engine manufacturers was also scrapped when new models are introduced

He said a new model Perkins diesel engine is on the drawing board but the machining facilities at ADE have been procured with the intention of adapting to design changes for the next 10 years

Furthermore, Burkerts explained, the diesel engine is different from the petrol engine in terms of having a longer life expectancy

Industrial Week spoke to Gordon Hatch, MD of Capital Industrial Finance to get a feel for the machine tool industry from the perspective of a finance house

He said "It is desperately quiet in the engineering and construction sectors and there is no sign of an upturn, but the situation seems to have stabilised"

"Our clients are paying on a more regular basis and very few are in arrears"

No business

He noted that December, January and February are, on a seasonal basis, problematic, because of the Christmas shut down He also only foresees an upturn in the middle of 1984

Industrial Week asked Hatch if he was financing any tooling contracts for the motor industry

He explained that the tooling for new models being launched now were ordered a year to 18 months ago

He said to his knowledge no tooling has been requisitioned from his clients for the motor industry He reflected "It will be interesting to see what new models will be launched in a year's time"

He said it is the worst possible time for an engineering company but the printing industry seems to be holding up very well

"The finance companies have known worse no money and no work Now it is a case of we all have money but no business"

24/2/83

Sowetan ~~[illegible]~~

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Metal union set to declare war

THE Fosatu-affiliate Metal and Allied Workers' Union is to declare a dispute with the Association of Electric Cable Manufacturing who have "rigidly refused" to open wage megotiations with the union.

The union has condemned the management for its behaviour and has already canvassed international support to solve the dispute

In a statement the union said that the management has also refused to follow the alternative steps of the Industrial Council dispute procedures which include voluntary mediation or voluntary arbitration

At a previous meeting the employers pressed that Mawu should agree to other unions being allowed to take part in the proceedings Mawu refused on the grounds that the other unions had already agreed on the increases

Mawu's delegates have noted that the management's insistence on the proposal to have other unions in the negotiations was "making a mockery" of the dispute setting procedure

The union has also notified Swedish and German workers in Asea and Siemens of the dispute and asked for their co-operation

The international Metal Workers' Federation has been asked to arbitrate in this matter

RDM (13321)
28/7/83 (189)

Algoa shipyard

PORT ELIZABETH — The Algoa Bay Dockyard Development Company will go ahead with a ship-repair yard project for Algoa Bay

The company said a detailed layout would be drawn up in London within the next six months Further geological investigations might have to be made, however, as well as preparations for a comprehensive hydraulic modelling programme

Representations would be made to the Government to negotiate a tax-incentive package This would help the shipyard and any ancillary industries attracted to the area

If construction began next year, the facility would begin limited operations two years later

STRIKES (189)

Recent upsurge

After a low level of industrial action earlier this year, the number of strikes and stoppages appears to be rising

In the first four months this year, government statisticians recorded only 40 strikes and stoppages involving 5 668 workers During the same period last year the statisticians calculated that 23 967 workers took part in 103 strikes and stoppages

Figures such as these are obviously good news to employers, many of whom have hoped that the recession would discourage employees from striking However, it seems that there has been a steady rise in strike activity during the past two months

Reliable figures are not yet available, but strikes appear to be occurring in a variety of industries and sectors In addition, information released by the Metal and Allied Workers' Union (Mawu) is worth noting The union, an affiliate of the Federation of SA Trade Unions (Fosatu), reports that in June alone, its members were involved in 14 stoppages — all of which were "successful" Mawu says six of these resulted from disputes over wages, four from retrenchments, three from dismissals, and one from a dispute over medical aid On average, the stoppages lasted about two days

The Steel and Engineering Industries Federation of SA (Seifsa) has vehemently denied an accusation by Mawu that it has issued tough new guidelines for companies faced by industrial action

Meanwhile, some employers are concerned about what appears to be a new strategy devised within the Fosatu camp Fosatu's National Union of Textile Workers recently enforced a ban on overtime work at a Natal company after having gone

FM 29/7/83

FM 29/7/83

through all the necessary procedures to hold a legal strike Such a ban can obviously be extremely disruptive But it also raises a number of interesting legal questions — including whether the workers can be dismissed, or others found to perform the overtime work It seems possible that such questions may be answered by the Industrial Court if this strategy is used more frequently in future

MANUF. — IRON, STEE, ENGINEERING, AND
METALLURGICAL INDUSTRIES
1983

AUG. — DEC.

Dawie backs Samancor deal

189

RDM (1/8/83

In the national interest, he says

By BRENDAN RYAN
Mining Editor

DR DAWIE de Villiers, the Minister of Industries, Commerce and Tourism, has come out in support of the deal through which Iscor sold control of its stake in SA Manganese Amcor to Gencor.

"I have no doubt that the transactions are in the interest of Iscor and the country as a whole for that matter," he said in reply to questions telexed to him by Business Mail

Iscor traded 50,25% of its subsidiary, African Metals, which holds 39,6% of Samancor, for Gencor's Hlobane colliery and Gencor's controlling share of Dunswart Steel

The deal was the culmination of a dispute between Gencor and Iscor over supplies of coking coal from Gencor's Hlobane colliery near Vryheid

Iscor wanted to enforce production reductions at the colliery because of the drop in its market for iron and steel caused by South Africa's recession

Gencor retaliated with the threat of a law suit over supply contracts and gave three months' notice of closure of the colliery

The terms of the settlement surprised mining circles because it gave effective control of Samancor to Gencor

It was disclosed that Gencor and Iscor had established an informal agreement to maintain control of Samancor between them, ending any hopes Anglo American Corporation had for obtaining control of Samancor

General Mining, Anglo American and Rand Mines were keen bidders for Iscor's stake in Samancor when it was to be sold in 1977

The highest bid came from Anglo, but the then Minister of Economic Affairs, Mr Chris Heunis, ruled that Samancor must remain under Iscor's control

This was seen as a move intended to keep Samancor out of Anglo American's control

Last month's deal raised comments that the transactions were not in the public interest and Iscor's Samancor stake should have been put out to public tender

It is also believed by many people that Gencor got by far the better of the deal

Hlobane is a high-cost producer Gencor has said Dunswart is a small producer and is limited by lack of space for expansion

Business Mail's questions and Dr de Villiers' replies are

Was the Government consulted by Iscor before it agreed to this deal with Gencor?

"The Iscor board has full authority to decide on normal business issues However, the Government was consulted on this particular transaction as it also dealt with the problem of the Hlobane colliery and the possible redundancy of thousands of workers"

Assuming the answer to question one is yes, why has the Government now agreed to this deal when Mr Chris Heunis, Minister of Economic Affairs in 1977, vetoed an offer by Anglo American Corporation on the grounds that the strategic nature of Samancor's operations meant control should be kept by Iscor?

"It is incorrect to state that Minister Heunis vetoed any of the offers submitted to Iscor at the time His advice to Iscor was based on the particular set of circumstances at the time, which differed materially from the present situation"

Do you feel the best interests of Iscor and of the private mining sector of the economy have been served by this deal and what are the reasons for your answer

"I have no doubt that the transactions are in the interest of Iscor, and the country as a whole for that matter

"The activities of Dunswart Steel and Hlobane Colliery are much more closely related to Iscor's business of producing steel than its interests in Samancor

"The transactions are in line with Government's policy for Iscor to divest itself of interests that are not strictly in accordance with its main objective

"Iscor management is of the opinion that the acquisitions will have a major favourable impact on the control of their input costs, mainly metallurgical coal from Hlobane and sponge iron from Dunswart, and their ability to compete in the market place

"Furthermore, the closure of the Hlobane Colliery has been avoided and approximately 4 400 jobs were saved

"A very serious dispute over the supply of coal was satisfactorily settled The closure of Hlobane would have had serious negative economic and social consequences for Northern Natal

"I do not think it is correct for me to speculate on the economic implications of the deal for the various private sector mining houses involved It would be better to consult them direct

"I have, however, been informed that rationalisation possibilities exist and that these could have favourable implications for the country's mineral exports"

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Gaz 2/8/83

Take us all back or none, say 260 strikers

By Carolyn Dempster, Labour Reporter

The 260 members of the Metal and Allied Workers Union (MAWU) who have been on strike at Litemaster Products, Wadeville, have demanded reinstatement as a group or not at all

This was their response to a letter to the union from the Litemaster management offering them re-employment on the basis of personal interviews The workers had until this week to accept the offer

The strike was caused by the retrenchment of about 40 workers in May

A union statement, released this week, said that the workers were "furious" when management unilaterally introduced shorter working hours and then announced that there would also be retrenchments

UNION NOT NOTIFIED

Workers complained about the way the retrenchments were handled, the lack of negotiation, the fact that their union was not notified and that they were not given notice Among those retrenched was a man with 30 years' experience and others had upwards of seven

A spokesman for Litemaster said there was "no dispute really" A recognition agreement which the company signed with MAWU on July 22 this year provided for retrenchment procedure

"We followed the procedure completely and complied with all the provisions," added the spokesman "The dissatisfaction shown by the workers is incomprehensible "

On July 12 there was a work stoppage at the factory over the issue of retrenchment and on July 18 all the workers were dismissed Management then rehired all except 86 Eight shop stewards out of the nine at the factory lost their jobs

MAWU is now calling for kindred organisations to support the workers in their struggle to remain united until they are reinstated

(189)

[redacted]

S Times, 7/8/83

[redacted]

Industrial court rules sackings 'unfair'

TWO Cape Town artisans who claimed that a Johannesburg-based engineering firm, Servix SA (Pty) Ltd, had wrongfully sacked them while they were working on the Koeberg nuclear power station project, have been given their jobs back.

This followed a year-long battle to prove they had been victims of an unfair labour practice

The firm has completed its work in Cape Town and moved back to Johannesburg, so they cannot physically reinstate the men

By NORMAN WEST

But the General Secretary of the non-racial Engineering and Industrial Workers Union of SA, Mr Archie Poole, described the outcome of the case as "more than a moral victory".

Servix has been ordered by the Industrial Court to reinstate the two Cape Town artisans, Mr Ellis Williams, a sheet metal worker, and Mr Michael Bedasie, a boilermaker

The court determined that there had been unfair labour practice by Servix

Terms

In terms of the Industrial Court determination on the dispute between Servix and the Union, Servix agreed to

- Compensate each of the artisans R2 500,
- Re-instate them up to and including June 30, 1983,
- Alter the Unemployment Insurance Fund (UIF) cards of the two men to reflect "retrenchment", instead of "other reasons", as the reason for the termination of their services,
- Alter its records to reflect a continuous period of employment up to June 30, 1983

The determination of the alleged unfair labour practice, made in terms of the Industrial Relations Act, was made by the Deputy President of the Industrial Court, Dr D B Ehlers

The Union first lodged a complaint with the Cape Regional Council of the National Industrial Council for the Iron, Steel, Engineering and Metalurgical Industry, in letters dated October 4 and 11, last year.

Unauthorised

The Union alleged in these letters that a number of unauthorised deductions had been made last year against the wages of certain employees of Servix in respect of certain tools lost on the Koeberg site

When the Union pointed this out to Servix, they reacted by dismissing Mr Bedasie as well as the Union's shop stewart, Mr Williams, who originally drew the attention of the Union to the alleged irregularity

(189) (150) 204
8/8/83

THE South African committee of the International Metalworkers Federation is a rarity — it brings Fosatu, Cusa and Tucsa unions together in one body

The committee was recently re-formed after a split in its rank

This becomes topical in the light of recent metal wage talks in which some unions accepted an employer wage offer and others did not

Now there is talk of the committee trying to develop a common strategy towards negotiations among members

The gulf between some of the unions is massive and the odds are against a working alliance

But if it did occur, the implications for bargaining in the country's major manufacturing industry could obviously be immense

Sacked workforce are low on food, but high on courage and solidarity

189

Sowetan 8/8/87

By PHIL MTIMKULU

EVEN people who earn a pittance regard Friday as an important day, but for 300 dismissed workers in Brits Friday has long since lost its meaning

The children of these people — who were last employed 10 months ago — no longer rush to meet them in anticipation of getting sweets and other presents — as they have realised that their parents no longer bring parcels home on Fridays

These people lost their jobs 10 months ago when their employer, B & S Steel Furniture Company in Brits, dismissed the entire workforce and later rehired others — leaving 300 out of work

Since that day — September 7 last year — the 300 have been fighting against their dismissal The case first appeared before the Industrial Council, which rules that 60 percent of them should be rehired The 300 rejected this as they wanted all the workers to be rehired The case has now been taken to the Industrial Court.

During the 10 months these workers have been meeting every day at the Roman Catholic Church Hall, in Brits location

Approaching the hall one is greeted by shouts of "Amandla" and the singing of trade union songs which the workers have composed themselves Everybody takes part in the singing and anyone who has something to say says it

A committee of 16 men and women co-ordinates the activities of the 300 The committee has no chairman or secretary, and all its members participate on an equal basis

The committee members said that meeting every day gives them the strength to continue

"It always helps because when one of us has a problem and is absent, we will not be able to help But if one of us has a sick child and does not have money to take the child to a doctor, we club together and make contributions," said committee member Mr Ernest Masala

The committee revealed that though some of them used to earn as little as R45 a week and the highest paid was getting R118 a month, they all looked forward to earning wages again and providing for their families

MEETING For the past 10 months these workers have been meeting at the Roman Catholic Church Hall in Brits to give each other courage and help to fight the pangs of hunger

How have the dismissed workers survived for the past 10 months?

"We are depending on the sympathy of our neighbours and friends to sustain us, otherwise some of us would have died from hunger It has been difficult Some of us had to take our children from schools or send them to relatives Some of us had to sell our livestock to have money to pay our accounts and buy food," they said

When I asked whether they ever go to bed without a meal, they laughed at my naivety "It is not a thing that happens sometimes, but is a frequent occurrence We no longer get hungry, because you cannot get hungry when you know there won't be any relief," they said

The workers, who were being unionised by the Metal and Allied Workers Union (Mawu), said they have received little help from organisations outside Brits In Brits they received assistance from the local churches They said they would welcome more community assistance to alleviate their plight "People must not see this as the problem of the people of B & S in Brits, but they must align it with the general workers' struggle for a fair deal from those who own the means of production," they said

And what are the prospects of them finding employment elsewhere in Brits? "Nil," they said The committee members said B & S had blacklisted them by telling the Labour Bureau that as they were still locked in a dispute with them, they should not be hired by other companies Other companies had also been told that they should not be hired as they would unionise their "peaceful" workers, the committee alleged

One committee member, Mr Davidn Sihlangu, said their strike and subsequent dismissal had broadened their perspective about the "struggle", a word they used frequently "We are now face to face with the struggle," he said

Mr Sihlangu said they had expanded their activities and were trying to make other workers in the Brits area aware of their rights "We have realised that it is only by the workers coming together that they can achieve victory," he said

The fate of the workers depends on the Industrial Court But they are confident of victory.

Reunert move to become R800-m electronics giant

ARGUS 9/8/83 (189) ~~132~~

JOHANNESBURG — Reunert Limited is buying high technology companies from its Barlow Rand parent that will transform it into the largest electronics and power engineering company listed on the Johannesburg Stock Exchange, the company announced here

It will have gross assets of R450-million, sales of R800-million a year and operating profits in excess of R65-million a year, a statement said

More than 80 percent of earnings will come from electronics, telecommunications and power engineering, with the balance being produced by industrial engineering activities that are increasingly harnessing advanced technologies such as robotics

The new Reunert will employ 14 000 people at factories and distribution outlets across the country and have long-term know-how agreements with leading companies in the United States, Japan, Europe and Britain

HIGH GROWTH

It brings together major high technology companies in the Barlows group, thus turning Reunert into Barlow Rand's listed vehicle for its electronics, telecommunications, power and industrial engineering interests

As a result application is being made to transfer Reunert's listing to the electronics section of the JSE

The transformation raises Barlow's stake in Reunert from 63,8 to 89,49 per- cent, but Reunert said it is currently investigating potential acquisitions which would reduce this percentage

"We will concentrate on areas of high growth and profit potential, and develop businesses of strategic importance to the country as well as to Reunert," said Mr Derek Cooper, chairman of Barlows' electronics and general engineering division, who now also becomes chief executive of the enlarged Reunert

To clear the way for the conversion of Reunert into an electronics-based company, its motor retailing interests are reverting to Barlows

Reunert will acquire from Barlows its holdings in a number of high technology companies The interests to be acquired have a net asset value of R117-million and are expected to produce earnings attributable to Barlow Rand of R24,6-million in the year ending next month

They are valued at R179,3-million — equivalent to 7,3 times earnings

The purchase price will be settled by Reunert in the form of the motor division, which has been valued at net asset value of R33,3-million and the issue of 19 468 000 Reunert shares at 750c each

GREAT POTENTIAL

The interests to be acquired by Reunert include

Barlow Communications, Barlowdata, Barlows Heavy Engineering, Barmarc Holdings, Fuchs Electronics, GEC South Africa, Heinemann Electric and Telarama-Rediffusion

"We are creating a truly South African company with great potential," Mr Cooper said

"By bringing together under the Reunert umbrella companies with complementary technologies and skills, we will be able to tackle projects which may previously have been too large for individual companies or which may have fallen outside the specific activities of any one company

LEADING EDGE

"We will now be able to co-ordinate increased expenditure on research and development In addition, the new Reunert will have long-term know-how agreements that give us access to leading-edge technologies employed by some of the most innovative and successful companies in North America, Europe and the Far East — Sapa

Barlows sets up high-tech group

189

RDM

9/8/83

By JOHN MULCAHY

BARLOW Rand is setting up a R800-million a year electronic and power engineering group through the injection of various divisions into subsidiary Reunert.

The agreement, to take effect from October 1, entails the sale to Reunert of several wholly and partly owned Barlow companies for R179 300 000 in exchange for 19 468 000 new Reunert shares and Reunert's motor division

The motor division is being transferred at net asset value of R33 300 000 and Reunert shares will be issued at 750c each

Barlow's share of Reunert will rise to 89,49% from 63,97% now

Calculated on a pro forma basis, if the restructuring had been in place for the financial year to September 30, earnings would have increased to 98c a share from the expected 68c

About 37% of earnings would have come from electronics and telecommunications, 50% from power engineering and 13% from industrial engineering

Net asset value would have fallen to 593c a share from 987c

According to yesterday's statement "the objective and rationale of the transaction is to create in Reunert a high-technology-based, strategically compatible and integrated group of businesses operating in the electronics, telecommunications, power and industrial engineering fields, which would provide a base for further development and acquisitions"

Mr Mike Reunert, who remains Reunert's chairman, said yesterday that the company expected earnings of 68c a share for the year to September 30

It had been a difficult year, with trading conditions the worst since the Second World War

Mr Derek Cooper, chairman of Barlow's electronics and general engineering division, who becomes chief executive of Reunert, said Barlow's large stake in Reunert left a lot of room for acquisitions that could be financed with paper

He disclosed that discussions were in progress with several parties with a view to acquisition, and "there are likely to be some interesting announcements within the next six months"

The new Reunert will have gross assets of R450-million, annual sales of R800-million and operating profits of more than R65-million a year

Application is being made to the Johannesburg Stock Exchange to transfer Reunert's listing to the electronics sector from engineering

Mr Cooper described the restructured Reunert as a "today" company, with high growth potential in high-technology areas of telecommunication, power engineering, computers, industrial engineering and advanced technologies, such as robotics

"We will concentrate on areas of high growth and profit potential, and develop businesses of strategic importance to the country as well as to Reunert"

The new Reunert would impart a much clearer image of the various divisions for investors as well as for employees and prospective employees

The Barlow companies to be moved into Reunert are Barlow Communications (Pty), Barmarc Holdings (Pty) and GEC South Africa (Pty)

These companies have been valued at R179 300 000 for the deal with a net asset value of about R117-million and attributable earnings of R24 600 000 for the year to September 30

Mr Cooper agreed that the Barlow companies had been conservatively valued at an earnings multiple of 7,3, but this was intentional as it was hoped to enhance the value of Reunert paper in the market

Reunert s motor division comprises Armstrong Motors (Pty), Holmes Motor Company, Nagington Motors (Pty), Etom Motors (Pty), Nagington Leasing Services (Pty), Natal Motor Industries, Auto Atlantic BMW (Pty) Garden City Motors (Pty) and John Roderick & Company

The properties from which the motor companies operate will also be transferred to Barlow

Mr Cooper said that by bringing together under the Reunert umbrella companies with complementary technologies and skills "we will be able to tackle projects which may previously have been too large for individual companies or which may have fallen outside the specific activities of any one company"

Apart from possible acquisitions there would be internal development on increasing local content in turbine generators and the expansion of the group's capability in the area of high-voltage transformers

"We will now be able to coordinate increased expenditure on research and development In addition, the new Reunert will have long-term know-how agreements that give us access to leading edge technologies employed by some of the most innovative and successful companies in North America [illegible] and the [illegible] East

Mr Derek Cooper, head of Barlow Rand s electronics and general engineering division, becomes Reunert's chief executive

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Deficit cut

PARIS — France's balance of payments deficit narrowed sharply in the second quarter of this year says the

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72 UCI for 100 Sentrust

Mining Editor

SENTRUST shareholders will receive 72 UCI ordinary shares for every 100 Sentrust shares they hold in terms of the merger of the two Gencor controlled investment companies

The shareholders will also receive the the final dividend of 50c declared by Sentrust for the year to June

UCI s yearend will be changed to June 30 and UCI shareholders will receive the interim dividend of 50c declared by UCI last month

UCI shareholders will also receive a special dividend of 20c a share as compensation for the disparity between UCI's interim and final dividend payout ratios as compared with Sentrust s

The proposals to merge the companies are subject to approval by the Johannesburg and London stock exchanges and shareholders

If approved, the merger will be effective from July 1 this year Sentrust will become a wholly owned subsidiary of UCI and its listing on the JSE and LSE will be dropped

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Vogels at

Mining Editor

VOGELSTRUISBULT Metal Holdings rights offer is being pitched at 300c a share compared with Friday's close of 320c a share

Shareholders registered on August 12 will be allowed to subscribe for 20 shares for every 100 held

The company will issue

BIS se

high-tech group

9/8/83

By JOHN MULCAHY

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The partly owned Barlow companies involved in the deal are Heinemann Electric (South Africa), Barlow Data (Pty), Barmarc Holdings (Pty) and GEC South Africa (Pty)

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"We will now be able to coordinate increased expenditure on research and development In addition, the new Reunert will have long-term know-how agreements that give us access to leading-edge technologies employed by some of the most innovative and successful companies in North America, Europe and the Far East"

Among the overseas links Reunert would have access to were Hitachi main-frame computers which Mr Cooper said were making significant inroads into the SA market GEC and Marconi in the UK, and Heinemann of the US

Expenditure on research and development by Barlow's electronics division now amounts to about 8% of annual sales The new Reunert will spend about 5% of sales, directly and indirectly, on research and development

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Deficit cut

PARIS — France s balance of payments deficit narrowed sharply in the second quarter of this year, says the Economics Minister, Mr Jacques Delors

On the basis of data for April and estimates for May and June, the second-quarter deficit would not exceed 5 000-million francs ($625-million) compared with a record shortfall of $3 600-million in the first quarter

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Mining Editor

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BIS se Portu

By NEIL BEHRMANN

LONDON — The Ban for International Set tlements is believed t have sold 30 tons o gold it received fron Portugal in paymen for a $400-million loa

Lisbon banking sourc say Portugal was forced

189. ~~[illegible]~~

Dispute called as talks fail

WOM

10/8/83

Labour Correspondents

THE Metal and Allied Workers' Union has declared disputes with three major metal employers after wage negotiations between it and the companies ended in deadlock

In doing so, MAWU has used for the first time a disputes procedure recently adopted by the Metal Industries Industrial Council If the council cannot settle the disputes, they will be referred to the Minister of Manpower

If the Minister fails to settle it, an industrial court action or legal strike becomes possible

MAWU's general secretary, Mr David Sibabi, said yesterday that the three employers were Anglo American's Highveld Steel, Iscor's Dunswart Steel and Union Steel Corporation (USCOR), where the dispute concerned two of its Vereeniging plants

This follows an earlier MAWU decision to declare a dispute with the Cable Manufacturers' Association, also over wages

The three disputes arise out of negotiations aimed at "house agreements" at the three companies

Although all fall under the metal council, they negotiate separate agreements with the trade unions under its umbrella These then become legally binding

A spokesman for Highveld yesterday refused to comment on the dispute, saying "We do not comment on negotiations with trade unions"

According to Mr Sibabi, MAWU met Highveld on Monday in an attempt to settle the dispute, but no progress was made

A meeting with Dunswart was also held, but this also ended in deadlock Another meeting is planned and, if no settlement is reached, the dispute will be referred to the Minister

He added that he had formally notified USCOR that a dispute had been declared No meetings had yet been held

Recently, MAWU took part for the first time in metal council negotiations at which established unions accepted a Steel and Engineering Industries Federation (Seifsa) offer raising pay by 10c an hour, or 7%, for the lowest-paid workers

MAWU, which had demanded a minimum wage of R2 an hour — an increase of about 40% — rejected this

Sowetan 10/8/83

300 workers strike

MORE than 300 workers at the Asea Electric Plant in Rosslyn have gone on strike over wage demands.

A source close to the striking employees told The SOWETAN that the cable division workforce downed tools at lunchtime on Monday demanding a weekly pay increase of 28 percent

The workers, represented by the Metal and Allied Workers' Union (Maawu), were originally promised a 40 percent weekly wage increase but management only offered them 12 percent which came into effect as from August 1, one of the employees said yesterday

He added "We are very disappointed and feel robbed Management promised us an increase of 40 percent a week which was to be implemented at the beginning of this month We were surprised when we were only given 12 percent last Friday We downed tools after discussing the matter during lunchtime on Monday "

The source also stressed that the workers had vowed to stage a peaceful strike and not to resume their duties until management agreed to give them the outstanding 28 percent "as promised"

(189)

METAL INDUSTRY PAY

Modest gains only

FM 12/8/83

After obtaining annual pay rises of between only 5% and 7% at the metal industries industrial council in May this year, unions said they hoped to get better increases in company-level negotiations

However it seems that most have so far achieved decidedly modest results Such negotiations are opposed by the Steel and Engineering Industries Federation (Seifsa) It is determined to preserve industry-level wage bargaining at the industrial council and regards plant-level negotiations as a potential threat to this arrangement The Seifsa view is based on the belief that when collective bargaining takes place at two formal levels, bargaining at one of the levels ultimately becomes irrelevant

Not surprisingly, therefore most Seifsa members seem to have taken a tough stand against company-level bargaining They are aided by the fact that because of the recession unions are not in a strong position to press demands

Senior Seifsa men claim the unions have so far had little success in winning higher increases at company level *FM* interviews with union leaders appear to confirm this Some unions say they have managed to negotiate significantly higher pay at a few companies, but concede that so far they do not have much to boast about They add, however, that they have not had much time during the past two months to approach individual companies but are planning to do so soon

The Metal and Allied Workers' Union (Mawu) seems to have fared better than most and says it has won rises at a number of companies Says one Mawu office-bearer "I suppose the increases we have gained are significant when one considers that no one else has made such gains We have been as successful as we could have been during a year such as this" The union is presently deadlocked with some employers over pay increases and plans to approach others soon

FM 12/8/83

Meanwhile, significant developments appear to be taking place within the local committee of the International Metalworkers' Federation (IMF) Unions affiliated to the IMF include the SA Boilermakers' Society, Mawu, the Steel, Engineering and Allied Workers' Union, the Engineering Industrial Workers' Union and the Radio, Television, Electronic and Allied Workers' Union

The *FM* understands from some sources that there is growing co-operation between these affiliates If this is so, it is an interesting development The unions belong to local union federations — such as the Federation of SA Trade Unions (Fosatu), the Trade Union Council of SA (Tucsa) and the Council of Unions of SA (Cusa) — which have sharply differing ideologies

Some sources say it is possible that the local committee could become an increasingly effective forum for these unions to devise common strategies — including a more co-ordinated approach towards company-level bargaining

Pay offer short of demands

189 RDM

13/8/83

Labour Correspondent

THE Chamber of Mines has offered members of the black National Union of Mineworkers at its Rand Refinery in Germiston pay rises of R20 to R33 a month, a chamber statement announced yesterday

The offer falls well short of the NUM's demands However, the statement says the union has agreed to take it back to its 230 members at the refinery and to reply to the offer today or on Monday

The negotiations follow the signing of a recognition agreement between the chamber and NUM this week, which gave the union bargaining rights at Rand Refinery and at the Employment Bureau of Africa (Teba), the chamber's recruiting arm

Though only about 750 black workers work at Rand Refinery and Teba, they are seen as key areas of the mining industry's operation and the agreement was seen as a breakthorugh for the NUM

The union began negotiating pay at Rand Refinery on Tuesday, the day after the agreement was signed, but is not negotiating at Teba this year because the annual wage increase there has already been awarded

~~257~~ ~~410A~~ ~~62~~ 189 ROH

Company says it knows nothing of a dispute

3/8/83

By STEVEN FRIEDMAN
Labour Correspondent

THE Metal and Allied Workers Union says it has declared a dispute with a Maritzburg company which could lead to another key industrial court ruling on the obligation of employers to bargain with a majority union

The union says it has declared the dispute with McKinnon Chain (SA), a subsidiary of the American firm, Columbus McKinnon because the company refuses to recognise it

McKinnon's managing director, Mr D S Samuel, yesterday denied that the company was unwilling to recognise MAWU and added that it was not aware that the union had declared a dispute with it

The threatened action follows two rulings by the court this year which have been seen as backing the view that an employer must negotiate with a majority union

In a statement, MAWU said it had been forced to declare a dispute with McKinnon Chain because of the company's "continued refusal to enter into negotiations on recognition with MAWU, which has been organised at the plant for some three years and represents a majority of the hourly paid employees'

It claimed the company had made many undertakings to the union that it would give it recognition but always ended up reneging on these agreements

The union was now keen to take the case to the court because it had now been established that employers were bound to negotiate in good faith with representative unions

Mr Samuel said however, that McKinnon was in the process of preparing a procedural recognition agreement to be signed by MAWU

He said the Steel and Engineering Industries Federation (Seifsa) had prepared guidelines urging firms to sign these agreements with unions willing to join the Metal Industrial Council McKinnon would abide by these

"We received them this week and, once we have studied them, will present the union with a document," Mr Samuel said

Meanwhile, MAWU has reached an agreement with a Pinetown firm Ocean Manufacturing on grievances raised during a recent strike by MAWU members, according to a joint statement by MAWU and the company

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Labour Correspondent

POLICE have denied allegations that they are 'intimidating" members of the Commercial, Catering and Allied Workers' Union (CCAWUSA) — but have not denied any of the specific claims made by the union on Thursday

In a statement CCAWUSA claimed that three of its members at an OK Bazaars warehouse in Johannesburg were raided by police and held briefly It also alleged that their homes and work places were searched

It said this followed the brief detentions of union shop stewards in Newcastle and Potchefstroom

The union alleged that all the workers whom police acted against were questioned about union activities and that one member was allegedly given electric shock

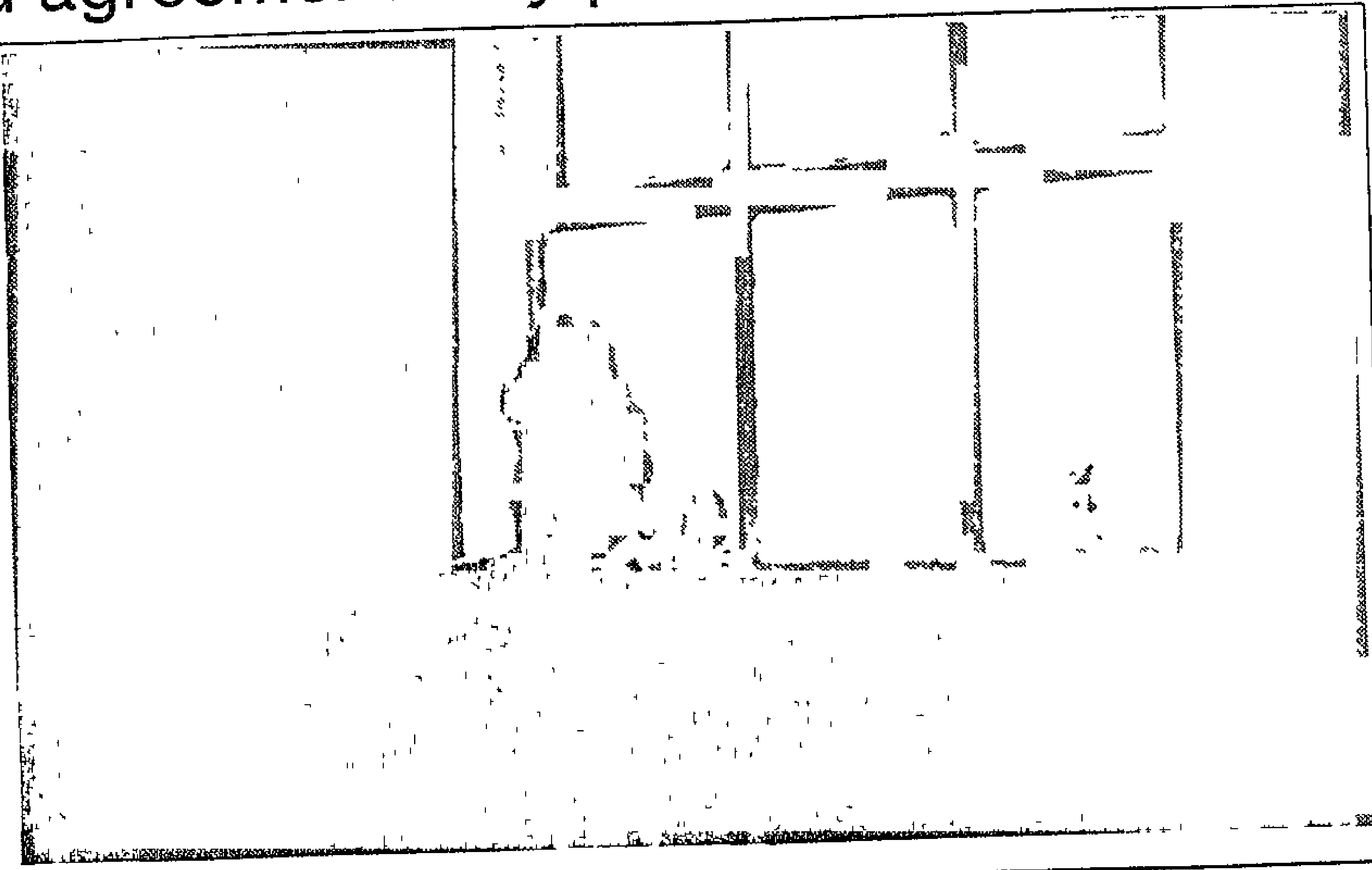
It accused police of "intimidating" its members and urged the Ministers of Police and Manpower, as well as employers, to act to prevent this

Yesterday police replied to these allegations after the

S Tribune 14/8/83 189 ~~160~~ 15

Breakthrough for unio

New Mawu agreement may pave the way for closing the urban-border wage



TWO days of monkeying around in the Durban city centre by a wild vervet ape nicknamed Dan came to an end yesterday after a hectic car chase.

