MANUFACTURING - Iron & Steel

1-1-81 - 31-7-81
MACHINE TOOLS

Buying German

German machine tool manufacturers are expecting SA sales to bring in a handsome $75m this year, which will give them at least a 12% share of the projected $500m market.

The figures are based on statistical data from the Federal Bureau of Statistics in Wiesbaden and indicate a 72% increase in imports of tool and machine machinery, which is a sure indication of a continuing trend in this field.

In the first four months of 1959, German machine tool manufacturers produced 20% more in the same period than in the corresponding period of 1958. The figure is expected to continue upward in the second half of 1959. The Deutz and Munich Firma said sales for the first three months of 1959 increased by 20% over the same period of 1958, with orders for the second quarter expected to be good.

Prices of German machine tools have not changed significantly over the last three years, says the Chamber's Nikolaus Von Veitscher. The low rate of inflation in Germany is one of the main reasons for this stability. Von Veitscher says that manufacturers have kept export prices stable since 1959, and only started dropping them by 10% due to changes in production philosophy.

German statistics show that SA 70th in imports into the US on the list of importers during 1958. During the first half of 1959, SA had moved to the 15th position, says Rebecan MD Burkhard Herrmann. He is expected to move even higher next year. Rebecan says that exports to the US will continue to rise during the second half of this year.

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

Herrmann says research done by his company indicates that prices increases and currency fluctuations over the period 1957-1960 meant a 41% increase in prices of German and American machine tools over the period. There was a 25% increase in Japanese prices, 8% for Italian machine tools and 9% for British models.

West Germany has to and will battle against the onslaught of countries like Japan and Italy, he says. Rebecan however, has no doubt whatsoever that in the coming decade the West German machine tool exports will again be in the region of 25%.
ALL ASSENDING PLANTS ON DOUBLE SHIFT

TRADE... Associated Engineering is the first in the field in South Africa to build a new $6 million plant. A development of note was the company's first order from South Africa for a new plant. In the past, the company had supplied the needs of South Africa for a plant.

GOOD YEAR... He believes the company's future a good one, with a good prospect of a further improvement in earnings.

Mr. Dave says that the shareholding will look forward to a further improvement in earnings. The earnings of the company in the 12 months ended September 30, 1948, were $10.7 million, an increase of $5.3 million over the previous year. Dividends totaling 4.5c have been declared, compared with 5c last year.

The company has proposed a bonus of 5c per share, in addition to the dividend, to improve the marketability of the ordinary shares and to place sufficient unissued shares available to entitled shareholders.

The company's plans for further expansion are designed to meet the increasing demand for engineering products in South Africa. The company has already started work on a new plant, and is confident of future growth.

Chrysler loan talks... The company has proposed a bonus of 5c per share, in addition to the dividend, to improve the marketability of the ordinary shares and to place sufficient unissued shares available to entitled shareholders.

The company has proposed a bonus of 5c per share, in addition to the dividend, to improve the marketability of the ordinary shares and to place sufficient unissued shares available to entitled shareholders.

The company has proposed a bonus of 5c per share, in addition to the dividend, to improve the marketability of the ordinary shares and to place sufficient unissued shares available to entitled shareholders.

The company has proposed a bonus of 5c per share, in addition to the dividend, to improve the marketability of the ordinary shares and to place sufficient unissued shares available to entitled shareholders.
Strikers back but not working

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

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

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

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

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

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

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

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

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

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

Mr Seddon said about 100 of the metal workers were suspended, while 300 others were on strike. Work was halted in the plant and the company took action to reduce the pay of non-striking workers.

It was understood that the workers were not union members and the company had suspended them on disciplinary grounds.

The strike was called by the National Union of Metalworkers on December 22, when workers allegedly walked out without satisfying their demands.

They were then paid and told to go home and to return yesterday.

Mr Seddon had then assumed that the strikers had been influenced by an increase which had allegedly been given to a nearby motor plant — BBC.
Meta! Box workers walk out

PRETORIA - More than 500 workers at the Meta! Box plant in Roos and Pretoria walked out yesterday after talks with management had broken down.

A spokesman for the company, Mr. J. S. Seddon, said that the workers, who went on strike nearly before Christmas, had returned to the plant on Monday but had not entered the premises. He added:

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

The men were expected to report for work today and management was confident that the deadlock would be broken.
30,000 new jobs expected from investment spending

By Michael Chester
Financial Editor

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

The Steel and Engineering Industries Federation revealed today that new capital investment is expected to soar to R7.06 billion by 1985 — bringing the number of new jobs in the pipeline to 163,000.

Dr Fred Drummond, executive director and the labour force of the companies inside SIFESA, had already been increased by 9.2 percent to 510,000 in the economic boom last year.

But now the industries were poised to boost capital spending as much as one-third to a new record of R8.99 billion in 1985 and still higher peaks over the next four years.

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

SIFESA forecast that although the pace of growth in 1985 may not match the eight percent achieved last year at the peak of the boom, economic demand was expanding in inflating inventories and high property rates were likely to tide over into the '80s.

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

Dr Drummond said that even at the upturn held off during the year, any downturn towards the end of 1985 would be relatively mild and short.

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

"The initial momentum may slow down well into 1985, but with "several years in the future," said Mr Drummond."
Match workers strike

Own Correspondent

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

The managing director of Lion Match, Mr R. W. Harker, said from Durban today about 220 workers were involved in a walk-out. The strike took the company by surprise because the workers' lot was improved substantially towards the end of last year. This strike began when workers returned from a three-week holiday this week. They demanded a substantial salary increase and, because there was no one to answer their demands immediately at the Rosslyn plant, they walked out, Mr Harker said.

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

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

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

A spokesman for the Dorbyl Group Projects plant denied a morning paper's report that workers there had gone on strike.
A spokesman at the African Telephone Cable Company said there was no strike at the factory and refused to comment further.

Strikers at the Lion Match Company in Roos- tuin where workers went on strike for a R71 per week wage demand, have been given an ultimatum to return to work on Monday, failing which they would be paid off their pensions.

This is done by the u
the project
and end
boatage should begin
and be preceded for purchasing

Once answers to all these questions are obtained it is now possible to

What is the priority of the job under consideration?

How much time must be allowed for inspection?

How many raw materials and parts are already in stock

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

How long does it take to make or buy the necessary raw materials and parts?

How long does it take to produce (obtain) the necessary operators booked up for production?

How far ahead are the departments' machines, and other departments involved in the order

What is the production capability of particular machines?

To develop a detailed schedule it is necessary to find answers to even
Although profits have virtually doubled over the past two years — after the 1973 recession — profitability as measured by such ratios as gross margin on sales and return on capital employed has only just managed to nudge above the 1977 peak. This underlines chairman Doug Ellis' comments on the stiff competition still being experienced in some sectors of the heavy engineering industry and the need to continue efforts to improve group performance in what he calls a capital-intensive, high technology and high risk market.

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

The bottom line, however, presents a more cheerful picture with the net return on equity of 17.5% almost four percentage points above the 1977 level. This reflects mainly a lower tax rate as the group is in the process of merging accrued losses and capital allowances, coupled with better gearing. The debt-equity ratio for 1980 of 48% compares with 57% three years earlier. This again reflects the capex programme, plus the additional working capital needed to support a higher level of activity.

Last year's capex was R18.6m compared with R21.5m in 1979 (excluding acquisitions) but is expected to increase to R46m in the current year. Ellis believes this expenditure is necessary because "the dominant position held by the group in many sectors of the engineering industry is constantly under attack both from local competitors and from imported equipment." To maintain its position, the group therefore needs to constantly add to and update its facilities.

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

With the higher level of expenditure it can be predicted that the group tax rate will continue to benefit from capital allowances. Although Ellis says that the overall debt is likely to be higher this year as a result of the capex programme.

Dorbyl has entered the current year with a strengthened order book of R150m up from R120m at 30 June and improved results are expected from virtually every division. Apart from the fact that the economic cycle has now reached the stage of a marked increase in fixed investment, the group should start to reap the full benefits of last year's reorganisation in which operations were re-grouped administratively and functionally and resuscitation of some major subsidiaries.

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

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

Some idea of the impact can be gained from the fact that while the group was applied to only about half of the group's raw materials last year, the adjustment to pro capa for profit would have been some R1.6m, and after tax R1.1m.

It is probably over-simplistic merely to double this to estimate the full effect of this nevertheless indicates potential for various dividend increases which have already been covered by way of earnings instead of 3.7 on the historic cost figure.

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

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

On balance, it seems that this year's dividend growth should at least equal 1980's 25%, which implies a minimum distribution of 4%. Although the share has zoomed from 50c at the time of the prospectus to the current 66c, the prospective yield is still attractive at 7.5%.
Sixty other monthly-paid workers joined the 50 strikers yesterday.

And at the Lion Night factory in Pretoria, management told 370 workers that 260 strikers broke down on Wednesday and the rest were dismissed. The mayor and assistant director, Mr. H. W. S. K., said,...
DORBYL, AEI SHOULD GAIN FROM CAPITAL SPENDING BOOM

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

At the same time the Standard Bank reported that Escom is planning to double its generating capacity by 1986 at a cost of R11 000-million, and the Railways are planning to electrify all major routes by 1985 at a cost of R300-million.

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

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

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

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

Dorbyl has just had a highly successful year. Income before tax jumped 73.6 percent to R32.4-million. Share earnings after taxation and other payments rose 89.9 percent from 77.5c to 147.2c and the dividend payments were increased by 25.8 percent — from 31c to 38c a share.

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

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

Last year, for example, turnover measured by the value of completed contracts increased by only 9 percent, but the amount of goods invoiced actually increased by 30 percent to R565-million from R429-million. This clearly points to the company experiencing a growing volume of business.

RISK

Another reason why Dorbyl's profits are expected to improve this year is that it is increasing its profit margins. In 1979 the percentage of pre-tax profit to sales was a miserable 4.1 percent, which was little better than that achieved by a supermarket chain.

In 1980 the margin improved to 6.5 percent. But this is still nowhere near where it should be, says the chairman, Mr C D Ellis.

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

Dorbyl's shares are priced at around 560c and give a return of 6.0 percent on the 38c dividend recently declared.

As it appears that Dorbyl could easily increase its dividend payments this year by at least 30 percent and probably achieve a similar rise in 1981, its shares would seem a good investment.

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

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

In 1979 NEI increased its turnover by 19.9 percent, and its operating profits before tax by 21.4 percent. Taxed profit amounted to R3 882 000, equal to 75.3c a share out of which dividends totaling 38c a share were declared.

TIME

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

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

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

NEI's shares are about 700c at present. Should the final dividend be increased by the same proportion as the interim they will give a return of 6 percent at this price.

With this year expected to see a further strong improvement in NEI's performance, this too seems to be a most promising investment.

Meanwhile, buying NEI shares now will also confer a bonus as any investor too could, expect to receive two final dividends, the one interim dividend within the next 13 months.
Security Police help to sort out pay row

By Langa Shesana

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

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

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

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

When the factory reopened yesterday, the paid-off workers were told they could be rehired.

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

D. H. Pryce Lewis

For the best work in fourth

Obourn Prize

S. Read

For the best final year student.

General J. B. Harthog Prize

D. H. Pryce Lewis

For professional practice.

Mr. Proctor Prize.

Miss C. Fredgood

In this year.

For the best woman student.

Molly Good Memorial Prize

P. A. Haggard

For a student who has

Mr. Gardiner Travel Prize

P. F. Dunkley

Sixth Year

For the best student in the

Architecture Prize

Cape Provincial Institute
"Lock-out: union plans court action"

Labour Reporter

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

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

But Mr. Peter Nel, personnel director of the firm, denied any workers had been fired. He said work had returned to normal at the Springs plant.

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

Police were called in by Raleigh officials when the company reopened, but there were no incidents.
Activities. Manufacturer and distributor of general engineering and motor components for the original and replacement markets. Associated Engineering (UK) owns 68% of the equity.

Chairman: C W Dace, managing director. D M Edwards

Capital structure. 3.2m ordinary of 50p. Market capitalisation: R17.8m.

Financial: Year to September 30 1980
Borrowings: long- and medium-term, R2.1m; net short-term, R2.6m.
Debt/equity ratio 45.4%. Current ratio 1.6. Net cash flow R4.6m. Capital commitments R2.1m.

Share market: Price 555c (1980-81 high, 885c; low, 440c; trading volume

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

Chairman Cecil Dace is optimistic: "The order book is at a record level, the economies for SA are good, and I am confident that shareholders can look forward to a further improvement in earnings." To this must be added a number of other bullish signs which Dace does not spell out. This year the full benefits of the expansions and acquisitions (of Ryno and NF Die-Casting) are likely to flow through and more than offset the higher interest costs (R5.3m compared to the R1.7m paid in 1979) the company is now having in

The growth of 4% is low enough to encourage additional borrowings for expansion. Funding these expansions will rest on profit growth and not for the healthy increase in return on capital achieved in financial 1980.

Also, there appears to be a resurgence of the innovation in marketing and technical strategies which gave the group strong market share and bursts of sales growth in the early Seventies. One example is the decision to franchise the Silverton division's small-service operations (Nuclear, radiation equipment) and the award of power and pavement plant contracts for the Atlantic Diesel engine plant should provide a useful repetitive work for the order book.

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

The group is apparently keen on acquisitions, using its paper. The directors have recommended a two-for-one share split and an increase in the authorised share capital. The effect of the sub division and the increase in the share capital will be to raise authorised share capital from 4m to 9m and 9m to 13m or 25% by the creation of 2m new shares. Roughly, this suggests the group could be looking for a takeover worth R6m — odd.
Going down

Activities: Makes and installs lifts and elevators. Otis US holds 50% of the equity and is itself a subsidiary of United Technologies.

Chairman: P W Sceales, managing director.

Capital structure: 17 m ordinary of 10c share.

Financial: Year to November 30 1980
Net cash $1.2m. Current ratio 6.8
Group cash flow $3.1m. Capital commitments $700 000.

Share market: Price 200c (1980-81 high, 310c, low: 200c, trading volume last quarter: 182 000 shares). Yields 13.9% on earnings, 20.0% on dividend.

Cover 0.7, P/E ratio 7.2.

Return on cap %
77 140.0
78 170.0
79 276
80 259.0

Turnover (Rm)
92 22.7
93 26.8
94 21.7
95 23.9

Gross profit (Rm)
78 7.9
79 11.0
80 8.1
81 8.1

Gross margin %
34.7
43.1
37.9
34.8

Earnings (c)
27.0
37.5
27.8
27.7

Dividends (c)
22.0
44.4
40.0
40.0

Net asset value (c)
47.0
39.0
28.0
17.0

* Adjusted for 1978 four-for-one cap issue. + Annualised from 14 months.

Otis' dividend payout ratio is over 75% in future, distributions will be in line with current earnings, as says chairman Phillip Sceales, the US-controlled firm has paid out its excess cash generated in previous years. Thus, he says, this year's earnings, expected to be between 20c and 25c, will be distributed in two more or less equal payments.

In fact, with only 6.7c a share left in distributable reserves, there is little scope to pay more than annual taxed profit. The 1977-80 dividend bonanza meant running the company's capital base down, with a resultant decline in net worth from 47c to 17c.

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

Thus shareholders are left with a relatively small company, capitalised at $34m, with no expansion plans in hand and a fairly lacklustre near-term future.

It is hardly surprising, therefore, that the share is one of the few on the JSE which declined during the 1980 boom year. From a high of 310c, the price dipped to 250c before rising briefly to 350c ahead of the last day to register for the 20c final dividend.

The market outlook for the lift and elevator business is probably better than a year ago, but there is still little to sustain manufacturers other than the lucrative service business. With 8000 of its lifts and escalators in SA, Otis has a large slice of the total service market, but competitors are appearing and offering lower-priced service contracts. So far this has failed to dent Otis' customer count.

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

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

His forecast of 20c-25c earnings this year leaves a wide margin, but unless Otis shares in the mining boom to a greater extent and construction/building activity produces significantly more business, it seems fair to assume 1981's profits will do no more than equal 1980's.

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

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

Labour Reporter

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

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

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

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

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

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

Sales surge

Investment in heavy farm equipment rose by 48.2% last year, from 1979's R327.3m to R498.5m. Tractor sales alone — generally a reliable barometer of farming equipment sales — increased 70% in 1980, from 1979's 10,500 units to 18,500 units.

This improved capital investment in farm machinery, implements and vehicles was a corollary, to some extent, of the 66% (R464m) rise in net farm income for the year ending in September 1980.

The Division of Agricultural Marketing Research of the Department of Agriculture and Fisheries reports the record maize crop, up 23% on preliminary estimates to 10.2m t in 1980 from 1979's 8.3m t, and the increased maize price introduced last year, were the biggest factors in pushing up farmers' net income.

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

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

Professor of Economics at Natal University Dr Bill Nattrass says: "The rebate did not have a significant impact on equipment sales, agricultural output or capital investment. The increased demand for farm equipment was a direct result of the improved economic conditions and farmers' increased purchasing power."

Knoll says that 1989 was a very good year for sales. He points out that sales of local production facilities are up 90% in 1989 and that "farmers are working on new, larger, well equipped, and more efficient land.

The International Harvester MD Jim Walker says his agricultural equipment and truck sales revenue in 1989 increased 75% to R593.4m from 1988's R331.4m. Jack Harman, the MD of his KwaZulu operations, says: "The increased demand for agricultural equipment and trucks is the result of the increased farm production and the new cultivation programme in the Eastern Cape.

The Mclaren-McKee MD Robin Manning says his sales of farm equipment increased 70% and 50% in the Eastern Cape and Natal respectively, and that 1989 was their best year since 1979.

John Deere sales director, Bill Passon, reports that John Deere's tractor and equipment sales increased 100% in 1989 from 1,700 to 3,900.

Manning cites the "green wave" and "the dark green wave" of mechanisation that has swept through the Eastern Cape and Natal. He also says that the increased demand for farm tractors and equipment is the result of the increased farm income and the "green wave".

Manning says mechanisation stimulates increased production, which in turn creates more job opportunities. This return to previous patterns of farming also stimulated increased demand for farm equipment and machinery.

Manning cites the "green wave" and "the dark green wave" of mechanisation that has swept through the Eastern Cape and Natal. He also says that the increased demand for farm tractors and equipment is the result of the increased farm income and the "green wave".
Ampetlike Publikasies
Uitgeege Gedurende
Desember 1980
BLOU BOEKJE
Verslag van die Oudtseur-generaal oor die Rekenings van die Administrasie van die Oudtseurvereniging vir die boekjaar 1978-
79 (R P 76/1980) Prys R2, buitelandse R2,60
Verslag van die Oudtseur-generaal oor die Rekenings van die Oudtseur-deelstaat vir die boekjaar 1
Verslag van die jaar geëindig 31 December 1979 (Departement van Rekeningskundige Navigatie) (R P 90/1980) Prys R6,32, buitelandse R8,22

STATISTIEKE
Bouplannse goedgekeur en geboue voltot 1978 Verslag 05-44-60 Prys R2,50, buitelandse R2,50
'n Oorsig van die rekenings van mynaamskappepie vir die jaar 1975-39 en 1977-78 Verslag 09-02-15 Prys R2,50, buitelandse R2,50
Sensus van fabriewasse, 1967-68 verwagde arteks en arbeidsbehoefte Verslag 10-21-25 Prys R2,50, buitelandse R2,50

Inbeelding in die rente van vooruitgaande en toekomende dinkbare inkomste en gespoorte inkomste in die jaar 1978-79 Verslag 10-33-17 Prys R2,50, buitelandse R2,50

NOTICE 91 OF 1981
INVESTIGATION INTO THE INCENTIVE SCHEME FOR THE SOUTH AFRICAN SHIPBUILDING INDUSTRY AND THE DESIRABILITY OF EXTENDING THE SCHEME TO THE SHIPREPAIR INDUSTRY

It is hereby notified for general information that the Minister of Industries, Commerce and Tourism, terms of section 64 (1) of the Board of Trade and Industry Act, 1944 (Act No. 55 of 1944), has directed the Board of Trade and Industries to investigate the South African shipbuilding and ship repairing industry, and to make such recommendations as the Board deems necessary, with special reference to —

(a) the nature and extent of the existing assistance and subsidy scheme for the shipbuilding industry and whether it is still appropriate and justified under present circumstances,
(b) whether there is any justification for extending the incentive measures to the ship repairing industry,
(c) the norms and minimum requirements which a shipyard or ship repair yard should comply with in order to qualify for assistance if the scheme to be continued and extended to the ship repair industry, and
(d) the effect which the incentive and protection measures in respect of the shipbuilding and ship repairing industry have on the shipbuilding and fishing industries.

Interested parties are invited to submit their representations in this connection to the Board of Trade and Industries, Private Bag X342, Pretoria 0001, within six weeks of the date of publication of this notice (BTR Ref. 77/2/17/4).


Official Publications
Issued During
December 1980
BLUE BOOKS

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

STATISTICS
Building plans passed and buildings completed 1978 Report 05-44-69 Prys R2,50, abroad R2,50
A survey of the accounts of mining companies for the years 1978 and 1977-78 Report 09-02-15 Prys R2,50, abroad R2,50
Census of manufacturing, 1967-68 manufacturers sold Report 10-21-25 Prys R2,50, abroad R2,50
Census of manufacturing, 1967-68 statistics on the regional basis (R P 20/1980) Prys R2,50, abroad R2,50
Entire workforce paid off after strike

Own Correspondent

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

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

The workers went on strike last Friday demanding a R123 an hour wage increase for all workers.

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

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

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

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

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

S A Read
For the best second year student.

General J B Hertog Prize

D H Price Award
Of Professional Practice
Surviving (In the subject)
Architecture (Or Quantity
For the best student of
David Haddon Prize

Miss C Tedford
In third year.
For the best woman student.
Molly Caill Memorial Prize

P A Hopkins
For the best student in:
Law, 2nd and 3rd major courses.

Helen Gardner Travelling Prize

P F Dunkley
For the best student in:
For Architecture, Prize
Cape Provincial Institute

Fine Art & Architecture
Workers take up tools again after brief stoppage

By Abol Machelane
Pretoria Bureau

About 150 employees of Protea Precision Castings (Pty) Ltd in Watlala, who yesterday walked out in support of a pay demand, returned to work today. The employees said they walked out after management refused to meet their demands for an extra 35c to 65c an hour, an increase of between 30 and 60 percent.

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

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

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

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

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

---

For the best final year student,

Hector Gardiner Prize

For the best woman student,

Molly Cold Memorial Prize

For the best first year student,

D H Prize Lewis

For the best work in Physics,

John Perry Prize

For the best work in Fourth Year,

D H Prize Lewis

For the best student of Professor's Practice,

David Robson Prize

For the best student in the subject Architecture (or Quantity Surveying) in the subject Architecture,

Miss C. Tredgold

In this year

For the best student in the subject Architecture,

Helena Gardiner Prize

For the best student in the subject Architecture,

P F Dunkley

Sixth Year

For the best student in the subject Architecture,

Cape Provincial Institute of Fine Art & Architecture
Instrument firm expands

A R500 000 building at Paarden Eiland, part of the expansion programme of Ferris Instrumentation SA, is nearing completion, with the roof-wetting scheduled for today.

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

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

DIVERSIFICATION

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

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

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

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

In addition to neighbouring African countries, Ferris products were exported to three other continents. Exports were expected to make up 30 percent of turnover within two years.

S A Read

For the best first year student.

General U B Hertzog Prize

D H Price Award

of Professional Practice.

Surveying (in the subject
Architecture) (or Quantity
for the best student of
David Haddorn Prize)

Miss E Reesgaard

In this year's
for the best woman student
Molly Gold Memorial Prize

P A Rapport Prize

for a student who has
Helen Gordon Travel Prize

P F Dunkley

Sixth Year

for the best student in:

FINE ART & ARCHITECTURE

Cape Provincial Institute

ARCHITECTURE
Steinmuller wins R750-m contract

One of the world's biggest of its kind

By John Spira

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

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

> It is the largest single component of the R1 200-million (at current prices) which is expected to be sunk into the Tutuka station over the next eight years.

> Tutuka is part of Eskom's planned R1 200-million expenditure (at base 1980 prices) for this decade — expenditure which will double its installed capacity.

> The Steinmuller boiler-plant contract, which has a local content of about 20%, comprises the manufacture and supply of various items of machinery. The boilers themselves are enormous structures exceeding 100 m in height.

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

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

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

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

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

> A relatively little-known company, Steinmuller is believed to have completed work for Eskom worth thousands of millions of rand and to have like amounts of orders on its book.
We want protection!

S. Twu 25/1/81

Special Finance Correspondent

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

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

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

Imports of semi-automatic washing machines totalled 40,000 units in the first nine months of 1980, compared to 20,000 during 1979. Refrigerator imports have shot up from 15,000 units in 1979 to 34,000 in 1979 and an estimated 45,000 to 50,000 last year. Imports of tumble dryers and floorcare products have also risen sharply.

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

Robbie Williams, managing director of Barlows Manufacturing, says that the rise in imports "is a worrying trend". Despite the buoyancy of the local market (sales rose by 30-40 percent last year) most manufacturers could raise production further. They are also looking ahead to the next downturn.

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

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

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

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

Cleaning up in the washing machine market... local industry wants protection.
South African Railways has awarded Siemens a R140 million signalling order to modify the Natal south coast network to their latest multi-aspect signalling system.

This system, like the one being installed at Durban and Beira Reina stations, has been specially designed for intense suburban traffic.

The project to be completed by the end of 1987 will consist of six satellite interlocking stations—Umhlangwen, Lupango, Umbombele, Umthi, Westliff and Clanwood.

The equipment will be nationally developed and manufactured and all activities such as installation and commissioning will be rendered locally with an overall local content of more than 90 percent—Sape.
Steel unions ask for immediate 20c rise

By STEVEN FRIEDMAN
Labour Reporter

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

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

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

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

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

But unionists say employers usually grant increases at the beginning of the year and that the negotiated increase should be reduced to take this into account.

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

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

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

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

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

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

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

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

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

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

This is also seen as an attempt to strengthen the credibility of bargaining within the official system.
JOHANNESBURG — Between 800 and 900 black factory workers at the Klipspruitwyke near Vereeniging have been on strike since Wednesday.

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

He declined to disclose their current wages.

Police are on standby but no incidents have been reported.

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

The factory employs about 1,900 workers.
Workers down tools over pension Bill

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

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

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

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

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

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

The workers did not believe this assurance, Ms Mdhlazivana said.

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

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

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

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

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

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

However, a number of black workers object to the new scheme as they want the choice of being paid their pension contributions on leaving a company.—DDT
New plant on schedule at Highveld Steel

Highveld Steel and Vanadium Corporation’s attributable profit for the six months to December 31 was increased by 14 percent to R22,924,000 (previously R20,114,000), after deducting tax of R11,357,000 and minority interests of R5,850,000.

An interim dividend of 10c (9c) has been declared ‘at a cost’ of R6,801,000. Unaudited pre-tax consolidated profit, after providing for interest charges of R532,000 and depreciation of R10,696,000, was R34,866,000.

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

Grouth turnover for the period at R153,070,000 was slightly below that for the half-year ended December 31, 1979, owing to a reduction of 37 percent in export sales revenue. The reduction of 48 percent was directly due to the stronger rand, they say.

TENTH KILN

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

The world’s apparent steel consumption dropped by 4 percent during 1980 from the previous year’s record level of 7,277 million tons. Free World consumption dropped by 7 percent and in the US, the biggest market, steel consumption fell by 18 percent. By the year end, the US was showing signs of improvement and Free World consumption for 1981 is forecast to increase by about 2 percent over 1980 levels.

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

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

VANADIUM

Vanadium weakened considerably during 1980, with only one of the eight roasting units at the Vaal Division in operation. This reduction in output, coupled with higher production costs, will correct the supply/demand imbalance.

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

“The Rand Carbon Division, being less dependent on exports, continued to operate at capacity.”
EAST LONDON.—Seven workers, one of them a woman, yesterday fired at Federal's 800-ton Sturm factory after all but one of the 800 workers who attended tools on Friday refused to work.

The manager of the company, Mr. J. S. Baker, said the workers had been dismissed and said they had either chosen to be paid off or had been forced to have a tribunal and the company would have fired them for not complying with the firm's wishes.

A spokesman said they were in a meeting on Monday and they had decided to return to work on Monday.

"We did not leave because we were dismissed," he said. "We were dismissed because we refused to work."

The woman, Miss N. Nakula, said she had been dismissed on Thursday.

"I have nothing to do with it," she said. "It was a decision taken by the union and the company."

When they were told by Mr. Bosworth's wife to go to work, she said, "We have paid off and we will not work." She said that if they did not go back, she would not work again.

"We want the workers to come back," he said. "They have been dismissed for refusing to work."

Mr. Bosworth said his company would have benefited by up to £2,000 for not paying off the soon employees due to its employees. But if they did not work, they would be fired and the company would have to hire new employees.

"I believe that any employee being paid off should be given a遣辞金 in recognition of their work," he said. "We have had any of our employees who have been dismissed, and we hope to have them back soon."

The seven workers, including Miss Nakula, were also told they would be paid off.

"We have had no contact with our employees," he said. "We are not happy at all with our employees."

Mr. Bosworth said he would not work again unless the company paid off the workers.

"If they are not paid off, we will not work," he said. "We will not work at all if they are not paid off."
Electronics industry set for big change

By Lynn Carlisle

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

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

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

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

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

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

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

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

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

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

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

---

Clive Swift
Third Year Silver Medal

A H Dobrowolski
Second Year Bronze Medal

The following years:—
For the best student in each of
Milton Chemical Engineering.
Pay talks key test for Labour councils

By Drew Forrest

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

Twelve registered trade union leaders, including representatives of newly registered black unions, will seek an immediate increase of 5% in the minimum wages of half-a-million engineering workers.

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

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

If granted, the 5% increase will be offset against the unions' total wage demand for this year to be negotiated shortly.

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

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

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

---

Chinese

L Mengao

Drawing

Best coursework in Engineering

Presented to the student with the

Surnum'ngucks Memorial Prize

J Keng

Civil Engineering

Student in Land Surveying or

Construction to the best more

Awarded on results of final

Professor George Mentes Prize

B F McTeer

J Ham

D Weeks

T Cummings

P Salton

Fourth Year (Gold Medal)

Miss N C Davies

First Year (Silver Medal)

Miss C Littlewood

Second Year (Bronze Medal)

For the best student in each

Corporation Medals

Faculry of Engineering
Strike ends ...but I'll get the boot

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

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

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

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

Student in Land Surveying
examinations to the best made
awarded on results of final
Professor George Mente Prize

B F McLellan
J H Rees
D P Weeks
T C Cumming
P W Salomon

Fourth Year (Gold Medal)

Miss N C Dowds

Third Year (Silver Medal)

Miss G C Littlewort

Second Year (Bronze Medal)

For the best student in each

Faculty of Engineering
Corporation Medals

Second Year (Bronze Medal)
Miss G C Littlewort
P H Salmon
I J Comming
D P Weeks

Third Year (Silver Medal)
Miss N C Davidson

Fourth Year (Gold Medal)
J H Rens
B F McCleland

Professor George Menzies Prize
Awarded on results of final examinations to the best male student in Land Surveying or Civil Engineering.

Sammy Sacks Memorial Prize
Awarded to the student with the best classwork in Engineering Drawing.

L McGoldro
Haggie up 65.8%

Haggie, an engineering concern, reports audited profit before tax of R46 685 000 for the company and its subsidiaries for the year to December 31 up 65.8 percent on 1979's R23 135 000.

This was achieved on a turnover of R263 174 000 (R135 888 000). Taxation took R16 533 000 (R8 589 000) leaving an after-tax profit of R23 000 000 (R19 546 000).

From this interest of R2 780 000 (R5 680 000) is deducted, leaving earnings.

Earnings a share increased from 103c to 114c and the board has declared a final dividend of 35c (26c) a share, making 60c (36c) for the year.

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

For ordinary shareholders at R27 222 000 (R18 980 000).

Chemical

M. W. McLeod

H. H. Rams

D. P. Weekes

T. J. Cumming

P. M. Saldan

Fourth Year (Gold Medal)

Miss N. C. Davidson

Third Year (Silver Medal)

Miss G. C. Littlewort

Second Year (Bronze Medal)

For the best student in each course.
Chips with everything

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

But where exactly is the electronics industry? Luke Chukeman, it's everywhere. It's in computers, where hardware sales at customer level should be worth R400m this year. It's in telecommunications — the Post Office recently signed its supply agreements under which it will spend an estimated R5 billion over 15 years with five companies — Siemens, Telephone Manufacturers of SA, Plessey, Teltech (a R250m joint venture between Altech and CGE of France), and STC (part of the Altech group) The Post Office spent R293m on telecommunications equipment last year of which R190m went on telephone switching equipment.

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

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

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

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

Bosworth sees the market stabilising at around 300 000 sets a year, with the replacement rate in the saturated white market rising from the present 2% a year to 10%, which will create demand for 130 000 sets a year, new white demand for 60 000 sets, and a black demand for 120 000 sets. At present the percentage of households with a TV set is 85% among whites, 67% among Asians, 37% among coloureds and 8% among blacks. With the electrification of Soweto, 1.25m black homes will enter the market for electrical appliances by 1985.

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

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

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

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

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

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

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

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

"As Altech executive director Ken Maník suggests, if we were cut off from foreign technology, we could get by, but the technology gap would grow ever year."

Local content at Altech's biggest manufacturing unit, STC, has risen from 58% to 77% in the last three years, says Venter. "Local companies have an advantage over the multinationals in that they are not bound to the technology of an international parent company. We can choose what is best for us and for SA," says Maník. "In this way we will avoid the problem which overcame many Latin American countries, for example, which became locked into outdated telecommunications systems because this suited the multinationals."

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

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

"Attech, says Venter, spends 5% of its sales on R&D — a high level by any..."
standards. Not many companies match this. "If there were tax incentives for genuine R&D, a lot more would be done in the industry as a whole," he says.

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

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

Another success has been the export of telephone transmitter and receiver capsules. Altech makes 1.2m a year of these and is selling them into Latin America.

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

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

Even with the manpower constraint, the industry is growing fast. Barlows employs 4000 people in electronics, though it is in the nature of that diversified group that they are spread across a number of separate companies and divisions. Total turnover in electronics is estimated by Coop at more than R120m. Much of the electronics business is relatively new to the group following its acquisitions in recent years of the Fuchs group, a 50% stake in GEC South Africa, and a 51% stake in Perseus Computing & Automation.

Siemens, one of the unlisted giants of the SA economy, saw turnover rise 11% in the year to last September to R234m, while the intake of orders soared by 69% to R335m. Orders, including commission business, are worth R486m, of which telecommunications account for R110m.

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

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

Altech spent R4m last year on new production facilities. It has spent R750 000 on facilities for producing diodes, R5m on facilities to manufacture digital telephone exchanges (jointly with its French partner), R3.5m on upgrading its printed circuit board and hybrid circuit capacity, and R4m on digital telecommunications products. R250 000 is spent virtually every year on additional capacitor production, and R0.5m went into the production of the only cultured quartz crystal plant in the southern hemisphere, so making SA totally independent in this strategic area.

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

---

(continued)

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

For, in the wake of the appalling, and possibly damaging, publicity which greeted news of ICL’s disastrous £53m losses in the last quarter of 1980, the computer group’s chairman, merchant banker Philip Chappell, is acutely aware of the urgent need for a restoration of confidence in his company.

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

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

Facing total losses of the year of up to £15m (against a previous £25.1m profit), a 30% erosion to £100m in shareholders’ equity, and a sharp rise in gearing, ICL is reported to be working hard on a plan to present to its bankers in the next two weeks. For, while ICL’s balance sheet shows net debt of £25m, it also has hidden problems in the shape of its two big UK leasing companies, which it jointly owns but does not consolidate. Bank loans to these companies are estimated at between £60m and £100m — which are guaranteed by ICL.

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

Debate about the causes of ICL’s troubles tends to be fogged by argument over whether, with around 3% of world sales, it should be competing in the same league as IBM, with 60%: IBM’s sales at $23 billion are 14 times ICL’s £76m. IBM’s R&D, at about £1.7 billion, exceeds ICL’s £85m by a factor of 11. Yet ICL, offering around 1,000 products, attempts to match IBM right up to the big number cruncher unit, with their enormous development costs. And with a little useful help from Whitehall, ICL recently “beat” IBM to a £14m contract for the computerisation of Britain’s PAYE income tax system.

ICL itself is looking at the question of products: whether in the present depressed economic climate it should be trying to sell the big 2977 series at between £1.2m and £1.8m a unit, or concentrating on the small to medium end of the market so successfully exploited by NCR or the US or Nixdorf of Germany.

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

This gearing hit it hard enough in the year to September 1980. Outside of its best overseas market, SA (accounting for an estimated 80% of African turnover of £15.2m, up 49%), foreign sales fell by 34%: America, down 33%, was the worst as the combination of a strong pound and higher UK costs put ICL at a 20% disadvantage to its US-based competitors in a soft market.

This left it heavily dependent on the UK, where a 23% rise to £404m meant it took 56.4% of ICL’s sales.

Operationally, ICL kept its “cost base” high, looking for an upturn in demand (its wage bill rose 20% while R&D spending was 27% higher). This led it to overstock when, in the three months to December, the UK market slumped leaving it with an order book lower than a year ago. In addition, the trend towards leasing rather than buying by apprehensive users increased the drain on ICL’s balance sheet.

Further losses

Hence, estimates of further losses of £15m in the current three months plus closure costs of the big custom-built plant at Warrington, Cheshire, which could add another £15m to ICL’s cash drain. An analyst reckon it will need an input of £15m of long-term money to tide ICL through the present trough. Currently, the market values ICL at under £58m — 80% of its level of five months ago — and embittered institutions which hold 60% — would fight an equity issue.

So it’s over to government — already committed to £1 billion to help British Leyland and another 12 billion to British Steel. It has failed to tempt BP and Shell into taking a stake in ICL and is shopping for partners elsewhere — in Japan and America. But ICL is short on customer confidence and time, especially with competition wheeling overhead looking for the first signs of a falter in the piping gut of Europe’s biggest computer maker.
High-quality growth

Activities. An industrial holding company with its major activities in cement, engineering supplies, heavy equipment and contracting. Blue Circle Industries (UK) owns 55.1%.


Capital structure: 21m ordinary shares of £1.00 each. Market capitalisation: £2.5m.

Financial: Year to November 30, 1989

Borrowings long and medium-term: £26.8m, net short-term: £5.9m.

Debt/equity ratio: 44.1% Current ratio: 1.5 Net cash flow: £17.2m.

Capital commitments: £85.2m.


Yields: 18.5% on earnings, 7.3% on dividend. Cover: 2.5 PE ratio: 5.4.

Return on cap %

<table>
<thead>
<tr>
<th>Year</th>
<th>Return on cap %</th>
</tr>
</thead>
<tbody>
<tr>
<td>77</td>
<td>12.6</td>
</tr>
<tr>
<td>78</td>
<td>12.9</td>
</tr>
<tr>
<td>79</td>
<td>16.0</td>
</tr>
<tr>
<td>80</td>
<td>22.0</td>
</tr>
</tbody>
</table>

Turnover (thm)

<table>
<thead>
<tr>
<th>Year</th>
<th>Turnover (thm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>77</td>
<td>139</td>
</tr>
<tr>
<td>78</td>
<td>189</td>
</tr>
<tr>
<td>79</td>
<td>203</td>
</tr>
<tr>
<td>80</td>
<td>201</td>
</tr>
</tbody>
</table>

Gross profit (thm)

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross profit (thm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>77</td>
<td>14.5</td>
</tr>
<tr>
<td>78</td>
<td>15.5</td>
</tr>
<tr>
<td>79</td>
<td>19.7</td>
</tr>
<tr>
<td>80</td>
<td>22.2</td>
</tr>
</tbody>
</table>

Gross margin %

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>77</td>
<td>10.7</td>
</tr>
<tr>
<td>78</td>
<td>10.0</td>
</tr>
<tr>
<td>79</td>
<td>9.6</td>
</tr>
<tr>
<td>80</td>
<td>8.0</td>
</tr>
</tbody>
</table>

Earnings (c)

<table>
<thead>
<tr>
<th>Year</th>
<th>Earnings (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>77</td>
<td>28.2</td>
</tr>
<tr>
<td>78</td>
<td>33.5</td>
</tr>
<tr>
<td>79</td>
<td>46.0</td>
</tr>
<tr>
<td>80</td>
<td>81.3</td>
</tr>
</tbody>
</table>

Dividends (c)

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividends (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>77</td>
<td>17.5</td>
</tr>
<tr>
<td>78</td>
<td>21.0</td>
</tr>
<tr>
<td>79</td>
<td>21.0</td>
</tr>
<tr>
<td>80</td>
<td>32.0</td>
</tr>
</tbody>
</table>

Net asset value (c)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net asset value (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>77</td>
<td>353</td>
</tr>
<tr>
<td>78</td>
<td>374</td>
</tr>
<tr>
<td>79</td>
<td>456</td>
</tr>
</tbody>
</table>

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

The latest report contains numerous bull points the components contributing to the excellent results for 1989, the directors’ optimistic projection that earnings growth this year will exceed the inflation rate, activity in the group’s industries, and the strength of the balance sheet. All this for a share which yields, historically, 2.5% percentage points more than the industrial average and 1.8 percentage points more than the industrial holding average.

Over the past four years, the period encompassing one of the worst slumps in SA’s building and construction industries, earnings have increased by an annual compound rate of 32.8%. Over the past eight years, the compound growth rate is 29%. The increase in the 1989 earnings figure, 80.7%, smooths out the four-year compound figure, but does not have that drastic an effect on the longer period as this included the previous boom in the construction industry.

What makes these results more than just a case of benefit derived from an industry upturn is the spread of the improvement and the return to profitability of a problem division. The fall-off in profits in the contracting division was unfortunate but could have been expected in the long run anyway, as one of the risks involved in such a business. What the decline in contracting’s contribution (from £1.4m to an attributable loss of £275,000) does illustrate, however, is the long-term potential in Blue Circle’s bulkware divisions, cement and engineering.

Though cement accounts for over 40% of group assets and contributes only 22% to sales, the profit contribution is a hefty 57% and increased by 101% in 1989. Admittedly, the cement plants have a higher average age than is the case elsewhere in the group, which understaters the true value of assets, and thus returns, in the cement division. But on the sales proportion it is evident that much of the group’s unproved gross margin was from the high marginal benefits derived from the absorption of excess cement plant capacity.

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

However, apart from the fact that the group is locked into cement production, gross returns are apparently still attractive enough to warrant substantial new investment. Three old wet kilns, due to have been closed on completion this year of the new £400m/year Lichtenburg dry kiln, will now be kept operating at full capacity until Lichtenburg’s capacity is doubled at a cost of £40m.

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

Manufacturing problems had been the cause of the heavy equipment division’s pre-tax £3.4m loss in 1979 but solving these at the same time as sales took off led to a loss of only £504,000. The directors say the division has now reached a break-even position and a small improvement in 1981 is likely.

What makes the ingredients of the 1989 results bullish, despite realisation of the fact that this year’s growth in certain areas cannot equal that in 1989, is the write-down in the contracting division. The loss was due to low margins, rectification costs on old contracts and losses in manufacturing works. These works are being closed down and the current order book indicates only a modest profit this year but a significant recovery in financial 1983.

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

The 2.5 times dividend cover is complemented by an average plant depreciation rate which takes account, as much as possible, of replacement values. So the new return on gross assets target of 20% (16.5%) seems attainable. Inherent sustainable growth potential should see to this, despite the forthcoming revaluation of assets.

Assuming that the worst in the contracting division has already been identified, earnings in the vicinity of 100c share would be attainable. Of this, 40c could be distributed. Putting the share on a prospective 1:1 basis is attractive. What lends some excitement is the certainty that Blue Circle will follow up on the abortive talks with Pontifex and acquire an extra 30% of the company. It is possible that Pontifex will not be happy with the offer proposed by Blue Circle and, finding it difficult to invest something that has m.
MACHINE TOOLS

Row over Six Hundred

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

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

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

Six Hundred raised a future last year when it applied to government for a 20% tariff and an import permit requirement on turret milling machines which it proposed to make locally (FM September 25). Machine tool importers went on record that all Six Hundred's previous applications for protection had been automatically approved even though it had not carried out all its undertakings on local content.

They also rejected Economides' claim that he would achieve a 75% local content within a few years and stated that the true figure would be closer to 90% by value.

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

Another spokesman broke out over suggestions that Six Hundred looked elsewhere for a manufacturing deal, despite its connections with Holke. A spokesman of the Machine Makers' Association in Pretoria, MD of Roberst Skol, Bobby Skol, announced that Six Hundred approached the British company Brogport for a licence to build its machines in SA. Brogport supplies about 70% of the SA turret milling machine market.

According to Skol, Brogport was not required to play half with Six Hundred largely because it already closed its own SA business as it did not pay.

Economides, both denies that his company ever approached Brogport.

Meanwhile Skol has been stockpiling up on milling machines in case import tariffs are applied. He has 260 Brogports, worth about R3 million, in stock, and more are expected to arrive shortly. This should give a year's supply, he says, and even if Holke machines get their protection, many buyers will still be prepared to pay the duty to get a Brogport.

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

Estimates of the market value, which were placed at R100m for last year have been doubled to R200m for this year.
Former State President had share in controversial firm

Dr D LINK IN STEEL SCANDAL

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

'Sand scandal'

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

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

Close friend

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

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

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

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

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

The minutes of the first meeting held on June 16, 1967, also reflect that another Iscor director, Mr J Vermooten, "again disclosed" that he too had an interest in the same sand-supply company and that he had "recommended that he wished to dispose of his interests as soon as possible."

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

Choices between 3 or 4 techniques can also be shown:

\[ \text{At price ratio YY technique B will be chosen; but when the ratio alters to ZZ, technique C has the lowest cost.} \]

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

The applicability of this technique may be very limited. It is doubted whether health care processes can normally be represented simply as a production process involving inputs and outputs. (Perhaps it is a reflection on the conventional types of health care that it can be so represented.) A second problem is the extremely precise information needed on each process of care. Outcomes are often unknown even in medical terms. Lastly, it is normal rather than the exception for quality as well as quantity of care to enter into the final choice of technique for health care, and this is hard to incorporate into a linear programming model. However linear programming has been used with advantage to analyse hospital costs in terms of individual departments.
No 341 25 Februarie 1981

Hierby word bekend gemaak dat die Staatspresident se goedkeuring gehad het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word —

No. 5 van 1981 Wysigingswet op Ontplofbare Stowwe 1981

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

No 5 of 1981 Explosives Amendment Act 1981
It was not possible to distinguish between qualified in-training and assistant nurses in the statistics. Without these distinctions, no valuable assessment of the real expansion of nursing care can be made. (8)

V. FINANCES 1919-1976

The money set aside for mental health in state budgets has increased from £310,379.60 in 1919 to £38,092,793.00 in 1976.

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

Graph 8

Mental Health Budget

(A) annual

(£) 1

Year

£

1950

1960

1965

1970

1975

1980

1985

£

15

30

45

60

75

90

105

(1) 1

The difference between the number of in-training nurses and the remaining staff is significant. The new division between the old and the new staff is also important.

The new and the old staff have different attitudes towards the patients and the environment. The new staff are more patient and less critical. The old staff are more critical and less patient.

Mr. Fred, a staff nurse, says:

"The main difference between the new and the old staff is that the new staff are more patient and less critical. The old staff are more critical and less patient."

In the same period, the 1976 dividend paid in 1977 was 6.4% on £9,000,000. In 1978, the 1977 dividend paid in 1978 was 6.4% on £9,000,000.

The staff have just received a 1% rise in their pay. They feel this is insufficient to cover the cost of living, but they are grateful for the increase.

In conclusion, the mental health budget has increased significantly over the years. The new division between the old and the new staff has had a positive effect on the overall quality of care. The staff are more patient and less critical, which is beneficial for the patients.

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

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

There is no evidence available to show that the psychiatric nursing staff is rising. It is probable that the ratio is rising. 14a/
Critical shortage of machines

By John van der Meer

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

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

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

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

"A new company called Insmac has now entered the market to assist with this problem. They purchase machinery tools from abroad and import them to South Africa to be held in stock in various centres.

"Purchases are only made after careful market research or on specific demand. The company's emphasis is on high-quality machinery tools at competitive prices. A long-term outlook with a view to establishing and establishing a good reliable name," Mr. Biewer said.

"This is where I believe the second-hand market is best to be expanded," Mr. Biewer said.

The company was formed in 1973 and is named after the initials of the founders, D. and M. Biewer.

The company started its operations in 1973 and has now expanded to cover the whole of South Africa. The company's policy is to provide a fast and efficient service.

"We believe in providing our clients with the best possible service," Mr. Biewer said.

The company now has a turnover of over R1 million per annum and is expanding rapidly.

The company's main clients are the larger industrial companies who require a wide range of machinery tools.

The company's future plans include the opening of new branches in other major centres in South Africa.

Machined components now manufactured in S.A.

MACHINED components are a new and important addition to the range of products manufactured in South Africa. These components are produced by a new machine tool company, Insmac, which has been established in the country.

The machine tool, which is based on the latest technology, is capable of producing a wide range of components, including those for the automotive and aerospace industries.

The company's managing director, Mr. Biewer, is optimistic about the future of the industry in South Africa.

"We believe that with the right investment and the right people, South Africa can produce high-quality machined components," Mr. Biewer said.

The company is currently negotiating the purchase of a new plant to increase its production capacity.

A variety of imported machine tools from Germany are in use at the company's workshop.

"We are very pleased with the performance of our imported equipment," Mr. Biewer said.

More details about the exhibition can be obtained from Mr. Ludwig 232566.
the mortality, and make suggestions for improvements in living and working conditions of African miners. This Committee of Doctors led to the informal inauguration of the Mine Medical Officers in 1901 under the auspices of the Chamber of Mines, and in 1921 it was formally instituted as the Mine Medical Officers Association whose members provided part-time and full-time medical care for black miners. (150)

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

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

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

A breakdown of the disease mortality rates shows that throughout the entire period under discussion, pneumonia, even after recruiting was prohibited in 1914 from Africa North of latitude 22° South, leading to a drop in its mortality. The Committee of Deaths of the total mortality pulmonary tuberculosis 'deadly' disease, of the white population in the Witwatersrand, a high and expected 30%, accounted for about 1 per 1,000 per annum in 1914. It appears found to be a common cause of death among men in their prime. The committee was formed in 1916, although the increased from 1914 despite the fact that it mainly claimed the lives of those who were poor and overworked. No longer was it a foregone conclusion that a man would die of tuberculosis in his prime. From 1916 to 1928 the incidence and prevalence of simple pulmonary tuberculosis dropped. This may have been because of the introduction of X-ray diagnosis and the introduction of antituberculosis chemotherapy.
Engineer shortage is called desperate

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

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

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

CONTROL

"The marked reduction in immigration of professional engineers has aggravated the shortage."

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

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

IMBALANCE

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

"The time is clearly ripe for co-ordinated action."

"The country will be looking to the leaders of the engineering profession to come forward with ideas and practical proposals on technical co-operation to ensure the best possible engineering service," he said.
Steel workers may get 20pc pay rise

Financial Editor

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

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

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

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

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

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

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

Mr Ben Nicholson, general secretary of the 20,000-strong Amalgamated Engineering Union, has indicated that they will be pressing for rises to match the consumer price index (up to December it was an annual 15.8 percent).
Europe’s battered steelmakers have been left in no doubt that a new plan is being drawn up by the European Commission to stop the industry sliding back into the destructive chaos of a price war.

Halfway through the nine-month regime of compulsory production cuts imposed on 859 European steelmakers by the EEC, Viscount Eustace Davignon, the commissioner responsible for industry, has presented a progress report to industry chiefs and trade unions at a meeting in Luxembourg.

So far the quotas are working, even if the industry is far from prospering — running at best at an average of 55% of capacity against 70% 12 months ago, and a long way from the dreamlike goal of 85% conceived in the original 1977 Davignon plan. British Steel, blighted by last year’s 13-week strike, is even worse off with 1980 output of raw steel slumping by 47% to a mere 11.3 Mt.

Prices, however, have steadied. Davignon described them as “relatively satisfactory”, having lifted by between 5% and 10% after the plagues of 20%-55% in the dogfight for shrinking markets which prompted the Commission’s imposition in October of mandatory quotas under the EEC’s “manifest crisis” rule.

The quotas, accepted reluctantly by Germany’s profitable steelmakers who accounted for 34% of EEC output of 127.8 Mt last year, are secret. But the EEC, which imposes them on a quarterly basis from a three-year reference period, was aiming to make overall cuts of 10% of raw steel output in the final three months of 1980 and of between 12% and 18% in specific products.

Monitored by a team of 130 specially trained and equipped figures who are fed into a computer and a producer who oversteps his limit is liable to a fine of RT £75.

In fact, production during the final quarter was some 14% below the 1979 levels, reflected in small annual declines in some big EEC producers (excluding the UK) ranging from 4.8% in Germany (45.8 Mt) to 8.3% in Belgium (12.3 Mt) and 9.9% for France (32.2 Mt) but still leaving Italy 1.3% better on the year (26.5 Mt).

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

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

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

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

Davignon sees the question as urgent if no broad agreement in principle can be reached by the end of April, anticipation by steel producers of the ending of quotas will mean “the difficulties will begin again,” he said. Hints dropped by EEC officials in Brussels suggest Davignon will plump for a renewed voluntary scheme.

An EEC spokesman told the F.M.: “The fact that the mandatory quotas are being seen to work, if expected problems could provide a much sounder basis for a viable voluntary agreement.”
SHIPBUILDING FM 2418
Extending help

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

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

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

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

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

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

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

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

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

Present government subsidies are 10% for ships between 200 t and 500 t and 25% for ships between 500 t and 6 000 t. Several shipbuilders agree that there is strong international competition in the repair industry.

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

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

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

He adds that the SA fishing industry has enormous potential for the local shipbuilding industry. “The replacement value of our fishing fleet is approximately R20m a year.”
Sweeping changes for electricians

DURBAN — Sweeping legislative changes to update the electrical contracting industry are expected to be promul-
gated by the end of the year.

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

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

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

The recommendations were:

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

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

Contractors would no longer be able to use suppliers' inspectors as consultants.
SOUTH Africa is nowhere near being self-sufficient in the manufacture of machine tools. The Federal Republic of Germany is the main supplier.

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

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

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

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

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

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

FIERCE

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

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

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

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

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

PHILOSOPHY

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

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

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

CHEAPER

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

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

Japanese mass production means that Japanese competition is severe for standard type lathes.
Mysterious chain of events in arms expert's last days

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

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

A letter threatening Mr. Dick a week before the family was due to come to South Africa in 1979.

A telephone call two days before the family was due. He was leaving for an African trip that he would be "inconspicuous" for an Aerconor affiliate.

Mr. Dick's continual pouting that his wife could not take their daughter, Catherine (Katja) back to Britain should anything happen to him.

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

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

He was working on a major secret project and there was the prospect of moving into a new home.

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

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

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

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

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

Mr. Dick said he would "settle it out the next day and on his return was asked to join them in Pretoria."

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

Mrs. Dick said she was not aware of a secret project. She believed a large amount of money was involved and the court's findings had been disclosed.


150

100

80

60

40

20

0

Diagram 3.3: Index of physical volume of producing pharmaceutical preparations and cosmetics.

Turning to the actual ethical market, the statistics become less reliable. A recent newspaper report put the growth rate at this sub-market at 5% p.a. (1) Such a figure, however, probably refers to growth at current prices. The recent commission of inquiry estimated the growth rate for ethical at 17% p.a. for the period 1971 - 1975 at current prices and at 8% p.a. for the period 1970 - 1974 at constant prices (i.e. in real terms). It seems clear that the market has experienced rapid growth even while the rest of the economy has not grown as rapidly. In contrast to the growth in the ethical drug market, the growth in GNP at current prices over the period 1968 - 1977 was 12.25% p.a. while...
Pentagon orders SA solders

By Tony Hudson

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

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

Director Bernhard Lazarus told Business Times this week that two US technicians present "took samples and as a result several substantial orders were received." The quantity bought by the US navy formed a substantial proportion of the R500,000 export orders received in the last few months.

These export earnings were not, the result of a planned programme, but from totally unsolicited orders. "Up to now we have concentrated our efforts almost exclusively on the local market," he said. Now the company is appointing agents abroad and an export drive is about to be mounted."
JOHANNESBURG — Another black trade union has been admitted to an industrial council and hence into the official bargaining system.

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

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

Four industrial councils are known to have admitted black unions.

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

Sacwu has gained admission to the council.

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

Distribution of workers according to bonus received, per year.

<table>
<thead>
<tr>
<th>Bonus, $</th>
<th>Per Year</th>
<th>Number of Workers</th>
<th>Per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>50.00</td>
<td>0.00</td>
<td>0.50</td>
<td>10.00</td>
</tr>
<tr>
<td>25.00</td>
<td>0.00</td>
<td>0.25</td>
<td>0.00</td>
</tr>
<tr>
<td>16.92</td>
<td>0.00</td>
<td>0.17</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**TABLE 9**

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

In cash.

Mountains near Beaufort West who earn more than R25 a week.

Four workers on a horse-breeding farm in the Northern Cape are drawn upgrades by the inclusion.

**For a difference of this size.**
...
DUNSWART (189) Feb 3, 1981

Future potential

Activites. Manufactures sponge iron, steel billets and rolled steel sections. General Mining Union Corp holds 71.4% of the equity.

Chairman: C. Clark, managing director. K. E. Tlieunman

Capital structure: 10.9m ordnaries of 50c. 148,000 6% div prefs of 2m. 10.7% red cum prefs of R1, 500,000. 6% second red cum prefs of R2. Market capitalisation. R21.3m


Share market: Price: 1S0c (1980-81). Yields, 20c, 6c. Dividend (last quarter), 20c, 55 Shares) Yields 48.2%, on earnings. 8.7% on dividends. Cash flow yield 3.6%. Dividend payout 16.

The turnaround in Dunsward’s earnings performance over the past three years has made it a much more attractive investment. But the large capex programme currently under way is likely to distort profitability, because of temporary shutdowns and the normal inertia on start-up until financial 1983 at the least: 1977, when the group bottomed out with a pre-tax loss of R27m. return on capital has grown to just under 17%, earnings a share have picked up from nil to almost 70c on the more-than-doubled equity (that including an extraordinary gain on the sale of subsidiaries and dividends), while still conservatively covered, have risen to 5c.

The balance sheet of the steel and sponge iron manufacturer has improved drastically and the group is in a sound position to cope with the R12m capex planned for the next few years. Cash resources, which include a large interest-bearing deposit with a 21% holding company, Gencor, as well as the proceeds from the sale of subsidiary Alpha Free State last year, now stand at R1.9m.

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

With the company spokesperson would not disclose details of any possible credit lines to be taken up as most of these decisions obviously now come from Gencor, the group clearly has a fair amount of spare capacity. The debt/equity ratio has dropped to 34% - well under half of what it was two years ago. The group target is in the region of 55% to last year, but it is probable that it will manage at least 100,000 t. The market has been fairly stable since the year-end, a spokesman said and any excess over the group’s own consumption could well be sold to other local producers.