The monkey was spotted at the city hall on Friday when a large crowd watched its antics on the building

Workshop manager Gerald Govender was driving to work down Ordinance Road when he saw the monkey He gave chase in his car and cornered the monkey which he then tricked into entering his workshop.

After it was trapped Mr Govender gave it a bunch of bananas He said he had named it "Dan" after the manager of the shop.

The SPCA took the monkey away.

By BARNEY MTHOMBOTHI

A TRADE union has claimed an important breakthrough by reaching a wage agreement with a factory at Isithebe that will, in the long run, bridge the gap between wages paid to its members in border and other industrial areas

The Metal and Allied Workers' Union (Mawu) hopes the agreement — the first at Isithebe — will make way for workers in border industries to secure better deals

One of the attractions to industry of border areas is that industrialists are not bound by any wage determination

This has long been a sore point with the unions

Mawu, a Fosatu affiliate, signed a wage agreement at arbitration last month with Henred Freuhauf, a trailer manufacturing company, which, in the long-term, will bring the wages of its members at Isithebe in line with those elsewhere

The agreement covers all the two factories in Natal and two in the Transvaal

The company had consistently refused to negotiate a uniform deal for all four plants and had insisted that shop stewards negotiate with individual plants

However, when wage negotiations reached deadlock early last month, the parties went to mediation and a nation-wide wage agreement, which also included Isithebe, was reached on July 22 at a meeting attended by shop stewards from all

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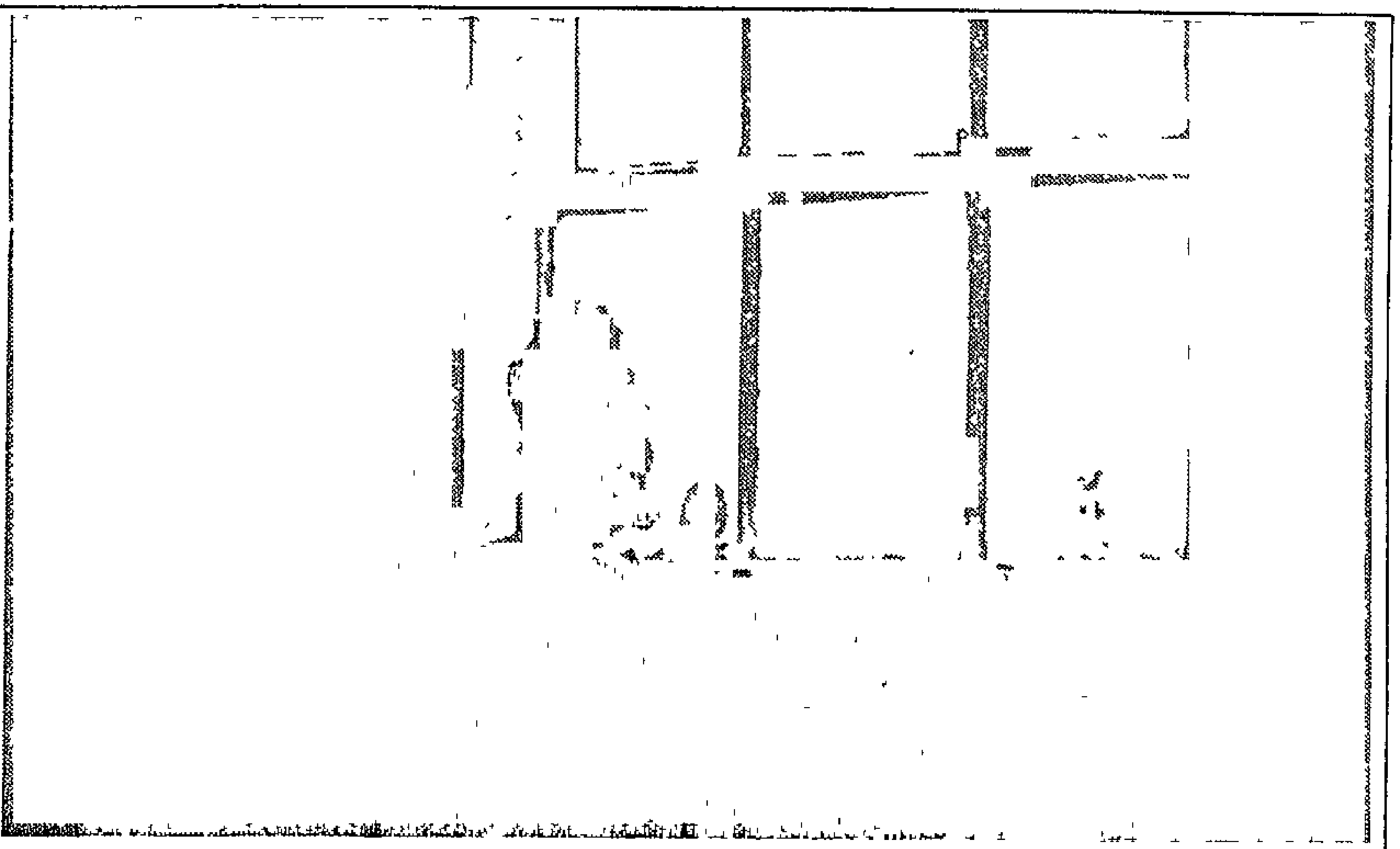
wu agreement may pave the way for closing the urban-border wage gap



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However, when wage negotiations reached deadlock early last month, the parties went to mediation and a nation-wide wage agreement, which also included Isithebe, was reached on July 22 at a meeting attended by shop stewards from all four plants

It was agreed that workers at the four plants would get a 19c an hour increase backdated to July 1, and another 5c an hour in January And to bridge the wage gap between the other three plants and the Isithebe plant the company agreed to a further increase of 4c an hour in July, and 3c in January for Isithebe workers

Mawu had initially demanded an 80c an hour across the board increase, and for a uniform wage structure for all of the company s employees throughout the country

Mawu spokesman Willies Mchunu said from Empangeni this week the union regarded the principle of closing the wage gap as a significant breakthrough

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(189) RDM

NUM declares dispute

16/8/83

By STEVEN FRIEDMAN
Labour Correspondent

THE black National Union of Mineworkers has declared a dispute with the Chamber of Mines at a key division of the Chamber, the Germiston-based Rand Refinery

The general secretary of NUM (an affiliate of the Council of Unions of SA) Mr Cyril Ramaphosa, announced yesterday the step was taken after members at the refinery rejected a Chamber wage offer at the weekend

The Minister of Manpower will now be asked to appoint a conciliation board to try to settle the dispute If it fails to do this, the union may hold a legal strike ballot or take the matter to the industrial court

The dispute is the first called by NUM since it was recognised by the Chamber recently

Although the refinery only employs about 250 black workers, it is a key area of the Chamber's operation and the dispute will provide an important test of the new bargaining relationship between NUM and the Chamber

It may also lead to an industrial court test of NUM s view that it is an "unfair labour practice" to introduce a new job grading system without negotiation with a representative union

The dispute follows an announcement by the Chamber last week that it was offering NUM members at the refinery an increase of R22 to R30 a month

Mr Ramaphosa says this is an 8% rise — well below the 40% demanded by NUM

He added that two other issues would form part of the dispute

The first was that the Chamber planned a new job grading system at the refinery which would mean workers would be downgraded to lower-paying jobs

The second point of dispute, he said was that the Chamber had rejected a union demand that workers receive a 0,5% increment for each year's service At present, he said, they receive only 65c extra for each year worked

Mr Ramaphosa said the Chamber would only introduce such an increment if workers' period of service was calculated from the time the agreement was reached — not a welcome proposition for workers with 25 year's service behind them

19/8/83 RDM (189)

8

Metal workers score three successes

Labour Correspondent

THE Metal and Allied Workers Union yesterday won recognition at an Elandsfontein plant and has also signed a dispute procedure with two Barlow Rand plants, one of which was recently the scene of a strike, a MAWU spokesman said yesterday

The spokesman Mr Moses Mayekiso, said the union had signed a full recognition agreement with Mather and Platt at its Elandsfontein plant which, he said, employed more than 200 workers

He said the agreement allowed the union to negotiate on all matters affecting workers at the plant and also introduced a meeting procedure which would allow for union mass meetings

At two Barlow Manufacturing plants at Kew and Alrode a dispute procedure had been finalised and recognition negotiations were continuing

Mr Mayekiso said the two plants employed about 1 000 workers

Barlow Manufacturing s Kew plant was recently the scene of a bitter strike which was finally resolved after talks between the two sides

250 shun overtime in wage dispute

~~121~~ 189
~~140A~~ RDM
19/8/83

Labour Correspondent

ABOUT 250 workers at an Anglo American subsidiary, G and W Base and Industrial Minerals, have been refusing to work overtime since the beginning of this week in support of wage demands, the Chemical Workers Industrial Union (CWIU) said yesterday

A CWIU spokesman, Mr Ephraim Tshabalala, said the company and union were due to meet again today in an attempt to break the deadlock

He said workers were demanding a R2 an hour minimum wage, but that the company would only offer a 10c an hour rise, which would bring the minimum to R1,28 an hour

When asked for comment, a company representative said information about the dispute was "confidential" and only two management men could comment on it Both were unavailable

Mr Tshabalala said that, after an initial deadlock over wages, CWIU had asked the company to allow the union to examine its books to test company statements that it could not afford the increase

He said G and W had agreed and that an examination of the books had revealed reserves of R4-million-R5 million

"We take this to mean the company had enough money to meet workers' demands, but G and W still refused to increase its offer," Mr Tshabalala said

As a result, workers had decided at a general meeting last weekend to ban overtime at the plant

This had come into effect on Monday, when all the company machines were switched off at 3pm

August 1983, D. Dispatch

Firm invests R13m in Ciskei

188

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

□□□ 189

RDM 22/8/83

A DISPUTE on the East Rand has highlighted a labour issue which is attracting growing attention — union demands that employers disclose financial details about their companies

In many negotiations, employers argue that they must retrench workers or resist pay rises because of the financial state of the business

Unions are arguing that, if employers say this, they must be prepared to produce their books to justify claims — a view which is consistent with American labour law

Many employers oppose this, but some are agreeing to disclose information An industrial court test of the issue may be inevitable at some point.

Last week came news that an Anglo American subsidiary, G and W Base and Industrial Minerals, had agreed to disclose its books to Fosatu's Chemical Workers' Industrial Union

This exercise revealed another gulf in perceptions between workers and their employers

CWIU claims the books showed the company had substantial reserves, but that it nevertheless refused to raise its wage offer.

Employers reply that a company's reserves have nothing do with the ready cash it has and thus its ability to pay workers Unions believe these reserves can be used to pay workers

More may well be heard of this issue too in the future

Sacked workers go to court

Sowetan 22/8/83

Sowetan 22/8/83

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By PHIL MTIMKULU

THE 300 Brits workers who have been unemployed since being fired by their company, B and S Steel, 10 months ago, will today put their case before the Industrial Court.

The Metal and Allied Workers' Union (Mawu) which represents the workers will tell the court that they were fired because they had shown interest in the union This happened after some workers had approached Mawu for help last year in April

When management heard of efforts to unionise the workers it made efforts to stop them

DISMISSED

When a shop steward's committee of 12 was elected all the members were summarily dismissed This led to work stoppage to get the workers reinstated They were reinstated on condition they did not serve on the committee But when the shop stewards asked for the union to be recognised, problems arose Eventually on September 7, all the workers were fired and only those who did not belong to the union were rehired

The workers are going to ask the court to declare their dismissal unfair and unlawful and to be reinstated in their jobs They are asking for a huge amount in back pay and costs for legal action

The Industrial Court has never awarded costs in all the cases it had decided Already one union which had a decision granted in its favour by the Industrial Court but was not granted costs, is appealing against the latter part of the judgment

Since their dismissal the workers have been meeting daily at the Roman Catholic Church Hall to give each other moral support Life for them has been a perpetual struggle They are depending on friends and relatives for contributions in order to keep them going

RAND DAILY MAIL, Wednesday, August 24, 1983

~~165~~ ~~346~~ 190A 189

Crucial test case for unions in the offing

By STEVEN FRIEDMAN
Labour Correspondent

IN WHAT could become a key industrial court test case, the Metal and Allied Workers' Union has declared a dispute with one of Maritzburg's biggest employers, Scottish Cables

The dispute arose over the company's alleged refusal to negotiate wages with MAWU outside the official industrial council system — an action which has never been contested in court before

MAWU announced yesterday it had declared disputes with five companies in the Durban and Maritzburg areas A dispute can lead to an industrial court action or legal strike.

MAWU said it had also declared a dispute with CYC Steel and Engineering of Maritzburg over its "refusal to supply free boots and overalls for the protection of its employees"

A company spokesman, Mr Lawrence Nathan, confirmed the dispute but declined to comment further

A third dispute, it said, had been declared with a Pinetown firm Gedore Tools for allegedly retrenching workers without consulting the union MAWU says this "has been clearly established as an unfair labour practice" where a union is representative

A company spokesman declined to comment, but said Gedore was not aware a dispute had been declared

The Scottish Cables dispute is taking place against the background of a dispute between MAWU and the Association of Electrical Cable Manufacturers

In the wake of metal industrial council wage negotiations, the association awarded increases similar to those negotiated at the council MAWU rejected these and declared a dispute with both the association and some of its members

MAWU said Scottish Cables had agreed to bargain directly with it on wages but had then "reneged"

It charged that "much pressure" had been brought to bear on the company, "probably" from cable firms

But MAWU's Natal secretary, Mr Geoff Schreiner, said he had expected Scottish Cables "to have resisted such interference in their own affairs and to have honoured their undertaking"

The company's managing director, Mr Harold Dixon, said Scottish Cables was unable to pay more than the increase conceded by the employer association — from 12c to 21c an hour

He defended the association's stance, saying MAWU had demanded 40c an hour

Mr Dixon said wage levels at cable plants were "significantly above' those in the main metal wage agreement and the industry faced "a major reduction in demand for their products" and "an escalation in imports"

The increases granted were, therefore, the most the industry could afford

He said Scottish Cables' wages were above "the cable industry norm" and the company had also taken steps to cushion the effect of the recession on workers

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RDM

Barlow firm to recognise union

25/8/83

By STEVEN FRIEDMAN
Labour Correspondent

A PINETOWN subsidiary of the giant Barlow Rand group has signed a preliminary recognition agreement with the Metal and Allied Workers' Union and agreed that it will negotiate with the union on wages and work conditions outside the official industrial council system once a full agreement is signed

This means the company, Thos Barlow and Sons (Natal), is ignoring the policy of the Steel and Engineering Industries Federation — which is against any wage bargaining outside the council system — as several other Barlow Rand companies have done

The agreement also means that MAWU now claims to have signed formal recognition agreements with 18 companies in the southern Natal area

Earlier this week, the union announced it had won recognition from Maritzburg metal firm, Prestige

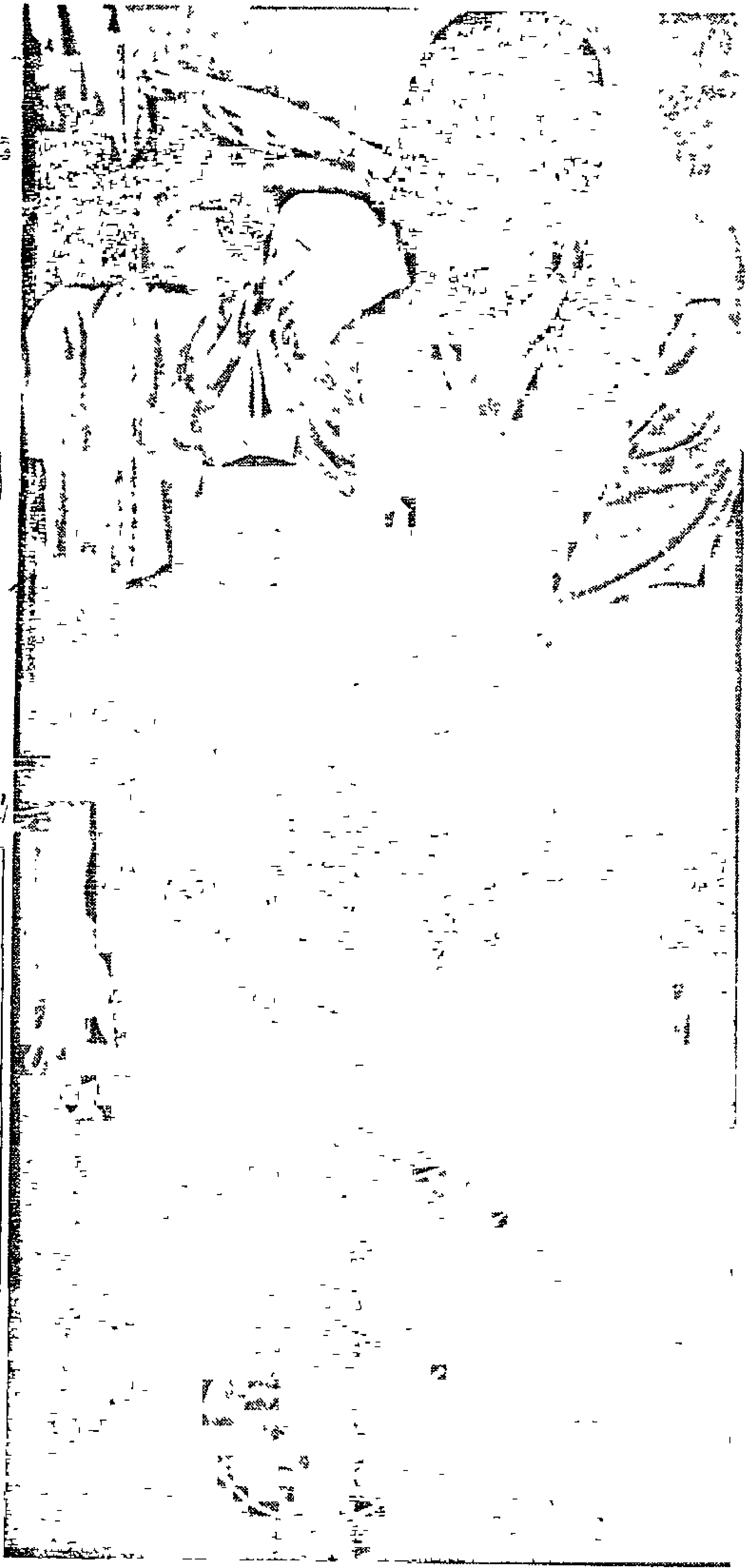
In a statement yesterday, the company, which deals in caterpillar tractors, announced that the agreement had been signed

It said it was the result of "several months of negotiations between the company and the union" and that it granted the union access to the plant as well as representation rights for its shop stewards

The company said it saw the agreement "as an important event in the development of sound industrial relations between it and the union"

METROPOLITAN ARGUS 25/8/83 ~~201~~ 189

Workers 'tired



AN EMPLOYEE cooks his supper in the hostel room which he shares with seven other men. They say they cannot use the room allocated as a kitchen.

Report by PIPPA GREEN
Labour Reporter
Pictures by JOHN YELD

A GROUP of Transkeian contract workers, who say they are "tired of living like animals", have begun a struggle to improve the living and working conditions at a small engineering factory in the village of Klipheuwel near Durbanville

The 100 employees at Klipheuwel Engineering Works — recruited in the Mount Fletcher district — decided to file formal complaints with the Industrial Council for the Iron Steel and Engineering Industry and with the trade union they have recently joined the General Workers Union (GWU)

The managing director of the factory Mr N Knoop has promised to rectify matters as soon as possible

"We are working on all the workers' complaints right now I've had the health inspectors here and the Industrial Council inspectors"

Notable improvements

The men say there have been a few notable improvements in both working and living conditions since they filed formal complaints In the past week they have been issued with mattresses, which they claim they never had before and hot water cylinders have been installed

In a letter to the Industrial Council they complained of

- Water with rust in it and no hot water or electricity
- No fireplaces or stoves,
- Leaking roofs,
- No formal time-keeping system at the factory, so the men have no record of the hours they work,
- No overtime pay — they claim they often start at 5 30 am and knock off at 5 pm,
- No sick benefits even if they produce medical certificates,
- Being put off without pay when machines in the factory break down, and
- No tea or lunch breaks and working 12 hours continuously

A spokesman for the Industrial Council confirmed receipt of a letter

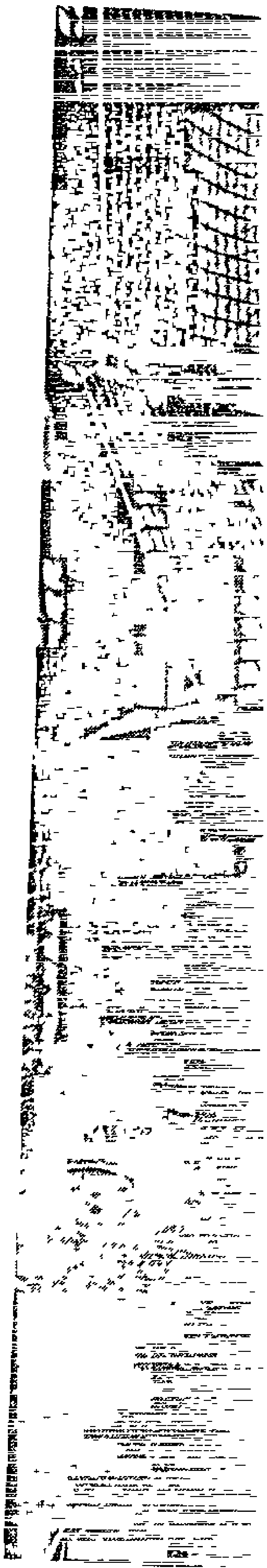
He said the council was empowered to investigate complaints relating only to working conditions

But the employees are determined to negotiate their compound

SCHESTER, Charles Liaisons Soci

Argus

of



THE locker room, al located for storage of food and cooking The men say th room leaks and th lockers are easy t break into

Factory pledges action after move by

Argus 25/8/83 ~~206~~ 189 ~~465~~

METROPOLITAN

ired of living like animals'

ort by PIPPA GREEN
Labour Reporter
ures by JOHN YELD

OUP of Transkeian con-workers, who say they are d ! living like animals", begun a struggle to im- the living and working ions at a small engineer-ctory in the village of Kli-el near Durbanville

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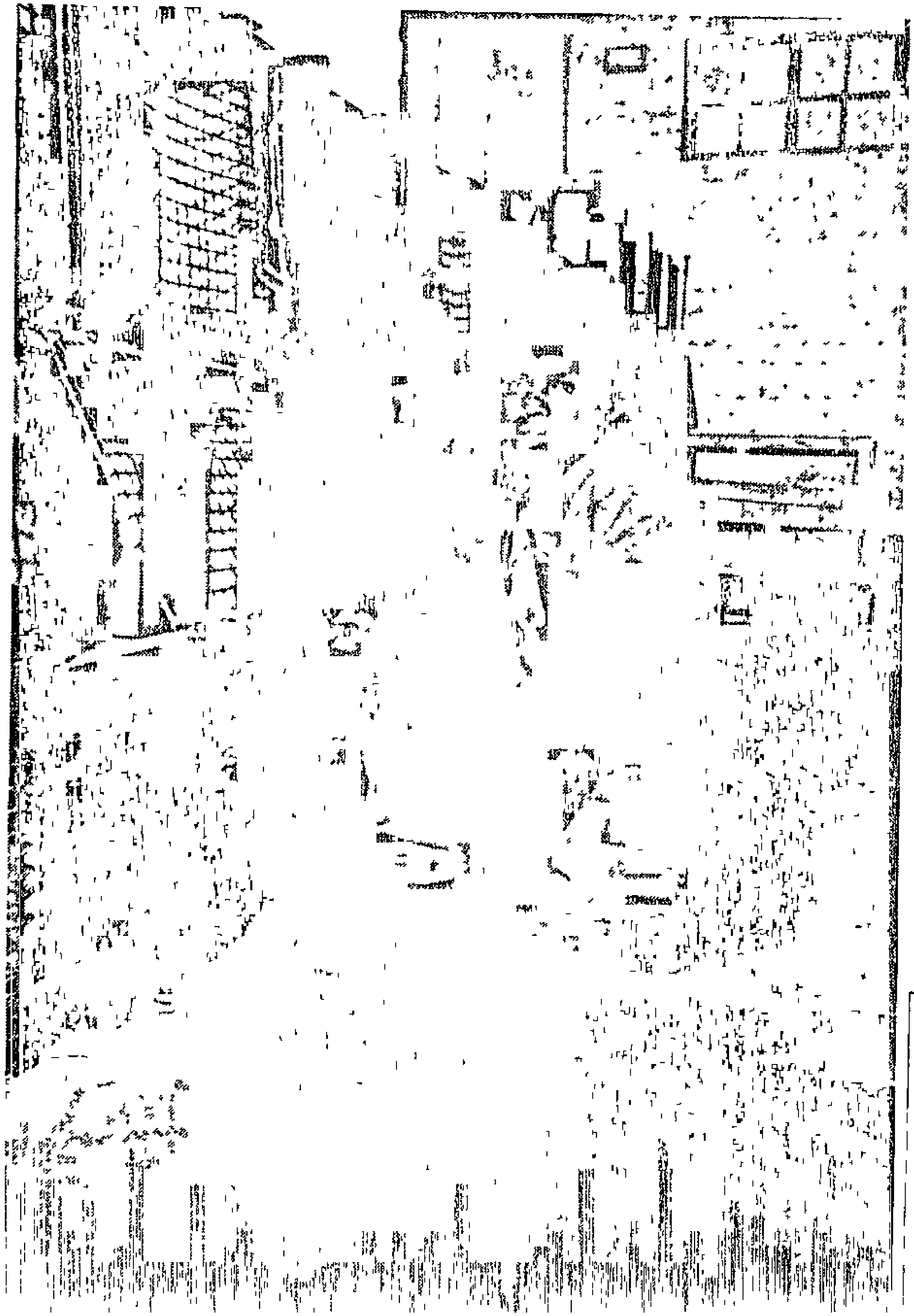
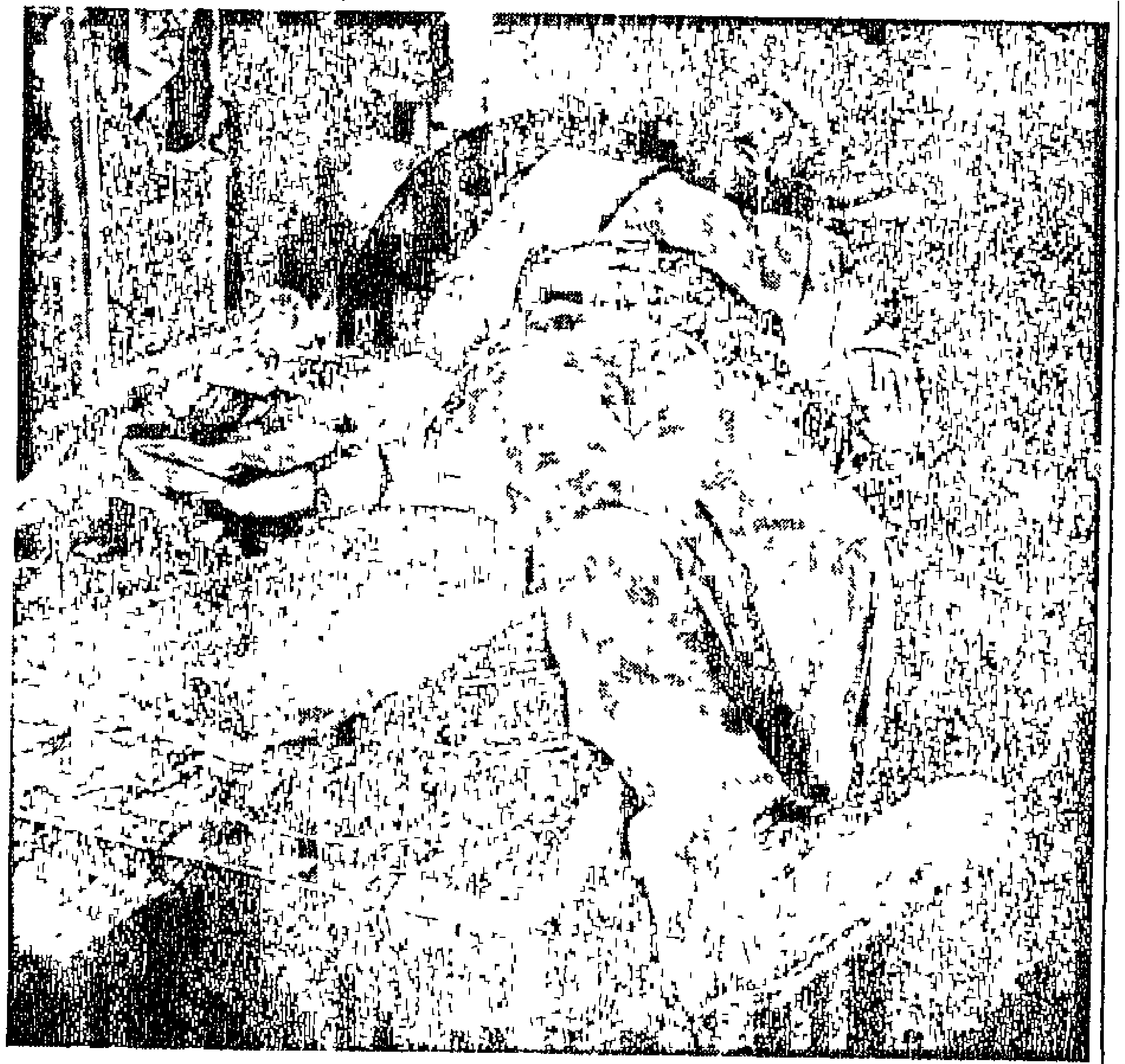




BEDS in the compound had no mattresses until this week and the springs are broken.