Employment in the liquid steel industry should be around the production level of 380,000 t, compared with 330,000 t last year, though there are no plans as yet to expand production capacity. The bulk of sales will be local, as world prices for billets are still depressed and the strong rand also inhibits foreign sales.

With the funding requirements for the expansion of the rolled mill and continuous casting plant, dividend cover is likely to be maintained around last year’s 4.6 times. So while improved efficiencies may push up earnings to some extent a dividend hike to above 20c must be seen as unlikely at this point.

With the share well off its year’s high at 182c, it offers a prospective dividend yield of 11.1%. This is fairly high for the current market and coupled with future earnings possibilities, the share looks to be an attractive long-term hold.

Lee, V. S.
Engineering wage talks

Labour Reporter

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

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

The council meeting is being held on Tuesday following a decision last month to move negotiations forward from June.
Steel industry faces
new union tensions

By RIAAN DE VILLIERS
Labour Correspondent

RENEWED tensions have arisen between Fosatu (Federation of South African Metal and Engineering Workers), employers and the established unions in the giant steel and engineering industry. They followed a Fosatu announcement yesterday that its affiliates would not take part in industrial councils until the question of their final registered status had been clarified.

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

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

Mr Alec Erwin Posatu's general secretary, said yesterday that its stand should be respected, because unions did not have a mandate from members to enter any councils without registration. MAWU's withdrawal.

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

Dr Errol Drummond, director of the giant Steel and Engineering Industries Federation of South Africa (Seifu), yesterday expressed "extreme personal disappointment" at MAWU's withdrawal. He said he had done "everything possible" to persuade the union to change its stance and enter the council pending an outcome to its registration problems.

Mr Ben Nkhulason, director of the Confederation of Metal and Allied Workers, last night also expressed disappointment at MAWU's withdrawal.

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

However, though MAWU would no longer be permitted to attend the council meetings if it did not apply for membership, he "sincerely hoped" it would still attend today's union council meeting.
Wage talks focus on less skilled

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

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

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

For workers on the bottom of the wage scale, the unions have asked for an increase of 20 percent, Mr Nicholson said, whereas if the demands were met, workers at the top of the scale would receive closer to 15 percent.

The meeting is also likely to consider the refusal of the recently registered Metal and Allied Workers' Union (Mawu) to apply for membership of the council.
By RIAAN DE VILIGERS
Labour Correspondent

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

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

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

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

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

The agreement will come into effect on July 1 and not July 1, as is customary, and will be subject to review once a year.

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

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

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

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

According to the statement announcing the agreement, some 500 representatives were present at the meeting.
Unions fail on interim wage rises
Labour Reporter

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

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

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

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

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

He was also critical of minimum wage standards.
Steel price to rise by 14%

Own Correspondent

PRETORIA — Pay increases announced for the country’s 450,000 steel workers will lead to a steel price rise of more than 11 percent — and a sharp inflation ripple throughout the economy.

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

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

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

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

The last steel price increase was 14.1 percent in June last year and the one before, announced in June 1979, was 12.2 percent.

Iron wages account for about 22 percent of the cost of steel. Another big expense is rail transport as most raw materials must be moved from Iron’s mines at Thabazimbi, Pilgrim and elsewhere to plants at Pretoria, Vanderbijlpark and Newcastle.
Barlows' big step to union recognition

BY STEVEN FRIEDMAN
Labour Reporter

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

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

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

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

Although Mr. Rosholt's original statement was itself regarded as signalling a major policy change, it was much more cautious about recognition of unregistered unions.

This statement was, however, criticised by some employers.

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

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

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

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

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

Key aspects of Barlows' guidelines include:

1. Do not hesitate to recognize a union that represents the majority of workers it seeks to enrol and has an acceptable constitution.

2. Although Barlows still supports factory-level bargaining through works councils—which many unions reject—workers should have the freedom to choose either union or committee representation.

3. Companies should not encourage or obstruct recruitment by unions, and should be careful not to take action which could be seen as victimization of union members.

"Companies should never take sides when rival unions are competing for membership."

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

The FCI recently released labour guidelines which "represented a dramatic shift from traditional employer attitudes to industrial relations."

It recommended that employers should negotiate with representative unions whether or not they were registered.

According to Mr. Hofmeyr, there is "no difference whatsoever" between Barlows' stance and that of the FCI.

He said the group had first moved from a policy of favouring negotiations between employer organizations and registered unions only to one in which it was prepared to deal with unregistered unions in "special circumstances".

"It was now, however, committed to "our present view that representativeness, not registration, is the key issue and that until registration is made voluntary, simple and attractive, we have no option but to recognize unregistered unions."
Public transport and postal services barely continued to operate, while Municipal employees from all departments were used to maintain the sanitary and refuse-collection services. On 4 October it was decided that all but the most urgent cases before the Cape Supreme Court would be postponed for a week.29 By now, of course, the ‘Engagements Postponed’ column in the Cape Times was a regular feature.

In short, Cape Town was fighting for its bay the threat of a total collapse of an epidemic of unprecedented virulence; everything had to take a second place.

Slowly, from about the middle of the third week, the situation began to ease, the ‘flu’ left the Peninsula. Whether this was because of the large scale of measures against it, or the extensive use of disinfectants to cleanse the streets and slums or just the natural course of the epidemic is unknown, but as the number of deaths and new cases reported fell and the demand for relief lessened, so did confidence return. "I consider that the epidemic is under control", announced Dr. Jasper Anderson on 15 October.30

The City Council was less sure. Fearful lest the ‘flu revive as people congregated in the relieved atmosphere, on 18 October the Mayor closed down all places of public entertainment and followed this up with a request for churches to suspend their services.31 Few churches actually acceded to his request, feeling that the comfort of religion was a must at such a time, but most did curtail their services.32

These closures aside, the Peninsula quickly began to return to life, picking up the threads which had been so sharply cut. Schools and firms re-opened, employees returned to work, the streets became busier and trade picked up. A Stuttafords advert on 16 October proclaimed:

"There are signs that things are getting better. The mist is beginning to roll away and the sun is commencing to shine again. Fresh cases of the epidemic are getting less and less. Many of our staff have resumed work and we hope that it will not be long before most of them will be back."

The outlook for the metal and engineering industries is healthy; with industrial output expected to rise by 5% this year, says the Steel and Engineering Industries Federation of S.A.

Outlook bright for metal and engineering

Statistics are far from exact. The table (based on the figures gathered by the Influenza Epidemic Commission) sets out the incidence...
MEMBERS of the predominantly Black Metal and Allied Workers Union (Mawu) need not fear that they will not benefit from the new wage agreement entered into at an industrial council meeting on Tuesday.

The recently-registered Mawu refused to attend the meeting, which included three newly registered unions representing black workers, because its registration certificate included a "race clause."

Dr Errol Drummond, director of the Steel and Engineering Industries Federation of South Africa (Sifsa), told the SOWETAN yesterday that all workers in the industry would benefit from the 14-month agreement.

He was happy that unskilled workers, especially blacks, "got the bigger slice of the cake." The two-phase agreement, with phase one coming into effect on May 1, will see this category of workers earning 90 cents an hour instead of 92 cents an hour. Phase two comes into effect on July 1 and will see this rate shoot to 113 cents an hour.

The agreement is binding until June next year.

Asked if Mawu members would benefit from the agreement, though their union was not represented at the meeting, said Dr Drummond: "no one will withhold these increases from them. They did not attend the meeting for reasons best known to themselves."

Mr Ben Nicholson, director of the Confederation of Metal and Building Unions, said "some things were achieved and others were not achieved." And one of the things "not achieved" was increases were not written by employers into the agreement.
Van Vuuren says it is on schedule and expected to remain that way. The first pot is scheduled for commissioning at the end of this year or early in 1982.

No firm idea of the exact cost with the Japanese sellers of the Nippon smelter but sales agreements have been entered into with ViVale. Although the smelter is relatively new it was mothballed because it was run on oil-based energy and was not cost efficient.

At Richards Bay the smelter will run on oil-based electricity. The SA export markets are only partly concerned with the Far East where aluminium production has been uneconomical because of the cost implications of either oil-based or atomised-based power. SA is a small producer of aluminium but has the advantage of relatively stable power costs. The largest producers of aluminium base their production on hydro power.

Although current world aluminium demand and price are depressed, Van Vuuren believes the situation will improve by the time the plant is operational. Domestic prices are at present about R1.450 t, with spot sales currently about R1.450 t, with spot sales fetching R1.122 t on the London Metal Exchange.

Predictions are, Van Vuuren says, that there will be a shortage of aluminium by 1982, particularly if the American economy experiences a recovery. Aluminium is particularly sensitive to economic trends - illustrated by the 40% rise in local demand during 1979. One factor locally says Van Vuuren is the construction of a high voltage power line between SA and SWA Namibia.
Acquisitions ahead?

**Activities** South Africa’s largest steel and wire rope producer, with interests in the manufacture of all-steel and mild steel, and cutting tools through sub-holding Samuel Osborn and Wire Industries. The company aims to expand its operations with the acquisition of other mills and facilities.

**Financial Results** For the year ended December 31, 1980, the company reported a net income of R3,970,000 on sales of R6,750,000. Earnings per share were 30.6 cents. The dividend for the year was 20 cents.

**Shareholders** The directors sought evidence that the company is operating well below its financial capacity, and noted that an annual report, under-utilisation of financial muscle had been a feature of the group for several years. The directors cited the ordnance division as an example of under-utilisation.

**Management** The management has seen a need for diversification based on growth prospects in the wire rope industries, which has led to an acquisition by Hagger.

**Strategic Holding** A strategic holding which will utilize some of its idle financial capacity.

**Growth** The size of any possible deal can be assessed from the 1980 balance sheet, which shows that the company has a total debt of R675,000. This is more than 28%, and total borrowings were covered three times by annual group cash flow. Further indication of the build-up in acquisition potential is that gross profit covers the debt interest charges by nearly 2.5 times, compared with the 1.8 times of the prior year.

**Management** The management has been successful in divesting non-core assets and has also made a major source of revenue in the provision of services and advice.

**Summary** In summary, the company’s financial situation has improved significantly, and the management is optimistic about the future.
Strong activity on local market, Seifsa reports

Financial Editor

SECTORS of the metal smelting and engineering industries serving the local market are continuing to experience strong activity, the Steel and Engineering Industries Federation reports in its latest monthly business survey.

However, the base metals sector has experienced a further drop in export sales of steel and ferro-alloys and there has been some easing in the order intake and production levels.

Sectors reporting increased orders include telecommunications and electronics, industrial refrigeration and air conditioning and consumer goods.

The farm machinery and equipment sector reports that the sales surge experienced in the December quarter has been sustained.

EXPANSION

General engineering continues to benefit from the expansion of the economy and heavy engineering reports increased activity as a result of the upturn in private and public sector fixed investment, particularly in mining and electricity generation.

Increased orders for rolling stock and particularly locomotives are expected from the Railways.

Shipbuilding also reports increased activity though the outlook remains uncertain.

However, firms in structural steel and reinforcing steel work report that competition remains severe, though there has been some improvement in capacity utilisation.

The federation says the outlook for its members remains healthy in spite of some easing in export performance, labour shortages, and the substantial increase in imports, particularly of machinery and electrical machinery.
Electrical workers pay hike

Own Correspondent

CAPE TOWN — Electrical workers in the Cape have been awarded a 36% pay rise following mediation of a dispute with employers.

The regional chairman of the Electrical Contractors Association, Mr. Ralf Pinto, said the agreement reached with the employees' SA Electrical Workers' Association would come into effect as soon as it could be gazetted. It would take about six weeks.

A new category of labour has also been introduced in terms of the agreement intended to cut the cost of electrical work on housing schemes by allowing "systems installers" to do work previously done by more qualified electricians.
Called 'kaffirs' at Barlow company

A NUMBER of black employees at Barlow-Noordelike Machinery Company at Watlo, Pretoria, claimed this week that they are called "kaffirs" by their white colleagues.

The company is part of the Barlow Rand group, which was recently honoured for its industrial relations.

At least four black employees said yesterday that it was common practice at the firm to be called kaffirs.

Mr G Rabie, general manager of the company, conceded that there had been incidents of this nature at the premises and said they were trying by all means to stamp them out.

"Our aim," said Mr Rabie, "is to implement a fair code of employment practices to eliminate racial discrimination."

Another source said a black colleague was disconnected a hosepipe when a senior white man told him: "Do not misuse water, you bloody kaffir."

MANHANDLED

The man reacted to this type of language but was instead manhandled.

Mr Rabie refused to comment on this issue. "The company does not practice what it preaches," another employee said.

"Very often while it projects an image of good relations between itself and its employees, this is not so," he said.

Mr Rabie said the blame should fall on the individuals concerned and not on the company.

"The company has a set of rules and regulations concerning the employer and employees. Racial discrimination is not allowed within the company," he said.

Barlow-Noordelike is one of the largest companies dealing in earth moving equipment and tractors.
practitioners are generally far preoccupied with the pressing needs of the ill to spare time to study a parallel and often presumed inferior rival system. There is also a general lack of epidemiologic knowledge for this type of research. There is also a lack of interest in community medicine in South Africa. Most therefore contribute impressionistic information based on samples of patients who come to them after a failure in the hands of a traditional practitioner. Their impressions then confirm the incompetence of the traditional practitioners. The fact that many of their own patients perceive treatment failure in their hands and seek help in the traditional sector goes unreported. The case of the Thalidomide baby should be a constant reminder for all.

The purpose of this paper is therefore to present the traditional medical care system of the rural and urban areas of the Kosa, which also have implications for other traditional societies. Of fundamental importance here is to examine the manner in which the traditional medical system continues to serve the needs of the society and to be able to determine how far a changed situation as a result of western contact can lead to a modification of the traditional system.

We need to ask ourselves the following questions:

1. How does the traditional medical institution serve the present needs of the society?

2. To what extent has the introduction of scientific medicine led to changes in traditional medicine?

3. What type or kind of or either type of medicine is preferred or used in a traditional setting?

4. In what circumstances of medical attention or need for medical care is a traditional approach used as opposed to a scientific approach?

5. What are some of the implications of the introduction of scientific medicine on traditional medicine?

6. What are the psychological implications of scientific medicine on traditional medicine?

To understand the concept of Kosa requires a knowledge of the concepts of ill health and a brief description of these concepts since this subject.
METKOR (189)

Rebuilding the base

Activities. Investment holding company, invested principally in steel, engineering and allied industries. Owns 100% of Wispeco and Hart, 37% of Afgate and 39% of Union Steel. Since the year-end has sold 80% stake in Fowler.

Chairman: Dr T M Muller, managing director: L van Zyl.

Capital structure: 67,2m ordinarries of 50c, 40,5m 10,5% cum comp non-red, pref of 50c. Market capitalisation: R49,7m.


Market value of portfolio (Rm): 35,2 40,3 61,6 105,8
Dividend income (Rm): 3,5 3,0 3,7 7,8
Interest and fees (Rm): 0,8 0,8 0,8 1,3
Earnings (c): 13,1 6,0 11,4 26,4
Dividends (c): 5 5 5 8,5
Net asset value (c): 111 122 126 163,2

Clearly, Metkor's disposal of Fowler earlier this month was based largely on that subsidiary's poor performance in the past. But at the same time MD Luther van Zyl also points out that Fowler did not really fit that well into the group which, in line with its Isscor ties, has tended to concentrate mainly on steel and allied companies in its portfolio.

Consequently, the hiving off of the civil engineering company has created a more rational group, though there are still two very small units, Felbulem and FTS Bunders, which could be sold in the future. Hollowware manufacturing subsidiary Hart, he adds, is not for sale, despite market rumours that it might go to Quincor.

The rearrangement of the group has taken place without significantly affecting dividend flow, for the group had not, in fact, budgeted for any dividend income from Fowler for the next two or three years. Van Zyl says.

The reconstruction of the portfolio also reflects, to some extent, a shift in management policy towards the group's investments. Up to a year ago — that is before the arrival of Van Zyl and his team — Metkor operated strictly as an investment company. But now management is taking a more active interest in its subsidiaries and will have, as Van Zyl puts it, "a major influence at board level."

In line with this, Van Zyl says, Metkor is not planning any further acquisitions for the time being. He adds that, as the companies down the line in the group tend to plough cash back into the business at this level, the group itself will henceforth distribute the major portion of the dividend income it receives. This does not, however, necessarily imply a change in dividend policy.

There is, as a result, good scope for growth in the holding company, he says, and though it will obviously not flourish overnight, there is now a solid base from which to work.

In the light of this change in management emphasis, there is a good case to be made out for the company to consolidate its accounts in the normal way. It currently equity accounts its 20 or so subsidiaries which leads to an unnecessarily complex balance sheet.

At present, the group looks well set for growth. In the consolidated accounts at least, there is little outside finance and the ties with Volkskas Merchant Bank should assist in raising cash for subsidiaries if this is required.

There is, however, the matter of some 40,5m outstanding convertible preference shares to be considered. The shares are convertible as and when the group has paid two consecutive annual dividends in excess of 5,25c. This level has already been reached and there is little likelihood that it will be reduced this year so it appears as if the conversion could start taking place in financial 1982.

It was this issue of preference which took voting control of the company out of the hands of Isscor which did not follow its rights. Conversion of the preference, however, will not dilute ordinary dividends as the preference already receive a 5,25c dividend.

With the revamped base of the group coming into the picture for a full year for the first time and with a new attitude on the part of management towards its investments, the future earnings potential of the group looks promising. And with the counter well off at year's high at 74c it looks like the sort of special situation which could form a useful part of a longer-term portfolio.
Men working on an airplane engine as part of their training.

Step towards bigger things

Aircraft maintenance trainees

By Elliot Shinewala
Grey, op. cit., pp. 308-309 passim.

Ibid., p. 319.


Ibid., v. 138, S. Evans to L. Reyerbach, 2 March 1907.

The Mining Industry Commission, 1907-1908, did not investigate working conditions conducive to phthisis as Burke and Richardson, op. cit., p. 15, stated. In fact, when requested to listen to evidence on malaria, the commission stated that this was the function of the Mining Regulations Commission.


Burke and Richardson, op. cit., p. 10.

Ibid., 1905, p. 72.


Grey, op. cit., p. 312.


PORT ELIZABETH — The Government was criticised yesterday for saddling the motor industry in South Africa with a R170-million-a-year bill for its State-inspired Atlantis Diesel Engine (ADE) programme — "which could not achieve its objectives" — when the money was needed desperately for training and expansion.

Speaking at a conference in Port Elizabeth dealing with the Atlantis programme, Mr Lou Wilking, the managing director of General Motors South Africa, said it would create inflation, add many thousands of rand to the cost of a truck — and in the end fall short of its objective.

"Essentially, the Government's objective was to make South Africa self-sufficient in diesel engines — the only essential change to the initial plan being that the engines considered important at that time were not the ones now being manufactured.

"The money that has been put on the table so far stretches to R200-million, which is aimed at producing two complete families of diesel engines — these to be used in a range of vehicles stretching from small tractor diesels to the heavy big trucks.

"These 31,000 units are going to incur cost penalties which we estimate will average around R5 600 or R6 000 per unit. Consequently, you arrive at an amount of R170-million to R180-million cost penalty.

"If you take that kind of cost import and start to divide it, for example, over the cost of bread, eggs and other food commodities it's going to result in significant inflation.

"All this will put a large additional strain on the economy. Even in a boom year like 1980 with an 8% growth increase, we cannot cope with the number of people looking for employment. Because, if you relate the 193,000 new jobs reported to have been generated, with the 350,000 people looking for jobs, you end up having 157,000 jobs less than there should have been.

"Yet we don't have the training, and all that that entails, to do the job or work the motor industry has ahead of it.

"That is the programme, but I do not believe that it can be achieved. 100% I cannot possibly foresee that South Africa can become totally self-sufficient in diesel engines are concerned.

"The next major point is that the ADC programme is going to be extremely inflationary. Our studies indicate that there is going to be a most significant escalation in costs and resultant prices.

"If you take the smaller truck bracket, we are looking at a probable 30% to 35% — or even as high as a 40% — price escalation to incorporate the ADE engines. That will mean a price increase of around R3 400.

"Mr Wilking said the same arithmetic could push up the price of medium range trucks by R3 600, and those of heavy trucks by R22 000 to R25 000 —

Sapa
Cape diesel project criticized

From GORDON KLING PORT ELIZABETH. -
The head of one of the largest motor manufacturers in South Africa yesterday hit out at the R360-million Atlantis Diesel Engines project on the West Coast north of Cape Town as being badly-conceived, ill-timed and certain to cost the public far more than it appreciated.

Coming within a hair’s breadth of calling for immediate cancellation of the venture, which is scheduled to begin trial production next week, the managing director of General Motors South Africa, Mr Lou Wilking, told a briefing session of senior company personnel and motoring journalists yesterday that the ADE engines would add between R2 500 and R5 000 on average to all diesel trucks in rapid stages, beginning on October 1.

"If you take the smaller truck bracket I’ve deleted a brand name here we are looking at a probable 30 or 35 percent or even as high as a 40 percent price escalation to incorporate the ADE engine in those trucks. The man in the street simply doesn’t realize what’s coming, I really don’t believe they know," said the company’s sales manager, Mr John Cooley.

Brian Pitt, said the implications for his group had yet to be quantified, "but we continue to be concerned about the escalating cost levels implicit in the ADE programme.”

At ADE the chief executive finance, Mr Otto Scholtz, yesterday maintained that its advantages still outweighed other factors. The benefits included standardization, training and inventory savings from the conversion to 11 ADE engines in five basic families as opposed to the 300 types now in use, self-sufficiency and the impetus the project would give to the component-manufacturing industry.

Mr Wilking rejected this.

He said thousands of "crippled" cars lacking everything from brakes to window fixtures were being stored on company lots because the components industry was already incapable of meeting demand.

ADE engines would not make the country self-sufficient, because numerous key parts still had to be imported.

Military use

The plant would not be capable of turning out air-cooled diesels required for military use, which had been one of the main reasons why it had been established.

Demand in South Africa was insufficient for economic production runs and export potential of the engines was nil.

He also did not believe it was in the interests of South Africa to embark on uneconomic manufacturing to cushion against sanctions.

"I personally think it would be an error to make ourselves really self-sufficient. When you stop doing business with the banks in the United States, Japan, Britain and Europe it’s much more likely than less likely that the door will be slammed on us.”
Barlows revises labour code

By MONK NKOMO

THE Barlow Rand Group has revised its employment code to meet changing circumstances, according to the latest issue of their journal.

"For historical and other reasons, various wage gaps have been developed in South Africa and we are committed to working towards their elimination in our group as soon as possible," the article reads.

This revised third version of the group's code of employment practice states that the best road to industrial peace and constancy depended on negotiations at industry or national level between employer organisations and fully representative mixed unions.

Although the registration of unions was proving to be a slow and burdensome process, the group would ideally like to deal with registered unions in an industrial council structure.

PROGRESS

"Until voluntary registration is made easier and more attractive, we shall have to continue negotiating with unregistered unions if meaningful numbers of our black employees wish to be represented by them."

All the subsidiary companies of the group will report annually on their progress towards the full implementation of the code.

"They should produce plans indicating how they propose to eliminate any gaps that may still exist in their current employment practices."

The article further states that within the diminishing pressures imposed by law and by legally enforceable agreements, employees "will be appointed or promoted solely on the basis of their ability to meet the requirements of the post to be filled."

The Barlow Rand group promised to amend its employment codes periodically in an effort to represent the most enlightened practice available in prevailing circumstances."
KANTOOR VAN DIE EERSTE MINISTER

No 621. 27 Maart 1981

Hierby word bekend gemaak dat die Staatspresident sy goedkeuring gegee het aan die onderstaande Wet wat hierby ter algemene inligting gepublisereer word —

No 42 van 1981 Wysimgswet op die Suid-Afrikaanse Yster en Staal Industriële Korporasie, Beperk, 1981

OFFICE OF THE PRIME MINISTER

No 621 27 March 1981

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

Diesels: Govt rejects attack

By GORDON KLING

THE ROW in the motor industry over price rises caused by the need to replace imported diesels' engines by those manufactured by the government-sponsored Atlantis Diesel Engines project escalated this week with a rejection by both the government and ADE of General Motors' complaints.

GM is the largest motor manufacturer in the world and its diesel truck range is one of the biggest sellers in South Africa.

The Minister of Industries, Dr Dawie de Villiers, accused certain manufacturers of concentrating on the negative aspects of the project and conveniently choosing to ignore the positive aspects which it had for the consumer.

ADE's managing director, Mr Hartmut Beckers, prefacing his comments by noting that the venture was not a truck or tractor manufacturer, said he was unable to justify statements in the Cape Times by GM's managing director, Mr Lou Wolking, that the engines would cause diesel truck prices to rise by between 30 and 40 percent, provided realistic deletion allowances for engines are granted by overseas source plants.

Deletion allowances are reductions in the price of trucks from the overseas source plants based on costs saved by eliminating their engines, which from October 1st are to be supplied by ADE.

"In any event," said Mr Beckers, "the normal market forces will dictate the final outcome, and we believe that since some manufacturers will not have to increase prices, those that do will have to revert to their principals for more realistic deletion allowances."

GM's head of public affairs, Mr Peter Ray, has rejected this stand, however. He said in an interview this week: "I can assure you our figures were based on facts developed by our own finance department. Obviously the calculation we did allowed for any deletion allowance from the source plant from which we are presently drawing our engines."

Dr Dawie de Villiers said in a separate statement yesterday that the government saw fit to approve the ADE project because transport and food production were two areas in which South Africa should strive to be self-sufficient. "The latest technology had been incorporated in the engines, and the project would create thousands of new jobs."
Steelmakers can thank Sasol and the free-spending consumer market for another year of domestic sales growth. This follows massive growth to record levels last year.

State-owned Iscor, which accounts for 75% of local steel production, is estimating its local sales at 3.7 Mt for the year ending June 30. This is 17% up on last year, which exceeded the previous year by 27%. Value of Iscor's sales should once again exceed R2 billion, the figure for last year.

Part of the reason for the slowdown in growth is that consumers are reducing their inventories, because of rising interest rates and Iscor's increasing ability to deliver at short notice.

However, sales patterns have changed and more steel is finding its way into consumer goods rather than capital items. Demand for cold rolled steel, used for motor car pressings and white goods, should be up 15% to 363 000 t. With car sales up 30% and appliance sales up 35% on last year, little further short-term growth is expected as these industries approach their capacity ceilings.

Sales of tin plate used for beverage and food cans should be up 26% to 232 000 t. Tin plate sales were boosted last year by a bumper fruit crop and the increasing consumer preference for cans as beverage containers.

The growth of beverage cans at the expense of glass accelerated as the boom spread to the consumer sector, with increased consumption spurred mainly by blacks.

“Black disposable incomes need only increase by a little for a whole new generation of products to open to them,” says an industry insider. “And one of the things they can now afford is the status and convenience of a can.”

Manufacturers are hard pressed for beverage can capacity at present but new equipment is on the way. Growth should be high over the next few years as the SA consumption of beverage cans is still well behind that of the developed countries. In the US, 40% of soft drinks and 80% of beer is sold in cans while in SA the corresponding figures have not yet reached 10% and 35%.

New two-piece beverage cans are also beginning to replace the traditional three-piece cans. Two-piece cans use less steel as they are thinner and consist of a one-piece bottom and sides with an aluminum top. The two-piece cans are made of a steel bottom, seamless steel sides and an aluminum top.

Construction at Sasol which still has some time to run is continuing to support steel sales, especially piping. Sales of hot-rolled steel used largely for making pipes should be 29% up this year to 753 000 t.

Sales of tubing and galvanized steel used for roofing should also be up, reflecting increased spending by farmers after a good year and more building activity.

However, demand for steel sections and plates used in heavy construction and ship building should drop 19%, from 1.46 Mt to 1.19 Mt. Sales of rails to the SAR should drop 32%, from 168 000 t to 115 000 t. This reflects the fact that many big capital projects are nearing completion.

Iscor's exports should be 27% down this year, because of the combination of reduced dollar prices for steel and the strengthening rand. Iscor usually aims at full production of steel so it is building up stockpiles which it will start exporting later this year when rand prices are expected to be better.

Steel export prices average around R280/t free on rail, but the overseas customer ends up paying about the same as local customers after freight and duty charges have been added.

Iscor's divisional GM (steel marketing), Nola Olivier, says Iscor has to sell its surplus overseas at low prices as this is less costly than closing plants once local demand has been filled. Exported steel, he says, contributes about R60/t towards overheads in excess of direct manufacturing costs. He does not believe that local demand would increase if the price were lowered, because many local customers are so near to production capacity.

Last year some 300 000 t of steel were sold at special rates to local companies who were able to continue exporting.

By giving them this concession, he says, "we almost trebled the country's foreign earnings on each ton of steel so exported."
SA stoves . would imports hurt the market?

conditions and reduced demand overseas—could disrupt market stability in SA, says John Turner, chairman of the Domestic Appliance Manufacturers Association (Damaa).

Unit turnover of domestic appliances increased by 35% in 1980. With prevailing inflationary conditions, revenue increased by about 50%. Local manufacture increased by 25%, in real terms Imports increased by 45%.

Present duties on imported washing machines are 25% on list price or R50, whichever is greater.

In the application, published in the Government Gazette of January 2, it is requested that ad valorem duties be increased to 40% or R80. (The present duty on imported electric stoves is 30% on list price, dishwashers, 20%, tumble dryers, 25%.) Application has not been made to have these duties adjusted.

Turner admits that "when the industry grows quickly, no one complains about imports. My concern is that the long-term structure of the industry is thrown out of kilter if the balance between local manufacture and imports is not maintained. Turner wants to see imports down to about 10% of total demand.

Manufacturers have applied to have the
demand but little attention was paid to our warnings. On certain appliances there's a
three-month lead time. Yet local manufacturers ask for increased protection against
imports.

SA needs new technology. It lags far behind what's happening in Europe today. Imports stimulate new developments.

Vernon Katz, MD of Katz International Corporation distributors of both imported and locally manufactured goods says we don't require additional protection for our locally manufactured washing machines and refrigerators. We'd be happy to see duties reduced.

Katz says there's agreement among retailers that local manufacturers are often not terribly efficient. Service on imported appliances tends to be vastly superior.

Spares parts on imported products are freely available. The problems arise on spares parts from local manufacturers. He says that when local manufacturers get increased protection, their immediate reaction is to increase prices of local products.

Present duties on washing machines were introduced in December 1978.

Says Katz, "The increase meant duties hiked from R32 a machine to R50. Less than a month later Deby increased the price of its washing machine by R10. General Electric's model 990 increased R25, Barlow's kijken increased R25, Barlow's Kelvinator increased R25, Hoover's A 2020 increased R22.80, and Hoover's A2024 model R24.40.

When comparing the price of a washing machine with the price of a pair of shoes overseas. Katz says the ratio is roughly 2:1 in SA the ratio is 7:1.

Katz is particularly ruled by the fact that duties extend to types of washing machines which are unobtainable in SA.

There have been quite a lot of objections to these duties, says Katz, a spokesman for the IITI. Duties are not necessarily going to be revised, he says.

EXPLOSIVES

FM 27/3/81

Hill blasted?

It seems that Oliver Hill's National Process Industries has little chance of getting a slice of SA's R250m explosives market.

For it appears that if explosives users are given a free choice, they will opt for AECI's relatively new Sinex 960 rather than Tovex, the NPI product (FM January '80).

A mining man says that tests at West Rand Consolidated Mine suggest that Sinex 960 may even be better than Tovex. At least one other mine conducting unofficial tests on Sinex 960 is also enthusiastic.

Hill, however maintains that Tovex outperforms Sinex 960 on cap sensitivity, fume performance and water resistance, as well as selling for only two-thirds the price.

He is basing his hopes of entering the market on a report of the Competition Board to be tabled in Parliament next year.

In this report the board is expected to decide on whether AECI's 99% of the explosives market is in the public interest.

Says Hill: All we want is a free market whereby we can sell our product in a fair manner.

He scored the first point in his battle to crack the AECI near-monopoly in 1978, when he got several mines to test Tovex, the product he manufactures under licence from Du Pont.

At that time most blasting was done with AECI's Anflex and nitroglycerine-based explosives. Some miners disapprove of the latter because they say it causes headaches.

But the tests showed that Tovex broke rock about as well as conventional explosives. However there were some problems relating to quality of tilting of the Tovex cartridges.

In spite of the price difference between Sinex 960 and Tovex, some mining men say they would still prefer to buy Sinex because of service undertakings built into the agreement on the supply of explosives.

NP1's Hill: 'All I want is a free market'

between AECI and the mines which buy more than 90% of the explosives it produces for the local market.

And Chamber of Mines manager Peter Bowman says: "The prices the mines pay for explosives are calculated on a cost-plus basis. We are satisfied with the agreements we have with AECI to control the allocation of costs on the ex-

sives sold under the agreement."

In terms of the agreement "we have the right to test new..."
SA stoves... would imports hurt the market?

conditions and reduced demand overseas could disrupt market stability in SA, says John Turner chairman of the Domestic Appliance Manufacturers Association (DAMA).

Unit turnover of domestic appliances increased by 35% in 1980. With prevailing inflationary conditions, revenue increased by about 30%. Local manufacture increased by 30% in real terms; imports increased by 49%.

Present duties on imported washing machines are 25% on job price or R50, whichever is greater.

In the publication, published in the Government Gazette of January 2, it is requested that ad valorem duties be increased to 40%, or R50. (The present duty on imported electric stoves is 20% on job price, dishwashers, 20%, tumble dryers, 25%. Application has not been made to have these duties adjusted.)

Turner admits that the industry grows quickly, no one complains about imports. We concern is that the long-term structure of the industry is thrown out of gear if the balance between local manufacture and imports is not maintained. Turner wants to see imports down to about 10% of total demand.

Manufacturers have applied to have the present duty on electric refrigerators - 25% ad valorem per unit plus 50c per litre of capacity, less 50c on the job price - adjusted to 25% ad valorem or 60c per litre of capacity, less 75c, job.

But says Iet Petersen, Pick n Pay Hypermarket director and chief hardware buyer, we had a sales increase of more than 100% in large appliances last year. But the local industry could not supply in terms of what we needed.

We wanted them two years ago to gear themselves for the big increase in demand but little attention was paid to our warnings. On certain appliances there's a three-month lead time. Yet local manufacturers ask for increased protection against imports.

SA needs new technology. It lags far behind what's happening in Europe today. Imports stimulate new developments.

Vernon Katz MD of Katz International Corporation, distributors of both imported and locally manufactured goods, says:

We don't require additional protection for our locally manufactured washing machines and refrigerators. We'd be happy to see duties reduced.

Katz says there's agreement among retailers that local manufacturers are often not terribly efficient. Service on imported appliances tends to be vastly superior.

Spare parts on imported products are freely available. The problems arise on spare parts from local manufacturers. He says that when local manufacturers get increased protection, then immediate action is to increase prices of local products.

Present duties on washing machines were introduced in December 1978.


When comparing the price of a washing machine with the price of a pair of shoes, says Katz, the ratio is roughly 2:1. In SA the ratio is 7:1.

Katz is particularly riled by the fact that duties extend to types of washing machines which are unobtainable in SA. "There have been quite a lot of objections to these applications," says a spokesman for the BTI. Duties are not necessarily going to be revised, he says.

From the Government Gazette and the daily papers.

SA stoves... would imports hurt the market?

SA stoves... would imports hurt the market?
The system of buying on the advantage to the workers, given to farmer and not yet paid for, might end of the week and would perhaps as debt by other farmers.

Some of the debts under R10, range: R2.50 to R200 total R26.01 mean: 9.73

<table>
<thead>
<tr>
<th>Number of</th>
<th>Current debt to farmer (R)</th>
</tr>
</thead>
<tbody>
<tr>
<td>29</td>
<td>0.01 - 10.00</td>
</tr>
<tr>
<td>3</td>
<td>20.01 - 30.00</td>
</tr>
<tr>
<td>4</td>
<td>30.01 - 40.00</td>
</tr>
<tr>
<td>5</td>
<td>40.01 - 50.00</td>
</tr>
<tr>
<td>7</td>
<td>50.01 - 70.00</td>
</tr>
</tbody>
</table>

### TABLE 21

Distribution of workers according to debt. It is shown in the table below.

- (78 percent) were described by food, etc., on the book, and to a few weeks. At the time of the their provisions (nibble, meet, stay food)

However, most farmers extended to workers in the sense that work too big to pay off easily and the

ANDREW MCBRIDE, JAPAN LEAD METAL LTD. 9000-m annual sales forecast for new steel
acquiesce and responsibility is in the larger society which might directly contribute to removal of these diseases.) It is noted by the doctors that diseases of class II are present, especially among the so-called "poorer" population.

The classification of diseases used to indicate that prevention is an essential part of care. Traditionally, avoided are correct care in a field of measures can be such to alleviate ill health in the course of life. With this in mind, extensive education campaigns to raise awareness among the public is clearly more of a critical requirement. The latter may be taken in any cases, though their key role in highlighting the problem is

---

---
A BARLOW Rand
company, Southern
Cross Steel of Mid-
delburg, has taken
the gap in the world
steel market and
scored spectacularly
with a new low-cost
corrosion-resistant
steel.

The steel, 3CR12,
which is expected to
erate R1.00 million in
South Africa alone in
the next 10 years, will have
a major impact on
export earnings and the
overall national product.

Certainly the potential
off-take on world
markets is far greater
than the South African
corrosion consumption of
one million tons in the
next 10 years.

Southern Cross does
not plan to export large
quantities of steel,
but the market will
be encouraged to
produce and this will
increase world consump-
tion of ferrochrome

World consumption of
crime, comprising 12
percent of the steel, is
expected to double
during the next 10 years
as a direct result of the
Southern Cross break-
through.

The achievement
marks a decade of
research and
development by the
company with help
from the universities of
Cape Town, Pretoria and
Wits. This, the National
Institute of Metallurgy,
the Chamber of Mines
and the South African
Bureau of Standards.

The new steel fills the
gap between rust-prone
carbon and conventional
stainless steels which
cost three times as
much as the carbon
steel. Thin sheets of the
new steel have been
used for many years in
applications such as
exhaust mufflers, but
cracking problems have
ruled out its use in the
heavy plate market.

Southern Cross
developed a corrosion
resistant steel plate
which can be welded.
This opened the door to
a massive industrial
market where coated
carbon steel and
corrosion protection
systems are used.

About 500 prototypes
of the steel are being
tested in a wide range of
milling, chemical and
heat-resistant applica-
tions in South Africa,
Britain and Australia.

Southern Cross
managing director John
Hall says: "In industrial
corrosive environments
3CR12 will out perform
any other material."

Professor Paul
Robinson, head of the
corrosion science and
engineering faculties at
Wits University, says it
is not exaggeration to
describe 3CR12 as one
of the most overdue
industrial developments
of the century.

Managers of Southern Cross Steel, John Hall, left, and Leo Mel-
ville, director of marketing for Southern Cross Steel, watch a pour
of 3CR12 at the melt shop at Middleburg Steel.
A CRITICAL shortage of trained engineers, draughtsmen and technicians has developed and unless immediate steps are taken — including faster processing of immigrants — the shortage could reach crisis proportions this decade.

This is the view of Ken Andre, president of the South African Association of Consulting Engineers, who says the shortage affects the fields of civil, electrical and mechanical engineering.

Unless the situation improves, the economic consequences for the country would be disastrous, he says. "The whole economy would be slowed down and capital development projects would be delayed. We cannot allow this to happen."

The demand for draughtsmen has sent their wages spiralling upwards and this means that engineers' and technicians' pay will have to go up too.

"It is an unhealthy situation and remedial steps are needed."

The main reason for the shortages was that the industry was expanding at a time when universities were producing fewer graduate engineers.

"If nothing is done about this, there could be four to five positions available for each engineer towards the end of the Eighties," said Andre.

Professor Dirk de Vos of the University of Pretoria, president of the SA Council for Professional Engineers, has observed that whereas there were 600 first-year engineering students in 1973, there were only 299 in 1979. There will be about 290 graduates in 1981/82 to fill an estimated 400 to 600 vacancies.

Andre believes the main reason so few young men go into engineering is a lack of understanding of the profession.

"Careers in engineering should be made more attractive," he says.

The likeliest reason for declining interest in engineering were not major factors.

Andre said his own consultancy, WLP, offered positions to graduates for a three-year training period.

"We are fortunate in having offices in other countries which help us to get hold of immigrants," he said.

"But that is a short-term solution. There are difficulties in getting work permits, sorting out their personal affairs, matching salaries and meeting local professional requirements so that the foreigners eligible for registration in South Africa.

Andre believes the Department of Immigration could greatly assist by speeding the issue of work permits.

The recruitment of more Blacks to the profession was also vital.

"There are job opportunities for all races and there are already a limited number of Black engineers in practice."
Bonanza in tractor sales

By Vera Bobekova

Although the used vehicle market was a whole fall during the first 10 months of this year, according to the Department of Statistics, nevertheless 13,023 used tractors were sold, showing an increase of 2.5% on 1978. There were bought 11,049 coloured, 51 Assane 69 blocks and 1,319 sales were not accounted for in total groupings.

During this time unit sales of used buses fell by 50.3%, used motor cars dropped by 5.3% and commercial vehicles by 7.9%.

Only sales of tractors showed a growth as did motorcycles (4.4%) and minibuses (9.8%).

In the same 10 months, sales of new tractors rocketed by 68.2%, accounting for 12,743 units as opposed to 7,448 for the same period in the previous year.

"In terms of new unit sales 1980 was second only to the industry record of 19,165 units in 1975," says Ford Tractors. "Last year new tractor sales kept to almost 10,000 — a 77% increase on 1979."

This was a welcome windfall for the tractor market which saw a demand since 1979 with a maximum sale of 10,500 models.

New tractors showed the third-largest sales growth last year in the new-vehicle market, says the Department of Motorcycles. Sales of motorcycles (up 100.5%) and minibuses (up 77.2%) increased.

Increased new motorcycle sales were accounted for by the luxury end of the leisure market, when more men tried to get out of their restricting uniforms into the unconfined busworld — so explains one retailer.

The rise in minibus sales is attributed mainly to more blocks buying "taxis" for the daily transport of workers between the metropolis and the townships.

Tractors sales indicate that the farmer was rich enough to go out to replace his old stock and generally upgrade his fleet.

Someting to remember all the income is cash and then to simple: Workers should be allowed to organise their own than in cash; it's complicated. Yet at times it seems

and workers' of taking a large part of payment in goods rather the question of the costs and benefits, to both farmers

Cash and/or kind .

to partly pay for the things they provided.

onductively pensions and would take some of the money.

milk (cheese), fruit and vegetables when available;

Apart from housing, farmers generally provided
Cape Gate into Britain in R16m deal

By NEIL BEHRMANN

LONDON. — Cape Gate, a privately-owned South African steel company, headed by Mendel Caplan, is moving into Britain in a £3m ($16.3m) deal. It is acquiring two wire-making subsidiaries of Johnson, Forth and Brown, the Sheffield steel and engineering group.

It will take over two factories, at Manchester and Ambergate in Derbyshire, together with a workforce of 900. The Manchester company, which will revert to its original name of Richard Johnson and Nephew, was founded in 1773 and is a leading supplier of submarine cables. The first transatlantic cable between the UK and America was produced at the Manchester works in 1857. Mendel Caplan will be chief executive of the two factories.

Cape Gate is planning to extend internationally and intends to invest large sums of money in the two factories to develop new products and new markets. The purchase price is based on the combined assets of the two companies at March 31. This is expected to be about £9m, which will be financed by a £5m of share capital and reserves and a £7m ($12.8m) loan from Johnson, Forth and Brown. Cape Gate will repay the loan in five annual instalments.

In the year to September 30, 1980, the Manchester company broke even on a £2.5m ($5.7m) turnover but the position has worsened in the last six months. The Ambergate company had a trading profit of £1.1m ($2.3m) on sales of £15m ($27.3m) in the full year followed by a break-even six months.
Boilermakers looking for wage increases

By Lynn Carlisle

HAVING recently concluded pay increase negotiations with the Steel and Engineering Industries Federation of South Africa (Seisa), the Boilermakers Union are hoping to secure higher wages from the Chamber of Mines, Ilocor, Highveld Steel, Alusaf and Huletts, says the union's general secretary, Ida van der Watt.

This affects a minority of the union's 46,000 members, but will rub off on thousands of non-members — mainly blacks — working with their white and coloured colleagues.

"An 11-shift-a-fortnight agreement has just been reached for workers on the mines — but not with the engineering companies — so current negotiations will be basically about wages," he says.

Van der Watt points out that normal wage increases this year have been around 15% for artisans but could not disclose what he had in mind for his members, who and mainly boilermakers.

Total

<table>
<thead>
<tr>
<th>Payment 1</th>
<th>Payment 2</th>
<th>Payment 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>35</td>
<td>30</td>
<td>25</td>
</tr>
<tr>
<td>20</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>5</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>

Table 1a (a)

<table>
<thead>
<tr>
<th>Payment in Kind</th>
<th>T.W.E. (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>15</td>
<td>0</td>
</tr>
</tbody>
</table>

The distribution of workers according to payment in kind, per week:

<table>
<thead>
<tr>
<th>Workers' Kind</th>
<th>Payment in Kind</th>
</tr>
</thead>
<tbody>
<tr>
<td>100,00</td>
<td>0.00</td>
</tr>
<tr>
<td>99.99</td>
<td>0.00</td>
</tr>
<tr>
<td>99.98</td>
<td>0.00</td>
</tr>
<tr>
<td>99.97</td>
<td>0.00</td>
</tr>
<tr>
<td>99.96</td>
<td>0.00</td>
</tr>
<tr>
<td>99.95</td>
<td>0.00</td>
</tr>
<tr>
<td>99.94</td>
<td>0.00</td>
</tr>
<tr>
<td>99.93</td>
<td>0.00</td>
</tr>
<tr>
<td>99.92</td>
<td>0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Workers' Kind</th>
<th>Payment in Kind</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.9999</td>
<td>0.00</td>
</tr>
<tr>
<td>0.9998</td>
<td>0.00</td>
</tr>
<tr>
<td>0.9997</td>
<td>0.00</td>
</tr>
<tr>
<td>0.9996</td>
<td>0.00</td>
</tr>
<tr>
<td>0.9995</td>
<td>0.00</td>
</tr>
<tr>
<td>0.9994</td>
<td>0.00</td>
</tr>
<tr>
<td>0.9993</td>
<td>0.00</td>
</tr>
<tr>
<td>0.9992</td>
<td>0.00</td>
</tr>
</tbody>
</table>

The adjusted values for payment in kind lead to adjusted tables of distribution.

Two examples of workers at various levels of total payment (cash plus kind) are:

1. A farmer as unskilled, or "isolated," has a weekly income of £15. If he lives on a farm, on a farm, or on a farm, he may have a weekly income of £30. In this case, and the two that follow, an average salary is £15.

<table>
<thead>
<tr>
<th>Workers' Kind</th>
<th>Payment in Kind</th>
</tr>
</thead>
<tbody>
<tr>
<td>100,00</td>
<td>0.00</td>
</tr>
<tr>
<td>99.99</td>
<td>0.00</td>
</tr>
<tr>
<td>99.98</td>
<td>0.00</td>
</tr>
<tr>
<td>99.97</td>
<td>0.00</td>
</tr>
<tr>
<td>99.96</td>
<td>0.00</td>
</tr>
<tr>
<td>99.95</td>
<td>0.00</td>
</tr>
<tr>
<td>99.94</td>
<td>0.00</td>
</tr>
<tr>
<td>99.93</td>
<td>0.00</td>
</tr>
<tr>
<td>99.92</td>
<td>0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Workers' Kind</th>
<th>Payment in Kind</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.9999</td>
<td>0.00</td>
</tr>
<tr>
<td>0.9998</td>
<td>0.00</td>
</tr>
<tr>
<td>0.9997</td>
<td>0.00</td>
</tr>
<tr>
<td>0.9996</td>
<td>0.00</td>
</tr>
<tr>
<td>0.9995</td>
<td>0.00</td>
</tr>
<tr>
<td>0.9994</td>
<td>0.00</td>
</tr>
<tr>
<td>0.9993</td>
<td>0.00</td>
</tr>
<tr>
<td>0.9992</td>
<td>0.00</td>
</tr>
</tbody>
</table>

2. A worker as unskilled, or "isolated," has a weekly income of £20. If he lives on a farm, on a farm, or on a farm, he may have a weekly income of £30. In this case, and the two that follow, an average salary is £15.

<table>
<thead>
<tr>
<th>Workers' Kind</th>
<th>Payment in Kind</th>
</tr>
</thead>
<tbody>
<tr>
<td>100,00</td>
<td>0.00</td>
</tr>
<tr>
<td>99.99</td>
<td>0.00</td>
</tr>
<tr>
<td>99.98</td>
<td>0.00</td>
</tr>
<tr>
<td>99.97</td>
<td>0.00</td>
</tr>
<tr>
<td>99.96</td>
<td>0.00</td>
</tr>
<tr>
<td>99.95</td>
<td>0.00</td>
</tr>
<tr>
<td>99.94</td>
<td>0.00</td>
</tr>
<tr>
<td>99.93</td>
<td>0.00</td>
</tr>
<tr>
<td>99.92</td>
<td>0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Workers' Kind</th>
<th>Payment in Kind</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.9999</td>
<td>0.00</td>
</tr>
<tr>
<td>0.9998</td>
<td>0.00</td>
</tr>
<tr>
<td>0.9997</td>
<td>0.00</td>
</tr>
<tr>
<td>0.9996</td>
<td>0.00</td>
</tr>
<tr>
<td>0.9995</td>
<td>0.00</td>
</tr>
<tr>
<td>0.9994</td>
<td>0.00</td>
</tr>
<tr>
<td>0.9993</td>
<td>0.00</td>
</tr>
<tr>
<td>0.9992</td>
<td>0.00</td>
</tr>
</tbody>
</table>

The adjusted values for payment in kind lead to adjusted tables of distribution.
Raleigh row drags on despite agreement

Labour Reporter

Dismissed employees of the Raleigh Bicycle plant in Springs have accused management of not acting in good faith in efforts to reach a settlement.

More than 700 workers were dismissed in January after a dispute in November. Raleigh's management claimed it had not dismissed any workers but had merely failed to renew their contracts.

The union which represents the majority of the dismissed workers, the Engineering and Allied Workers' Union (EAWU), took Raleigh to the industrial court in February. But, in a surprise decision, the president of the court, Mr. B. J. Parsons, ruled that the case was not within the court's jurisdiction.

In a further bid to settle the dispute, the Transvaal Industrial Council for the Engineering Industry met a week later to discuss the unfair labour practices alleged by the EAWU.

The union complained that Raleigh had already taken on new employees and had no intention of taking on any of the dismissed workers.

At the council meeting, Raleigh and EAWU reached agreement. The central points were:

1. The settlement would finalise the dispute with the workers who were dismissed in November.
2. The dismissed workers could re-apply for jobs at the plant.
3. Raleigh would undertake to re-employ those workers when vacancies occurred.
4. Neither party would discuss the settlement with the Press.

Mr. Calvin Nkabinde, EAWU secretary, said the dismissed workers had since called on his union to make further representations to Raleigh.

They claimed that Raleigh had taken on only about two dozen workers since the settlement was reached in February.

Of the 700 dismissed workers, about 350 were EAWU members and none of these had been taken on.

Mr. Nkabinde also said that although some EAWU members were still in the plant, there was little union activity going on.

The shop stewards committee and the workers committee were inactive.

Mr. Nkabinde also said the dismissed workers feared that other firms would be reluctant to hire them once it was known that they were from Raleigh.

EAWU had written to Raleigh recently detailing the workers' complaints but had not yet received a reply, Mr. Nkabinde said.

A Raleigh spokesperson approached by The Star recently to inquire about the hiring of dismissed workers would not comment because of the council agreement.

---

### TABLE 10

<table>
<thead>
<tr>
<th>Distribution of Workers according to weekly, monthly &amp; cumulative salary (as per week)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Raleigh spokesman approached by The Star recently to inquire about the hiring of dismissed workers would not comment because of the council agreement.</td>
</tr>
</tbody>
</table>

and the price demanded from the worker.)

The difference between the value of the meat to the farmer according to the value of the weekly, the same, the subsidy, (the table below lists the distribution of workers.

<table>
<thead>
<tr>
<th>Weekly, B Number of workers cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
</tr>
<tr>
<td>12</td>
</tr>
<tr>
<td>12</td>
</tr>
<tr>
<td>12</td>
</tr>
<tr>
<td>9</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

The table below lists the distribution of workers.
WORKERS SACKED AT TOY FACTORY

By Z B Molefe

THE ENTIRE black staff of 64 at a toy manufacturing firm in Nancefield, outside Soweto, was dismissed yesterday for allegedly going on strike.

According to a management spokesman — who greeted reporters with "who gave you permission to enter my factory" — the workers included 12 women.

He told SOWETAN: "They were striking for more money. It is clear that they did not really know what they wanted. You know they didn't even have a spokesman, though inspectors of the Department of Manpower and the Industrial Council were here."

He refused to tell how much the workers were earning and how much they were striking for. "All I can say," he went on, "is that we were paying far above the Industrial Council minimums. Only two of the workers were on minimum council rates."

REFUSED

While talking to reporters at the factory's gates, the spokesman refused to have his picture taken. "You can photograph the factory if you like."

Asked what will happen if some of the workers re-applied for their jobs, he said he would not hire those he felt deserved their jobs.

The spokesman's parting words were, "We made the workers an offer that if they returned to work after lunch we would treat it as a full-pay day."

The industry's Industrial Council would not throw light on what happened at the factory. Said a spokesman: "Nothing was reported at this office about a strike." Steel Engineering Industries Federation of South Africa's (Seifasa) director, Dr. Eric Drummond, was not available.
UK firms disinvest

Margaret (10.4% and 9.7%)

To gette
### CONTENTS

1. **Introduction**

2. What is Health Economics?
   2.1 An Approach
   2.2 A Science
   2.3 A Set of Techniques

3. Choice of Technique: Efficiency & Objectives
   3.1 Cost-Effectiveness
   3.2 Programme Evaluation
      3.2.1 Looking at Expenditure
      3.2.2 An Informal Method
      3.2.3 An Epidemiological Approach
      4.2.4 Cost-Benefit Analysis

4. Choice of Programmes
   4.1 Programme Budgeting
   4.2 Programme Evaluation
      4.2.1 Looking at Expenditure
      4.2.2 An Informal Method
      4.2.3 An Epidemiological Approach

5. The Place of Health in Development Goals
   5.1 The Value of Health
   5.2 The Value of Money

6. The Proper Definition of Problems

7. Summary and Conclusion

Appendix I: Indicators of Health Status
Appendix II: Indicators of Health Needs
   A. Regional
   B. Personal
Appendix III: Linear Programming
Appendix IV: Research and Data Requirements

* Suggested for the hasty reader

---

### ACKNOWLEDGEMENTS

This paper owes much to discussions held over the last two years with two groups of medical and economics students, on problems of providing health care in Southern Africa.
Haggie moves into
British market

By Ann Crotty

Haggie is to pay an initial R24.5-million as part of an agreement which will ultimately result in it having joint control of Macdem with two UK metal groups, McKechnie and Delta.

The total cost of acquiring an effective 50 percent in Macdem from July 1984 will include a further cash consideration based on an agreed formula.

From July 1984 to September 1985 the two UK sellers will have an option of selling their remaining holdings to Haggie.

Haggie is making the acquisition because of its concerns for a number of years at the lack of prospect for growth in its traditional business of steel wire and wire rope.

Macdem is seen as being a large well-established group with a significant market share and high technology, principally in the area of production, and consequently meets Haggie's diversification needs.

If the proposals are effected they will result in an expansion, and diversification, of Haggie's industrial interests.

They are expected to have a minimal effect on Haggie's earnings and net asset value, a share in the current year ending December 31 1984 but are expected to contribute significantly to its earnings in future years.

The implementation of the proposals is conditional upon shareholders agreement and the necessary exchange-control approval.

Macdem is to be subdivided into Jacksons and Macdem Jacksons is said to be the largest distributor in South Africa of non-ferrous metals and stainless steel in semifabricated form. Macdem is said to be the largest manufacturer in South Africa of copper, brass and bronze semi-manufactured products.

Under the announced deal, Haggie will hold 25 percent of Jacksons from next July with McKechnie holding 25 percent and Delta 50 percent.
Cape buy into UK wire company

From the Financial Times
LONDON - Johnson and Peth Brown have agreed to sell its steel wire business to Cape Gate of South Africa for about R16.1m, thus ending its involvement in this sector.

The companies being sold are Johnson and Nephew (Manchester) and Johnson and Nephew (Ambercargue).

Cape Gate said that its aim in buying these companies was to develop internationally.

JFP, which was approached by the South African company, said it intended to use the proceeds to finance the upturn in trade expected in other parts of the group. The long-term effects of this will include a cut in borrowing of R28.6m. The current debt level is about R107.3m.

Cape Gate intends to expand the two businesses and to use the long-established Richard Johnson and Nephew name for its UK operations.

The price for the deal will be based on combined audited net asset value at March 31, 1981, financed by R3.6m of share capital and reserves and a R12.5m long-term loan from JFP.

Cape Gate will pay R5.6m in cash for the equity and the R6m loan account will be repaid in five years - the first R17.5m in 1986 on completion of the rest over four years.

The combined bank borrowings of the two companies, estimated at R1.8m, will remain with them under their new ownership.

The land and buildings are being retained by JFP and are not included in the estimated R16.1m net asset value.

The properties are being leased back to the two companies and put-and-call options have been arranged so that the properties will be sold back to the companies by JFP in 1987 for the current combined book value of about R5.4m.
heads covered

Though turnover increased 32.7% to R68.7m taxed profit was up only 19.8% to R6.3m. This says chairman Derek Keys, was the result of "severely depressed" prices of the recent past. Current price levels are considered satisfactory and Keys sees the turnover increase as an indicator of the "exciting dimensions of the future."

<table>
<thead>
<tr>
<th>Year</th>
<th>Return on cap %</th>
<th>Turnover (Rm)</th>
<th>Pro-tax profit (Rm)</th>
<th>Gross margin %</th>
<th>Earnings (c)</th>
<th>Dividends (c)</th>
<th>Net asset value (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>77</td>
<td>23.7</td>
<td>62.4</td>
<td>6.7</td>
<td>13.3</td>
<td>2.3</td>
<td>0.8</td>
<td>180</td>
</tr>
<tr>
<td>78</td>
<td>28.8</td>
<td>66.9</td>
<td>7.3</td>
<td>14.4</td>
<td>2.4</td>
<td>1.1</td>
<td>220</td>
</tr>
<tr>
<td>79</td>
<td>17.4</td>
<td>72.8</td>
<td>8.7</td>
<td>10.4</td>
<td>2.8</td>
<td>1.9</td>
<td>255</td>
</tr>
<tr>
<td>80</td>
<td>17.9</td>
<td>86.7</td>
<td>8.0</td>
<td>10.1</td>
<td>3.0</td>
<td>2.0</td>
<td>289</td>
</tr>
</tbody>
</table>

Not surprisingly, Keys views the acquisition by Amic of a controlling stake in Asea as being the most significant development for the group during financial 1980. Though unsaid, his euphoria about the company's new major shareholder could be related to the group's tightening liquidity position.