Liaisons Soci

A spokesman for the Industrial Council confirmed receipt of a letter

He said the council was empowered to investigate complaints relating only to working conditions

But the employees are determined to negotiate their compound conditions with management through a union committee they have elected.

Several said they had tried to "talk to the boss" about their problems, "but up till now he hasn't understood"

A man who has worked at the factory for 16 years said "We have tried to fix everything here ourselves

Rusty

"We fixed the springs on the beds and put cardboard down so we could sleep properly We fetch our own drinking water from the railway station because the water here has rust in it"

Pots showed a rusty residue on the inside left by water from outside taps

The compound, consisting of several brick buildings around a courtyard, sleeps eight men to a room

There is no run-off system for rain water and muddy puddles collect in the communal courtyard

The hostels do not have ceilings and the floors are concrete

(Cont'd on page 11)

pledges action after move by labour council

(Cont'd from page 10)

Many men complain that their blankets are always wet in winter because the roofs leak

"What can we do? We have nowhere else to sleep," said one

Cooking, washing and toilet facilities have also caused much bitterness

Pit toilets in a long row down one side of the courtyard have no doors

The washrooms do not have a run-off system and dirty water collects on the floor The management installed showers the day I visited, according to employees

Concrete

In the small bare concrete room allocated as a kitchen and dining room, the sink leaks and there are no stoves

Concrete hatches with wire lids provided for men to store food are not used

"They are easy to break into and the roof leaks, so we keep our food in our rooms," one man said

"Since we joined the GWU and sent a letter to the Industrial Council, our boss is starting to listen to us

Promised

"We work only nine hours a day now He has also promised to give us mattresses. And we have been told we will not have to wash with rusty water any more He has promised to put in hot water cylinders"

A spokesman for the GWU said yesterday the men had been issued with mattresses this week and hot water cylinders had been installed

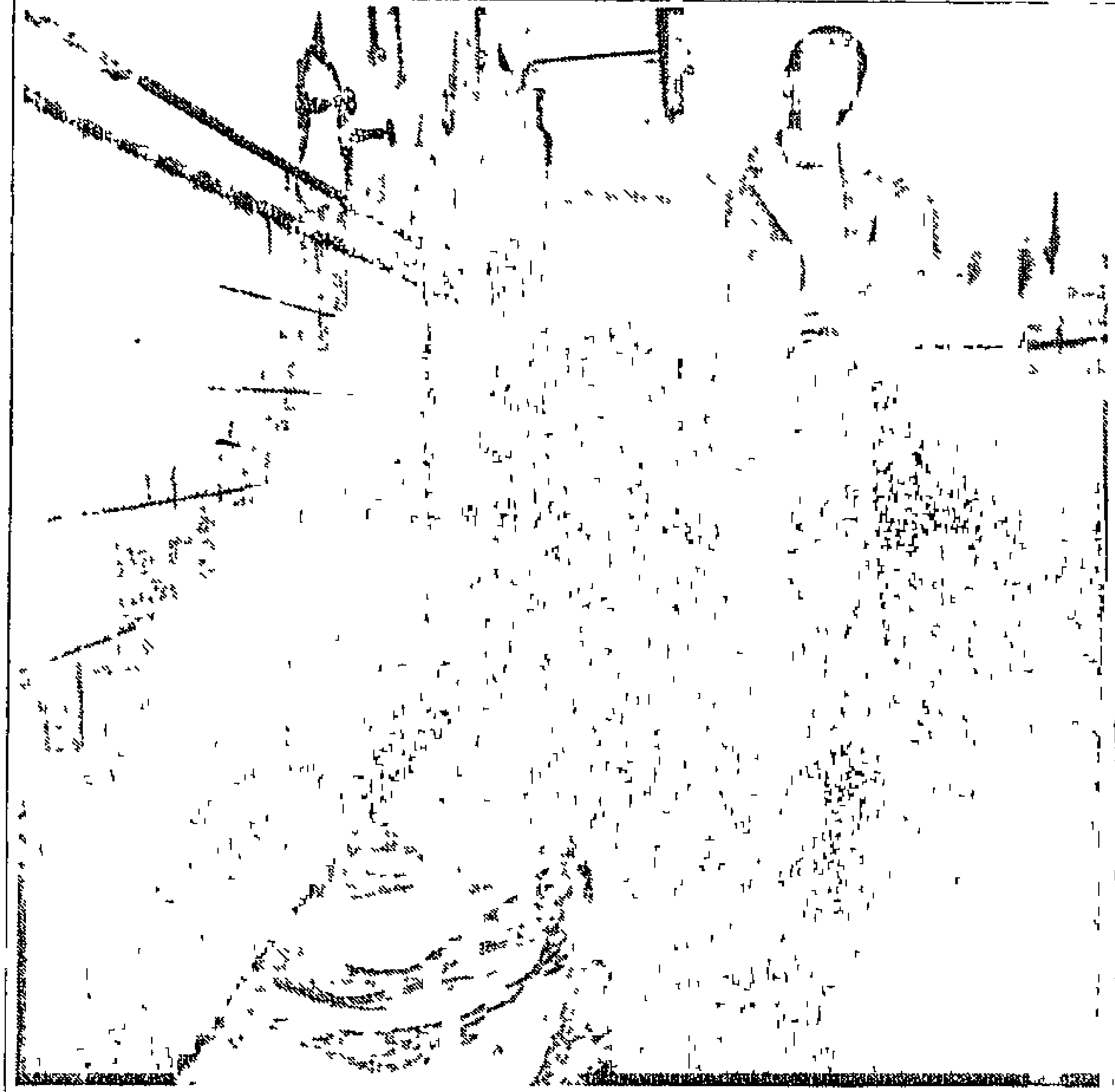
Mr Knoop confirmed this and said he was working on the other problems

He has promised to attend to the water drainage problem as a matter of urgency

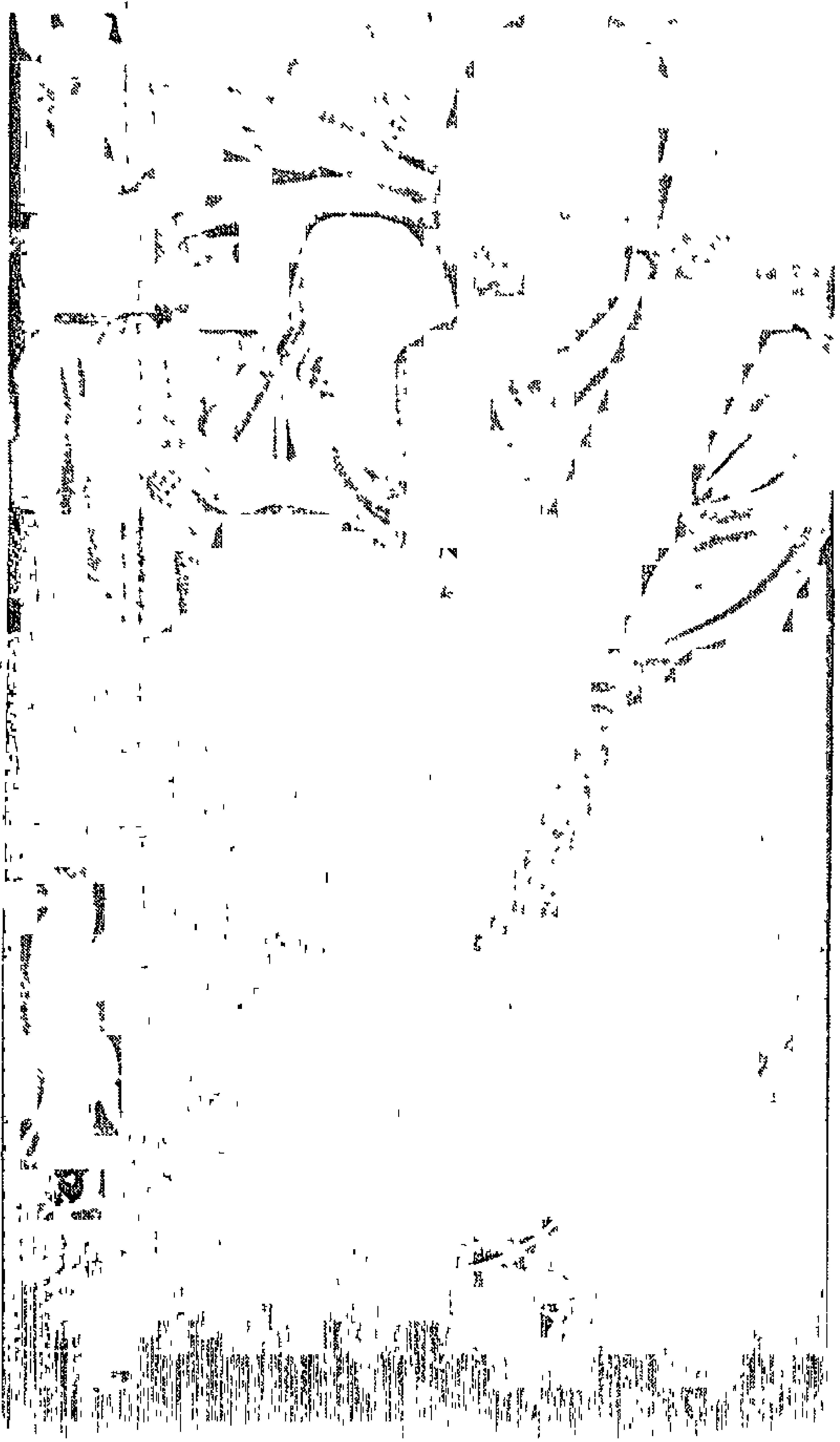
METROPOLITAN Argus 25/8/83 (201) (189) (145

Workers 'tired

Report by PIPPA GREEN
Labour Reporter
Pictures by JOHN YELD



A MAN points to a tub he uses for washing. Although showers have recently been installed, residents complain of no hot water and no water drainage system



A GROUP of Transkeian contract workers, who say they are "tired of living like animals", have begun a struggle to improve the living and working conditions at a small engineering factory in the village of Klipheuwel near Durbanville

The 100 employees at Klipheuwel Engineering Works — recruited in the Mount Fletcher district — decided to file formal complaints with the Industrial Council for the Iron, Steel and Engineering Industry and with the trade union they have recently joined, the General Workers' Union (GWU)

The managing director of the factory, Mr N Knoop, has promised to "rectify matters" as soon as possible

"We are working on all the workers' complaints right now I've had the health inspectors here and the Industrial Council inspectors"

Notable improvements

The men say there have been a few notable improvements in both working and living conditions since they filed formal complaints In the past week they have been issued with mattresses, which they claim they never had before, and hot water cylinders have been installed

In a letter to the Industrial Council, they complained of

- Water with rust in it and no hot water or electricity,
- No fireplaces or stoves,
- Leaking roofs,

FM 20\8\85

cussion of a mere seven clauses In any event, exchanges between NP and CP were so unsavoury, and took up so much time that the more "constructive" proposals of the other opposition, the PFP, were being crowded out or, at best, were not receiving the minister's proper attention

By invoking the guillotine and reducing constitutional, democratic protest against the new dispensation, government has got off to the worst possible start It has raised fears that if this is a foretaste of the style of government to come, democracy itself is at risk, let alone any prospect of consensus government

If it were not for the fact that people's memories are so short, it might have been fair to predict that the short-circuiting of the committee stage debate could well backfire in the referendum

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TRADE UNIONS

Thunder on the Right

There is no mistaking the concern — and anger — with which some unions are viewing the growth of the rightwing Mineworkers' Union (MWU) outside the mining industry

The MWU, which regards itself as the most effective vehicle to protect white workers' interests in SA, is spreading its influence to a variety of industries In so doing, it is boldly encroaching on turf traditionally occupied by several other white, or multiracial unions Its progress is also being closely watched by black unions, who are hostile towards MWU efforts to halt the job advancement of their members

MWU general secretary Arrie Paulus rejects claims that the union is expanding out of mining because it stands to lose membership in that industry through mechanisation and blacks entering jobs previously held by whites But it does appear that the MWU's mining membership has remained static in recent years Paulus insists that his union's decision to move into other industries stems from widespread approaches to it from disaffected white workers

Why do they want to quit their unions and join the MWU? "Because they know we don't bark — we bite," says Paulus Indeed, there is little doubt that the MWU's tough rhetoric is attractive to white workers who feel their job security is threatened by black advancement and the recession

Paulus is undismayed by the ire the MWU is provoking He says some unions whose members are joining the MWU have for long conceded that all is fair in love and war in competition between unions Says Paulus "I accept the war and all the noise that goes with it"

That war is likely to bring the MWU into increasing conflict with major unions such as the SA Iron and Steel and Allied Industries Union, the SA Boilermakers' Society, the Amalgamated Engineering Union, and the SA Electrical Workers' Association

The latest campaign in the war appears to be marked by the falling out of the MWU and the SA Engine Drivers', Firemen's and Operators' Association The two unions constituted the Federation of Mine Production Workers — a union co-ordinating body in the mining industry The engine drivers say they have resigned from the federation because it no longer serves any purpose, and have instead joined the much larger Federation of Mining Unions They decline to comment further

The *FM*, however, understands from other sources that the real reason why the engine drivers have resigned is the strained relationship between them and the MWU, which is trying to recruit their members The engine drivers also refuse to comment on unsuccessful MWU efforts to persuade them to amalgamate with it

Some sources claim the MWU regards the engine drivers' union as a tempting target The reason for this, they say, is that in order to establish itself in other industries, the MWU has to go through a cumbersome, time-consuming process to obtain an extension of scope from the Industrial Registrar They say the engine drivers' union's certificate of registration allows it remarkably broad scope to recruit white workers in a variety of occupations and industries They argue that a merger of the 7 000-member union with the some 20 000-member MWU would actually amount to a MWU takeover This might enable the MWU to utilise the broad scope enjoyed by the engine drivers' union to help it to move into other industries more rapidly

MWU's Paulus . . 'we don't bark — we bite'

Paulus disagrees He says a merger would not necessarily yield such advantages to the MWU — and some labour lawyers approached by the *FM* tend to agree with him They say it is by no means certain that a new union created by a merger would automatically gain the broad scope enjoyed by the engine drivers' union But they concede that it cannot be ruled out that a merger could increase the MWU's scope substantially

The MWU already has extension of scope to recruit all categories of workers at Escom, as well as fitters and turners, electricians and boilermakers at Iscor's Vanderbijlpark works It has also either formally applied or is about to apply for extension of scope to represent a wide range of categories of white employees at AECI's plastics and dynamite factories, Iscor's Pretoria and Newcastle works, the Sasol 1, 2 and 3 plants as well as a Sasolburg power station, Highveld Steel, and a Newcastle chemical factory

Officials in some of the unions operating in such industries and companies say the MWU has so far made modest gains — and claim the union is showing itself to be ill-informed about issues in these concerns

Paulus, however, says his union is making such strong headway that the computer into which it feeds all its membership details is now incapable of handling the load A new one — with far greater capacity — is being bought

SA Boilermakers' Society general secretary Ike van der Watt says he is not particularly alarmed by MWU attempts to recruit his members Experience has shown, he says, that virtually all the society's members who have been recruited by the MWU, soon become disenchanted with it and return to the society But Van der Watt, who is committed to multiracial unionism, is worried about the long-term implications of the MWU's growth He warns that it could ultimately lead to a serious confrontation between black and white workers

In an interview with the *FM*, Paulus made it clear that he is not afraid of such a clash

POLITICS

The UDF's goals

A nationwide campaign of political "education" against government's referendum on the new constitution is the first task the United Democratic Front (UDF) has set itself This includes action against expected ethnic elections, as well as forthcoming black community council elections, says UDF president Archie Gumede

The UDF's national launch was held last weekend at an emotion-charged multiracial rally attended by about 12 000 people in Mitchells Plain near Cape Town Some 400 organisations, including ratepayers' associ-

Lengthy 'secret' hearing settled

AKG 4-3
30/8/83
(189)

Supreme Court Reporter

A CASE which has been held in camera for State security reasons for 10 months was settled in the Supreme Court, Cape Town, today.

The hearing involved a world-wide electronics company and a South African electronics company.

Plessey SA Ltd applied in November last year to restrain Reci Import/Export (Pty) Ltd from producing, manufacturing and marketing an electronic distance measuring instrument (EDM), the Microfix 100C

Plessey claimed that Reci had based production of the instrument on confidential information belonging to Plessey

Conditions

According to the deed of settlement, Plessey has abandoned a claim for damages against loss of profits which it planned to institute against Reci at the end of the hearing

Reci has been restrained for three years from participating in any activity which includes the development, manufacture or marketing of the Wadley-type 100C

It has also been restrained from divulging any confidential information of Plessey relating to the development, manufacture and marketing of the instruments

These restraints shall operate world-wide

Agreement

However, Plessey has agreed that Reci may by November this year endeavour to obtain world-wide orders for the delivery of 100 Microfix 100C, 100M and 300M instruments, other than orders for Armscor

Reci is thereby expected to earn a gross income of R5-million, of which 15 percent must be paid to Plessey in royalties for loss of profit

Mr Justice Friedman was on the Bench

Mr H P Viljoen, SC, with Mr I G Farlam, SC, and Mr F Brand, and instructed by Fairbridge, Ardene and Lawton, appeared for Plessey and Company Mr M Seligson, SC, with Mr S Selikowitz, and instructed by Asherson and Asherson, appeared for Reci

RAND DAILY MAIL, Tuesday, August 30, 1983

Metal unions drive hard on dispute routes

30/8/83 189 ~~151~~ RDM

SOME metal employers might be hankering for the good old days when emerging unions boycotted the official disputes machinery

Fosatu's Metal and Allied Workers Union has clearly embarked on a strategy of using this machinery — with gusto

It has declared disputes with five Natal companies over a range of issues

Add to this its dispute with the Association of Electrical Cable Manufacturers, cable firms Siemens and Asea, and with Dunswart, Highveld and Union Steel, and the impression that MAWU has decided the procedures provide a useful weapon is inescapable

Most of the disputes, which could lead to mediation, industrial court action or legal strikes, centre around wages Three have wider significance

At Barlow Rand's W B Cameron, MAWU is threatening the second legal strike by black workers in seven years

(Whether it will go ahead is unclear, the company says the dispute has been referred to mediation)

MAWU may also turn the dispute into the long-expected industrial court hearing on whether employers can refuse to disclose financial information to unions

In its dispute with Scottish Cables, the union is threatening court action on the company's unwillingness to bargain on wages after the employer association to which it belongs granted workers an increase

This, too, could have important implications for labour relations law

And MAWU has also declared a dispute with a Natal company over its alleged refusal to supply protective clothing to workers — another sign of growing union interest in safety

A feature is that several of the disputes have been declared in terms of a new disputes procedure set up by the Metal Industrial Council

This is a further sign of MAWU's willingness to use council machinery, which is confirmed by a recent recognition agreement at Mather and Platt which provides for disputes to ultimately be referred to council machinery

Equally notable is that the unregistered General Workers Union has declared an official dispute — with a Cape Town company

Whether this is a temporary tactic dictated by the recession may depend on the extent to which unions believe they have gained from using the machinery, so the progress of the disputes will be watched with interest

Star 1/9/83

189

14 workers lose jobs after protest

Labour Reporter

Fourteen workers at International Metal and Machineries Enterprises in Johannesburg are today without jobs as the result of a "misunderstanding" with management

The workers, some of whom had been with the company more than 15 years, allege they were dismissed after protesting that they had not received increases they had been promised

One of the workers said they had been put on four-day week since May, with reduced wages Management had promised that after two months a five-day week would be re-introduced and wages re-adjusted "When we asked what was happening we were told that we would be working a five-day week but there would be no increases Management told us if we did not like it we should get out"

A spokesman for the company said "We explained to them that we could not afford increases as well as a five-day week One was upset and said he would resign The managing director said that those who wanted to resign could do so, and the lot walked out."

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LABOUR DISPUTES 1

A new strategy

The Metal and Allied Workers' Union (Mawu) continues to live up to its reputation as one of the most tough-minded unions in SA. Between 1979 and 1982, it was involved in more strikes than any other union, according to a recent report on industrial action.

In fact, the report — compiled by industrial relations consultants Andrew Levy and Associates — revealed that Mawu was involved in twice as many strikes as the union which was runner-up in the strike stakes.

Given the sorry state of the metal industries, and employers' difficulties in meeting black workers' pay demands, it is not surprising that Mawu's members still display a willingness to resort to industrial action. But in recent months the union has begun to make increasing use of new dispute-settling machinery provided by the metal industries industrial council.

One implication of this appears to be that Mawu regards the council's dispute-settling machinery as extremely useful. But it does complain that some employers are either reluctant to accept mediation, or are ignoring the dispute settling procedures and not arriving at meetings.

It has declared disputes with five Natal companies, as well as with the Association of Electric Cable Manufacturers, two cable firms plus Dunswart, Highveld Steel, and Union Steel.

189

Declaration of a dispute can lead to mediation, arbitration, legal action through the Industrial Court or the holding of a legal strike.

A variety of issues are involved in these disputes. Most involve wages, but one may culminate in an Industrial Court hearing about whether an employer has an obligation to disclose financial information to unions. In another, there may be a challenge through the court over a company's unwillingness to negotiate wages after the employer association to which it belongs had granted workers an increase. A feature of another dispute is the alleged refusal of an employer to provide protective clothing to workers. The union also complains that cable industry negotiations were concluded prematurely, with the union not being given time to report back to its members.

Some employers may have been startled by the union's new strategy. However, a spokesman for the Steel and Engineering Industries Federation of SA (Seifsa) says employers in the industries would obviously prefer employees to resolve disputes through official procedures. Therefore, he says, Mawu's increasing use of the procedures is being viewed as a positive development.

Financial Mail September 2 1983

(184) Star 2/9/83

A steel mill. .the recession has created a slump in the industry resulting in many redundancies. However the economic up-turn should see a return to normal, followed by an overall increase in production

24 HOURS

STEPHEN McQUILLAN

Steel industry pay war looms as recession fades

The giant Highveld Steel and Vanadium Corporation has prepared for the next economic boom — but it may still be a loser

Its management was one of the few in steel and engineering concerns to continue an extensive training programme during the recession

However much of the corporation's efforts may be wasted come the economic upswing because of an expected pay bonanza, fuelled by an industry struggling for skilled workers

The pay war will be brought on by the "poaching" of skilled people by smaller companies, caught "napping" in the wake of recession, Highveld's chairman Mr Leslie Boyd said

"We have maintained training during the recession in preparation for the economic recovery," Mr Boyd said "But when we do have an upswing, the skilled labour problem will not go away There will still be a scramble for skilled workers "

Training was one of the first areas to be hit by cutbacks in smaller companies during the recession Highveld's training budget stands at R3,4 million, 76 percent of which was spent on artisans' training

Mr Boyd thought the economic upswing would be strong enough by 1985 to cause serious skilled labour shortages There would be no difficulty finding unskilled workers

"We just hope we keep some of the skilled people we train If every company didn't bother training, what would happen to the country? as electricians, boiler-makers, fitters, turners and mechanics by Highveld About 50 of them are black The corporation hopes many will stay to join their artisan labour force of 500

Mr Boyd said the turnover of skilled labour inside Highveld was about 75 percent a year ago It had dropped to 30 percent in the last three months

"That is a tremendous drop in turnover It is a reflection of the recession in as much as opportunities for artisans are not available elsewhere," he said

A bonus of recession was that it helped maintain a stable workforce However the turnover of artisans could again rocket to about 75 percent when it ends

The training of skilled workers had bothered Seifsa — a group of 500 000 employees in boom times — for years, Mr Boyd said

It had now opened an apprentice training centre in Boksburg — the first of its kind — to train artisans contracted to smaller companies It would eventually train about 200 people

"Small companies will pay for the training," Mr Boyd said "It is a pilot scheme and if it is successful Seifsa hopes to set up others around the country That would obviously ease the problem "

Highveld has a R110 million iron plant, now almost complete, which will be commissioned only when demand improves sufficiently — probably next year

,When the corporation is running at capacity it has a workforce of 6 800. It has been trimmed to 5 400, after the retrenching of 1 400 people last October

Mr Leslie Boyd . poaching of skilled people possible with economic upswing

C 19

2/9/87

"Despite that problem, I believe that when recovery comes we will be in a better position than many to take advantage of it."

Highveld hired about 200 skilled people from overseas during the last two years.

Mr Boyd said new apprentice contracts approved within the Steel and Engineering Industries Federation of South Africa (Seifsa) — the employers' body — dropped 36 percent in the first six months of this year when compared with the same period last year.

"This shows that many other companies in the steel and engineering industry seem to have taken an opposite view to Highveld. I believe that is a short-sighted policy," Mr Boyd said "The substantial reduction in the apprentice intake is disturbing"

A few big companies appeared to be carrying the responsibility of training, smaller companies just "poached" afterwards

More than 300 apprentices are now being trained

5/9/83 (189) 2024

No manufacturing recovery yet, says Seifsa

By BRENDAN RYAN

THE STEEL and Engineering Industries Federation of South Africa (Seifsa) sees no general turning point in the fortunes of its manufacturing sectors before the first quarter of 1984 at the earliest

Director Mr Sam van Coller comments in Seifsa's survey of business conditions for the second quarter of 1983 that recessionary conditions remain firmly entrenched in the majority of sectors in the metal and engineering industries

He says however, there has been some bottoming out in the basic iron and steel industries

"Major deterrents to any near-term stabilising of activities are seen as the continuing high rate of inflation, together with recent substantial increases in raw materials, energy and transport costs

"These constraints are impacting adversely on export performance and are seriously eroding the competitiveness of Seifsa's manufacturing sectors," he comments

The Seifsa quarterly survey confirms that new order intakes and order inquiries continued at depressed levels, underscoring the still severe downward phase in the overall economy

"In particular, the machine tool industry is currently experiencing the most severe depression in its history," the survey points out.

"The trend in employment in a number of Seifsa sectors also continued downward and some 72% of respondents advised production activity as slack, with an increasing tendency toward shorter working hours in the foundry industry, metal fabricating and most sectors of the non-electrical machinery industry"

Turning to exports, the survey says the recovery of the US economy and some improvement in the European Community are helping to maintain physical volumes of exports but at generally low prices

"Exports of steel and steel products showed some slight improvement over the poor first quarter of 1983 and South African steel producers, given a sustaining of the American recovery, now anticipate that 1984 will prove a better year for export markets with higher prices and improved volumes

"The export-intensive ferro-alloy industry continued to report unsatisfactory production levels and must look to some real upturn in steel production world-wide to acheive profitable levels of utilisation in its sophisticated plants for the production of ferrochromium and silicon manganese alloys," the report comments

Mr Van Coller says activity in the mechanical and structural engineering sectors continued to decline during the second quarter

Tendering became even more competitive and the situation was made worse by overseas competitors continuing to bid for work at low prices, plus the offer of attractive financial packages

The only sectors showing some promise are electronics and telecommunications, which advised Seifsa they were able to maintain relatively satisfactory performance despite cutbacks by the South African Transport Services and the Post Office

"In particular, the electronics components industry anticipates further growth during the second half of this year'," the Seifsa survey says

Volume of sales, production and orders received by the basic metals industries continued to decline in the second quarter

However, indications are that basic iron and steel production bottomed out at mid-year and volumes of production could be marginally higher in the second half of 1983

"Second quarter foundry output for all types of metal cast reflected continuing low levels, particularly as regards grey iron and steel castings

"Capacity levels remain at some 30% below normal production levels, with no turnaround seen until the first quarter of 1984

"Continued deferral of capital spending in the mining and energy-generating sectors, and in industry generally, is deepening recessionary conditions in the heavier sectors of engineering

"In particular, the transport equipment sector is suffering from further cutbacks by the South African Railways for the supply of locomotives and goods wagons

"The shipbuilding industry reported a further drop in activity and the continuing absence of orders in the medium to long-term and increasing competition from overseas yards remain matters of major concern"

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Aluminium scrap exports are pushing up prices, says Afsa

By SIMON WILLSON
Industrial Editor

ALUMINIUM scrap prices almost doubled in the first seven months of the year and would soon contribute to higher costs in the manufacturing sector, the Aluminium Federation of South Africa (Afsa) said yesterday

Afsa executive director Mr Fanie Malan said prices were being driven up by aluminium scrap exports which South African industry could ill afford

Domestic demand for scrap exceeded supply and the exporting of scrap aggravated the local shortage and drove up prices, he said

Prices were also inflated by the need to make up the shortfall in domestic supplies of aluminium scrap by buying more costly scrap imports

Afsa attributes this year's increase in scrap exports to the new, free-market philosophy sweeping through South African trade policy, under which controls and protection for local industries are no longer as easy to come by as they once were

"The value of aluminium scrap to South Africa was recognised until earlier this year in the form of an agreement which was fundamentally acceptable to both merchant and consumer," Mr Malan said

But subsequently a "commitment to free trade on the part of the authorities eased the qualifications for the issue of export permits, and the net result was a quite understandable opportunist outflow of valuable scrap to overseas markets"

Afsa wants "an orderly system" of control and inspection of scrap exports

Local scrap demand is estimated at 30 000 tons a year, while local scrap production is only about 20 000 tons a year Scrap exports have this year risen from below 3 000 tons a year to more than 5 000 tons, according to Afsa figures

Prices have risen from 45c per kilo for cast scrap in January to 90c a kilo last month, while extruded scrap prices have risen from 80c to R1,40c

Scrap aluminium is re-smelted to manufacture cast items such as pistons in car engines, automotive wheel hubs and light industrial motor bodywork

Mr Malan said South Africa was losing high-value energy inputs by exporting aluminium scrap so freely

About 15 kilowatt/hours (kW/h) of electrical energy was needed to produce one kilogram of primary aluminium Only 5% of that energy was required, however, to convert a kilogram of scrap aluminium back into usable metal

(18) RDM 6/9/83

Klockner-Becorit to shut down Krugersdorp plant

By **BRENDAN RYAN**
Mining Editor

KLOCKNER-BECORIT Coalequip (KBC), one of South Africa's largest manufacturers of mining equipment, is to close its Krugersdorp plant

The closure will lay off about 490 people Some may be transferred to KBC's remaining plant at Klerksdorp, while others may keep their jobs if KBC's plans to sell parts of the Krugersdorp business are successful

The shut-down has been caused by depressed conditions in the South African mining equipment industry, but operations have also been hit by disputes between KBC and two of the overseas principals

The decision is a complete turnaround in KBC's plans for the Krugersdorp operations Less than a year ago, the company unveiled a R5-million modernisation and re-development programme for the factory

About R1-million was spent before the decision to close down was taken

KBC's factory at Klerksdorp turns out hydraulic props for gold mines, longwall supports and conveyors, roofbolters, feeders and feeder-breakers

The Krugersdorp plant's main products are Marietta continuous miners and TorKar shuttlecars, manufactured under licence from National Mine Service (NMS) of the United States

Marietta continuous miners are widely used in underground coal mines in South Africa

Anderson Strathclyde, of the UK, bought 51% of NMS in January this year and, according to the KBC statement, intends manufacturing and marketing NMS equipment through South African subsidiary Anderson Mavor

Anderson Mavor's start-up in the South African market will be linked to KBC's withdrawal to ensure continuity of customer services

KBC has also ended its licence and distributorship agreement with Schopf for the manufacture in South Africa of Schopf load-haul dumpers

"The company will therefore be withdrawing from this area of activity and discussions will be held with customers as to how this will proceed

"Schopf has not as yet appointed another distributor," the KBC statement said

KBC joint managing director Mr Tony Marshall-Smith said yesterday KBC overall was currently making heavy losses but he believed the situation would be turned around by December when, after heavy write-offs, KBC would be profitable again

7/9/83

Total buys Paulstra

189 RDM

TOTAL South Africa's diversification programme has resulted in the purchase of an 80% interest in Paulstra, a metal bonding company specialising in the supply of parts to the transport industry

Total has not disclosed the exact amount paid for its interest but managing director Mr Bernard Lafitte said it involved an investment of "a few million rand"

He indicated that the amount included a significant quantity of funds allocated to modernise the existing plant and to acquire some sophisticated testing equipment

"We hope the motor industry will recover in the near future and we expect our turnover to increase by 30% over the next two to three years," said Mr Lafitte

Imports put the screws on local industry

E. Post

9/9/83

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● From Page 1

products in the country, further aggravated by unrestricted imports of fasteners, had compounded the effect of the severe economic downturn in the country and had made rationalisation of production facilities inevitable

The cold forging and turning section of the company's Port Elizabeth factory would be closed at the end of October and November respectively

Some of the products would then continue to be manufactured in the group's inland factory, ensuring an uninterrupted supply to customers during the transition period

Mr Bryant said the distribution division would continue to operate in Port Elizabeth, thus ensuring the maintenance of customer service from locally held stock

He said 118 employees would be retrenched and 22 employees retained to provide local customer service or be transferred to other areas of operation within the National Bolts Group

"The company will try to minimise the effect on retrenched employees by giving them extensive advance notice, helping them to obtain alternative employment where possible and also paying generous retrenchment benefits," Mr Bryant said

● Another Port Elizabeth fastener company, PN Bolt and Nut, will also be closing its doors soon

This was confirmed by Mr Baldev Nathoo, managing director of the firm

Mr Nathoo said PN Bolt and Nut started trading in July, 1977, and business was going well until he opened a subsidiary, Mr Screw, in January, 1982

PE bolt and nut forging firm to close

E.Post

9/5/83

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By SHIRLEY PRESSLY

CHEAP imports of fastener products — nuts, screws and bolts — which are flooding the country from overseas has forced a South African fastener manufacturing company to close its Port Elizabeth factory

The closure of the factory, formerly Sharp Control (Pty) Ltd now trading as National Bolts Ltd, Port Elizabeth branch, will put 118 employees out of work

The premises will then be used as a warehouse for distribution of the group's products

Mr John Bryant, managing director of National Bolts Limited, said in a telephone interview from Johannesburg that an increasing amount of these products could be imported cheaper than it cost to manufacture them in South Africa The world steel prices were lower than the South African steel prices

He said he had informed the Minister of Industry about the proposed closing of the cold forging and turning section of the company's Port Elizabeth factory

"We are very concerned," he said

"The Port Elizabeth factory is a good part of our business "

Mr Bryant said a serious over-supply of fastener

● Turn to Page 4

Keeping workers happy

18a

By Melanie Sergeant

To encourage better staff relations and discourage job-swopping, a Johannesburg company has given a worker a home in Soweto

The Balco Company, which imports and manufactures engineering materials, gave Mr Alec Radebe the house on his retirement

Mr Radebe was with the company for 47 years

"When Mr Radebe joined us in 1936, few private companies had pension funds, so he has not the full benefit of a fund for his retirement, which made us decide to give him the house," says Mr "Buster" Carl Volck, a managing director

Some 90 percent of staff turnover is confined to just 15 percent of Balco's work force

A home at last Mr Alec Radebe is presented with his home on his retirement. He has worked for Balco for 47 years Mr "Buster" Volck, managing director, congratulates him

NEWS EXTRA

400 strike at Standard Brass

THE STRIKE by about 400 workers at Standard Brass Iron and Steel Foundries near Benoni entered its second day yesterday

Workers at the plant downed tools last Friday at about 11 30 am after management had allegedly refused to recognise their union, the Metal and Allied Workers' Union (Mawu) which is affiliated to Fosatu

Workers interviewed by **The SOWETAN** said management had refused to meet representatives of the union and their shop stewards to discuss the recognition of their union by the company About 325 workers at the plant are members of Mawu

The workers said after management had made it clear to them they were not prepared to recognise Mawu and meet their shop stewards, they downed tools

Yesterday, the workers refused to resume work when management still refused to meet their demands

Yesterday morning two representatives of Mawu were allegedly refused entry into the company's premises by security guards, but after lengthy negotiations between the union and management, representatives were allowed into the premises

The union met with management and it was agreed that further talks to discuss the recognition of the union and shop stewards would continue on Thursday Workers decided to go back to work on condition management would fulfil its promise by meeting union representatives on Thursday

A spokesman for Mawu confirmed that there was a strike at Standard Brass and that talks between them and management were continuing

The company's management was yesterday not available for comment

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Sowetan 13/9/83

SOWETAN, Tuesday, September 13, 1983

Mawu pledges to fight for worker rights

(89

THE 40 000-strong Metal and Allied Workers' Union (Mawu) has committed itself to fight for the rights and freedom of all workers in South Africa.