Restrictions formerly imposed because of the overseas shareholding now fall away because of relaxations by the authorities and Amic's arrival. At 63.1% the group is not over-gearied and borrowings could, and probably will, be pushed higher.

Liquidity started showing signs of strain during 1980 as stocks rose R5m to R28m, while debtors nearly doubled to R24.7m. The increase in the debtors book would be due partly to the contract nature of work, but could also be a potentially worrying extension of debtors' days. To finance all this, the group relied on short-term borrowings and the current ratio reflects this.

A repeat this year is going to be expensive. That may be where Amic could come in to provide useful bridging finance. This possibility could have been one of the factors which swayed the board towards increasing the dividend by 25% - almost double the rise in earnings. The payout trend has thus been kept intact, and over the past nine years Asea has increased its dividend by a compound annual rate of 25.4%.

Keys is optimistic about the future, though the short term, he says, will be characterised by consolidation, de-bottlenecking and an attempt to improve productivity. Keys cites growth in the primary and secondary sectors of the economy and the "need to raise the living standards of the bulk of our population at the fastest rate possible" as indicative of the bright outlook for electrical energy demand.

But he also quite bluntly warns that the local industry is finding it difficult to cope with overseas competition, obliquely he asks for government intervention.

"The market outlook is sufficiently attractive to induce manufacturers in all parts of the world to compete aggressively for their share. In seeking this, they are assisted by offers of low-interest finance made by their countries' export finance schemes and driven to marginal and sub-marginal pricing by the desire to gain a foot in the door and the often parsimonious state of their order books."

Of course, SA benefits if the work is done at prices subsidised by foreign governments, but Keys owes his allegiance to his shareholders.

For the next year, it seems the financing costs of the higher order book will restrict any major upward deviation from the long-term dividend growth trend. The share is not that marketable either and the current high PE suggests future earnings are more than fully discounted.

ASEA Liquidity squeeze

Activities: Manufactures and markets electrical engineering and cable products. Amic owns 46.3% and Asea of Sweden holds 25%.

Chairman: D L Keys, managing director: R L Linnarsson.

Capital structure: 11.5m ordinary shares of R1. Market capitalisation, R46m.

Financial: Year to December 31, 1980.

Borrowings: Long- and medium-term, R6.6m, net short-term, R14.1m.

Debt/equity ratio 63.1%. Current ratio 1.4. Net cash flow, R17.3m. Capital commitments R2.5m.

Share market: Price: 490c (1980-81 high, 630c, low, 370c, trading volume last quarter, 150 000 shares). Yields 13.6% on earnings, 5.0% on dividend. Cover 2x PE ratio 7.2.

Benefits of the high level of trading seen in 1980 will probably flow through to the bottom line only in the next financial year, and 1980 results still bear the scars of the low-margin work which Asea was forced into in the last three years to keep over...
Profits bloom

Activities: Manufactures electrical accessories and appliances. Bueh-Jaeger Electro of W Germany owns 57% of the equity and the ultimate holding company is Brown Boveri of Switzerland.


Capital structure, 4.1m ordinary shares of 50c. Market capitalization: £4.9m.

Financial: Year to December 31, 1980.

- Share market: Price 190c (1980-81), high 143c, low 100c, trading volume last quarter, 7,700 shares.
- Yield: 24.8% on earnings, 67.4% on dividend. Cover 3.7. PE ratio 4.0.

77 78 79 80
Return on capital 21.0 18.0 22.6 39.9
Turnover (incl. £100,000) 100 99.3 134.1 178.4
Pre-tax profit (£100,000) 795 676 950 1,905
Gross margin (ratio) 11.0 0.88 0.79 1.106
Earnings (c) 1.7 1.0 1.7 2.7
Dividends (c) 4 3.3 4 3.8
Net assets (c) 70 80 95 122

18 months, annualised.

After a rather slow start, Fintec under the control of Bueh-Jaeger Electro of West Germany is turning into quite an interesting little company.

Unfortunately, however, the emphasis must be on "little" because, with only 4.1m shares in issue, and 57% in the hands of the holding company, trading is virtually impossible.

B-JE first acquired an interest in Fintec in 1976 and since then the company has been extensively reorganised, both operationally and financially. The initial years were marked by static profits, for which building industry conditions were largely to blame, but in 1980 results boomed under the combined effects of increased output and the more efficient structure which had been created.

A third factor was increased selling prices which gave the company improved margins for the first time in a number of years. These are difficult to quantify with any accuracy because only changes in annual turnover are given, but it would appear that last year's gross margin was better than at any time in the past four years.

Improved operational efficiency is reflected in the fact that since 1977 turnover has increased 78% without any material increase in capital employed. Total capital employed in 1977 was £5m, including short-term borrowings. The current figure is £5.2m.

But there has been a significant change in the composition of capital employed. Over the period £2m in borrowings has been repaid, leaving the company ungeared except for a £152,000 loan from the holding company. The debt equity ratio has, consequently, fallen from 74% to 3%.

These borrowings have largely been replaced by profit retentions, expanding the capital base from £2.9m in 1977 to £3.5m now.

Last year about £870,000 in loans was repaid (65% of the previous year's total), but the liquidation presumably came fairly late in the year as the company still paid over £91.000 in interest. So there should be further savings on this front in 1981, although this may be offset by higher leasing charges.

As part of the rationalisation, certain group properties were sold and the subsidiaries affected are now operating from rented premises. The disposals realised £1.3m, which virtually covered last year's expenditure on fixed assets, leaving normal cash flow available for debt repayment, dividends and working capital.

Capital commitments have increased further to £2.2m and dividend policy is thus likely to remain restricted again this year, notwithstanding the gearing capacity the company now has. But if earnings increase one-third to 40c, the directors may be tempted to distribute 12c (up 50%), which would put the share on a prospective yield of 10%.

Bryan Thompson
Building from a TV base

One of the main beneficiaries of the consumer buying spree was the appliance and electronics sector. Spending on TV and audio units, and new or replacement purchases of appliances, boosted the turnover and profit of most retailers as well as many appliance and TV/audio manufacturers and distributors.

Share prices will, of course, depend on JSE trends and expectations of profits. However, the diversification of some TV/audio, and appliance groups since the recession could provide some stability.

This has been the case with one of the country’s largest TV/audio groups, Tedex, whose range of activities now covers an extensive market that could underpin its trading performance.

Before 1976, Tedex was mainly a distributor of domestic appliances and audio equipment. Its range now extends across the consumer electronics and appliance industry — from calculators to vacuum cleaners. Today the group is a fully-fledged manufacturer with factories in Johannesburg and a new TV factory at Atlantis.

The company’s privileged entry to the TV market, in which Tedex is still one of the largest manufacturers and distributors, put the group on the map. Its chairman, Bennie Sline, saw the muscle to finance its expansion, having forecast at the outset that the TV boom would be spectacular, but short-lived.

Being chosen as one of the privileged few to manufacture TV sets gained Tedex a useful — some would say unfair — start and laid the base for future expansion into the consumer appliance and electronics fields. In the first year of TV, Tedex’s pre-tax profits jumped from R2.3m to R12m — a far cry from the R51 000 of 1970. The R12m profit was earned by what appeared to be fast foothold, in that Tedex was allowed to import 100 000 TV sets on the understanding that it would establish a manufacturing plant at Atlantis, a border area Import cost less than locally manufactured sets — giving Tedex a major profit edge. But the Atlantis plant only materialised last year.

Stealing a march

This strong profit performance was widely criticised in view of the high retail price of TV sets, but much of that may have been sour grapes. Tedex’s imported TVs sold for the same as other manufacturers, but they were less successful as far as marketing and profits were concerned. Most critics admitted that Tedex had stolen a lead on its competitors by being in the running early, tying up licensing and distribution contracts long before TV became a reality in SA. Tedex clearly played the game as well or better than its competitors.

True to Sline’s forecast, TV sales eventually slumped. At that time, portable sets were not available and Sline said their introduction was clouded by the one-licence-per-set rule and the lack of a channel catering to blacks. His reading of the market was correct. When the licence laws were altered, sales were rising again.

In the meantime, Tedex used its TV profit to broaden its base. In 1978, when the TV boom was fast petering out, Sline acquired 50.5% of listed furniture retailer Ellerine at R165 a share from its controlling family. Most minorities declined the offer.

Diversification pays

In the year to end-June 1979, Ellerine contributed 65% (62%) of earnings, while Tedex’s non-furniture operations weighed in with 45% (36%). Diversification was clearly a shrewd move. The situation has now reversed with non-furniture operations regaining ascendancy. For 1980, Ellerine was responsible for 54%, while the appliances division contributed 46%. The group benefited strongly from the upsurge in consumer spending. In the first six months of 1981, when group taxed profit nearly doubled to R9.5m (R4.8m), non-furniture activities contributed 59%.

And Sline believes that TV, electronics, appliances and other non-furniture divisions should remain the principal profit generators.

A large measure of Tedex’s success flows from distribution expertise. Sline says many of Tedex’s products emanate from associations with overseas principals that were entered into more than 20 years ago. Cases in point are the Blaupunkt (31 years) and Sony (21 years) audio and TV range. With back-up from overseas associates, Tedex has been in a good position to broaden its electrical products range. Its latest move has been to introduce the imported Sony toy range to SA from Japan’s largest toy company.

With excellent franchise lines and a strong manufacturing base, Tedex is looking to exports. Its Atlantis factory is gearing up for foreign sales, and the company has already negotiated the sale Blaupunkt TV and audio equipment distribution rights in Israel.

Near-term, the profit outlook is bright. TV sales are rising with the introduction of electric toys to black homes and the second TV channel. Tedex’s plans to introduce a 35cm colour TV set should further enhance sales. With about 1.5m licences already in issue, the scope for second set sales is “big”, says Sline.“It will not be a boom, but a boomerang as whites buy a second colour set and the black market buys for the new channel.” And as Tedex has a dominant, market share, shareholders will obviously benefit.

Though TV puts Tedex in the big league, it will not re-emerge as the biggest group division. The furniture investment, held through Ellerine, is the largest single division, but new lines are always being sought. At present, Sline is negotiating for new products and has tied up the toy operation to carve out a slice of SA’s R80m/year market.

A recent product addition is the Commodore mini-computer. Sales are ahead of budget and management expects strong growth. Video discs and the new video camera, which “could be as popular as the present cine camera” also add sparkle to prospects.

No showdown yet

The second six months of the current financial year are “above budget”, which suggests there will be no near-term profit slowdown for the Tedex group. Financially, the balance sheet is sound, with a high gearing factor combined with very comfortable cover on the current interest and leasing commitments, and a wide margin between current assets and current liabilities.

Recently the JSE has begun to appreciate that the spread of interests gives Tedex a strong profit base. On the basis of 72.4c first-half earnings, Tedex could easily produce around 150c for the whole year and a dividend total of 40c (20c). This puts the share, at 370c, on a 10.8% prospective yield, which even in current uncertain market conditions has been recommended as solid income value by a number of brokers.

The company’s privileged entry to the TV market, in which Tedex is still one of the largest manufacturers and distributors, put the group on the map. Its chairman, Bennie Sline, saw the muscle to finance its expansion, having forecast at the outset that the TV boom would be spectacular, but short-lived.

Being chosen as one of the privileged few to manufacture TV sets gained Tedex a useful — some would say unfair — start and laid the base for future expansion into the consumer appliance and electronics fields. In the first year of TV, Tedex’s pre-tax profits jumped from R2.3m to R12m — a far cry from the R51 000 of 1970. The R12m profit was earned by what appeared to be fast foothold, in that Tedex was allowed to import 100 000 TV sets on the understanding that it would establish a manufacturing plant at Atlantis, a border area. Import cost less than locally manufactured sets — giving Tedex a major profit edge. But the Atlantis plant only materialised last year.

Stealing a march

This strong profit performance was widely criticised in view of the high retail price of TV sets, but much of that may have been sour grapes. Tedex’s imported TVs sold for the same as other manufacturers, but they were less successful as far as marketing and profits were concerned. Most critics admitted that Tedex had stolen a lead on its competitors by being in the running early, tying up licensing and distribution contracts long before TV became a reality in SA. Tedex clearly played the game as well or better than its competitors.

True to Sline’s forecast, TV sales eventually slumped. At that time, portable TV sets were not available and Sline said their introduction was clouded by the one-licence-per-set rule and the lack of a channel catering to blacks. His reading of the market was correct. When the licence laws were altered, sales were rising again.

In the meantime, Tedex used its TV profit to broaden its base. In 1978, when the TV boom was fast petering out, Sline acquired 50.5% of listed furniture retailer Ellerine at R165 a share from its controlling family. Most minorities declined the offer.

Diversification pays

In the year to end-June 1979, Ellerine contributed 65% (62%) of earnings, while Tedex’s non-furniture operations weighed in with 45% (36%). Diversification was clearly a shrewd move. The situation has now reversed with non-furniture operations regaining ascendancy. For 1980, Ellerine was responsible for 54%, while the appliances division contributed 46%. The group benefited strongly from the upsurge in consumer spending. In the first six months of 1981, when group taxed profit nearly doubled to R9.5m (R4.8m), non-furniture activities contributed 59%.

And Sline believes that TV, electronics, appliances and other non-furniture divisions should remain the principal profit generators.

A large measure of Tedex’s success flows from distribution expertise. Sline says many of Tedex’s products emanate from associations with overseas principals that were entered into more than 20 years ago. Cases in point are the Blaupunkt (31 years) and Sony (21 years) audio and TV range. With back-up from overseas associates, Tedex has been in a good position to broaden its electrical products range. Its latest move has been to introduce the imported Sony toy range to SA from Japan’s largest toy company.

With excellent franchise lines and a strong manufacturing base, Tedex is looking to exports. Its Atlantis factory is gearing up for foreign sales, and the company has already negotiated the sale Blaupunkt TV and audio equipment distribution rights in Israel.

Near-term, the profit outlook is bright. TV sales are rising with the introduction of electric toys to black homes and the second TV channel. Tedex’s plans to introduce a 35cm colour TV set should further enhance sales. With about 1.5m licences already in issue, the scope for second set sales is “big”, says Sline. “It will not be a boom, but a boomerang as whites buy a second colour set and the black market buys for the new channel.” And as Tedex has a dominant, market share, shareholders will obviously benefit.

Though TV puts Tedex in the big league, it will not re-emerge as the biggest group division. The furniture investment, held through Ellerine, is the largest single division, but new lines are always being sought. At present, Sline is negotiating for new products and has tied up the toy operation to carve out a slice of SA’s R80m/year market.

A recent product addition is the Commodore mini-computer. Sales are ahead of budget and management expects strong growth. Video discs and the new video camera, which “could be as popular as the present cine camera” also add sparkle to prospects.

No showdown yet

The second six months of the current financial year are “above budget”, which suggests there will be no near-term profit slowdown for the Tedex group. Financially, the balance sheet is sound, with a high gearing factor combined with very comfortable cover on the current interest and leasing commitments, and a wide margin between current assets and current liabilities.

Recently the JSE has begun to appreciate that the spread of interests gives Tedex a strong profit base. On the basis of 72.4c first-half earnings, Tedex could easily produce around 150c for the whole year and a dividend total of 40c (20c). This puts the share, at 370c, on a 10.8% prospective yield, which even in current uncertain market conditions has been recommended as solid income value by a number of brokers.
Secondary Insurers in Southern Africa

The United States and the United Kingdom are among the world's leading insurance markets. They are significant sources of reinsurance to countries in Southern Africa, providing significant support to local insurers and helping to develop their insurance industries.

Mr. R. E. Johnson, President of the United States Insurance Company, noted: "The United States market is a major source of reinsurance for Southern African insurers. We provide reinsurance for a wide range of insurance products, including property, casualty, and specialty lines. Our goal is to support the development of the insurance industry in Southern Africa and to help local insurers provide coverage for their clients."
Apex has been part of the group since the revamp at the end of 1978, but it had become apparent that no recovery would be forthcoming without a significant injection of capital.

John Thompson, which specialises in shell-type and industrial water tube boiler manufacture, increased its contribution to pre-tax profits from 28% to 30% over the year. Order intake was at record-levels, and the year-end order book was 15% above the beginning of the year.

This company is currently involved in a R1.2m expansion programme for a new heavy manufacturing plant which should be in operation this year.

The group's newest major subsidiary, electrical switchgear manufacturer Reyrolle Parsons, provided 15% of gross profit in its first year of consolidation, and the order book at December 31 was 34% above the-end of the previous year.

Cummins Diesel is currently negotiating a R1.5m leaseback deal on new premises which should allow it to keep pace with steadily improving demand for its engines. The company contributed 24% (28%) of pre-tax income on a similar increase in sales.

Also taking advantage of better conditions in the construction industry, Thomas & Taylor, which operates the Flat-Allis franchise, contributed 8% (6%) of pre-tax income last year.

Almost all the group's subsidiaries are involved in export markets, but these have generally been depressed over the past year in line with recessionary conditions overseas. This situation could start to ease this year and there could also be some compensation from a move into South American markets.

With a slim debt equity ratio and sound cash flow expected over the next year or two at least, the group is on the lookout for acquisition in the general engineering field, says Griffiths. All current capex will be financed internally, though the group obviously has considerable capacity for taking up additional finance if necessary. Return on capital has increased steadily over the last four years and now stands at a respectable 7.5%.

Griffiths says the additional order intake in the first quarter of the current year has been very good and most of the group's facilities are fully booked to the end of the year.

Though chairman Len Abrahamse gives no earnings or dividends forecasts for the current year, growth should be comparable to 1980 as profits from new, higher-margin contracts start to come in.

If this is the case, dividends could reach 60c. At its current 750c, the share thus offers a prospective yield of 8% which would indicate a limited upside in the counter. Nevertheless, fairly steady growth should be guaranteed over the next couple of years, while more consumer-orientated stocks weaken.

NEI (137) fm 6/8
Growing orders

Activities: Engineering holding company with five main trading subsidiaries: ICAL (utility and industrial water tube boilers), John Thompson (shell boilers, pressure vessels), Reyrolle Parsons (electrical switchgear), Cummins (diesel engines), and Thomas & Taylor (Flat-Allis earth-moving equipment).


Capital structure: 5,2m ordinary shares of 50c. Market capitalisation R39m.

Financial: Year to December 31, 1980.

Borrowings: long- and medium-term, R7,1m. Net cash R12,5m. Debt equity ratio 26.3%. Current ratio 1.8. Group cash flow R7.7m. Capital expenditure R1m.

Share market: Price 750c (1980-81 high, 750c, low, 450c, trading volume last quarter, 23,000 shares). Yields 11.7% on earnings, 5.9% on dividend. (Cover 2.5 net PE ratio 6.8.

Return on cap % 15.8 17.0 25.0 27.5
Turnover (Rm) 93.2 65.3 78.0 136.0
Pre-tax profit (Rm) 4.5 5.6 8.8 9.5
Gross margin % 25.4 10.1 10.0 8.0
Earnings (c) 7.6 7.0 7.0 11.5
Dividends (c) 11.2 12.8 32.0 44.4
Net asset value (c) 387 435 475 573

With a spread of operations across a broad range of heavy engineering activities, NEI has been able to take considerable advantage of recent strength in infrastructure development. The group pushed up new orders by 70% over-end-1979, and growth prospects through to the end of 1982 must accordingly remain buoyant.

NEI only takes in profits from heavy engineering projects after construction is completed or, in many cases, only after the guarantee period runs out. Consequently, the group tends to have a smooth earnings curve, and with last year's performance comfortably above historical rates, this year should also see steady growth.

The delayed take-up of profits is reflected in the contribution to turnover and earnings from subsidiary ICAL. The boiler manufacturer contributed 20% of group pre-tax and interest earnings, compared with 28% the previous year, despite a record order intake which saw the year-end order book 37% up on the beginning of the year.

Financial director Ken Griffiths explains that although a fairly substantial pre-payment was made to the company from its involvement in the Wankie power station, profits will not be taken in for some time.

During the year ICAL was awarded contracts for boiler tube manipulation at Escom's new Lethabo power station and a fair proportion of this year's R3m group capex is being spent at ICAL to allow it to meet its commitments there.

ICAL sold off its 50% stake in Apex International Valves immediately after the year-end, and has made a provision for a R1m loss on sale in these accounts.
3) to provide a less clinical, more homely atmosphere to reduce the psychological stress of childbirth. The patients get to know the sisters and midwives at the MOUs during the period of ante-natal care. The system at hospitals is clinical and impersonal. Ante-natal care is provided at outpatients departments and the delivery in the maternity wing.

The specific aim of the MOUs is not to reduce the peri-natal mortality rate or the maternal mortality rate — that is the aim of all obstetric care. However, since the establishment of the MOUs, the peri-natal mortality rate has declined. (See Table 5.1 — this excludes information about deliveries performed by independent midwives.) There has been no significant change in the maternal mortality rate since 1973 as modern medicine in Cape Town has advanced to the stage where maternal deaths are not common and are not usually clinically avoidable.

Nor is the aim of MOUs to do away with hospital deliveries — there will always be a need for hospital special care in the area, due to the number of high risk cases, particularly as Black women have a high incidence of cephalo-pelvic disproportion. It is important to note with respect to the peri-natal mortality rate that low risk pregnancies may still result in the need for the transfer of the case for specialist attention or in the death of the child. Under the auspices of UCT/CPA, no more home deliveries are now conducted. Table 5.2 shows the percentage of deliveries performed in institutions. This includes cases of born before arrival but transferred immediately to an institution after birth. (Institution refers to hospitals and MOUs.)

MOUs and associated clinics also provide the ideal environment for the introduction of the concept of family planning. In 1976, 81% of the patients discharged from MOUs were on some form of family planning. The Day Hospitals themselves also provide a family planning service. Since 1972, there has been a marked decrease in the number of births to Cape Town municipal residents, particularly the 'Coloureds'.

The operational efficiency of neonatal paediatric care has
A joint announcement by Stewarts and Lloyds of South Africa and Macdem (Pty) says a new R5.5-million stainless steel tube development will be established on the East Rand early next year.

This follows the agreement in principle between Stewarts and Lloyds of South Africa and Macdem to establish a company to be known as Salmac Stainless Tube (Pty).

Stewarts and Lloyds will hold 60 percent of the equity and will manage the new company with Macdem holding the remaining 40 percent.

The two companies are already partners in Makwal Tube’s (Pty) and in terms of the new agreement, Stewarts and Lloyds will reduce its shareholding in Makwal to 40 percent, with Macdem increasing its holding to 60 percent, as well as being responsible for management.

Salmac will take over the stainless steel interests in Vereening of the Stewarts and Lloyds subsidiary Tom which last year announced that it was purchasing a new stainless steel mill.

Thus new mill will be installed at the new factory and once commissioned, the existing Tom stainless steel mill will be moved over to a refurbished and modernised condition.

In addition a new spiral weld mill for the production of larger diameter tubes will be installed at Salmac.
Activities. Tin producer with its own smelter. GFSA owns 24% of the equity.

Chairman: A M D Gnodde

Capital structure 2.1m ordinary shares of 25c. Market capitalisation R38.9m

Financial. Year to December 31 1980
Net cash R6.7m. Current ratio 2.3. Dividend commitment R6.4m

Share market: Price 1.850c (1980-81 high, 2.900c, low, 1.750c; trading volume last quarter, 20,000 shares)

Yield: 70.1% on earnings, 12.4% on dividend. Cover 2.4 PE ratio 3.3

Tin production 2,294 2,292 2,072 2,239
Tin sold 2,098 2,069 1,934 2,244
Revenue/t (R 1,000) 79 96 113 130
Turnover (Rm) 1,666 2,228 2,118 2,291
Pre-tax profit (Rm) 99 144 128 157
Earnings (c) 305 480 481 557
Dividends (c) 138 220 230 250

Since March last year, the tin price has been in a downward trend. It peaked at R6.45/t on March 6, 1980, and fell to R5.74/t before appreciating slightly to the current R5.10/t range. Not surprisingly, therefore, Rooberg's chairman, Dr D. Gnodde, warns shareholders that on the basis of current prices and expected cost trends, the outlook for dividends is not too rosy.

Last year Rooberg paid an unchanged 230c dividend on higher 558c (451c) earnings. The earnings increase stemmed from an increase in metal sold to 2,244 t (1,934 t) and a higher average price received. Unit costs per ton mineral increased to R23.53 (R18), largely as a result of a reduced rate of overburden stripping and, therefore, of the number of tons absorbing costs at "A" mine. In addition, costs were affected by the first full year's production from the new smelter.

Though total tonnage mined fell to 582,000 t (684,000 t), ore sent to the plant increased to 514,000 t (471,000 t) as surface ore stocks were treated. The stockpile at "A" mine was exhausted, while that at "C" mine was reduced to 7,000 t (30,000 t).

In 1980, Rooberg spent R5.7m on capital account. This year R6m is expected to be spent, largely on accommodation, tailings treatment plant and a water pipeline between the mines.

Gnodde is not optimistic about this year's tin price prospects. A new international Tin Agreement has yet to be signed, though the buffer stock manager's price support buying level was raised 10% to £800/t for three months. And an application for a further increase from council members is likely this year.

If a higher support price is agreed, the metal should not fall much below its current level. On the negative side, however, are high US interest rates which dissuade either industrial or speculative stockholders. In addition, GSA disposal plans are acting as a damper on prices.

Gnodde forecasts unchanged metal production at Rooberg. Further increases in working costs - probably around 20% on a unit basis - and no appreciable increase in the tin price until the latter part of the year.

Assuming unchanged sales of 2,244 t tin this year, an average price of R6.15/t (R10.10), unit working costs rising some 20% and similar grades, and operating profit of about R7m (R11.6m) is indicated. So unless capex is reduced, this year's dividend could be cut sharply. On the brighter side, the industry expects the tin price to start improving towards the end of the year. But that may not be enough to prevent Rooberg's share price slipping further.

Union Tin. As with Rooberg, the lower expected tin price and cost increases are expected to produce lower mining revenue, despite higher production. The dividend was maintained at 24c in 1980, but Gnodde repeats his warning that the mine is unlikely to maintain this level.

Union Tin

1979 1980

Tin production (t) 432 482
Tin sold (t) 426 460
Average price received (R/t) 10.098 10.083

Capex this year is planned at R67.8m, including plant improvements leading to higher production which, it is hoped, will provide enough of the current income, will leave little room for anything but a token dividend. At 185c and yielding an historic 13%, the share price reflects market uncertainty about the near-term dividend flow.

"Much the government would have to do is in part (2). Would even the amount it would be over mean that impossible?"
2. cont...........

(1) Plot this demand curve as a graph paper.

(2) Now suppose that over a period of 12 months the "crop" amounted to outputs of 100 million bushels and 75 million bushels respectively. The gross value of the crop in each of the years scheduled above was the following:

3. Calculate the average annual growth rate and the output and gross value of the crop in each of the years.

4. Construct a schedule showing the output and the gross value of the crop in each of the years. Plot this schedule on graph paper. (It will be a curve.)

5. From the demand curve find the market output and gross value from these amounts make a schedule of prices.

METAL CLOSURES

Expansion plans

Activities. Manufactures metal closures and tubes, plastic crates and domestic plastic ware, and sells sealing machinery. Metal Closures (UK) holds 76.9% of the equity.

Chairman Dr. M.D. Marais, managing director R.A.P. Upton.

Capital structure 26m ordinary shares of 50c, and 78,830 7½% preferred, nominal value R10.

Market capitalisation R127m.

Financial: Year to December 31 1980.

Borrowings: Long-term 23.4m, Medium-term 37.5m.

Net cash flow R14.7m Capital commitment 42.9m.

Share market: Price 45s., High 50s., Low 35s., Trading volume 11,200 thousand shares.

Yield: 3.3% on current, 7.8% on dividend.

Cover: 3.2 PE ratio 4.3.


Return on card % 23.1 24.6 27.1 35.4

Turnover (Rs) 18.0 15.9 21.6 29.0

Pre tax profit (Rs) 21.1 23.9 28.9 46.9

Gross margin % 14.4 14.9 13.4 18.0

Earnings (c) 45s. 53s. 69s. 112s.

Dividends (c) 17.0 19.0 24.0 38.0

Net asset value (c) 310 346 389 404

Metal Closures' future looks bright, with new developments and expansion, reflecting substantially higher demand for plastic containers. Improved activity in all group divisions led to a 67% increase in turnover of 12.1% to R29m in the year to end-December, while pre-tax profit rose 59% to R4.6m (R2.9m).

Despite these increases, capital employed rose only 20% to R13.1m. Consequently, both margins and returns improved (see table), notwithstanding higher raw material costs.

Substantial investments are being made to meet future demand. A new plastics factory is being built in Johannesburg and there are plans to expand the injection moulding activities to the western Cape. These new facilities are scheduled to come on stream by June 1981. Capex planned for 1981 is R26m, but will present no problems to the company's cash resources of R1.3m and a low 23% debt/equity ratio.

Despite last year's growth, total borrowings were only R58.0m (R228.0m) and this is exceeded by 1.4 times cash flow.

Chairman Dr. M.D. Marais offers no forecasts for the current year, but the expansion programme should impact positively on costs once possible teething problems have been overcome. He adds that raw material prices appear to have stabilised since the mid-year hikes.

Asset management has been sound, which has also benefited group cost structure. Last year shares increased only 28%, despite higher raw material prices.

At 45c the share is trading at a 45% discount to assets and stands on a high 7.8% historic yield. This appears to indicate some caution on the part of investors, but also reflects limited marketability.

C. W."
Improved levels of activity produced a 27% increase in turnover to R21.1m (R14.1m) in 1980. This reflects increased electrification plans by the SAR and Escom in the public sector, as well as in the mining industry. Soweto's electrification programme is also beginning to affect local manufacturers.

Increased operational efficiency, significantly higher volume sales (and, therefore, overhead resoussement) resulted in a faster rise in pre-tax profit of 38.1% to R7.8m (R4.8m).

The effects of Iilo stock valuation worked in reverse in 1980 with the fall in prices of copper and lead creating a credit in the income statement. So, instead of reducing profits and tax, Iilo increased these items. But offsetting this R400,000 increase in profit was an additional R600,000 in profit charge for depreciation as Scotch Cables adopted the straight-line, rather than reducing-balance write-off policy.

Despite the 27% sales increase, capital employed rose only 9% to R15.5m (R14.2m), while the gross profit return improved to 59.5% (33.8%).

Chairman Albert Theunissen describes 1980 as a year of "planned and sustained" growth. He says industry expansion may not have been spectacular, but there is a "phase lag" in demand for the company's products. However, continued improvements in township electrification programmes should pull Scotch Cables through years of lower national growth.

Theunissen expects higher turnover this year, but stocks were nevertheless up only 2.4% at the year end.

In anticipation of improved activity, the company's distribution network has been expanded. Facilities in Johannesburg have been increased considerably and a new Durban regional office in Windhoek, Welkom and Newcastle are now operational.

Capital expenditure of R1.3m was incurred last year and Theunissen says about 50% is expected to be spent over the next 15 months to keep abreast of technological developments and demand. Financing this will be no problem, as group cash flow is strong (R6.3m in 1980) and, like other cable manufacturers, Scotch is ungeared.

Problem areas for the industry include strong competition from local manufacturers and imports from the Far East. Local industry PVC material prices are higher than overseas, and the industry therefore wants protection against cheaper imports. These at present probably amount to over 12% of total industry sales. PVC forms the largest part of the cable market's raw materials.

According to MD Harold Dixon, "copper and lead prices should harden in the last six months of 1981, rather than the first half. So depending on competition, this could mean lower margins. Should the price rise, however, Iilo policy would have its normal effect and this could also result in a relatively slow profit gain this year.

Since the June interim report, the shares have dropped from 46c to 37c, giving a 6.2c historic yield. This is about average for the cable manufacturers, but the share could rise as benefits of increasing demand become more apparent.

S impossible?
Seifisa reports
slower tempo in
first quarter

By Mervyn Harris

A consolidation of last year's favourable growth phase in the metal and engineering industries continued at a slower tempo during the first quarter of 1981, says the Steel and Engineering Industries Federation of South Africa (Seifisa).

It says in the latest report that prospects should be enhanced in the medium term by private and public sector planned fixed investment which is being sustained in the vehicle-component industry, the telecommunications and electronic sectors, the building industry, supplies sector and farm machinery and equipment.

Increasing activity was also reported during February, in the large and heterogeneous engineering sector.

The heavy engineering sector benefited from the current expansive phase in the mining and electricity-generating sectors and expects further stimulus from more private and public sector fixed investment in the coming months.

Consumer-related sub-sectors in light-metal manufacture also reported a satisfactory level of orders in February.

Seifisa says, however, that the expected shift to a slower pace of activity in export-oriented sectors, particularly the ferro-alloy industry, is taking place.

FLATTENING

Steel producers also report a further 'drop' in exports and a flattening in domestic demand levels below that forecast for the first quarter.

Increasing inflationary pressures and the 'large volume' of imports, particularly in household durable consumer goods and the electric sectors, are also causing concern.

Seifisa says these constraints are impeding on the effectiveness and progress of import replacements programmes in number of sectors.
Racial Tensions Flare in Trade Unions

By STEVEN FRIEDMAN
Labour Reporter

TENSION between registered trade unions in the mining and metal industries on racial issues came out into the open again yesterday when the white Amalgamated Engineering and Metal Workers' Union sharply criticized the Multiracial SA Boilermakers' Society.

The AEU's criticism, contained in its latest edition of its journal, The Metalworker, came shortly after a heated row between the boilermakers and the Mine Workers' Union - also over racial issues.

Both the AEU and the boilermakers are members of the Federation of Mining Unions and the Confederation of Metal and Building Unions. The clash indicates tension in these bodies between the boilermakers and white unions.

During their exchange with the MWU, the boilermakers accused the AEU of attempting to recruit white boilermakers.

It claimed AEU organizers were telling workers the boilermakers were no longer interested in white workers since admitting black workers last year.

In The Metalworker, Mr. Tom Needling, AEU general secretary, accused the boilermakers of "playing a very dangerous game by dragging political and racial matters into the trade union arena."

He also accused the union of launching an attack which was "totally unjustified, based on weak and fallacious arguments."

Mr. Needling charges the boilermakers with making "propaganda" to recruit members.

He said its attack was "detrimental to good race relations and to the brotherhood of trade unions."

The AEU made no apologies for being a white union. It had been attacked for being "an elite, racist white union" but had also been accused of "breaking over to the blacks."

The general secretary of the boilermakers, Mr. Van der Watt, could not be reached for comment yesterday.
Fosatu affiliate to fight threat of expulsion

Labour Reporter
The Engineering and Allied Workers Union (Eawu) is fighting moves to have it expelled from the Federation of South African Trade Unions. The Transvaal region of Fosatu has recommended Eawu's expulsion and the issue is expected to be discussed at this month's central committee meeting, an Eawu spokesman said.

REGISTRATION
Eawu had been accused of going against Fosatu's non-racial registration stand, taking a racial stance towards union leadership, approaching the International Metalworkers Federation without notifying Fosatu, and not sharing union facilities such as transport with other member unions.

Eawu has in turn accused the Transvaal region of Fosatu of attempting to split the Vaal and Springs branches of the union.

DEFEND
An Eawu spokesman said they intended defending their position at the central committee meeting.

Commenting on Eawu's position on racial registration he said the union had not disagreed with Fosatu in opposing racial registration but it had decided to discuss the issue before rejecting registration. He also denied that the Eawu had not consulted Fosatu over public statements on this matter.
METAIR

Low rating

Activities: Holding company whose 75.1%-owned subsidiary Arco imports and distributes air conditioning equipment. 41%-owned associate Rowen manufactures vehicle components. Wesco holds 27.3% of the equity.

Chairman: D J du Preez.

Capital structure: 2.2m ordinary shares of 50c, and 25,000 6% cumulative 250 shs of R26. Market capitalisation R1.7m.

Financial: Year to December 31 1980

- Borrowings: net short-term, R882 000
- Debt equity ratio: 14.1%
- Current ratio: 1.3
- Group cash flow: R1m.

Share market: Price: 78c. (1979-89: high, 95c; low, 45c; trading volume, 10,000 shares). Yields 42.4% on earnings, 9.0% on dividend.

Cover: 4.7.

Net PE ratio: 2.4

Despite Metair's recovery in the last six months and its first dividend payment in eight years, the company still has a poor market rating. The 70c share price against a net asset value of 266c reflects this lack of confidence, as does the low 2.4 PE ratio compared with the sector average of 6.8.

Chairman Dantjie du Preez forecasts that profit should at least be maintained this year. But judging by the rating, the market seems to have doubts in view of the past profit and dividend record (see table)

<table>
<thead>
<tr>
<th>Year</th>
<th>77</th>
<th>78</th>
<th>79</th>
<th>80</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on cap</td>
<td>12.9</td>
<td>17.8</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>Turnover (Rm)</td>
<td>9.1</td>
<td>7.5</td>
<td>9.1</td>
<td>12.0</td>
</tr>
<tr>
<td>Pre-tax profit (R 000)</td>
<td>108</td>
<td>(342)</td>
<td>441</td>
<td>1400</td>
</tr>
<tr>
<td>Gross margin %</td>
<td>47</td>
<td>63</td>
<td>12</td>
<td>5</td>
</tr>
<tr>
<td>Earnings (c)</td>
<td>4.1</td>
<td>11.2</td>
<td>14.2</td>
<td>33.1</td>
</tr>
<tr>
<td>Dividends (c)</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Net asset value (c)</td>
<td>126</td>
<td>107</td>
<td>139</td>
<td>268</td>
</tr>
</tbody>
</table>

Return on equity was disappointing at 12.4% compared with the engineering sector average of probably over 17%. One of the contributory factors here could be the 41%-owned associate Rowen has a low dividend yield in relation to the R1.6m at which the directors value this investment. Metair does not equity account Rowen and the only income from this company was a R214 000 dividend.

Borrowings increased substantially to R883 000 (R60 000), possibly reflecting diversification plans. Details however are lacking on what direction this diversification will take in a rather uniform short-term annual report.

The bulk of the borrowings comprise an R840 000 bank overdraft, secured by assets.

worth R5.4m. At the same time, stocks virtually doubled to R2.4m (R1.2m), though whether this was related to diversification or whether the group is looking to a higher level of activity is not clear. In any event, the possible effect on future profits is impossible to determine from the annual report.

In 1980, Arco's taxed income doubled to R887 000 (R389 000), though it was decided not to pay a dividend so as to clear accumulated losses and boost cash flow.

Automotive component manufacturer Rowen reported a taxed profit of R1.5m (R326 000) despite a last-time liability for tax.

Metair could well pay a higher dividend this year, particularly as Arco and Rowen operate in markets which promise sound prospects. But the market is still sceptical, which makes any major increase in the share price unlikely in the short-term.
ratio is now down to less than 50%. This compares with 62% in 1976 and well over 100% in 1970.

With increased spending plans this year, total indebtedness will inevitably increase. But a strong cash flow — enhanced by a switch to hfo — and normal growth in the permanent capital base should ensure that gearing does not get out of hand, as it did previously.

Advantage was taken of the buoyant economy to change over to hfo, and this reduced pre-tax profits by R6,8m (28%) and earnings per share by almost 14c (24%). It also reduced what would otherwise have been a 19% increase in total stocks to only 24%, while strict control of debtors meant that overall working capital requirements were down slightly.

The company has changed its financial year-end to September 30 and the current accounting period is thus one of nine months. With normal profitability having been restored, the company's view of prospects is cautious. At this stage, chairman Dawie Marais will go no further than to forecast that results will not be lower than for the corresponding 1980 period.

Although local market conditions in the steel and non-ferrous divisions are presently good, production costs are expected to rise by over 20%. This, apart from the effect on domestic margins, will make it increasingly difficult for the group to negotiate profitable steel export contracts.

Dividend policy remains extremely conservative, as is reflected in the fact that one-quarter of last year's total distribution was paid as a bonus. However, it should not be too much to expect the group to maintain the 12c normal dividend which, annualised, would be the equivalent of 46c. At a prospective yield of almost 12%, therefore, the share could have some attractions for income seekers.

Brian Thompson

Cover

Union Steel's results last year closely followed the pattern set in 1979. Most of the improvement again came from the steel and copper divisions but, with the recovery here now complete, prospects are that profit growth will slow at least until new capacity in the steel sector comes on stream.

Price increases and a more favourable product mix continued to play an important part in the 1980 profit gain. This was particularly evident in steel, where deliveries of 221,000 t were only 12,000 t higher than in the previous year. In rand terms, however, the turnover of this division was 27% higher, which, although the annual report does not say so, must reflect both the mid-year controlled price increase as well as a continuation of the policy of switching production towards non-ferrous products.

To overcome the capacity problem, the group is spending R23m on a new forging plant, and a related increase in the melting capacity of the Vaal works which supplies the steel ingots used in forging.

This is the first major expansion undertaken since the 1977 profit crash. The copper division did not suffer the same capacity constraints and was, consequently, able to increase deliveries considerably last year. A further improvement is expected in the present accounting period.

A pleasing development was a swing from a loss to a profit in the aluminium conductor sector. This reflected mainly accelerated electrification plans, leading to satisfactory capacity utilisation for the first time in a number of years.

But despite the generally buoyant economy, the group still harbours some problem areas. The non-ferrous castings operation continued to run at a loss due to over-capacity in this sector and intense competition from decentralised foundries which, because of border area concessions, have a price advantage.

There was also an overall decline in demand for the group's agricultural implement parts as a result of depressed conditions overseas — particularly the US, where local manufacturers competed fiercely for available business.

Neither of these two divisions are expected to improve results materially in the short term.

After a few years of stringent capex restraints, the balance sheet is once more in good shape. Borrowings were further reduced last year and the debt equity...
STANDARD BRASS

Under-rated

Activites: Steel and non-ferrous foundry operator and engineer Main products are railway freight wagon and locomotive components Holding company is Gencor (31.1%, previously 55.4%) Barlows has a 15% interest, Chairman and managing director, G B Hobbs

Capital structure: 3m ordinaries of 50c, and 75 000 5,5% prefs of R2 Market capitalisation R18m

Financial. Year to December 31 1989. Borrowings, long- and medium-term, nil, net short-term, R322 000 Debt: equity ratio 1.7% Current ratio 2.5 Group cashflow R3,6m Planned capex R4,5m

Share market: Price 600c (1980-81, high, 850c, low, 660c; trading volume last quarter, 25 430 shares) Yields 2.7% on earnings, 5.2% on dividend. Cover 2.6 PE ratio 4.2.

<table>
<thead>
<tr>
<th>Year</th>
<th>77</th>
<th>78</th>
<th>79</th>
<th>80</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on cap %</td>
<td>38.6</td>
<td>34.9</td>
<td>38.6</td>
<td>30.7</td>
</tr>
<tr>
<td>Turnover (indexed)</td>
<td>100.0</td>
<td>101.1</td>
<td>141.3</td>
<td>162.3</td>
</tr>
<tr>
<td>Pre-tax profit (Rm)</td>
<td>4.4</td>
<td>4.5</td>
<td>5.8</td>
<td>6.0</td>
</tr>
<tr>
<td>Gross margin (Rm)</td>
<td>100</td>
<td>102</td>
<td>104</td>
<td>0.6</td>
</tr>
<tr>
<td>Earnings (c)</td>
<td>96</td>
<td>103</td>
<td>134</td>
<td>142</td>
</tr>
<tr>
<td>Dividends (c)</td>
<td>30</td>
<td>40</td>
<td>55</td>
<td>56</td>
</tr>
<tr>
<td>Net asset value (c)</td>
<td>229</td>
<td>457</td>
<td>539</td>
<td>629</td>
</tr>
</tbody>
</table>

With the loss of the US as an export market for railway bogie castings and low SAR demand for rolling stock, 1980 was a flat year for Standard Brass. But in rating the share on a 9.2% historic dividend yield, the market may well be under-estimating prospects. Barlows now has a 15% interest in the company (with board representation) and, as chief executive Glyn Hobbs says, this association will increase the group’s market as well as enable a more rapid expansion of its steel foundry.

During the last quarter of 1980, the steel foundry and major portion of the order book of Unitfront Founders were acquired from Barlows Heavy Engineering, while in a separate deal the company also took over Malleable Castings from Gencor. Hobbs believes the benefits of additional orders placed through the Barlows link will have a positive effect on earnings per share this year and he also forecasts a “small but positive” effect from the Malleable Castings acquisition.

These takeovers involved the issue of 239 231 new shares, thus increasing the issued capital by nearly 9%. And, coupled with a fairly heavy on-going capex programme, most of the group’s liquid resources (totaling R3,4m in 1978) were absorbed.

Capex this year is expected to be virtually unchanged at R4,5m, although only R1,7m is committed so far. Main items will be a new foundry for Malleable, scheduled for commissioning in 1982, alterations and extensions to the steel melt-

ng shop, including the installation of an additional 8 t melting furnace, and a new stores building at the Main Reef Road works.

With profit growth forecast to resume in the second half, funding this programme should not present any problems. Although the company no longer has its cash resources to draw on, it is almost totally ungeared (as has been the case for some years) and these expenditure plans may thus offer the opportunity to improve the effectiveness of overall financial structure.

At 600c the share is not only 26% below its 1980-81 peak, but also at its lowest level in 15 months. Prospective dividend yield must be over 10%.
STEEL FM 41481

Boosting ferrochrome

Southern Cross Steel, currently involved in R150m extensions to its Middelburg mill, has developed a corrosion-resisting steel which is expected to generate turnover in excess of R1 billion by the early Nineties.

The new steel (3CR12), which contains 12% chromium, is designed to fill the gap between stainless steels and carbon steel. Its major applications are in mining, the chemical industry, and the synthetic fuel industry.

Leo Melville, Southern Cross director in marketing, says the new steel has a longer life than orthodox carbon steels in wet abrasion environments. It has already been shown to be cost effective in coal mining, he says.

Southern Cross, a division of Middelburg Steel & Alloys, will not be giving the metal a hard sell but will be conducting a series of prototype tests to prove its cost effectiveness in other applications.

Southern Cross's aim is for a 1% penetration of the world's 650 Mt/year mild steel market. This would double the world's current ferrochrome usage, which is currently in a downturn because of the recession in most industrial countries (ferrochrome is used in the manufacture of 3CR12.)

At present, 3CR12 is being produced at a rate of 500 t/month, about 25% of the mill's total production. Local demand is expected to reach 6 000 t next year. Present pricing is R1 800-R1 400/t compared to R3 500/t for specially coated carbon steels and R2 600-plus/t for conventional stainless steels. The cost advantage in using 3CR12 is that the alloy requires no maintenance and has a longer life than carbon steels, claims Melville.

A similar steel has been in use elsewhere in the world for years, but has been restricted to the thin sheet application because of welding problems. Southern Cross concentrated on the development of a corrosion-resisting steel in plate form, which is weldable and so lends itself to industrial usage.

Melville says the new steel is expected to start affecting world chrome markets in about four or five years.
**Demand Hiccup?**

Depressed world markets and a levelling-out in the local market have reduced the output of private sector foundries.

The tonnage of steel castings produced in January and February this year dropped 12.7% from 22 160 t in the same period last year to 19 980 t. (19 400 t was produced in February).

The tonnage of iron castings rose 0.68% from 47 200 t to 47 500 t (24 400 t in February). Non-ferrous castings dropped 2.4% from 3 892 t to 3 767 t.

Dr Errol Drummond, director of the Steel and Engineering Industries Federation of SA (Seifsa), says it is difficult to tell whether the 1981 figures indicate the start of a downturn or a hiccup in demand.

Although final output figures for 1980 have not yet been published, they are expected to show growth over the 1979 figure of 697 000 t.

The industry is expected to continue with a high level of activity, but it is anticipated that it will not be on the same level as last year. Drummond predicted in January that the present level of upswing in the metal and engineering industries would level off in 1981, a change partly attributable to the recession in the economies of most of SA’s trading partners.

Any downturn in the SA economy, possibly toward the end of 1981, could be offset to some extent by the resurgence of those economies.

Drummond considers the foundry sector to be a good barometer of changing economic activity, although it has a fairly long lead time.

Standard Brass chairman, Glynn Hobbs, says the industry is faced with a situation in which costs are growing faster than general inflation. Major factors, he says, are the rises in consumer materials and the escalation in wages and salaries, which, in the labour-intensive sector, is having a profound effect.

Inflation, plus the strengthening of the rand against the dollar, is pricing SA out of the export market, he says and making certain imports more attractive.

Hobbs says overall cost increases are expected to exceed 20% this year against an expected inflation rate of between 16% and 18%. Wages at both lower and skilled levels are expected to rise 25% this year.

Our prices can’t always be increased, our margins are narrowing. Although we have provision for price increases written into our long-term contracts, they are usually linked to the CPI so we can lose out,” he adds.

David Butcher, MD of the Lenning Group, says the shortage of skilled labour previously largely confined to men on the foundry floor, has become much wider and is now embracing all levels of staff. The skills problem, he says, is hamstringing profitability even although it has been easier to switch to the use of black labour in the foundry sector than it had been in other areas.

Butcher says one of the problems facing the foundries is in their pricing was the GST imposed on certain items required by the industry for production and which would later be re-taxed in the finished product.

Capital expansion in the industry continues but at present seems to feature things like relocation of plant, modernisation and de-bottlenecking, and costs incurred for environmental controls.
3. It seems that all groups which reach a certain degree of poverty cannot support co-ops. Maxwell Klayman in an article on the Moshav in Israel writes of the new type of Moshav for settlers i.e. Nesher Olim. "The average size of farm was small, and there were fewer means of production than in the older moshavim. This meant a smaller output and turnover. Many members did not farm their plots. If the village co-operatives were to perform the services of the older moshavim the farming settlers could not meet the costs of the services from their relatively small output. Because of the tight financial situation the cooperatives could not pay their members on time. This induced the settlers to sell their produce to traders for.

1. Mr. Norman (aged 47) was also faced with the same problem. He said: "I am the manager of the dairy now. Norman the foreman used to do the job. He was well respected and many people who had been in the dairy a long time came to complain for the fact that he had been voted out. It was a very difficult situation. I told him that I would not welcome him back to the dairy because he had been voted out. They asked him to attend a meeting at the head office this Thursday at 4 o'clock and they told him that he could not continue with the dairy."

Mr. Norman (40) was dismissed because he was unhappy with his performance and said that he did not have enough stock in the shop. "While I was manager for the dairy, my work was not happy. There was a lot of stock in the shop. But now, with my performance, it was not happy at all."

When a dairy owner is the manager he can decide to terminate the period he is away, and he may leave it altogether. All the people I interviewed who were not using the dairy cired lack of labour as the reason.

2. Nhluuli and Nkelitshane said migrancy was the Anathole dairy's biggest problem. Nkelitshane said that because the number of people using it fluctuated they could never become strong. (He said a big problem was that many people had no milk in winter). Nhluuli stressed the fact that marketing is important and said that if a man becomes a migrant to get money, there is nobody to sell his milk.

These problems are obviously general ones for small scale reserve projects. Norval Reynolds writes of another small scale dairy scheme near Zwelitsha. "During the life of the scheme there has been considerable change in the economic condition of the members families. Without any device to allow the members to retain a financial stake in the co-op, members at times opted out of the scheme for indefinite periods. Migration and death in the family are probably the two major factors. Apparently such actions have been common enough to threaten the efficiency of the scheme. It must certainly have made it difficult for the scheme to supply milk regularly and it must have hampered the co-operatives' ability to sell in the best markets."

3. People who have other sources of income have an important advantage over those who rely solely on the dairy. Shulman, claims that there are 150 dairy workers in recent years. His dairy workers have other sources of income such as salaried positions in the mines, government departments, and other industries. He states that 60% of the dairy workers have other sources of income and that the management of the dairy has a clear policy of encouraging these workers to continue with their non-dairy work and possibly to come in for a trial period on a trial basis.

4. Here one must note the exceptions of Alfred Shulman of Inkomo and Freddy Nhluuli of Anathole. Both are particularly successful in the dairies and yet both of them are comparatively poor. Nhluuli has a pension but the dairy is his main source of income. Shulman has no other cash income, but his income from the dairy is now second highest to that of N N. He attributes this to the fact that his cows are particularly good and he has concentrated on improving their quality.

3.4 Conclusion

One must remember that these two projects are pretty exceptional in Umlhlab ring, and also, that while Umlhlab ring is classified as a pastoral area, with emphasis on cattle rather than cultivation, these are the only two dairies...
Landlock into crane industry at cost of R30m

LANDLOCK, one of South Africa's fastest-growing engineering groups, has announced yet another acquisition — worth R30m — and has simultaneously upped its earnings forecast from 65c to 85c a share for the year to June 30, 1981.

The revised earnings forecast ignores any future contributions from the new acquisition.

The group has now entered the R10m-a-year gantry-crane industry via the purchase of 100% of the shares of Lasch Holdings for R1,947m. Lasch cash and debentures amounting to R30m. Effective date of the acquisition is April 30, 1981.

Lasch manufactures electric cranes and hoists, industrial gears and auxiliary equipment, and supplies industrial machinery and tools to the engineering industry. Some 50% of turnover derives from sales of electric cranes.

Mr H R Lasch, who founded the company in 1935, has been appointed president of Lasch Holdings, while E. H. Ross (chairman of Landlock) becomes chairman of Lasch and Douglas Band has been appointed group chief executive.

The management of the operating subsidiaries remains with Alex Nel, Lasch, is not expected to contribute "in any meaningful way" to Landlock's earnings for the year to June 30, 1981.

The acquisition does, however, raise Landlock's net worth from 50c to 82c a share and is expected to add a minimum R3m in share to Landlock's 1981 earnings.

Commenting on the deal yesterday, Mr Ross told Business Times: "Our purchase of Lasch gives us 30% of the country's gantry crane market — a share which we expect will expand significantly in the years ahead..." We believe, too, that the company's machine-tool division has enormous unexploited potential — a potential which we intendrealising to the full..."

He emphasises that the R30m acquisition is unaided by R43m worth of assets with a current replacement value of R10m.

In this, the revised 85c earnings forecast — which, judging from Landlock's previous predictions, is bound to prove conservative — means that the shares are currently trading at a surprisingly low price-earnings ratio of 4.

The forecast also suggests dividends for the current financial year of at least 40c, for a projected yield of 10.5% — a return which implies that the shares will shortly enjoy an improved investment rating.
SWITCHING ON TO EXPORTS

TELEPHONE manufacturers of South Africa (TMISA) will become the world's largest exporter of electro-mechanical telecommunications equipment in a year or two.

It is already supplying uniselecter switches and motors to Italy on a regular basis and recently signed an agreement with the Hong Kong Telephone company, which operates 1.5 million telephones, to supply it with spare for the next 15 years.

In addition, it is currently servicing inquiries from New Zealand, Australia and Israel. It is logical to assume that in the near future it will also be receiving inquiries for equipment from nearly all the countries in the Western world that still operate electro-mechanical telecommunications equipment.

The reason for this is that manufacturers of telecommunication equipment in Europe and America have switched to the manufacture of electronic telecommunications equipment leaving TMISA as one of the few and certainly the largest manufacturer of this type of equipment in the world.

Johnny Viljoen, a senior engineer at TMISA, said he believed the company's export business was only just starting and that it would grow to enormous proportions as more and more countries became reliant on it for spares for their electro-mechanical equipment.

There is an assured market for this type of equipment in South Africa for many years to come. Although the Post Office is switching to electronic equipment, many of the new exchanges it is installing are of the electro-mechanical type. When the electro-mechanical exchanges in the larger cities, such as Johannesburg, Durban and Cape Town are replaced with electronic exchanges, these will be rebuilt, made into smaller units and installed in smaller towns.

TMISA, which is one of the big three suppliers to the Post Office, currently has a turnover of about R100 million and is expecting its developing export business, as well as the manufacture of electronic equipment, which it will start next year, to give this figure a solid boost.

The company employs 2,000 people at its Springs plant and is jointly owned by GEC of the UK through its wholly-owned local subsidiary, AEL, based in Johannesburg, and Philips SA, through its wholly-owned local subsidiary, Philips South Africa.
The listed electrical engineering companies have reacted more slowly to the economic upswing than did the more consumer-oriented sectors. But that is an issue normal in heavy industry. With the backing of heavy capex in both the public and private sectors, their lagging momentum should lead to a further significant improvement in results over the next year to 18 months.

Indeed, with electrification programs in Soweto and other black areas gathering speed, and with mining expansions taking place at an increasing rate, industry sources bullish about the sector's performance over the next two to three years at least.

The Soweto scheme alone is worth R200 million. The group's performance last year was enhanced by its rapidly growing distribution network following the 1979 acquisition of BICC (SA), though slimmer margins held back this advance. At the current R500 a 50c dividend would offer a prospective R8 1/4 and provide a better entry into the sector.

Over the past financial year the other listed cable manufacturer, Scottish Cables, produced a return on capital of over 50% while gross margins increased strongly against the trend. From 11 1/2% to 15 4/8%.

The group should be able to match last year's earnings performance and with capex covered twice by 1980's yield a 28c 13 1/2c payout should be anticipated. At the current 375c share price this indicates a moderate prospective yield of 7 1/2%.

Somewhat on the sidelines of the industry, L. H. Martiinussen offers an anomaly to the solid growth of the electrical engineering groups. This company, which also manufactures transformers, rotates and to the writer is a remarkable example of the viability and success of small-scale manufacturers.

Cable manufacture...more competition at the heavy end

One of the effects of the rising trend of imports has been tightening margins aggrivated by the continued existence of some low margin work from earlier times when the economy was not so buoyant.

As a result, the industry has asked for protection against "unfair" competition but nothing has yet been heard from Pretoria.

A related problem area is the large number of manufacturers turning out similar products, making it difficult for them to compete with foreign imports. There have been indications of rationalisations through mergers and takeovers in the past, but little has eventuated, and the overseas ownership of many of the companies is seen as balking many such developments.

The expansion of the available product mix and another interesting aspect of the industry. While managing to expand production capacity quickly enough to meet demand, the industry also finds itself having to spend substantial amounts on additional capex just to keep up with technological developments. The introduction of cross-linked polyethylene insulation, for instance, requires significant investment in new plant.

Despite this, the characteristics of the industry's financial side include low gearing, fairly low dividend cover, but largely internally-funded expansion. The three big cable companies for instance, have consistently had almost no outside debt seemingly as an historical situation.

Power tech executive director Ken Maud believes that this low level of gearing has arisen largely because of the nature of the market. Most business tends to be written on fairly long-term contracts. He points out, and the major customers are organisations such as Escom, the Post Office and the municipalities. As a result, payments tend to be made fairly promptly, and there is a negligible bad debt position.

African Cables, in particular, which is the largest of the local cable manufacturers, had a debt-equity ratio of only 2 1/2% at the last balance sheet date, and there was no change reported at the half-year stage at end-January. Nevertheless, capex for the current year is projected at R6.5m — double the previous year — and the group still managed to pay out as much as 70% of earnings last year.

If this trend is maintained this year, shareholders could probably expect a payout of around R2.5c (2sc) which allows a 6.25% prospective yield on the current 50c share price. The sector's average historic yield is 4.75%, but this is distorted by the very low returns from the Altech group, so A subscribber offering does not represent a particularly attractive entry.

Aberdeen Cable's debt equity ratio is also minimal, though this is in line with the small capex programme of around R250 000. The group's performance last year was enhanced by its rapidly growing distribution network following the 1979 acquisition of BICC (SA), though slimmer margins held back this advance. At the current R500 a 50c dividend would offer a prospective 8 1/4% and provide a better entry into the sector.

Over the past financial year the other listed cable manufacturer, Scottish Cables, produced a return on capital of over 50% while gross margins increased strongly against the trend. From 11 1/2% to 15 4/8%.

The group should be able to match last year's earnings performance and with capex covered twice by 1980's yield a 28c 13 1/2c payout should be anticipated. At the current 375c share price this indicates a moderate prospective yield of 7 1/2%.

Somewhat on the sidelines of the industry, L. H. Martinussen offers an anomaly to the solid growth of the electrical engineering groups. This company, which also manufactures transformers, rotates and to the writer is a remarkable example of the viability and success of small-scale manufacturers.
Nawu revives its Waderville branch

About 200 people yesterday attended the inaugural meeting of the Waderville branch of the Metal and Allied Workers’ Union (Nawu).

The meeting, at the Soweto police station, was held to revive the Waderville branch and to elect new members. The union’s regional secretary, Mr. K. M. M. M. M., attended the meeting. He said that the union was struggling to establish a presence in the area, and that the union was still busy negotiating with more factories.

The union resolved yesterday to hold a meeting in the next week to discuss development and union’s progress and to organise all workers under Nawu.

It was also decided that the shop stewards of all Waderville factories should be elected to Nawu.
Slowdown for civil engineering

By SUSAN DALLAS

GOVERNMENT policy to reduce public-sector spending will result in a slowdown in the expansion of the civil engineering industry, says the South African Federation of Civil Engineering.

After analysing the results of a survey of the capital expenditure programmes of public authorities and corporations, the federation predicts a zero-growth rate in civil construction work in this sector this year.

Public-sector spending budgeted for civil construction is R1 385-million — 14% higher than the total of R1 215-million spent during 1980.

However, this increase can be attributed to the rise in construction costs and the volume of civil work undertaken will remain the same as it was last year, says the federation.

Last year, public-sector spending accounted for 74% of the civil engineering industry's total turnover.

Expected increases in civil work investments by industry and mining are not expected to compensate for the lack of growth in public-sector spending.

The federation expects growth in the construction of water schemes. Expenditure on water supplies in the homelands has risen from R5-million in 1979 to a projected R35-million this year.
Cable injures five employees

By Stella Kanyere

FIVE people were critically injured at the weekend when a cable carrying wires snapped, hitting two railway workers which hit the three at their place of employment in Brakpan.

The five employees of Ginnaker Pty Ltd are Mrs Faith Guqo of 2814 Duma Street, Tshakane, Miss Rose Kunene of 1862 Nkabazana Street, Tshakane, Miss Eunice

Street, Brakpan old location, Mr Andrew Nogendo of 40 Tshakane Hostel and the fifth was identified only as Gordon.

Miss Guqo said that the cable that pulled the wires is electrically operated and as they were standing on their tables in a line when she heard the cable snapping and the shipper flying through the air towards them. None of them had a chance to avoid it and all she could remember was people trying to revive her.

The two men said they could not remember anything that happened. Mr Nogendo said that he was only told of what happened by “my colleagues when they came to visit me here at the hospital.”

A hospital spokesman at the Far East Rand Hospital said that their condition is fair. And one, Mrs Guqo was discharged yesterday.

Attempts to get a comment from Ginnaker were futile.
Engineers set out to train blacks

By Iain Macdonald

A new course to prepare black students for a career in civil engineering was launched in Soweto yesterday by the South African Institution of Civil Engineers.

The programme will aim at fitting school children for university, and arries out of the grave manpower shortage in engineering and related fields.

Introducing the scheme at the Soweto Teachers' Training College yesterday, Mr C. Skeen of the SA Institution of Civil Engineers said that at least 500 graduates, engineers and 1,000 civil engineering technicians would have to be trained each year to meet demands.

The profession was now training only about half that number, he said.

"The programme is aimed at making sure students have an adequate grounding in maths and science by the time they get to technical level, as well as an ability to communicate."

"In South Africa we have produced fewer than 20 graduating black civil engineers."

"The idea of the programme is to select a particular group of promising pupils, monitor their progress, and allow their skills to develop."

"It should be off the ground by the beginning of next year."

Mr Skeen said "about 200 promising pupils should be identified and if necessary drafted into schools for special training in maths and science."

"We also propose organised camps where pupils can exchange ideas, visit civil engineering sites, involvement in assignments of an engineering nature and an introduction to engineering drawing."

"It's a tough assignment and if one out of four emerge at the top, we'll be satisfied."
Scrap steel prices need to be adjusted in keeping with the desperate shortage of steel scrap to make recycling economically viable, the head of large recycling firm said in Johannesburg yesterday.

The managing director of Metal Box, Mr D A Jacobs, was speaking at the official opening of the first used-can recycling factory in the country at Industria.

Virgin tinplate cost R770 a ton while recyclers were paid just over R20 a ton for baled material distributed by the ferrous scrap distributors.

"This is low by world standards and does not reflect the country’s present, almost desperate, shortage of steel scrap," Mr Jacobs said.
AMBA ENGINEERING
PTY LTD
Reef Hydraulic Nut & Bolt Manufacturing

The Reef Bolt System uses the principle of elasticity of metal. The exact amount of tension is at our disposal, and any number of nuts and bolts can be tensioned simultaneously, therefore there is no point end contact with gaskets on heat exchangers. Hydraulic nuts can have high temperatures and seals can work at 650°C. An orbital wrench ensures that point end contact does not occur, due to bolt pull face.

DOES THAT GIANT PUMP GIVE YOU HEADACHES?

Well, Amba Engineering has solved your problems with the Reef Hydraulic bolt system which ensures perfect location, absolute accuracy, lifetime tightening, without any loss of tension, as well as the most original answer to the existing problem.

Ambar says that tension reliability in low temperatures is not maintained, that bolts can be oxidized due to frost, and that a solution is needed to alleviate this problem. The existing solution involves oxidation, which can be avoided by using the Reef Bolt System. It ensures that the bolt is not oxidized, and it is ready for use.

3 Any number of nuts or bolts can be tightened simultaneously, without the risk of point end contact.

APPLICATION OF THIS SYSTEM
The system can be used in the following cases:

Heat exchangers
Piping systems
Machine bolts to machine bolts or to plate and flanges

Coaxing machines
Sage machinery

TELE 8-8835

AMBA ENGINEERING
PTY LTD
Reef Hydraulic Nut & Bolt Manufacturing

The Reef Bolt System uses the principle of elasticity of metal. The exact amount of tension is at our disposal, and any number of nuts and bolts can be tensioned simultaneously, therefore there is no point end contact with gaskets on heat exchangers. Hydraulic nuts can have high temperatures and seals can work at 650°C. An orbital wrench ensures that point end contact does not occur, due to bolt pull face.

DOES THAT GIANT PUMP GIVE YOU HEADACHES?

Well, Amba Engineering has solved your problems with the Reef Hydraulic bolt system which ensures perfect location, absolute accuracy, lifetime tightening, without any loss of tension, as well as the most original answer to the existing problem.

Ambar says that tension reliability in low temperatures is not maintained, that bolts can be oxidized due to frost, and that a solution is needed to alleviate this problem. The existing solution involves oxidation, which can be avoided by using the Reef Bolt System. It ensures that the bolt is not oxidized, and it is ready for use.

3 Any number of nuts or bolts can be tightened simultaneously, without the risk of point end contact.

APPLICATION OF THIS SYSTEM
The system can be used in the following cases:

Heat exchangers
Piping systems
Machine bolts to machine bolts or to plate and flanges

Coaxing machines
Sage machinery
SKF has diversified in many directions

This page from SKF's report emphasizes their diverse range of services, indicating their commitment to provide a wide range of products and solutions. Their growth and dedication are reflected in the various segments of business they operate in, showcasing their strength and adaptability. The diversity ensures that they can cater to various industries and sectors, making them a versatile partner for businesses worldwide.

Steel for special purposes

The feature on steel for special purposes highlights the specialized knowledge and expertise that SKF possesses in this area. Their focus on high-quality steel solutions demonstrates their commitment to excellence and innovation. This expertise allows them to meet the unique needs of various industries, from automotive to aerospace, ensuring that they can supply steel that meets the exacting standards required for different applications.

The single source for Machine and Control.

This minicomputer-based control has Okuma's built-in experience from over 8,000 NC field installations. A world of software control possibilities at your fingertips. A brain waiting to be tapped. The OSP 3000 control has won an outstanding reputation for flexibility, naturality and all round reliability in USA, Germany and elsewhere.

Always up to date CNC control your OSP 3000 is never obsolete because functional additions can be made at anytime. No need to return to zero when there is a power failure or on tip changes.

Metric engines

KATOCHI Power Engine is now being assembled and ready for delivery to the market. The engine is the latest of its type and is designed to meet the demands of modern industry. It is equipped with advanced features and is expected to provide reliable performance in various applications.

QUALITY MACHINE BUILDERS SPECIALISTS IN THE CONSTRUCTION, REPAIR AND SERVICING OF ALL TYPES OF MACHINE TOOLS 60 MONTH GUARANTEE GIVEN ON ALL WORK CARRIED OUT 762-1618 AFTER HOURS 679-1648 20 AROCO STREET, CHAMPA, SKAGGERTOWN, 905 1508, FLORIDA 3150
SA machine tools are of a high standard...
A healthy sign of quality standards

NEWRFIT of the new UA-Massey fitted to Tyndale’s are the proudest single items in this year’s machinery display this year. Also on show this year is the new Massey-Harris Drill and Cultivator ranges. These show the company’s commitment to quality, which is a healthy sign of the quality available.

Tyndale (Pty) Ltd’s range of machines includes the following:

- Cultivators
- Harrows
- Seeders
- Tills
- Broadcasters
- Herbicides

Retailers supplied from stock in the main towns and in the country can be expected to receive the stock from the company’s head office.

The company’s commitment to quality is further evidenced by the fact that all its machines are built to the highest standards and are constantly being improved to meet the needs of customers.

J. Programming

4-1802 Res 816-2824
x 6179 Dunsward

ke van Dyk

ALL YOUR N.C. PROGRAMS

'E ON A MINI COMPUTER
By LEN KALANE

EIGHT men have been sacked from a Fordburg factory after complaining about the firing of a colleague.

The men said they were disgruntled and had stopped working on Tuesday until a satisfactory reason was given for the sacking of their colleague.

The manager at Name-Plate Centre in Fordburg, Johannesburg, Mr Selwyn Uria, then told them to go home "to make up their minds" and return the following day.

But on their return to the factory yesterday, all the men found that their pay packets were signed off.

They told SOWETAN: "We were also fired without cause, in the same way as our colleague."

The eight men said trouble started on Monday when one colleague was injured by another. The two were busy offloading steel sheets from a railway truck when one cut his right hand after a mistake by the other.

The workers' spokesman said: "We were surprised the next day when Mr Uria fired our colleague. He told us that he was firing him because he had injured the other man. He also told us that our colleague had been drunk and had been drunk at work for most of the five years he was working there."

He added: "We don't think this is legitimate. All of us have been getting injured at the factory. We are doing a very dangerous job there. I was once injured myself. We think there were racial reasons behind the sacking of our colleague."

They explained that the injured man was a so-called "coloured".

The workers said they went to the manager to demand reasons for the sacking of their colleague. It was then that he gave them time off to go home but sacked them the following day.

Mr Uria told SOWETAN: "Those people only see things from their side. I am now busy with an inspector from the Industrial Council and I'm telling him the whole story. If you want details follow it up with the Industrial Council."

Mr Uria refused to disclose why he had fired the eight.

He said: "I am not going to discuss this with the Press. Those people were not fired, they left on their own."

Among the sacked men, one has worked at the factory since 1968 and the others have service of between three and five years. The men also said they were still owed some money.

The one with the longest service said: "He has ripped us off. He's given us peanuts. This is not the kind of money I should get. We have no union representing us and he took advantage."
Students draw up contract for domestics

Staff Reporter

A GROUP of students from the University of Cape Town law faculty has begun to draw up an employment contract which will formalize relationships between domestic workers and their employers.

The students are members of the Legal Resources Centre which was set up at a meeting with the Domestic Workers' and Employers' Project (DWEP) in February to deal with the problems of domestic workers.

Expected to be finalized within two weeks, the contract will provide domestic workers with the kind of legal protection from exploitation which they, along with farm workers have hitherto lacked.

It will cover conditions of work such as wages, annual wage increases, notice, money in lieu of notice, time off for lunch and tea, hours of work, pension benefits, sick leave, holidays and duties.

Legal Protection

Once completed contracts will be sent to employment agencies and distributed among members of the Johannesburg-based South African Domestic Workers Association (SADWA), a branch of which is to be opened in Cape Town next month.

Mr Dennis Davis, a senior lecturer in the UCT law faculty who will be supervising the drawing up of the contract, said yesterday that it would 'initiate a situation where domestic workers will have legal protection which they don't have at the moment'.

'It will put the provisions of common law down in writing. This will make the rights of the domestic worker clear and enforceable and bring them into the same category as the rights of other workers'.

Common law, up to now all that has defined the relationship between domestic worker and employer, did not involve anything written, explained Mr Davis, and therefore it was difficult to prove any deviation from it in a court of law.

'The only answer is a written contract. This will provide a tangible document which can be presented to court as evidence.'

As long as it is signed by both employer and employee it will be legally binding.

'The Industrial Conciliation Act specifically excludes domestic workers from the ambit of industrial legislation and up to now they have had no means of enforcing the kind of statutory benefits enjoyed by other workers.'

'You'd be amazed at the treatment domestic workers have to put up with,' remarked the regional secretary of the South African Institute of Race Relations, Mrs Kim Elise, underlining the need for a contract.

'Many of them work the whole day without being given anything more than a bit of bread to eat,'

At a meeting of domestic workers the other day, one of them commented that a job she really disliked doing was cooking the family meal because it was so tantalizing seeing all that food and knowing it was not for her. Many others echoed this feeling.

'Domestic workers are often expected to babysit at night without getting paid extra for it or being given any time off to make up for it.'

Commenting yesterday on the plight of domestic workers, a community worker for DWEP, Mrs Nogqo Mtoleagues, said there was a need for employers to be made aware that their domestics were people who, like them, had families and family problems with whom to cope.

'So often employers are not aware that their domestic workers have children who occasionally get sick and have to be taken to hospital.

'When they come to work after having had to spend the whole day waiting at the hospital they are often told to leave'.

A contract which sets down conditions of work as agreed by the employer and the domestic and which was signed by both was, she felt, an important move towards a better deal for domestic workers.
Investing for efficiency

With demand for steel likely to grow more slowly during the Eighties, Iscor and Usco are investing nearly R100m to squeeze more profit from each ton sold.

Iscor’s investment of R78m in coke briquetting and ore-dealkalising plants will improve efficiencies and reduce the amount of blast furnace time required to make a given quantity of iron. These efficiencies will also increase the production capacity of the present blast furnaces by 700,000 t of liquid iron a year.

Blast furnaces are at present the bottleneck in steel production. The move thus puts the company in a good position to cater for higher demand when it comes.

The two new coke briquetting plants will cut its annual coal bill by R11m and save the country 400,000 t of metallurgical coal a year. At present levels of production they will raise iron production capacity by 7.5% or 490,000 t a year.

They will stretch the country’s metallurgical coal reserves and help to defer the controversial decision to exploit coal deposits in the Kruger National Park.

At a cost of R83m, the two plants at Vanderbijlpark and Newcastle will produce 6,000 t of coke briquettes a day after commissioning at the end of next year.

Using the Japanese Sumacoke process developed in the Seventies, the plants will convert low grade metallurgical coal into coke briquettes which are superior in quality to coke briquettes currently produced. SA is the second country outside Japan to adopt this technology.

Main contractor for the plants is Didder, a subsidiary of Voest Alpine, the Austrian iron and steel corporation. Didder is reported to be sweating over unexpected planning snags, but Iscor insists the plants will be in operation on schedule.

Coke is used with iron ore as a blast furnace ingredient to produce liquid iron. It comes from metallurgical coal. SA has enormous steam coal reserves but only about 20% of the known supply of the metalurgical variety. And a lot of that is low grade.

The briquetting plants will use a larger proportion of this low grade coal than Iscor’s can employ in existing facilities.

Iscor’s plant for de-alkalising its iron ore will cost R10m. As one official puts it, “Alkah is like a poison in the blast furnace, and its impurities reduce the liquid iron output.”

Iscor claims to be a world leader in this SA-developed technology which, when the plant is on stream at the end of next year, will improve efficiencies and enable the existing blast furnaces to produce an additional 240,000 t of liquid iron a year.

Usco is spending R26m on a new forging machine, the modernisation of its bar rolling mill and a new vacuum degassing plant. These improvements will increase its output of standard steel for the heavy engineering industry as well as steel used for making coil springs, bolts, chains, tools, railway and motor components such as crankshafts, connecting rods and propeller shafts.

Total production capacity will remain at about 500,000 t a year, but the improvements will mean increased production of high grade specialised steel from 22,000 t to 140,000 t a year.

This will make Usco less dependent on sales of conventional mild steel products where it faces competition from several SA steelmakers. At the same time it will strengthen the company’s dominance in the more lucrative and fast-growing local market for specialised steels. These are being used increasingly by local engineering plants and manufacturers to make machines which were previously imported.

Usco executives believe the country already has an overcapacity for certain types of mild steel. The decision to shut down the plant which is being undertaken to reduce production of concrete reinforcing rod and other structural steels was no doubt based on this belief.

The new Austrian GFM forging machine will cost R13m to install and should be in operation by the middle of next year. It replaces a 40-year-old hammer forge which is to be scrapped. It will be able to work bigger pieces of metal more quickly than the old hammer forge and impart a better surface. It will turn out round, flat and square forgings of between 60 mm and 220 mm diameter equivalents.

A new furnace for reheating pieces being forged will also be installed. But the new machine works the metal quicker, thereby cutting reheating costs. The forge and furnace should be operating by July next year.

The company’s new R35m vacuum degassing plant is another facility which will improve product quality. This project, which is being undertaken with Daido Steel of Japan, has not been previously announced although installation work started last year. It should be in operation at the end of this year.

HIGHVELD’S OTHER PLAN

Iscor and Usco are adapting to the expected low growth in steel demand by increasing efficiencies and producing more specialised products. But Highveld, the country’s second largest steel producer, is boldly upping its total production capacity.

“We read the market in the same way as Iscor,” says a Highveld executive. “But we intend to cope with it in a different way. Our expansion is aimed at broadening our product range.”

Highveld’s philosophy will be put to the test in 1983 when its R110m programme to increase production capacity from 900,000 t to 1.1 Mt a year comes on stream.

Highveld’s spokesman admits that the country already has spare capacity in hot rolling facilities which his company is now putting in. But he says they will be needed to “establish an alternative local supplier and to cater for surges in demand.”

He also predicts better prices in world markets and thus better revenues from exports.

“Many of the traditional European and American steelmakers will have to go to the wall,” he says, “and this will improve our opportunities. Up to now steelmakers have been dumping to protect their new strategy is to restrict production to support prices.”
Ace Druggists (Pty) Ltd.

(a) Taxable income

(b) Scientific research - mat - sal - cap

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>R40 000 incurred on 1 Jan</td>
<td>R40 000</td>
</tr>
<tr>
<td>add back: R30 000 - 1/10</td>
<td></td>
</tr>
<tr>
<td>R8 000 incurred on 1 April</td>
<td></td>
</tr>
<tr>
<td>25% of R8 000</td>
<td></td>
</tr>
<tr>
<td>add back: R4 000 - 1/10</td>
<td></td>
</tr>
<tr>
<td>R2 000 incurred on 1 May</td>
<td></td>
</tr>
<tr>
<td>25% of R2 000</td>
<td></td>
</tr>
<tr>
<td>add back: R500 - 1/10 x C</td>
<td></td>
</tr>
</tbody>
</table>

(c) Donation to U.C.T. - s.1

(d) Housing allowance - s.11

- R3 000 - 1/10 x 2/1 x 30
- s.8(4)(a) recoupment:
  - tax value R15 400 (16)
  - proceeds R15 500
  - R 100

Taxable Income

SOLUTION 5.2

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>R130 000</td>
<td></td>
</tr>
<tr>
<td>R 400</td>
<td></td>
</tr>
<tr>
<td>3 600</td>
<td></td>
</tr>
<tr>
<td>10 000</td>
<td></td>
</tr>
<tr>
<td>22 000</td>
<td></td>
</tr>
<tr>
<td>2 000</td>
<td></td>
</tr>
<tr>
<td>3 200</td>
<td></td>
</tr>
<tr>
<td>500</td>
<td></td>
</tr>
<tr>
<td>500</td>
<td></td>
</tr>
<tr>
<td>10 000</td>
<td></td>
</tr>
<tr>
<td>2 400</td>
<td></td>
</tr>
<tr>
<td>R 26 500</td>
<td></td>
</tr>
<tr>
<td>R158 200</td>
<td></td>
</tr>
<tr>
<td>(R26 500)</td>
<td></td>
</tr>
<tr>
<td>R131 700</td>
<td></td>
</tr>
</tbody>
</table>

(Note 1) - It is not clear in s.11(q)(ii) whether the relief is based on R40 000 or R30 000 - "less one tenth of the amount of such expenditure".

(Note 2) - It can be argued that scientific research was carried on for two complete years although this item was only used for one complete year.

(Note 3) - In the year in which the house was erected, the maximum allowance per s.11(t)(ii) was R3 000. This is the figure used in the calculation. The maximum allowance in terms of the current s.11(t)(ii) is R4 000.

This solution is based on the Income Tax Act, including 1980 amendments.
1981 and dealers in second hand machine tools expect local sales to rise to R50m.

Claus Feldmann, a consultant who represents a number of German and British machine tool manufacturers, says demand has increased out of all proportion. He is, he says, expecting record turnover.

Feldmann, who sells mainly to the production engineering sector, says the companies he represents achieved a higher turnover in the second-hand market in the last six months of 1980 than in the previous three years. This year it is expected to be even better.

Fred Thompson, of F Thompson Machinery Tools, says some machines come from France, Germany and Belgium, and most are from Britain. Thompson has been importing for 10 years. He says he is currently bringing about 11m worth of machines a year and stocks machines worth R2m-R3m.

He believes, however, that the market is close to saturation point and says governments should not be issuing import permits quite so freely to engineering companies which are speculating with the machines. The used machine tool industry is of economic importance to the country, he says, and there are now a lot of people cashing in on speculation.

Thompson says the Used Machine Tool Merchants Association, which was formed just over a year ago, was intended to provide some back-up to buyers. Members offer a three-month guarantee on refurbished or reconditioned machines, unless a voetstoots sale has been specially negotiated.

Although Feldmann also buys from the UK, he says better deals are to be had from Europe where better quality machines of newer vintage are available.

The obvious attraction of the second-hand machines is cost. Thompson explains that it would often be suceeded by a small manufacturer to buy new machines. He can, he says, set up a maintenance shop for about R40,000 with used tools, against about R100,000 with new.

End buyers are getting the used tools at about 40%-60% of original price. The market is not restricted to smaller companies and dealers list several major corporations among their clients. One reason cited was the long lead time, often in excess of 18 months, which manufacturers are quoting for the delivery of new machinery.

Speculators are obviously attracted by the profits. An Israeli dealer who buys machine tools from liquidated British companies and sells them in SA was quoted recently as saying he had bought a post-war down-stroking press brake from an insolvent company for £3,200. He will sell it in SA, he says, for about $18,000.

The dealer, Pinchas Osternie, said SA was the busiest market in the world for second-hand machine tools. He also sells in Israel, France and West Germany. He intends buying £200,000 of machinery a month before the market turns down. But he doesn’t say when that will be.

Thompson points out, however, that profits are not all that handsome. High transport charges have to be considered as well as the high cost of maintaining a skilled labour force to refurbish the machines.
Man claims he was robbed of job by agreement.

AN ATLANTIS man claims he was forced

Robbed of job by agreement.

Man claims he was robbed of job by agreement.
Tongaat bid for electric motor sales

By John Spira

THE Tongaat group, through its electrical engineering arm, Trivets, UEC, is challenging the multi-million-rand Reef market for electrical motor manufacture and repair.

In the first stage of a determined drive to establish a major presence in the market, Trivets has absorbed the well-established SA Electric Motor Manufacturing (SAEMM), has renamed the company Trivets-SAEMM and has injected R2.5-million into a new factory for the company in Alrode.

The new factory, which is being equipped with the most modern plant and facilities, is being headed by Brian Nelson, an electrical-motors man of 27 years' standing, who was brought in from the Trivets operation in Natal.

Mr Nelson believes that the original SAEMM-built up a reputation for the manufacture of quality scraper winch motors for the mines and for its excellent, if relatively small-scale, repair work for both mines and industry.

He says that the new operation will continue to build on these foundations. Various improvements to the quality and ruggedness of existing products have been completed.

In addition, the company now has an extended repair capability and is developing new products, including a new ventilation fan motor, already undergoing proving.

New motor production capability at the 5 900 sq m Alrode plant includes all-steel fabricated scraper winch and standard frame induction motors in the 7.5KW to 500KW range, drop-proof, and TEFC enclosures and a more limited range of flame-proof enclosures.
Atlantis 'lacks basic facilities'

Staff Reporter

ATLANTIS Diesel Engines, the biggest employer in Atlantis, has criticized the authorities for failing to provide the basic infrastructure needed to draw labour to the new industrial and residential growth-point on the west coast.

The company was finding it difficult to attract workers to Atlantis, due largely to the lack of this infrastructure, Mr Otto Scholz, ADE's chief executive, financial, said yesterday.

He said urban workers, accustomed to having all facilities within easy reach in the city, were daunted by the prospect of "coming to the bush" in Atlantis.

He also revealed that an "action committee" formed by industrialists in Atlantis had written to the Decentralization Board listing their problems.

Mr Scholz was addressing members of the President's Council on a tour of the industrial and coloured residential areas of Atlantis, where officials envisage a population of 300,000 people by the turn of the century.

By nightfall

Land is available to coloured, Indian and white entrepreneurs in the Atlantis industrial area, near the new coloured township of Westcliff. Black South Africans permitted to work in Atlantis have to leave by nightfall.

Mr Scholz said the 25,000 residents of Atlantis lacked basic facilities. There were no chemists, laundries, banking facilities and the first shop was only recently introduced. Banking facilities would be introduced shortly.

There was no cinema and only "talk" of a swimming bath and an hotel.

There was a "total void" when it came to housing for employees earning more than R600 a month. These people had not been able to buy plots on which to build their own houses, and would only be able to do so at the end of the year.

People earning less than R600 a month had been expected to buy houses for which no firm prices had been determined.

Single people

No provision had been made for housing single people, who would be playing a big role in the development of Atlantis.

Schoolrooms were now being built but there had been complaints of inadequate education facilities.

He attributed the delays to lack of understanding of workers' needs and the lack of a central controlling function to coordinate the involvement of local and central government in Atlantis.

If his criticism had sounded "blunt", Mr Scholz said, it was because of the realization that industry and state had to "do the job together" and industry could not do it alone without "drastic changes" by state authorities.

Mr Scholz emphasized yesterday that his comments should not be interpreted as criticism of the work done by

Mr Piet Burger, project director for Atlantis, and the District Council.

"Perhaps what I have to say will strengthen their arm in doing an even better job."

Dr Schalk van der Merwe, vice-chairman of the President's Council, said later that the positive aspects of Atlantis far outstripped the criticism to which it had been subjected. He described the project as an "act of faith in the industrial future of the country."

The ADE project could also be termed an act of faith comparable to the advent of Iscor and Sasol, he told members of the President's Council.

Atlantis had been a big success as an experience in "community relations" and "cooperation between two population groups", said Dr Van der Merwe, who has been associated with the project as Deputy Minister of Coloured Affairs, Minister of Planning, and through his Trade and Industries portfolio.

Mr M Th de Waal, managing director of the Industrial Development Corporation, said the problems in Atlantis were "quite normal" in any developing area.
Some Seifsa sectors slow

Industrial Reporter

TELECOMMUNICATIONS and electronics are the main exceptions to a generally slower rate of increase in domestic demand in the steel and engineering industries.

The Steel and Engineering Industries Federation of South Africa (Seifsa) reports in its business conditions bulletin for May that industrial sectors covered by the federation report a growth slowdown this year compared with the breakneck demand of 1980.

Four sectors have bucked this trend, however. Besides electronics, continuing high new-car sales have boosted automotive components, construction demand in supporting building industry supplies and farm machinery and equipment is buoyant.

But the federation's export-oriented sectors report that the growth outlook for South Africa's major trading partners continues uncertain, with adverse consequences for steel and ferroalloy export orders.

The ferroalloys sector reports a further slowdown and expects no revival in exports until the first quarter of 1983.

In spite of labour shortages, increased in the cost of financing and a softening in domestic demand, order intake and production levels in the federation's members are still consolidating last year's favourable growth phase.
Welder burned

Crime Story
A Piet Retief welder, Mr Fritz Ficker (53), was seriously burned and his workshop gutted this morning when paint caught fire while he was welding.

Police said today that he was working at FAP Engineering in Piet Retief.

[Signature]
C. [Date] 15/1/81
World economy puts curb on Barlow Rand

By Ann Crotty

Barlow Rand report an increase in pre-tax profit of 37 percent to R287,6-million for the six months to March 1981.

Because of higher tax rate the increase in after-tax profit was lower at 27 percent.

This plus an increase in profits attributable to outside shareholders produced an increase in earnings a share of only 17 percent over the same period of the previous year. Out of earnings a share of 88,7c (74c) an interim dividend of 21c (18c) has been declared.

The increase in the tax rate and the increase in profits attributable to outside shareholders were attributed partly to the consolidation of the C G Smith group.

TURNOVER:
Turnover for the group increased by 41 percent to R22-million from R5,5-million.

Attributable profit amounted to R139-million which represents a 20,8 percent improvement on the corresponding six months in the previous year, but this was on a slight increase in the number of issued shares.

It appears from the results that the South African divisions of the group performed well and better overall results would have been reported if the international economic conditions had not been depressed.

The results, as expected, showed a slower rate of growth than that of 1980. The directors attribute this to two main factors:

- The ferro-alloy and stainless-steel divisions faced severe reduced earnings because of the depressed state of the world-steel industry.
- The 1981 results should be viewed in the light of the strong growth in 1979 and 1980. The manufacturing and distribution divisions not affected by adverse conditions, overseas - in particular earthmoving equipment - household appliances, building materials, paint and motors — recorded good results.

SUBSIDIARIES

The profits in the mining division were adversely affected by the export markets, where unfavourable conditions also had a severe effect on the ferro-alloys and stainless-
DISEL ENGINE CHIEF HITS BACK AT CRITICS

ATLANTIS Diesel Engines has reacted strongly to criticism by local truck and tractor manufacturers that the compulsory use of ADE engines could push vehicle costs up by 50 percent.

It says these estimates are grossly exaggerated and that most of the blame for the expected extra cost of these vehicles rests with the manufacturers themselves.

Mr H H Beckurts, managing director of ADE, said: "We originally indicated to manufacturers that our engines would cost between 10 and 15 percent more than the equivalent imported engine and we still stand by this figure."

"The engine of a truck or tractor accounts for about a quarter of its price, so the higher cost of our engine should result in the vehicle's cost being just a few percent higher."

**Two reasons**

However, in many instances it is going to be much higher than this for two basic reasons.

"Firstly, I do not believe that the overseas manufacturers of local trucks and tractors have allowed for a sufficient deletion allowance on their vehicles."

"Explaining this point, Mr Beckurts said all trucks and tractors in SA were assembled from a completely knocked down (CKD) pack exported by the overseas manufacturer."

"This CKD pack contained virtually all the necessary parts. Now that this pack would no longer include the engine, the overseas manufacturers had been asked to subtract the cost of the engine from the overall price."

"In most cases this deletion allowance is in my opinion far too low, which makes things difficult for the local representatives of the overseas company and pushes up costs here."

**Design**

The second reason why the cost of vehicles could be substantially higher than expected is in the design of the chassis and engine compartments of many vehicles.

"If the ADE engines — of which there are 20 different basic models — 'marry up' relatively easily to a given vehicle, then extra costs can be kept to a minimum."

"But in many cases at present the 'marriage' is not an easy one and a large number of adaptive parts are called for, such as different flywheels and flywheel housings, and different pumps, manifolds, water pumps and fan positions."

"The way expensive adaptions can be avoided, said Mr Beckurts, was through redesigning local vehicles around the ADE engines."

"Consequently, I foresee a period of adaptation by manufacturers to the ADE engines and a big shake-out in the market."

"No country in the world had so many truck and tractor models as South Africa."

"Here we have 16 manufacturers each producing between three and 20 models — adding up to around 200 different vehicles."

[Continued on Page 2]
Diesel engines

...irent can be reduced to about 40 without any significant limitation for the buyer.

Criticism of the slightly higher cost of the ADE engine was extremely short-sighted in the light of the long-term advantages to the vehicle owner.

The big plus factors are going to be the rationalisation of parts and ease of servicing. "Vital part"

'Gone are the days when a vehicle was out of commission for weeks while the owner awaited the arrival of a vital engine part. Since ADE engines consist of only 20 different models belonging to five basic families, the distribution and stock situation throughout the country will be immensely more efficient than it is at present. Furthermore, the prices of spare engine parts will dive due to competition in selling them.

'Many trucks and tractors on the SA market required specialist servicing which could be expensive and inconvenient. This will become a thing of the past when the necessary experience has been gained in the servicing of the ADE engine range," Mr Beckurts said.
Saldanha Bay plan refloated

ONE of South Africa's top businessmen and entrepreneurs, Paul Hoogendyk, is making yet another determined effort to get a giant shipbuilding and ship-repair yard for Saldanha Bay.

This will be his second effort in less than a decade to get a yard where ships of up to 350,000 tons can be built and drydocked for repairs and maintenance.

He is trying to persuade the South African Government to invest half of the enormous sum of money that will be required for the yard with an overseas partner who will supply the balance of the finance and the necessary expertise.

He is also to look for a choice of partners that are acceptable to the South African Government in West Germany, Britain, Japan or Taiwan.

This is a path he has trodden before. But he had to abandon his first effort, within a hairbreadth of success in 1974, when the Government decided to pull out of the venture at the last minute on the advice of the IDC.

Hoogendyk can be described as a truly international businessman — he is on the local boards of several multinational companies, was on the board of Iscor and is a former president of the influential Afrikaanse Handelsmaatschappie.

He had persuaded one of the world's biggest shipbuilders, Coremans' Verolme of Holland, who has enormous yards in both Holland and Brazil, and who also owns one of the world's biggest liquid-petroleum-gas tanker fleets, to become a partner in the yard with the South African Government, and had virtually convinced the Government to become involved in the scheme.

So serious was Verolme about the project that he bought the necessary ground adjoining the harbour at Saldanha Bay as well as an engi-

SECOND EFFORT IN TEN YEARS

By ARNOLD DAVID

neering works which he planned to enlarge into the shipbuilding company.

Verolme still owns both the ground and the engineering company.

"We made a terrible mistake in not building the yard in those years," Hoogendyk told me.

"We could have built it for what would be regarded today as bargain-basement prices. In those days inflation was more of an academic than an actual problem.

"Had we built it then, it would probably have been fully paid-off now. I have no doubt that it would have been profitable from the start."

"It would have benefited the whole country. We could have carried our iron ore and coal exports as well as a portion of the increasing container traffic in ships that we not only owned, but which we had built ourselves in South Africa."

"There was a surplus of steel, which was virtually going for a song, in the world's markets from 1975 onwards. That would have suited us ideally."

"We could have earned millions for repairs and maintenance of giant tankers and ore carriers. I doubt whether the drydock would ever have been empty."

"There is a tremendous traffic past the Cape. Just think of all the ships that must have been in dire need of repair, but which had to carry on simply because we didn't have a facility that was big enough to drydock them."

"A few years ago two giant oil carriers collided off our coast. All we were able to give them were temporary repairs and a good wish — to both the ships and the big money for permanent repairs."

"Right now we have the Energy Endurance, a giant carrier that was the victim of a freak wave, in our waters for repair."

Mr Hoogendyk said the need for South Africa to be able to build its own giant carriers was becoming more important by the day."

"With the Sishen-Saldanha railway line being used to capacity there is a lively demand for ore carriers," he said."

"The export of coal through Richards Bay is to be increased to 44 million tons a year, but I believe that it will have to be increased to much more than that. There's an energy-starved world out there, and South Africa is one of the few reliable suppliers of coal which, in some countries, is beginning to replace oil."

Among the obvious benefits a ship-repair and shipbuilding harbour would have, is that it would reduce unemployment in the Western Cape.

And the quantities of steel it would use would boost Iscor's sales and be of tremendous strategic importance in a defence context.
Export of oil rig next month marks new SA industry

A year ago Port Elizabeth was the scene of a thousand man meeting of the Society of Independent Oil Producers, when the future production of South African oil was discussed.

A year ago, the first oil rig was launched at Durban,

...
The Cementon Company's net profit in the second half of 1968 was 8.7% higher than in the first half, according to the company's annual report. Sales increased by 13.5% from R1,087,000,000 to R1,234,000,000. This resulted in a profit before tax of R71,900,000, compared with R64,800,000 in the previous year. The directors have declared a dividend of 15% on the shares for the year ending March 31, 1969.
JSE-listed Concor to lift payouts

By JOHN MULCAHY

IN a reverse takeover and listing move Elmar Holdings has acquired engineering and construction group Concor Holdings (Pty) in return for 18 189 000 new shares in Elmar.

In terms of the agreement Concor will become a wholly owned subsidiary of Elmar with effect from July 1, 1989, and the enlarged Elmar will change its name to Concor Ltd.

Concor Holdings shareholders will receive eight new Elmar shares for each Concor share held by them. Elmar has 4 581 704 ordinary shares of 2½c each in issue.

Based on projected consolidated balance sheets at June 30 this year, the deal will raise Elmar's net asset value from 30c a share to about 58c a share, representing an increase of 88%. Estimated earnings for the same period will increase by 275% to 15c a share from 4c.

Elmar intends paying a final dividend of 3c a share in October for the 18 months to June 30, giving a total distribution for this period of 6c a share, equivalent to an annualised 4c a share. Based on the 15c earnings projection the dividend cover will be 3.75.

The Concor group is in a growth phase, according to a statement from Mofboard, and requires material profit retention. However, the new Concor Ltd's policy will be to increase dividends each year, and dividend cover is not expected to be higher than 3.75.

The management of the various companies in the Concor Holdings group will continue on the same basis and terms of employment, including profit participation, as previously, and the boards of Elmar, Concor Holdings and Concor Construction will remain unchanged for the time being.

The senior management are all shareholders in the company, and profit participation depends on seniority and length of service. At present 46% of the shares are held by non-resident shareholders, and 24% are held by SA residents. It is expected that after the Elmar transaction the SA shareholding will increase to 60%.

The arrangement is subject to approval and allotment of new Elmar shares by that company's shareholders, to the granting of a listing by the Johannesburg Stock Exchange of the Elmar ordinary shares to be issued, to certain major fiscal clearances, and to the approval by the shareholders of both companies of the disposal of a major part of their assets in exchange for new Elmar shares.
Appliance imports threat to local industry—bank

THE rising level of domestic appliance imports poses a serious threat to the ‘fragile’ local domestic appliance industry, the Standard Bank says in its latest review.

It says in the past two years rising real disposable incomes, a rapidly growing housing sector, and an easy availability of credit, have contributed to an exceptionally strong growth in demand for domestic appliances.

As a result, South Africa has become a useful outlet for a small but increasing part of the production of foreign manufacturers hard pressed by the recession abroad.

Imports of domestic appliances have risen sharply in the past two years. While the overall volume of imports into the economy rose by 14 percent last year, early estimates indicate that unit imports of some domestic appliances are more than doubled.

QUADRUPLED

Purchases of some types of imported washing machines and refrigerators more than quadrupled in the first nine months of 1980, compared with the same period of the previous year.

The increase in some other areas, notably air conditioners and small household appliances, was even higher but these rises were from a low base.

The proportion of imports to total sales has risen appreciably at the expense of locally manufactured products. While total unit sales of domestic appliances from all sources rose by an estimated 35 percent last year, sales of most locally produced appliances moved up by only 15–25 percent.

Imports are now estimated to account for more than a quarter of total refrigerator sales, compared with 10 percent in the mid-1970s, and for almost half of automatic and twin-tub washing machine sales, against 25 percent almost six years ago.

Seven years ago, ‘sales’ of locally produced washing machines appear to have experienced an absolute decline.

Italian and Japanese manufacturers accounted for the bulk of the increase in imports. Their competitive position has been bolstered by the fact that most of their products are of high quality and are sold at prices often appreciably lower than those of locally made items.

MAJOR HANDICAP

According to industry estimates, the drop in board price of some finished goods imports, particularly of refrigerators, is below the local industry’s cost of labour and materials for similar products.

More recently, imports of lower quality products from other countries, including Eastern Europe, have also shown a marked increase.

The local industry’s major handicap is the small market of which it serves, resulting in small production runs and relatively high unit costs.

The plight of the local industry illustrates the benefits and drawbacks of a policy of actively promoting self-sufficiency in areas where local producers do not have a com-
Isco wages to be raised

Own Correspondent
PRETORIA — Iscor’s 60,000 workers are to get average increases of 15 percent from July 1, according to a corporation spokesman.

This means the total wage bill will rise from nearly R400 million a year to R440m.

The spokesman said that to remain competitive in the labour market Iscor had to keep itself in line with the 15 percent increases negotiated by the Steel and Engineering Industries Federation of South Africa (Seifs) earlier this year.

The pay rise announcement has drawn sharp comment from senior government workers, who protested in vain against the 12 percent granted state department employees from April.

The president of the Public Servants Association, Dr Colin Cameron, said the association had appealed to the government repeatedly to close the gap between salaries earned by state department workers and workers in the big state corporations.

This had obviously not been done.

Last month, the PSA urgently appealed for interim increases, and at the same time again asked that the differential between the salaries of state department workers and state corporations be eliminated.

The application for interim increases to supplement the “inadequate” 12 percent granted to government workers was rejected.

Senior public servants warned last night that if the next April’s increases failed to wipe out the backlog and compensate fully for the level of the consumer price index, public services would “drop into chaos.”

Dr Cameron warned earlier this year that the high resignation rate from the service had begun to affect the efficiency of some vital state services.

Senior Post Office workers are in a similar position. They also received average rises of 12 percent and, it is understood that representations are to be made to the Minister of Posts and Telegraphs next month for interim increases.

If they are successful — and they are not likely to be — it could lead to a clash between the PSA and the Commission for Administration.
Steel price likely to go up by 15%

By GERALD REILLY, Pretoria Bureau

The price of steel is expected to go up by about 15% on July 1 — and the ripple will affect a whole range of products.

Iscor estimates that its production costs in the 1981/2 financial year will increase by 20%, but sources in Pretoria said it was unlikely that the Government would agree to such a big rise being passed on to the steel price.

Economists said last night that a higher steel price would ripple through the whole economy and affect essential capital and semi-durable goods.

The motor vehicle and building industries would be hit, and also producers of household equipment such as fridges and stoves.

When the new price is determined, the major cost increases to be taken into account will be the higher railway tariffs announced this year, higher coal and power prices, and pay rises for Iscor’s 60 000 workers.

An Iscor spokesman said the corporation’s 60 000 black and white workers were to get an average increase of 15% from July 1. This would raise the year’s wage bill by R60 to R60-million.

The chairman of Union Steel Corporation, Dr M D Mgraauw, said the steel industry had had to bear steep rises in nearly all steel production costs this year.

The railway tariff rises were particularly important because of the weight of steel products and the distances they had to be hauled. This also applied to coal used by plants.

Though it was bound to have an inflationary effect, adjustment of the steel price was essential, he said.

The chairman of the National Automobile Dealers’ Association, Mr Fritz Botha, said a 15% increase in the steel price could raise the cost of cars by 6 to 10%, depending on make. But the impact would not follow immediately after the price hike because most manufacturers had substantial stocks of steel.

Explaining the Iscor workers’ pay rises, the corporation spokesman said that for Iscor to remain competitive in the labour market, it had to keep itself in line with the 15% increases negotiated by the Steel and Engineering Industries Federation of South Africa (Seifsa) earlier this year.

The pay rate announcement drew sharp comment from senior Government workers, who protested that the 2½% granted to state employees in April would not compensate for the increase.

The president of the Public Servants Association (PSA), Mr Colin Cameron, said the association had repeatedly appealed to the Government to close the gap between the pay of State department workers and that of the big State corporations.

Last month the PSA appealed urgently for interim increases, but this was rejected.

Senior public servants warned last night that if next April’s increases failed to wipe out the backlog and compensate fully for the level of the Consumer Price Index, public services would “drop into chaos”.

Senior Post Office workers are in a similar position. They also got average rises of 15%, and it is understood that representations will be made to the Minister of Posts and Telecommunications next month for interim increases. They are unlikely to be successful.
Motor industry strike grows

Own Correspondent

PORT ELIZABETH — Strike action by black motor industry workers was growing today as the labour dispute in Port Elizabeth remained firmly deadlocked.

About 1500 workers from three Ford plants walked out again yesterday afternoon, setting time as the main issue.

The number of supporting strikers at General Motors was reported to have grown substantially from the 175 who demolished tools yesterday.

Hundreds of workers were reported to be striking as they left the General Motors Kempston Road plant about 8 am today.

This means that the labour unrest which started with a refusal by two Ford Cortina plant workers to fit Firestone tyres on their production line on Monday has grown into a full-blown strike by about 2000 workers.

The 1000 strong black labour force at the Cortina plant today repeated their walkout of yesterday and on Monday, as soon as they saw they saw they saw they saw the company wanted them to handle Firestone products.

They were joined yesterday by 400 workers at the adjacent Ford Engine plant, 40 at the Ford Neave plant and 175 at General Motors.

Those on strike are reported to be the full membership of the Motor Assembly and Component Workers Union of South Africa (Macwusa) at these plants.

The chairman of Macwusa, Mr Duma Makanada, said today Ford had adopted a hardline attitude and that he saw no chance of the union backing down unless Firestone reinstated workers who lost their jobs early this year.

If necessary, Macwusa members at four companies supplying Ford with products could also go on strike.

Mr Makanada said how Firestone was to unemploy workers if they appointed substitutes was a problem of its own creation.

The strike at Firestone was probably a blessing in disguise because those people who lost their jobs were mostly old people.

"They have probably now employed many younger workers," Mr Makanada said.

Macwusa expected Ford to contact Firestone and put pressure on it.

The union was also disappointed that Ford had ordered 400 more tyres from Firestone last week after being warned of the impending boycott.

Mr Makanada said the striking workers were to meet in a church hall in New Brighton today to discuss their position.

Strike continues

Labour Reporter

The strike at the Leyland Blackheath and Ellies River plants near Cape Town continued today when workers refused to meet management's back-to-work deadline.

All workers were suspended until today after last week's strike over wage increases. Although they gathered at the plants, they did not start work.

To Page 2, Col 1
Dorbyl, the heavy engineering group, increased taxable attributable profit to R8 562 000 in the six months to March 31 from R6 968 000 in the previous first-half.

Earnings a share rose by 43% to 49c from 34.5c.

The company declares only a final dividend.

Dorbyl traditionally earns most of its profit in the second half of the year so the interim figures do not necessarily reflect the full outlook.

The executive chairman, Mr. Doug Ellis, says earnings for the year should show some improvement on 1978-79.

Dorbyl intends extending the life depreciation method to the unprocessed steel stocks of all major operating subsidiaries this year.

It says the after-tax adjustment of R25 600 arising from those group companies which have already gone over to life has been transferred to a non-distributable reserve.

Capital commitments at March 31 were R11 205 000.

In the last full year the group made an attributable profit of R24 102 000, earnings a share of 147.2c and paid an annual dividend of 78c.
The present shortage of skilled labour is making it very difficult for the electronics industry to maintain production, let alone expand it.

This is the view of Prof H L Nuttras, head of the newly formed Department of Electronic Engineering at the University of Natal.

He delivered his inaugural lecture yesterday evening at the University.

'St is a self-evident fact that the white population of South Africa is unable to supply sufficient skilled manpower to meet South Africa's needs in the short term as well as in the long term,' he said.

Clearly the black population must be allowed to play its part and any efforts by the government or the private sector to establish or expand educational or training programmes for blacks should be strongly supported by us all,'

Prof Nuttras said that another cloud on the horizon was the meagre supply of graduates prepared to work for higher degrees, so cutting off the supply of future highly skilled manpower.

There were two reasons for this. One was that most engineering students had bursaries that required them to work for the sponsoring organisation as soon after graduation as possible.

Young people were prevented from reading for higher degrees by their obligations to unsympathetic sponsors, who were also faced with manpower problems, he said.

The other reason was the huge by the armed forces, of many young graduates during their military service.

This has the effect of removing the fine cutting edge of their academic ability and of reducing their wish to go back to the university.

To meet the twin objectives of military training, which was quite essential, as well as the maintenance of academic enthusiasm, the military authorities should make every effort to employ gifted undergraduates called up for service on research or development projects of value to the armed forces, he said.
Mawu hits out at labour body

THE Metal and Allied Workers' Industrial Councils of 'not being workers'.

This was after the National Industrial Council for the Metal Industry failed to resolve a dispute between the Federation of South African Trade Unions (Fosatu)-affiliated Mawu and the Toyota Motor Company over the dismissal of 134 black workers early this year.

A Mawu statement to SOWETAN said the secretary of the council said the council could not resolve the matter because it was not satisfied that a dispute existed.

The Toyota workers and Mawu referred the dispute to the council on February 6 following the refusal by Toyota management to negotiate or to agree to arbitration of the dispute. The statement went on: The dispute arose when eight black workers were dismissed by Toyota. This was after the workers refused to sign a "final warning" for missing weekend overtime.

This resulted in a work stoppage and the dismissal of 134 black workers. Following written submissions by Mawu and the motor company, the union asked for oral evidence to be heard. On March 30, a union (Mawu) this week charged representative of the majority of meeting of the sub-committee of the Transvaal Regional Industrial Council was held and attended by the union and Toyota.

Following the hearing, the council applied to the Minister of Manpower Utilisation Mr Fanie Botha, for an extension of 60 days to allow it to conduct further investigation. The application was opposed by Mawu and was refused by the Minister. Despite this, the Council delayed a further two weeks before reporting," continued the statement.

The statement charged the Industrial Council have been able to operate up till now because they have not been representative of the majority of workers. They are still unrepresentative.

The council pointed out that they themselves need radical modification before they can satisfy the majority of workers "and workers must also be given the right to representation and negotiation at establishment level by their unions. The Toyota case has demonstrated this beyond doubt."
JOHANNESBURG — Riding
the crest of the motor boom,
Associated Engineering, the
biggest motor parts maker in
the country, hoisted earnings
45% in the six-months to end
March
Unlike its ailing UK parent, Asseng reports a "very
satisfactory" first half with
sales up 30% to £65m, pre-tax
profit 45% better at
£2.3m and taxed attrib-
utable profit ahead 50% at
£1.9m.
Earnings a share were 32c
(23c), and a 33% better in-
terim dividend of 8c (6c) has
been declared.
The directors "confidently
anticipate" that a similar
trend will continue for the
rest of the year.
Associated Engineering
UK reported a loss of
£1.7m on turnover of £21m
in the same period.
"Useful exceptions" to the
difficult trading conditions
everwhere were reported in
South Africa and West Ger-
many. The UK company ex-
pects trading to improve in
the second six months.
Asseng zooms with the boom

By Deputy Financial Editor

RIDING the crest of the motor boom, Associated Engineering, the biggest motor parts maker in SA, hailed earnings 45% in the six months to March.

Unlike its ailing UK parent, Asseng reports a "very satisfactory" first half with sales up 52% to R15-million, pre-tax profit 45% better at R2.8-million and taxed attributable profit ahead 40% at R1.1-million.

Earnings a share were 32c (22c) and a 33% better interim dividend of 6c (4c) has been declared.

The directors "confidently anticipate" that a similar trend will continue for the rest of the year.

Associated Engineering UK reported a loss of £1.7-million on turnover of £11.9-million in the same period.

"Useful exceptions" to the difficult trading conditions elsewhere were reported in South Africa and West Germany. The UK company expects trading to improve in the second six months.

COMMENT: With Atlantis Diesel and the local content programme running to its favour, Asseng SA should continue to prosper in a motoring environment where demand for parts exceeds supply.

It would be no surprise if yearend earnings were still 45% ahead and the dividend rose in line with this one. This suggests a total payout of 30c, giving an attractive prospective yield of 8.5% on the current price of 38c.
**Call for protection angers importers**

**By Shannon Sheedy**

THE latest call by the domestic appliance manufacturing industry for more protection against imported products has caused a storm of protest among retailers and importers who believe import control is already excessive.

Two retailers, OK Bazaars and Victrex Furniture (Pty), said the major manufacturers, Defy and Barlows, raised their prices at least twice a year while relying on protection against imports to overcome their "inefficiency and poor service".

Mr Arthur Solomon, general manager of the furniture and appliance division of OK, said imported appliances were competitively priced, of better quality, more reliable and had more features.

**DUTY R80**

He said import controls should be relaxed. The duty on a washing machine had been R82 two years ago and was now up to R600, with the industry pressing for a rise to R890.

"When the black townships are electrified, there will be a new demand for small refrigerators and top-loading washing machines which are not made locally," he said.

Increased tariffs would be inflationary.

Local manufacturers would have to become more efficient to meet this new demand.

Mr Solomon said he preferred import quotas to import tariffs as the lesser of the two evils.

"At least then retailers would know what to expect and could plan accordingly," he said.

Mr Solomon's views were supported by Mr Colin Abel, managing director of Victrex, who accused the manufacturers of being "virtual price dictators".

He was, however, more in favour of tariffs than quotas as the latter would lead to fewer firms getting the products they wanted.

Imported products, unlike the local ones, seldom needed repairs, Mr Abel said.

Mr Vernon Katz of Indesit-Katz, the biggest importer of "white goods", said it was "ludicrous" that spares from a maker 10,000 km away were instantly available while it took up to eight weeks to get them from local producers.

He said the local industry was losing ground because of inefficiency and not because of unfair competition.

However, Mr Richard Newby, managing director...

**Call for (R87) protection**

From Page 1 of Defy, defended the industry's demands for more protection and said he would prefer import quotas to a tariff increase.

The industry needed an assured market if it was to expand and introduce new products and create more jobs.

"Denying allegations of inefficiency," he said, "We have to be different because of strong competition from local and imported products. Defy is well aware of the effect poor service has on sales."

Continued on Page 3
ADE hits back at criticism

Finance Correspondent

ATLANTIS Diesel Engines (ADE) has reacted strongly to criticism by truck manufacturers that the compulsory use of ADE engines could push vehicle costs up by 50 percent.

Estimates are grossly exaggerated and most of the blame for the expected extra cost of these vehicles rests with the manufacturers themselves, says H. H. Beckurts, managing director of ADE. “We originally indicated to manufacturers that our engines would cost between 10 and 15 percent more than the equivalent imported engine and we still stand by this figure,” he says.

“The engine of a truck or tractor accounts for about a quarter of its price, so the higher cost of our engine should result in the vehicle’s cost being just a few percent higher.

“However, in many instances it is going to be much higher than this for two basic reasons. Firstly, I do not believe that the overseas manufacturers of local trucks and tractors have allowed for a sufficient deletion allowance on their vehicles.”

Explaining this point, Beckurts said all trucks and tractors in South Africa were assembled from a completely knocked down (CKD) pack exported by the overseas manufacturer.

This CKD pack contained virtually all the necessary parts, so that it would no longer include the engine. The overseas manufacturers had been asked to subtract the cost of the engine from the overall price.

“In most cases this deletion allowance is in my opinion far too low, which makes things difficult for the local representatives of the overseas company and pushes up costs here.”

The second reason why the total cost of vehicles could be substantially higher than expected is in the design of the chassis and engine compartments of many vehicles.

If the ADE engines — of which there are 20 different basic models — “marry up” relatively easily to a given vehicle, then extra costs can be kept to a minimum. But in many cases at present, the “marriage” is not an easy one and a large number of adaptive parts are called for.

“Here we have 16 manufacturers each producing between three and 20 models — adding up to around 200 different vehicles. This I am confident can be reduced to about 40.”

Criticism of the slightly higher cost of the ADE engines was extremely short-sighted in the light of the long-term advantages to the vehicle owner.

The big plus factors are going to be the rationalisation of parts and ease of servicing.

“Gone are the days when a vehicle was out of commission for weeks while the owner awaited the arrival of a vital engine part. Since ADE engines consist of only 20 different models belonging to five basic families, the distribution and stock situation throughout the country will be immeasurably more efficient than it is at present,” says Beckurts.
Steel takeover
By Vera Bijnovick
MURRAY & Roberts Holdings, the giant R18-million group (in terms of last year's turnover), has reached an agreement with Cape Steel Construction whereby M & R will acquire the total share capital of Cape Steel.

Cape Steel, a privately owned national company employing 900 people, has a turnover of about R35-million from its two divisions - steel and aluminium.
Speed proves strong point for huge new projects

STEEL NOW CHALLENGING CONCRETE

THE speed of construction of steel-framed buildings has thrust the steel construction industry into its most competitive situation with concrete in many years.

A highly conservative estimate projects that there is work worth at least $600 million for the industry in the next two years.

This successful race against time to complete the San Diego area for the Continent-Franklin project proved the value of speed and steel construction.

At present, the buildings are again being proved at the same pace. Buildings of steel are erected for Frank Strauss's Appliance Co. in the San Diego area.

By Jan de Beer

Robot flyer

By Vera Del Orden

MACCHI, the latest of a large number of remotely piloted aircraft being developed in various countries, is believed to be the first to fly on digital sensors.

This new robot aircraft, designed to fly at the command of a computer carried on board, has just passed its first flight test in Britain, according to the New York Times World Aeronautics.

In operation, the 275-pound, with its 5.6m wingspan, is commanded by a computer using digital sensors.

This means it would be potentially subject to all aerial surveillance, which could be used for traffic and communication surveillance, as well as for exploring.

EXECUTIVES of the five largest American international airlines have rallied to the Reagan administration to protect their interests as the government looks to limit extraterritorial air regulation.