The union's Transvaal secretary, Mr Moses Mayekiso, said they had also resolved to join other union groupings in their fight against the influx control and pass laws, and the demolition of shacks in black residential areas

At its annual general meeting in Wadeville at the weekend the union made several resolutions which might have far-reaching results on the labour scene

In a statement to The SOWETAN Mr Mayekiso said the union's membership had increased from 30 000 to 40 000, signed 11 recognition agreements, declared 13 disputes and was seeking an Industrial Court settlement for unfair labour practices — including the reinstatement of 249 Brits workers retrenched almost a year ago

About 15 strikes were reported since January and these were mainly the result of retrenchments, wages and unfair dismissals of workers by managements in the steel industries

"We have lost more than 3 000 workers as a result of retrenchments The union has appealed to managements that it cannot retrench workers without negotiating with us," he said

"We condemn Seifsa, the employers' association, for encouraging member companies not to negotiate with the union outside the Industrial Council We believe that negotiation is the right of the worker to bargain and discuss conditions of employment at factory floor "

Mawu was also not prepared to sit together with "sell-out" unions which recently signed wage agreements with Seifsa without consulting the general membership

"We reiterate our stance that we joined the Industrial Council on condition that we be given time to consult and get mandates from workers," Mr Mayekiso said

Mawu supports the Federation of South African Trade Unions (Fosatu) for pushing unity talks among trade unions and pledges solidarity with the United Democratic Front (UDF)

"We believe that we should also support all progressive parties that are fighting for the liberation of workers in South Africa," Mr Mayekiso said

(189) RDM 16/9/83

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Dispute between Mawu workers and B &S ends

Labour Correspondent

A YEAR-OLD labour dispute between members of the Metal and Allied Workers Union and engineering firm B and S Engineering — which attracted widespread interest in labour circles — was settled yesterday

A joint statement by MAWU and the company announced that 249 workers, who were among 1 000 workers fired by the company at its Brits plant after a dispute on September 7 last year, would be re-employed

The settlement follows a decision by MAWU to institute industrial court action against the company in an attempt to win reinstatement of the workers

In papers before the court, B and S alleged workers had struck before being dismissed last September, but MAWU denied a strike took place.

The dispute attracted considerable interest because the 249 workers who brought the action against B and S have refused to re-apply for their jobs for the past year and have met daily for the entire period since the dispute to maintain a common stance

Unionists argue this constituted an "unprecedented show of solidarity" among the workers and that it was "particularly remarkable" because Brits is a rural area with high unemployment

The dispute also attracted attention because several worker leaders at B and S were arrested by police and charged under the Intimidation Act They have not been convicted.

The joint statement released yesterday said "Both parties expressed satisfaction with the settlement and believe a satisfactory relationship will now be established between management and the union "

"It is also one of the terms of the agreement that this joint statement should be the only comment to the media by the parties " widespread 1979/183(189) RDM

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THE effect of the drought on labour relations was raised again last week

The Metal and Allied Workers Union has argued that the drought has a very direct affect on workers' wage demands

Many black metal workers are migrants and their families are forced by the pass laws to live in black rural areas

There are few jobs and little land in these areas at the best of times but, when crops fail, workers' dependants must rely totally on pay sent from the cities

Thus MAWU says wage rises have now become a "life and death issue" to many workers and it cites this as a reason for the doubling of membership in its Southern Natal branch over the past two months

At present, worker ability to press home these demands is limited But enormous drought-related wage pressure could result once the economy picks up

One other piece of MAWU news is the settlement of its year-long dispute with B and S Engineering in Brits, which saw 249 workers meeting every day since being fired to strengthen their resolve not to re-apply for their jobs

Gossip centres around whether the company also agreed to pay workers compensation If it did, the sum involved could be immense

Fm 23/9/83

(184)

LABOUR RELATIONS

Multinationals under scrutiny

Some multinationals operating in SA may in future have to contend with the growing expertise and influence of international labour movements This certainly seems to be one implication of a statement issued by the giant International Metalworkers' Federation in Geneva

The federation — which is the largest industry-bound union federation in the world — recently completed a special computer project which focused close attention on the worldwide operations of the Swedish ball-bearing multinational SKF The federation s assistant general secretary Karl Casserini, made it clear in an interview with the *FM* that the SKF project is regarded as a pilot scheme, which could be applied to other multinationals

Information gathered about SKF has been fed into a computer, and the federation says this will permit the "monitoring of the company s production marketing employment wage and industrial relations policies around the world "

Unionists from Europe the US South America Asia and SA examined the project at a gathering in Italy earlier this month They discussed common strategies to be used in their dealings with the company Among the issues they dealt with were

- how to support union organisation drives in SKF factories
- Increased attention to the needs of white-collar workers and
- Pressure for the harmonisation of wages and working conditions inside the SKF empire'

Casserini says the project has enabled the federation to devise a "basic schematic approach" to analysing information about a multinational s operations throughout the world This, in turn can promote co-ordinated union action

Why SKF?

It appears there are good reasons for SKF being the first company to receive such attention Not only is there a strong union presence in its factories in many parts of the world, but the company has also been willing to disclose a great deal of information to unions In addition, unions are worried about SKF's plans for production rationalisation in western Europe, which pose a threat to hundreds of jobs

One high-level source within SKF in SA tells the *FM* that the company is not dismayed by such close scrutiny He says the company has had a "positive experience" with unions throughout the world in the past and believes that a spirit of partnership can be created by frank disclosure

Casserini says he is optimistic that the project can be applied to other multinationals and that it will be possible to gather information about their operations But there are obviously some companies which will be hesitant about making such disclosure

These developments take place at a time when the local committee of the federation in SA is being given a new lease of life The federation which represents about 14m workers, has taken great interest in labour matters in SA in the past — particularly in the motor industry Unionists from such diverse groupings as the Federation of SA Trade Unions (Fosatu), the Trade Union Council of SA (Tucsa), and the Council of Unions of SA (Cusa) are represented on the local committee They are also beginning to formulate common strategies on issues affecting them

(189) RDM 20/9/83

Mawu clinches pay deal

By STEVEN FRIEDMAN
Labour Correspondent

TWO Natal companies have agreed in negotiations with Fosatu's Metal and Allied Workers Union to pay workers a minimum wage of R90 a week — a key breakthrough for the union in its current attempt to win pay rises from metal companies outside the official industrial council system

At one company, Barlow Rand subsidiary WB Camerons in Durban, the wage agreement follows a strike ballot in which 93% of the union's members voted to strike if the wage dispute was not settled

The union has been campaigning for a R90 a week minimum but this figure is some 40% above the minimum in the council agreement and most employers have resisted it

By concluding the agreements, the two companies, WB Camerons and Prestige have also ignored requests by employer federation Seifsa not to bargain wages outside the industrial council system

In a statement yesterday, Mawu said the WB Camerons deal would increase minimum pay by 24% and that at Prestige the industrial council minima had been exceeded by 80% for most workers

A WB Camerons spokesman confirmed that the minimum would rise to R90 a week, but said this would take effect from January 1 only

At Prestige, Mawu said the increases would be backdated to July and talks on further increases would be held in November

NEWS EXTRA

Employment joy

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AFTER enduring 12 months of unemployment, about 300 sacked Brits workers were overjoyed when told they would return to their jobs

Except to say the workers were happy to go back to their jobs, the Metal and Allied Workers' Union (Mawu) which represented the workers, was tight-lipped about the settlement reached between them and the B&S Steel Furniture Company in Brits.

In the only comment on the matter the two parties issued a statement, emphasising satisfaction with the settlement and adding that a satisfactory relationship would now be established between management and the union

The union refused to comment on the speculation that the workers were awarded a substantial amount of money as compensation.

The workers lost their jobs on September 7, last year after, being locked in a battle with management over union activities Some of the workers had been organising the rest of the workers to belong to a union

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DISPUTE SETTLED

tm 23/9/83

An amicable settlement appears to have been achieved in the protracted dispute between the Metal and Allied Workers' Union (Mawu) and a Brits metal industries company and its associates

Earlier this year Mawu launched an Industrial Court action against B & S Furniture Company (*Current affairs* July 17) The union alleged that B & S unfairly dismissed 249 workers in September last year and argued that they were entitled to reinstatement and backpay amounting to about R850 000

The union and the company have issued a joint statement expressing satisfaction with the settlement They believe a good relationship will be established between themselves.

The settlement appears to be a significant one for a number of reasons

☐ Although neither of the parties is revealing the terms of the settlement, it seems logical that the union would have pressed hard for substantial compensation for the dismissed workers,

☐ It is significant that the union has achieved a satisfactory settlement with an employer in a region such as Brits. Emerging unions have complained bitterly during the past year of the hardline attitude towards unions held by many employers outside the major urban areas; and

☐ The settlement has been achieved in the wake of the extraordinary tenacity and determination shown by the dismissed workers to continue their struggle against the company During the lengthy dispute they suffered considerable financial hardship and met almost daily to maintain a common stand

(189)

RDM 27/9/83

Industrial court role at stake

Labour Correspondent

THE future role of the industrial court — and in particular its right to reinstate fired workers — is at stake in a crucial case which was argued before the court in Johannesburg yesterday

The case has been brought by the Metal and Allied Workers' Union and 12 of its members against Barlow's Manufacturing Company in Kew, a company in the giant Barlow Rand group

The company argued before the court yesterday that, where an employer fired workers after giving the required notice or by paying the required notice pay, the court had no power to decide whether the sacking was "unfair"

It asked the court to agree to refer this point of law to the Appellate Division, a request which was opposed by MAWU and the other applicants After hearing argument on this point, the court's deputy president, Dr D B Ehlers, reserved judgment

If the company's argument is upheld, the court's role in ordering temporary or permanent reinstatement of dismissed workers where it decides the firings were unfair would be almost entirely removed,

Many of the court's key cases over the past year have involved the granting of such reinstatement orders

The company argues that the point of law involved — whether the court can pronounce on firings where the legal notice requirements were observed — has still not been clarified and that the Appeal Court should do so

Wages dispute goes to Minister

189 ~~346~~

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28/9/83

Labour Correspondent

A DEADLOCKED wage dispute between the Metal and Allied Workers Union and giant steel corporation Highveld Steel has been referred to the Minister of Manpower

And yesterday, Mawu charged that Highveld could afford to offer workers a substantial wage increase, but was refusing to do so because it did not want to break ranks with other ferro-alloy producers

It said the deadlock had followed a refusal by Highveld to refer the dispute to mediation.

A Highveld spokesman yesterday declined to comment on the union's charges

The deadlock centres around negotiations for a "house agreement" at Highveld

Several companies, including Highveld, negotiate separate agreements with unions under the umbrella of the Metal Industrial Council

Mawu, which is pressing for a minimum wage of R90 a week — nearly 40% above the present minimum — rejected Highveld's offer of a 10c an hour increase for lowest paid workers and declared a dispute with the company

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RDM

28/9/83

Iscor set to join steel free trade faction

By **SIMON WILLSON**
Industrial Editor

ISCOR will take its place next week as a key member of the international steel community in Europe after the defence of free trade in steel by the South African Vice State President earlier this month.

An anti-protectionist speech in the US by Mr Alwyn Schlebusch has ensured that senior Iscor executives at next week's international steel conference in Austria will be foremost among the free-trade faction.

Iscor's managing director, Mr Floors Kotzee, and the corporation's divisional general manager (marketing), Mr Nols Olivier, leave for Vienna today to attend the annual conference of the International Iron and Steel Institute

After Mr Schlebusch's criticism of the unnecessary imposition of countervailing duties on steel imports by the US, Mr Kotzee and Mr Olivier are now at the forefront of the steel community's opposition to barriers in the steel trade

"We certainly support what Mr Schlebusch said in his speech, and we think he did a wonderful job for us in America," Mr Olivier said

"It's time someone tried to impress on the US authorities that we should live and let live in the international steel business"

Mr Schlebusch spoke with Iscor's backing and used the corporation's statistics in support of his arguments

Although the Vice State President's remarks were mainly directed at South African steel exports to the US, they articulated much of what other steel producers feel about countervailing duties slapped unilaterally on selected steel imports by the US in recent years

The American duties were primarily designed to shut out steel exports from the European Economic Community (EEC) which, the US claimed, were heavily subsidised by EEC governments and were therefore "dumped" in the already contracting US steel market

But the trigger prices for the countervailing duties defined by customs authorities were at levels which included some Iscor exports to the US

Mr Olivier had to travel to Washington in August last year to try to have Iscor exports exempted from the duties

"We enjoy certain subsidies from the South African Government, and I had to explain the position to the Americans We won the case and no countervailing duties were imposed on our exports," Mr Olivier said

"So now there are no barriers impeding the entry of Iscor products into the US and we are free to export any products we can market there

"But we deserve this status We maintain market-related prices, we conduct our US marketing in an orderly way and we keep our noses clean"

Despite South Africa's exemption from countervailing duties on steel imports, American authorities sent inspectors every year to check on Iscor's Government subsidies, Mr Olivier said

Iscor exports about 230 000 tons of iron and steel products, worth about R62m, to the US every year

The case made for Iscor by Mr Schlebusch was that the corporation's exports to America formed such an insignificant proportion of total US steel imports that they could not possibly harm US industry

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Workers upset about houses

By SAM MABE

EMPLOYEES of Wrightech and Barlow Rand in Benoni, for whom a R2-million housing scheme was launched earlier this year, have claimed that the loan repayments for the expensive houses have reduced their take-home pay to R20 a week.

A delegation representing the 108 employees said their management had virtually tricked them into plunging themselves into debts they cannot afford to repay by making them sign contracts they did not understand and by not telling them the price of the houses

The quality of the houses in Daveyton Extension 3 was poor, some walls were cracking and management was reacting indifferently to complaints about the state of the houses, said the delegation

A spokesman for the delegation, who would not be named for fear of victimisation, said many of his colleagues would not have bought the houses if they had been told what they were worth and what repayments were to be deducted from their wages

He added that after they had occupied the houses, they were told that they had to pay R5 000 which would be used for the tarring of streets

He also produced a number of his colleagues' payslips showing some of them took home about R20 a week after deductions were made from their salaries

Wrightech's general manager, Mr B D S Canning, said yesterday that all employees who bought houses were called together and details of prices and loan repayments were properly explained to them

He said the houses cost R22 000 each and that it would be against the law for them to be made to pay anything higher than 25 percent of their monthly earnings

Mr Canning also said copies of agreements signed by the employees had been printed and made available to all of them

MAWU's pact with firm broken as workers strike

29/9/83 ~~[illegible]~~ ~~1404~~ 189 RDM

Labour Correspondent

ABOUT 500 workers, most of them members of the Metal and Allied Workers Union, at the Kew plant of Barlow's Manufacturing Company downed tools yesterday in support of wage demands

The strike is the third this year and comes during an industrial court action brought by MAWU for the reinstatement of fired workers

The company reacted with an angry statement that an agreement between it and MAWU that workers would not strike during negotiations had been breached

It said the strikers had rejected a wage offer which would have brought wages up to R90 a week in January in line with MAWU's demands earlier this year at the Metal Industries Industrial Council

It is understood the strikers wanted the R90 minimum to be implemented sooner than January

A MAWU spokesman said yesterday the union was "trying to comply with the agreement" but members were "disappointed" at the wage offer MAWU's compromise proposal earlier this week had "so infuriated workers that they took action"

The company's statement said the strike had come after the company indicated that MAWU's latest wage demands were unacceptable

It said MAWU had made its demands after the company made its offer of a R90 rise by January In terms of the offer, most workers would be earning substantially more than R90 in January and all workers would have received rises of at least R12,15 a week since June

The company said the negotiations were held in terms of a mutual agreement which provided for mediation if the sides were deadlocked The union had agreed not to support any strike action while negotiations or mediation were in progress

Ban on union under fire

RDM 1/10/83

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Labour Correspondent

THE South African council of the International Metalworkers' FederationSouth African council — whose member unions include unions affiliated to Fosatu, Cusa and Tucsa — has slammed the banning of the SA Allied Workers Union by Ciskei authorities

The IMF council is one of the few bodies to bring together workers from all these groups and the statement also means that some unions affiliated to Tucsa have condemned the ban for the first time

It is composed of local unions who belong to the powerful Geneva-based IMF, which represents metal unions throughout the West

In a statement yesterday, the IMF council, which says it represents 145 000 workers, condemned the banning "with contempt"

"It is not surprising that the 'Ciskei Government' should look for a scapegoat to cover their own inadequacy in overcoming the problems of the bus boycott," the statement said

But it added that "there can be no excuse for these actions by the so-called Ciskei Government"

The IMF council said it was clear that "the problems being experienced in Ciskei in respect of the bus boycott are a result of government intransigence in dealing with workers"

By attempting "to put the blame on SAAWU" the Ciskei authorities "have, indicated clearly their lack of support among the workers of Mdantsane"

The IMF council saw the ban as "an attack on all oppressed, exploited workers in South Africa"

Unions which belong to the council include Fosatu's National Automobile and Allied Workers' Union and Metal and Allied Workers Union and Cusa's Steel, Engineering and Allied Workers Union

Tucsa unions include the SA Boilermakers Society, Radio Television and the Electronic and Allied Workers Union and Engineering Industrial Workers Union

5/10/83
RDM ~~[illegible]~~ ~~[illegible]~~ ~~[illegible]~~ 189

□□□

ONE of the industrial court's key functions has been challenged in the court itself

Last week, Barlows Manufacturing, a Barlow Rand company, argued in a case brought by the Metal and Allied Workers Union that the court could not grant temporary status quo orders reinstating sacked workers if an employer had given them adequate notice (The court would still be able to pronounce on dismissals, but not as a matter of urgency)

This would largely remove the court's right to grant urgent status quo orders no matter how unfair the sacking might seem to it

One of the court's chief roles has been to grant such orders This has given workers speedy recourse by removing the need for a long wait before the court pronounces on firings In many cases, the granting of these orders has led to speedy settlement of a dispute

The company wants this referred to the Appeal Court

□□□

THE Metal and Allied Workers Union's new strategy of using official machinery to declare disputes with employers seems to be paying off in Natal

According to the MAWU's newsletter, disputes at McKinnon Chain and Scottish Cables have been settled, and one with Gedore Tools is close to settlement The MAWU also settled its wage dispute with WB Cameron after a strike ballot

But in the Transvaal the wage dispute with Highveld Steel entered deadlock last week and others with major firms are not settled

The MAWU also claims significant growth in Rosslyn, Pinetown, Witbank and Springs and lists 12 recognition agreements It says another 23 are being negotiated

The union cites as a reason for its growth during a recession its decision to concentrate only on important sectors of the metal industries

New unions win seats on board

5/10/83 (189) ~~300~~

RDM

FOUR emerging trade unions — including one which is unregistered — have won seats on the board of the giant Metal Industries Group Pension Fund.

The fund, to which semi- and unskilled metal workers, most of whom are black, must belong, has assets of more than R500m This is the first time emerging, mainly black, unions have achieved a direct say in how a major pension fund is to be run

It is also the first time an unregistered union has been represented on an official body in the metal industry and the first time seats on such a body have been determined by union size — not Industrial Council membership

The fund is not run by the Metal Council but was set up by it

It is expected that emerging unions will now use their seats on the board to press for majority worker representation and for the fund's assets to be invested in social programmes of benefit to workers

The four emerging unions on the board are Fosatu's Metal and Allied Workers' Union, Cusa's Steel, Engineering and Allied Workers' Union, the Engineering and Allied Workers' Union, and the General Workers' Union, which is unregistered

Steve Friedman's Labour Week — Page 14

The unions gained the right to representation on the board earlier this year when metal unions and the Steel and Engineering Industries Federation (Seifsa) agreed that the 10 unions with most members in the fund would each receive one seat on the board

This would apply whether or not they were registered or members of the Metal Council

This followed demands by emerging unions that union representation on the board should be in accordance with membership rather than whether they belonged to the council

The unions also demanded a majority of seats on the board — Seifsa has half the seats — but this was resisted by employers

In terms of the agreement, unions were to submit audited membership certificates to the fund and the top 10 were to gain a seat each

Although the certification exercise was held some time ago, and the new board has already met, its composition was disclosed only yesterday in a newsletter of the Metal and Allied Workers' Union The details were confirmed by Seifsa's director, Mr Sam van Coller

In the exercise, MAWU emerged as the biggest metal union in the categories concerned The General Workers' Union was sixth

Since then two unions, SEAWU and EAWU, submitted late applications and qualified for seats on the board The Black Allied Workers' Union, which was tenth in the original exercise, dropped out.

According to MAWU, only the first six unions in the initial exercise each had more than 1 000 members in the fund. The others have "only a couple of hundred members each"

It says it suggested that unions with fewer than 500 members should not qualify for seats on the board This was refused

Mr Van Coller replied yesterday that Seifsa saw this issue was one for unions to resolve among themselves 'We don't mind an adjustment of this sort as long as it occurs constitutionally "

- The other unions on the board in order of size are SA Boilermakers' Society; Engineering Industrial Workers' Union, Electrical and Allied Workers' Union, Radio, TV, Electronic and Allied Workers' Union, EP and Border Engineering and General Workers' Union, and the Iron Moulders' Society

~~200~~

(189)

Workers new say on funds

Labour Reporter

Star 5/10/83

The struggle by the emergent unions to bring pension funds under the control of the workers has been partly successful in the metal industry

There are now four unions, one unregistered, on the board of the Metal Industries Group Pension Fund

A full list of unions represented on the fund, constituted in June this year, was given for the first time yesterday in a union newsletter

The decision to admit union representatives to the board, based on membership size, was taken after pressure from the unions, foremost among them the Metal and Allied Workers Union

The unions argued that several unions with seats on the board did not represent the majority of the workers in the fund

After discussions with the Steel and Engineering Industries Federation of South Africa (Seifsa) it was agreed that only the 10 unions with majority membership in the fund would have seats

An audited certificate check was carried out and the four unions to gain seats on the board were MAWU, the Steel Engineering and Allied Workers Union, the Engineering and Allied Workers Union and the unregistered General Workers Union

This is the first time representation on the fund has been dictated by membership size and not membership of the Industrial Council

It is also the first time that unions with a largely black membership have been put in a position to push for social benefits for workers outside the strict parameters of the pension fund

Sacked worker back, but 76 others fired

189 RDM 7/10/83

Labour Correspondent

A MINING equipment company has reinstated a worker whose sacking led to a strike by 76 of its workers late last week — but the workers, who were fired for striking in support of the fired man, have lost their jobs

The fired Coalequip strikers are, however, being allowed to appeal against their dismissal, if they do so individually

Yesterday, a worker source said workers had downed tools because a colleague, a Mr Lukhele, had been fired for being absent from work, despite giving a superior a letter testifying that he had been in prison

The workers, members of the Metal and Allied Workers Union, struck in protest and allege the company gave them 60 seconds to return to work or be fired

"We did not have time to get back to work and were all sacked," a union shop steward said

He added, however, that workers were resisting their sacking and had gathered outside the plant yesterday MAWU had attempted to negotiate a settlement without success, he said

A Coalequip spokesman said yesterday in a statement that Mr Lukhele had been reinstated at an appeal hearing yesterday morning

On the basis of evidence, the company was satisfied that he had "tried as far as possible to communicate his whereabouts to the company"

But he said this was a separate issue from the firing of the strikers

He charged they had been fired after "they had ignored repeated requests to return to work despite the general manager's assurances that he would hear any appeal which Mr Lukhele wished to make"

He said the appeal procedure had worked effectively in the past

Coalequip denied firing strikers without giving them adequate warning

Management had met shop stewards twice and adressed the strikers three times, he said

"The implications of their action were fully explained and assurances given that management would investigate (the firing)"

Star 7/6/83

Dismissed worker reinstated

Labour Reporter

Coalequip Pty Ltd has decided to rescind the dismissal of one worker, and is prepared to hear appeals for the reinstatement of the other 76 workers fired from the Steeledale plant this week

Management dismissed virtually the entire plant workforce on Monday after the workers staged a work stoppage to determine why a colleague, a Mr Lukhele, had been fired without being allowed to state his case

The workers, all members of the Metal and Allied Workers' Union, were fired for this breach in grievance procedure

Management allegedly gave them several warnings to return to work or face the consequences

At a disciplinary hearing yesterday, Mr Lukhele's dismissal on grounds of desertion was rescinded after he gave management an adequate explanation of why he had failed to report at work for two weeks

However, management says the reinstatement of Mr Lukhele is a separate issue from the dismissal of the 76 employees who went "on strike"

"We feel employees were given every opportunity to return to work

"As they failed to do so we had no alternative but to dismiss them "

RDM

October 8, 1983 3

SAAWU wins battle

RDM

189

Labour Correspondent

THE unregistered SA Allied Workers Union yesterday won its first recognition agreement in Newcastle when it signed an agreement with Defy Corporation's foundry and pressings division in the town.

The agreement is significant, because the Black Allied Workers Union has been seen for some years as the dominant union recruiting black workers in Newcastle

It is known that BAWU attempted to organise at the Defy plant, and the agreement is believed to indicate that SAAWU is establishing itself in the Newcastle area.

SAAWU, most of whose leadership have been detained by the government of Ciskei President Chief Lennox Sebe, was formed as a result of a split in BAWU some years ago

It says it is committed to nonracial unionism, whereas BAWU is open to black workers only Because SAAWU was formed by ex-BAWU officials, there is considerable tension between the two unions

The signing was announced yesterday in a joint statement by Defy's divisional personnel director, Mr Attie Kolver, and SAAWU's general secretary, Mr Sam Kikine

3 major labour disputes settled

STAR October 1983

189

By Carolyn Dempster, Labour Reporter

A display of muscle-flexing by the Metal and Allied Workers' Union in Natal recently and a preparedness to take employers to the Industrial Court has resulted in the settlement of three major disputes

At Scottish Cables, the company has bowed to pressure to reopen negotiations with Mawu after a dispute was declared over wages Management has also undertaken to sign a recognition agreement which gives Mawu the right to negotiate wages at plant level

McKinnon Chain, after a struggle for recognition by Mawu, recently capitulated and has agreed to begin negotiating in good faith Mawu had threatened to take the employers to court

And, at Pefco, five workers who were retrenched have been reinstated The union also secured back pay for the five and won overalls and safety boots for workers in the factory

In another dispute at Gedore Tools, Pinetown, the company has offered to settle with the union over the 10 Mawu members who were retrenched without the union being consulted

Sowetan
October 1983

MAWU to take concern to court over sackings

189 **By JOSHUA RABOROKO**

THE Fosatu-affiliated Metal and Allied Workers' Union (Mawu) is to take a Wadeville firm, Litemaster, to the Industrial Court following the sacking of 86 workers at the plant.

In a statement to The SOWETAN yesterday, the union said it was also looking at other means of "crippling management's action" in an attempt to have the workers reinstated

Litemaster sacked its entire workforce after they had gone on strike in protest against a number of retrenchments during June this year The management later re-employed all but the 86

The union, the statement continued, had held several discussions with the management on the plight of the workers, but management had refused to settle their grievances

"We strongly condemn Litemaster's decision to dismiss workers Such undemocratic action will never solve problems We will continue fighting management until our brothers are reinstated," the statement says

Meanwhile Mawu has announced that a formal settlement has been reached between it and the Scottish Cables company in Pietermaritzburg whereby the company has agreed to recognise the union

Some of the terms of the recognition agreement include collective bargaining rights for the union The wages issue has been set aside until the union's dispute with the company is settled

The agreement is seen by the union as being "a step forward "

Business Day

Worried Seifsa wants decision on metal industry unemployment

189 RDM 11/10/83

By **PRISCILLA WHYTE**

EMPLOYMENT in the hard-pressed metal industries sector has fallen sharply in spite of overtime cuts and short-time working.

The situation is so grave that Seifsa — the Steel and Engineering Industries Federation of SA — wants an early decision on revamped unemployment allowances

Mr John W Nelson, Seifsa president, welcomes the decision to review the Unemployment Insurance Fund.

"Given the likelihood of continuing recession for some time ahead, it is important that this review is completed as a matter of urgency," he says in the employer organisation's annual report

Metal industry employment declined by 15% — 70 000 jobs — between November 1981 and May 1983 Total work force in this sector remains, however, at more than 400 000

Output in metal industries has also fallen sharply from the 1981 peak, but revenue continues to exceed R10bn a year

Mr Nelson accuses the Government of succumbing to pressures to "move away from its long-held policy of promoting secondary industry in SA through moderate and selective tariff protection and export promotion".

It is essential for the Government to continue this policy because of growth potential in secondary industries The focus should be on inhibiting factors which adversely affect secondary industries' ability to compete with overseas producers

He singles out inflation and the shortage of skilled manpower as the key culprits

A much lower target of 4 500 apprentices was set for 1983 because of the recession

The downturn in the metal industries is the worst since the Great Depression of the 1930s In the first half of 1982 there was a decline in the production of the major iron and steel basic industries of 30% from the mid-year peak of 1981

The foundry industry's output of 546 000 tons in 1982 was the lowest in 10 years The 1982 output of steel ingots, 8,1-million tons, was down 8,1% on the peak year of 1981

Iron production last year at 6,8-million tons was 7,7% down on 1981 and that of the export-intensive ferroalloy industries at 1,2-million tons was 16,7% below the 1981 level

Mr Nelson says Seifsa is concerned that the investigation by the National Manpower Commission into registration procedures for employer organisations and trade unions "has not yet borne fruit and that no change in legislation can be expected before 1985".

There is an urgent need to remove the decision-making on representation from the authority of the State if the official industrial relations system is to succeed

RDM

12/10/83

189

Wage dispute settled

Labour Correspondent

A HEATED wage dispute between the Metal and Allied Workers Union and Barlow's Manufacturing Company's Kew plant, which has led to several strikes, has been settled after two days of mediation, a union statement said yesterday

There have been three strikes at the plant this year over wages which, MAWU says, have cost BMC 11 days' production

According to the statement, the wage agreement means the minimum rate at the plant will become R2 an hour in January — the minimum MAWU has been campaigning for in negotiations

In addition, all the plant's more than 600 workers will receive guaranteed minimum increases of 31c or 32c an hour, according to the union Most will be paid now, with the exception of 7c an hour, to be paid in January

The most recent strike occurred after management had offered workers R2 an hour in January, which workers rejected, saying they wanted this immediately

It is understood the rise negotiated now is higher than that offered by BMC at that time

SOWETAN, Wednesday, October 12, 1983 Page 3

1 300 on strike

189

AT LEAST 1 300 workers went out on strike yesterday as labour disputes continue to rock industries countrywide.

More than 900 workers employed by Union Carriage and Wagons in Nigel yesterday downed tools in support of several of their colleagues who have been retrenched by management

The workers, all members of the Fosatu-affiliated Metal and Allied Workers' Union (Mawu), claim that their union was not informed about the retrenchments which management alleges were necessitated by the recession

The company's public relations officer confirmed the strike, but declined to comment on the issues involved

About 300 workers at Pool Industries in Rosslyn went on strike yesterday morning over pay demands

The employees, all members of the National General Workers' Union, also demanded that the company stop deducting R3 per week from their wages which goes towards their pension fund, Mr Donsie Khumalo, secretary of the union, said yesterday He said the workers who went on strike at 7 30 am a few minutes after reporting for work, also demanded that the company cease deducting about 40 cents from the respective salaries for the washing of their overalls every week

A source close to the workers said the strike was sparked off by the company's general increase last Friday "which had a lot of disparity" and varied between 2 cents and 22 cents per hour

"The increases were very unfair and all the workers felt there should be a uniform increment for all employees," the source said

A spokesman for the company, a Mr Pool, yesterday declined to comment on the strike and promised to release a press statement soon

At Checkers Stores in Primrose, about 50 black and white workers went on strike after a white member of staff was dismissed without the workers' knowledge

A company spokesman said that the worker had been transferred to another plant The whole thing was a misunderstanding and the matter would be resolved soon

At Grand Bazaar in Rosettenville, 54 workers stopped work after management retrenched workers and engaged others

About 70 workers at Discount Game yesterday entered their ninth day of a strike over wages Management has said that the workers have been dismissed

The 90 workers at Liberty Life Insurance who are demanding the recognition of their union, the Insurance and Assurance Workers' Union, were still on strike yesterday

Firing of 76 strikers upheld

Labour Correspondent

AN appeal hearing held by mining equipment firm, Coalequip, has confirmed the company's decision to fire 76 workers for striking, a spokesman for Boart International, Coalequip's holding company, has announced

The 76, who are members of the Metal and Allied Workers Union, were fired after striking in protest against the sacking of a colleague who had been fired for being absent from work. He was in prison during his period of absence

Last week, the company announced that an appeal hearing had reinstated the worker, a Mr Lukhele, but that the sacking of the strikers was not affected by this decision It said the strikers could apply to appeal against the sacking

In a statement this week, Boart's spokesman said the chairman of the appeal hearing, Mr B Bath, had found the strike was "illegal" and that strikers "failed to respond to management's instructions to return to work"

The appeal found that MAWU shop stewards could have averted the strike, the statement said.

It quoted Mr Bath as saying Coalequip recognised "the need to have constructive dealings with representative trade unions"

But it could not "countenance control of the workforce being taken out of the hands of management, which was evident in this case"

Speculation of alliance in electronics industry

Cape Times 13/10/83 (189)

Own Correspondent

JOHANNESBURG — The suspension of Altron, Altech, Powertech, Asea and Indumeni shares has prompted strong speculation of a major alliance in the electronics industry between Anglo American and Altech

While a further announcement on the suspensions is not expected for another week, industry and stock exchange sources believe the suspensions herald the establishment of an Amic-Altech electronics group that will have the muscle to face Barlow Rand head on

Barlows has already shown its cards through the listing of Reunert in the electronic sector of the Johannesburg Stock Exchange, and the stated intention to expand the company through acquisition substantially over the next year or so

Electronic forces

Barlows' recent acquisition of Telkor and the re-organization of the electronics section within Reunert, which might yet be renamed when listed in the electronics board, leaving Reunert in the engineering arena, creates one of the dominant South African electronic forces, which has the backing of insurance giant SA Mutual

Barlows electronic interests include Fuchs, Telerama Rediffusion, Perseus, GEC, Sapec, Andromeda, Persetel, Heineman, Impectron, Marconi, and AEI Henley

Barlows major share of the electronics market (reckoned in South Africa to be about R2 300m) is undoubtedly the military, although it is reckoned that the group is working hard to capture some of the highly profitable communications market, to date considered an Altech arena This is expected to be one of the big growth areas over the next decade

"The Barlow moves would seem to make the Altech and Anglo combination the only rationale one can see," said one top electronics source yesterday "It's common knowledge that Altech tried to acquire a share of Asea a couple of years ago

"Altech undoubtedly has had a problem in that unlike many electronic companies with overseas connections, it simply cannot hide its profits out of South Africa Many feel that its very good performance is made at the expense of the Post Office, and that in turn, is paid for by the general public"

Anglo's electronics holding has been fairly lightweight to date and includes Computer Sciences Through Amic, it holds Conlog and High Logic and has the Asea holding It is also known that Anglo would like to acquire a ready made electronics empire

Resources

It is common knowledge that senior Amic executives have visited Altech's head office in Boksburg at least three times over the past year, and it is logical that Altech views with concern the huge resources available to Barlows, which dwarf its own assets

The only reservation of an Anglo-Altech alliance is that the possibly differing political attitudes of the Anglo and Altech groups might make for a reluctant combination The insurance weight behind the Anglo/Altech combine is speculated on as Liberty Life, which has already thrown its cards in with Anglo on the Premier deal, and is widely believed to be only a decision away from a direct link with Anglo American Insurance

The third giant emerging in the electronics sphere is under the Sanlam umberella It holds Federale Volksbeleggings, which in turn has a 16 percent stake in Siemens and such subsidiary companies as Sparrat, Tek, Teklogic, Tek Industrial, and Swazi Suratel

Sanlam also through Gencor holds a further 16 percent in Siemens and has bid for Tedelex In addition, Sanlam holds 25 percent in Plessey and a small stake in SA Philips which in turn controls Aberdare Cables

What adds genuine spice to the Altech/Anglo development is the current activity in the electronics market.

There has been considerable adverse criticism of the 15-year supply agreement which Altech, Siemens, TMSA and Plessey hold from the SA Post Office

In Altech's case this is for the supply of modems (computer and terminal interface devices) and microwave equipment, and is in effect until 1994

In the case of modems more computer and terminal equipment is being supplied with modems built-in, rather than having to rely on independent modem units This it is felt will affect Altech's dominance in the modem market, which it is thought has sometimes meant prices as high as 20 percent over alternative supplies

On the microwave side, a Post Office team of experts is believed to be overseas at present looking at state of the art technology which will involve visiting companies such as GEC, Siemens, Teletra, SEL, ITT and Israeli companies

The team, along with other South African electronics key men will also be attending the telecommunications exhibition scheduled to be held in Geneva in early November

If the Post Office does opt for new microwave equipment, it is bound by the supply agreement to offer the manufacture to Altech provided Altech can supply and that the Post Office is happy with the price, quality and technology

All these developments would seem to make this an ideal time for an Anglo/Altech marriage The only debate at present is whether Altech's chairman, Mr Bill Venter, feels he has grown his empire sufficiently to be prepared to part with it

Mawu in Barlow strike accord

(129)

Sowetan 14/10/83

By JOSHUA RABOROKO

THE Metal and Allied Workers' Union (MAWU) has reached a settlement with Barlow Manufacturing Company's plant in Kew following a labour dispute involving more than 600 workers who went on strike over wage demands.

The union said the company had agreed to pay a minimum rate of R2 per hour which would be effective as from January

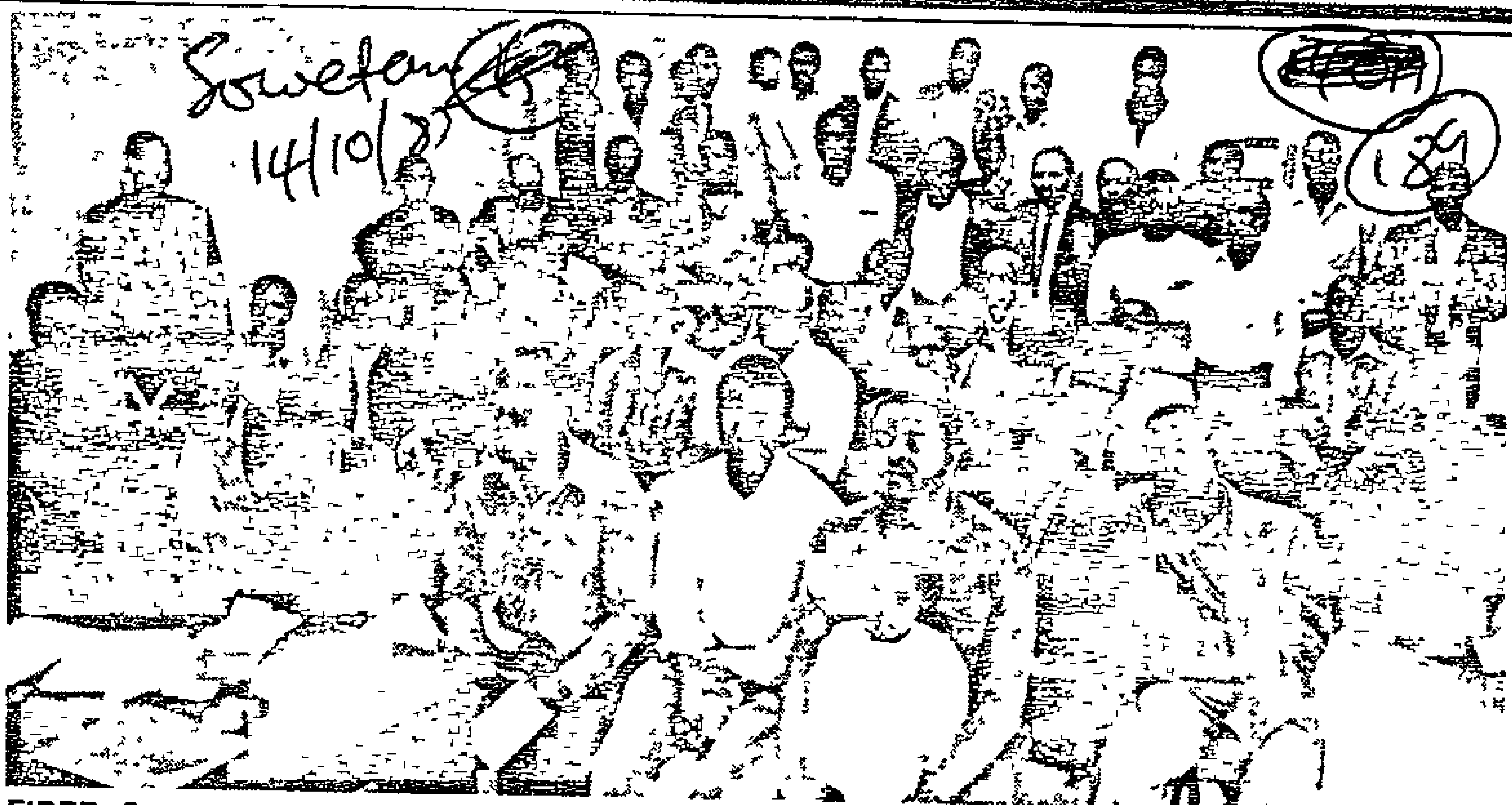
The agreement followed three strikes at the plant which the union claims cost the management 11 days' production

The workers will also receive a guaranteed increase of 32 cents or 31 cents per hour, according to a statement given to The SOWETAN yesterday

The settlement was reached after two days of mediation after several dispute meetings were held under the Industrial Council dispute procedure

Workers at Kew have welcomed the settlement which they said could have come much earlier had it not been for the company's stance on certain principles, especially their rejection of the across the board increase

The union is also still negotiating with Barlow Manufacturing Company in Alrode for wage increases A report back on the negotiations will be discussed by the shop stewards' council of Fosatu which has become "increasingly effective in co-ordinating and supporting negotiations at plants within the Barlow Rand group " the statement said



Sowetan 14/10/83

189

FIRED Some of the 76 Coalquip Company's sacked members of the Metal and Allied Workers Union yesterday demanded to be reinstated following a strike this week They were sacked after going on strike in support of a colleague who was absent from work. The union is seeking legal advice on the matter while management contends that their strike was "illegal"

ERAB spends R38-m . . . on homeland

14/10/83

Nine class at N High School in sane were not when a 28-year-old joined their class week

His arrival at a when most pupils boycotting class both the Mdant- High and Secon schools was surp enough more surp was the sight of a bleeding from a wound going to s and not to hospital

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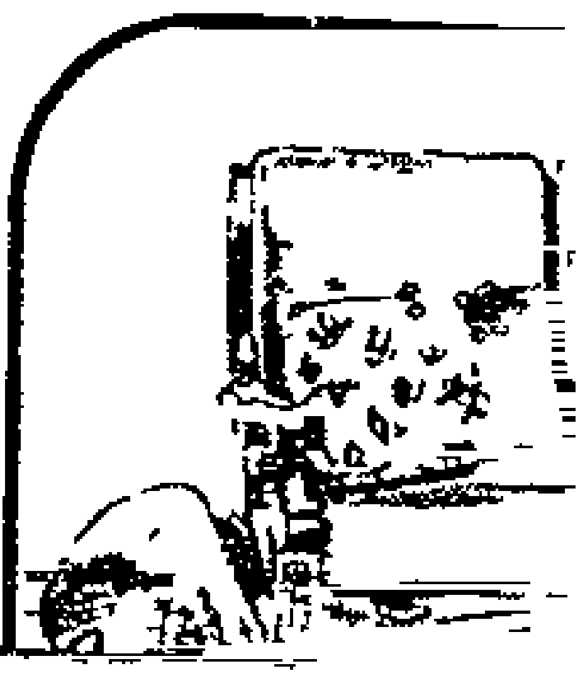


24/6/83

(39)

Sowetan

Seifsa boss calls for agreement

By JOSHUA RABOROKO

MAJOR trade unions and employers have to agree on an approach that will recognise the multi-interest group and play a leading role in the South African workforce next year.

In his annual report, the president of the Steel Engineering Industries Federation of South Africa (Seifsa), Mr J W Nelson, said that it was his association's concern that the investigation by the National Manpower Commission into registration procedures of employers and unions be implemented

However, he said, no change in this legislation could be anticipated before 1985

"There is an urgent need to remove the decision-making on representatives from the authority of the State if the official industrial relations system is to succeed in South Africa," he said

The dispute procedure as set out by Seifsa was aimed at facilitating resolution of conflicts without recourse to industrial action It was encouraging to note that approximately half of the disputes processed by the council during the past year had been resolved within the procedure

The association was also concerned about the issue of redundancy which had been greatly caused by recession In order to assist its members Seifsa had issued guidelines on how to handle such situations

Referring to the country's economy, he said, the economic downturn in the case of the metal industries had been more severe than any recession since that of the early 1930s This had caused large scale unemployment

"In spite of major efforts to reduce retrenchments through eliminating overtime and short time, employment in the metal industries for the period November 1981 to May 1983 declined by some 70 000 employees "

~~165~~ 189 ~~457~~

Vital ruling on sackings

RDM 25/10/83

Labour Correspondent

IN A KEY ruling the Industrial Court has rejected a request by lawyers for Barlows Manufacturing Company that it allow an Appeal Court challenge on its power to reinstate workers if they have been fired with proper notice

The Industrial Court's deputy president, Dr D B Ehlers, has found that the company's contention that the court cannot reinstate these workers has "no reasonable prospect" of being upheld by the Appeal Court

One of the industrial court's key roles has been to grant interim reinstatement orders to fired workers and, had it agreed to the company's request, it would have opened the way for this role to be severely limited

A spokesman for Barlow Rand, which owns the company, said it was still studying the judgment and would decide on its response "within the next few days"

The court was asked to make the ruling in a case brought against the company by the Metal and Allied Workers' Union for the temporary reinstatement of workers who, MAWU believes, were unfairly dismissed

Lawyers for the company argued that, because the workers had been given proper notice, the court had no right to grant them temporary reinstatement.

They asked the court to refer this point to the Appeal Court for a ruling — which the Labour Relations Act allows it to do

189

RDM 20/10/83 ~~335~~ ~~11~~ 10A

Union opposes 1-day notice contract

Labour Correspondent

THE giant Steel and Engineering Industries Federation, Seifsa, has been given the green light by the Government to introduce a contract for migrant workers which will allow employers to retrench them at a day's notice

This move has been slammed by Fosatu's Metal and Allied Workers Union, which has succesfully threatened legal action against employers for retrenching migrants without due notice

Seifsa members employ about 400 000 workers, most of them black.

At present, migrant contracts run for 12 months, but new contracts will allow employers to dismiss workers with only one day's notice

Seifsa advised members to consider changing contracts to avoid "any possible problems with retrenchment during the contract period"

The journal quotes MAWU as charging that it has called for the scrapping of the contract system but that "this had been ignored by Seifsa"

Seifsa had met the department to establish the legalities of retrenching migrants

Seifsa's director, Mr Sam van Coller, said one set of conditions applied to retrenching migrants and another to other workers

Cape Times 20/10/83 (189)

Altech group suspensions: Details expected soon

Own Correspondent

JOHANNESBURG — Details of the Altech group suspensions, originally due to be released today, are now expected next week

The deputy chief executive of Altech, Mr Ken Maud, said yesterday that while it was hoped to make an announcement by today, this had not been possible "due to the complexity of the negotiations"

It has now been agreed with the Johannesburg Stock Exchange that an announcement will be made not later than Wednesday, October 26

There are several permutations for the possible alliance between Amic and Altech, but consensus in the market is that Altech will acquire a stake in Asea, and that Amic in return will get a slice of Altech

This will immediately satisfy the Altech group's professed desire for some part of the action in cables, but the bigger picture is more interesting

Technology battle

Barlow Rand, through Reunert, is gearing up for the big high technology battle, with acquisitions becoming a regular occurrence

Word has it that a name change could be in the offing, to something more suited to the electronics sector

While Reunert has an unblemished record, it is also a pedestrian one, and its name does not fit the image of a "now" electronic group

With name changes and acquisitions it is all systems go at Reunert

This hectic activity has not gone unnoticed by Altech, and although Barlows and Altech have watched each other closely for some years, Barlows has tended to hold on to the military field, while leaving most of the telecommunications business to Altech

But there is no certainty that Barlows will simply allow this situation to continue, and there is every likelihood that concerted attacks will start to be be into the areas that have traditionally been an Altech preserve.

This will have left Altech looking for support, and Amic has by all accounts been keenly observing Altech's activities for some time

Suspensions

The fact that all of the companies in the Altech group were suspended, and that the suspensions have been extended has led to suggestions that the negotiations involve a complex arrangement between Amic and Altech that will lead either to joint control of Powertech or Asea, or both

Assuming the deal is done with paper, Amic would, by swopping a share of its Asea holding, be left with a sizeable stake in Altech.

Asea's ordinary market capitalization on the date of suspension was R57,5m, while that of Powertech was R57,4m, Altech's R200m and Altron R294m

LABOUR NEWS ~~143~~ ~~000~~ 159 189 ~~132~~ 335

RDM 21/10/83

Employer plan slammed

By STEVEN FRIEDMAN
Labour Correspondent

THE Council of Unions of SA, which represents more than 100 000 workers, has criticised moves by the Steel and Engineering Industries Federation (Seifsa) to introduce new contracts for migrant workers which would allow employers to retrench them with one day's notice

In a statement yesterday, CUSA warned that, if SEIFSA planned that the new contracts were to become a trend throughout the country, "they will encounter resistance from CUSA unions in all major industries"

The statement also implies the new contracts give migrants less job security than other workers, who must be given notice in terms of common law

SEIFSA argues that it was forced to ask the Government for the change because the law did not allow employers to retrench migrants in the middle of their contracts

It says this put employers in an "impossible position", because they were forced to "discriminate' against other workers by retrenching them first.

CUSA was asked to investigate SEIFSA's decision by its affiliate, the Steel, Engineering and Allied Workers Union

It said its understanding of the common law was that, if workers were paid weekly, they must be given a week's notice, and if monthly, a month's notice This would apply unless their contracts specified differently

It said it also believed that "a case could be made" that a worker's contract could only be cancelled immediately if the worker or employer had "substantially" breached the contract

This would be changed by the new contract system

SEIFSA had taken its step after consulting attorneys and "even a Cabinet Minister", but had not consulted metal workers

"SEIFSA has attempted to jeopardise normal employment conditions and destabilise the industry by this action This is a responsibility they will need to face in the future "

~~288~~

Anger at Seifsa contract move

Sowetan 21/10/83

189 163

By JOSHUA RABOROKO

HUNDREDS of migrant workers who take up new employment in the metal industries could be retrenched at a day's notice if they are not given their contracts, the Black Sash has warned

The warning stems from the government's approval to grant the Steel and Engineering Industries Federation of SA (Seifsa) a new form of "legislation" allowing employers in this country permission to retrench workers without due notice

Meanwhile major trade unions have expressed their anger and threatened to take legal action against employers who retrench contract workers at a day's notice

DREADFUL

"The unions must take the matter up with employers and insist that migrants be given their contracts which they must keep Otherwise some employers may take advantage of the new legislation," Mrs Sheena Duncan warned yesterday

The Black Sash regards the new contract as 'dreadful and scandalous," especially as it will give urban workers preference over migrants

SAAWU's national organiser, Mr Herbert Barnabas said "We shall always oppose any action by the government and the employers which is aimed at depriving and dividing workers in this country "

FIGHT

Mr Barnabas said they believed that workers could not be repatriated in terms of the government's "homeland policies" and the union would fight for any worker retrenched

Fosatu's Metal and Allied Workers' Union, which represents most workers in this industry, said the changes to the contract meant that employers could dismiss workers with only a day's notice

MAWU had called for the scrapping of the contract system but this had been ignored by Seifsa Employers were trying to avoid unions from suing them for breaking migrant workers' contracts in the event of retrenchment said MAWU

SAFEGUARD

If Seifsa continued with this move the union would take legal action against employers in an attempt to safeguard migrants interests, MAWU said

The National Union of Mineworkers Cyril Ramaphosa said this had once again proved to workers that the government was in cahoots with employers The act confirmed the fact that the government was always prepared to amend the law if it was in the interests of employers

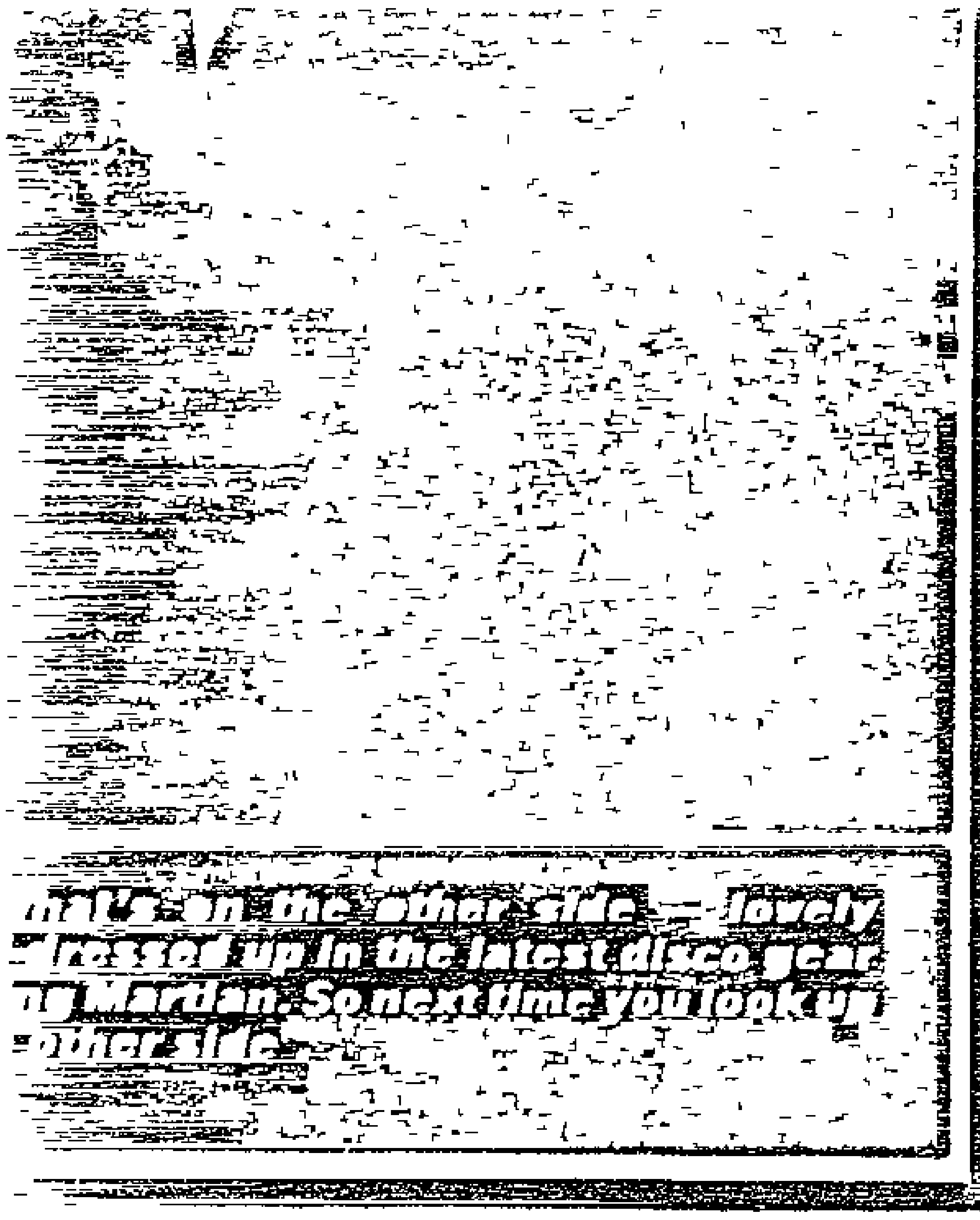
If the government was serious about promoting cordial relations between employers and workers the best thing they could have done was to get the views of workers

NUM would be ready to take action against this grossly unjust rule, Mr Ramaphosa said

In a statement, Cusa said this action negated the basic principle of security of employment and could only detrimentally affect industrial relation practices

"They appear to have ignored the almost half a million workers in the industry and have created a further imbalance in black/white conditions of employment

The new day stipulation by Seifsa has to be deplored unequivocally and condemned by workers everywhere If they hope to follow it then they will encouter resistance from Cusa unions "



MIGRANTS: UNIONS WARN IRON BOSSES

~~200~~ ~~333~~ ~~1404~~A

23/10/83

CP Reporter

189 (1~~23~~) City Press (~~493~~)

LABOUR PEACE in the metal and engineering industries is under severe strain following the disclosure that bosses have devised a new contract which will enable them to dismiss migrant workers at a day's notice

Trade unionists have warned that "havoc" could result if the new contracts are applied to the estimated 200 000 migrant workers in these two industries

Current migrant workers' contracts run for 12 months, but the new contract, which the powerful Steel and Engineering Industries Federation (Seifsa) has advised its members to use, will enable bosses to dismiss or retrench workers with only one day's notice

The Seifsa move comes when many workers in these two industries have been hit by retrenchments

Until now, legal opinion has been that it is a breach of the law for an employer to retrench a migrant worker before his contract has ended

Metal and Allied Workers' Union (Mawu) Transvaal secretary Moses Mayekiso says his union will "fight any measure which harms our contract workers"

General secretary of the Steel, Engineering and Allied Workers Union, Jane Hlongwane, called for immediate talks with Seifsa If the employers went ahead with the new contracts, they would have to "cope with the consequences," she said

Seifsa director Sam van Coller confirmed yesterday that the new contract had been devised after talks with the Government

Seifsa's door was "always open" to discussions with these unions, he said The new contracts were necessary because of the recession and in order to bring migrant workers contracts into line with dismissal and retrenchment provisions applied to workers with urban rights, he said

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FINAL

league game, and could well add to the string of upsets they have caused this season

But most of the excitement and tension should be reserved for Orlando Stadium, where AmaZulu will test Moroka Swallows

Swallows had enough respect for the hot promotion candidates and their uninhibited, vociferous supporters to move the game from their "home" ground George Goch, to Orlando

It is a game of endlessly exciting possibilities, and Swallows must hope that midfielders Chippa Molatedi and Sullie Bhamjee are fit enough for this game

At Glebelands, Bush Bucks will "entertain" respected Hellenic, and at Mamelodi, lowly Sundown will play even more lowly African Wanderers — shock victors over Kaizer Chiefs this week.

The chances of a "down under" final don't look bad at all

Shootout that never was

TEMPLETON Makanda, 27, was found guilty in the Peddie Magistrates' Court this week of committing perjury — after claiming he was shot at near the Fish River border post last week.

Appearing before Mr A L Conza, Makanda admitted to making conflicting statements to two commissioners on oath on October 18

In his first statement, Makanda had claimed he was shot at at the Fish River border post.

The caped councill

IS IT a bird? Is it a plane? No, it's Supermayor!

The Government has made mini-gods of the mayors due to be elected in next month's local authority elections — allowing them, among other things, to silence other councillors at any time and have unquestionable say in council meetings.