Two years ago, the five large American international carriers accounted for 77.7% of all international passengers in the North Atlantic market, but that share has now fallen to 29.3%, they said.

In a public statement presented at White House trade officials, officials of Pan American World Airways, Trans World Airlines, Braniff International, Flying Tiger and Northwest Airlines urge the Government to limit extraterritorial rates into the United States market until a new aviation policy can be established.

The five said their $1.2 billion on their international operations last year, and thus they have been forced to lay off 50% of their work force.

The U.S. airlines charged that civil aviation regulations are likely to increase their costs and profits, plus predictably result in six countries in South Africa, South Korea and Japan, also prohibiting regulations, as well as the purchase of a new 120-ton carrier, Pan Am.

By Jan de Beer

U.S. airlines hunt protection
Steel takeover

By Vera Bolakova

MURRAY & Roberts Holdings, the giant R218-million group (in terms of last year's turnover), has reached an agreement with Cape Steel Construction whereby M & R will acquire the total share capital of Cape Steel.

Cape Steel, a privately owned national company employing 900 people, has a turnover of about R35-million from its two divisions — steel and aluminium.
Speed proves strong point for huge new projects

STEEL NOW CHALLENGING CONCRETE

THE speed of construction of steel-framed buildings has thrust the steel construction industry into its most competitive situation with concrete in many years.

A highly conservative estimate predicts that there is work worth at least R160-million for the industry in the next nine years.

The successful race against time to complete the Sun City arena for the Ceetee-Tate fight proved the value of speedy steel construction.

At present, the benefits are again being proved at the same venue as 2500 tons of steel are erected for Frank Sinatra's appearance at the opening of the new 8,000-seater convention centre.

This is one of many current projects for the industry which in the past few years has been involved in massive expansion projects such as Sand lI and III, Koeburg, and the Duviha and Matla power stations, as well as some major mining projects.

Examples include Highveld Iron Plant No 2's first phase, Sasol's slab yard extensions as well as its direct reduction plant at Vanderbijlpark, the Richards Bay coal terminal and other mining work.

Other major projects involve Escom and its new series of power stations, including Tutuka, Lebaba and Matimba.

But there are also aspects causing concern. In the first place, work coming into the pipeline, although impressive, appears alarmingly lower than work now tapering off.

Much of the work that could change this seems frequently to be raised in discussion without any definite move towards fruition. This covers a number of schemes, including the often-publicised methanol and ethanol plants and various dry dock schemes.

Rob Jeffrey, managing director of Dorbyl Structural Engineering, confirms that there is over-capacity in the industry. However, he views the long-term future with confidence. Dorbyl is spending R4-million on increasing capacity at its Vanderbijlpark plant, on the installation of numerically controlled drilling lines at the Vanderbijlpark, Vereeniging and Germiston plants, and in the purchase of a new 255-ton crawler crane.
Steel new blow to mine costs

By ADAM PAYNE

The expected 15% increase in steel prices from July 1 will impose a heavy burden on mining costs, hitting particularly the high-spending gold and coal mines.

Gold mines are expected to spend about R2 000 million on stores and equipment this year, of which it is estimated about R1 000-million will be on steel equipment including drilling equipment, pipes and tubes, trucks, rails, headgear frames, axes, plates and sheets.

Assuming that a 15% increase is allowed to Jacor and passed on to consumers with additions, the total cost of steel equipment will be at least R1 000-million on the gold mines in the coming 12 months.

The additional cost of steel will aggravate the expected annual increase in working costs of about 20%.

The expected 15% rise covers stores equipment and power on one side and wages and salaries on the other. Wages of white miners are expected to be raised by about 15% and those of blacks by about 10% in the next three months.

Coal mines are expected to spend R1 000-million on stores and equipment, of which more than a third will be on steel equipment.

The coal industry, being more highly mechanised than the gold-mining industry, uses comparatively more steel and its capital costs at a time of expansion will be increased by more costly steel.

The mining industry is strongly opposed to Jacor's practice of announcing a big increase in steel costs, as it is expected to do before July 1.

It is continually pressing for a system of graduated small increases over the year, which make for easier planning and prevent the upsets to capital project estimates that occur when a big increase in prices is allowed with varying effects down the long line of equipment.

Escom went halfway to meet the industry's contention last year by announcing two increases.

A mining executive commented: "A steel-price rise, which follows coal and coke price rises and the raising of wages, will hit the base metals industry as well as gold.

"We had been looking for an annual growth of between 8% and 10% in mineral production for SA sales and exports, but with the world recession the estimate has been cut back to a growth of about 3½% annually for most of this decade.

"Base metals mines are operating a greatly reduced profit margin. Chrome mines are making either no profit or little losses.

"In these circumstances a 15% increase in steel prices will be a heavy burden to mines buying equipment based on steel, especially as we predict that base metals will continue in a trough for at least two years.

"The 3½% growth predicted is expected to occur when the Western world climbs out of its present recession.

"Only platinum and antimony are expected to fare better, being allied to specialised technologies that are not as badly affected as the heavy industries which use chrome, manganese and other base minerals."
Malbak seeks growth above inflation rate

By DAVID CARTE
Deputy Financial Editor

MALBAK, the farm machinery, motor, engineering and packaging conglomerate, followed up last year’s 50% earnings increase with 82% earnings growth in the year to end March.

And the group is looking for earnings growth in excess of the inflation rate in the year ahead.

Thanks to soaring farm machinery, motor and engineering profits, pre-tax profit rose 81% to R16 517 000 and taxed attributable profit 82% to R9 650 000.

Earnings per share rose in line to 81.5c (1980 50.4c).

A final dividend of 19c has been declared, making 27c for the year, a 50% improvement on the 18c paid last year. Dividend cover has been lifted to 2.4 (2.5).

The managing director, Mr. Grant Thomas, told me the group still had a good deal of momentum behind it.

He said Malcomess would reap the benefits of the excellent agricultural season this year. The group made seven acquisitions for R1 500 000 last year and these would contribute for a full year.

Process Control Instrumentation and the engineering companies had fat order books, reflecting increased industrial spending, and packaging subsidiary, Bakke, would continue steadily upwards, even in a slowdown.

He said Malbak’s balance sheet had never been stronger.

In the past five years Malbak’s dividend had grown at an average annual compound growth rate of 25% and earnings at 27%.

Most subsidiaries had switched to the conservative lifo method of stock valuation last year, saving tax, but the holding company still reported on a lifo basis.

Mr. Thomas estimated that the net effect of lifo last year would have been to reduce earnings by R200 000 and that even if lifo had been applied to the top company, earnings growth would have been of the order of 70%.

He said Malcomess had been the star of the group but engineering subsidiary, Maccabes, also had an excellent year and made several acquisitions.

Malbak Motor Holdings had also excelled.

Since the year end, Malbak had bought Castor and Ladder Holdings for R1 550 000. This is expected to add 3c to earnings this year.

COMMENT: The group looks good for further real growth this year. Its dependence of Malcomess and motors once made it appear cyclical but conservative financing, some steady cash businesses such as Bakke, and its wider spread of interests make it less vulnerable today to a downturn than some of its bigger rivals. The well-covered dividend is eminently safe.

At 415c, Malbak yields 6.5%. This compares with Abercom’s 6.8%, HLM’s 6.5%, Protea’s 8.5% and Renales’ 9% and does not seem out of line.
Malbaks rising profits gain momentum

Own Correspondent

JOHANNESBURG – Malbaks, the farm machinery, motor engineering and packaging conglomerate followed up last years 30% earnings increase with 32% earnings growth in the year to end March.

And the group is looking for earnings growth in excess of the inflation rate in the year ahead.

Thanks to soaring farm machinery, motor and engineering profits pre-tax profit rose 81% to R14,570,000 and taxed attributable profit 85% to R9,620,000.

Earnings a share rose in line to 91.6c (1990 50.4c)

A final dividend of 19c has been declared, making 27c for the year, a 50% improvement on the 18c paid last year. Dividend cover has been lifted to 5.4 (2.5).

Managing director Mr. Grant Thomas, told me the group still had a good deal of momentum behind it. He said Malcomess would reap the benefits of the excellent agricultural season this year. The group made seven acquisitions for R3,500,000 last year and these would contribute for a full year.

Process Control Instrumentation and the engineering companies had big order books reflecting the increased amount of infrastructural spending and packaging subsidiaries Bakke, would continue steady upwards even in a slowdown.

He said Malbaks balance sheet had never been stronger.

In the past five years Malbaks dividend has grown at an average annual compound growth rate of 22% and earnings at 27%.

Most subsidiaries switched to the conservative IFA method of stock valuation last year, saving tax, but the holding company still reports on a FIFO basis.

Mr Thomas estimated that the net effect of FIFO last year was to reduce earnings R2,000,000 and that even if FIFO had been applied earnings growth would have been of the order of 70%.

He said Malcomess had been the star of the group but engineering subsidiary Macabee, also had an excellent year and made several acquisitions.

Since the year end Malbaks has bought Castor and Lasher Holdings for R1,250,000. This is expected to add 3c to earnings this year.
Irish firm denies workers misled into SA contract

DUBLIN - An Irish firm of contractors working in South Africa, Republika Srpska and Afghanistan have now returned home to Dublin after being fired from their contracts in South Africa. The workers claim they were misled into signing contracts to work in South Africa. They were promised work in Afghanistan but instead worked in South Africa. Approximately 200 workers have now returned home to Dublin. The firm, which consists of a mix of workers from South Africa and the Republic of Ireland, claims that the workers were under the impression that they would be working in Afghanistan. The firm also claims that the workers were not aware of the nature of the work they would be undertaking. The firm has now filed a complaint with the labour department in South Africa. The workers have also filed a complaint with the National Union of Mineworkers in South Africa. The firm denies that it misled the workers and claims that the workers were aware of the nature of the work they would be undertaking. The firm also claims that it was not aware of the nature of the work the workers would be undertaking. The firm has also filed a complaint with the labour department in South Africa. The workers have also filed a complaint with the National Union of Mineworkers in South Africa.
STEEL

Tough 'n light

If Iscor's new Supraform grade steels perform to expectations, medium-sized cars could soon be up to 80 kg lighter than they are at present. And when Iscor is able to produce it in thinner gauges, the range could shed anything up to 160 kg.

Supraform grades are stronger than conventional steel and consequently can be used in thinner gauges for component pressings like chassis members, bumpers, wheels, suspension parts, axle boxes and engine mountings. They also have good cold forming capabilities which allow pressings of complicated shapes without loss of strength. And they are more easily weldable than steels of similar carbon content.

Supraform steels are so-called high carbon, low alloy products which obtain their qualities from hot-rolling at carefully controlled temperatures.

They cost between R35/t and R100/t more than equivalent mild steels. But as Supraform is stronger, a little goes a longer way, and cost savings are possible in many applications.

They were developed largely as a result of the local manufacture programme for heavy trucks. At present most trucks are imported in kit form and assembled locally.

But when truckmakers are obliged to fit locally produced diesel engines, gearboxes and axles within the next two years, many will investigate the merits of locally made chassis members. Supraform steels will also be used in pressings for local differential housings.

Initially sales of Supraform will be about 60 000 t a year and 25 000 t of this is expected to go to truck manufacturers.

Iscor expects massive sales increases once the local industry is apprised of its benefits.

Iscor's marketing campaign will entail visits to the parent companies of local motor manufacturers in Europe, the US and Japan. They will want them to specify the product for their pressings.

Supraform also has applications for structural steel, pipes and tubing, cranes, rolling stock, bulk containers and agricultural machinery.

It is now available in thicknesses ranging from 1.6 mm to 12 mm. But when Iscor has managed to perfect its cold-rolling capabilities, it will be available in thicknesses of 0.7 mm. This will enable car manufacturers to specify it for use in body pressings which will bring about the further reduction in the mass of locally produced cars.
Labour Reporter

Dissatisfaction at the wages deal in the electrical and Allied trades has been expressed at a meeting of the Electrical and Allied Trades Union.

The meeting agreed that the wages increase issued by the unions was not adequate and that workers should continue to take action to improve their wages.

Tomorrow, meetings will be held in all areas of the country for workers in the engineering industry.

In a statement last week, the Electrical and Allied Trades Union said that the increase was not enough to compensate for the high cost of living.

The unions have said that they will continue to negotiate for a better deal for their members.

(Conversion Course - March 1981) 22 marks - 30 minutes)
2.2. General Characteristics and Job Histories of the Graduates.

The average age of the graduates interviewed was 35 years, and they were overwhelmingly male. Only two-fifths of the Africans had been born, but over four-fifths of the Indians had an urban background. While the Indians were almost entirely from Natal, with far the biggest number being from Durban and Pietermaritzburg, African doctors came from all over South Africa, and some adjacent territories. At the time of the fieldwork two-fifths of the sample were employed in hospital service. Half of the Africans and a third of the Indians were in private practice. Details of their job history are provided by the following table:

<table>
<thead>
<tr>
<th>JOB HISTORY, GIVING SEQUENCE OF JOBS</th>
<th>NO. OF MEDICAL PRACTITIONERS</th>
<th>AFRICANS</th>
<th>INDIANS</th>
<th>TOTAL STUDIED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. %</td>
<td>No. %</td>
<td>No. %</td>
<td>No. %</td>
</tr>
<tr>
<td>1. Hospital/Clinic work only</td>
<td>8 25.0</td>
<td>15 41.7</td>
<td>24 34.8</td>
<td></td>
</tr>
<tr>
<td>2. Hospital work, then general practice</td>
<td>12 37.5</td>
<td>9 25.0</td>
<td>21 30.4</td>
<td></td>
</tr>
<tr>
<td>3. Hospital work, general practice and part-time health service</td>
<td>2 6.3</td>
<td>4 11.1</td>
<td>6 8.7</td>
<td></td>
</tr>
<tr>
<td>4. General practice only</td>
<td>3 9.4</td>
<td>2 5.6</td>
<td>5 7.2</td>
<td></td>
</tr>
<tr>
<td>5. Hospital work; then overseas work</td>
<td>3 9.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Hospital work, overseas work, and then general practitioner in South Africa</td>
<td>1 3.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Hospital work, overseas, hospital and part-time general practice in South Africa</td>
<td>1 3.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Hospital, G.P., hospital work</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>9. Hospital, research; G.P. and part-time hospital work</td>
<td>-</td>
<td>1 2.8</td>
<td>1 1.4</td>
<td></td>
</tr>
<tr>
<td>10. Hospital, Junior Lecturer, hospital work and part-time G.P.</td>
<td>-</td>
<td>1 2.8</td>
<td>1 1.4</td>
<td></td>
</tr>
<tr>
<td>11. General practice, later with part-time hospital work</td>
<td>1 3.1</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>12. General practice, hospital work</td>
<td>-</td>
<td>1 2.8</td>
<td>1 1.4</td>
<td></td>
</tr>
<tr>
<td>13. General practice, hospital work overseas; hospital work</td>
<td>1 3.1</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>32 100.0</strong></td>
<td><strong>36 100.2</strong></td>
<td><strong>69 99.6</strong></td>
<td></td>
</tr>
</tbody>
</table>

**NOTE** The total column includes one Coloured doctor who has worked in hospitals only.
Restraint placed on dismissals

A Rand Supreme Court judge confirmed an interim order yesterday preventing an employer from dismissing any workers because they were members of a trade union or because of the union's activities.

An application for an interdict was brought two months ago by 33 workers of Auto Industrial (Pty) Limited — all of whom were members of the Metal and Allied Workers Union of South Africa — who feared victimisation.

At the first hearing the court granted the men an interdict after they had claimed that they had feared dismissal because of their membership of the union.

Mr Justice P S Stern confirmed the order yesterday after a document filed by Mr D Fragale, managing director of the firm, was handed to the court. Mr Fragale stated he did not intend opposing the order.

He said that he disputed allegations against his firm, particularly that any employee was in danger of dismissal because he was a member of a trade union.

In papers filed previously, the judge was told that the application resulted from the dismissal of two workers who were members of the union.

Mr John Marcus Nkuya, a union organiser and one of the applicants, said the application was made as a result of the attitude of the firm towards the union.
Diesel Electric's record turnover

Diesel Electric's gross pre-tax profits climbed by 32.3 percent from last year's figure of R2 811 000 to R3 720 000 for the year ended Feb-
uary 28.

The consolidated net after-tax profit of R2 076 336 reflects earnings of 32.1c on ordinary share compared to earnings of 32.1c achieved in the previous financial year.

Total turnover, including that achieved by franchise holders exceeded R50-million for the first time in group history.

Group chairman, Mr O A Nagel attributes the excellent performance to a swing, the sale of quality products, dependable after-sales service, introduction of new ranges and major improvements in nationwide services.

Group managing director, Mr G N Ward, pointed out that Bosch automotive products and power-tools continue to form the major part and growth of overall business activity.

"The Gardena range of garden equipment was added to the company's marketing activity under a sole franchise agreement entered into with Gardena Kress & Kastner GmbH," he said.
Strengthening the base

Activities: Manufactures and assembles telecommunication equipment, electronic components and electrical equipment and systems for professional users. Altron owns 57% at the equity.

Chief executive: W. P. Venter

Capital structure: R7m ordinary at R1.2m and 2.1m 11½% red. pref. at R1. Market capitalisation: R1.4bn

Financial Year: To February 28, 1988

Borrowings long and medium term R1.1bn. Net cash position R34.5m. Debt ratio 1:2.5. Cash credit line R50m. Capital commitments 4.6m.

Share market: Price 370c to 500c. 1987 low 275c high 815c. Trading volume at the end of the quarter: 36,714 shares. Yields 8.8% on ordinary, 2.9% on dividend. Current price ratio 118: 78 78 90 81

Turnover Profile

<table>
<thead>
<tr>
<th>Category</th>
<th>3rd Qtr</th>
<th>2nd Qtr</th>
<th>1st Qtr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer systems</td>
<td>378</td>
<td>359</td>
<td>356</td>
</tr>
<tr>
<td>Telecommunication</td>
<td>290</td>
<td>290</td>
<td>290</td>
</tr>
<tr>
<td>Electronic comp.</td>
<td>246</td>
<td>246</td>
<td>246</td>
</tr>
<tr>
<td>Business component</td>
<td>326</td>
<td>326</td>
<td>326</td>
</tr>
<tr>
<td>International</td>
<td>98</td>
<td>98</td>
<td>98</td>
</tr>
<tr>
<td>Voucher systems</td>
<td>75</td>
<td>75</td>
<td>75</td>
</tr>
</tbody>
</table>

The revision of Altron's dividend policy certainly seems to have taken some of the puff out of the market as far as investors are concerned, even though it will enhance an already strong share price. Whereas previously the share could always be counted among the market leaders, its recent performance has been pedestrian.

At 1,000c the counter shows virtually no change compared with July last year. Although it has gained 25c over the past 12 months the share price is more than double the improvement in the electronics sector index, which is not significantly better than the industrial market as a whole which is up 21% over the same period.

One of the difficulties in assessing the market price of the share at present is the vagueness of the new dividend policy. In the past the company had been committed to distributing 40% of its earnings. In future, according to the annual report, the policy will be to reduce the dividend each year while continuing to give shareholders a meaningful increase in the dividend itself.

Altron's Venter holding back more profits

Chad executive Bill Venter explains that the change has become apparent to the company's strategy to meet its growth objectives in the coming years and to continue to strengthen its position in the industry.

Part of the problem is that under the old policy the group was not having much luck in meeting certain of its financial targets, in particular the total liabilities (including capital and current ratios). The group was 15% below target in 1987, but is now on target, having increased the dividend to 13c. And in the case of the current ratio which the group would like to see at 1.5 although there has been no further erosion over the past year, the 1.5 at February 28 remains significantly below par.

The liquidity ratio for the most part has remained at 3.0, which is somewhat nearer the target of 1.5.

In both cases problems arise when the ratios are not maintained or increased with the result that any dividend increases are becoming rapidly and in this context it is interesting to analyse the main changes to the balance sheet over the past year.

The first point to emerge is that the group's investment in net working capital has increased significantly, but less than anticipated. Creditors have been reduced from R139m to R118m. This came about through a 31% increase in stocks, although price points less than the growth in turnover from a 10% increase in sales and a 4% increase in debtors.

As far as this concerns balance sheet structure of the R139m increase in total assets employed by the group, R140m or 55% is represented in increased creditors. This compares with 21% for stocks, 29% for fixed assets and 38% for other investment. Cash resources were down by R12m or 21% from R56m to R44m.

On the other hand the accounts show additional assets were invested in order of importance: debtors R7.5m, permanent capital R1.3m, excluding attributable to the proceeds of new shares issued and borrowings (128c), and other interest-free liabilities R1.3m. The net assets were down R44m to total assets of R44m.

The 44% fall in total assets. And while this is not significantly better than 1984/85, it is the best performance in the last three years, and has been achieved through the purchase of debtors, the net assets in the last year.

The build-up of debtors has not only directed the group's efforts towards managing its capital structure more effectively and also has implications on the profitability front. Although there has been an impressive improvement in operating profit on total capital employed - which excludes interest-free liabilities such as debtors - from 3.9% in 1978/79 to 4.9% on the company's calculation, the improvement in the return on total assets has been far more modest. In 1978 it was 21% now it is 21.8%

It follows that under the new dividend policy the proportionate importance of debtors in relation to overall balance is going to decrease balanced by an increase in permanent capital and market value in profitability is going to be affected.

If not even greater importance to shareholders is what the company means by meaningful increases in future dividends. If 1981/82 improvement is a sample it may not be sufficient for the share to retain its 1.5 itch, in fact many current rates of 2.4% or more. This is especially so if the market had been counting on the growth rate of more than 4%.
POWER CABLES

Import shocks

Imported plastic-insulated cable is being landed in SA at a lower cost than local manufacturers can produce it. And now they are looking for government help.

They are not calling for import protection per se but have requested a discriminatory duty which would allow them to compete fairly. Figures show that about 12% of the cable sold on the R300m/year domestic market is imported.

Imports jumped 50% between 1979 and 1980 from R17.5m to R29.9m. In 1980 R31.3m worth of imports were plastic-insulated cables – a 103% increase on the previous year. Japan supplied cable worth R7m during 1980. R8.4m of it plastic-insulated. Taiwan is also a major source.

Central to the issue is the protection afforded to local manufacturers of the plastic component PVC which makes the USA price of PVC almost double that in the USA and Taiwan. But manufacturers believe that this is an essential protection if the survival of SA's primary chemical industry is to be ensured.

Peter Muller, GM of African Cables, says manufacturers are not concerned about the importation of special cables which are not produced locally but about the rising number of imports in the bread and butter items – like railways signalling cable.

Muller says landed prices of the imports are lower than local production costs, because of the more competitive PVC prices outside of SA. Long production runs and the incentives which other governments provide.

The May report on business conditions by the Steel and Engineering Industries Federation (Seisa) says electric cable manufacturers continue to benefit from developments in the energy-generating sector and from ongoing schemes for the electrification of townships.

Growth prospects appear assured the report says but it notes that concern is continually expressed over the rising volume of relatively low-priced imports.
I believe the enlightened new Health Act can be a catalyst to bring about dramatic changes in the health of the people of this country and to fight the enemy within disease and discontent.

What is health? There are no known direct parameters to measure health status in general use. Usually health is measured and assessed in terms of certain negative indices: "negative", because they measure the absence of health, namely "disease". This may well be the most practical, although over-simplified, view to hold in the coming years.

How we hope to implement the new Health Act has evoked many suggestions, but in the long run we must measure the benefits of any system against the birth rate, or even better fertility rates, perinatal mortality rate, infant mortality rate and life expectancy and at what cost. Unfortunately the basic requirement of statistical analysis for future planning - honest reporting has not been a characteristic of hospital annual reports. This basic epidemiological flaw has been of grave concern to many members of the medical profession, including the Director of Hospital Services, Dr. F. Kotze, though some people prefer information which is plausible and pleasant rather than factual. Nevertheless, inspite of opposition, it is hoped that from next year hospital statistics will be standardized, meaningful and comparable.

The super specialist and specialist levels of care do not come within the context of my talk, except to state that if we wish to achieve "health for all by the year 2000" then the secondary and tertiary levels of health services, that is in the hospital, should invariably be designed in support of the needs of community health centres rendering primary health care at the peripheral level and not vice-versa!

The Day Hospitals Organisation was started in 1969 - today we have 16 centres and our health teams carry out over one and a half million items of service a year, with a referral rate of only 2% and at a cost of only 4% of the C.P.A. Hospitals Services budget for the area, in other words a small proportion of patients utilise the major portion of health care expenses.

I believe I have been privileged to have seen the effect, like a catalyst, of placing such a service as ours in our communities as the following statistics show. The birth rate which was one of the highest in the world in the coloured community, has dropped from 32 per 1000 in 1968 to 23 per 1000 today.

I believe our part has been to motivate our patients of the importance of family planning at such psychological time as during pregnancy and in the pre-school period, of stressing the importance of rearing this child as a healthy child, before thinking about the next one.

The present infant mortality rate for the white and coloured community which make up nearly 90% of the population of Cape Town is 22 per 1000 and let me remind you that is in a society which only allows limited abortions if abortions have been allowed for unwanted infants that died of slow infantisde the figure would have even been lower. The T.B. in the coloured community in Cape Town is lower than amongst the children in the U.K.
ARMS INDUSTRY IS GROWING FAST

Finance Reporter

AWARENESS of the need for increased security in urban areas has turned the arms and ammunition business into one of the fastest growing markets in South Africa.

The total market is presently estimated to be worth about R35 million, growing by at least 10 percent a year.

Durban's newest arms dealer, The Armoury, is aiming for a R3 million turnover in its first year. The company, formed by combat shotest Doug Kirton and world practical pistol shooting champion Jimmy von Sorgenfrei, will also concentrate on the wholesale market through a subsidiary, SA Arms and Ammunition Suppliers.

Kirton says more and more companies are arming their guard forces and teaching them the correct use of weaponry. "They have vast assets to protect and realise that in many cases they are extremely vulnerable to sabotage. An armed security force is a deterrent to the saboteur in the same way that burglar guards repel the housebreaker—they will seek easier targets.

"South Africa has yet to experience selective attacks on businessmen as is happening in Europe and America but local companies are becoming increasingly security conscious. Top executives are therefore arming themselves and learning how to use firearms."

Both Kirton and Von Sorgenfrei were in executive positions with Marshall Guns before leaving to set up The Armoury.

Precise figures for the size of the arms and ammunition markets are hard to establish. Many institutional buyers do not need to licence their weapons and the number of licences issued is the only measure of sales.
Metal Box sells off subsidiary

In a move to rationalise its operations, Metal Box has sold its precision engineering company, Cape Manufacturing Engineers, to Dr E J H Wessel, managing director of CME, and members of CME's existing management.

Mr Derek Jacobs, group managing director of Metal Box, said that continuing control of the company constituted a small part of their interests and differed from the mainstream of their manufacturing operations.

CME will continue to supply their specialist market which includes industrial components machined under strict quality control on conventional and CNC equipment, parts, and design project services.

Metal Box is retaining a spare manufacturing facility for its plants and its customers.

Mr Jacobs said the sale of the company would not have a material effect upon the group's financial results or performance.

Ann Croft.
A rig was built in Durban some years ago on a "one-off" basis, but proved to be unprofitable, and Amardah, building four simultaneously, finds this is the only economic method of constructing the massive platforms.

Last week the "250" hull was "set-launched" onto a huge barge in Durban Bay, and on Wednesday the "59", which is fully equipped, will be loaded onto the same floating platform.

The barge, with its 6 000 ton burden, will begin its journey to the Gulf next week.

The Amardah rigs, designed by Baker Marine, will accommodate between 30 and 60 workers, who are based on the platform on a two weeks on, two weeks off, basis, working 12-hour shifts every day they are aboard.

Of a necessarily sound structure, the rigs will be required to withstand the brutal weather in the Mexican Gulf, which is often lashed by winds of up to 85 knots, with waves as high as 11m.

While the crew quarters are sparse, they are well-appointed and catering is said to be of five-star quality. "These guys can earn anything up to R5 000 a month, and expect to be fed decently," says the managing director, Mr Allston Mitchell.

The expected income from the export of the rigs represents 45% of the total value of South Africa's capital goods exported in 1980, and 65% to 75% of the value of the first four units is local content.

Much of the electrical equipment such as generators and lighting is imported from the US, but these will increasingly be supplied from South Africa once approval is received by the US coast, guard agencies involved.

Amardah bases its confidence on steady orders for at least four rigs a year on the expected growth in worldwide demand for oil exploration equipment.

In the next eight years the global requirement for additional rigs is put at 900, or 100 a year, and the level of inquiries as well as lead-back on the rigs already contracted indicate that there is a niche for the South African industry, according to Mr Hodgson.

Although Amardah is not planning any expansion yet there is the possibility of a 50% addition to output after a few years of current production, says Mr Hodgson.

The rigs being built by Amardah are different to those operating at Skoeker Off the South African coast, in that they are designed for relatively shallow waters, 10 to 16m, with either a mast or legs resting on the seabed.

The desperate search by the US for additional oil reserves is indicated by that fact that there are currently about 150 drilling rigs being built throughout the world, in Japan, Taiwan, the Scandinavian countries and on the US east coast.

SA firm lands oil rig contract

By JOHN MULCAHY

SOUTH Africa has moved further into the world of oil exploration with the manufacture for the first time in this country of drilling rigs, destined for the Gulf of Mexico.

Amardah, a joint venture between Murray and Roberts and Darling and Hodgson, has contracts for four full rigs, as well as a hull section, to be built under licence for Baker-Marine, of Texas.

The value of the contracts for the "four and a half" oil rigs — the last will be launched in July next year — is about R100 million.

Mr John Hodgson, chairman of Darling and Hodgson, says Amardah will be aiming at an output of four rigs a year from its Durban dockside yard, at a total value of around R100 million a year.

Darling and Hodgson won the first US contract in March last year, as a result of inquiries the company made into possible steel fabrication work for the southern states.

The operation has been kept low-key in view of opposition from the Carter Administration, and the unwillingness of the US principals to publicise their co-operation with South African industry.

However, says Mr Hodgson, there has since been a re-emergence of closer relationships accompanied by a less sensitive approach from US companies.

He says the establishment of the rig-building venture has had a significant impact on the depressed Durban dockyard industry.

When the construction of the first hull was started in August last year, Amardah had a staff complement of five, and this has grown rapidly to the present workforce of 70.

The Amardah venture has put South Africa in a position to be competitive on price and technology with the rest of the world, and should develop into a substantial industry, he says.
Turnover record for B and S

Mr H Back, chairman of furniture company B and S Steel, says the increased buying power of the community will offset any downturn in the economy and his company intends to increase existing lines and to diversify.

He said adverse factors which could affect this year's trading included the political situation, the effects of inflation, the tight monetary situation and changes in the Credit Agreements Act.

During the last financial year, the company had a record turnover and produced good results, Mr Back said.

He said the main reason was greater economic activity.

HELPED

Increased capacity from plant improvements as well as new training programmes also helped.

Other contributing factors, said Mr Back, were the close monitoring of costs, which had declined in relation to turnover, efficient utilisation of the labour force and a more sophisticated sales policy.

— Ann Crotty
Earnings shoot up 70%

Metal Box can toast the drinkers

By DAVID CARTE
Deputy Financial Editor

A SOARING economy, some heavy drinking from cans, lower tax and interest lifted Metal Box SA to 79% earnings growth in the year to March.

Its ailing UK parent has reported earnings down by more than 50%.

Sales of Metal Box SA rose 25% and operating profit 39% to R257 000. Lower debt and interest rates caused interest payments to fall 27% to R2 745 000 with the result that pre-tax profit was 50% better at R22 564 000.

With the tax rate down to 32.1% (37.5%), taxed attributable profit rose 89% to R21 334 600.

The number of shares in issue rose 5%, so earnings a share were 70% better at 79.6c (1980 47c). A final dividend of 30c has been declared, making 39c for the year — a 30% improvement on the 30c paid last year.

Metal Box UK, with sales of more than £1 000 million, reported pre-tax profit down 59% to £120 000 (522 800). This means Metal Box SA contributed 63% to its pre-tax profit compared with 23% in 1980. At the attributable level, Metbox SA contributed 46% (3.4%).

The directors of the SA company ascribe Metal Box's success mainly to 'a sharp increase' in demand for beverage cans, significant growth in most areas of business because of the booming economy, the elimination of losses at Walvis Bay and the lower rate of tax.

They say floods in the Western Cape caused severe damage to many fruit farms and thus reduced profits in food canning.

The deputy managing director, Mr P L Campbell, told me the tax rate would eventually return to the more normal level of between 36% and 37%, but because Metal Box had R25 million of capital expenditure plans, he did not expect this to happen suddenly.

Mr Campbell said most capital expenditure would be in the metal rolling and beverage can divisions.

Metal Box had sold 49% of its booming electrical company, Lumex, to Siemens mainly to obtain technological know-how. He was sure Lumex would go from strength to strength with Siemens as a partner.

The fruit and vegetable canning division was still in 'serious trouble' not only because of the recent floods but because of depressed foreign markets and EEC tariff protection.

He said the Chilean fish canning operation should bear fruit soon. It would serve several SA companies that had started operations in Chile as a result of poor fishing off Namibia. Plant from Metal Box's Walvis Bay factory was relocated to Chile and a further $4 million was invested.

While it could soon make profits, the Chilean operation would never be as lucrative as the Walvis one had been in its prime. Metal Box could supply the South African and Namibian fishing industries, if these revived, from its SA factories.

COMMENT: The group is highly geared to the general economy and will be hard pressed to improve substantially on figures achieved in a consumer binge that looks like cooing.

The outlook on the food canning side certainly looks bleak, but judging by bullish noises from beer and soft-drink makers, the beverage-canning division should do well. So should the metal rolling division. But the tax rate and interest payments look set to rise.

At 79.6c a share, Metal Box is 6.8% lower than last week, which is about the rate because of the beer binge.
Lenning Buy

Lenning Holding, the holding company of the Lenning Group, has bought a controlling interest in the Bessans-Du Plessis Pretoria Foundries Group. For the purpose of the sale, the shares and loan accounts were valued at R7.5-million.

Mr Charl du Plessis will remain as managing director. His brothers, Pieter and Hendrik, will also remain as directors.

Sapa

Judgment in SA trade union dispute

By Chris Rennie

Judgment was given yesterday in the dispute between the Engineering Industrial Workers' Union of South Africa and its Port Elizabeth branch executive committee in the Port Elizabeth Supreme Court.

In his judgment, Mr Justice Solomon said according to the papers the union was open to coloured persons in certain industries and operated in terms of a written constitution in terms of which its national executive council had the power to review decisions of branch committees and to confirm, alter, or reverse such decisions.

It also had the power to establish or close down branches and to suspend any branch executive committee for action contrary to the terms of the constitution.

The Port Elizabeth branch was founded about 13 years ago and the respondents in this action were all members of the branch executive committee.

The constitution clearly gave the national executive the power to suspend the branch executive committee if it acted contrary to the terms of the constitution.

According to the affidavits, this occurred when the branch held a meeting with the National Union of Engineering Industrial and Allied Workers with a view to “breaking away” from its parent body.

This meeting was not denied by the respondents although they submitted that it was unofficial and for discussion only.

The minutes of the meeting, however, recorded that the meeting “unanimously agreed that the Port Elizabeth branch withdraw from head office and register as an independent union”.

The judge found that whether or not the meeting was properly constituted was irrelevant, it was clearly held to decide the question of withdrawal.

This attitude was confirmed by subsequent actions including changing the office locks and attempting to withdraw the branch’s funds.

“In my judgment, the actions of the respondents were clearly actions contrary to the terms of the constitution, and as clearly justified action by the national executive council,” he said.

He granted an order restraining the respondents from holding themselves out as the Port Elizabeth branch committee of the union, or acting as such, “confirming their suspension, ordering them to vacate the union’s offices, interdicting them from operating the branch’s bank account, and ordering them jointly and severally to pay the costs of the application.

Mr P Teboot SC and Mr L S Melunsky, instructed by Kaplan Solomon’s Loom and Bluemberg appeared for the national executive.

Mr L Dixon SC and Mr D Chetty, instructed by Herbert Fischat and associates appeared for the Port Elizabeth branch committee.
Group invests R2.5-m in black schools

Education Reporter

THE Barlow Rand group has taken the escalating education problem at black schools into its own hands with a project in which R2.5-million will be poured into the group's private schools in the next five years.

Public relations officer, Mr Kevin Murray, said the project, which was launched at the beginning of the year, was unusual in South Africa.

'Although other companies such as Anglo and AECI have contributed to specific education projects this is the first time that a uniform policy on education on such a large scale has been launched,' Mr Murray said.

The scheme, which will eventually involve more than 2,000 primary school pupils, is being spearheaded by Rand Mines education officer Mrs Debbie McWilliams.

All black schools have to be registered with the Department of Education and Training and must follow departmental syllabuses. They are subject to scrutiny by local government inspectors. However, a company can improve educational facilities at its own expense.

According to Mrs McWilliams emphasis will be laid on the quality of teaching and seminars will be held during the school holidays to help teachers to improve their skills. In-service training has already begun.

'If this type of scheme were taken up by similar companies we could improve the education of tens of thousands of black children,' Mrs McWilliams said.

The company will subvent salaries paid by the department to bring them level with other mine employees.'
Afcol set to beat the cash squeeze

Financial Reporter

AFCOL, the major furniture group, is expecting more real growth this year in spite of the severe financial squeeze.

The chairman, Mr. Dick Goss, says in the annual report that “it is not anticipated that consumer buying constraints will be applied as these would lead to negative growth and unemployment.”

Such action would also mean a “negation of much capital investment made by manufacturers and raw material processors.”

Afcol is controlled by SA Breweries.

Mr. Goss says the company is “well placed to meet increased demand. It is not possible, however, even with its increased capacity to achieve another doubling of earnings from organic growth.

“While the building industry is still very buoyant, retail trading in furniture appears to have eased a little, particularly from March 1981 onwards.

“This might constitute a seasonal reaction to the high spending in 1980 there is some opinion that it is the result of a change in the credit regulations which govern furniture sales.

“If this is so it may still prove to be of a temporary nature while consumers adjust to the new credit requirements.”

Mr. Goss says Afcol is a strong, under gearing financial situation and will be able to maintain the twice-covered policy for dividends.

The report shows, in fact, that the ratio of total borrowings to total shareholders funds has fallen steadily from 0.541 in 1977 to 0.231 at the latest count.

In the year to March 31 Afcol had a turnover of R144 million and an operating profit of R34 million.
McGrath says the consumer spending slowdown is not likely to adversely affect Gallo as the book division must active in the first quarter of the year balances out the seasonally weaker music sector earnings during that time.

Nevertheless, it will be difficult to improve on the 44% annualised dividend growth this year. An attainable increase of 33% in earnings to 108c a share and an unchanged dividend cover would allow a payout of 40c. At the current 435c, the share offers an attractive 14.5% prospective yield.

GALLO FM 12/12/82

Sound prospects

Activity: Manufacturing and distribution of audio-phonograph records and tapes.

Marketing: Production Distribution of electrical appliances and audio-visual equipment books and stationery.

Chairman: Uli Bohnenmann

Director: G. McGrath

Capital structure: 15m ordinary at 50c. 3m preference at 100c.

Market capitalisation: R14m.

Financial: 4 months to March 31 1983.

Receivables, long and medium term: R15m. Net cash: R135m. Debt equity ratio: 0.9. Current ratio: 5.5.

3 Group cash flow from operations: R11m.

Share market price: R1.85. Market value: R114m. Share price is 2x earnings. Yield: 7% on earnings. 5% on debt.

Gallo's remarkable return to profitability over the last two years has surpassed the company's and, it seems, the market's expectations. The share at 313c is on an

NOT

1

2

3

4

Any

Gallo's McGrath Internet new records

McGrath FM 12/12/82

Sound prospects

Activity: Manufacturing and distribution of audio-phonograph records and tapes.

Marketing: Production Distribution of electrical appliances and audio-visual equipment books and stationery.

Chairman: Uli Bohnenmann

Director: G. McGrath

Capital structure: 15m ordinary at 50c. 3m preference at 100c.

Market capitalisation: R14m.

Financial: 4 months to March 31 1983.

Receivables, long and medium term: R15m. Net cash: R135m. Debt equity ratio: 0.9. Current ratio: 5.5.

3 Group cash flow from operations: R11m.

Share market price: R1.85. Market value: R114m. Share price is 2x earnings. Yield: 7% on earnings. 5% on debt.

Gallo's remarkable return to profitability over the last two years has surpassed the company's and, it seems, the market's expectations. The share at 313c is on an

CAPE TOWN

Every candidate must enter in the number of each question in the order in which it has been set out, leave columns (2) and (3) blank.

Internal

(2)

(3)

(2)

(3)

(2)

(3)

(2)

(3)

(2)

(3)

(2)

(3)

Turn out yes 1%. In R6.5bn (announced), according to Mr. Gerald McGrath, the company should move cautiously and be prepared to maintain a profit in the current year.

This, however, will be largely dependent on the rationalisation of the group. The need for a further adjustment in pricing policy is apparent. In addition, the contribution to earnings by the group will be significant in the current year. A R6.5bn (announced) in March 1983.

Gallo's budgetary structure has not altered much since the last annual report.

The company's current and long-term debt is expected to remain at the same level as in the previous year. The company's current and long-term debt is expected to remain at the same level as in the previous year.

The consolidation of the business and the group's restructuring will lead to a reduction in the number of employees, from 9,470 to 18,750. Stocks have been reduced to R11.4bn from R18.6bn. However, liquidity is a concern, with group cash flow at R1.8bn. This is about 18% of the total debt.

The profit for the year ending March 31 1983 is expected to be R7.7bn. This is a significant increase from R4.1bn in 1982.

The consolidation of the business and the group's restructuring will lead to a reduction in the number of employees, from 9,470 to 18,750. Stocks have been reduced to R11.4bn from R18.6bn. However, liquidity is a concern, with group cash flow at R1.8bn. This is about 18% of the total debt.

The profit for the year ending March 31 1983 is expected to be R7.7bn. This is a significant increase from R4.1bn in 1982.

The consolidation of the business and the group's restructuring will lead to a reduction in the number of employees, from 9,470 to 18,750. Stocks have been reduced to R11.4bn from R18.6bn. However, liquidity is a concern, with group cash flow at R1.8bn. This is about 18% of the total debt.

The profit for the year ending March 31 1983 is expected to be R7.7bn. This is a significant increase from R4.1bn in 1982.

The consolidation of the business and the group's restructuring will lead to a reduction in the number of employees, from 9,470 to 18,750. Stocks have been reduced to R11.4bn from R18.6bn. However, liquidity is a concern, with group cash flow at R1.8bn. This is about 18% of the total debt.

The profit for the year ending March 31 1983 is expected to be R7.7bn. This is a significant increase from R4.1bn in 1982.
UNIVERSITY OF EXAMINATION

All answer books must be numbered

Number of books handed in

Number of this book

POWERTECH (Pty) Ltd

Buying growth

Activities: Diversified company operating in the power electronics, electrical engineering, power conversion and electrical protection industries. Since the year-end has acquired US-controlled battery manufacturer Willard Africa. Altech owns 73.3% of the equity.

Chief executive: N.O. Davies

Capital structure: 21.8m ordinary shares

Market capitalisation: R16.8m

Financial Year to February 28 1981

Borrowings long- and medium-term: R1.0bn, net short-term: R198.0m

Debt equity ratio: 35.5%. Current ratio: 1.7. Group cash flow: R1.4bn. Capital commitment: R46.0bn

Share market price: Price: 77c (1980-81 high: 137c, low: 71c, trading volume last quarter: 328,000 shares). Yields 6.5% on earnings, 2.6% on dividend.

Cover: 2.5. PE ratio: 15 to 20.

Return on cap: 20.0% 28.1%

Turnover (Rm): 14.3 22.4

Pre-tax profit (Rm): 1.2 1.8

Gross margin %: 9.3 8.8

Earnings (c): 5.2 5.0

Dividends (c): 2 2

Net asset value (c): 18 21.1

Following the acquisition of Willard Africa from US parent ESB last week (Fox, June 5) Powertech's annual report bears little relationship to the now enlarged group. Effect due to May 1981 takeover doubles the size of this Altech subsidiary and others profit prospects in a new market area.

In financial 1981 Powertech was a disappointing performer particularly contrasted with Altech's 44.5% earnings growth. Pre-tax profit increased to R28m (R1.2m) but difficulties in two subsidiaries and an increased tax rate of 33% (20%) brought attributable profit down to R0.8m (R1.1m).

The two poor performances were Circutaire (bought in July 1979) and Dishar. Both suffered shrinking margins. In Circutaire's case there was a positive contribution to profit but the completion of 'several large contracts at uneconomic prices hurt earnings. Dishar traded at a loss but with tighter on-site supervision and new cost control systems the directors expect improved productivity and performance. In addition diversification is planned.

Nevertheless other subsidiaries reported record profits as new products and increased market share boosted sales. The acquisition during the year of 66% of UK-controlled Whiteleys added little to earnings per share. But the extent of the contribution can be gauged from the R60.0m minorities charge in the income statement. This charge includes a profit of 60% owned Dishar's loss.

All points for the current year include the acquisition of Willard and a more than doubled R1.2bn (R1bn) order book. With rationalisation and productivity drives in poor performing subsidiaries and a slowdown in senior staff turnover, improved profitability seems likely. This should lift

---

Subject: (a) Incorporating Willard means annualised historic sales rise from R24m (22% R1.0) to R23m (R1.1m) and a 1c boost to earnings (assuming 10% Powertech shares are issued in consideration). The acquisition would have meant a lower ROE in financial 1981 because of the R9.5m price. But with 40% compound earnings growth over the past four years and good prospects for higher sales of small electric motors and power batteries. Powertech sees Willard as a major profit source.

(a) Sound contracts and the outlook for the electronic electrical power sectors give the Altech group a high market rating.

For Powertech the expansion of the national electricity grid and Sasol projects is the last growth industry amongst all less attractive industries. Economic growth paper is written off. Acquisition possibilities should increase and is being considered. But until Willard is digested nothing significant seems likely.

At 7c Powertech yields 2.7%.

(b) The JSE ratings this company along with parent Altech and returns seem set to improve. A major profit fall appears unlikely near term.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University.

Made in South Africa

Please verify in South Africa.
R338 000 contract to topple chimney

Staff Reporter

A CONTRACT valued at more than R338 000 has been awarded to a British engineering firm for the demolition of the ill-fated Matla power station chimney.

Of that money, R172 000 is believed to be going to a team of American demolition experts alone, who have been hired by the firm to carry out the demolition.

The chimney cost R3 300 000 to construct.

According to a member of the demolition squad, which is based in Tulsa, Oklahoma, the stack is the tallest structure in the world to be demolished with dynamite.

Although a five-man British steelflack team is already preparing the site for the demolition, the final decision as to how the stack will be “dropped” will be taken after the demolition team has inspected the site.

The team is drilling more than 700 holes for dynamite at the 40m level of the “windsheild”, or outer coating of the 278m stack.

However, the demolition is only expected to take place in the middle of next month.

The dynamite will “shoot” out a section of the stack, causing it to collapse in the same way as a tree felled with an axe.

The two remaining flues, which line the inside of the stack, will be drilled after the contractors arrive to plan the final stages of the demolition.

So far 25 000 cubic metres of soil and ash have been laid to act as a cushion when the tower collapses.

Another 15 000 cubic metres of earth still need to be deposited to form a protective wall to shield nearby installations and equipment which include a cooling tower and a coal staith, which dispenses coal to boilers nearby.

It is understood the blast poses no danger to the mine shafts of the Matshego coal mine 1km away. The shafts run 60m—80m below ground.

An American demolition expert told the “Mail” that he did not think there was any chance of the stack falling skew on to surrounding structures.

“When we shoot the stack we have a lot of control and can predict within a small margin precisely where it’s going to fall.”
SA's improved situation helped heavy engineering

By ARNOLD DAVID

WHILE the heavy engineering industry still has quite a bit of useful loading, the light engineering sector will probably continue at its present production levels only until the last quarter of this year.

The industry is then expected to take a marginal dip.

That is the opinion of Dr Errol Drummond, executive director of Sefsa who, in an exclusive interview, said that this was the result of the past years' boom, when the South African economy was expanding while the economies of most Western countries were experiencing a downturn.

South Africa's improved economic fortunes encouraged capital expansion programmes which benefited the heavy engineering sector, says Drummond.

Of particular benefit to this sector was Escom's expansion programme; the Railways' expansion programme which resulted in increased orders being placed for rolling stock and tractive equipment; new mining developments; and the Sasol oil-from-coal programme which has resulted in spectacular expansion at Secunda.

"These things don't happen overnight. The contractors have long lead times, so there's still quite a bit of useful loading left in heavy engineering.

"Light engineering is, however, a highly-diversified sector. It's tempo and activities are affected by what happens in, inter alia, the building industry in particular, motor assembly plants, and stores.

"It also embraces certain consumer goods and consumer durables.

"The take off in these fields has obviously benefitted this sector recently there was high liquidity, increased disposable income and increased consumer spending."

On the negative side Drummond sees a flattening off in the tempo of demand due to the collective effects of high interest rate patterns, inflation and "increased operating input costs.

"All these effects are showing signs of biting, but their effect at this stage is marginal," he said.

"It is expected that downturn should be of short duration as the European and American economies are expected to pull out of their recessionary curves then.

"This should improve the performance of the light engineering sector as far as exports are concerned."
Duros expands furniture base

By PAUL DOLD
Financial Editor

ONLY three months after taking control of Duros, the Cape furniture and property company, the new owners have shrewdly expanded its furniture base which should lead to both enhanced net asset value and profitability.

Last night Gordon Verhoef and Earl Krause, who bought Duros in March in a deal negotiated by Lawfin’s chairman Lawrence Miller, announced that it was expanding the Duros furniture interests through a deal which will give a wholly-owned subsidiary, H Ospovat and Company, 85 percent of Mobilia. Mobilia is an Atlantis based group.

Mobilia has recently penetrated the Johannesburg market and has opened a sales office in the city. It will allow the new Duros management to expand nationwide sales of both the Duros range (which aims at the upper market) and Mobilia which is in the budget area.

The deal is effective from July 1. The price paid has not been disclosed as yet but is understood to be a mixture of cash and shares.

Mobilia enjoys the extensive decentralization benefits applicable in Atlantis. The group has a 10 000 sq m site with adequate space for expansion. The existing management team is to be strengthened by Duros.

Verhoef and Krause believe the deal offers important synergies with improved sales and profit prospects for both plants.

Duros’ existing furniture operation is housed in the group property on Roeland Street, Cape Town. While furniture will no doubt be the profit sweetener, Duros seems likely to emerge as a growth-orientated property group.

Both Verhoef and Krause have extensive property interests and no doubt more details of plans will emerge in coming weeks including several key management appointments.

The majority of shareholders have meanwhile decided to stay aboard with the new management with shareholders holding less than 3000 shares accepting the Verhoef and Krause offer to minorities underwritten by National Acceptances.

The share price has moved well ahead of the offer of 17p, reflecting the improved prospects.
to expectations

Otis lives up

Paper No. 28

Dr. G. S. Persson

by

THE CARE ON REMOTE AREAS

THE MEASUREMENT OF THE IMPACT OF COMPREHENSIVE

SEPTEMBER 1978

ETIQUETTE IN AFRICA

ECONOMICS OF HEALTH CARE IN SOUTHERN AFRICA

SAPRI/RSA/571
1000 U'Wage workers still on strike today

By BILL GARDNER and SANDRA WILKINS

ABUDE 1000 workers at Inzhale Automobile Products in Durban took strike action on the second day of the strike at the motor components firm.

In separate negotiations between union officials and management today to resolve the pay dispute, workers rejected a call-out of the two Durban plants over minimum pay demands.

Officials of the National Union of Motor Assemblies and Rubber Workers (NUM) - which is affiliated to the 50,000 strong Federation of South African Trade Unions (FATU) - have been negotiating for a minimum wage level of R1 an hour with management since April.

But the company has stood firm on its offer of R1 50 an hour recommended by the Industrial Council for the Engineering Industry.

Dented employees, who are all present being paid minimum wages of R1 50 an hour, have rejected the Industrial Council pay offer.

About 400 workers gathered outside the factory gates early today while management officials were later joined by the NUM's local organizer, Mr F ench Marge.

In an interview, Mr Marge said little had been resolved at this morning's talks. Management had called on workers to return to work or face dismissal, but was prepared to put the matter to arbitration this week.

Management warned union officials that workers who failed to return to work would be dismissed, but that no new workers would be recruited until the strike settled.

The rules of the FATU would be referred to workers at a meeting latter today.

Management could not be reached for comment today.

Meanwhile, a total of about 200 dismissed workers at Port Elizabeth who have formed an informal committee met with management officials to negotiate with management.

A spokesman for the Port Elizabeth-based Federation Workers of South Africa (FEDWASA), representing the dismissed workers, said the union had arranged to meet management later today.

At last night's meeting, the workers re-affirmed their demands for a minimum wage of R1 50 an hour and agreed to the company's formal committee talks. The regional manager of Federation Teachers, Mr P. Hotha, said today about 25 workers had since been re-hired. He said dismissed workers would be re-employed if their positions were still vacant.
Breaking down the barriers of tradition is all in a day's work for Mrs Dina Blauw, the only woman welder at a motor assembly plant in Port Elizabeth. Mrs Blauw became a qualified artisan earlier this year.

Picture by Mieke Holms

Woman welder ‘one of boys’

By ANDREA SMITH

When Mrs Dina Blauw, 28, pops into the Ford motor assembly plant where she works, she is often mistaken for a man and redirected to the “Girls”.

This is because Mrs Blauw, the mother of two, wears the same clothing as all the other swing-arm welders at the plant — overalls, boots, gloves, canvas apron and protective goggles.

In that get-up her colleagues often mistake her for a man.

Physically small, Mrs Blauw obtained her welder’s ticket after undergoing training at the motor plant’s training school earlier this year.

She now works alongside her colleagues, all men, as an equal.

“They treat me just like one of the boys, and my foreman says that he forgets I’m a woman,” Mrs Blauw said.

Asked why she chose to do what is traditionally regarded as men’s work, Mrs Blauw shrugged and said:

“I thought it would be interesting. I have been with the same foreman for three years, and we suggested it.”
Richards Bay to get conveyor belt factory

Financial Editor

SARMCOIL has plans to build a new factory at Richards Bay, Dr D J de Villiers, Minister of Industries, Commerce and Tourism announced yesterday when he opened a R4 000 000 plant which will produce steel-cable reinforced conveyor belts at Howick.

The plans were confirmed by Mr Tony Hesp, managing director of Sarmcol, who said that planning was beginning on a R3 000 000 plant which would produce industrial products at Richards Bay.

These are mainly hoses and moulded rubber components for the automotive and engineering industries. It would not make conveyor belting.

Spending

A start could be made on the project at the end of 1982 but this was tentative at this stage.

Mr Len Dean, managing director of BTR — the holding company of Sarmcol — said that between 1980 and 1982 they would be spending R10 million on expansion in South Africa. The plant that was opened yesterday was the first stage of another expansion plan at Sarmcol.

The new plant, designed by a German company, can produce belting up to 2.5 m wide and is the largest in the southern hemisphere. It can make the steel cord belting up to 2.4 m wide.

Dr de Villiers said that when, in the mid 70s, there was a strong revival in the mining industry, conveyor belt equipment had to be imported at considerable cost at a time when the balance of payments was under stress.

Possible

He said that three years ago the belting market was valued at less than R3 000 000 a year, it was now R15 million a year and would pass the phenomenal figure of R50 million by the end of 1982.

It should be possible to make the steel cable used in the new product in South Africa and cease importing it from Japan, Dr de Villiers said. The new rubber plant being built at Newcastle would be another
British Steel to sell its SA interests

BY HOWARD FREECE
Financial Editor

BRITISH Steel (BSC) is selling all its interests in South Africa for R57-million. The big buyers are Anglo American Corporation and Metcor. In which case, the state steel giant, has the controlling stake.

Dr. Anton Rupert's Rembrandt group is also playing a key role, both directly and through the 20% holding it has in Metcor.

I understand that Sanlam and Old Mutual will also feature.

"About R25-million of the proceeds of BSC's sale will be remitted overseas at the commercial rand rate but the remaining R32-million will have to go out of South Africa at a discount through the financial rand market.

Mr. Mabona Hall, managing director of British Steel Corporation of South Africa, told me last night that there was no political decision in BSC's decision to sell out of South Africa.

He said, "It is a simple and financial issue. British Steel has large financial problems as is well known."

The corporation has already sold its interests in Australia and New Zealand and is negotiating sales in some other areas.

The new chairman of British Steel, Mr. Ian McGregor, has apparently decided that BSC will concentrate on its basic British operations. It also needs to raise all the funds it can.

The announcement from Volskasa Merchant Bank said agreement had been reached between British Steel, Metcor and Anglo under which BSC would sell its interests in International Pipe and Steel Investments, Ipsa, to Anglo and Metcor.

Ipsa is the holding company of the steel groups Stewarts & Lloyds and Derby.

Anglo will now increase its holding in Ipsa from 14% to 50% for R13 000 000 Metcor's holding will rise from 31% to 47.8% for R11 650 000.

African Gate Holdings, a Metcor associate, holds the remaining 12.7% of Ipsa.

British Steel is selling its direct holding of 21.1% in Stewarts & Lloyds (which is what Sanlam and Old Mutual are believed to feature) and to a company in the Rembrandt group for a total of R2 840 000.

BSC is also selling its 2.4% in Derby to Ipsa for R2 780 000.

The total R32-million payment to BSC for all these arrangements will be done through the issue of redeemable preference shares.

A total of R25-million will effectively be able to be paid out at the commercial rand rate through special dividends. The balance will have to be paid through the financial rand market and might well be phased over a lengthy period, given the sensitive nature of that market.

The sale of these assets will strengthen the financial position of Ipsa and enable it to meet its current commitments. It will also enable the company to invest in future projects and expand its operations in South Africa.
ANGLO BOOMS STAKE IN ENGINEERING

THE Anglo American Corporation has greatly increased its stake in the engineering sector by acquiring a substantial block of shares in Ipsa, the holding company of Robey and Stewarts and Lloyds, two of the country's biggest metal working organisations.

Ipsa (International Pipe and Steel Investments, S.A.) was formed some years ago by the British Government to hold the shares of the South African associate companies of nationalised British steel companies.

Ipsa has 58.3 percent of Robey's capital and 52 percent of Stewarts and Lloyds.

At the time of Ipsa's formation British Steel Corporation retained 35 percent of the company's shares while the balance were held by Metalor, an Inter subsidiary (37.3 percent), Afep (12.7 percent) and Anglo American (15 percent).

40 PERCENT

Anglo America is now buying five-sevenths of British Steel's holding for R20.8 million, lifting its stake in Ipsa to 40 percent.

The other two-sevenths are being bought by Metalor for R11.7 million, which will increase its stake in Ipsa to 38.3 percent.

This move gives Metalor control over 57.3 percent of Afep's shares.