They can order speakers to stop speaking and even throw them out if they "persistently disregard the mayor's authority"

The new regulations state that "whenever the mayor speaks, any member speaking or offering to speak shall sit down, and members shall be silent so that the mayor can be heard without interuption"

The supermayors have absolute control over meetings and their decisions "shall not be open to appeal and shall not be reviewed by the council" or be open to discussion

They can also "call the attention of members to irrelevance, tedious repetition, unbecoming language or any breach

Mawu declares a dispute in Natal

Star 24/10/83

189

Labour Reporter

A Natal firm's refusal to negotiate severance pay for retrenched workers resulted in a dispute being declared today by the Metal and Allied Workers Union

A secret strike ballot is being held today by the union at BIR Samcol in Howick, to determine employee support for legal industrial action over the action

However, Mawu is also considering legal action alleging that it is an unfair labour practice for the company to refuse to negotiate any matter with a majority union claims a statement by the union

If this is tested in the Industrial Court, it could set a future precedent for the terms of employer/union negotiations

In another development, Mawu reached an out of court settlement with Gedore Tools in Pinetown after an action brought against the company for retrenching 10 workers without consulting the union

The settlement involved the reinstatement of some of the workers, severance pay for those retrenched and a guarantee of their reemployment as soon as the vacancies arose

Strike threat at Natal firm

189

RDM 25/10/83

Labour Correspondent

THE Metal and Allied Workers' Union (MAWU) says it is to hold a legal strike ballot at BTR Sarmcol, in Howick, Natal, and is also considering industrial court action against the company as a result of its alleged refusal to negotiate severance pay for retrenched workers

However, a company spokesman said yesterday that MAWU's statement was "surprising" because "we are still negotiating with them on this issue"

He said the company was not against severance pay, but did not believe this should be written into a union recognition agreement

MAWU's move is seen as further confirmation of a recent trend among some emerging unions to make use of the legal strike machinery

Meanwhile, MAWU also announced yesterday it has reached an out-of-court settlement with a Pinetown company Gedore Tools, after launching an industrial court action against it over the retrenchment of 10 workers

MAWU, which claims the workers were retrenched "without due consultation", said in a statement yesterday that the settlement provided for reinstatement of some workers, severance pay for those retrenched and a guarantee of re-employment for some of them when vacancies become available

The union said it would hold a secret strike ballot at BTR Sarmcol "to gauge employee support for legal industrial action"

It said it was also considering legal action, alleging that it was an unfair labour practice "for the company to refuse to negotiate any matter with a majority union"

"After blocking our recognition for 10 years they now expect us to accept that workers have not got the right to negotiate for improvements in their conditions of service," said MAWU's local organisor, Mr Dumisani Mbanjwa

A spokesman for BTR Sarmcol said the company had been paying retrenched workers severance pay for some time

"But the union wants severance pay provisions included in their recognition agreement with us We are opposed to this because we believe these agreements should deal with procedures to be followed, not issues like severance pay, which is an ex gratia payment by an employer," he said

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RDM. 25/10/83

Federation says contract isn't discriminatory

By STEVEN FRIEDMAN
Labour Correspondent

THE Steel and Engineering Industries Federation (SEIFSA) has rejected claims that a new form of migrant worker contract it has suggested metal firms should sign, gives migrants less job security than other metal workers

The new contracts, which allow employers to fire migrants at one day's notice, have been recommended to metal employers by SEIFSA after talks with the Department of Co-operation and Development

The move comes after SEIFSA's lawyers told it that employers who retrenched migrants in mid-contract could be sued and is in an attempt to prevent legal action against employers who wish to retrench migrants

Last week the Council of Unions of SA charged that this gave migrants less job security than other workers who are covered by the common law, which stipulates that weekly-paid workers must receive a week's notice

Yesterday, SEIFSA's director, Mr Sam van Coller, said in a statement that the new move would place migrants in the metal industries "on exactly the same basis as white, coloured and Asian workers, and black workers with Section 10 (1) (a) and (b) rights"

The reason for this, he said, was that these workers were subject to the main agreement negotiated by the industry's national industrial council This agreement takes precedence over common law

He said the industrial council agreement provided for "notice of termination of one day on either side"

It also, he added, "supercedes any common law provision relating to notice being linked to the frequency of payment"

Meanwhile, it is understood that the Metal and Allied Workers Union (MAWU) is contemplating legal action against a major SEIFSA company, Anglo American's Highveld Steel, for retrenching workers in mid-contract

A union spokesman refused to comment yesterday, but it is understood that the Highveld workers were retrenched some time ago and therefore would have been subject to traditional migrant worker contracts, rather than the contracts SEIFSA has now recommended

MAWU has successfully threatened legal action against Dunswart Iron and Steel over the retrenchment of migrants

RNSU (189)

26/10/83

New chamber offer averts refinery strike

By **STEVEN FRIEDMAN**
Labour Correspondent

A NEW Chamber of Mines offer giving workers at Germiston's Rand Refinery "vastly improved" service increments was the key to black workers at the refinery deciding not to strike legally, the general secretary of the National Union of Mineworkers, Mr Cyril Ramaphosa, said yesterday

NUM members at the refinery voted on Monday to accept a new offer by the chamber and thus not to strike legally, as they had planned to do yesterday

According to Mr Ramaphosa, the decision to accept the offer rather than strike was carried by a "large majority"

A joint statement by the chamber and the NUM on Monday evening announced the settlement and said the agreement provided workers with a wage rise of around 9%, "vastly improved" service increments and other benefits

The NUM originally demanded a 40% wage rise and the chamber offered 8%, which led to the declaration of a dispute in August

But the NUM says the key point of dispute was the union's demand for a 0,5% service increment for workers for each year of service

The chamber originally agreed to this but stipulated that the increment be calculated from the time agreement was reached, rather than from when workers began work at the refinery

Later, the chamber made a new offer — a R1,20 increment for each year worked, with the proviso that the maximum increment be R30 NUM members at the reinery rejected both offers

At a last-ditch meeting requested by the NUM late last week, however, the chamber made a new offer It suggested workers receive increments beginning at R1 a month for each year if they had worked up to five years, with the monthly increment rising depending on the number of years worked

The maximum increment for any worker would be R50 a month

The NUM later asked the chamber to agree that the R50 ceiling be increased each year by the same percentage as the wage increase negotiated for workers at the refinery This the chamber accepted

Mr Ramaphosa said yesterday workers at the refinery regarded the service increment package as a "significant improvement" on their present position and had accepted the chamber's offer on that basis They were "particularly happy" with the agreement to raise the ceiling each year

The agreement also grants long-service workers at the refinery an extra week's leave and increases sick leave

Mercury 189

26/10/83

Severance pay dispute at Howick

Mercury Reporter

THE Metal and Allied Workers' Union yesterday declared a dispute with a Howick rubber company BTR Sarmcol over the company's alleged refusal to negotiate severance pay for retrenched workers

Mawu local organiser Dumisani Mbanjwa said the union would hold a secret 'strike ballot at the factory to determine employee support for legal industrial action against the company

The union was also considering taking legal action 'alleging that it is an unfair labour practice for the company to refuse to negotiate any matter with a majority union'

He added 'We are very tired of this company After blocking our recognition for 10 years they now expect us to accept that workers do not have the right to negotiate for improvements in their conditions of service It is outrageous '

The company's administration director Mr John Sampson said yesterday that the union had not been in negotiation with the company for 10 years Negotiations began only this year when it achieved a 50 percent support among the work force

There had been no refusal by the company to negotiate severance pay

'We have a severance pay policy in terms of which it should not form part of a recognition agreement — which is a 'procedural agreement

NATIONAL/INTERNATIONAL

Iscor in the red with R243-m loss

Argus 26/10/83

189

Argus Correspondent

PRETORIA. — Iscor, South Africa's steel producing giant, has recorded a huge R243,7-million loss — the biggest in the corporation's history.

Dr Tom Muller

This was disclosed by the chairman of Iscor, Dr Tom Muller, in his chairman's review published in the annual report released today

Though the loss recorded for the 1982/83 financial year which ended in June is more than 10 times greater than the R22-million loss for the 1981/82 year, there appears to be little chance that Iscor will lay off more workers

During the year it reduced its workforce by 11 400 workers, or by about 16 7 percent

Rather, Iscor will concentrate on further improving its productivity and continuing its modernisation programme aimed at phasing out old unprofitable units

Brighter

But Dr Muller painted a brighter picture for the 1983/84 year, which is already nearly four months old

He said prospects seemed to be "considerably more encouraging and although total profitability does not yet seem likely, operating results for this year should be better"

Though measures had been taken to scale down operations and reduce costs, the full benefit would only be felt when domestic steel sales and international steel prices again returned to normal, which he hoped would be in 1985.

He warned that unless active steps were taken to remove disparities between South African conditions and its major trading partners "by effecting a permanent reduction in either the rate of inflation or the rand/dollar exchange rate, exports of most South African goods will become unprofitable

Modernising

"The efforts on the part of the authorities to combat inflation, such as the recent reduction in fuel prices, are greatly appreciated and are also most essential if South Africa is to remain competitive in export markets," he said

Iscor's sales to the local market dropped by as much as 20 percent

However, Dr Muller gave no indication of a possible steel price rise

Picture RAYMOND PRESTON

and older countries," he said

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RDM 27/10/83

Workers return after two-day stoppage

By STEVEN FRIEDMAN
Labour Correspondent

ABOUT 70 workers at Gallo Africa's Bedfordview warehouse struck for two days this week in protest at the dismissal of two Commercial, Catering and Allied Workers Union (CCAWUSA) shop stewards

The workers returned to work after management agreed to suspend the workers with full pay until the issue was resolved According to the company, the dismissals are now subject to Gallo's appeal procedure

The two sides met yesterday morning and will meet again today

A Gallo spokesman said the company had agreed to suspend the workers while they made use of the appeals procedure laid down at Gallo If they were dissatisfied with the warehouse management, who were handling the appeal, they could appeal to head office

In a separate incident, a Brakpan metal company, VSP Steel Strip, had fired its workforce after it went on strike this week, a spokesman for the Metal and Allied Workers Union said yesterday

Few details of the strike are available According to the union spokesman, management has refused to discuss it with MAWU, beyond saying that all the workers have been dismissed

Editor's secretary at 710-9111 between 9am and 5pm on weekdays

If you have broader complaints about the Rand Daily Mail these can be taken up with the Mail Ombudsman, James McClurg, c/o the Editor's secretary

POLITICAL comment in this issue by R A Gibson Benjamin Pogrund Peter Bunkell newsbills by Michael Stent headlines and sub-editing by Bryan Pearson cartoons by David Anderson all of 171 Main Street Johannesburg

200 stop work at PE plant

E. Post
27/10/83

189

Post Reporter

MORE than 200 workers stopped work today at the Carborundum Universal factory, in Kempston Road, Port Elizabeth, after seven security guards were retrenched

Mr Vuyani Tu, branch secretary of the Metal and Allied Workers Union (Maawu), a Federation of South African Trade Unions (Fosatu) affiliate, said the entire work force downed tools at 10am

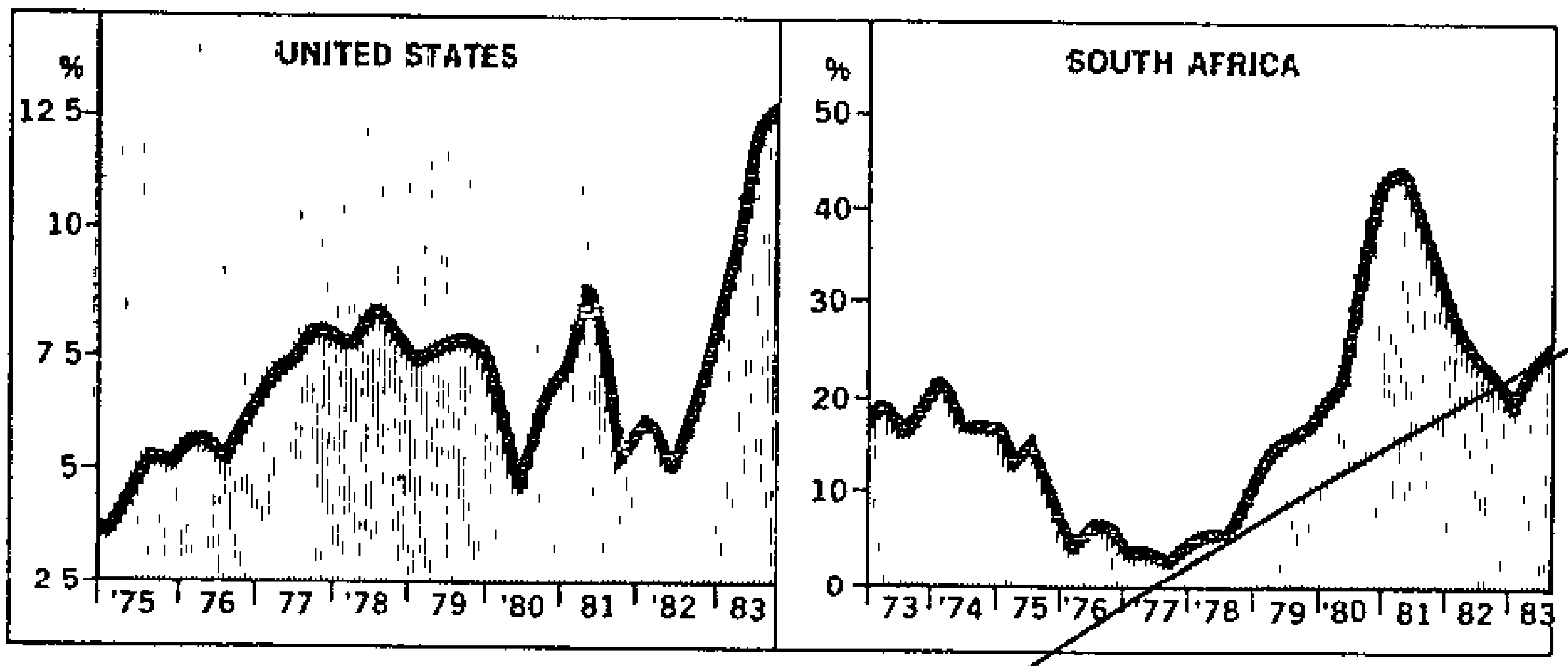
He said the seven security guards had complained that they had been paid for 45 hours when they claimed they had worked 60 hours a week

The matter was settled last Friday and the company paid workers the balance owing to them

Mr Tu said shop stewards were called in by management yesterday and told the seven security guards were to be replaced by security guards hired from a private firm

"But the workers were dissatisfied and this sparked the strike"

Management could not be contacted for comment



RIDING THE SWITCHBACK

Annual growth in narrow money supply (M1)

Source Econometrix

money

Moreover, interest rates are not only less controllable than money supply They're more politically visible, and it requires tremendous will to maintain the pressure By all accounts, the Reserve Bank has not been equal to the task

"The Bank changed tack in mid-1982, just when the medicine was working," says an economist who does not wish to be identified "It forced prime rates down when money market rates softened in response to the rise in the gold price Horwood thought gold would save us He was wrong"

Says another "The monetary authorities always back down when the crunch comes In the US and the UK they let rates go as high and as long as necessary until they actually broke inflationary expectations It's the only way to show you mean business, to jump the credibility gap In SA, they're simply not willing to do it"

Of course, it's no secret that SA's money supply figures are suspect They are often artificially inflated and deflated by flows in and out of their defined target areas that disguise underlying truths "In fact," says an economist, "this has tripped up the Bank before, and made it complacent to the tremendous demand for credit building up in the system'

They will obviously have to be revised, a fact that hasn't escaped the Bank Some economists, for instance, believe that cash as we know it — bank notes and coin — is a better indicator But in the meantime the Reserve Bank has pledged itself to control the existing aggregates

University of Cape Town economist Brian Kantor, who reports a 17% trend growth on latest figures, is one who believes that the Bank is doing it However, no good reasons appear for thinking that another miscalculation in foreign exchange management, or in government's bugetary projections, or in predicting consumer confidence, will not send the aggregates way off course again And unless Pretoria finds the political courage to complete the market-determined system it is inching towards, and accept its consequences, those reasons will not appear

METAL BOX

Ready for battle

(184)

The new-look metal Box, following the merger with Nampak, now has the widest range of packaging services in SA The *FM* looks at its strengths and weaknesses.

The emergence, from one of the most complicated corporate deals ever constructed, of a new-look Metal Box must have given even the most confident of its competitors pause for thought

The packaging industry has probably become the most competitive of any in SA, with the recession seemingly spawning increased competition rather than allowing only the strongest to survive The merger of Metal Box and Nampak was therefore a logical step towards the consolidation of an already strong base by two of the industry's leaders The decision was not made, however, on the basis of potential rationalisation benefits — either in the respective workforces or other overheads

Of the previous Nampak divisions now injected into Metal Box over 90% are complementary to existing MB operations The only duplication occurs in the two firm's plastics divisions and in cores and tubes, but even there it is expected any slack will be taken up by organic growth

New Metal Box MD Peter Campbell, who took over following the departure of Derek Jacobs to Barlow Rand with MB's industrial divisions, is confident that the marriage will prove successful Since 1977 Metal Box has been working towards a reduced dependence on its tinplate packaging Campbell sees this latest move as the best possible conclusion to MB's diversification plans

Although Nampak becomes the controlling shareholder, with over 51% of MB, Metal Box UK still retains a significant investment with its 25% stake in the enlarged operation In fact, Nampak insisted as a precondition of the deal that Metal Box UK remain involved with the local operation Apart from anything else it helps ensure that the UK firm's extensive research and development facilities will remain accessible to the SA operation

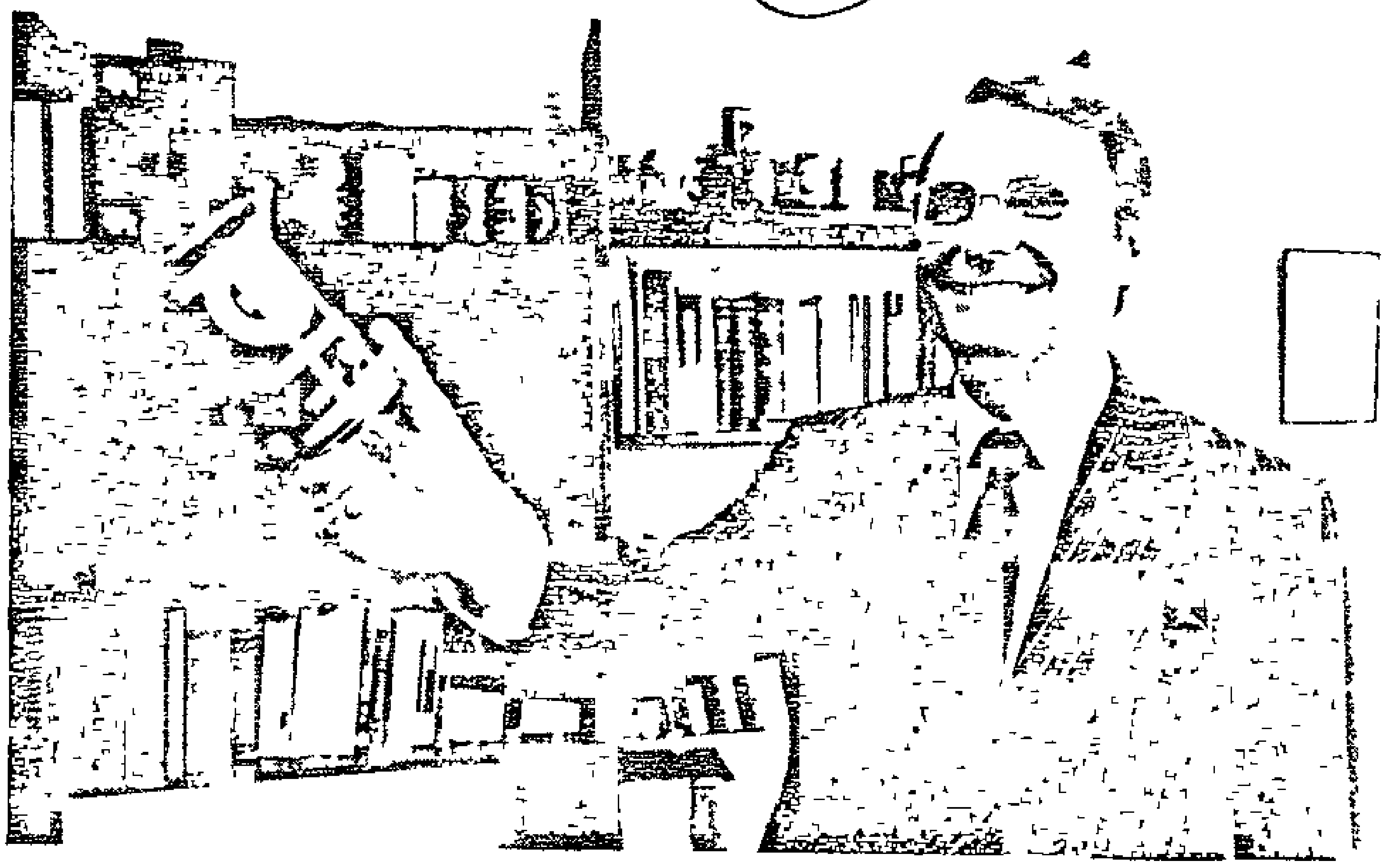
Campbell says, however, that the major advantage of the increased operating base will be the ability to offer customers virtually any form of packaging Whereas customers may have been forced to look elsewhere before, they can now be catered for within one of the other divisions should their requirements change

Most of this effort will be generated within the diversified packaging division This operation will be structured to work closely with customers, to develop new packaging opportunities and to improve and extend existing lines One example is development work being undertaken on a composite two-piece beer can, which has a plastic base and sides, but a metal top

One of the most exciting growth areas will, however, be the flexible packaging division Bas Kardol, who is chairman of both Nampak and the new Metal Box, says this operation suffered an extremely difficult time in the past 18 months — due mainly to problems of its own making

Nampak took the division back under the corporate wing and returned it to the right road Now Kardol feels that this aspect of the deal was undervalued Extensive changes have been made to the product mix, productivity and management and he says it would now be difficult to find a better company anywhere Although smaller than before, it is also leaner and back in profit and is expected to provide some stiff opposition to the rest of the industry

Probably the most interesting development for the new Metal Box will be the addition of a glass manufacturing facility Developed at a cost of some R48m by Nampak over the past few years, it only recently produced its first bottles And although only one furnace is operating at present, a second is likely to come on stream during 1985 and a third not long after



Metal Box's Campbell ... size does enhance the competitive position

The foundations have already been laid for the additional furnaces and Kardol expects these can both be installed for a total cost less than was needed for the first Market share is not a worry, though clearly Metal Box expects to take business away from Consol, as growth is budgeted to be more than sufficient to ensure all three furnaces operate at capacity shortly after being commissioned Turnover from the glass side is expected to be between R10m-R15m in the year to next September 30, with the furnace at capacity by the second half of the year

Liquid packaging requires increasingly innovative marketing and product design effort, due to the increased competition in this area Kardol believes it will nevertheless continue to thrive and provide an important complementary operation to the other group divisions

In the first year of operation, at least, Metal Box's basic food and beverage canmaking division will provide the largest single contribution to group turnover Campbell says it may continue to do so for quite a while — given the country's growing population and the increased awareness and sophistication at the lower end of the market This year growth will, however, be slowed by the side effects of the drought, which is expected significantly to cut volumes of canned fruit and vegetables

Another problem has been the growth of the European canning industry Last year over 85% of SA's canned fruit and a large amount of canned vegetables were exported Increased canning activity in the EEC, combined with the high tariffs for nonmembers, has taken its toll But Campbell says any export declines should be more than offset by growth in SA

The Barlow touch

Metal Box will retain its own identity, outside the Nampak/Barlow fold, but the beginnings of the Barlow Rand management philosophy are already evident Kardol is adamant that every manager must have the responsibility to take decisions without constant recourse to higher authority And, while he says Metal Box was centrally controlled, there are signs that decentralisation and divisional autonomy are being brought in

Campbell says his management team will consist of nine senior managers who will effectively run separate operations and report to him These will be the heads of the five manufacturing divisions, plus group financial, personnel, legal and technical controllers The object is to push as much responsibility as possible even farther down the line, which eventually allows individuals the opportunity to prove themselves

Kardol says Nampak was the first company in the Barlow group to adopt this practice and, while he admits it does occasionally cause problems, it has proved extremely successful The Nampak preliminary results for the year to September 30, due out shortly, should provide further proof of this policy

Metal Box is obviously well-placed to move ahead strongly The *pro forma* income statement for the new company would have generated pre-tax profit of R42m in the year ended March 31 (using the Nampak figures for the year ended September 30, 1982) on turnover of R523m These figures are expected to rise to around R55m pre-tax and turnover of over R600m in the first full year of operation, to September 30 1984

The number of shares in issue has virtually doubled as a result of the deal The intention is to maintain dividend cover at around 2,25 times, which implies that this year's dividend will be substantially less than last year's 45c Based on the *pro forma* figures for last year the dividend would have been 22,4c from earnings of 50,4c a share

This, however, ignores the income shareholders would have received from their new shares in Robor, the split-off industrial operation, and their additional Nampak shares or cash

Assuming a 30c payout this year Metal Box is valued at a prospective 3,2% dividend yield at its current 950c share price The 950c valuation, however, still includes the Robor and Nampak potential When the deal has been concluded it is likely the share price will fall to around 600c But the growth potential is certainly there and the company's own earnings estimates for this year are probably fairly conservative

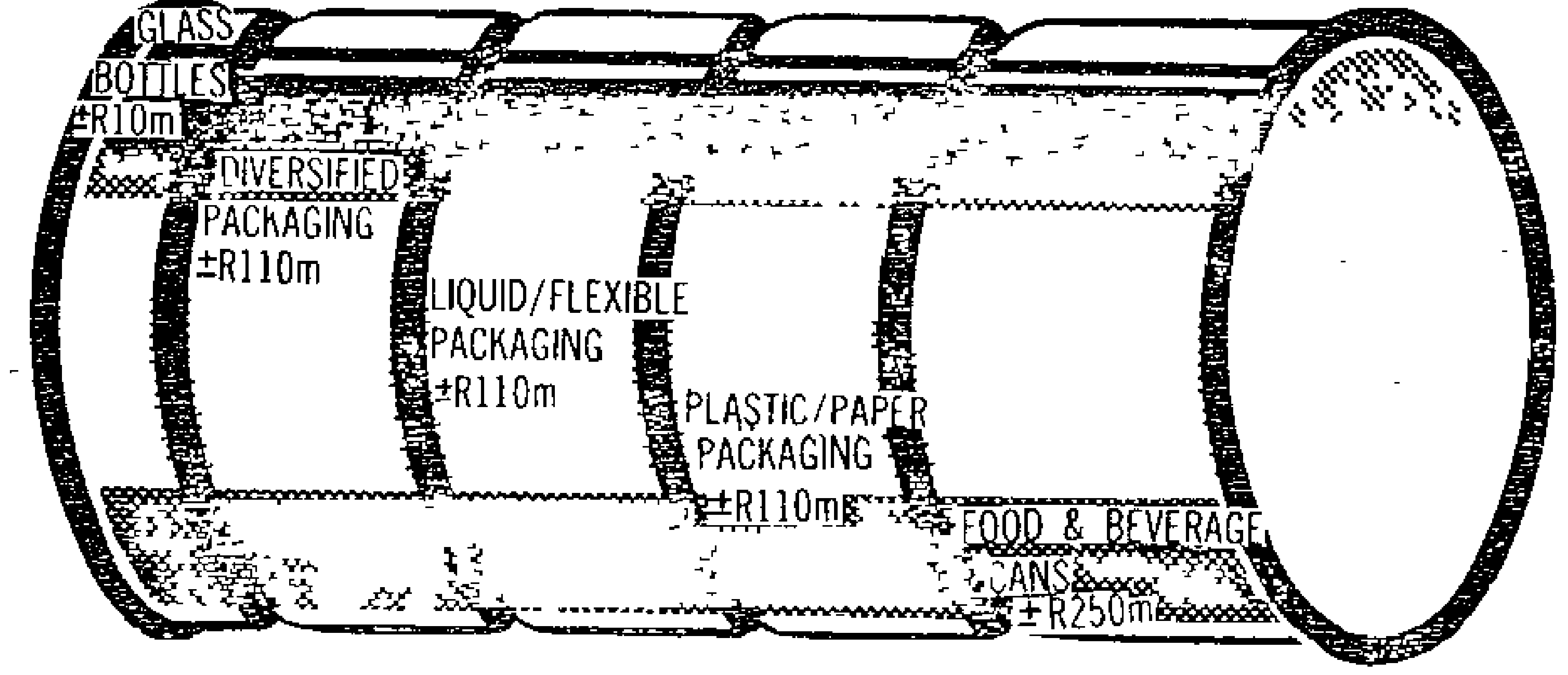
In the longer term, Kardol expects Metal Box to generate growth outside SA He says it will probably take a year before the Nampak merger is fully digested, but after that the company will be on the acquisition trail While this has not been given much attention to date, it appears the next logical step now that their base is fixed

Barlow Rand is generally not known for its poor acquisition decisions This is because of the emphasis placed on acquiring strong management as well as growth opportunities As one Barlow director said "We may have paid over the top for Nampak, but we got Bas Kardol extremely cheaply " The same seems to apply as far as Jacobs and Campbell are concerned

Peter Farley

METAL BOX'S NEW MAKE-UP

Expected divisional turnover contributions for year to September 30, 1984



(189)

28/10/83

RDM

Iscor waiting for right sell-off time

ISCOR's chairman, Dr Tom Muller, and other members of the board favour the principle of denationalisation — but think the time is not yet ripe for a sell-off

In the corporation's report for 1983, Dr Muller acknowledges Iscor has often been the subject of denationalisation speculation

The most recent occasion was at last week's annual congress of the Association of Chambers of Commerce when delegates heard that Iscor showed great financial strength and approved a motion calling on the Government to consult the private sector and accelerate denationalisation

"Despite its connection with the State, Iscor operates in all respects like a private-sector enterprise on highly professional standards of scientific management and sound business principles," Dr Muller says

"The corporation's key objective is profit-based, with due regard to the interests of of industry and the national economy"

The corporation was funded and capitalised like a private-sector undertaking, maintaining a balanced relationship between equity and debt financing

This relationship was aimed at retaining an optimum relationship between profitability, liquidity and solvency over the long term

"In view of the fact that the economic climate locally as well as the international state of the steel industry is currently very negative, the present is definitely not the most suitable time to embark on full-scale denationalisation

"When the time is opportune, however, Iscor will be ready in terms of business and management objectives to continue taking its rightful place in the economy under such a dispensation"

Lower sales and production cut turnover to R2 296m in 1982-83 (R2 529m) as losses, calculated on a current cost basis, rose to R244m (R22m loss)

Net internal cash flow continued to be positive, however, contributing R107m to the 1982-83 financing requirements

Cash flow also helped to restrict debt ratio to about 43% (39%), close to the corporation's target for the year of 40%.

Steel price increases were kept below the rate of inflation by improvements in productivity, which netted the corporation a cumulative saving of R1 374m

Because no immediate growth in international steel production is expected, prospects for iron ore exports remain unfavourable and further decreases in export tonnages are foreseen in the current financial year rope State

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Labour dispute at PE factory resolved

E. Post 28/10/83

Post Reporter

TWO HUNDRED employees who staged a work stoppage yesterday were back at work at the Carborundum Universal factory in Port Elizabeth today after an agreement with management that seven retrenched security guards be absorbed into the production line

The strike started at 10am yesterday after management informed shop stewards of the registered Metal and Allied Workers' Union that seven security guards were to be retrenched the next day and replaced by hired guards from a private security firm

The union's branch secretary, Mr Vuyani Tu, said the workers had stopped work in sympathy with six of the guards, who were members of the union, and management had agreed to meet union officials and shop stewards at 1 30pm yesterday

Sowetan 28/6/83

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Over 4 000 on strike

ANOTHER 1 000 Reef workers yesterday went on strike over wage demands, adding to the more than 3 000 workers who this week downed tools ~~over~~ wages and recognition of unions.

More than 20 workers at Gold Smith Company, Johannesburg downed tools yesterday after management had sacked a shop steward of the African Allied Workers' Union

Management said the workers had fired themselves by going on strike

More than 250 workers at Nampak Tissue in Pretoria West ended their two-day strike in protest against the company's refusal to accept pay increases demanded by the employees

Nampak's general manager, Mr Frans Herman, said the company would enter into negotiations with the workers' representative on condition that the strike ended immediately

Workers at Rosslyn Company continued a strike today over the expulsion of a colleague. Some 450 workers from the Asea Electric Cable Company began the strike on Tuesday

More than 200 workers stopped work at Carborundum Universal factory in Kempton Road, Port Elizabeth yesterday after seven security guards were retrenched

The local Metal and Allied Workers' Union representative said the workers downed tools after they had complained that they had been paid for 45 hours when they claimed they worked 60 hours a week

Management then called workers and told them that seven of them had been retrenched The workers then decided to down tools Management was not available for comment

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327 'fired' over dismissal

RDM 29/9/83

By STEVEN FRIEDMAN
Labour Correspondent

A SWEDISH company, ASEA Cables has fired 327 workers — the entire black workforce — at its Rosslyn plant, near Pretoria, after a three-day work stoppage in protest over a dismissal, a Metal and Allied Workers Union (MAWU) spokesman said yesterday

He said the workers had downed tools in protest at the dismissal of a colleague — because, it is alleged, he refused to do private work for a superior on a Saturday

This is the third strike by workers at ASEA this year Two previous stoppages were prompted by a dismissal and by workers' wage demands

A company spokesman confirmed yesterday that the workers were no longer employed by ASEA, but denied they had been fired

He said the workforce had staged a three-day sit-down "during which we made repeated attempts for them to return to work" At the end of the three days "we were forced to assume that, since they did not want to work, they had resigned"

The spokesman refused to comment on the grievances which had prompted the stoppage He said the company had not yet decided what action to take to replace the workers

According to MAWU's spokesman, the workers were dismissed after negotiations between the company and union failed to settle the dispute

He said workers would meet on Monday to decide what action to take

(189) RDM 2/11/83

US accuses SA of dumping steel again

By MIKE JENSEN

THE South African steel industry is under attack in the United States once again by industries seeking protection

SA is accused of unfair steel dumping

At a meeting between President Reagan and executives of American steel producers this week the US Steel Corporation chairman, Mr David Roderick, said that South Africa, South Korea, Brazil, Argentina, Spain and Taiwan were subsidising steel exports to the US heavily

As a result, steel shipments from the Third World rose in September to equal combined shipments from Japan and Europe US companies were considering legal action

Iscor exports about 230 000 tons of iron and steel products to the US, worth about R62m a year, but denies categorically any form of dumping.

Iscor has been to the US to have its exports exempted from the duties and is free to export and market its products in the US

Mr Nols Olivier, general manager (marketing), of Iscor said yesterday that South Africa deserved this status

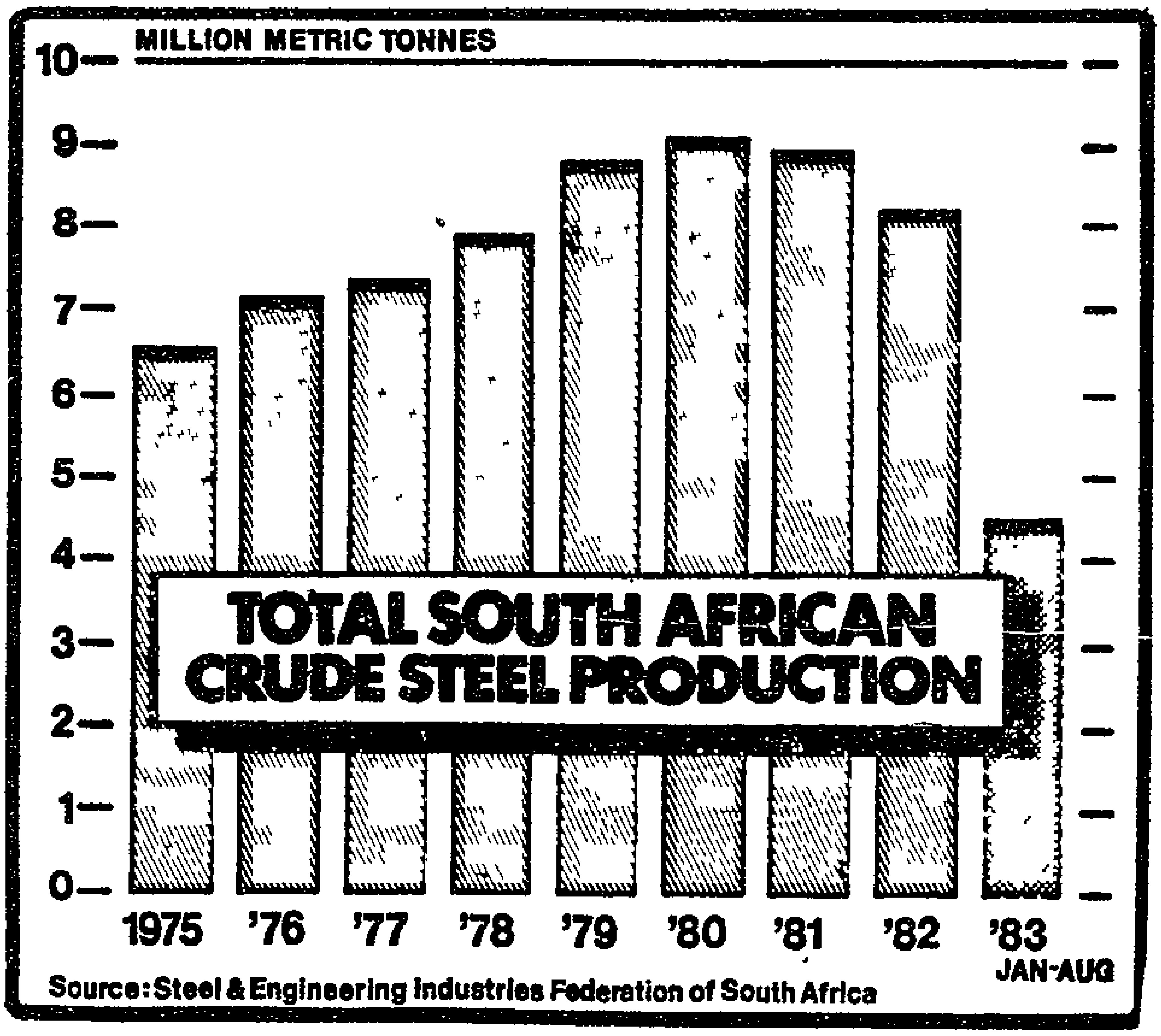
"We maintain market-related prices, we conduct our US marketing in an orderly way and we keep our noses clean."

However, it appears that US steel producers are gearing up for another attempt to impose additional trade barriers on the international steel industry

Iscor's divisional general manager, Mr Floors Kotzee, says that US steel producers are getting desperate

"They are sitting on outdated equipment with overpaid staff and high overheads, so they are trying all possible means to maintain market share

"This new accusation is just part of their harassment tactics Mr Roderick's own (US) Department of Commerce found last year that there was no substance to suggestions of Iscor dumping on the US market."



TOTAL SOUTH AFRICAN CRUDE STEEL PRODUCTION

Source: Steel & Engineering Industries Federation of South Africa

Sacked workers get jobs back

Sowetan **By MONK NKOMO** 7/11/83

ABOUT 850 workers who went on strike at two companies in Rosslyn outside Pretoria over wages and other job-related grievances last month, were reinstated at both companies last week

The 300 dismissed workers at Poole Industries were reinstated on Friday after a strike lasting almost four weeks The black and coloured workers all of whom are members of the National General Workers Union went on strike on October 11 demanding a uniform wage increament of R4 an hour each

The workers had also demanded that management stop deducting certain amounts from their salaries which were for the washing of their overalls and the R3 deducted towards their pension funds

Mr Solomon Maluleka national organiser of the union told **The SOWETAN** that after meeting with management on Friday it was agreed that the workers would be reinstated with immediate effect while the wage dispute was being negotiated

However the two other issues concerning deductions from their salaries Mr Maluleka added would be settled in court

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Meanwhile about 570 workers at the Asia Electrical Cable Company who went on strike on October 24 in solidarity with their colleague who was fired for allegedly refusing to call a white man "baas' have also been reinstated

About 650 workers all of whom are members of the Metal and Allied Workers Union were dismissed when they downed tools and demanded the reinstatement of their colleague

A union spokesman said negotiations were continuing with management for the reinstatement of the other 80

Worker unrest hitting metal area

[redacted] 189

[redacted]

RDM

8/11/83

By STEVEN FRIEDMAN
Labour Correspondent

LABOUR unrest has hit the Eastern Transvaal area of Steelpoort, where several chrome mines and a major ferrochrome plant are situated

Last week, workers at the Winterveld chrome mine near Steelpoort staged a three-day strike over wage and other demands, and now workers at Tubatse Ferrochrome in Steelpoort have demanded the removal of several managers at the plant

In both cases, the workers have been organised by the Metal and Allied Workers Union (MAWU), which is recognised at Tubatse Ferrochrome and whose organisers have been active on several mines in the area

At Winterveld mine, which is owned by Rand Mines, MAWU's general secretary, Mr David Sebabi, said yesterday that the 900-strong workforce had struck early last week in support of wage demands

He said management had said it could not negotiate with a union on this issue unless it had formal recognition at the mine No union was recognised at Winterveld

However, Mr Sebabi added, workers had agreed to return to work after management agreed to negotiate on their wage demands in the future

A Rand Mines statement issued yesterday said that "the majority" of the mine's 900 black workers had been involved in the strike

Discussions had taken place between worker representatives and mine management, after which workers had agreed to return to work They returned on Friday

According to the statement, it was agreed at these talks that "the representations made by the workforce other than in respect of wages would be examined by management"

At Tubatse Ferrochrome, which is owned by an American company Union Carbide, informed sources said yesterday that workers were demanding the dismissal of several managers

Mr Sebabi confirmed that there was worker dissatisfaction at the plant This centred on several managers But he added that there had been no unrest as a result of these demands

FM 11/11/83

Fm 11/11/83 (189)

UNIVERSITIES

Row over subsidies

SA's universities are becoming increasingly concerned about the lack of information on how government will subsidise them in future

The subsidies have always been granted in a lump sum But the emphasis in the old formula was on the number of students, and this is now being altered to include their success rate as well

Considering the high drop-out rate at SA's universities, this raises fears that they may get substantially less from government than in the past However, a spokesman for the Department of National Education explains that other provisions will more than compensate

There is a great deal of uncertainty over when — even whether — the new formula will be introduced Of the seven universities the *FM* spoke to, some believe it will never happen, while others feel the new formula will be enforced before the end of this year

The fact remains that while the universities have all drawn up their 1984 budgets according to the old formula, they can expect at any moment to be faced with having to budget according to a new one

"We have assured the universities that they will get at least as much from the new system as the old one," says a spokesman for the department In fact, "the formula should mean more money being spent in this area," he claims

However, universities with a falling student population predict severe financial problems in the years ahead Others argue that if they are going to get more money, they should be given proper notice to better appropriate the funds Says a spokesman for Rhodes "If we knew for sure how much we were going to be given extra, we could have cut our increase in student fees"

Natal University says it is having to slim down its departments to create a reserve fund for any unexpected costs which arise during the year Wits and Cape Town are both raising tuition fees by 15%

Although some of the universities welcome the new formula, and most recognise the financial strain the government is under, they are generally critical of the clumsy way they have been dealt with

LABOUR RELATIONS

White workers' fears

The growing unease with which some white trade unions are viewing black advancement is revealed by an "open letter" to Manpower Minister Fanie Botha from the 32 000-member Amalgamated Engineering Union (AEU)

Written by Tom Neethling, general secretary of the whites-only AEU, the "letter" appears in the latest edition of the union's magazine, *The Metalworker* It appears at a time when the AEU is perturbed by the advancement of the ultra-rightwing Mineworkers' Union into industries where the AEU has traditionally been a force

Neethling says Botha should meet unions to provide "a specific, categoric and unambiguous undertaking that the government will step in where necessary to protect the rights of minority groups"

He points out that much has been said about SA's proposed new constitution and the steps taken to protect minority groups He says, however "It is all very well to provide such safeguards at that exalted level, but what practical steps are being taken, and will be taken in future, to provide protection for minority groups at the level where individual freedoms are directly affected — on the workshop floor?

"On the workshop floor it is the black, who by virtue of his exploitability and his numbers, poses the biggest long-term threat to the future of all other workers"

Neethling emphasises that the AEU does not oppose "the principle of orderly advancement of any race to the limits of the capabilities of its members" But he adds that it must be recognised that white workers, as a minority group, feel their future is threatened — and that action is needed to allay their fears

"When the white unions agreed to accept the changes in labour legislation which followed the report of the Wiehahn Commission, it was on the clear understanding that there would be no interference with the rights of the white worker The government bent over backwards then to make it clear that the white worker had nothing to fear and he would be no worse off than before

"Our experience since then has been that we are under a constant state of siege from employers who have seized the new-found freedom of movement granted to them in terms of the new legislation, to introduce changes without consultation with those affected by such change"

He says older unions struggled and made sacrifices in the past to gain certain privileges "Some of those privileges are 'own affairs' of white trade union members, to use a phrase coined by the architects of the new constitution

"Now, however, we find that the privileges for which we fought are being threatened, through the very machinery we helped to create, by snap decisions based on a majority vote by workers who have no interest in those privileges

"If the new constitution can provide for differentiation between such matters at government level, why can it not be done on the workshop floor?"

ROLL ON THE TEACHERS

(187) Fm 11/11/83

KwaZulu is hoping to curb the high level of illiteracy in its adult population by providing mobile schools for sprawling squatter camps and the more remote poverty-stricken areas of the homeland

A donation by Portacamp of seven specially equipped caravans has given an important boost to this effort It is now possible for the team of 20 full-time instructors, under the guidance of the KwaZulu Bureau of Community Development and Youth Affairs, to make a start on the self-help programme

The teachers intend to link up with local and tribal authorities, church groups and Inkatha branches in an attempt to become fully accepted in various communities

Research done by Portacamp indicates that a studious pupil can achieve a reasonable degree of literacy in under 50 lessons Five teachers operating from one caravan can teach 400 students every three months

REHABILITATION

Nicro's plea

Fm 11/11/83

Truants and drop-outs from SA's black schools have long been identified as people most likely to embark on a criminal career But the National Institute for Crime Prevention and Rehabilitation of Offenders (Nicro) says little is being done by government to prevent them from going astray

Nicro is calling for the appointment of social workers to schools throughout SA, saying that this would result in personal attention being given to problem children

Nicro national director John Pegge says the institute is financed by private donations and government grants Most of its work involves the rehabilitation of adult offenders But, Pegge says "I have never come across a criminal who was not a truant or drop-out at school" He points to large-scale truancy in urban black townships — and cites one Natal high-school which, he says, has a 70% absentee rate Over-worked teaching staff in these areas cannot be expected to be social workers as well Ideally, he says, there should be one social worker for 60 problem children

Pegge says Nicro does not have the resources to deal with problem children, and he believes it is government's duty to attend to their plight

Nicro is critical of the apparent inertia of the Department of Education and Training (DET) and the Department of Co-operation and Development (DCD) The DET does not have any statutory responsibility for appointing social workers for crime prevention, while the DCD, which does have a legal responsibility, is suffering from a shortage of manpower and money

They have, instead, concentrated on helping children who appear in juvenile courts But Nicro says that by the time a child has appeared in court it is often too late

Stewarts & Lloyds earnings plunge 31%

Cape Times 12/11/83 [redacted] 189 [redacted]

By PATRICK McLOUGHLIN

JOHANNESBURG. — Stewarts & Lloyds, hit by the economic downturn and the drought, yesterday reported a 31 percent plunge in attributable earnings — from R17,996m to R12,458m — for the year to September 30.

Turnover managed a 4,3 percent improvement, from R480,561m to R501,041m But income before interest and tax suffered from tighter margins, higher costs, and lower volumes throughout the group and the total retreated 14,6 percent to R23,169m (R27,114m)

The sag in earnings, which went from 78,9c a share to 54,3c, led to dividends being pared from 35c to 25c, while cover came down slightly to 2,2 times (2,3 times)

Share price

At the current share price of around 390c, the engineering conglomerate yields 6,4 percent which compares with the engineering sector's historic average of 5,1 percent

The interest bill to a larger bite at R10,739m compared with R10,179m previously and pre-taxed earnings were down 26,6 percent to R12,430m (R16,935m)

A hefty 74,2 percent fall in the tax bill, from R2,160m to R557 000, helped matters at the bottom line The tax rate was lower at only 4,5 percent (12,8 percent) was mainly due to training and capital investment allowances, and the use of assessed losses from previous years

A surplus of R1,444m (R3,406m) was made on the disposal of land and buildings, lease-hold property rights and unlisted investments

The full year results follows the depressed interim figures when the group cut its interim dividend to 7,5c compared with 12,5c previously This was after interim earnings a share of 13,2c against 32,5c

At the time chairman Henri Kuiper said he expected a deterioration in economic conditions in the second half and doubted whether the company's traditional second half improvement would be as substantial as it had been in the past

Slump

In the event, the second half seems to have held up fairly well with attributable earnings of R9,435m (R10,591m) compared with the slump in first half earnings to R3,023m (R7,405)

Directors, commenting on the full year figures, said that trading conditions remained depressed throught the year in most business sectors, with low demand levels leading to unfavourable manufacturing volumes and increased competitive pressures This caused reduced gross margins

The commissioning problems of the stainless steel and hot forming hollow section mills continued into the current year Although they have to a large extent been solved, these problems together with an overall lack of volume adversely affected results

The group has performed some surgery on itself to maximize its current year performance in its operating areas — the agriculture, automotive, construction, energy and mining sectors — all of which are slack

Reductions have also continued in the number of employees to 9 052 (9 529), indicating attempts at pushing up worker productivity

Two companies which were not satisfactorily profitable were axed and managing director Percy Levick says there are "no dead ducks" in his group

The group also apparently experienced something of an improvement in trading conditions in the last couple of months, but it is hard to say if this will continue

Mr Levick says that with gold down, the drought unbroken and the economic downturn showing few signs of going away, the current year will not be easy for S & L

Order books

Order books are generally low, as they have been for the past six months Certain areas, such as the valve order books, are holding up well but the general picture remains bleak

The group says the current year performance should not be worse than the latest results Hopefully profits, and possibly dividends, will be maintained

189

RDM

14/11/83

70 workers reinstated after strike

By STEVEN FRIEDMAN
Labour Correspondent

SEVENTY workers fired by East Rand firm Coalequip are to be reinstated today after negotiations between the company and the Metal and Allied Workers' Union, a joint statement by both parties announced at the weekend

Their dismissal in September attracted attention because the workers had been striking in protest against the dismissal of a colleague, who was then reinstated after the strikers were fired

The company said it had rehired him because he had successfully appealed against his sacking

However, Coalequip had refused to rescind the firing of the strikers themselves

189 ~~337~~ ~~79~~ RDM 16/11/83

US Steel threatens Pretoria

WASHINGTON — US Steel, the largest steel company in the US, is threatening legal action against South Africa for alleged unfair trade practices

The company is already filing suits against Argentina, Brazil and Mexico

The moves represent a sharp intensification of the US steel industry's battle to halt what it believes to be unfair competition from foreign steel exporters It shifts the thrust of its attack from industrialised countries, such as Japan and the Common Market nations, where the US has reached government-level agreements to restrain exports, to less-developed countries

Explaining the reasons for attacking imports from the three heavily indebted Third World exporters, Mr David Roderick, US Steel's chairman, denounces the international development lending agencies

"It is the easy money that allows folly to become fact International lending agencies have made it too easy for Third World nations to get loans to build steel mills and other industrial complexes"

Mr Roderick says the company will soon pursue legal remedies against Romania, Spain, South Korea and South Africa

In another measure aimed at protecting the US industry from unfair competition the House of Representatives steel caucus, a group of members from constituencies with steel industry interests, is introducing a Bill, the Fair Trade in Steel Act 1983, intended to limit foreign steel exports to the US to an average of 15% of the domestic market for a five-year period — Financial Times

DEFY, PHILIPS VENTURE

By MIKE JENSEN

DEFY and Philips have formed a joint company to produce both Defy and Philips refrigerators and some other makes

Defy's managing director, Mr Richard Newby, said yesterday Defy would hold 75% of the share capital and Philips the remaining 25%

Mr Dieter Siegelburg, the chairman of Philips SA, said the company had noticed import tariffs or other restrictions were slapped on many products at short notice To avoid potential import problems it had been decided to manufacture refrigerators in South Africa

"We considered building a plant ourselves, but with so much capacity in SA already, we decided to combine with one of the existing producers"

Philips had selected the Defy factory for investment as it was designed and built to the latest technical standards and was capable of producing the thousands of Philips refrigerators which had previously been imported

Aside from the primary consideration of avoiding import difficulties, the new investment was also aimed at reducing unemployment and saving millions of rands in foreign exchange

Hotpoint and General Electric machines will also be produced in the factory to their own separate specifications, "to ensure that the consumer has the widest possible choice".

Kloof fire causes production loss

GOLD FIELDS of South Africa says initial indications point to a small production loss at its Kloof gold mine because of an underground fire

The fire was detected last Friday night about 2 200m below the main shaft It was burning under control and being directed towards a previously burned-out area and an unmined dyke

There were no casualties as the fire was detected during the off-shift — Reuter

FOR THE
BEST
SELECTION
OF
EXECUTIVE
APPOINTMENTS
see page 15
TODAY

De Beers Consolidated Mines Limited

Incorporated in the Republic of South Africa

NOTICE OF DIVIDENDS DECLARED ON PREFERENCE SHARES

Declaration of Dividend No 149
on the 40 per cent Cumulative Preference Shares of R5,00 each

Dividend No 149 of One Rand (R1,00) per share in respect of the six months ending 31st December 1983, has been declared payable to the holders of the 40 per cent preference shares registered in the books of the Company at the close of business on 23rd December 1983, and to persons presenting coupon No 149 detached from the preference share warrants to bearer A notice regarding payment of dividends on coupon No 149 detached from share warrants to bearer, will be published in the press by the London Secretaries of the Company on or about 16th December 1983

Declaration of Dividend No 17

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CAPE YARDS BUSIER

(189) ROM 15/4/83

By GEORGE YOUNG

SHIP REPAIR yards in Cape Town are busier with good prospects of more work next year.

Only 36 hours after a 128 000-ton bulk carrier completed a refit of about R1m its sister ship docked for a similar contract.

Shell, which allocated the first ship to Dorman Long Swan Hunter, awarded the second vessel to Globe Engineering.

Each yard tendered but Shell principals in London signalled who had the job for the second vessel only shortly before it arrived.

These major contracts have come in the face of intense competition from overseas, notably South Korean shipyards, for this type of work. European yards have almost priced themselves out of the repair business to give South African repairers the chance of more work.

The irregularity of big contracts creates employment problems when yards have to recruit artisans only to lay them off on completion of contracts.

To bolster the eratic industry even more the British passenger motorship Centaur, on charter to UK interests for the past year to run between St Helena, Ascension Island and South Africa, has finished its contract and is having its funnel insignia removed at the Cape before sailing on to Australia.

Word is awaited of the successful tenderer for maintenance work in the liner England which is starting 21 months' of service between the Cape and the Falkland Islands. It will transport workers for civil construction on the islands.

The England has the same machinery as the Centaur so repair yards expect regular employment during the next 21 months.

1 000 down tools after workers retrenched

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Mercury

17/11/83

Mercury Reporter

ABOUT 1 000 workers at Defy Industries, Newcastle, downed tools at noon on Tuesday and continued their strike yesterday following the retrenchment of about 200 workers last week.

Mr A D Kolver, general manager (personnel) of the company, said yesterday that the workers appeared to be upset because several shop stewards were among the workers laid off

The management had held talks with the South African Allied Workers' Union yesterday and union representatives later addressed the workers

'I do not know the outcome of the meeting, but it is hoped that they will return to work for the night shift,' he said The work stoppage had affected production

The workers were retrenched last week following a reduction in the working week which was achieved by cutting production to a three-day week 'Rationalisation' in production was forced through the current economic downturn

Most of the retrenched workers were blacks

A spokesman for the union said workers were angry because of the 'mass retrenchment' at a time when workers were looking forward to more overtime

'The workers were looking forward to returning home for Christmas in happier circumstances But now there is uncertainty because they are not sure of their jobs when they return next year'

President to open plant

19/11/83
D. Dispatch

EAST LONDON —The R6 million steel pressing plant in Queenstown which went into production at the end of last month will be officially opened on November 29 by the State President of the Republic of Transkei, Paramount Chief Kaiser Matanzima

The factory, Stateline Pressed Metal, which will manufacture automative component parts, was built by Jalc Construction, a subsidiary of Jalc Holdings, and will have an estimated turnover of R50 million per annum under their current facility

Mr Derek Soden, manufacturing director of Stateline, said that the factory began sample production in early October and made their first shipments to customers in the last week of October

"Our present commitments go through until March next year which exceeds our most optimistic forecasts," Mr Soden said

"We are presently employing 65 staff in the factory and shall be expanding that labour force to number about 100 employees next year"

Managing director and the man behind the company is Mr Russell Oliveto, an American

Mr A J Maree, a spokesman for the development company, commended the Industrial Development Corporation and the Transkei Government for their support of the project and termed the factory one of the first industrial co-operation projects in Southern Africa

The opening function will be addressed by the Hon R D Madikizela, Transkei Minister of Commerce, Industries and Tourism and the Mayor of Queenstown, Mr A M Shadiack

Mountain of scrap metal

(189) ([illegible]) ([illegible]) E. Post 24/11/83

This is part of the 5 000 tons of scrap metal lying at Port Elizabeth's harbour ready for export to Japan next month It is the third shipment from Port Elizabeth since local companies were forced to find an overseas market when major South African mills withdrew from the Ferous Scrap Distributors, a body which regulated scrap metal prices and distribution, in March.

DORBYL

FM 23/11/83

Heavy going

(189)

The slowdown in activity in heavy engineering and contractual work caught up with Dorbyl in the six months to end-September Attributable profits rose 6,7% at the interim, but the full year's figure is down by 10,6%

The decline was caused partly by a 33% increase in tax, which rose to R16,5m The main problem though was that long-term contracts placed some time ago have been running out and little new work has been offered When new tenders are put out, price competition is intense This applies generally to companies in this sector

Dorbyl group chief executive Keith Jenkins says that there are few exceptions to the flat demand The automotive side has improved to more satisfactory levels in recent months, although it is not clear yet if the recovery will be sustained

There is little sign of any advance in major capital projects Jenkins notes that overall performance can be significantly affected if any new contracts are won, because the work helps reduce under-recovery of working costs The railways products division won two major orders to supply rolling stock to SATS in the past few months, the first since mid-1982 No major fluctuations are expected over the current year from the projects and construction divisions

Dorbyl Marine incurred a substantial loss in the past year, due mainly to a bad contract on the Richards Bay coal terminal which Jenkins describes as bad contractually and in execution But marine activities are generally slow The group hopes to obtain government support to take on an order to build four trawlers for private clients Shipbuilding is not a particularly big contributor to overall activities however

Much will now depend on general economic recovery And heavy engineering may be among the last sectors to benefit from an upturn However, the latest results show that Dorbyl has responded to the competitive conditions with tight asset management and controls Although turnover declined 3,7% to R748m pre-lifo, net income is up 1% to R49,3m Interest payments fell 5,3% to R9,1m

The group has revalued freehold land and buildings to open-market value, creating a surplus on revaluation of R63,2m. After deduction of minority shareholders' interest of R827 000, this was credited to a non-distributable reserve This raises Dorbyl's net asset value to R16 a share, compared with the current share price of 700c

Thanks to a reduction in dividend cover from 3,72 to 3,45 times, the total dividend was maintained at 51c last year Jenkins notes that earnings would have to deteriorate substantially before the dividend will be cut His overall forecast for 1984 is earnings at a lower but satisfactory level, so the dividend looks safe on present expectations

The prospective yield of 7,3% rates the share less optimistically than the sector average of 5,1% and firms such as Abercom (5,6%), Stewarts & Lloyds (6,4%) and Genrec (5,6%) The reason is not clear, unless the market is concerned there may be a sharp deterioration when remaining long-term contracts dry up *Andrew McNulty*

DORBYL SLOWS

Year to September 30	**1982**	**1983**
Turnover (Rm)	777	748
Net income after tax (Rm)	36,5	32 8
Earnings (c)	189,6	175,7
Dividends (c)	51	51

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D Dispatch 24/11/83

70 000 engineering jobs are lost

EAST LONDON — Approximately 70 000 jobs in the engineering and foundry industries were lost between November 1981 and May 1983, the annual meeting of the East London Engineers and Founders Association was told here yesterday

Mr D Braddock, chairman of the association, said that this represented a fall of about 15 per cent in the national work force in the engineering field

In the Border region the labour force dropped by 12 per cent, this despite the industry's efforts to reduce redundancies through the reduction of overtime

Mr Braddock noted that the reduction in the high rate of inflation augured well for the engineering industry

However, he expressed concern about the availability of skilled labour to meet the anticipated upturn in the industry which he identified as being a major factor in the high wage inflation rate over recent years

Mr Braddock disclosed that the number of apprenticeship contracts approved in the industry in East London between January and October of this year had been some 30 per cent below the figure for the same period last year

He appealed to all members of the association not to reduce expenditure on the training of skilled labour

The meeting agreed to change the name of the association to the Border Engineering Industries Association

Mr Braddock was re-elected unopposed as the association's chairman Other office bearers appointed were Mr R Allison, secretary (re-elected unopposed), first vice-chairman, Mr D Graham, second vice-chairman, Mr S H Smith — DDR

LABOUR LAW

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Defining good faith

FM 25/11/83

Since the Industrial Court placed an apparent onus on employers to bargain in "good faith" with a representative union, question-marks have hung over defining exactly what is meant by this concept

Now, in a significant dispute, which could be headed for the court, the issue has been brought up by an employer against a trade union Howick company BTR Sarmcol has declared a dispute with the Metal and Allied Workers' Union (Mawu) The company charges that the union has committed an unfair labour practice for failing to bargain in good faith with it

Sarmcol has requested the Minister of Manpower to appoint a conciliation board to settle the dispute If the board does not succeed in doing so within 30 days, the matter may go before the court The outcome of such a case will have major implications for SA industry

At issue is a dispute over severance pay for a number of retrenched workers which arose after Sarmcol agreed to negotiate a recognition agreement with Mawu The union has demanded that the retrenched workers receive two weeks' severance pay for each year worked It wants to negotiate the pay issue at the same time as the recognition agreement

The company argues that the issues are different in nature and that Mawu is being inflexible for refusing to separate them This refusal, it says, is what constitutes the lack of good faith

Mawu denies these claims It says it has already reduced its demands for severance pay from four to two weeks, and indicated that it will fight the case if it gets to the Industrial Court

Songs as workers freed

~~[illegible]~~ ~~[illegible]~~

189 ~~[illegible]~~

RDM 28/11/83

Mail Reporter

WORKERS at the Kew factory of Barlows Manufacturing burst into song when they learnt on Friday that nine of their fellow workers had been acquitted on charges of assault and public violence

The Metal and Allied Workers' Union said in a statement issued yesterday that it hailed the workers' acquittal as a "vindication of the union and the members' belief in the innocence of those charged".

Charges were laid in June after a work stoppage at the factory Twelve workers were arrested but charges against three were later dropped

All 12 were dismissed by Barlows — with another worker — on the grounds there was enough evidence against them, said the statement

MAWU claimed the workers' evidence was never heard and charged the company with an unfair labour practice and applied for a reinstatement order

The Industrial Court turned down a request by Barlows Manufacturing to refer the matter to the Appeal Court

"After protracted negotiations the company last week agreed to pay wages to the 13 workers for the period from their dismissal until January, with a possible extention until the case is heard in the Industrial Court," said the statement.

Following the workers' acquittal, their fellow workers at the Kew factory have indicated they will ask management to reinstate the men as soon as possible

Union changes stance on legal recourse

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RDM 29/11/83

Labour Correspondent

THE unregistered National General Workers' Union has decided to make use of the Government's official dispute-settling machinery for the first time, its general secretary, Mr Donsie Kumalo, said yesterday

Mr Kumalo said this represented a change of policy as the union had been against using the official machinery in the past Union leaders' new stance would be put to members at a general meeting at the weekend for ratification

He said the change was being made for "tactical reasons" and would involve referring disputes to industrial councils and the industrial court

According to Mr Kumalo, the new stance would enable NGWU to declare disputes with two companies in the Pretoria area, MM Steel Construction and Bold Stone, who he accused of refusing to recognise the union "even though we have majority membership at their plants"

The disputes would be referred to the metal and building industries' industrial councils and, if they failed to settle them, to the industrial court, Mr Kumalo said

"It is an unfair labour practice to refuse to recognise a majority union and we believe both these companies have done this," he said

But a spokesman for Bold Stone expressed "total surprise"at Mr Kumalo's statement

"We are still negotiating with this union and this is the first I have heard of a deadlock or dispute However, you obviously don't recognise a union overnight and we have been holding talks on the subject In fact, we have been waiting for the union to come back to us with a date for further talks," he said

An MM Steel Construction representative also denied the company refused to deal with NGWU

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Mawu calls for reinstatements

Sowetan

30/11/83

THE Metal and Allied Workers' Union (Mawu) is demanding the reinstatement of 13 dismissed workers at Barlow Manufacturing Company following their acquittal in court on charges of assault and public violence.