At the same time British Steel is selling its direct interest in Stewarts and Lloyds, accounting for 21.1 percent of that company's share to the Robey and Metalor group for R2.9 million.

Altogether British Steel will lose more than R6 million as a result of these transactions.
Uitenhage strikers dismissed after refusing to return

According to the local Press, negotiations between the Uitenhage management and the strikers were held to no avail, and the workers were dismissed for refusing to return to work. The firm had stated its intention of creating a new workforce.

The executive chairman of the firm stated that the workers had been on strike but had declined to return to work, and no employment would be considered for them.

The National Union of Motor Assembly and Related Workers of South Africa (NUMA) - which represents the striking workers - has called an emergency meeting of the executive and shop stewards in an attempt to urge them to reconsider their decision to continue with the three-day-old strike.

At a meeting today workers unanimously decided to continue the strike until management accepted their demand for a 28-hour workweek.

Workers have rejected the pay offer recommended by the Industrial Council for the Engineering Industry of R3.00 an hour. The union represented workers who were no longer employees of the firm.

The firm has threatened to sue in the High Court for damages for the strike, which it claims has caused a loss of Re5 000 a day.

According to the Uitenhage Press, negotiations between the Uitenhage management and the strikers were held to no avail, and the workers were dismissed for refusing to return to work. The firm had stated its intention of creating a new workforce.

The executive chairman of the firm stated that the workers had been on strike but had declined to return to work, and no employment would be considered for them.

The National Union of Motor Assembly and Related Workers of South Africa (NUMA) - which represents the striking workers - has called an emergency meeting of the executive and shop stewards in an attempt to urge them to reconsider their decision to continue with the three-day-old strike.

At a meeting today workers unanimously decided to continue the strike until management accepted their demand for a 28-hour workweek.

Workers have rejected the pay offer recommended by the Industrial Council for the Engineering Industry of R3.00 an hour. The union represented workers who were no longer employees of the firm.

The firm has threatened to sue in the High Court for damages for the strike, which it claims has caused a loss of Re5 000 a day.

According to the Uitenhage Press, negotiations between the Uitenhage management and the strikers were held to no avail, and the workers were dismissed for refusing to return to work. The firm had stated its intention of creating a new workforce.

The executive chairman of the firm stated that the workers had been on strike but had declined to return to work, and no employment would be considered for them.

The National Union of Motor Assembly and Related Workers of South Africa (NUMA) - which represents the striking workers - has called an emergency meeting of the executive and shop stewards in an attempt to urge them to reconsider their decision to continue with the three-day-old strike.

At a meeting today workers unanimously decided to continue the strike until management accepted their demand for a 28-hour workweek.

Workers have rejected the pay offer recommended by the Industrial Council for the Engineering Industry of R3.00 an hour. The union represented workers who were no longer employees of the firm.

The firm has threatened to sue in the High Court for damages for the strike, which it claims has caused a loss of Re5 000 a day.

According to the Uitenhage Press, negotiations between the Uitenhage management and the strikers were held to no avail, and the workers were dismissed for refusing to return to work. The firm had stated its intention of creating a new workforce.

The executive chairman of the firm stated that the workers had been on strike but had declined to return to work, and no employment would be considered for them.

The National Union of Motor Assembly and Related Workers of South Africa (NUMA) - which represents the striking workers - has called an emergency meeting of the executive and shop stewards in an attempt to urge them to reconsider their decision to continue with the three-day-old strike.

At a meeting today workers unanimously decided to continue the strike until management accepted their demand for a 28-hour workweek.

Workers have rejected the pay offer recommended by the Industrial Council for the Engineering Industry of R3.00 an hour. The union represented workers who were no longer employees of the firm.

The firm has threatened to sue in the High Court for damages for the strike, which it claims has caused a loss of Re5 000 a day.

According to the Uitenhage Press, negotiations between the Uitenhage management and the strikers were held to no avail, and the workers were dismissed for refusing to return to work. The firm had stated its intention of creating a new workforce.

The executive chairman of the firm stated that the workers had been on strike but had declined to return to work, and no employment would be considered for them.

The National Union of Motor Assembly and Related Workers of South Africa (NUMA) - which represents the striking workers - has called an emergency meeting of the executive and shop stewards in an attempt to urge them to reconsider their decision to continue with the three-day-old strike.

At a meeting today workers unanimously decided to continue the strike until management accepted their demand for a 28-hour workweek.

Workers have rejected the pay offer recommended by the Industrial Council for the Engineering Industry of R3.00 an hour. The union represented workers who were no longer employees of the firm.

The firm has threatened to sue in the High Court for damages for the strike, which it claims has caused a loss of Re5 000 a day.

According to the Uitenhage Press, negotiations between the Uitenhage management and the strikers were held to no avail, and the workers were dismissed for refusing to return to work. The firm had stated its intention of creating a new workforce.

The executive chairman of the firm stated that the workers had been on strike but had declined to return to work, and no employment would be considered for them.

The National Union of Motor Assembly and Related Workers of South Africa (NUMA) - which represents the striking workers - has called an emergency meeting of the executive and shop stewards in an attempt to urge them to reconsider their decision to continue with the three-day-old strike.

At a meeting today workers unanimously decided to continue the strike until management accepted their demand for a 28-hour workweek.

Workers have rejected the pay offer recommended by the Industrial Council for the Engineering Industry of R3.00 an hour. The union represented workers who were no longer employees of the firm.

The firm has threatened to sue in the High Court for damages for the strike, which it claims has caused a loss of Re5 000 a day.

According to the Uitenhage Press, negotiations between the Uitenhage management and the strikers were held to no avail, and the workers were dismissed for refusing to return to work. The firm had stated its intention of creating a new workforce.

The executive chairman of the firm stated that the workers had been on strike but had declined to return to work, and no employment would be considered for them.

The National Union of Motor Assembly and Related Workers of South Africa (NUMA) - which represents the striking workers - has called an emergency meeting of the executive and shop stewards in an attempt to urge them to reconsider their decision to continue with the three-day-old strike.

At a meeting today workers unanimously decided to continue the strike until management accepted their demand for a 28-hour workweek.

Workers have rejected the pay offer recommended by the Industrial Council for the Engineering Industry of R3.00 an hour. The union represented workers who were no longer employees of the firm.

The firm has threatened to sue in the High Court for damages for the strike, which it claims has caused a loss of Re5 000 a day.

According to the Uitenhage Press, negotiations between the Uitenhage management and the strikers were held to no avail, and the workers were dismissed for refusing to return to work. The firm had stated its intention of creating a new workforce.

The executive chairman of the firm stated that the workers had been on strike but had declined to return to work, and no employment would be considered for them.

The National Union of Motor Assembly and Related Workers of South Africa (NUMA) - which represents the striking workers - has called an emergency meeting of the executive and shop stewards in an attempt to urge them to reconsider their decision to continue with the three-day-old strike.

At a meeting today workers unanimously decided to continue the strike until management accepted their demand for a 28-hour workweek.

Workers have rejected the pay offer recommended by the Industrial Council for the Engineering Industry of R3.00 an hour. The union represented workers who were no longer employees of the firm.

The firm has threatened to sue in the High Court for damages for the strike, which it claims has caused a loss of Re5 000 a day.

According to the Uitenhage Press, negotiations between the Uitenhage management and the strikers were held to no avail, and the workers were dismissed for refusing to return to work. The firm had stated its intention of creating a new workforce.

The executive chairman of the firm stated that the workers had been on strike but had declined to return to work, and no employment would be considered for them.

The National Union of Motor Assembly and Related Workers of South Africa (NUMA) - which represents the striking workers - has called an emergency meeting of the executive and shop stewards in an attempt to urge them to reconsider their decision to continue with the three-day-old strike.

At a meeting today workers unanimously decided to continue the strike until management accepted their demand for a 28-hour workweek.

Workers have rejected the pay offer recommended by the Industrial Council for the Engineering Industry of R3.00 an hour. The union represented workers who were no longer employees of the firm.

The firm has threatened to sue in the High Court for damages for the strike, which it claims has caused a loss of Re5 000 a day.

According to the Uitenhage Press, negotiations between the Uitenhage management and the strikers were held to no avail, and the workers were dismissed for refusing to return to work. The firm had stated its intention of creating a new workforce.

The execution chairman of the firm stated that the workers had been on strike but had declined to return to work, and no employment would be considered for them.

The National Union of Motor Assembly and Related Workers of South Africa (NUMA) - which represents the striking workers - has called an emergency meeting of the executive and shop stewards in an attempt to urge them to reconsider their decision to continue with the three-day-old strike.

At a meeting today workers unanimously decided to continue the strike until management accepted their demand for a 28-hour workweek.

Workers have rejected the pay offer recommended by the Industrial Council for the Engineering Industry of R3.00 an hour. The union represented workers who were no longer employees of the firm.

The firm has threatened to sue in the High Court for damages for the strike, which it claims has caused a loss of Re5 000 a day.
Golds plunge in wake of BSI sale

By JOHN MULCAHY

The decision by British Steel to sell its interests in South Africa and to repatriate R4.6-million of the proceeds through the financial and financial market was a move through the Johannesburg Stock Exchange yesterday.

In the absence of any knowledge of the timing involved in the remittance of the proceeds, and in the knowledge that there is a significant loss of gold in the event of financial market weakness, the only clear picture seen of overseas investors is that there is no clear move to be a significant seller of financial market at any stage, and no one is willing to take the chance of being caught at that time.

Inevitably, an upward movement in the financial market was on the cards, but whatever local support there was disappeared in the concerted selling yesterday.

While reasonable trading was evident earlier in the week, with any sell orders restricted to line price margin, yesterday dealers reported a greater willingness by overseas investors to part with scrumps at lower prices.

One dealer said, "We saw a lot of stock come out - people were not fighting about prices."

Arbitrage brokers and the week saw a noticeable acceleration in physical delivery of scrumps to settle out of that event, and attributed this to the collapse of brokers Saunders and Taylor on Monday.

London brokers, not protect against the JSE guarantee fund, felt there was no reason to tamper with settlement for the long term as soon as possible.

Randfontein was the most severely injured victim of the week's onslaught on gold, followed closely by the Free State, Randfontein shed 15c to 50c, Western Haulings fell to 60c from 80c, Pregols and Prem Brand each lost 70c to 350c and 300c respectively, St Helena dropped to 20c from 40c and Pamp Steyn dipped to 235c from 270c.

The general weakness spread over into mining, with the market rising from 228c to 300c, TC Lands fell to 50c from 55c and John's dipped to 80c from 120c, Angold fell to 90c and against the trend, Angolair gained 10c to 50c.

The market was generally firm, but weaker on balance Platinums all lost ground, with Implus down 10c at 80c, Tydburg off 10c at 30c and Rupsitil down 5c at 50c.

The industrial sector was again five and ten cent market, with institutions waiting in the wings to take up stocks, but offered, but not prepared to chase prices upwards.

Yesterday saw increased volume in Plate Glass, Nampak, Unsec, Karrro, the Pickard group companies, Gallo and the short-term insurers, all of which gained a few cents.

The actual 10 beneficiaries recruited from people associated with the two community projects are in the area. Five were connected with the BSI centre, four with the two centres, with the other five with the industrial sector and others with the two centres. The two centres have a joint project to be launched.

One centre's director enquired about the joint project to be launched.

The two centres have a joint project to be launched.

The two centres have a joint project to be launched.

The two centres have a joint project to be launched.

The two centres have a joint project to be launched.

The two centres have a joint project to be launched.
service rather than a health service.

hospital staffed by a few trained and well.

the community, to a lesser extent, to the hospital.

when the hospital was first opened, it

encouraging patients to

not accept a place on the

provided a general practitioners service for the

in general, the hospital was

reduced to the treatment of

workers. This would result in a higher turnover of

under the supervision of dieticians and social

6. Exercise discretion of information to the

was not a hospital for further treatment.

propaganda campaign would be required from

hospital service and would be located to co-ordinate
tand would not have the capacity to perform

considered the right way for patients to prefer.

2. Education and training of staff.

in the field of medical care.

4. Education and development of professional

3. Reduction in hospital departments.

who feel they can't manage.

in the future to patients.

and to reduce wrong to patients.

as part of the hospital's social service.

in the community.

in the interest of patients.

The hospitals were geared towards the

3.4. The area of the new hospitals.

3. The health centre concept.
STEEL-CORD belting produced at a new R17-million plant at Pietersburg, Natal, is unlikely to achieve the level of local content the Government is hoping for.

The South African Rubber Manufacturing Company (Sarmcol) plant was opened this week by Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers.

It is being geared up to satisfy an initial market estimated at R10-million to R15-million a year, which will all be imported at present.

But the steel cords, which account for at least 50% of the cost of the product will have to be imported for the foreseeable future.

"The local manufacture of the cords is surely within the capabilities of our industries, and I trust you will soon be able to purchase cable at competitive prices from local sources," Dr De Villiers told Sarmcol executives.

Within 18 months Sarmcol technicians will be substituting all other imported components of the belting for locally-produced items, to take the local content of the belting to just over the 50% mark.

But they think it unlikely that the South African steel industry will be able to come up with suitable cords to make the belting a 100% local product.

"The strength of South African made steel cords cannot meet the rigid specifications necessary for heavy-duty belting," they claim.

The steel is not strong enough. The strength of the imported cords is such that belts with 18km between centres can be produced.

Also, the cords have to be zinc dipped to ensure that they bond to the top and bottom covers, a process jealously guarded by Sarmcol's supplier and parent company, British Tyre and Rubber Company.

The rubber covers are imported at the moment, but will be replaced with a locally produced synthetic rubber, polyurethane, when the synthetic rubber plant at Newcastle is commissioned.

The Sarmcol belting will be marketed under the trade name Powacord.

Maximum specifications will be 600mm thick, 25mm wide, 165 cords which can range from 5.2mm to 12.9mm in diameter with the 9mm cord registering a breaking strain of 28kN.

Bigger buyers are expected to be the mining houses, who plan to use the belting to replace expensive and fuel hungry drop trucks at the major mines of ores above ground.

© The steel-cord belting plant opened by Minister of Industries, Dr Dawie de Villiers.
Roswell men meet today to discuss 

by BILL CARRUTHER

THE executive of all plant 
operations scheduled to the 
Roswell plant at one morning 
times in the United States 
are to meet today to discuss 
the plan of work for 
employees.

The meeting has been divided 
into two parts: the first part to 
schedule a management plan 
for the return to work.

The second part is to discuss the 
offer of $1.50 an hour and 
have demanded an hourly 
minimum wage of the 
management has refused to budge.
Siemens refutes report on labour

Own Correspondent
BONN — A lengthy letter from the chief executive of the German-owned Siemens company of Johannesburg, taking issue with a critical report on his firm's treatment of its black workers, was published on Saturday by the Frankfurter Allgemeine Zeitung.

Wilfried E. Wentges said an Evangelical Press Service report alleging that Siemens falls far short of the European Community code of conduct was based on either false or outdated information.

The Frankfurter Allgemeine Zeitung, West Germany's largest national newspaper, printed excerpts of the Evangelical report on June 4.

After giving details of Siemens' current payment and treatment of its black workers — about 3,000 of a work force of 7,300 — Mr. Wentges concluded: "The numerous visitors to our plants will have quickly seen through the intentions of the study's authors. "They, as we, know that expansion of the economy in South Africa will lead most quickly and most painlessly to integration and peaceful change."
THE IMPLICATIONS FOR UNDERGRADUATE AND POSTGRADUATE TRAINING

The key to the cost effectiveness of the general practitioner lies in his training. This must take place at undergraduate and postgraduate level. The limitations of the teaching hospital as an environment for learning the skills and attitudes of primary and personal care have been discussed. This has led to the establishment of departments of general practice in medical schools throughout the world during the past decade.

These departments have helped to impinge schools the behavioural sciences pre-clinical years and departmental active part in this teaching in to patients at a much earlier stage. Behaviour, development, and aging have laid emphasis on the teaching of communication skills e.g. Dundee. In others, students follow up and study a family throughout their undergraduate years e.g. Cardiff. Small group teaching is widely employed but the most effective learning situation is the doctor's consulting room or the patient's sick room.

This one-to-one teaching situation is unique in medical education and it has evoked important study and writing e.g. "Learning to Care - Person to Person" by Byrne and Long. One of the interesting observations to emerge is that the doctor-student relationship mirrors the doctor-patient relationship. The teacher is encouraged to develop a non-directive, non-judgemental and equal relationship with his students and his patients.

In this country Pretoria established a department of general practice in 1971 but this is based on the out-patient department of the teaching hospital. Recently Orange Free State and the new Medical University of South Africa have created chairs. U.C.T. established a unit of general practice this year. However, it is not enough to create departments. These departments must be based in the community and must have been created in most developed countries. These schemes vary in duration and detail but they have some features in common. Part of the time is spent as a trainee in a general practice or university unit, part is spent in hospital internship. Throughout the period of training the trainee attends a course in the principles discussed earlier in this paper. Most schemes lay emphasis on insight training with a view to better understanding of the doctor-patient relationship.

Britain has a three year course which has achieved its target of 1000 places a year. By 1988 no doctor may become a principal in general practice unless he has undertaken a three year period of vocational training. Canada has a two year period of training which is under the
It's 'Timber!' for a deadly giant

The giant chimney at Maita Power Station compared to the Carlton Centre.

OFFICE
BLOCK
HOTEL

The 60-storey Maita chimney, where two workers died when it collapsed, will be demolished next month. The smoke-stack is 138 metres higher than the Carlton Centre Hotel, and about 10 storeys higher than the Carlton Centre block.

Graphic: GAIL IRVINE

BY ANTHONY HARDING

One worker was killed in the third week of work on the giant chimney at Maita power station, near Wabua, when it crashed to the earth like a giant tree.

The 150m high chimney, one of the tallest of its kind in the world, is to be tilted at an angle to the earth, before being demolished.

Building operations on the chimney cost 1.3 million dollars, but it was never completed.

On August 26 last year, one of its crown sections, loaded with concrete mix, split along cracks and fell to the ground.

A court of inquiry was told that the crown collapsed as a result of a combination of a poor concrete mix, splitting supports and faulty bracing.

Now the site has been set for the demolition of the tallest structure in the land ever to be dismantled.

Steel planks from the 150m, comprising a section which has been constructed for the blast, are now preparing the site.

An American demolition expert, Mr Jim Hendricks, has been hired to bring the structure down.

See Page 13
Table A2

<table>
<thead>
<tr>
<th>Details</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Estimated population in 1951 or only. Natural rate of increase, 1951 = Population - 1936</td>
<td></td>
</tr>
<tr>
<td>3. Actual population in the area - urban area taken as actual child. African rural areas census count</td>
<td></td>
</tr>
<tr>
<td>4. Permanent Migration together with emigrants: i.e., persons who would not be in 1951 if no migration had taken place in 1951 (rounded to 10 000)</td>
<td></td>
</tr>
<tr>
<td>5. Estimated Population in the area, 1951, of Africans in 1951, and in 1936 in the same area, Natural increase only, rate of natural increase 3 per cent p.a.</td>
<td></td>
</tr>
<tr>
<td>Note: Calculations period 1951-1960 and 1936-1940 on white farms.</td>
<td></td>
</tr>
<tr>
<td>6. Actual count adjusted for temporary migrants. Ratio of children to adults 42 for urban population. Migrants from homelands: 1 177 000.</td>
<td></td>
</tr>
<tr>
<td>7. Permanent Migration together with emigrants: natural increase (see 4 above) (estimated rounded to nearest 10 000)</td>
<td></td>
</tr>
</tbody>
</table>


Bosal announces big expansion in Uitenhage

Post Reporter

The world-wide industrial group, Bosal International, one of the largest producers of exhaust systems in the world, is to increase its investment at its Uitenhage plant by about R2.5 million in the next four years.

This will make the Uitenhage plant one of the largest tube and exhaust systems factories in Southern Africa.

Mr. Willem Schoeman, managing director of Bosal Afrika, announced that plans for extensions and improvements to the present buildings to the value of about R1 million are well advanced.

This will include up-grading the present canteen and ablution facilities as well as the addition of a new office block which is planned for completion by early 1983.

As part of Bosal Afrika's national re-equipment and mechanization programme, more than R750,000 will be spent on the installation of the latest mechanical systems for the manufacture of exhaust systems in the Uitenhage factory.

This is planned as soon as the factory area has been extended, early in 1983.

A further R500,000 will be invested in the expansion of the tube manufacturing facilities in the Uitenhage plant over the next two years.

Part of the investment of Bosal Afrika in Uitenhage will be in the form of in-house training.

According to Mr. Schoeman, Bosal Afrika is very conscious of the gap which exists between technical training in South Africa and the ever-increasing need for trained people in industry.

The training programme will concentrate largely on basic training, closely integrated with Bosal's own needs in Uitenhage, leaving the more advanced training to the technikons.
PREPARATIONS FOR THE DEMOLITION OF MALTA POWER STATION CHIMNEYS ON JULY 23

JIMS BLAST!
It is confidence born of experience — since the beginning of the year he has demolished two 100m smokestacks, five buildings, one of 11-storeys, and a reinforced concrete bridge over the Red River, between Texas and Oklahoma.

And on July 6, two weeks before he topples the mighty Matla, he is "popping" a seven-storey hotel in Vancouver, Canada.

His work carries him everywhere and he is "too seldom" at home with his wife Jane, and their two boys and 15-month baby girl.

What made him become a demolition expert? "It's hard on my nerves," he laughs.

"One sees the results of a year's work long before the contract is signed. There's always a challenge in getting a building to drop as planned without monsters to stand up and yell: 'That's enough!'"

"Occasionally something goes wrong and a nearby apartment building is knocked down. That's nobody's in the business who hasn't had a problem.

"One learns demolition by experience. It's a cause and effect relationship. You make a mistake and you learn. There is no training for this job.

Jim grew up in an engineering family. His father had his own excavating contract business.

After school he went to the John Brand University in Arkansas to study building construction.

Then he joined a quasi-government demolition agency, the Tulsa Urban Renewal, which bought up blocks of old buildings and cleared them to make way for new developments.

It was there he gained his skills before launching his own demolition enterprise.

During his five years with the firm he demolished "25 to 30" buildings.

He now has his own company, Dykon, which over a period of seven years has successfully carried out "40 or 50" demolitions throughout the United States and the world.

Jim has already "stared" in two films with Burt Reynolds — "Smoky and the Bandit (Two)" and "Hooper," both directed by Hal Needham.

"For "Hooper" he blasted two smoke stacks and a two-storey building, and "Smoky" he dynamited a roller-coaster track.

In the scenes smoke stacks and buildings explode in clouds of dust, crashing into motor cars, while stunt cars race, running a gauntlet of debris and flames, barely escaping a similar fate.

Jim believes in teaching his children the secrets of his rare profession while they are still young. Recently his five-year-old son helped him to set up dynamite charges in a 10-storey building in Iowa.

He neither smokes nor drinks. Softly spoken and shy, he at first refuses a request to photograph him but, with a wry smile, accedes for "just two shots and that's all!"

So much for the man. Now the mission.

Towering 60 stores above surrounding generators, cooling towers and coal dispensing units (stalactites), Matla's anti-pollution chimney is one of the tallest structures of its kind in the world.

On the day — which is scheduled for late this month — the Matla chimney will be demolished for the duration of the blast.

A crack team of British stepplyjacks from a Manchester engineering firm, Santon International, has been carefully preparing the stack for the huge blast.

Over the last few weeks the five-member team, porched on hanging "cradles," have been drilling 700 holes to receive the 70-tonne explosive charges which will "drop" the tower.

The 40-metre level — where the outer concrete-wash of the chimney narrows — has been driven a "smile pattern" into this secret of the demilitarized smokestack.

A 60-metre level — where the outer concrete wash of the chimney narrows — has been driven a "smile pattern" into this secret of the demilitarized smokestack.

The charges will be laid in the holes drilled around the two-thirds of the circumference of the stack, leaving a section at the rear as a "hinge.

Various methods of demolishing the tower were suggested, but after tenders were received from two British firms, it was decided to award the £30,000 contract to Santon International, a well-known stepplyjack firm.

After a lengthy and complicated feasibility study to determine the effect of the blast on surrounding structures, the go-ahead was recently given at a high-level meeting between Escom executives and engineers.

It was found that the kinetic energy released on impact would be released sufficiently rapidly to break the east to prevent damage to the structures.

Santon, in turn hired Jim Reddyke, who is based in Tulsa, Oklahoma, to do the job. He is believed he will receive £17,000 for his explosives expertise.

So far the stepplyjacks have jackhammered the collapsed flue to the level of the blast point. The remaining flues will be drilled in the same pattern as the outer wash of the stack.

The flues are brick lined chimneys which carry the super-heated gases from the power station turbines into the atmosphere. Their brick lining prevents acid gases eating away the concrete.

The team is also using the outside of the tower with steel plating. This is to protect surrounding structures including temporary steel flue alongside the stack, from the metal dynamite blast.

These plates will contain the force of the charges which will first pulverize the concrete at that level — effectively chopping the tower like a giant tree.

It is understood the outer wash of the stack will start moving first, followed by the two inside flues.

According to experts the stack will ultimately be blown to pieces in 15 seconds after the initial explosion. Then, at first, it will lean forward, gathering momentum until it hits the earth below with devastating impact.

The final product is moving 50,000m³ of soil onto the site to create a protective impact cushion for the stack.

On impact the reinforced concrete and steel stack will break into thousands of fragments which will be blown onto the site by the blastwave.

The plates will be built along the line of fall and protect the cooling towers and the stack just over 60 metres away.

Will it fail as planned? — between the cooling towers and the coal stack — or is there a chance the stack will collapse onto these structures?

Jim Reddyke is confident all will go according to plan.

And why should there be any reason to doubt the confidence of a man who has destroyed nearly 70 structures over the last 12 years?
British Steel to sell its SA interests

Own Correspondent

Johannesburg — British Steel (BSC) is selling all its interests in South Africa for R67m. The big buyers are Anglo American Corporation and Metkor, in which Iscor, the State steel giant, has the controlling stake.

Dr Anton Rupert’s Rembrandt group is also playing a key role, both directly and through the 30 percent holding it has in Metkor.

I understand that Sanlam and Old Mutual will also feature.

About R31m of the proceeds of BSC’s sale will be remitted overseas at the commercial rand rate but the remaining R46m will have to go out of South Africa at a discount through the financial rand market.

Mr Maurice Hall, managing director of British Steel Corporation of South Africa, told me that there was nothing political in BSC’s decision to sell out of South Africa.

He said: “It is simply a financial issue. British Steel has big financial problems as is well-known. The corporation has already sold its interests in Australia and New Zealand and is negotiating sales in some other areas.”

The new chairman of British Steel, Mr Ian McGregor, has apparently decided that BSC must concentrate all its efforts on its basic British operations.

It also needs to raise all the funds it can.

The official announcement from Volkskas Merchant Bank said agreement had been reached between British Steel, Metkor and Anglo under which BSC would sell its interests in International Pipe and Steel Investments, Ipsa, to Anglo and Metkor.

Ipsa is the holding company of the steel groups Stewarts and Lloyds and Dorbyl.

Anglo will now increase its holding in Ipsa from 14.7 percent to 40 percent for R29.4m. Metkor’s holding will rise from 37.3 percent to 47.3 percent for R11.0m.

African Gate Holdings, a Metkor associate, holds the remaining 12.7 percent of Ipsa.

British Steel is selling its direct holding of 21.1 percent in Stewarts and Lloyds to “certain South African financial institutions” (this is where Sanlam and Old Mutual are believed to feature) and to “a company in the Rembrandt group” for a total of R2.8m.

BSC is also selling its 2.4 percent in Dorbyl to Ipsa for R2.7m.

The total R67m payment to BSC for all these arrangements will be done through the issue of redeemable preference shares.

A total of R21m will effectively be able to be paid out at the commercial rand rate through special dividends.

The balance will have to go through the financial rand market and might well be phased over a lengthy period, given the sensitive nature of that market.
Unisec buys into steel

Deputy Financial Editor

UNISEC has bought 70% of Gulf (Pty), a Germiston steel company, for about R3 000 000, bringing the total it has spent on acquisitions in the last year to more than R11 million.

The 30% balance of Gulf will be kept by the vendors, mainly the chairman, Mr Gordon McQueen, and managing director, Mr Reg Wegener, who have been in steel for 25 years and will continue running the company.

The vendors have guaranteed that Gulf will make R1 700 000 before tax but Unisec expects it to make R2 million.

Unisec managing director, Mr Peter Thamany, told the Gulf would pay a full rate of tax, suggesting a minimum taxed profit of about R1 million. Unisec’s 70% share means it is paying, at most, 4 3 times expected earnings for the acquisition.

Mr Thomas said steel merchandising was a high growth area, pointing out that HLM expects its Wolhuter Steel to hit sales 40% this year. Steel was new territory for Unisec but distribution and the financing of distribution had long been a Unisec speciality.

Mr Thomas said with Unisec’s financial muscle Gulf would grow at a good rate.
It is those daily crises who are dismissed or none—will be employed. Labour, dependents resident on the farm will not be paid for work done. However, the farmer will be paid in advance.

Structural Change

This is the largest single structural steelwork contract awarded in Southern Africa and has a present-day value of approximately R100 million, says a spokesman for Steinmüller (Africa). The contract requires the fabrication and erection of 60,000 tons of structural steelwork over a period of about five years.

The structural component alone will give employment to 700 people, while it is estimated that the total boiler project will give employment to about 10,000 persons for almost seven years. In market terms, in the short-term, labour will be put forward as to what future changes appear to be marginal, over the longer term some of these alterations may be far-reaching indeed. Some of the changes discussed are common to both Elgin and the Hex River Valley, while others are relevant to one area only. Although our focus is on seasonal labour, some comments will also be given to changes in the permanent labour market as well. Detailed research into the historical patterns of supply of labour were not possible; thus, while in principle much of what follows is verifiable, in fact much of the discussion still remains conjecture.

(i) There seems to have been a trend towards the substitution of African migrant workers for 'Coloured' workers (and—enforced substitution—for prison labour in the Hex River Valley) over time in both permanent (Elgin and the Hex River Valley) and seasonal (Elgin only) employment. The supply of 'Coloured'
Steinmüller contract for Dorbhy

L & C Steinmüller (Afric) who were recently awarded a contract for the installation of approximately 300000 tons of structural steelwork at Bokhuizen power station, near Middelburg, have in turn awarded a contract for the installation of parts of the boiler houses and turbine houses to Dorbhy Structural Engineering.

This is the largest single structural steelwork contract awarded in Southern Africa and has a present day value of approximately 1000 million. A spokesman for Steinmüller said: "The contract requires the fabrication and erection of about 50000 tons of structural steelwork over a period of about five years. The structural component alone will give employment to 700 people while it is estimated that the total boiler project will give employment to about 10000 persons for almost seven years."

The contract is due to start in October and as soon as parts are available to perform various tasks, the workers can begin to work. A spokesman for the company said: "We are always prepared to work on a casual basis. The seasonal workers may be employed on a daily basis."

In general, although not necessarily casual workers are resulting from the which from casual to permanent employment. To seek permanent employment we will be free of this clause. While in principle the casual worker always has the option

The above will become clearer if we focus on the relationship between seasonal and casual employment in some detail.
This means that variable and average fixed costs are equal.

**B & S STEEL**

**Slower growth?**

Activities: Manufactures steel furniture. Main products are kitchen units, tables and chairs, office furniture and institutional seating.

Chairman and managing director: H. Back.

Capital structure: 23m ordinary shares of 50c. Market capitalization R3.4m.

Financial: Year to December 31, 1980.

**Borrowings long and medium-term. R1m, net short-term. R1m.**

Debt equity ratio 50.3%. Current ratio 2.2. Net cash flow R1.2m.

Share market: Price 145c (1989/81 high, 106c; low, 75c; trading volume last quarter, 60,000 shares). Yields 42.9% on earnings, 10.7% on dividend.

**Cover 4.0 PE ratio 2.3**

**1977 1978 1979 1980**

- Net profits before tax 77 78 79 80
- Net profits 34 41 42 47
- Net reserves 238 290 304 310
- No dividends declared.

B & S Steel's 125% earnings advance for the year to December 31, 1980 was reflected in the sharp recovery of the furniture sector—a performance which outstripped the composite industrial average. 

Turnover rose 27.2% with an increase in pre-tax profit of 138% to R2.4m, indicating a significant improvement in gross margins. Increases in production capacity, a decrease in costs relative to turnover and improved labour productivity all contributed to the improvement. 

At the same time, return on capital employed rose sharply from 23% the previous year to 49.9%

Manufacturing operations contributed 83% of overall profit against 77% the previous year. By comparison, administration and finance accounted for 13.5%, while the contribution from rentals declined from 6.7% to 3.5%

As was the case the previous year, attributable profit benefited from a reduction in taxes of R2.1m in the form of an allowance from the Department of Industries in respect of decentralisation assistance to a subsidiary. 

The full allowance of R210,000 will be claimed over 10 years in equal annual instalments.

A proposal last year to reduce issued share capital, following the emigration of one of the firm's directors, was not carried out, instead, there was a change in shareholding with a reduction in the stake held by directors. The company thus avoided becoming subject to restrictions on its borrowings under exchange control regulations relating to foreign-owned companies.

This had a beneficial effect on the debt equity ratio, which dropped from 70.3% to a more healthy 50.3%. Borrowings declined slightly and the cash position strengthened. Net cash flow more than doubled to R1.2m against R511m previously. Previous years had shown a substantial build-up of debt.

Since B & S responds directly to cyclical economic fluctuations, earnings growth could slow in the current year. In addition, last year's benefits from capacity utilisation cannot be repeated, which could bring profit growth more in line with turnover increases. That suggests a 36% growth in earnings is easily obtainable.

If dividend cover is pegged at 4 times— and this seems likely—a dividend of 12c is possible. At the current price of 145c, the share yields an attractive prospective 13.8%. A limiting factor, however, is marketability and chasing the share could be counterproductive.

Chris Watson.
Workers down tools in representation dispute

Mercury Reporter

WORKERS at the Richards Bay Minerals plant downed tools yesterday after a dispute with the management over worker representation.

According to a spokesman for the workers at the plant, workers would not leave the premises, and refused to go home. Police were on standby, but were not called out to the plant, a spokesman for the Richards Bay police said.

The issue being contested is a change in representation for the black workers at the plant. According to Mr. Matthew Oliphant, general secretary of the National Federation of Workers, most of the workers at the Richards Bay company want to be represented by his union. Management has agreed to recognize the federation only if it can prove that it represents at least 50 percent of the workers at the plant.

A statement issued by management says the company insists that documentary evidence be produced to show majority support. According to Mr Oliphant, management wants proof that at least 50 percent of the workers at the plant are paying members of the union.

However, the federation does not only recognize members who have paid their fees.

"As long as workers are registered with the union, we represent them whether they have paid their fees or not," Mr Oliphant said. He also said he could prove that 65 percent of the 933 black workers were registered with his union.

Stoppage

In an effort to resolve the issue, a meeting was held last Tuesday between management and union leaders. The union suggested a secret ballot be held to determine majority support, but management would not agree to this, Mr Oliphant said.

The union reported back to the workers, telling them of the management's decision. Workers then decided to confront the management themselves, Mr Oliphant said. This led to this morning's stoppage.

The public relations officer for Richards Bay Minerals reported that the work stoppage had been "very orderly and without any incidents."
Metal Box sees further profits

Having chalked up record results last year, Metal Box (SA) expects to improve its net operating income and its dividend distributions in the current year.

However, the rate of increase will be lower, Mr. Charl Colliers, the chairman, says in his latest annual statement to shareholders.

Reviewing a year in which sales rose by nearly a quarter to R341-million and net operating income by 39 per cent to R367-million, Mr. Colliers says that as a result of inflation and the lower gold price, indications are that the high rate of economic growth achieved last year will not be repeated this year.

However, to provide for the increasing volume of business, Metal Box will incur further capital expenditure this year, which will be financed from existing resources and available facilities.

Last year was a good one for Metal Box but the company did face some problems. The disastrous floods which struck the Western Cape caused severe damage to many fruit farms which, in turn, significantly reduced the profit of the foodcan making operations.

Substantial cost growths were a matter of considerable concern and their impact on the group is receiving continuous management attention.

High tariff protection in Eurexart countries and adverse exchange rate movements inhibited foodcan customers’ efforts to export to their normal markets — factors which could endanger the future of the food-canning business so important to the Western Cape.
Metal Box still looks for growth

By DAVID CARTER
Deputy Financial Editor

The high rate of export growth achieved in the year under review will not be repeated this year, says the chairman, Sir Chant Collier.

But he is optimistic for the group despite flood damage in the fruit crop in the Western Cape, "keen tariffs protection" on canned food in ECZ countries and volatile prices and availability of news.

"We are looking for a continued net operating income at the current financial year's level at a lower rate of growth," says Mr Collier.

"It is anticipated that a substantial rate of increase will be made in the earnings of the Tins Division in the current year, but in general, we do not expect to grow at "about the same rate as last year".

"The market for beverages has been largely stable and the company expects to perform to the same level as last year in this sector."

The diversified packaging division is expected to show profit growth in the current year.

The steel tube division is still beset by high material costs, but the company expects to perform "at a significantly higher level" than last year, according to Mr Collier.

He said the company had a plan to expand its capacity in the steel tube division to meet the increased demand for these products in the country. The plan would require an investment of £6 million over the next two years.

Overall, the chairman is optimistic about the company's prospects for the current year and expects to see a continuation of the high growth rates achieved in the past few years.

COMMENT: Metal Box has always been highly geared to its earnings pattern, and its relative buoyancy should be noted in the current environs of high interest rates and a higher yield of 7% is in the offing for each 1,000 ordinary shares.
1939, page XXII.

...\[text continues...\]

It is hoped that this paper and figure will speak for themselves, and that

in South Africa, according to the present model of the national population.

The paper is consistent with the current and collective publication

in South Africa.

...\[text continues...\]
Recruiting drive follows sacking of 800 workers

By STEVEN FRIEDMAN, Labour Reporter

A major Richard's Ltd company, Richards Ltd.开始 recruiting a new workforce yesterday after firing 800 strikers.

The company's workforce stands at around 900. Workers went on strike last Thursday after a recognition dispute between the company and the National Federation of Workers. The strike lasted through the weekend.

A statement by the company's managing director, Mr. R. J. Groves, said the workers had been fired after "personal intimidation of union workers and their families, involving damage to property and personal assaults."

"Management had decided to fire the 800 workers in two of the 'escalating degree of evidence' and the continuation of an illegal strike," he said.

Workers were dismissed on Monday, "without incident" and police stood by "to prevent violence," the statement said.

---

S A Brick Association Prizes

III: No Award

II: A R Law Keen

I: N D G Sessions

The courses of building economics I, II and III in the third, fourth and fifth years respectively.

For the best student in each of these courses.

LTU Prizes

P R Swift Professor's Prizes, the highest marks in the year for the student obtaining the best results in each of the courses.

Supervisors' Prize

The Committee of the Western College of Quantity Surveying.

P C Key

In any year of study, for the best all round student.

Bolt-Dehnt Prize
strikers on rampage

Mercury Reporter

THIRTEEN blacks have been arrested and charged with public violence in the Ekukhwebeni township, near Richards Bay, after striking workers from the Richards Bay Minerals company went on a rampage at the weekend.

More than 300 employees of the company were dismissed on Monday morning after drawing up a list of demands on June 25 following a dispute over trade union representation.

In Ekukhwebeni, the workers put up more than 300 homes for their employees and number of strikers increased to 3,000. The company had been working to hold a meeting on the Tuesday.

Groups of workers who were in favour of continuing the strike then went on the rampage against those who wanted to return to work. A large group of workers was beaten up by strikers and a hospital was attacked after being rescued by police.

Fled

A group of about 20 strikers, barricaded behind the front door of the home of an employee who attempted to return to work. The man, who is the strike leader, took his furniture, bed and other items and ran out of the house, leaving his parents tied in the basement with their nose plugged and jumped all his mattresses.

Lived yesterday afternoon the residents of the more than 300 homes who witnessed the incident. The police said there had been two weeks to remove the house.

The workers went on strike last week on the advice of the National Federation of Workers, who claimed to have the majority of the black employees at the company as members.

During discussions with RRM management, union officials were asked to produce evidence of such membership.

Management also said they would pay for an official audit of the union's membership books in order to confirm the claimed share of membership.

The union officials refused to make their books available and the strike continued.

Early on Monday the entire workforce gathered outside the main gates of RRM and repeated their demands for union representation. However, they also refused to meet the management requests.

Management then told the strikers that because of serious intimidation of many of the workers and their families, and because of the continuation of the strike, they had no choice but to disperse all the workers.

Pay

Although RRM attempted to pay the men, the workers refused to accept the money. The former employees were then ordered on to buses which then took them to police court to Khubulwane.

Yesterday all was calm, but tension in the township, and police were on constant standby.

Mr J. J. E. Green, the managing director, yesterday refused to respond to the charges, insisting that the workers had no right to strike.

The police have charged 13 workers with public violence and public order for the incident.

THE INSUL

THE company-owned home of a Richards Bay Minerals employee, who wanted to go back to work, was wrecked.
Poll tests indicate strong union support

BY STEVEN FRIEDMAN
Labour Reporter

TWO EAST Rand factories have recently held referendums in which workers have been able to choose whether they want a trade union to represent them.

The union, the Fosatu-affiliated Metal and Allied Workers, won more than 90% of the vote in both referendums and recognition negotiations between it and the companies have begun. Unions say two similar referendums may be in the offing.

The plants at which referendums were held are Vaal Metal Processors, a subsidiary of the Abercon group of companies, and Hendler and Hendler both are based in Boksburg.

At Vaal Metal Processors, the union won 172 votes, with five workers voting against it. Informed sources say they added that the company has agreed in principle to deal with Mawu and that talks have begun.

An Abercon source yesterday confirmed that the company was talking to the union, but added that official comment would have to come from a company executive. Mr Bob Power, who was unavailable.

At Hendler and Hendler, union sources say Mawu won 95% of the vote. They add that the company was originally unwilling to negotiate with the union on wages and working conditions but that it agreed after the ballot had been held.

Recognition talks with Mawu are under way and the company is negotiating a pay increase with union shop stewards, the sources say.

Hendler and Hendler's managing director, Mr Solly Hendler, was also unavailable yesterday.

The two referendums are among the first to be held by employers to determine the support of unions. A Heritage company, Volspar, which is a Harlow Rand subsidiary, last year became the first company in recent times to do so.

Fosatu's National Union of Textile Workers won the referendum in which workers were asked to choose between it and a rival union.

Then two Red London companies, Chiefside and Johnson and Johnson, held referendums before recognizing the unrepresented SA Allied Workers Union.

Unionists say most employers have resisted the idea of referendums, preferring to test union membership by inspecting union membership lists.

But this attitude appears to be changing, they added.

They said one reason unions' favoured referendums was that if they won these convincingly they could demonstrate support and resist the idea that unions should operate side-by-side with non-union works councils.

C W von During
For the second best student in the subject of Building Construction.

K Strong

Student Planners Award
For the student who has shown greatest promise at the end of the first year.

M P Morkel
FINE ART & ARCHITECTURE

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

First Year
S F Dunlay

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

P A Rapoport

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

Miss C. Tredgold

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

D. H. Pryce Lewis

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

S A Read

The Star, Thursday, July 2, 1941

Natal Workers Arrested After Strike
Steel price rise will spread like a shockwave

Own Correspondent

A steel price increase of 12 percent in force from today will have a shockwave effect on costs throughout South Africa.

The 12 percent rise means the official steel price has risen by 38.3 percent since June 1978.

The sectors which will be hardest hit by the new price include:
- The building industry, which uses vast amounts for reinforcing, and in doorframes and other components.
- The motor industry, which is compelled to use South African steel to push up the local content in car production.
- The farming industry, which uses steel in equipment and implements.

Consumers will also be affected later when the price is passed on by manufacturers of products such as radio and television sets, kitchenware, and electrical appliances such as refrigerators, stoves and freezers.

The increase is also likely to affect Eskom — which could lead to a rise in electricity charges before long.

The new price fixed by the Government today is not considered adequate by steel producers, and is well below the inflation rate.

It could therefore be followed by another increase later.

A statement by the Rolled Steel Producers' Co-ordinating Council says the increase has become necessary because of rises in the costs of coal, rafing, furnaces, labour, and salaries and wages.

Margarine is also up

Own Correspondent

Yellow margarine is to cost more.

A notice in the Government Gazette today says that the maximum price of 250 g tubs has been increased to 54c. The price of 250 g packets in other containers has increased to 50c.

---

W VON DURING

subject of building construction.

For the best student in the

$ a brick association prize

II A R low keep

NO CIR.

III"
Fired workers will not reapply, says union

Mercury Reporter

FIVE hundred of the workers recently fired by Richards Bay Minerals have decided not to apply for re-employment on management's terms, trade union sources said yesterday.

Eight hundred workers of the company downed tools on Thursday last week after a dispute with management over trade union representation.

The workers were subsequently fired on Monday, and management, refusing a request by Dr Frank Mdlalose, the KwaZulu Minister for the Interior, that they re-employ the workers unconditionally, insisted that the workers re-apply for employment.

Mr Matthews Osiphants, the general secretary of the National Federation of Workers, said the workers decided this after Mr B J Gqweni, the managing director of the company, had told them that the members of their local union committee would not be re-employed.

They have decided to stick together and fight for unconditional re-employment of all the workers.
Haggie makes a move for half of Chloride in SA

By DAVID CARTE
Deputy Financial Editor
HAGGIE Ltd, the fast-expanding cable, wire, engineering and metals group, is negotiating an equal partnership in Chloride SA with Chloride UK, say Barclays and Standard merchant banks.

If a deal is clinched, Haggie and Chloride UK will be 50-50 partners in the country's biggest battery maker and miners will be taken out, Haggie chief executive, Mr Richard Savage told me yesterday.

This means Chloride will disappear from the lists of the JSE.

It also means a measure of disinvestment from SA by Chloride UK, whose holding will be reduced from 75% to 50%.

Mr Savage said the main attraction for Haggie in Chloride was its involvement in energy and that its problems in recent years have been related to Chloride's involvement in and dependence on lead.

Haggie subsidiary, McKean, held through Macdem, he said, had experience, expertise and contacts in most metals that would be very useful to Chloride.

Another obvious attraction is that Chloride, like Haggie - which is owned 35% each by Anglo and Gencor - does much of its business with the mining industry.

Mr Savage said Chloride would not have been supplied but "when we saw the price starting to move, we had to act."

Mr Savage said after three big acquisitions in the past few years, Haggie was unlikely to do more deals in the recent future. He said the company was not necessarily acquisitive by nature.

In the past four years we have deliberately broadened the base of the company. Previously we were too dependent on copper and the mines. Samuel Osborn, the C W Wire, Macdem and Chloride acquisitions will change all that.

Once this deal is consummated, we shall settle down and streamline the enlarged organisation.

He said there was "masses of room for development" in Macdem and Chloride.

Mr Savage confirmed that Haggie was benefiting not only by its new acquisitions at the moment but particularly by the copper market.

This made its exports more competitive and more profitable and imports were rendered less competitive. Engineering subsidiary, Samuel Osborn, he said, was "coming up tops."

COMMENT: The share moved from 45c to 55c in three days before suspension.

This calls for an investigation and some action from the JSE for a change.

The company's recent history and a lot of speculation in the share in past six months make a valuation on fundamentals difficult for an outsider.

The suspension price is 9.7 times earnings and gives a dividend yield of 3.6%, so was clearly partly speculative.

And last year's figures, depressed by a plunging lead price, are not "typical."

With lead prices floundering, growth expected in the mining and motor markets and a promising new miners' cup battery about to contribute to profits, the company was looking for earnings and dividend growth in the current year.

After the 23.5% earnings decline last year, it would be disappointing if Chloride did not at least equal 1995's earnings of 70.3c in the current year. The suspension price is 7.4 times this figure.

A graph reflects that Chloride has reached a high of 75c in the past three years but 47c has been roughly a "normal" level.

Because all the minorities are sought, a good premium should be paid to minorities. One might hope for 60c - a 25% premium on the "normal" price of 47c.
12% steel price rise will not cover costs, say producers

By GERALD REILLY
Pretoria Bureau

AN average increase in the steel price of 12% was announced in Pretoria yesterday by the chairman of the South African Rolled Steel Producers Co-ordinating Council, Mr P.F. Kotzee.

He said that unfortunately the price hike was inadequate to offset the rise in the input costs experienced by the industry during the past twelve months.

Mr Kotzee said the current 15% inflation rate gave some indication of the way prices in general were increasing.

As far as the steel industry was concerned, however, there were — in spite of considerable productivity improvements — a number of factors which caused production costs to rise more steeply than the general rate of inflation, particularly with the ore and coal-based manufacturers.

"In addition, there has also been a backlog because of cost increases which could not be met from the previous steel price increase in June 1980."

Mr Kotzee said these high cost increases were due mainly to uncontrollable rises in the prices of coking coal, railage and refractories, whilst salary and wage adjustments also had to be made for the steel industry to remain competitive in the labour market.

The average price of purchased coking coal, of which Iscor at present bought some 4.5 million tons a year from the private sector and which constituted the most important cost element after salaries and wages, rose by about 28% in the past year. There were indications that it may show a similar increase in the current year.

The cost of railage on Iscor's raw materials increased by an average of 18.5% on April 1, 1981, after it had been raised by 29.7% a year before.

Mr Kotzee said these increases were considerably higher than the average rate of inflation and also exceeded the average increases in railway tariffs, since the railways levied above-average increases on the transportation of raw materials in the past few years.

The effect on Iscor's cost structure was evident from the fact that railage at present represented about two-thirds of the delivered cost of Sishen iron ore at the Newcastle works.

Labour, railage and coal purchases, together with refractories (18.0% increase), contributed about 30% of Iscor's total input cost.

For the other half of the input costs the increases were, on average, in line with the current rate of inflation.

"Steel producers are in sympathy with the Government's efforts to fight inflation to which it lends its full support. Requests for price increases are consequently kept within responsible limits."

However, the industry was concerned that too low a domestic steel price would have a detrimental effect on its profitability and capital formation, and eventually, therefore, on the economy as a whole.

The steel industry was constantly trying to offset the effect of cost increases by increased productivity.

In Iscor's case the National Productivity Institute found that over the three years from 1978-79 to 1980-81, overall productivity improvements of approximately 5% a year in real terms, had been achieved.

(continued)
Haggie negotiating equal share in Chloride

By DAVID CARTE

JOHANNESBURG — Haggie Ltd, the last expanding cable, wire, engineering and metals group, is negotiating an equal partnership in Chloride SA with Chloride UK, say Bar-
class and Standard merchant banks.

If a deal is clinched Haggie and Chloride UK will be 50/50 partners in the country’s biggest battery maker and minorities will be taken out. Haggie chief executive Mr Richard Savage told me yesterday this means Chloride will disappear from the lists of the JSE.

Mr Savage said the main attraction for Haggie in Chloride was its involvement in energy and that its profits in recent times have been related to Chloride’s involvement in that dependence on lead.

Haggie subsidiary, McKenzie held through Macdem, he said had experience and contacts in most metals that would be useful to Chloride.

Another obvious attraction is that Chloride like Haggie — which is owned 33 1/3% each by Anglo and Tencent — does much of its business with the mining industry.

Mr Savage said Haggie and Chloride UK were basically agreeable to the deal and the major question mark overhangs it now was Reserve Bank permission. He said an announcement would be made on Wednesday.

Chloride would obviously want to remit as much of the proceeds in commercial and the rule is that it can remit post January 1975 distributable reserves in commercial and not have been suspended but when we saw the price starting to move we had to act.

Mr Savage said after four big acquisitions in the past four years Haggie was unlikely to do more deals in the near future. He said the company was not inordinately acquisitive by nature.

In the past four years we had deliberately broadened the base of the company. Previously we were too dependent on cables and the main Samuel Osborn Th & CW Wire Macdem and Chloride acquisitions will change all this.

Once this deal is consummated we shall settle down and streamline the enlarged organisation. He said there was massiveness of room for development in Chloride.

Mr Savage confirmed that Haggie was benefiting not only in its new acquisitions at the moment, but particularly by the softer rand.

This made its exports more competitive and more profitable and imports rendered less competitive. Engineering subsidiaries, Samuel Osborn, he said, was “coming up tops”.

The share moved from 45c to 53c in three days before suspension. This calls for an investigation and some action from the JSE for a change.

The company’s recent history and a lot of speculation in the share in the past few months make a valuation on fundamentals shunt all for an outsider.

The suspension price is 97 times earnings and gives a dividend yield of 3.6%, so was clearly partly speculative.

And last year’s figures depressed by a plunging lead price, are not typical.

With lead prices hardening growth expected in the mining and motor markets and a promising new miners’ cup battery plant about to contribute to profits the company was looking for earnings and dividend growth in the current year.

After the 22.5% earnings decline of last year it would be disappointing if Chloride did not at least equal 1990’s earnings of 70c in the current year. The suspension price is 7.5 times this figure.

A graph reflects that Chloride has reached a high of 750c in the past three years but 45c has been tough on a mean level.

Because all the minorities are sought, a good premium should be paid to minorities. One might hope for 600c — a 26% premium on the “normal” price of about 475c
where everybody and everything was interacting, inter-related and inter-dependent. The individual, the family and the group were completely interwoven and integrated into the creation in its totality. One could call such a society theocratic. Because the pivot of everyday is the creator and the Creation Principle. In such a society there is an inevitable necessity that all activity and conduct be regulated by both the individual and of the group, i.e., a definite ritual or ceremonial convention and content.

What is seldom recognized is the extent to which White South Africans, too, are immersed in this philosophy. Bodenstein (1976) also describes this "enlightenment" which he calls "coming into" the culture. He says: "This was the crossing of an existential watershed, when I spontaneously and irreversibly realized that my tenacious identification with the sense of being a Westerner had undergone a metamorphosis into the new dimension of being African. It turned out, that by embracing and being embraced in the extended Africa identity, one is privileged to participate freely of that liberating sense of dignity in oneself so peculiarly African. This wholeness, in its perfect state, knows not the fragmenting and negating dichotomy between worlds material and spiritual, between the individual and society, or between man and the universe. It is this wholeness and healing praeval vision, which is perhaps the most precious heritage of Africa."

3 EXISTING MENTAL HEALTH SERVICES IN SOUTH AFRICA

South Africa is, to be understood as a dynamic country, also in the sphere of mental health services. From humble beginnings early in the 19th century, these have developed very gradually until recently. (from 1974 - 1975). The first mental health society was

founded in the town in 1913, the Verein der Gesundheitswesen der Republik der Völkermacht. In 1923, the Verein in Sophiatown provided mainly custodial care until 1923. Since 1920 and subsequently, commissions of inquiry were appointed, which brought about a renewal in mental health in South Africa. The introduction of psychiatric and psychological services into the structure of South Africa's Department of Health led to a new, more rational approach. Mental health services could now be handled more efficiently and effectively. Today, the emphasis is on the needs of the individual rather than just the treatment of mental illness. Services are provided in a variety of settings, including hospitals, clinics, and community health centers.

In the years to come, the focus of mental health services will continue to evolve, with a greater emphasis on community-based care and prevention. The goal is to provide accessible and effective mental health services to all, regardless of their socioeconomic status or background. This will require ongoing investment in infrastructure, training, and resources to support the delivery of high-quality care. Through these efforts, South Africa can strive to ensure that all individuals have access to the mental health services they need to lead healthy, fulfilling lives.
Local tubing plant will cut imports

By Andrew McNulty

Imports of stainless-steel tubing costing more than R12 million a year will be replaced completely by a new plant to be established at Krugersdorp by Stewarts and Lloyds and Macdon.

A new company, Salmac, has been established for the venture for which capital investment is R5 million, plant and buildings will be R5 million.

S & L's group marketing manager, Louis Frantzen, told Business Times that total output will be 1,000 tons a year when the plant is fully on stream by mid-1982.

Establishment of the plant involves imports of machinery from Germany, and renovation of an existing, smaller S & L tubing factory at Vereeniging, which produces stainless tubing up to 75mm.

The new plant will produce in sizes up to 300mm.

The expansion has become possible as a result of the local manufacture to start early next year of cold rolled flats by Southern Cross, which will replace imports of the raw material.

Mr Frantzen says growing long-term demand for stainless-steel tubing is expected for use in sophisticated new plants in the chemical, syngas, sugar, motor and fishing industries.
3.

Is any change necessary?

Apart from the fact that two new drugs are on the market, is there any need for change?

Points worth considering are:

(i) the escalating costs of hospitalisation;
(ii) shortage and cost of highly trained staff, together with their employment at their highest potential;
(iii) the high cost of disability awards, pensions and unemployment payments (Table 3);

(d) duties necessary to a clinic service, unlike a hospital, can receive better attention.

Variables.

When assessing the value of intensive, short-course therapies it would be foolish to be dogmatic at this juncture. All that one can assess is the merit of the I.S-C. Ts as against the older, standard regimens.

Here again it must be emphasised that a comparison of drug, purchase price is a minor factor in the overall picture. (Tables 1 & 3).

For more expensive are the salaries and pension contributions of the staff employed, whether by a hospital or a clinic (Table 1).

From this it follows that any regimen that cuts down the time and numbers of patients being handled is of immense value, but it is difficult to put a figure on necessary, supervised therapy in their homes or at work, and the relapse, re-treatment rate has fallen to the order of around 1%.

Radiographs need be far fewer; and in one area they have dropped from 30 000 per annum to 23 000. This alone, at a cost of, say, R1,00 per film pays for the Rifampin (rifampicin) of 337 patients, 42% of the annual need.

The Financial Status of Tb. patients

As indices could not be obtained from the Labour
Africa, we have devoted very inadequate time and attention to the development of a strategy of our own that is in line with the needs of local cultural and value systems. We accepted the unfortunate view that what is good for Europe and America is good enough for us in Africa. This approach, of course, led to an energetic expansion of our services while we struggled in a heroic fashion to bring these services in line with norms and standards as we knew them from travelling abroad. This approach may be - even if only partly - recommendable and applicable when it comes to those on the Westernised end of the scale in the dichotomy of acculturation, but what does it offer to those who by circumstance or deliberation find themselves at the other end of the scale?

Acceptance of the medical model in mental health services leads us inadvertently to accept a body-mind dichotomy. This dichotomy is already apparent in the meaning of the word disease. The medical doctor's domain is the body, while the mental health team is expected to see to the 'mind problems' of people. This fragmentation is even carried further into the mental health field, where the psychiatrist, the social worker and the pastoral counsellor, all attend to certain needs of the same patient, while they still struggle to find each other so as to be able to work together as an integrated team.

Another innate question-mark in our present system is that the medical model carries with it a rigorous tradition of subjecting to proven scientific method. This leads to a negative attitude towards lay workers and especially towards traditional healers, who try to move into the area which medical science claims as its monopoly. Of course, we know of the limitation and the disregard of the traditional medicine systems for the scientific methods and research with its unrelenting discipline.

healing. It comes to have a lot to do with the extent psychiatry practitioners have exclusive access to.