The workers' appearance was sparked off by an incident after a work stoppage at the factory in Kew Site, Johannesburg, during June this year

In a statement to The SOWETAN yesterday the union said that members at the plant sang and hailed the result as a vindication of the union and the members' belief in the innocence of those charged

The union and members said all along the company had been unfair in their treatment of these workers by dismissing them without allowing them to hear the evidence against them, to question it, or to represent themselves in any way

The company had said that they had sufficient evidence and that they were satisfied that those dismissed were guilty.

As a result of their dismissal the union charged the company with an unfair labour practice, and applied for a reinstatement against the company

In hearing the application, the Industrial Court dismissed the company's request to refer the matter to the Appeal Court for it to decide whether the industrial court was competent to hear the case

After negotiations, the company agreed to pay wages to the dismissed workers for the period from their dismissal until January with the possibility of extending this until the unfair labour practice case is heard by the Industrial Court

The union said that it was demanding the reinstatement of the dismissed workers as soon as possible in view of their acquittal in court

The Federation of South African Trade Union (Fosatu) Barlow Rand Shop Stewards Council is to meet and discuss the outcome of the case, according to the statement

Meat firm sacks 160 over hours

(8)

Star 11/12/8

By Carolyn Dempster,
Labour Reporter

Refusal to work a 12-hour day led to the dismissal of 160 employees of the Fresh Meat Supply Company in Johannesburg yesterday, according to unionists

On Tuesday staff at a branch were asked to work until 6 pm instead of 3 30 pm

They refused and left, said Mr David Makhena, organiser for the Sweet, Food and Allied Workers Union which is seeking recognition

Yesterday morning they were locked out and told to collect pay at 11 am, he said

Union members at the firm's Jeppestown head office came out in sympathy yesterday and were told to leave

Mr Makhena said management said it did not want to talk about the matter and was recruiting other staff

The management representative was not available to comment

2/12/83. RDM 189

Rosholt misinformed over disputes — Mawu

By **STEVEN FRIEDMAN**
Labour Correspondent

THE Metal and Allied Workers Union charged yesterday that the chairman of the giant Barlow Rand group, Mr Mike Rosholt, "has been misinformed" about labour disputes between the union and Barlow Rand subsidiaries

And it implied that it planned to take steps to inform Mr Rosholt of its view of the labour relations situation at Barlow Rand companies

Mawu was reacting to the Barlow Rand annual report, which was released on Wednesday In the report, Mr Rosholt launched a surprise attack on some emerging unions and singled out the Federation of SA Trade Unions (Fosatu), charging that some of its demands were a threat to free enterprise

In a group manpower report within the annual report, Barlow Rand also singled out Mawu for attack, saying its members had been involved in 10 strikes at Barlow Rand metal companies over a six-week period

The report accused some emerging unions of seeking to destroy trust between workers and employers and Mr Rosholt charged that some unions were "singling out large and progressive companies" as a target.

A Mawu spokesman said yesterday the union believed Mr Rosholt's attack had been based on "incorrect and misleading information" which had been relayed to him

This, he said, had led to Mr Rosholt gaining an "inaccurate picture" of the labour relations situation at Barlow Rand subsidiaries which had been the scene of disputes

He declined to say who Mawu believed was responsible for this, but added that the union intended to take the issue further

The union said it would issue more detailed comment on Mr Rosholt's charges after it had studied the report fully

Mr Rosholt's attack was seen as significant because it indicated a sharp hardening of Barlow Rand's public stance on emerging unions

It follows several key disputes between Barlow Rand companies and Mawu in particular, and observers believe that Mr Rosholt's remarks are largely a reaction to these disputes

RDM 2/11/83

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Court bid to reinstate strikers

Labour Correspondent

A MARATHON industrial court action, which centres around the retrenchment of workers at an East Rand factory, resumed in Johannesburg yesterday

The case has been brought by the Metal and Allied Workers Union against metal company Screenex, and centres around a dispute at the company's Alrode plant which ended in a strike last December

The strike, which ended in the dismissal of the strikers, was sparked by retrenchments, and the union alleges that Screenex fired workers in violation of an agreement with Mawu that it would not retrench before consulting the union

It alleges that this is an "unfair labour practice" and is asking the court to overturn the retrenchments

Screenex denies that it broke an agreement with Mawu

An unusual feature of the case is that the court will be hearing oral evidence Usually, industrial court actions centre around' legal argument by the two sides As a result, the hearing is likely to be unusually long

The court sat for three days in September to hear the case and a further nine days have now been set aside for it to hear evidence

The Screenex dispute attracted attention earlier this year when the company refused to attend a meeting of the metal industries' industrial council which had been called to attempt to settle it

Labour law stipulates that disputes about alleged "unfair labour practices" must first be referred to industrial councils where these exist and the company's move was unprecedented at the time

The company's action meant that the dispute was referred directly to the court without the council intervening

Business Day/INDUSTRY

Tube-makers denied export subsidy to US

(189) RDM 2/12/83

By PRISCILLA WHYTE

SOUTH African pipe- and tube-makers have not had anti-dumping duties applied against them by the US Government, although a countervailing duty investigation has been instituted against certain companies.

Mr Hylton Godwin, chairman of the SA Tube and Pipe Manufacturers Association says "The countervailing investigation has culminated in the SA Government signing a suspension agreement with the US Department of Commerce"

The suspension agreement means that certain SA companies exporting steel products to the US may not avail themselves of export subsidies.

Mr Godwin says his association is not a price-setting organisation The promotion of import substitution is as important an objective of the association as the export promotion of tube and pipe

Mr Godwin is critical of the import of tube and pipe into SA, given the need for additional job opportunities

Between 55% and 70% of the cost of tube is steel In Japan, most piping manfacturers have their own steel mills, which permits them to be extremely competitive

SA manufacturers buy their steel from one of two primary producers

Mr Godwin advocates protection of the SA pipe and tube industry at the embryonic stage by means of tariffs

He stresses the inflation problem "All things being equal, countries exporting to SA have inflation rates 4% to 5% lower than SA's No matter how efficient our production, we are still overpriced

"The SA pipe and tube market is worth R300m to R400m a year The market has shrunk by 20% to 25% and 1983 is a year of negative growth

"We have bottomed out, I expect 1984 to be slightly better than 1983, but I am pessimistic about real growth in 1984."

SA pipe and tube consumption may be segmented into welded tube — 85%, seamless — 10% and stainless — 5% Mr Godwin believes ratios will remain constant, with a possible slight increase in the use of stainless tube.

Manufacturers claim to be capable of meeting 100% of the demand for carbon steel welded pipe, 35% of the need foe seamless tube and 90% of the need for stainless steel tube

The technological standard of SA manufacturing equipment for welded and stainless tube is comparable to that of foreign plants

"Stainless steel tube prices have been very depressed Until recently tube was arriving in SA from Japan at prices equal to that of the strip from which the tube is made in SA"

About 95% of all tube- and pipe-manufacturers are members of the association — MRT Bartons, Hall Longmore, Robor/Brollo, Bosal, Tubemakers of SA, Woltube and SPI Most are members of Seifsa

Mr Godwin does not expect an increase in the price of steel for tubemaking before July 1984

The industry employs over 8 000 people and will have consumed about 600 000 tons of strip by the end of the year

Mr Godwin said the foundry industry had experienced difficult trading conditions in 1983 and he was aware of many planning to close for the whole of December because of a lack of orders

(189) S. Express 4/12/83

Iscor MD to retire next year

THE chairman of Iscor, Dr Tom Muller, yesterday announced his retirement and a reorganisation of the corporation's top management structure

Dr Muller, who has been chairman of Iscor for 13 years, will retire in May next year

The Cabinet had decided to appoint the present managing director, Mr Floors Kotzee, as the new chairman

A statement released in Pretoria by Iscor's board of directors said the reason for Dr Muller's retirement were the increasing demands of his private interests and other directorships he holds in the Iscor group, which will not be affected when he leaves office.

The Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers, had decided to appoint the present divisional managing director (steel industry), Mr Willem Van Wyk, in Mr Kotzee's place as managing director

"In view of these appointments, the increasing role Iscor has in the management of its subsidiary and associated companies and organisations, and the added burden placed on top management by the takeovers of the Hlobane colliery and the Dunswart steel works, the board of directors have decided Iscor's top management structure must be reorganised."

A number of other senior appointments were also announced in the statement. — Sapa.

Critical eye cast on foundries

(189) ROM 5/12/83

By GAIL PURVIS

AVERAGE monthly production of good foundry castings decreased between 1980 and 1982-83 by about 18%, says Dr George Bereza, former president of the SA Institute of Foundrymen

In some foundries production decreased by as much as by 64% Eight foundries maintained production and three increased output.

The average for scrapped castings was 5,9% with the highest recorded at 15% and the lowest at 2%.

Dr Bereza bases his information on findings from visits to 60 foundries.

Major customers were mining, 26%; general engineering, 13%; Escom, 8%, automotive, 7%; and agriculture, 7%

Dr Bereza notes that major complaints were lack of work and shortage of skilled personnel. These were followed by the depression, the quality of raw materials, very low pricing of castings and lack of money.

Foundries opted to fight the depression mainly by reducing labour (32%), containing expenditure (11%), extending the range of products (9%), and stopping overtime

Only 7% each opted to control stock levels and improve efficiency.

Summarising his general impression of the foundries visited, Dr Bereza found 32% neat but 20% untidy

"Among the varied subjects requiring further investigation are a book of reference of foundry materials, information on sand inclusions and why young people don't take a pride in their work"

189 Star

7/12/83

Cheaper ore call by Japan's steel makers bound to hurt Iscor

By Duncan Collings

Reports that the major Japanese steel manufacturers are seeking a cut in the price of imported iron ore next year do not bode well for Iscor's troubled Sishen iron ore mine

The Star's Tokyo correspondent, Geoffrey Murray, reports that Japan's top steel producer has issued an early warning that the price of imported iron ore will have to be cut in fiscal 1984 beginning next April

This emerged from preliminary contract talks yesterday between Nippon Steel Corporation and two top Australian iron ore producers, Hammersley Iron and Mount Newman

Nippon Steel executives warned that the Japanese steel industry faced a stringent situation

They said that the five major blast furance mills had reported their combined losses in the April-September period at about R500 million

In order to rationalise their business to assure survival, the mills were compelled to cut raw material costs as much as possible, the Nippon Steel officials were quoted as saying

They noted that electric furnace mills now accounted for almost 27 percent of Japan's total steel production, compared to 17 percent in the past

This important change was due mainly to the fact that steel produced by the blast furnaces was almost R50 a ton more expensive, caused by a widening gap in the cost of steel scrap used as the mainstay in blast furnaces, the officials explained

Concrete negotiations for fiscal 1984 iron ore contracts are expected to begin in early January

Iscor, which is a major exporter of iron ore to Japan's steel industry, has already been hard hit by the world steel slump brought on by the recession

In the year to June 30 1983 iron ore exports by Iscor from Sishen were worth R221 million, a drop of 14 percent over the previous year's R257 million

Last year's sales represented export sales — both to the Orient and to Europe — of 8,1 million tons of iron ore

At the time of the annual report in September, Iscor said the disparity between supply and demand of iron ore was assuming ever-increasing dimensions

It had already resulted in intensified competition among world iron ore producers, which in turn had resulted in US dollar price reductions of some 12 percent on average being applicable to iron ore exporters in general and also to Iscor

It was expected that the imbalance in the iron ore market could continue up to the 1990s

If this happened, the already reduced rate of production at the Sishen mine would be affected further and exporting of the ore through Saldanha Bay might become even more unprofitable

The news today from Tokyo appears to bear out Iscor's fears

Court told of unfair dismissals

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Sowetan 8/12/83

By JOSHUA RABOROKO

A NEW unregistered work force recruited from Bushbuckridge was employed to replace the striking migrant labourers at Screenex Wire Weaving manufacturers on the East Rand, it was claimed in the Johannesburg Industrial Court yesterday.

The Transvaal organiser of the Metal and Allied Workers' Union (MAWU), Dr Bernard Fanaroff, told the court he raised this matter with East Rand Administration Board officials, who told him there was a shortage of manpower in urban areas and that this had contributed to the recruitment of migrants

The Industrial Court hearing followed an application by the union that Screenex had refused to renew contracts of its workers and had retrenched them on December 2 last year

The retrenchment of the workers was followed by labour unrest which culminated in the dismissal of the strikers by management In papers before the court the union maintains that the company has constituted an unfair labour practice by retrenching the workers and dismissing others

Dr Fanaroff said he had earlier made several attempts to contact the company with a view to talking to them about the situation at the plant These attempts were to no avail

He discovered that after the workers were dismissed management had recruited migrants from Bushbuckridge He demanded an explanation and later wrote a letter demanding to meet management

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Work stoppage over pay bonuses

Star 13/12/83

Pretoria Bureau

About 600 workers at Silverton Engineering in Pretoria downed tools yesterday because they were unhappy with the yearly bonus payouts.

The work stoppage started shortly after the workers received their bonus money. They were apparently dissatisfied with the amount and decided not to return to work

A source close to the workers said today the payouts were "far less than those of last year. They received between R100 and R200 last year".

The source said the workers were told to go home with the proviso that they returned to work today. They were apparently told that those who did not report for duty would be fired.

Mr Bill du Toit, personnel manager of the company, said there was a misunderstanding about the bonus money.

"We adopted a new system this year. The public holiday fund was deducted from the bonus money because it is now included in the annual leave pay."

The new procedure had been explained to the workers and everything was back to normal, said Mr du Toit.

"There have been no dismissals and everybody is back at work."

NATIONAL/COURTS

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'One-day notice' — Fosatu angry

ARGUS 13/12/83

Labour Reporter

THE Federation of South African Trade Unions (Fosatu) is angry about a metal industry proposal to introduce a new contract enabling employers to dismiss migrant workers with a day's notice.

The Steel and Engineering Industries Federation (Seifsa) has recommended the contracts

The Metal and Allied Workers' Union (Mawu), a Fosatu affiliate, has already criticised the new measure, as have the Council of Unions of South Africa and the Black Sash

The latest issue of Fosatu Worker News reports that some workers have already been given contracts "with a new stamp on them", specifying that after an initial period of one month the workers would be employed on a daily basis

Defended

A Seifsa spokesman defended the move, saying the recommendation was to ensure that "all employees are on an identical basis as far as the termination of a contract is concerned"

The spokesman said that before the move only workers with permament urban rights were employed on a daily basis, while migrant workers were on a fixed-term contract

However, in its newsletter Fosatu says Seifsa has forgotten that migrant workers "do not enjoy the same 'privileges' as urban workers

"Losing a job for a migrant worker means being shipped to the 'homelands', where poverty and drought reign supreme"

Resistance

Mawu, Cusa and the Black Sash have criticised Seifsa for introducing the measure without consulting the workers

The newsletter also reports that "Mawu and other independent unions are gearing themselves up to resist the introduction of the new contract"

The Seifsa spokesman said Seifsa had not monitored the extent to which the recommendation had been taken up by various employers

6 Business Day

189 RDM 15/12/83

Price cuts to beat stainless-steel threat

Industrial Editor

PRICES of SA stainless-steel products will have to be reduced to combat the threat from imports.

The journal of the Southern Africa Stainless Steel Development Association (Sassda) advocates price reductions as one of several measures to discourage imports of fabricated stainless steel It says stainless-steel imports are increasing at the expense of SA industry

Imports are encouraged by

- Specifications laying down quality, material and delivery stipulations which SA suppliers are unable to meet.
- Import tariffs on stainless steel which are lower than those applied by South Africa's trading partners
- SA's relatively high inflation rate making SA products less competitive than imports

"It is a known fact that the stainless-steel industry in SA has engendered a loyalty from end users which goes beyond normal practice However, the gap between local and foreign prices is now too great to be bridged by loyalty and patriotism "

The answer lies in bold and firm action to

- Reduce product prices
- Apply fair import protection within the scope of the free market.
- Offer acceptable deliveries and quality
- Provide financial packages equivalent to the low cost of offshore finance
- Concentrate on marketing the SA industry's capabilities

"These conditions will be difficult to apply Apart from the prime producers, the stainless-steel industry comprises a large number of small companies manufacturing an extremely wide range of products"

Many people who run these small companies are entrepreneurs without formal management education who have seen an opportunity and have merely applied their skills

Sassda and its two sub-groups, the Heavy Fabricators Association and the Light Gauge Manufacturers Association, represent 232 members in the industry.

Parow firm to reinstate workers

CAPE TIMES 15/12/83 189

Labour Reporter

A PAROW engineering firm, Plaza Engineering, yesterday backed down in the face of an industrial court action brought by the General Workers' Union (GWU) and agreed to reinstate 13 workers it retrenched earlier this year

The workers, who were laid off in September, will be reinstated pending the negotiation of a "mutually acceptable retrenchment procedure", according to a statement issued by the GWU yesterday

In the process, they will receive arrear wages amounting to about R10 000 for 2½ months of the three months in which they have been out of work.

Agreement was reached in an out-of-court settlement between the two parties before the industrial court was to hear an application for reinstatement of the workers and payment of arrear wages yesterday

In its statement the GWU said it was "satisfied" with the settlement and added "Had management agreed in the first place to negotiate in good faith with the representative union, it would not have been subject to the heavy financial commitment which the settlement extracts"

A union spokesman said the workers were likely to be retrenched again, but this would now occur in terms of a "proper retrenchment procedure"

According to the spokesman, the firm informed its workers on September 15 that it would have to lay off workers but said it would consult the union shop stewards' committee before doing so

However, it retrenched 16 workers the next day without consulting the committee or the union

The GWU brought the court action after the firm refused to reinstate the workers and negotiate their retrenchment Three of the workers concerned had subsequently been re-employed

The spokesman said the union would continue to press for a recognition agreement

RAND DAILY MAIL, Friday, December 16, 1983

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Nat Bolt takeover talks in progress

By PRISCILLA WHYTE

NEGOTIATIONS are in progress for the acquisition of the major shareholding of National Bolts

Mr John Bryant, the managing director, says Form-Scaff is negotiating the deal Grinaker holds 64% of the shares and Anglo Transvaal Industries 12,5% The bid is for the takeover of their shares

The ultimate holding company is Anglovaal Mr Bryant declines to say what the deal is worth According to the balance sheet at the end of June the net asset value was R18,1m with a total of 4 837 500 ordinary shares issued

Mr Bryant expects the negotiations to be concluded early next week.

National Bolts shares were suspended from the JSE at the request of the company on December 12 when they were trading at R2 They came back on the market on December 14 with buyers at R2,50 and sellers at R3,50

Conditions in the bolt industry are poor Mr Bryant says there have been no improvements since National Bolts' financial results to June were released

National Bolts had an attributable loss of R1,6m, against 1982's profit of R1,6m The overall tax loss would have been R0,6m higher were it not for a tax credit from the previous year

No information on turnover figures for last year were given. It seems almost certain that sales were hit by difficult trading conditions in the fastener market

National Bolts' decision not to disclose turnover figures was almost an admission it was struggling to maintain market share

The R100m to R150m a year fastener industry is suffering from chronic over-capacity

About two and and a half years ago National Bolts, Cut Steel and IFM invested heavily in capital expansion programmes

Last August, Mr Graham Pearson, the chairman of the SA Fastener Manufacturers' Association, said "The fastener industry continues to be in a state of over-capacity and the market is tremendouly aggressive Prices are dropping lower and lower. With the last Iscor price hikes and Seifsa's wage increases, it is doubtful if these inputs will be passed on to the end user This will be a further blow to profitability.

"It is feared the the Board of Trade and Industries cannot cope with the crisis in secondary industry It would be far easier and more profitable for fastener manufacturers to close down their factories and import "

He says the Government protects base industries but treats secondary industry like a poor relation The fastener industry is being hammered by imports from all quarters

HLH selling off Blaikie-Johnstone, Wolhuter Steel

Barlows in R96m deal

189 ~~[illegible]~~ ~~[illegible]~~ RDM 19/12/83

By HOWARD PREECE

BARLOW Rand is buying control of Blaikie-Johnstone and the total equity of Wolhuter Steel for R96m cash from Hunt Leuchars and Hepburn.

An offer to the Blaikie minorities will also be made, which will put a final tag of about R105m on the whole deal

Barlows is acquiring Wolsteel for R50m through Robor Industial Holdings, which is to be listed on the Johannesburg Stock Exchange today

Blaikie-Johnstone (Blajohn) will be put together with Federated Timbers through a reverse takeover.

The Competitions Board has given provisional approval to the various proposals

It appears that HLH made the first approach to Barlows — and that the whole package was organised and agreed to in 10 days

HLH says it is selling Blaikie and Wolsteel because it wants to "concentrate its resources on fewer activities"

It will use the R96m cash injection to "increase the pace of development in its timber division and to further expand its steel-processing interests"

HLH is an industrial holding company with interests in steel, hardwood timber, building materials, instrumentation and marine engineering.

In the 18 months to August 31, the group made a net profit of R20,5m from a turnover of R730m

The sale of Wolsteel — one of South Africa's largest steel merchants — is no great surprise

The division's contribution to HLH net income slumped to 17% in the last accounting period, against 39% in the previous year.

But the sale by HLH of its 100% stake in W J Johnstone, which has 84% of Blajohn, is something of a turn-up

Control of Blajohn, SA's largest distributor of building materials, was acquired by HLH only two years ago when it bought W F Johnstone for R39m

Mr Chris Perry, the chairman of HLH and of Blajohn, spoke glowingly of Blajohn in the company's annual reports last month

He said "The blending of professional management with the highly developed trading skills which have existed for some time will ensure the group is even better placed to increase its profitability significantly."

Blajohn accounted for 32% of HLH's group income

However, HLH will certainly welcome the cash proceeds from the sales of Wolsteel and W F Johnstone

In the 18 months to August, the group's gross profit of R61,8m was sharply depleted by interest charges of R20,9m

In any event, everyone concerned seems satisfied with the deal

Mr John Maree, the chairman of Barlows building materials, steel and paint division, says one great advantage of the deal is that Barlows will have listed companies — Blajohn, Robor and Plascon Evans — heading each section of the division

This overall division will now have net assets of R446m and sales this financial year of R1 353m

Barlows is paying the equivalent of R5,50 a share for Blajohn Blajohn minorities will have the option of a similar offer or staying with the enlarged company after Federated Timbers has been reversed into it

Federated Timbers has an annual turnover of R354m, against R168m for Blajohn

The total building materials market is put at R3 380m by Barlows

The Wolsteel deal is said to be at net asset value, while Barlows has paid a substantial premium for Blajohn

The test for Barlows will be whether it can make more profitable use of the Wolsteel and Blajohn assets than HLH apparently thought it could

Mr Maree is confident that Barlows is on to a winner. Time, and the economy generally, will tell

R100m group adds zip to fastener industry

(187) RON 21/12/83

By PRISCILLA WHYTE

A R100m fastener industry group headed by Form-Scaff, South Africa's largest scaffolding and formwork undertaking, has been created

Form-Scaff anounced yesterday it was taking over the IFM group

Last week, Business Day reported that Form-Scaff was buying control of National Bolts from Grinaker The deal was confirmed on Monday

Form-Scaff becomes the holding company of IFM, which will have control of Nat Bolts

This involves a reverse takeover by which Form-Scaff's main interests will be listed on the Johannesburg Stock Exchange through IFM

Full details of the Form-Scaff/IFM deal have not yet been announced Shareholdere in IFM and Nat Bolts are advised to exercise caution

Mr J Liebesman, the managing director of Form-Scaff, says the new group will have just under 50% of the fastener industry

Informed sources believe the new group could end up with as much as 75% of the market

A statement yesterday said the Competitions Board had been consulted about the various Scaff deals

Form-Scaff is acquiring Grinaker's 78% stake in Nat Bolts for approximately R12,3m (subject to audit of net asset value)

In addition, Nat Bolts will acquire the whole of IFM for R13,5m cash

But IFM will acquire the South African Formwork, Builma, Skyhooks and Auto-Scaff divisions — valued at R13,5m — in exchange for the issue of 8 550 000 new ordinary shares to Form-Scaff

IFM will also acquire the Form-Scaff holding in Nat Bolts

The end result is that Form-Scaff, the top company, will hold 52,5% of the aggregate of the ordinary shares and convertible debentures of IFM, which will hold 78,6% of the ordinary shares of Nat Bolts

Shares in IFM rose 20c yesterday to 150c National Bolts shares

TO PAGE 12

New group in fastener industry

(189) RON 21/12/83

FROM PAGE 1

jumped 10c to 315c after a sharp advance on Monday

The combined assets of the Form-Scaff/IFM/Nat Bolts group will be around R100m

The official announcement says the various deals are "a means of merging the compatible fastener businesses of National Bolts and IFM within National Bolts and constituting the main South African interests of the Form-Scaff group within the listed IFM".

The IFM directors control the company. The only significant minority shareholder is Union Steel

IFM had a gross profit of R3,75m last year

The fastener industry — turnover is reckoned to running at R100m toR150m — is suffering from chronic over-capacity and may well be in need of rationalisation.

Mr B Kaminer, the chairman of Form-Scaff, will become the chairman of IFM and the deputy chairman of National Bolts

Mr Liebesman, the managing director of Form-Scaff, will become managing director of IFM and the chairman of National Bolts

Cape Times 21/12/83

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Fastener takeover holds JSE interest

By MIKE JENSEN

JOHANNESBURG — Interest at the Johannesburg Stock Exchange focused on National Bolts and Industrial Fastener Manufacturers which were involved in a complex takeover deal yesterday.

After passing paper worth almost R40m between National Bolts, IFM, and private scaffolding company Form-Scaff, a giant in the fastening industry has emarged with assets of about R100m Form Scaff is the unlisted pyramid which now controls IFM which in turn controls Nat Bolts

Investors showed confidence in the new arrangements and National Bolts reached a record high for the second day running, up 35c on Friday's close at 315c IFM rose 20c yesterday to 150c

Tuckers was the other feature of the day as the share was suspended following renegotiations of the Topaz deal It last traded at 630c

With bullion demonstrating continued support above the $375 level buyers appeared for most gold shares and prices firmed throughout the day.

Interest from London was significant, especially in golds and platinums.

Of the golds traded only three were down and eight unchanged ERPM shed 25c to R17,75, Egoli 5c to 180c and St Helena 50c to R38 The biggest gains were made by ET Cons up 75c to R29,75, WR Cons 45c to 810c, Kinross 75c to R27,50, President Steyn 150c to R53,50, and Venters 50c to R17.

Both Randfontein and Western Areas rose by less than their declared dividends. Randfontein declared an 800c div and added 550c, and Western Areas declared a 40c div and added 25c

Platinum counters firmed with Lydenburg up 5c to 945c and Rustenburg 35c to R12,85 on foreign buying

Mining financials ended thinly mixed with only 10 shares showing movement Amgold gained the most, firming 200c to R131 TC Land shed 50c to R42, as did Wit Cons to R19.

Trading in industrials was generally lacklustre and shares closed mixed but slightly up — the JSE Actuaries industrial index gained 10 points to 867,7.

Investors showed interest in HLH following press reports that the company was cash rich and ready for acquisitions after the sale of Blaikie-Johnston and Wolhuter Steel The share rose 20c to 950c

Messina encountered sporadic profit taking and edged 20c lower to 475c. Stores were one of the few remaining sectors actively traded and shares ended mixed with four down and five up Clicks shed 20c to 670c, Kimet firmed 10c to 190c, OK added 25c to R21, and Wool-Tru A's down 50c to R14,50

In transport Safmarine shed 20c to 550c

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REINALD HOFMEYR

Barlow Rand and Fosatu

In its 1983 annual report, Barlow Rand questioned certain objectives of the Federation of SA Trade Unions (Fosatu) and expressed concern about some of its affiliates' strategies. The *FM* spoke to Barlow Rand Group Industrial Relations Director Reinald Hofmeyr about these and other labour issues.

***FM*: The Barlows annual report cites the need for a *modus vivendi* to be found with some Fosatu unions Will it be possible to find common ground with them during the coming year?**

Hofmeyr: I think the year ahead is going to be an extremely difficult one Perhaps at this point I should say that where the press is talking about a change of stance on the part of Barlows or a hardening of attitudes, that is not really the way we see it.

The great cause for concern in our minds is the fact that there definitely has been a deterioration of relationships between some of our companies and some of the Fosatu unions And here we find ourselves in a bit of a catch-22 situation in that we were one of the very first major companies to say publicly that we respected the right of our employees to decide by whom they should be represented We agreed to negotiate with unions regardless of whether they were registered or unregistered, and regardless of whether they were parties to industrial council agreements or not

This drew a great deal of sharp criticism from some employers and employer organisations on the basis, as they put it, that we were "letting the side down" We are unrepentant We still believe it is the best line to follow, and I think we have shown our good faith by the very large number of recognition agreements we have concluded

Yet it is from these very unions that we have recognised — against the advice of other employers — that we now face this increasing hostility

The last thing we want is confrontation, but we are really facing some extremely grave difficulties in our relations, particularly with the Metal and Allied Workers' Union and the Paper, Wood and Allied Workers' Union We are having to contend with loss of production due to wildcat strikes, bans on overtime, violence against non-strikers in one instance, attacks on our chairman and snide remarks about our code of employment practice — a code which we take very seriously

I think we will have to come to some sort of accommodation with the unions in this regard if a *modus vivendi* is to be found I don't think we can continue to tolerate some of the methods that are being used

Would it be correct to say that much of the breakdown in relationships is being caused by an apparent drive by some unions towards greater worker and union participation in decision-making?

Yes Dealing with Fosatu for the moment, this greater participation in decision-making is entirely in line with their long-term objectives as we see them, and as they were spelt out in (Fosatu general secretary) Joe Foster's policy statement at the Fosatu congress

We believe that capitalism, despite whatever faults it may have, is still the best recipe for sorely-needed economic growth We have great difficulty in accepting the signing away of what we perceive as management's obligation to take certain decisions in the interests of the people who provide risk capital and enable us to survive and grow

So while we are prepared to negotiate on any matter relating to the contract of employment, we have been unwilling to enter into recognition agreements where we or our companies are called upon to negotiate on any matter of "common interest," which obviously would include such things as where you site your plants and what production methods you use And this, I think, is possibly a cause of frustration and annoyance on the part of some unions

Are there not some issues where such union participation can be useful — for example, productivity, retrenchment and safety?

Yes Retrenchment is, of course, a very difficult issue But while we would not negotiate on whether retrenchment is necessary, we would certainly be happy to negotiate on possible alternatives to retrenchment In fact, unions have been very helpful with their suggestions on some occasions There can also be negotiations over the criteria to be used to determine who should be retrenched Compensation for retrenchment is a very fair issue for negotiation as well

Slow progress is being made in talks between the Chamber of Mines and white-led mining unions over the phasing out of discriminatory practices Do you think an agreement can be achieved in 1984 on, for example, allowing black workers to hold blasting certificates?

I am not optimistic because there has been no softening, to my knowledge, of the attitude of the Mineworkers' Union I think sooner or later government will simply have to do what it gave notice of doing — and that is in the absence of some agreement, to intervene The restriction of blasting certificates to certain race groups is unacceptable

Some Barlows companies have faced inter-union rivalry during the past year What approach should management adopt towards such a problem?

I think we have been very clear about this ever since we issued guidelines to our managers as far back as 1980 We believe managements should remain completely aloof in this situation We think it is unfair and fatal for any management to explicitly or implicitly show any preference for any particular union

Rivalry is something we are simply going to have to live with, and I think that where it exists, sooner or later one party will emerge as the party by which employees wish to be represented I think it is significant — although our packaging companies have received scant credit for it from the unions — that we have in fact managed to get exemptions from the closed shop agreement in the printing and packaging industry in four cases where the majority of people in the plants concerned clearly demonstrated that they wished to be represented by the Paper, Wood and Allied Workers' Union, and not by the SA Typographical Union

What should be done to improve the functioning of the Industrial Court?

There are two elements here The first is that it is very necessary that the concept of the unfair labour practice should be more closely defined in legislation The second, and equally important thing, relates not so much to the functioning of the court, but to the legislation in terms of which it has to operate If one takes a look at that legislation in, I would say 99 cases out of 100 that come before it for a *status quo* order, the court really has no alternative but to grant the order on the basis of balance of convenience So I would regard it as very necessary that that legislation should become more circumscribed