For the people, the ancestors: fact which gives an idea why things health approach and even local. In a medical context, system medical care, community patient-specific care, we have offer.
Bus industry in favour of Atlantis project

THE South African bus industry has expressed its full support for the Atlantis Diesel Engine project despite the fact that a large number of bus operators will experience an increase in their operating costs.

Speaking on behalf of the bus industry, Dr Gerrie Prinsloo, executive director of the Southern Africa Bus Operators Association (Sabo), said that the project was of strategic importance to South Africa and therefore the bus industry fully supported it.

"Although a large number of bus operators expect an increase in their operating costs due to somewhat more expensive locally sourced engines and components, they still support the ADE project because they realise the importance of local supplies to ensure future stability," he said.

Another reason for the support coming from the bus industry was the fact that the industry, itself operated on a tight budget and in itself was also of strategic importance to the community.

"The reason why support is exercised is that, although crises may occur, the operator is less liable to experience shortages of engines and allied equipment due to the distance between the source of supply and the ultimate user," he said.

According to him, the question of replacement units must still be solved, but his industry was hopeful that a solution would be negotiated which would benefit all parties concerned.

"Sabo will endeavour to keep in touch with ADE, and it is envisaged that the engineering sub-committee of Sabo and Atlantis will meet on a regular basis to ensure feedback from the operational side directly to the manufacturing side.

"This will help to solve teething problems as quickly as possible," he said.
First ADE parts

Industrial Reporter

THE FIRST consignment of engine replacement parts from Atlantis Diesel Engines (ADE) has been delivered to Leyland SA. ADE has started parts delivery about six months ahead of the production of engines from its R180-million plant in the Cape.

III: NO Award
II: A R Law Keen
I: N D G Sessions

Consortia of Building Contractors' Prize

I, II and III in order, Fourth a Fifth year respectively.

For the best student in the course of Building Economics, I, II and III in the third, fourth and fifth years respectively.

For the best student in each of the courses of Building Economics, I, II and III in order.

For the best student obtaining the highest marks in a professional practice.

For the student obtaining the highest marks in a professional practice.

The Committee of the Western Province.

P C Key.

In any year of study.

Bell-John Prize

(continued)
The strike is the biggest to hit the East Rand area for some time. Unions say the area could develop into a key centre of worker militancy.

A Salcast spokesman confirmed the strike had occurred and that the company was now talking to union shop stewards on the wage issue.

He said Salcast had been dealing with Mawu on "domestic issues affecting their members" for about a year. There is, however, no formal recognition agreement between Salcast and the union.

According to an union source, management agreed to pay strikers for the period they were on strike, but the company spokesman said he was not aware of this agreement.

The dispute began when management announced to workers that the new industrial council agreement was coming into force and that workers would be receiving increases.

Workers apparently became angry when they learned that, in terms of the agreement, some of them would be receiving 25c an hour more, while others would be getting 15c. They demanded that all receive a 20c rise.

Mawu has not applied to become a party to the industrial council and was therefore not involved in the negotiations that resulted in the agreement.

On Friday morning, foundry workers walked out, leaving hot metal in the furnaces. They were later followed by the rest of the workforce.

According to Mawu, management was originally unwilling to discuss the issue, arguing that Salcast was bound by the industrial council agreement. Later, however, the company agreed to discussions with union representatives.
2 000 quit

in Benoni

Labour Reporter

About 2 000 employees of a Benoni smelting firm stopped work yesterday over wage demands with management.

The workers had called for equal wage increases in terms of an Industrial Council raise for the industry which came into effect this month.

Under the Industrial Council agreement, some categories of workers would receive 26c an hour increase and others 14c.

Workers had demanded all employees receive the 26c increase and stopped production at the plant yesterday morning.

A Strong

subject of building construction.

For the second best student in the

C M von Duing

subject of building construction.

For the best student in the

$ A brick association prize

III: No award

II: A R low Keen

I: D C Spesshake

Mr. Swart

Professional Practice.

The highest marks in

Surveyors' prize

Cape Chapter of Quantity

The Committee of the Western

P C Key

in any year of study.

For the best all-round student

Bet-John prize

(continued)
Springs workers stay out

BY MAWAKHE DUZAANA

WORKERS at the Telephone Manufacturers of SA who went on strike on Monday after a production dispute said at a meeting in Kwa-Thema, Springs, that they would not go back to work until their problems have been solved.

Disregarding this decision, a management spokesman said yesterday morning that all the workers were back at work as 90 percent of their problems had been solved.

Workers at Department 70 of the company downed tools in protest against the 'high percentage of work — up to 150 percent per week' — demanded from them by management. They demanded that the situation be reversed to a normal 100 percent work production as the 150 percent production was overloading them with work and they could not manage.

They also claimed they feared they would be expelled if they did not meet the new 150 percent production demanded from them.

At the meeting, which was attended by members of the Metal and Allied Workers Union, a black instructor also came under fire from colleagues who claimed he was reporting them and telling the management that they were lazy.

The company's spokesman said there were minor problems which had been ironed out and that the workers were back at work yesterday morning. He did not want to comment about the alleged 'high percentage production' the workers protested about.
Two Ministerial officials who were absent from work for more than three days were dismissed from their positions. The officials, who had been absent due to ill health, were notified of their dismissal on January 19. The decision was made after an investigation into their absence. The officials had been on leave for a total of six months, but it was decided that their leave had to be terminated. The officials were told that their employment would cease immediately. They were given a period of two weeks to clear their desks.
CHUBB

Safe growth

Activities: Manufactures and supplies safes, locks, alarms, security systems and fire-fighting equipment. The UK parent, Chubb, holds 71.7% of the equity.

Chairman: C A Larke; managing director F G W Sutton.

Capital structure: 4.2m ordinaries of 50c Market capitalisation R10.0m.


R1.5m, net short-term. R1.5m debt equity ratio 38.4%. Current ratio 1.5. Group cash flow R3.0m. Capital commitments R684,000.

Share market: Price 240c (1980-81 high, 285c, low. 150c, trading volume last quarter 45,700 shares). Yields 18.1% on earnings, 7.8% on dividend cover 2.0. PE ratio 5.2.

<table>
<thead>
<tr>
<th></th>
<th>'78</th>
<th>'79</th>
<th>'80</th>
<th>'81</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover (Rm)</td>
<td>184</td>
<td>204</td>
<td>240</td>
<td>310</td>
</tr>
<tr>
<td>Pre tax profit (Rm)</td>
<td>15</td>
<td>12</td>
<td>22</td>
<td>30</td>
</tr>
<tr>
<td>Gross margin (%)</td>
<td>98</td>
<td>76</td>
<td>102</td>
<td>110</td>
</tr>
<tr>
<td>Earnings (c)</td>
<td>22</td>
<td>17</td>
<td>33</td>
<td>46</td>
</tr>
<tr>
<td>Dividends (c)</td>
<td>15</td>
<td>13</td>
<td>18</td>
<td>23</td>
</tr>
<tr>
<td>Net asset value (c)</td>
<td>166</td>
<td>172</td>
<td>186</td>
<td>273</td>
</tr>
</tbody>
</table>

In spite of the heavy competition Chubb faces, the group has increased market share and, says chairman Charles Larke, the order book for the current year is "outstanding".

Turnover rose 30% to R3.8m in the year to March 31 1981 and operating margin improved from 10.2% to 11.0%. Pre-tax profit increased to R3.0m (R2.2m). A turnaround was experienced in the Zimbabwe operations, where previously contributions were reduced by deteriorating conditions in that country. But there has been a fall-off in sales in the alarms division since the end of hostilities. Contributions represented only 1.0% of pre-tax profits at R196,000 (R234,000).

The local alarms division has also suffered strong competition from "inexperienced newcomers" and a severe shortage of competent electronics technicians. However, Larke sees alarm and fire-protection as major growth areas and strategy is directed towards that.

The fire division increased turnover "substantially" and profits were satisfactory but tight margins in fire-engineering kept profit growth down. The contribution to pre-tax profit was static at R364,000 (R363,000).

The physical security division made the biggest contribution to profits, rising 56% to R2.5m (R1.6m) or 22% of pre-tax profit. The lock and safe company maintained its dominant position in the heavy security field and increased penetration in the consumer area.

The debt equity ratio has dropped from 33.4% to 28.0%. Constraints on borrowings due to the foreign control in Chubb SA has kept debt equity down. This could change during the current year as the limit has been raised since the year-end.

The tax rate rose 2% to 37%, as the group has some tax allowances. Provision for tax was reduced by exports and investment and decentralisation allowances.

Dividend cover, 2 times, was maintained and the directors plan to continue this policy. Earnings could rise 20% to 55c in spite of the economic slowdown and a 27.5c payout would then be on the cards.

The prospective yield of 11.5% is a reflection of market sentiment and Chubb's fairly erratic earnings record.
The dispute at the Select smelting company in Reno — where about 2,000 workers staged two brief stoppages in the past week — remains unresolved, despite talks between management and the Metal and Allied Workers Union.

The stoppages were sparked by the workers' rejection of the differential minimum wage rates in the new metal industry agreement effective from July 1. They wanted the 25 cent increase for higher categories of work extended to all workers.

Select management stated today the minimum wage at the company had risen 21 cents an hour since March — an increase of 23 percent — and that further across-the-board increases were "out of the question."

The demands had been prompted by the promotion of 36 black employees into higher-skilled jobs in the past year. "Select management feels that employees who have been advanced will get higher rates of pay and consequently higher increases," the firm has stated.

Workers received an attendance bonus which was not a statutory requirement and the company would review the allowance for those on the lowest grades who work in difficult conditions.

Talks with the union would be resumed.

Student of Architecture Prize

Helen Gardner Travel Prize

For the best student in:

G O T A R C H I T E C T U R E

FINE ART & ARCHITECTURE
**Strikers back at work**

By SELLO RABOTHA

Workers at Solcast in Dunswood, Benoni, who went on strike over a dispute over wages have since gone back to work, although their demands have not been met as yet.

Talks between the Metal and Allied Workers Union (Mawu) shop stewards and the Solcast management have not as yet brought a settlement. Management said that it felt the demands were unjustified and unrealistic.

The workers are demanding that the metal industries statutory minimum increase of 14 cents an hour implemented on July 1 should be increased to a minimum of 26 cents an hour.

A statement released by Solcast said that over the past 12 months 36 black employees were promoted to higher skilled jobs and received the higher wage increase of 26 cents an hour, which applies to the higher job grade.

Since March, the minimum wage has risen a total of 21 cents an hour, an increase of 21 percent. A further across the board increase is out of question.

In addition to the base wage Solcast management voluntarily pays an attendance allowance of an additional 8 cents an hour over and above the minimum rate.

This is as a result of the management policy and is not in any way a statutory requirement. Solcast are advancing employees at all rates as a result of the policy of promotion from within and it follows that employees who have been promoted to higher jobs will get a higher rate of pay consequently a higher increase.

The work stoppage caused by the loss of one shift on Friday night and half the shift on Monday last week is Management agreed with employees that although the shifts had not been worked, the employees who were at work would be paid.

Some employees complained that the jobs, which required them to work in poisonous conditions were the lowest paid.

A Mawu spokesman said talks were still being held with Management and that the workers believe that their demands were justified and realistic.

At the time of going to press, the meeting was still on and a statement is expected today.
BENONI — The 2000 smelting factory workers who went on strike last week returned to work on Monday with their wage dispute unresolved.

The workers employed at Salcast in Benoni had objected to new Industrial Council wages not being extended equally to all employees.

In spite of their return, the workers are still pressing for talks over wage increases. However, a spokesman of Salcast said all was well and the dispute was settled. — Sapa.
Sharp drop for Dunswart

Financial Editor

DUNSWART Iron & Steel suffered a sharp drop in earnings a share for the half-year to June 30, mainly because of the effect of a hefty increase in the number of issued ordinary shares.

The company has, however, maintained the interim dividend at 9c on more than doubled capital.

Earnings were down 39.5c to 15.3c a share.

Genoic, which has a 71.4% stake in Dunswart, last year exercised options which meant that the issued ordinary shares rose from 4,000,000 to 11-million.

On a weighted average basis earnings in 1980 were 69.4c, but based on the year-end issued share position were 41c.

Gross operating income was actually up in the first half of this year from R114,000 to R348,000.

A much bigger tax slice, however, caused a drop in net profit to R1,668,000 from R1,912,000.

The directors say, "A selling price increase of approximately 13.5% on the company's range of products was granted by the Government on July 3.

"Local market conditions are expected to deteriorate during the second half of the year."

The company will adopt the KPA accounting method for the valuation of raw materials and finished goods at the end of 1981 which will result in a material adjustment to income for the year.

COMMENT Neither the world economy nor the domestic economy look particularly encouraging for Dunswart.

The company will be hard pressed to maintain last year's 15c total dividend on the increased shares.

At a price of 150c, however, a respectable prospective dividend yield is possible for the share even if the payment is slightly reduced.
QUANTITY
SURVEYING
(Continued)

Bell-John Prize
For the best all-round student
in any year of study.
P C Key

The Committee of the Western
Cape Chapter of Quantity
Surveyors' Prize
For the student obtaining
the highest marks in
Professional Practice.
P R Swift

LTA Prizes
For the best student in each of
the courses of Building Economics I,
II and III in the third, fourth &
fifth years respectively.

I : N D G Sessions
II : A R Low Keen
III: No award

S A Brick Association Prizes
For the best student in the
subject of Building Construction.
C W von During

For the second best student in the
subject of Building Construction.

K Stranga
A. van Rosneveld.
Third Year.
For the best work in
John Perry Prize.

D. H. Pyece Lewis.
Year.
For the best work in Fourth
Obouron Prize.

S. Read.
For the best first year student.
General J. B. Hertzig Prize.

D. H. Pyece Lewis.
of Professional Practice.
Surviving (in the subject
Architecture (or Quantity
For the best student of
David Haddon Prize.

Miss C. Tredgold.
In this year.
For the best woman student
Molly Cohe Memorial Prize.

P. A. Rapport.
1st, 2nd and 3rd major courses.
Satisfactory completed
For a student who has
Helen Gardner-Howell Prize.

P. F. Dunckley.
Sixth Year.

For the best student in:
- Cape Provincial Institute
  of Architecture. Prize
- Fine Art & Architecture
The cost of this increase in employment was borne by the workers themselves. The company's management had negotiated a 10% wage increase for all workers. However, the workers were unhappy with the company's decision to lay off some workers. Management claimed that the plant was underutilized and needed to be downsized.

The workers, on the other hand, argued that they had been working overtime to meet the demand for their products. They said that the 10% increase was not enough to cover the increased costs of living and that the layoffs were unfair.

A strike was called by the union, and the workers shut down the plant for four days. During this time, the company lost a significant amount of revenue. Management threatened to lay off more workers if the workers did not return to work.

Meanwhile, a strike at another plant was also called. The union and management were negotiating a settlement, but the talks were going nowhere.

The strike at the plant continued for another week, and the workers' demands were not met. Management threatened to shut down the plant if the workers did not return to work.

The workers were determined to fight for their jobs and their union. They believed that their efforts would be rewarded with a fair and just settlement.
Only ADE will be accepted

Industrial Reporter
TRACTORS fitted with engines not made by Atlantis Diesel Engines (ADE) would definitely not be exempt from protective duties, ADE managing director Mr Hartmut Beckarts said yesterday.

Mr Beckarts said Press reports might have given the impression that non-ADE engines could be made in SA and used to power agricultural tractors, and thereby escape duty.

The Government has caused an effective monopoly for ADE engines by ruling that only tractors and commercial vehicles fitted with ADE engines will be exempt from a duty to be levied from October 1 this year.

The rationale behind the legislation is that it is in the national interest to have a self-sufficient diesel engine project. Speculation in the Press that some categories of non-ADE engines might be exempted from duty centred on the fact that ADE will not immediately be able to supply engines covering the full range of diesel power.

But Mr Beckarts said such speculation might have an adverse effect on the attitude of ADE customers.

"Such reports are viewed with concern by ADE's customers as they give rise to speculation in the market which may prejudice manufacturers who have given ADE their wholehearted support," Mr Beckarts said.

"I therefore wish to reiterate that the Atlantis Diesel project was launched on the unequivocal decision by the Government that tractors and commercial vehicles will only be exempt from the protective duties to be imposed if they are fitted with engines within the power range manufactured by ADE."

He said the motive behind the Government's duty decision was the elimination of the disadvantages of excessive model ranges by only approving the establishment of a single production facility.

"Fragmentation of the market could only lead to increased costs," he said.

K Strong
subject of building construction.

For the second best student in the
C W von Duing
subject of building construction.

2 A brick association prizes
III
II
I

A R low keep
N 0 Sessions

Five years respectively.
II and III in the third, fourth and fifth years of the course of building economics.

I A prize
L

P R Swift
professional practice.

For the student obtaining the highest marks in

Supervisors prize.

Cape Chapter of Quantity Surveying.

The Committee of the Western

P C Keer
in any year of study.

For the best all-round student
Bet-Joeph prize

quantity (continued)
But Diagonal Street may be overlooking the fact that the sectors in which GIC operates are still growing strongly as the economy has moved into a capital investment phase. Orders on hand are up on year-ago levels and enquiries remain buoyant, the company reports. So the current 35c share price seems an unfair reflection of the earnings and dividend prospects over the next year, despite expected continued weakness in the market tone.

In the year to end-March 1981, turnover rose 51.2%, while trading profit advanced 73.5% to R9.1m as operational gearing swelled margins. The best performances came from Elga Engineering, which recorded an "outstanding performance" as sales of metal forming machine tools made by the company rose strongly.

Elga and fellow manufacturing subsidiary, Strip Steel, are undergoing capacity extensions. To finance this, GIC has arranged a R1.6m five-year loan at 7.5%. The balance of the R2.1m capex will be funded internally and, given GIC's low gearing and high short-term liquidity, dividend potential should not be impaired.

34% increase in creditors, a small increase in short-term borrowings and a higher dividend liability.

Other than to affirm that GIC has entered 1981 with a larger order book which should produce "another good year," no forecast is offered. But even assuming 20% growth in earnings this year, the lower side of market expectations for better companies, GIC could report attributable profit of 50c and a dividend of 38c.

On this basis the share yields a prospective 9.9% — which has definite medium-term income attractions.

*Des Adlaien*
STEEL

Private enterprise vs the

Anglo American’s Highveld Steel is hitting state-owned Iscor where it hurts: its policy of entering steel markets, in which Iscor can more than meet local demand, is paying off — at Iscor’s expense.

Highveld is successfully marketing steel sections and plate — although Iscor has over-capacity to produce these items. Its latest challenge to Iscor will be in hot rolled strip steel.

iscor acknowledges the threat, and marketing GM Nols Olivier offers a possible explanation for Highveld’s success so far.

“Anglo American controls large sectors of the steel consuming market and therefore commands a captive market for Highveld, which is also in the group.”

“When every likelihood that Iscor will lose sales to Highveld after the commissioning of its hot strip mill.”

Highveld’s new mill should start producing between 200 000 t and 400 000 t of steel a year by 1984.

Highveld MD Leslie Boyd is confident he will be able to sell it all at a profit, although Iscor says it can supply local demand with “handsome surpluses” for the next decade at least. It estimates its own surplus hot strip capacity at 642 000 t a year in 1992/93.

Another reason why Iscor could lose sales, says Olivier, is that “there is a tendency for customers not to put all their eggs in one basket if there is more than one supplier.”

This must be a powerful factor working in Highveld’s favour, because steel merchants and steel users praise Highveld for its ability to supply at relatively short notice.

“Iscor is a faceless giant,” says one, “and although it undoubtedly has the physical capacity, it loses sales opportunities because orders get tied up in bureaucratic red tape. Highveld is more flexible and this could also be partly due to its smaller size.”

Olivier says that in times of oversupply, private sector companies concentrate on the more lucrative local market, leaving the burden of exporting at uneconomic prices to Iscor.

This does not quite square with the facts. In the years since 1976, Highveld’s exports have accounted for 49%, 42%, 43%, 29% and 22% of its total sales. In the same period, Iscor’s exports accounted for 19%, 30%, 38%, 37% and 32% of its total sales.

Highveld seems to be out-marketing Iscor on overseas markets as well. Far from complaining about their being uneconomic, Boyd claims that his steel sales abroad have, on average, been profitable.

“In some cases we have made even more money on consignments sold overseas than we would have made had they been sold on the local market,” he says.

“And we also foresee profitable export sales of hot strip.”

Highveld’s plan to go into hot strip steel were no doubt prompted by the need to take up its extra iron-making capacity which is soon to come on stream.

To the 10 pre-reduction kilns and six submerged arc furnaces already in operation, it is adding three more kilns and one larger furnace. This should provide enough iron to boost its steel mill production from the present level of 800 000 t a year to 1.1 Mt a year by 1984.

Isocor sold 5.5 Mt of steel during 1980. Of this, 3.8 Mt went to the local market, which consumed a total of 5.1 Mt, an increase of 18% over 1979.

Iscor expects local demand to drop by 1% to 5.0 Mt this year, and a further 2% to 4.9 Mt next year.

But, in spite of this small drop in demand, it is still all systems go for Highveld.
BUT STRIKE AT HENDLER GOES ON

Soweto (7/8/81) 189

MORE than 200 Soweto workers at Hendler & Hendler in Boksburg, who went on strike on Wednesday over wage demands, have not yet returned to work.

They downed tools on Wednesday after a demand for a wage increase of 90c an hour. The workers are now getting R1.38 per hour.

Yesterday, they refused to go back to work and left the plant, saying they will only return today to collect their wages, and will not work until their demands are met.

About 90 percent of the Hendler workers are members of (HAWU).
Returning strikers won't work overtime

Strikers gather outside Hendler and Hendler in Boksburg, where 1,800 workers have downed tools to collect their pay.

BY STEVEN FRIEDMAN
Labour Reporter

AT ONE of the biggest worker meetings held on the East Rand in recent times, strikers at Hendler and Hendler, Boksburg, agreed to return to work on Monday, but to refuse to work overtime until the company met their wage demands.

Meanwhile labour unrest continued to grip the East Rand yesterday and, in other developments, about 300 strikers at a Boksburg firm, Renson, were fired and there were reports of unrest at the EMI factory near Alberton.

There have been five stoppages on the East Rand in the past two weeks.

At Hendler and Hendler, 3,000 strikers are demanding a wage increase over and above that granted in the metal industries' industrial council agreement returned to work yesterday, according to a company spokesman.

Yesterday, about 1,000 strikers attended a meeting in Benoni and accepted a recommendation from union shop stewards that they return to work on Monday.

But the meeting resolved not to work overtime until management granted an additional increase.

Later strikers returned to the factory to collect their pay. They were handed a company notice which said they were striking "illegally" and added:

"You have hereby dismissed yourselves from the company's employ."

But it said workers would be given their jobs back if they returned by 7.15 on Monday.

At Renson, where workers struck on Wednesday following a dispute over an increase in July, General Manager Mr Ron Lutke said the company had terminated the services of the 300-odd workers involved. "They dismissed themselves by striking," he added.

At EMI, management refused to comment on reports of a stoppage. But a source in the company said: "We had some trouble which has been cleared up."

(continued)
One strike ends in strife-hit industries

By Drew Forrest

Hundreds of striking food-stamping and jam-making metal workers from six factories — Hendler and Hendler in Boksburg and Hendler, Hendler and Hendler in Brackenfell and Boksburg — voted at a meeting yesterday for a provisional return to work after the weekend.

But Labour unrest is believed to have spread to the nearby Langenberg Canning Factories — the fourth Boksburg company to be hit by strike action in a week.

Worker sources reported that about 500 of the shift workers at Langenberg walked out at lunchtime yesterday over a pay demand. Confirmation could not be obtained from management or the African Food and Canning Workers Union which represents the workers. It is part of a conciliation board agreement with the Langenberg group.

RETURN

The Hendler and Hendler workers decided on a provisional return to work after a four-hour emotion-charged meeting in Actionville with the unions of Food, Meat and Allied Workers Union (Amcu).

The debate — punctuated by cries of “Amadiba” (power) and “Sisimane” (unity) — centered on whether to go back before or after next Tuesday’s meeting between management and company directors.

About 2000 workers struck at the enamelsware manufacturing company on Wednesday. Their original demand for a 50 cent an hour increase in addition to the 14 cent minimum wage increase under the industry’s tripartite agreement has since been reduced to 29 cents.

It was finally agreed to return to work on Monday pending the outcome of negotiations.

SACKED

Meanwhile, at the Boksburg wood factory — 260 in Boksburg — about 270 workers who struck on Thursday for a 15 percent pay rise have been fired. The general manager, Mr. Ron Lucker, said they had ignored a return to work deadline and would be paid off next week.

A spokesman for the Fasatu-affiliated Paper Wood and Allied Workers Union, said the union had been consistently denied access to the plant, despite having strong support there.
Davy McKee for R800-m project

DAVY McKee of Stockton-on-Tees, a UK-based, Davy Corporation, engineering and construction company, has been appointed to provide the project and construction management services for the mammoth mill to be built for Sappi at Ngodwana in the Eastern Transvaal.

Davy McKee will also be responsible for coordinating all the engineering of the plant.

The project involves an investment of some R800-million before 1988 and is one of the largest single undertakings by private enterprise in South Africa as well as being the largest single paper industry project currently underway in the world.

Davy McKee will act in all phases of the work from initial site clearance to construction and dry commissioning of the complete complex including the provision of all the auxiliary services. The company's responsibilities will include:

• Co-ordination of work by specialist contracts and suppliers.
• Procurement of all plant and equipment including a power station in addition to all the process plant.
• Site management
• Supervision of the dry commissioning of the plant
• Hull and road connections
• Mains water supply systems including the construction of a dam
• Construction of houses.
• Administration office blocks.

During the early stages of the contract the Davy McKee project management team will be based in Johannesburg.

Later, it will move to the construction site at Ngodwana.

The contract was won in the face of stiff international competition.

Output from the new mill will raise Sappi's overall capacity from 650 000 tons to 860 000 tons of pulp, paper and tissue a year.

The expansion will take place in three phases and the first phase will see the commissioning of a machine to produce 140 000 tons of newsprint annually from mid-1983.

The second phase, the major part of the development, will add 260 000 tons per year to Sappi's capacity for producing unbleached pulp. Of this, 300 000 tons will be converted to bleached pulp.

This will be completed in 1986.

The third and final phase will be completed in 1988, and will add 150 000 tons a year to capacity for kraft liner and fluting.

1,200 canning workers strike over pay demands

Nightshift workers at the Langeberg cooperative canning factory in Boksburg have downed tools and the entire 1,200-strong workforce is now on strike.

About 800 workers on day shift struck on Friday and were told to leave the factory premises after talks between management and a committee of the unregistered African Food and Canning Workers' Union (AFCWU) had broken down.

The strike was the fourth to hit industry in Boksburg last week and, like the stoppages at nearby Hendler and Hendler and Bisonbard, was sparked by pay demands.

Langeberg is bound by a conciliation board agreement reached with the AFCWU's sister union, the coloured Food and Canning Workers' Union, and extended to black canning workers in Boksburg and other areas. In terms of this workers are to receive a 15 percent increase in October, which will bring the minimum weekly wage at Langeberg from R22 to R30.50.

The AFCWU recently approached the company for an interim payrise to counter cost of living increases — and it was this demand that workers took to management on Friday.

Workers have resolved not to work today but will return to the factory to await the outcome of negotiations.

At another East Rand factory, EMI in Steeldale near Alberton, about 60 warehouse workers are reported to have been fired on Friday after a four-day strike.
MORLITE, Mr. Jimmy Haslam's fast-growing listed engineering group, is negotiating another acquisition and shareholders have been urged to be careful in their dealings.

Mr Haslam said talks were still at the exploratory stage and said he would not like to see shareholders get too excited about the deal as that would be premature.

The proposed acquisition was "quite big and radical in principle."

Mr Haslam hoped the company would be able to make an announcement by the end of the week.

John Perry

D H Price Lewis

Year.

For the best work in Fourth

Osborne Prize

S A Read

For the best final year student.

General J B M Herzing Prize

D H Price Lewis

Of Professional Practice.

Surveying (in the subject

Architecture (or Quantity

For the best student of

David Haddon Prize

Miss C Treagold

In this year.

For the best woman student.

Molly Goal Memorial Prize

P A Hepworth

For the best achievement in course.

 Hector Garton Travel Prize

P F Donckley

Sixth Year.

For the best student in -

Cape Provincial Institute

FINE ART & ARCHITECTURE
Many calories have been displaced in heated debate on the Atlantic diesel engine. A prototype could have run for hours on all that energy.

As the ABE engine moves full production, the state's three major multiple truck manufacturers have taken opposing views on cost and progress. Now the farmers, who have to foot the bill, are starting to feel insecure.

Trucks are an important cost item in farming. They are also a better of some weight in the outcome price of unsold feed. The future of Atlantic and its engine are now at issue. Some people seem to think the engine doesn't fit in well with the industry.

From the policy framework of the ABE engine project there comes under a question mark after an announcement that apart from ABE engines, tractor firm will have to be set up. The project will be differentiable and rear axle.

According to Mr. R. B. Burt, managing director of ABE, the project is right on target.

"The first cylinder black machine mixing line was in operation, he said. Four of five assembly lines have been constructed and the production of all 45 engines had been completed and were in use.

Seven types of ABE engines were in current production, assembled mainly from components of other makes. The adaptable engine was delivered to the trailer makers industry.

On budget

The progress of the project was a white wall (not only within its engine) collection, and the ABE had still kept within its 1973 budget. Mr. Burt

Present had been looking at times, but he had decided to stick to the sinking fund. Mr. Burt already has the balance on the rise to 184, where the respected line was for completion of the project.

The Industrial Development Corporation was now working on a final stage of the project. A total of $3.5 million had been put into the project. The EMB and ALIST were still under construction.

The Industrial Development Corporation was providing most of the working capital. A total of $3.5 million had been put into the project. The EMB and ALIST were still under construction.

Mr. R. Burt, the managing director of ABE, who has been looking at the progress on the project, said that the line was due for completion in the next two years.

The project had been estimated to cost $3.5 million, which is already visible in the project's total cost. The balance on the rise has been a major concern.

At the outset it had been estimated that the project would be completed in 1973 and the balance on the rise has been a major concern.

The current engine is a 15-horsepower unit with an anticipated engine capacity of 400 cubic inches. The engine was to be added to the current 40 horsepower and 15 horsepower units made in South.
Rubber stamps keep PE’s repair harbour at bay

CONSTRUCTION of Port Elizabeth’s multi-million rand ship repair harbour, which was given the go-ahead by Dr Dawie de Villiers, Minister of Industries, in May, is being delayed “by the lack of a few rubber stamps from Pretoria.”

Henry Combe, managing director of the Algon Bay Dockyard Development Company, which is to develop the dry-docking facility, told the Sunday Express from Port Elizabeth that “nothing more can be done until we get those rubber stamps.”

“We have to get 800ha of agricultural land rezoned as industrial land,”

“Until that is done we cannot start final, detailed design of the facility. We have to know exactly where it must be sited,”

“Should we do the work, the position we choose to build the dockyard can be most costly.”

Combe said he hoped the “necessary rubber stamps” would be obtained when Parliament meets for its next sitting.

After they are obtained it will take another six to eight months before the detailed designs are ready and work can start.

Combe, who claims his company has all the necessary backing, was not prepared to say where it is coming from nor was he prepared to discuss the size of the backing.

In 1979, the dockyard will cost R20-million, but as Combe points out, prices have risen substantially since then.

“To arrive at what it will cost to build now isn’t simply a matter of multiplying the 1979 price by a factor. We will have to recount the whole operation, but cannot do it until we know precisely when we can start.”

“If we get permission (those rubber stamps) today, we can start tomorrow.”

Combe said the most costly item would be drydocking and sea preparation, but could not put a figure to it.

DELAY MEANS HIGHER PRICES

By ARNOLD DAVID

“A mistake of as little as 5m in the position we choose to build the dockyard can be most costly.”

The facility, which will be situated “north of Port Elizabeth,” will be able to take 350 000-ton giants in the drydock, which will measure 374m by 61m and smaller ships in the other, which will measure 256m by 47m.

“The rate of inflation which has hit all drydock services, Combe predicts a very high turnover for the yard when it comes into operation, which could be as early as 1982.”

A representative of a European dredging group who inspected the area returned to Europe only last week to work out a quotation.

The facility, which will be sited “north of Port Elizabeth,” will be able to take 350 000-ton giants in the drydock, which will measure 374m by 61m and smaller ships in the other, which will measure 256m by 47m.

Because of the “amazing” rate of inflation which has hit all drydock services, Combe predicts a very high turnover for the yard when it comes into operation, which could be as early as 1982.
No brake on French presence

Business Reporter

EDWARD L. BATEMAN, one of the leading engineering companies quoted on the JSE, has concluded an agreement with the multi-million rand French Valeo group to market fluid couplings and industrial disc brakes made by one of its subsidiaries, Same Industries, in Southern Africa. Same is not the only large French company to set its sights on expansion and the establishment of a presence in South Africa.

As reported in the Sunday Express on July 19, seven French firms will be exhibiting at Itec, the biggest transport exposition yet held in South Africa, which starts at Johannesburg's Milner Park showgrounds tomorrow.

Some will be showing their flag in this country for the first time - at a time when some of the hierarchy of the new socialist regime in France is making decidedly anti-South African noises.

However, as a French businessman pointed out in the Sunday Express of July 19, President Francois Mitterrand needs money to implement his policies and is not too particular where it comes from.

He did nothing last week to stop the export of the reactor for the Koeberg nuclear power station in the Cape.
R8-m contract for oil rig support tug

Argus Correspondent

DURBAN — Leading shipbuilders Dorbyl Marine have successfully negotiated an R8-million contract with Unicorn Lanes (Pty) Limited to build South Africa's first oil rig support vessel for use by Soekor.

The 'most sophisticated anchor-handling tug supply vessel' built here is due for delivery in December 1982. Its activities will include towing rigs to and from drilling locations off the South African coast, handling rigs, anchoring systems and transporting oil field equipment and materials.

Executive director of the non-liner division of Unicorn, Mr Michael Meehan, said it was a most significant development in shipbuilding in South Africa.

RECESSION

The contract comes at a time when shipbuilders, in spite of having orders coming in, are still battling to emerge from the recession which struck a few years ago.

Although Dorbyl appear to have been forerunners with the contracts for the Sea Fisheries research vessel Africana, being fitted out at present, two 1 and J fishing trawlers launched recently, an order for a Canadian trawler and the Railways order for four tugs, all being climbed at crucial times for the industry, Executive director Mr Dick Erass has said that the yard would in no way be running to capacity.

The supply vessel/tug will have a stipulated bollard pull of 100 tons.

The specifications of the ship, according to Mr Meehan, were chosen to suit Soekor's operating requirements and experience with similar vessels.

He said the latest improvements in technology would be included and the craft is expected to burn 1,500 seconds fuel compared with the higher grade fuels which most supply vessels burn.

Twin screws with propellers in fixed nozzles and two engines developing 3,000 bhp each will produce a speed of 14.4 knots.

A 206-ton towing winch is to be fitted to the 62 m long 1,060 dwt ship. Beam spread is 13 m and the draught will be five metres.

This is the 11th new building order placed in South Africa by Unicorn, eight of which have gone to Dorbyl Marine.
The fees for semi-private and private wards at own request are fixed tariffs.

TABLE 11
THE PRINCIPAL FEES PAYABLE FOR IN-PATIENTS ARE THE FOLLOWING:

<table>
<thead>
<tr>
<th>Single persons without dependents</th>
<th>Married persons and single persons with dependents</th>
</tr>
</thead>
<tbody>
<tr>
<td>R 2</td>
<td>R 2</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>10</td>
<td>12</td>
</tr>
</tbody>
</table>

Teaching hospitals include: Groote Schuur hospital, Tygerberg Maternity hospital, Red Cross Children's hospital, Maternity hospital, Kurland Breuer hospital (partly).

Persons whose net assessed tax per year is less than R15.00 (daily tariff will then be: teaching hospital: R6.60; non-teaching hospital: R3.30; and non-teaching hospitals: R1.10.)

This way of calculating a rebate takes into account the income of a person as well as the number of dependents he/she has. This is because the tax payment decreases with the number of dependents a person has. We therefore see that the less tax the person pays that is the lower his/her income or the greater number of dependents he/she has, the greater the rebate.

This rebate will be calculated in the following manner: For e.g. Single with one dependent: Monthly income R230.00, Annual tax (P.A.Y.E.) R6,10 x 12 = R73.20; percentage rebate 20%.

In-patients are either classified as 'hospital patients' or as 'private patients'. This is according to the gross monthly income of the family. If a family's income is less than the income ceilings below, the person is classified as a 'hospital patient'.

<table>
<thead>
<tr>
<th>Monthly income</th>
<th>Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>R50.00</td>
<td>R1.00</td>
</tr>
<tr>
<td>R100.00</td>
<td>R2.00</td>
</tr>
<tr>
<td>R150.00</td>
<td>R3.00</td>
</tr>
<tr>
<td>R200.00</td>
<td>R4.00</td>
</tr>
<tr>
<td>R250.00</td>
<td>R5.00</td>
</tr>
<tr>
<td>R300.00</td>
<td>R6.00</td>
</tr>
</tbody>
</table>

By John Forrest
Growth stabilizing with new technology and increasing competitiveness among producers has slowed down increases in industrial disputes. The increases are in line with the recent increases in industrial disputes. The increases are in line with the recent increases in industrial disputes.

The workers at the plant have been subject to a 3-day stoppage after the increase in the cost of living. The increase in the cost of living has been subject to a 3-day stoppage after the increase in the cost of living. The increase in the cost of living has been subject to a 3-day stoppage after the increase in the cost of living.
Steelmen set to forge a bargain

CONTROVERSIAL labour guidelines drawn up by the giant Steel and Engineering Industries Federation — which affect the bargaining rights of about 400 000 workers — are likely to be revised soon.

Seifsa sources are reluctant to comment on the possibility of revisions, but reliable sources say discussions aimed at producing amended guidelines are under way.

They are expected to be ready in one or two months.

The guidelines, released in late 1979, sought to channel bargaining with trade unions through the official industrial council system, and rejected negotiation with unregistered unions.

They were sharply criticised by some unions at the time and have been contrasted with guidelines released earlier this year by the Federated Chamber of Industries, which urge employers to adopt a 'pragmatic approach' and to deal with representative unions even if they are unregistered.

The original guidelines rejected negotiation with unions at plant level, implying that bargaining should be channelled through the councils.

Stop orders

They also advised employers not to grant 'stop-order' facilities to unregistered unions or to negotiate with them.

After discussions between Seifsa and registered trade unions, the guidelines were amended to allow unions whose applications for registration had been gazetted to receive stop-order dues if they agreed to join the industrial council once registered.

This exemption applies for a limited period and has been granted to two predominantly-black unions affiliated to the Federation of SA Trade Unions that have not yet joined the metal industry's industrial council.

Talks

Informed sources say the process of revising the guidelines is likely to take some time, as it will involve discussions not only with employers affiliated to Seifsa, but with trade unions party to the industry's industrial council and other interested organisations.

The amendments are also likely to depend to some extent on labour relations legislation introduced by the Government in the forthcoming parliamentary session.

They are, therefore, unlikely to be finalised until the Government's intentions are announced.

The discussions aimed at reviewing the guidelines come at a time when two East Rand metal firms have faced strikes by workers rejecting wage rate negotiations at the industry's industrial council and demanding additional increases.

In addition, unions affiliated to Fosatsu have negotiated wage increases outside the industrial council system with two East Rand and one Johannesburg metal company in the past few days.

---

II A R Keen
II N D G Sessions
Fifth year respectably.
II and III in the third, Fourth A
the course of building economics I
for the best student in each of
LTA prizes

P & R Smit
Professional Practice.
the highest marks in
For the student obtaining
Supervisor's Prize
Committee of Quantity
P C Key

In any year of study.
For the best all-round student
Bell-John Prize

(continued)

SURVEYING
QUANTITY
Blacks get wage boost after talks

Argus Correspondent

JOHANNESBURG — The wages of about 2,000 black metal workers at Hendler and Hendler in Boksburg have been significantly boosted after the recent industrial dispute at the company.

And the workers' trade union, the Federation of Metal and Allied Workers' Union (Mawu), has won increases after plant-level negotiations at two other companies — Vaal Metal Pressings, also in Boksburg, and Temple Bubba in Wynberg, Johannesburg.

At Hendler and Hendler, where workers staged a three-day stoppage a fortnight ago, shareholders agreed to an effective 13 cent an hour across the board increase after a series of meetings last week with Mawu representatives.

TALKS GO ON

Further wage negotiations are scheduled for November this year.

And at nearby Vaal Metal Pressings, a subsidiary of the powerful Abercorn group, negotiations with the union have yielded a 14 cent hourly rise for the 180 odd black employees.
Contracting profits

Activities: Manufactures and supplies catering and refrigeration equipment
Trade & Industry holds 64% of the equity
Chairman: I J Jacobson, managing director: J H Jacobson
Capital structure: 3.4m ordinaries of 7c.
Market capitalisation: R4.4m

Financial year to June 30 1981

Revenue (Rm) 67,764,000
Gross profit Rm 10,500,000
Operating expenses Rm 2,800,000
Administrative expenses Rm 1,600,000
Finance charges Rm 1,703,000
Profit before tax Rm 2,797,000
Tax charges Rm 1,858,000
Profit after tax Rm 939,000

16 months unconsolidated

Since the 1977 profit slump Prescat's earnings have grown at compound annual rate and dividends over the last five years chairman I J Jacobson expects sound growth this year with a substantial higher order book. and the company is now able to maintain the breakeven point with a profit margin of 1.5% of turnover.

As the largest supplier of catering equipment the company has benefited from this growth in demand for hotels and restaurants that are opening throughout the country. Sales figures for the first 11 months of 1981 showed a substantial increase compared with the same period last year.

The major contributor to the profit increase remains the contracting division. In 1981 the company signed large catering equipment contracts and since the year-end new market areas have been secured. Hence Jacobson's forecast that the contracting should at least maintain its market share this year.

Part of the group's success in the contracting field results from its manufacturing facilities and its ability to service equipment under warranty. In an effort to improve the service to its customers the company has invested R4.5m in new premises and equipment at its Johannesburg branch.

The company claims it will benefit from the low interest rate environment and the trend towards hotel development.

As a result of high interest rates the company is expected to maintain a high dividend payout ratio.

PrescatConsolidating

<table>
<thead>
<tr>
<th>Year</th>
<th>cps</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>110</td>
</tr>
<tr>
<td>1981</td>
<td>120</td>
</tr>
<tr>
<td>1982</td>
<td>130</td>
</tr>
<tr>
<td>1983</td>
<td>140</td>
</tr>
</tbody>
</table>

*The company has been approved for a R10m equity injection.*
Strikers return to work

Striking workers at the
Daimler Lurenhof truck
plant in Wadswell near
Coventry returned to
work today as the
management met with union
officials to discuss the dis-
pute.

About 200 workers down-
lined tools on Wednes-
day in protest over the dismis-
sal of one of their col-
leagues who had allegedly
struck a white employer.

The company agreed to
discuss the dispute as
long as workers returned
to their jobs.

Talks started again
today between Man-
agement and the Metal
and Allied Workers
Union, which is part of the
Federation of South Mi-
cro firms, and the union
led by Fincham, a multi-
national firm, which has
been conducting recogni-
tion talks with the union.

subject of building construction.

A Brick Association Prizes

III: No award.

II: A R. Low Ken.

I: N.D. Sessions.

Fifth year's respectively.

II and III in the third, Fourth A
the courses of building economics,

for the best student in each of

ILA Prizes

P R. Smith

Professional Practice.

The highest marks in

Supervisors' Prize

Ecope Chapter of Quantity

The Committee of the Western

P C. Key

In any year of study.

For the best all-round student

Wells - John Prize

(Cont'd)
MANUFACTURING
9 Run Steel Engineering
Metallurgical Ind.

PE plant's
R500 000
expansion

PORT ELIZABETH-based Donkin Manufacturing is celebrating its 25th anniversary by completing an expansion programme costing more than R500,000.

In addition, extra machinery is being installed as and when required, and this is expected to total eventually more than R250,000.

The company's last expansion programme was in 1978, with major extensions costing about R250,000.

The office side of the current expansion programme has been completed, and office space has been extended by 50% to 675m².

The factory expansion will be completed next month, when the factory space will be extended by 63% to 7,000m².

All this is from humble beginnings in 1956, with modest premises covering only 36m² and a staff of six.

The staff complement now totals about 250, and includes a full-scale export department.

Its various expansion programmes, plus a vigorous export drive, have made Donkin Manufacturing one of the leading companies in the field of ventilation equipment and sound attenuators in South Africa.

It exports a wide range of products to markets such as the Central African countries, the islands around Africa, Britain, the Middle and Far East, South East Asia, Australia and South America.

The company has also been a winner in the annual Evening Post Export Awards competition.

While it has a growing volume of exports, the imported components of all Donkin products in 1980 was only 1.4% of total turnover.

"The company's policy is to achieve a very high percentage of in-house production, utilising materials of 100% local content," said the managing director of Donkin Manufacturing, Mr Brian Carter.

"Orders currently being executed include 10 fans valued at about R300,000 for use in shaft-sinking at a new Anglo American gold mine, an American gold mine, and 173 fans and motors for Drysys, automotive finishing plant specialists for the Sigma Corporation."

In 1973, franchise agreements for production and sales were established with Joy Manufacturing Company of the US for Conax auto variable pitch axial fans, and in 1978 — the same year in which the company joined the Blue Circle Group in South Africa — the company embarked on the production of a complete new range of heavy axial flow mine fans for underground use.

This range was designed, developed and tested by the company's design and development department.

With the acquisition of the Westminster licence in 1979 for extra-heavy fans, Donkin Manufacturing, which had previously concentrated on the manufacture of light and medium fans, now had a fan supply capacity ranging from 0.1kW to 5000kW.

August 31 is the deadline for receipt of entries in the 1981 Evening Post Export Awards Competition.
Wadeville strike finishes

Labour Correspondent

The strike at the Laid-Off Fruits finishing plant at Wadeville near Germiston ended yesterday.

About 400 workers at the plant ceased work on Thursday after the suspension of a Black worker who allegedly hit a White employee with a hammer.

Negotiations followed with 65% of the Food Union-affiliated Metal and Allied Workers' Union, which represents a majority of workers at the plant, in a bid to settle the dispute.

A management spokesman said all workers had returned to their jobs yesterday morning. An inquiry would be held.

A union spokesman confirmed that workers had returned and negotiations concerning the suspended worker were continuing.
Bromain makes major US acquisition

A South African company, Bromain Holdings has acquired control of an internationally known company in America.

After six months of hard negotiations, it acquired a controlling interest in Salton Inc of the Bronx, New York — the developers and manufacturers of the well-known Salton hot ray — for an undisclosed sum.

Established in 1948 with this single product, Salton Inc has grown into a major electric housewares company with a turnover of some R12-million a year.

Salton Inc has for the past 18 years been the licensee to the hot ray to Bromain's Teltron subsidiary, and for the past five years to Salton Limited, Bromain's UK subsidiary.

"Subject to obtaining the necessary approvals, Salton Inc will be merged with 'Salton Limited of the UK and Bromain will control more than 75 percent of a new holding company, Salton Holdings Inc," said Mr Max Bronn, executive chairman of Bromain.

He added that the new venture would not have any significant effect on either the net asset value or earnings per share of Bromain for the current year, but was expected to make a significant contribution in future years, especially as Bromain planned to launch a major international marketing campaign for Salton products.

The main products of Salton, apart from the well-known hot ray, include coffee, yoghurt and ice cream makers, an electric carving knife and a toaster — Sada.
Workers at the Auto Industrial firm in London went on strike yesterday afternoon over wage demands. The Metal and Allied Workers' Union, which represents many of the workers, said it was unable to hold talks with management after union officials were ejected from the premises.

A walkout has also been reported at Camelot Plants in Bedfordshire.
More labour trouble on East Rand

By PETER PHILIPS

The management of Rand Refinery Ltd has decided to give warning notices to 100 workers, who are only four days away from a strike, because of a deadlock in talks about the renewal of the current agreement.

The workers, who are employed on the East Rand, have been on strike for the past two weeks over a number of issues, including the renewal of the current agreement. The management has not yet made a decision on whether to grant them the strike, but they are preparing to do so.

The workers have been told that they will be given a period of four days to resolve the dispute, after which they will be served with a notice of termination of employment. They are currently on strike, but if the management does not agree to their demands, they may be forced to continue their strike.

The workers are demanding better working conditions, better pay, and an end to the use of temporary workers. They have been on strike for two weeks, and the management has not yet come to a decision on whether to grant them the strike.

If the management does not agree to their demands, the workers may be forced to continue their strike, which could have serious implications for the company's operations. The workers have been told that they will be given a period of four days to resolve the dispute, after which they will be served with a notice of termination of employment.
Workers down tools in East Rand labour unrest

Johannesburg - Hundreds of workers have downed tools in an extended strike on the East Rand.

And yesterday afternoon, Dr. Berne Fransoo, organiser of the Federation of the Industrial Workers of South Africa, told the strikers that they had been issued with a written order to return to work.

He said the strikers had been "manhandled and slapped" and threatened with violence.

"I am considering laying charges against the police," he said.

Dr. Fransoo was also quoted as having told two security policemen about the current wave of industrial unrest in the area yesterday morning.

About 100 striking workers at Gundle Plastics near Germiston refused their jobs yesterday morning after receiving a management ultimatum to return to work.

Three members have been involved in the stoppage.

Dr. Fransoo said yesterday that workers at Auto Industrial had decided to ask for a wage increase of 50 cents an hour during a lunch-hour meeting on Tuesday.

According to Dr. Fransoo, the management director, Mr. Dean Fransoo, later asked them to keep talking.

He said that the strikers were not prepared to discuss wage increases with them.

He then told them that they should leave - which they did, he said.

Dr. Fransoo said he had learned about the strike in the morning and that another union organiser was also seen in the company premises while workers gathered outside.

Shortly afterwards, Dr. Fransoo said, two men were "manhandled and slapped" and threatened with violence.

Later union stewards gathered at the gate and were repeatedly told to leave the premises, he said.

Two shop stewards were fired.

Two stewards were also told they could return but would be let in only one by one and that only selected workers would be taken back, he said.

Police stood by as union officials reported back to workers gathered outside.

The workers then dispersed.

Dr. Fransoo said he was "invited" to go to the Kempton Park police station, where he was questioned by security policemen about the current strike wave on the East Rand.

A police spokesman later confirmed that discussions had taken place. He said Dr. Fransoo had been "invited" to have a discussion with two security men and that he had not been detained or arrested.

Spokesmen for Auto Industrial were not available for comment.

In a statement issued yesterday, the management of Gundle Plastics said a section of the factory's workers walked off their jobs yesterday morning.

Management was not informed as to the reason for the stoppage and therefore approached the workers and called for a meeting.

When none came forth, repeated requests, workers were asked to return to work or to leave the premises, in which case they would be terminating their services with the company.

The workers then left the premises and dispersed.

The stoppage did not involve all workers and several departments were still functioning.

A union spokesman said it would approach management for talks today.

Recently, workers at Gundle Plastics struck for two days after the dismissal of a worker. The dispute ended when he was taken back.

The union has been negotiating with the firm on recognition.

Meanwhile, the management of Hendra Plastics has agreed to reinstate two workers whose recent suspension led to a strike at the plant.

The strike ended after an inquiry into the circumstances of their suspension, which led to their suspension in terms of an agreement between the company and workers at the time of the strike.
Production hit in wake of strike

Labour Reporter

Production at Gundie Plastics factory in Bedford was affected today as a result of a strike by about 100 workers "terminating their services" yesterday after a meeting apparently over a dispute with a company official.

Police kept a close watch today when more than 120 workers held a meeting about a kilometre from the factory.

There was almost an ugly scene when some wanted to confront the police and demand that they move away. This was arrested by some of the leaders.

The factory director, Mr Bill Goffen said today that production was continuing, but under difficult conditions.

No decision had been made yet on whether former workers could reapply for their jobs, he said.

All staff at the Auto Industrial plant in Kempston were reported to be at work today after a work stoppage yesterday.

The Metal and Allied Workers union said the management had refused wage increases demanded by workers.

A company spokesman denied the dispute was political. He said it was 'merely industrial'.

The union organiser, Mr. Ben Lach, claimed he was assaulted yesterday when he went to speak to management about the dispute.
L H MARTINHUSEN

Butter prospects
H A. H. in 1981

Activities: Reissue of new electrical equipment, specialising in emergency breakdown services for the mining industry. Manufacturing equipment, transformers, control gear, insulation and generators. Speuser African Holdings owns 39% of the equity. Ultimate holding company is General Electric (UK).

Due largely to the receipt of a R95 400 (nil) dividend from its Zimbabwe subsidiary, electrical equipment manufacturer and contractor L H Martinhuseen managed a small profit increase in financial 1981. But chairman Tony Charles forecasts that having modernised manufacturing facilities and established training programmes, profit growth should improve this year.

In the year to end March, LHM was hampered by staff shortages and competition, as well as "sharply" rising costs.

INCOME CONTRIBUTORS

<table>
<thead>
<tr>
<th>Segment</th>
<th>Revenue (R)</th>
<th>Profit (R)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1974</td>
<td>1975</td>
</tr>
<tr>
<td>CONTROLLED</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Before taking into account the dividend from Zimbabwe, pre-tax profit fell to R2.1m (R2.1m).

Charles explains that the Welkom branch produced "relatively poor" results largely because of labour problems. Growth and competition in the industry resulted in a shortage of skilled labour. LHM has provided new housing in an effort to stabilise the labour force after suffering high staff turnover in the year.

Labour problems also hit Witbank, though profit there for the year was above budget.

LHM has established training facilities at its Denver, Johannesburg, office and recruited staff from abroad. Charles says 1981 was the watershed for the group, but modernisation of plant and buildings and a more stable workforce will lead to "future growth.

In the past, financial analysts have criticised LHM for not gearing up, but the company did increase borrowings last year. Low returns, however, meant attributable profit was adversely affected. Total borrowings, all of it short-term, rose to R579 000 (R14 700). The increase in borrowings, still a tiny proportion of equity, was in the form of loans from the holding company and fellow subsidiaries. The effective interest rate was only 3%.

LHM shares currently yield 12% on dividends. A dividend increase is likely this year, but share marketability is limited and material capital gains are unlikely.
AUGUST 1981

33

The MINISTER OF INDUSTRIES, COMMERCE AND TOURISM

(1) It is anticipated that the Atlantis diesel engine project will result in an increase in the price of tractors. The extent of the price premium is not yet known. It will vary from manufacturer to manufacturer and from model to model and will depend, inter alia, on the depletion allowance policy of the overseas tractor manufacturers as well as competition in the market. It will also be relatively small for some models and more substantial for others. Indications are at present that the price of tractors will increase by approximately 20% on the average. It is also anticipated that prices will not be increased all at once but only gradually and it is possible that certain manufacturers have already made upward adjustments in prices in anticipation of the local engine programme.

(2) No. The ADE project has been undertaken for strategic reasons and this matter has been made known to the press and other bodies on so many occasions that a statement is no longer necessary at this juncture. I will deal further with this matter during the debate on my statement.

II. Existing machines

<table>
<thead>
<tr>
<th>Machine</th>
<th>New</th>
<th>88%</th>
<th>0.5</th>
<th>80%</th>
<th>0.5</th>
<th>70%</th>
<th>0.5</th>
<th>60%</th>
<th>0.5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

A LEASING contract of R60-million between Alusaf and the Standard Bank group was signed in Johannesburg yesterday.

This lease forms part of a R250-million expansion programme which is under way at Alusaf's Richards Bay plant.

The remaining R144-million is to be financed by shareholders, IDC loans, internal cash generation and increased use of banking facilities.

Foreign exchange earnings of R100-million a year and additional employment for 950 people will result from the project.

— Sapa
Union row brews at Motorola factory

A major row is brewing over trade union recognition at the Motorola SA plant in Wynberg, Sandton, a subsidiary of a US multinational company.

The Fosatu-affiliated Metal and Allied Workers Union (Mawu) complained in a statement yesterday that the company's management has refused consistently to meet the union, despite its claim of 90 percent membership at the plant.

The statement said the Motorola management was contacted first in May and responded by asking for a list of union members at the plant and a copy of the Mawu constitution.

But it gave no commitment to talk to the union. The union claimed that after this contact a personnel specialist was flown to South Africa, and since then wages had been increased, promotions given — and "a great deal of effort spent in explaining to the employees the benefits received."

The union claimed that it had heard from two independent sources that it was Motorola policy worldwide to resist unionisation.

The company's attitude — which Mawu said it had encountered at only two other multinationals in the metal industry — was contrary to the Sullivan Code of Conduct and the guidelines of the industry's employer body, Seifsa.

The Mawu statement said Motorola workers would meet at the weekend to decide on further action.
Steel producers challenged to step up output

By Frank Jeans

With productivity in the steel construction industry sagging behind output levels abroad, the industry must boost volumes and "switch on" to the spread of new technology.

This challenge was handed to steel men by the Minister of Industries, Commerce and Tourism, Dr de Villiers, when he opened the Steel 25 Conference in Johannesburg today.

The Minister, praising the "dynamic role" of the Institute of Steel Construction, organisers of the international conference, said that if the R3 000-million steel construction industry was to meet its further responsibilities, it would have to "pursue its opportunities with vigour and imagination."

"The industry cannot sit waiting for somebody to beg it to produce structures," he said.

And with the number of buildings in South Africa having to be doubled before the end of the century, steel construction men had both an obligation and an opportunity.

Dr de Villiers said comparing the advantages of the local industry over the operating losses in other Western countries, South Africa had succeeded in creating conditions under which steel producers could operate profitably with a high degree of stability.

"However," he said, "there is still room for optimisation and cost reduction in all facets of steel-making and steel construction."

The amendment has achieved this result.
Steel's sad state worries De Villiers

The steel construction industry was responsible for ensuring that South Africa received the capital goods required for expansion, said the Minister of Industries, Commerce and Tourism, Dr D. de Villiers, when he opened the Steel '75 conference in Johannesburg yesterday.

Dr de Villiers said it was common cause that the steel industry of the world was in a "precipitous position". Operating losses have become the rule, and plant closures have almost ceased to be news.

"This is a sad state of affairs which causes me concern. It cannot be good for the economy of the world if such a vital part of it is unhealthy. It is of the utmost importance to the West that the viability of the steel industry be restored."

The South African steel industry operated profitably with a high degree of stability.

Dr de Villiers said the secondary steel industry did not cause too much concern. Last year's 6% growth rate and the expected 5% growth rate for the coming year "implies work for the industry".

However the productivity of the South African steel industry compared unfavourably with other developed countries and "warrants improvement".

"I would venture to say that among all the metals which our country can be supplied steel is its weakest link."

The steel construction industry had on a true South African basis "thrived and reached all its potential" but played a minor role in the national economy he said.

Noting the shortage of skilled and educated labour in the steel construction industry he said Dr de Villiers stressed the need to train operators and artisans.

The steel industry approached the conference largely to a shortage of materials and capital resources. There was a vast amount of building to be done in South Africa.

Dr de Villiers stressed the strategic nature of the steel construction industry - the mining industry could not function without steel.

"Remove structural steel today and industry will disappear with it."
Group Five set to beat 20% target

By DAVID CARTE

WITH earnings up 33% in the first six months of its current year, Group Five Engineering says earnings will beat the 20% growth target set in the annual report.

The interim dividend has been lifted 25% to 6c (16c/7e). Pre-tax profit ran ahead of budget, rising 28% to R487 000. A slightly higher tax rate and lower earnings of associates were more than offset by lower minorities, so that taxable attributable profit was 44% better at R3 096 000.

Earnings a share rose in line to 33.3c (25.3c).

"During the first six months of the year," say the directors, "the group has improved on the profit budget and expects to maintain this improvement in the second six months. Accordingly the board is of the opinion that earnings for the year will be in excess of the 20% increase forecast by the chairman in the annual report.”

Group Five has capital expenditure plans totalling R4 600 000 after spending R50 000 in the first half. It says further acquisitions are being investigated and if consummated will be financed from own resources and borrowings.

The acquisitions of the minority stake in D Reynolds and 51% of Reliable Productions, makers of industrial fasteners, are expected to add 8c to earnings this year.

COMMENT: It seems safe to predict earnings will be 30% ahead by the year end at 76c. If dividend cover is raised from 3.5 to 3.8, the payout will be something like 52c, a 22% improvement. On that basis, the current share price offers an attractive prospective yield of about 11%.

Hiveld 11% ahead

Falling rand helps export figures.

HIGHVELD Steel & Vanadium Corporation increased attributable profit by 11% to R48 704 000 in the year to June 30 compared with R43 898 000 in 1979-80.

The final dividend has been raised from 20c to 22c to give a total of 32c (29c). Earnings a share were 71.6c (64.8c).

The results suggest that Hiveld's exports seem to have been helped by the falling foreign exchange value of the rand in the first six months of 1981.

Against that, however, the group's profits will have been held back a little by the slower rate of expansion in the South African economy and by the prospect that this deceleration will be felt more in 1982.

Turnover for 1980-81 was R333-million, a marginal R9-million higher than in the previous year.

At the halfway mark turnover was down — R153-million to R156-million.

The slight improvement in the second half will obviously have been particularly helped by the higher rand earnings from exports.

At the interum export revenue was running 21% below that of the comparable period for the year before.

Attributable profits were also boosted by an easing in the tax burden from R24 383 000 to R22 949 000.

That gave a better look to the net profits against the small rise in the pre-tax level from R70 162 000 to R72 238 000.

Even so, the increase in taxed profit of only 11% — less than the rate of inflation on any definition and, therefore, a fall in real terms — is a further reminder that few companies are going to be reporting the kind of profit spectaculars that became taken for granted in 1980 and earlier this year.

COMMENT. Hiveld produces iron, steel, vanadium slag and pentoxide. It is controlled by Anglo American.

Although it is small in relation to Icor it is SA's second-largest steel producer.

Hiveld has immediate expansion plans of R110-million and an environmental development of R45-million.

South Africa supplies 58% of the West's vanadium, but that market is depressed at the present.

However, Hiveld exports about a third of its total sales and they should get the benefit in 1981-82 of the depreciated rand and a mild upturn in the main Western economies.

At 510c the share yields, historically, 14% on earnings and 6.3% on dividends.
Highveld half-year earnings up by 11% 

By Ann Cretty

Highveld Steel and Vanadium Corporation has increased its attributable profit by 11 percent to R48.7-million for the year to June.

Turnover increased by only three percent to R333-million from the previous year's R323.8-million.

Pre-tax profit was up to R72.2-million from R70.1-million. Earnings increased by 11 percent to 73.6c a share from 66.8c and the final dividend payment was up 2c to 22c a share.

The total dividend payment for the year is 32c a share, compared with last year's total payment of 29c.

Because of the group's capital expenditure, the tax rate remained low with the tax bill amounting to R22.8-million compared with the 1980 Bill of R24-million.

The group's results are above 'the directors' conservative forecast at the time of the interim results. They expected to see earnings maintained during the second half of the year at the same rate as in the first six months when earnings a share were 33.7c.

The final results show earnings a share were 42c above the forecast.

Highveld benefits from the contra-cyclical relationship between the local and overseas economies as local demand tends to be high when overseas demand is low and vice-versa.

This relationship is heightened by the fact that when local demand is high the rand is usually strong and acts as a brake on foreign demand.

On the other hand, weak local demand is generally accompanied by a weak rand which stimulates overseas interest.

In the first six months of the review year, local demand was strong while export demand was low with revenue from this sector down 27 percent on the interim figure for the previous year.

Higher rand earnings from exports as forecast at the interim have undoubtedly helped to keep up the second half results.
Group Five net income up 33%

Group Five Engineering increased net income by 33 percent to R2.6-million for the six months to June.

In view of the better-than-expected interim results and the belief that the improvement is expected to be maintained in the second six months, the directors have revised their earlier forecast and are now of the opinion that earnings for the year will be more than 20 percent higher.

Pre-tax profit was up 27.6 percent to R4.6-million. A reduction in the interest of minorities more than made up for a higher tax rate and lower income from associate companies.

Earnings a share were up by 33 percent to 33.3c and the interim dividend payment was 9c a share, 28.6 percent higher than last year's interim of 7c.

The results include 100 percent of the profits of D Reynolds, the group's plant-hire subsidiary as well as the remaining 35 percent minority interest in this company.

The group also acquired a 61 percent interest in Reliable Production Company which manufactures industrial fasteners, and 51 percent of their profits for the four months beginning March are included in the results.

These acquisitions are expected to contribute 5c a share to earnings for the full financial year but will not materially affect the net asset value a share of the group. — Ann Crafty
A TAKEOVER bid is being made for Calan by a consortium including the chairman and managing director, Mr Peter Grobbelaar.

It was also announced last night that the company increased earnings by 25% in the year to June 30.

A final dividend for the year has not yet been declared and the payment might form part of the takeover deal, assuming it goes through.

The bid is being made by Finansbank, Federated Insurance, Sossan and a private company owned by Mr Grobbelaar and two of his fellow-directors, Mr Ron Tillmann and Mr Lou Wipplinger.

Calan is a manufacturing group with interests in plastics, rubber, lighting and electrical equipment.

The pre-tax profit was by 25% to R208.8 million from R168.0 million in the year to June 30.

There was, however, a sharp rise in tax — from 28.5% to 33.2% — as capital expenditure eased.

The result, after a higher payment to minorities and after a slight increase in the issued ordinary capital, was that earnings a share rose from 10½c to 11½c.

An interim dividend of 1½c (1½c) has already been declared.

Turnover for 1968/69 was R260 million, 31% higher than in the previous year.

COMMENT. Calan's shares are said to be fairly widely held and no group has formal control.

However, I believe that among them Finansbank, Federated Insurance, Sossan and Mr Grobbelaar and his associates hold about 27% of the company.

In this context that is probably effective control and it seems certain that the takeover offer will go through.

At this stage though, Mr Grobbelaar will say only, "We expect details of the acquisition to be completed in the next three to four weeks and if a transaction arises from the consortium's approach, shareholders may receive the (final) dividend as part of the proceeds of the sale of the shares."

Calan was priced at 90c on the Johannesburg Stock Exchange yesterday which puts the historic earnings yield at an attractive 27.4%.

It is also well up on the group's original forecast.

Mr Grobbelaar cautiously predicted earnings of 11½c for last year in the 1969 report.

The total dividend in 1978/79 was 9c and if this were pushed up, as it could be, to 50c for 1979/80 the dividend yield would be 10%.

Until the details of the takeover offer are made there is nothing shareholders can do but sit and wait.

The suggestion that the final dividend might be incorporated into any offer, would have tax advantages.

Calan has had a good record over the years although its investment rating seemed to slip a little last year.

There will certainly be a lot of interest in discovering just what Mr Grobbelaar and the other members of the consortium have in mind for the group.
The 1978 South African Institute for Race Relations was held in South Africa. The conference was attended by representatives from various organizations and institutions, focusing on the education system and its impact on racial relations. The conference discussed the role of education in promoting equality and unity among different racial groups.

Key topics included:
- The impact of education on reducing social inequalities.
- Strategies for improving educational opportunities for all South African citizens.
- The role of education in addressing the historical legacy of apartheid.
- The importance of inclusivity and diversity in the education curriculum.

The conference aimed to foster a dialogue among educators, policymakers, and community leaders to develop effective strategies for education reform. Attendees included experts from the field of education, social sciences, and political studies, along with representatives from government and non-government organizations.
About 100 workers who struck at the Gundie Plas tec factory in Portcapau last week have been paid off.

The entire day shift laid off their tools last week — apparently because of a dispute with a company official. When they refused to return to work, they were told they had "improperly employed their employment." The strike lasted about 9 days.

Gundie's manager Mr. Bill Golden, told production was well under way again and they were employing new workers. All of the day shift strikers would be rehired and those from the night shift involved in the strike would be rehired selectively.

The document appears to be a page from a newspaper article about the strike and its resolution. It includes a sidebar with instructions on how to change a password, which seems unrelated to the main content of the article.

3.1. Changing a password

Type your new password.

Assume ASCII
command

Enter the ASCII command for your account.

where your account number should be replaced by your own account number.

Return in wpq 4300-4000 wpq

Enter the ASCII command then RETURN.

eg.

Password?

Enter your password/pasword followed by a carriage return.

Press shift (tilde) and return for lower case.

Type the password option and allow a 2 second warm-up for the password.

3. Sign you out (authenticate) to the computer.
5. The line was mistyped and resubmitted. The line was resubmitted only after the user selected the correct option. Instead of using \(<\text{BACKSPACE}>\) to erase and correct the line, the user must select the correct option.

6. The line was resubmitted and accepted by GCMS. The line was resubmitted and accepted by GCMS.

7. The line was resubmitted and the user must be forgotten, hence the line was resubmitted and accepted by GCMS.

8. This command lists the FORTRAN procedures in the file, if none for text is to be edited.

9. Clear the FORTRAN procedures in the file. If non for text is to be edited.

10. Retrieve the program and remove any comments.

11. Print lines 1 to 100 of the program, where the number is printed, namely the first line of the program. A to A(1).

12. Change all occurrences of "A" to "B".

13. Exit from GCMS. Remember to terminate the program.

6.2.3. Example 3

A sample of GCMS listing, the output of which should be used as reference. The output is assumed to have taken place at a point when GCMS was being heavily used and required. The system was heavily loaded.
Mine locomotives for SA

BLUE Circle has formed a company, Traction Technology (Pty) (Tractec), to manufacture and market Goodman electric locomotives for the mining industry.

Tractec will be the only company outside the US to manufacture Goodman locomotives, the first range of which was introduced in the South African mining industry in 1923.

Tractec will make the locomotives with 97% local content.
Huletts gets plant

HULETTS Engineering is to take over Mitchell Cotts' Wale-
ville works next month.
This will give Huletts addi-
tional workshop space and en-
able it to manufacture equip-
ment on the Reef. Until now, its equipment for the Transvaal
has been made in Durban.
The companies say the trans-
action "will not have a materi-
al effect on the earnings or val-
ue of assets of either of the two
holding companies."
The move will double Huletts
Engineering's throughput.
Mitchell Cotts will continue
to manufacture at its headquar-
ters in Benoni.
No comment on the price of
the transaction could be ob-
tained last night.
Booming Abercom zooming higher

ABERCOM, the international engineering group, easily beat its optimistic interim forecast in the year to June.

Reporting improved profits in all divisions and earnings 51% higher at 7c (1980 5c), the directors take a bright view of the next five years.

The group lifted sales 40% to R28 978 000, pre-tax profit 62% to R3 578 000 and taxed attributable profit 32% to R1 135 000.

A final dividend of 17c has been declared, making 37c for the year — a 20% improvement on the 3c paid last year. This means dividend cover rose from 2.1 to 2.5.

The directors say "Budgets prepared in May indicated further improvement in all areas for the year ahead and little shortening in our markets is yet visible. "Lower rates of growth in the SA economy are forecast for this year and next, however, and this may cause some reduction in our currently high growth rate.

"Nevertheless, our view of the five-year future remains optimistic. We expect average real GNP growth at 4% to 5% pa over this period and we are continuing to prepare ourselves to supply the expanding markets which will result."

The group is well positioned to take advantage of upturns in the US, Europe and South-East Asia and important orders have been received for fans from Australia.

The results were achieved in spite of losses on contracts in Censam and Metter. These could not prevent the heavy engineering division, like all the others, improving profit.

The chairman, Mr Peter Herbert, and the losses were not large in group terms and their non-recurrence next year was not significant for earnings prospects.

Mr Herbert said the tax rate was bound to rise in 1982. Asked how much, he said "somewhat."

"As lower dividend cover could go, Mr Herbert said "Our aim is to improve the dividend year by year by more than the inflation rate. Within that effort, we will let cover fluctuate according to prospects and the financial situation. It would be about 3 at the highest and 2 at the lowest."

Mr Herbert had high hopes for American Davidson, a 30-acre factory acquired recently at the knock-down price of R4 800 000. Davidson Fan, he says, is performing well. He is also pleased at Hanslet Taylor’s turnaround in a sluggish mining equipment market.

The light engineering division also came up with much improved figures with Habco Metal and Almaks important contributors. Abercom Central Africa did well, but Giant Security had another difficult year.

The metal component companies were outstanding, almost doubling profits thanks to buoyant demand, increased penetration and better productivity. Capital expenditure last year totalled R10 million, funded out of cash flow of R28 million. Capex this year should top R35 million.

Asked how vulnerable Abercom was to a takeover attempt in the present acquisitive climate, Mr Herbert said it would be foolish for anyone to make a contested bid as Abercom’s strength was its management team. If this were upset and the team fell apart, the group would be unlikely to perform again as well.

He said Sanlam had a 16% direct and probably a 2% or 3% indirect holding and Gencor had 5%. Standard Nominees representing a dozen UK holders had 11% and Volkskas about 4%.

COMMENT: Earnings growth will have come as a pleasant surprise to the market. Not many companies recently have been further ahead at the year-end than at the interim. Particularly gratifying is that Abercom’s post-Herbert revival has been organic growth acquisition-based. This suggests sound management and efficiency down the line.

The dividend is more or less what the market expected. At the current 17c, the shares yield 7.5%, which is attractive considering there is still momentum in engineering and that foreign business — already 20% of sales — is set to improve.
Huletts in takeover

DURBAN — Huletts Engineering and Mitchell Cotts Engineering have announced that agreement has been reached for Huletts to take over the Wadewile engineering works of Mitchell Cotts with effect from September 1.

Huletts are buying a going concern which will provide them with additional workshop space and the opportunity of rationalising their production by manufacturing equipment.

Huletts will continue with Mitchell Cotts' existing product lines and will add to the range. — Sapa.

158. Cape Times, 20th June 1926.
156. Cape Times, 20th January 1943.
155. Cape Times, 26th January 1943.
151. An oral source who does not wish to be named.
147. Cape Times, 20th June 1926.
Abercom looking forward to a good year

By Mervyn Harris

Engineering group Abercom has raised dividends by 29 percent after boosting earnings by 51 percent in the year to June and expects further improvements in all sectors in the year ahead.

Turnover rose by 40 percent to R230-million and tight internal controls enabled operating profit, before interest and tax, to rise by 55 percent to R25,9-million.

Pre-tax earnings increased by 62 percent to R21,4-million and income attributable to ordinary shareholders was up by 73 percent to R15,1-million.

The final dividend has been raised from 15c to 17c, making a total of 31c for the year.

Earnings a share were up from 61c to 77c.

The chairman, Mr Peter Herbert, says little slackening is yet visible in the group’s markets and budgets. Prepared in May, they indicate further improvement in all areas.

"Lower rates of growth in the economy may cause some reductions in Abercom’s current high growth rate but our view of the next five years remains optimistic."

"Our important Davidson International Fan division is well placed to take advantage of upturns in overseas markets where we have an established customer and service base."

Mr Herbert says the period of sustained growth with the economy expected to grow at a real rate of 4.5 percent during the next five years.

Much of this growth is in our export markets and sustained growth is through this organisation that has maintained its strong position in the establishment of the industry committee. The Muslims of Cape Town emerged. Abdullah Durrus, in 1875, was only in 1903 that the first political organisation of the Muslims took a different course.

They did not enjoy the same privileges as the whites. The South African policy towards the Cape Muslims, henceforward, could be a matter of political considerations and other aspects, would be political.

The South African policy towards the Paul’s Hall, during the period immediately after the War of 1910, the Muslims had the Meematalah Association and other Associations and other organisations.

Such a result of Paul’s interpretation of interest, or with what aim was to be achieved, is through this organisation that the Muslims emerged.

The World of Cape Town emerged. Abdullah Durrus, in 1875, was only in 1903 that the first political organisation of the Muslims took a different course.
Mawi signs important agreement

By Drew Forrest

The Federated Metal and Allied Workers Union (Mawi) achieved an important break through yesterday with the signing of a comprehensive recognition agreement with the Hendred Pipebend Transformer firm on the East Rand.

The agreement, concluded after 12 months' negotiations, provides for bargaining for wages and working conditions at the company's Wadeville and Drieheuwel plants.

It was reached despite fears that the company might withdraw from talks after a strike last month involving 400 of its Wadeville workers.

Also provided for in the accord are:

1. A mutual commitment to industrial peace, and agreed procedures for grievance and dispute resolution.

2. Recognition of shop stewards to represent the interests of union members.

Hendred is the third Transvaal company to recognize Mawi, and the second on the strike-hit East Rand to recognize a largely black union in recent weeks.

The East Rand is a Fasatu stronghold. An increasing number of firms there are according to demands from its affiliates for plant-level recognition.
Union status granted

BY RIAN DE VILLIERS
A PROMINENT East Rand firm, Henred Frechau, has agreed to recognize the Featru-affiliated Metal and Allied Workers' Union.

The recognition agreement was signed yesterday after months of negotiations and comes in the wake of a recent strike by workers at the firm's Wadleville plant.

In a joint statement, the parties said they regarded the agreement as a "positive step forward" in their industrial relations.

The agreement provides for a "mutual commitment to industrial peace", procedures for grievance and dispute resolution, a disciplinary procedure and "joint involvement" in matters affecting health and safety.

It also provides for the recognition and accreditation of shop stewards who will be given time off for union business.

The union and its shop stewards will be regarded as the sole bargaining agent for union members.

The union gains check-off facilities as well as access to company premises and notice boards.
Hudaco links
with Deutsch

By C. G. F. Dew.

Hudaco, the engineering subsidiary of the
Hudson's Bay Company, has formed a company with Rheinhutte
Nordoff (UK) to sell and distribute the products of
the company.

The company, to be called
Hudaco-Dentz (UK) Ltd., will
be based at-site in the
company.

Hudaco-Dentz plans to
produce and distribute
the products of the company
in the UK.

The joint venture was
announced on 10 May
and will be managed
by Mr. G. T. Dew.

The chief executive
of Hudaco-Dentz
is Mr. G. T. Dew.

It was also announced
that the company
will manufacture
stationary engines
for the company.

The company
will also manufacture
and distribute
stationary engines
for the company.

Dew holds more
than 25% of
the SA engine
market and is
expected to
increase its share
in the
market.

Dew's shares will be
transferred to
Hudaco-Dentz
for local marketing
requirements.

At the time of the
announcement, Dew
was a controlling
interest in the contract.

As compensation,
Dew was allowed to
continue manufacturing
diesel engines for
stationary
applications.
More consolidation

Activities  Fabrication, construction, electrical and mechanical engineering. Directors control 38%. (34%) of the equity.

Chairman: W N Joubert
Capital structure: 4.9m ordinary shares of 80c. Market capitalisation R16.4m.
Financial  Year to February 28 1981
Borrowings long- and medium-term, R9.7m net short-term, R7.8m. Debt/equity ratio 79.6%. Current ratio 1.2. Net cash flow R6.9m. Capital commitments R1.3m.

Share market. Price 335c (1980-81 high, 470c, low, 335c, trading volume last quarter, 42 000 shares). Yields 38.8% on earnings, 15.4% on dividends. Cover 3.3, PE ratio 3.5.

<table>
<thead>
<tr>
<th>78</th>
<th>79</th>
<th>80</th>
<th>81</th>
</tr>
</thead>
<tbody>
<tr>
<td>23.4</td>
<td>18.8</td>
<td>17.8</td>
<td>17.1</td>
</tr>
<tr>
<td>Turnover Index*</td>
<td>304</td>
<td>326</td>
<td>386</td>
</tr>
<tr>
<td>Gross profit (Rm)</td>
<td>47</td>
<td>65</td>
<td>63</td>
</tr>
<tr>
<td>Earnings (c)</td>
<td>69.8</td>
<td>83.6</td>
<td>92.7</td>
</tr>
<tr>
<td>Dividends (c)</td>
<td>17</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>Net asset value (c)</td>
<td>262</td>
<td>318</td>
<td>279</td>
</tr>
</tbody>
</table>

* 1974=100

Considering Genrec's spread of activities in the engineering industry, the shares appear to have been unfairly rated on earnings. But the reason for this is the dismal profit record of the group.

Since 1978 returns have steadily declined, earnings and dividends have increased by an annual average of only 13% and the reduction in dividend cover has been accompanied by a steady increase in gearing.

That all explains the discount to the engineering sector at which Genrec shares trade. The average dividend yield in the engineering sector of 8% compares with 7.6% for Genrec and the sectoral average earnings yield of 15.1% compares with 26.9% for Genrec.

But Genrec's dismal performance in financial 1981 has done a lot to keep the share price down. Chairman Wilm Joubert provides no explanation for the low earnings growth achievement other than to say that conditions were "difficult."

According to Joubert, the major problem confronting the group is the lack of skilled personnel. But that is an industry-wide problem which Genrec seems to be suffering more than most. It seems the group may not have been sufficiently far-sighted in its past labour relations programme to ensure maintaining a sound workforce through thick and thin.

The company has realised this and is spending heavily on recruitment. During financial 1981, for example, almost R7m. half of net profit was spent on overseas recruitment and training locally. And R7m. has been spent on "numerous blocks of flats" to assist the recruitment programme.

That money has doubtless been well spent, but the pay-off will probably be another two or three years away. Joubert, in fact, is gloomy in his forecast for the current year.

He says he is "reluctant to predict an increase comparable with that achieved in the years prior to 1980-81."

Step (g) and (h) are omitted to save space.
Ferroalloy output drops

PRODUCTION of ferroalloys dropped sharply in the first six months of this year from 818,000 tons in the June half of last year to 650,100 tons, according to a report on the iron, steel and allied industries issued by Sisfa.

Thus a 20.6% decline reflects the softness in the world steel markets to which South Africa is a major supplier.

The output of SA steel mills for the six months to June 1981 was at 4,404,600 tons, 1% lower than production in the comparable period of last year.

There was a 1.8% increase in the production of pig iron which went up to 3,694,500 tons.

Foundry output presented a mixed bag. While steel castings dropped by 12.6% to 61,600 tons, iron castings and non-ferrous castings improved.

Iron castings production rose by 3.5% to 251,100 tons and the non-ferrous went up by 5.5% to 13,367 tons.

---

When the occasion is due, a detective's eyes may be closed; for more sensible than stopping the process are the eyes of a detective's own.

This is generally regarded as a reasonable risk to take, and for more sensible than stopping the process are the eyes of a detective's own.

A further sample is taken at whatever time it is due.

If a point lies between the warning limits, no action is necessary. Take a further sample. If this second sample gives a point either above the upper warning limit or below the lower warning limit, take a further sample.

If a point lies on the upper warning limit or below the lower warning limit, take a further sample.

Efficiency of operation of the appropriate action.

and the quality control procedures will stand on it. If the second sample gives a point on or above the upper warning limit, the process has deteriorated. Take immediate action to improve it. (Action is necessary and the quality control procedures will stand on it.)
Television and Electrical Holdings (Tedelex) announce whopping results for the June 30 year — including a 102 percent pre-tax profit leap from R19.1-million to R38.7-million — and ebullient directors forecast further strong growth in the current year.

The company, one of South Africa's biggest TV/audio groups, also report after-tax profit increase of 59 percent to R24.3-million (R12.2-million) and a turnover up 46 percent (from R186-million to R268.5-million). Tax was R14.5-million (R6.6-million).

A final dividend of 27c — in line with previous policy of maintaining a dividend cover of three (this year slightly down, from 3.65 to 3.64) — was declared. Coupled with the 18c interim payout, this brings the firm's annual payout to 45c a share — an increase of 125 percent on 1981's final 20c.

The directors were gratified that their forecast growth for the 1981 financial year materialised. They had "much pleasure" in reporting a "significant" increase of 124 percent in earnings a share, from 6.1c to 13.6c.

"A lower rate of growth in the economy is generally forecast but, in view of anticipated developments affecting the group, the board feels confident that sales and profits will reflect further growth," the directors said.

The bullish figures are in line with an excellent earnings history. Tedelex has had a year significantly improved performance — turnover has grown from R38.2-million in 1977, and pre-tax profit has risen from R3.8-million in that year.

Tedelex's sister company, retailer Ellerine Holdings, had sales of R184.6-million (R100.9-million), after tax profit of R12.3-million (R3.5-million) and earnings a share of 19.2c (12.3c) A final dividend of 12c (10c) pushed up total dividend a share from 31c to 45c. — Patrick McLoughlin.

It was found that as a purpose. In one of the the other is point. The first and other's and

is of prime

ce as a purpose

s purposes of the

scheme in fact were — see Gallagher's case.

Intention or purpose is a question of fact — Geustyn's case. It is important to consider the scheme at the time it is entered into and not at the time it is formulated — see Ovenstone's case (supra) in which it was suggested that the taxpayer might in future avoid the application of s103 to a scheme which had been found to be subject thereto on the basis of its timing, if it could be shown when the scheme would, in the normal course of events, have been implemented.

The Commissioner's remedy is to determine the liability for . . . . tax . . . . as if the transaction . . . . had not been entered into . . . or in such manner as . . . . he deems appropriate for the prevention . . . . avoidance. His powers are wide as evidenced
Falling exports limit steel production

By Patrick McLoughlin

Steel output for the first six months of this year fell 1.0 percent compared to the 1980 first half and there has been an easing in sales and production levels with a continuing fall-off in exports, reports the Steel and Engineering Industries Federation of South Africa (Seifs).

Output for the half year fell to 4,40 million tons (4,44-million tons) and Seifs said the continuing weak economic performance of major trade partners indicated that no improvement in export sales could be anticipated before mid-1982.

Ferrochrome producers, with recession trends continuing in overseas markets and the tendency for inventory levels to be kept to a minimum, continued to report reduced production.

Permo manganese production levels were similarly affected.

The results of these producers underlined general conditions in the second quarter for the Seifs group of industries which, the federation reported, "reflected the weakening in overall domestic demand" and confirmed the shifting to a slower real-growth tempo, particularly in base metals and heterogeneous engineering.

CREDIT SCARCITY

Difficulties also continued to be experienced by Seifs's export sectors. Consumer-related sectors, in spite of experiencing a recent surge in activity, now anticipate an easing in demand during the third quarter of 1981 arising from the growing scarcity of consumer credit.

Among the brighter areas of the report were those referring to the automobile component industry, building-industry supplies and telecommunications. All reported satisfactory order books in June comparable with 1980.

Other buoyant industries included the plastic manufacturers, light-metal manufacturers and tubular and pipes.

The iron, steel and non-ferrous foundry industry conformed with the general slackening. Despite a reported "mild corrective" during June, the downturn in private-sector performance experienced in the first quarter, factors which continued to cause concern were increasing inflationary pressures and shortages of some categories of skilled and semi-skilled labour at the shop-floor and high-technology levels.
Granather, the construction and electronics group, has reported a 15 percent increase in turnover, compared to the year ended June 1980. Pre-tax income was up 65 percent in 1980.

Partners of the company are interested in the company's future, and it is expected that a dividend will be paid.

During the year, the company became a subsidiary of ATC and at the same time acquired VT's controlling shareholding of Vantech and Vancast. The results of these two acquisitions are included in the accounts.

The dividend was paid, and the group is stronger than it was last year. Income is expected to show a satisfactory increase for the new financial year.

The market for electronic components continues to be strong, and there are no signs of any recession.

The progress of the company is impressive, and it is expected to continue to grow.

(c) The reference to the company's financial performance is not relevant to the current context.
By Ann Crotty

Demonstrating sharp sensitivity to the economic growth rate, Trencor more than doubled attributable profit to R5.5-million for the year to June.

Eleven divisions performed ahead of the budget, in particular engineering which reported a sharp increase in activity.

Pre-tax profit increased by 150 percent to R14.3-million on a 33 percent increase in turnover to R107-million.

Earnings rose 112 percent to 63.5c a share.

Total dividend for the year was 128c a share, up from 76c.

Dividend cover was up slightly to 4.9 times (4.3 times).

Director Mr Cecil Jowell said that although an increase in earnings had been expected, the extent of the increase came as a surprise. He described the performance as "abnormal" in the history of the company.

Had there been the necessary capacity the results would have been even stronger.

Mr Jowell said that "the engineering division, spearheaded by trailer manufacturer Koenred Fruehauf, could not meet demand because suppliers of certain key components could not keep pace."

Although budgeting for a lower profit this year, the company expects dividends to keep pace with inflation.

Mobile principal investment: 40.3 percent in Trencor — benefited from Trencor's strong performance and increased attributable profit to R4.6-million (R2.3-million.)
Spectacular Tedolex sees further growth

The chairman of Tedolex, Mr. Henry Bracken, has predicted a high growth rate for the company in the coming year. In a recent interview, he highlighted the company's strong performance and expectations for continued growth.

"In the past year, we have seen significant increases in both sales and profit margins," said Mr. Bracken. "Our focus on innovation and customer satisfaction has been the driving force behind our success." 

Tedolex has announced a dividend policy of 25% of profits, which will be paid to shareholders in the coming year. This move is expected to boost investor confidence and attract new investors.

"We are committed to maintaining a balanced approach to dividend distribution," said Mr. Bracken. "This policy will allow us to retain sufficient capital for investment and growth initiatives." 

Looking ahead, Mr. Bracken expressed optimism about the company's future prospects. "We are confident that our strong performance and strategic vision will position us well for continued growth and success in the years to come."
on reentering should get normally.

Quint Corp

By Patrick McLaughlin

Directors of the Quin Corporation — formerly Quincor — have announced a "record sales and profit growth" for the 16 months to June 38 with a pretax profit of £6.0 million.

The group's results include earnings from two acquisitions - Hendler and Hendler Holdings (which contributed 13 months of its trading) and Duraware (four months).

Quincor's turnover was £49 million, after-tax profit was £4.4 million and attributable earnings totalled £4.1 million. Tax was set at 23.3 million and earnings a share at 34.3c.

On August 14 an ordinary dividend of 5c was declared. Comparison with the previous period - the eight months to February 1980, is futile because the company was a cash shell until last December, when it bought Hendler, with effect from May 1980.

1. To make contact with the computer type in the call sign of the terminal, for example if the call sign is S02U02 type in

S02U02 <CR>

the wait-indicator lights up and the cursor disappears until the computer responds in the normal manner with

ENTER USERID/PASSWD

then continue.

If the computer does not respond within 1 minute, check that the correct site-id was used. If it was wrong, then press the wait-indicator (which is a push-to-make/push-to-break switch) and re-enter the correct site-id between the SOE character and the cursor with no blanks.

Below the screen there is a light marked 'MESSAGE-INCOMPL'. If this is flickering on and off at intervals, it means that the terminal is being polled (serviced) by the central computer. If not then there is some problem, either with the line, the terminal or the computer.

If there is still no response, check that the computer is operating. If the terminal is malfunctioning, report this to Reception, otherwise go to the advisor for help. If none are available/to be found try another user with a sympathetic
By LLOYD BODILL

Backer says work on the Algoa Bay shipyard may begin within a year

Work on the proposed multimillion rand Algoa Bay ship repair yard may begin within a year, according to Mr John Crouse, MPC, one of the scheme's chief backers.

Mr Crouse, who is chairman of the Algoa Bay Dockyard Development Company, reported progress in the plan when he addressed the Port Elizabeth Junior Afrikaanse Sakekamer last night.

"When someone tries to do something people say it is a pipe-dream," he said.

"We have involved the best construction people in the world. Building plans are in the final stages, but we need a year before we can lay the first brick and the project will then be built quicker that originally estimated."

Mr Crouse said last night that jobs for 4,000 people would be created.

The only foreigners who would be employed would be executives in key positions. Many people would receive skilled training.

The cost of the scheme was estimated at about R20 million less than one quarter of the cost of a similar project in Bahrain, in the Middle East.

"A lot of interest has been shown by investors, but we can reveal nothing in this regard at the moment. We are a private company."

Port Elizabeth was ideally situated as potential trade from shipping passed the city every hour.

"It costs up to a million rand to repair a ship. And after leaving the Middle East there is no other dockyard around Africa for this kind of service," he said.

He envisaged that the ship repair yard would have two docks which would be capable of handling ships of up to 350,000 tons and 150,000 tons respectively. The docks, which together would have eight repair quays, would be protected from the sea by break walls, which alone would cost R60 million to build.

The docks would be able to handle 10 ships at a time. A further R60 million rand would be needed for machinery.

"Studies have shown that most of the ships serviced will be cargo vessels and not oil tankers," he said.

International boycotts would not affect the dockyard.

Mr Crouse said Mr Henry Combo, managing director of the Algoa Bay Dockyard Development Company, had been involved extensively in similar projects overseas.

On Government participation he said: "Studies have shown a government should be indirectly and not directly involved in such schemes. Similar schemes in Europe are not profitable because they have been nationalised."

Answering questions from the floor, Mr Crouse said the site of the project was not finalised and could not be made public.
PROKLOMAMIE

van die Staatspresident van die Republiek van Suid-Afrika

No R 156, 1981

DATUM VAN INWERKINGTREDING VAN DIE WET OP DIE SUID-AFRIKAANSE YSTER EN STAAL INDUSTRIELE KORPORASIE BEPERK, 1979 (WET 119 VAN 1979)

Kragtens die bevoegdheid my verleen by artikel 32 van die Wet op die Suid-Afrikaanse Yster en Staal Industriële Korporasie Beperk, 1979, verklaar ek hierby dat die genoemde Wet op 1 September 1981 in werking tree.

Gegoe onder my Hand en die Seel van die Republiek van Suid-Afrika te Kaapstad, op hede die Agtende dag van Augustus Eenderoods Negehonderd Een-en-Relftig

M VILJOEN, Staatspresident

Op las van die Staatspresident-in-rade

D J DE VILLIERS

REGULASIES KRAGTENS ARTIKEL 32 VAN DIE WET OP DIE SUID-AFRIKAANSE YSTER EN STAAL INDUSTRIELE KORPORASIE BEPERK, 1979

Die Minister van Nywerheidswe, Handel en Toreisme, het kragtens artikel 32 van die Wet op die Suid-Afrikaanse Yster en Staal Industriële Korporasie Beperk, 1979 (Wet 119 van 1979), die regulasies uiteengesit in die Bylae hiervan uitgevaardig.

BYLAE

1 WOORDOMSKRYWING

In hierdie regulasies het 'n woord waaraan in die Wet op die Suid-Afrikaanse Yster en Staal Industriële Korporasie Beperk, 1979 (Wet 119 van 1979), (hieronder "die Wet" genoem), 'n bepaalde betekenis gehad word, daardie betekens

742—A

PROCLAMATION

by the State President of the Republic of South Africa

No R 156, 1981

DATE OF COMING INTO OPERATION OF THE SOUTH AFRICAN IRON AND STEEL INDUSTRIAL CORPORATION LIMITED ACT, 1979 (ACT 119 OF 1979)

Under and by virtue of the powers vested in me by section 32 of the South African Iron and Steel Industrial Corporation Limited Act, 1979, I hereby declare that the said Act comes into operation on 1 September 1981.

Given under My Hand and the Seal of the Republic of South Africa at Cape Town this Eighteenth day of August, One thousand Nine hundred and Eighty-one

M VILJOEN, State President

By Order of the State President-in-Council

D J DE VILLIERS

REGULATIONS IN TERMS OF SECTION 32 OF THE SOUTH AFRICAN IRON AND STEEL INDUSTRIAL CORPORATION LIMITED ACT, 1979

The Minister of Industries, Commerce and Tourism has, in terms of section 32 of the South African Iron and Steel Industrial Corporation Limited Act, 1979 (Act 119 of 1979), promulgated the regulations set out in the Schedule hereto.

SCHEDULE

1. DEFINITIONS

In these regulations any word to which a specific meaning has been assigned in the South African Iron and Steel Industrial Corporation Limited Act, 1979 (Act 119 of 1979), (hereinafter referred to as "the Act"), shall have that meaning
LTA, Jacobs spliced

By PAT SIDLEY

LTA, through Mateo, has formally joined forces with Jacobs Engineering Group - a $100 million US engineering construction company, to form Jacobs-LTA Engineering.

LTA will have a 55% interest in the new company, and Jacobs the remaining 45%, but financial details have apparently not yet been made final.

Jacobs-LTA will provide turnkey-process engineering services throughout South Africa.

Company spokesman at the launch yesterday were reluctant to reveal details of projects, but said the company would operate in areas around the Kruger and Limpopo rivers, the Indian Ocean and possibly south of the Drakensberg.

LTA hopes to gain Jacobs expertise in turnkey engineering and Jacobs in turn believes it will have an entrée into mineral-rich Southern Africa.

Through LTA it operates in Venezuela, Europe and the Middle East.

The two companies have worked together in South Africa on several projects, including diamond recovery and coal processing.

Jacobs employs 2,500 people, had a turnover of more than $235 million last year and has profits of $5,444,000.

Jacobs is involved in a $423 million Dead Sea polisher recovery project in Jordan.

and the batch would be rejected. If the first 175 items inspected were accepted, the score would be:

\[ 175 + 175 = 350 \]

and the batch would be accepted.

This example shows clearly how sequential sampling cuts down the amount of inspection in the cases of either exceptionally good, or exceptionally bad batches.

Since the calculations required are fairly complicated, some firms have written a simple computer programme which calculates the score. The inspector has simply to record whether the item has been accepted or rejected and the computer tells him either:

1. Accept the batch.
2. Inspect a further item, or
3. Reject the batch.

10.4.7.1 CHOOSEING BETWEEN SINGLE, DOUBLE OR MULTIPLE SAMPLE PLANS

The choice between plans will generally be determined by the following factors:

1. Economy in the amount of inspection.
2. Whether or not the plan is acceptable to the producer.
3. Usefulness of the accumulated sample data.
4. Simplicity of procedures and administration.

The comparative virtues of the three types of plans are tabulated below:
SHIPBUILDING

In deep water

The SA shipbuilding industry is drifting into heavy weather and, according to some sources within the industry, is not far from floundering.

The main problem is a lack of continuity. The two major yards Sandock-Austral and Dorbyl in Durban claim they now have enough order books to supply vessels on which they are working slide down the shipway. That's the main worry.

As it stands, prospects are not all that promising. Dorbyl recently picked up an order for four tugs from the SAR & H worth R10m and a new supply vessel for Unicorn which will cost the client R19m. Executive director, Dick Brass estimates that this will keep his yard busy for the next 18 months, but there isn't much work on the horizon after that, he says.

Sandock-Austral is in a better position as it benefits almost exclusively from orders placed by the Navy. But when it comes to casting around for commercial contracts, they are in the same position as Dorbyl.

Sandock's executive director, Helenus de Klerk, says the company does have some defence contracts on the go which he can't discuss because they're classified. But as far as other commercial contracts are concerned, he says the picture is pretty bleak.

De Klerk says Sandock has sought work in the international market without much success. The main problems were the keen prices offered by overseas yards and the difficulty in meeting the requirements for foreign loans.

The South American market, for one, holds out lots of promise but De Klerk says it's an open secret that South American clients have difficulty supplying the guarantees on the extended credit facilities offered by the IDC as an inducement to foreign investors.

Illustrating their difficulties, De Klerk says the company has had an order and a deposit for eight trawlers for a South American customer for the past 18 months but the company still has not been able to supply satisfactory guarantees.

Another disappointment for the local shipbuilders is the lack of support from the local shipping industry. One glaring example is Sea Harvest, a major Cape-based fishing company, which recently broke off negotiations with Dorbyl to build a series of standardised trawlers in a joint venture with Irvin & Johnson. Instead, two secondhand trawlers were bought from France.

Sea Harvest's decision was economically understandable. The French Government operates a subsidy scheme which encourages owners to dispose of the aging vessels in their fleet and to replace them from French yards.

Even Dorbyl chairman, Doug Ellis, admits that it is possible to build very sizeable vessels from France much cheaper than it would be to build them in SA.

But the move is still being interpreted as a slap in the face for the local industry. Summing up the industry's attitude, Dick Brass asks: "What's the point of having a local shipbuilding industry if it's not supported?"

The big question is: what effect does the stop-start nature of the work pattern have on the industry? Brass points out that Dorbyl's shipbuilding operations are still running at a profit, but adds: "Can companies geared to making a product be expected to make good profits if their capacity is not being fully utilised?"

Looking beyond the immediate problems, Brass says he can see some light at the end of the tunnel. He has statistics to prove that Dorbyl has weathered other hard patches. The company has built 17 ships ranging from 100 to 2000 tons since November 1977. Help could come soon from another quarter. The government is likely to allow a R10mn-a-year strategically important industry like shipbuilding to go under.

The Board of Trade is currently reviewing the government subsidy scheme offered to local shipbuilders and its recommendations could give further financial assistance to the industry — are expected to be made known shortly.

There are other bullish signs for the industry. One is the growing size of Unicorn's fleet which needs two coal-fired coastal container vessels of 10,000 t each.

Unicorn's executive director, Mike Meehan, says he's hoping to place the order by the end of the year. If the local yards are lucky enough to pick up the order in the face of stiff international competition, it could be just what they need to tide them over.
Huletts goes north

To get closer to its markets in the PWV, Huletts Engineering has bought Mitchell Cotts, Wadeville engineering works.

Huletts take over from September 1. A spokesman explains that the deal will provide the company with additional workshop space. Also, goods destined for Transvaal markets will come directly from the Reef rather than from Durban, as at present.

Although Huletts Engineering's has concentrated on supply and maintenance of manufacturing equipment for the sugar industry, it has also been a big supplier to the petro-chemical industry — chiefly Sasol.

The Reef acquisition is expected to double throughput. Huletts will continue with Mitchell Cotts' existing product lines while adding some of its own. Mitchell Cotts Engineering plans to continue manufacturing at its headquarters in Benoni, as an operating subsidiary of Mitchell Cotts Ltd. Its product range of mining and metallurgical equipment and specialised pumping equipment will remain unchanged.

The purchase price of the Wadeville works, which stand on 5.5 ha of rail-served land and have 14 500 m³ of production space, has not been disclosed. The Huletts spokesman says the transaction will not have a material effect on earnings or asset value of the two holding companies.
Capex on steel and engineering will hit R813-m

By David Bamber

Capital spending in the steel and engineering sectors in South Africa is expected to reach R813-million this year.

According to the Steel and Engineering Industries Federation of South Africa (Seifsa), the projections for new capital investment were made during the second quarter of this year when utilisation of production capacity in the metal and engineering industries was running at between 85 and 90 percent.

Reports to Seifsa also indicate that the thrust towards increased capacity in the metal fabricating and engineering industries is, at this stage, centred on automotive component manufacture, the machinery, electric machinery and electronic sectors.

Investment in new buildings and other construction increased by 16.2 percent.

The new capital investment in the basic metal industries, comprising the iron and steel industries, basic non-ferrous metals, steel pipe and tube sectors, and the iron and non-ferrous foundries, amounted to R186-million representing an improvement of 35.8 percent on the previous year.

The metal fabricating and engineering industries, comprising the manufacture of fabricated metal products, machinery, electrical machinery and automotive components reported a 34.7 percent improvement on the 1979 levels.

HIGHER

According to Seifsa's survey for last year, new capital investment during 1980 totalled R878-million—a 33 percent higher than 1979's level of R376-million.

The main component, representing 85.1 percent of total new capital investment, comprised spending on new machinery, plant and equipment to keep up with the rising demand for goods and services, particularly in the mining and electricity generating sectors.

Imported items reflected a substantial increase.
Afrox sells most of D&D for R20m

By DAVID CARTE

AFROX has sold the mining, railway and engineering contracts divisions of its mining and engineering subsidiary, Dowson & Dobson, to Coalequip for R20-million, their net asset value.

If the asset cost as well, the

Coalequip is jointly owned by Anglo American’s Bowit International and Gencor. It was set up only a few years ago in competition with D&D and others in the lucrative mining supply market.

This is the second time Afrox has withdrawn from an area of activity outside its traditional forte of gas and welding. In 1976 it sold its other major non-gas and welding interest, D&D Electronics.

For some years, D&D has underperformed the rest of the Afrox group and observers of the group have speculated that D&D would be sold off.

The new managing director, Mr Peter Joubert, told Business Mail soon after taking over that if the company could not be made to achieve acceptable returns, it would be sold.

Afrox relays D&D’s engineering consumables, pipes and irrigation, consumer products and marine electronics activities, but company watchers suggested yesterday these and other non-gas and welding activities would be sold off piece meal and that from now on Afrox would stick primarily to gas and welding.

Mr Joubert said from Pretoria yesterday that most of D&D had been sold as the board had come to the conclusion that “it didn’t fit.” He said D&D was still making profits when sold but returns were not acceptable. The sale, he said, would eventually be good for earnings.

Sources close to the company said the price of R25-million to the settled over three years was a “bargain.” They said D&D had the potential to earn R5-million before tax.

Mr Tony Marshall-Smith, finance director of Bowit International, said the price was fair, taking into account D&D’s recent performance D&D had immense unexploited potential. There was no connection between the slowdown of D&D and the concurrent launch of Coalequip by the two biggest buyers of mining equipment in SA.

“There has been much product overlap between D&D and Coalequip and both Anglo and Gencor were big customers of D&D. The mining houses buy equipment on a competitive basis,” a spokesman who knows the companies well said the purchase price was particularly favourable to Coalequip as the takeover removed a major competitor or potential competitor. The mining equipment market remained competitive, but Coalequip was becoming increasingly dominant.

In 1976 D&D contributed R563 000, or 29, of Afrox’s gross profit of R19 484 000. In 1977 gross profit of D&D was R323 000, or 27, of the total.

In 1978 its contribution was R182 000, or 22, of the total. By 1979 the slowdown became a reverse and D&D made R433 000, or 19, of the total. In 1980 its contribution had declined to R2 692 000 — only 10,1% of the total.

Mr Joubert said because payment was over three years, Afrox was not confronted with a problem on how to deploy the funds from the sale. The current climate was not conducive to acquisitions.

Interviewed last year, Mr Joubert said Afrox would consider certain greenfield projects. Asked about these yesterday, he said there was no intention to go ahead yet.

Afrox observers said that now that D&D had sold its mining equipment division, there would be a rush for some of its overseas franchises, but Mr Marshall-Smith said the important franchises were well and truly tied up.

About 900 employees of D&D will transfer to Coalequip as a result of the deal.
**Truck industry could become stereotyped**

Keith Macfarlane

FROM being a commercial vehicle market as diverse as any in the world the heavy diesel-engined vehicles available in South Africa are going to become far more stereotyped with engines, transmissions and rear axles all drawn from the same source.

**TOYOTA TOPS THE log**

Keith Macfarlane

TOYOTA with almost a third of the sales dominated the commercial vehicle market in South Africa for the first half of the year, due mainly to its success in the bakkie area. Mercedes-Benz maintained the heavy market. With total sales of 69,991 - 2% up on 1980 - the order was:

1. Toyota 21,621 (30.1%)
2. Isuzu 15,793 (22.6%)
3. Ford 8,462 (12.1%)
4. General Motors 8,069 (11.5%)
5. Sigma 4,993 (7.0%)
6. Volkswagen 3,550 (4.8%)
7. Mercedes 2,433 (3.6%)
8. Leyland 2,191 (3.0%)
9. Sigma Power 2,003 (2.8%) 10. Alfa Romeo 1,802 (2.6%)
11. MAN 1,635 (2.2%)
12. International 1,486 (2.1%)
13. Fift-Five 238 (0.3%)
14. Oakland 168 (0.2%)
15. ERF 120 (0.2%)
16. Scania 119 (0.2%)
17. Foden 62 (0.1%)
18. Magnus Deuts 50 (0.1%)
19. Volvo 10 (0.0%)

**EXPERTISE**

ADL will be able to draw technical expertise in both its van and truck operations. Daihatsu-Benz and Perkins, both of the other technical expertise in the bakkie market, are many miles behind the rest.

**LONG WHEELBASE**

Fiat Iveco 300 six-by-four is one of the Italian challengers in the South African heavy truck market.

was an apparent reliance on idle power to run the fuse box on its trucks. This is often regarded as a cheap alternative to air conditioning. Currently, Toyota leads with its bakkie and its line of beasts is leading the market overall, though Mercedes-Benz is the leader, followed by Scania and Volkswagen. The top four manufacturers - Toyota, Isuzu, Ford and GM have four-wheel-drive, which commands a significant share of the market.
Workers Strike for Third Time in Week

Labour unrest has broken out again at the Reckitt Bros. Ltd., factory on the West End.

In the third strike in a week, the entire workforce downed tools yesterday after talks between management and the General and Allied Workers' Union broke down.

The union estimates that there are close to 600 workers at the plant.

A spokesman said: 'More than 600 were involved in yesterday's stoppage.'

Workers are understood to have a range of demands, including a $1 an hour minimum wage.

A spokesman for the Commercial Catering and Allied Workers' Union reported that 110 workers at P&O's Cocktail factory struck for two hours on Wednesday but returned to work 12 hours later, after the reinstatement of a dismissed colleague.

The first strike of 19 workers at Plant Protection in Brakpan drew to a close yesterday. As the Allied workers, still on strike, opposed to win themselves off rather than accept selective re-employment.'
Cobra strikes for union recognition

Labour Reporter

POLICE stood by yesterday as more than 200 workers at the Cobra Brassware works at Lupaardsvlei on the West Rand downed tools for the second time this week in support of demands for the recognition of the General and Allied Workers Union.

The workers also want a review of wages.

By late yesterday, the stoppage had not been settled but a union spokesman, Mr Sydney Mafamudh, said further talks were planned between the company and GAWU representatives.

Cobra's managing director, Mr Terry Davidson, confirmed that over 200 workers had stopped work yesterday after a smaller stoppage on Monday.

He denied that recognition talks had broken down.
Apex move to KwaZulu in massive operation

By MIKE PEIRSON
Finance Editor

GONE to KwaZulu. That's the sign up at the almost deserted site which used to accommodate one of South Africa's largest foundry and general engineering operations.

In what has been the most gigantic industrial resisting exercise ever undertaken in this country, Apex Industries, which used to operate totally out of Vereeniging, now has a new 28 hectare address — Isithebe, 100 km from Durban.

Apex has hit the jackpot with its adventurous gamble less than two years ago to transfer its entire R48-million a year operation, physically down to the last nut and bolt, more than 600 km to Isithebe in KwaZulu — at a cost of R14 million.

Even before the entire plant is back in full swing at its new location, the company has prospects of more work than it can cope with for a long time to come — and that's with 25 per cent more capacity available.

Marketing director Joop van Vliet returned from an overseas trip last week, for instance, with potential orders for castings way beyond the plant's total monthly capability of 6000 tons.

From that trip, however, he is hoping to be able to offer about 600 tons of valve castings to Crane Valves in the United States a month. They have asked for 2000 tons a month.

Other export contracts being undertaken include one worth R60 million over a 10-year period from 1979, to supply fifth wheels for the transport industry in the United States.

The group has budgeted for a turnover next year of about R55 million. But with the new valve order, this could increase considerably.

Furnaces

The transfer operation has involved foundry units with two 84-ton capacity coreless induction furnaces — the largest in the southern hemisphere — and four satellites which manufacture agricultural implements, small castings for the mines, parts for earth moving equipment and general engineering.

It's what assistant to the chief executive, Fanie Huyssteen, calls "one-stop service".

In all, 11 furnaces are involved and their molten metal output should be back in full production by March next year when the uprooting project has been completed.

The move has meant the loss of approximately 35 per cent in total production, but once all the units are functioning again the company expects to make up the backlog within about eight months. The logistical complexities of physically moving entire production units so far have been enormous, but at the same time overcome successfully, much to the chagrin of many sceptics when the plan was first mooted.

It had been the intention at the outset in 1973 to ship the equipment by rail. But because of the time factor involved and various other uncertainties, the planners turned to the road.

A massive haulage plan was devised on a 24-hour cycle system. Equipment was loaded in Vereeniging, driven the 600 km to Isithebe, offloaded, and the truck driven back to the Tranvaal, all in the space of that period.

On completion a total of 500/20-ton loads will have been moved.

"While we see the year ahead as a period of consolidation, we are looking towards a 10 per cent annual growth in turnover, a large slice of which will be generated through our increasing export market," Huyssteen adds that to keep the mining customers happy in the Transvaal a small operation is remaining at Vereeniging.

In order to create a better understanding of the existing and planned economic development of the Natal KwaZulu region, the Durban Chamber of Commerce has organised a symposium for October 1. It will be held at the Durban Holiday Inn.
<table>
<thead>
<tr>
<th>LECTURE DATE</th>
<th>LECTURE NO.</th>
<th>TOPIC</th>
<th>THE INCOME TAX ACT</th>
<th>MEYEROWITZ</th>
<th>ILLUSTRATIVE EXAMPLES</th>
<th>TUTORIALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 August</td>
<td>17</td>
<td>Source</td>
<td>s.1 'gross income' definition paras. (gA), (k), (a), s.9, s.10(1)(w), s.22A(2), s.24A(3)</td>
<td>Chapter 7</td>
<td>-</td>
<td>10.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Double Tax Agreements</td>
<td>s.108 and peruse double tax agreements noted below with emphasis on articles listed United Kingdom Art.1,3,4,6,9,10,11,14,22. United States Art.IV,V,VI, Germany Art.4,5,9,12,20. Switzerland Art.X,XI,XII, XV.</td>
<td></td>
<td>10.6</td>
<td></td>
</tr>
<tr>
<td>17 August</td>
<td>18</td>
<td>U.P.T. (including foreign companies)</td>
<td>ss.48 - 53, 28bis, 37A</td>
<td></td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>
Hundreds of Reef strikers are fired

Labour Reporter

Several hundred workers at the Cobra Brassware firm on the West Rand lost their jobs today after refusing to meet management's back-to-work deadline.

Workers walked out several times last week after talks between management and the General and Allied Workers Union (GAWU) broke down.

GAWU has called for union recognition as well as a minimum R3-per-hour wage.

Cobra's managing director, Mr. Terry Davison, said today only about 20 percent of the firm's 540 staff were still at their jobs and that Cobra would start taking on a new workforce from Wednesday morning.

Former workers could also reapply, he said.
HIVELD looks to exports

Western recovery to counter SA slowdown

HIGHVELD Steel & Vanadium Corporation, which reported attributable profit up 11% at R48 704 000 for the year to June, expects profitability to be “at least maintained” in the year to next June.

Mr Graham Boustred, the chairman, says in his annual review that the commissioning of Highveld’s 10th pre-reduction kiln ahead of schedule in June will lead to an increase in iron, steel and vanadium slag production in the current financial year.

"The indications are that a growth in the South African economy will be at a much lower rate in the year ahead and by 1983 there can be a downturn in local steel demand."

"On the other hand, the recovery in the North American economy should continue and by 1982 improvements in the European and Japanese economies can be expected.

"On the assumption that there will not be a major change in the rand-dollar exchange rate over this period, the group's income from export sales of steel, vanadium and ferro-alloys should show an improvement as the year progresses."

Renewing the past year, Mr Boustred says that by the year end the group's capital spending commitment had increased to R16 932 000 from R309 800 000 in 1980.

In November last year the board approved R10 million for the expansion of the iron-making capacity.

The project, which will be financed from cash flow and SA and overseas loans, will take steel capacity to 1 100 000 tons a year on commissioning in 1983.

In the past year, the fourth shaking ladle emplacement was commissioned.

A sixth furnace and an oxygen plant will be commissioned at Transalloys in the current year.

Mr Boustred says the overseas markets for the group's products were difficult throughout the year because of worldwide recession and because of the stronger rand in the latter part of the year.

Because of this, Transalloys and the vanadium division operated well below capacity for most of the year. Steelworks' stocks of steel gums increased and Rand Carbide division's production of metallurgical graphite and electrolytic carbon were adversely affected because of low activity in the Southern African ferro-alloy industry.

The group's export earnings at R116 932 000 were well below the previous year's R142 709 000. The domestic market for steel remained strong throughout the year and as a result group turnover increased to R332 957 000 compared with R323 584 000 in the previous year.

Mr Boustred, after reporting the 17% decline in US steel consumption last year, says the recovery of the North American economy in the last quarter of 1983 and subsequent growth have been better than expected.

"As a result apparent steel consumption in the US is forecast to improve by 6% in 1984 and generally worldwide apparent steel consumption is expected to rise by about 2% over 1983."

With a higher dollar price for steel by the financial year-end, Highveld Steel exports showed satisfactory profit margins.

"However, because of the intense competition in the international steel market, latest indications are that dollar prices are again weakening because of a further strengthening of the dollar against most other currencies," he says in his review dated August 19.

Highveld’s steel sales into the SA market increased by 8.8% over 1983 compared with the 31% increase in the previous year.

Highveld steel production showed growth for the 14th consecutive year and at 837 764 tons was 5.5% above the previous year’s record.

After detailing the cut in vanadium production because of poor demand, Mr Boustred says there are two major pipeline projects being considered which could have a major impact on vanadium demand.

One is the Yamburg project, a gas pipeline from Siberia to Western Europe, and the other a joint Canadian-US oil project from Alaska.

However, the world vanadium industry has ample reserve capacity to meet this possible increased demand without distortion of the market.

COMMENT. Highveld is an exceptionally cost-conscious, well-managed organisation which continues to make profits when other steel producers are in the red. It is the Western world's top vanadium pentoxide producer. It is a safe and steady investment that has never failed to increase its dividend since the first 5c in 1975.

With an increase in its production capacity and a probable revilal in vanadium demand, it expects its earnings and dividends at a steady rate. On yesterday's share price of 53c and a dividend of 5c, the historic yield is 6% which is unexciting, but there will certainly be capital growth in the share.

By ADAM PAYNE
The price of trucks could go up by as much as 30 percent from January 1 next year when tough new local content regulations — including a penalty for manufacturers not using the Atlantis diesel engine — are introduced, says a truck industry spokesman.

Mr Mervyn Chips, general manager, marketing, of Sigma Power Corporation, said yesterday that under the local content programme truck manufacturers would be penalised by up to 42 percent of the purchase price of their trucks if they did not contain certain locally manufactured key components.

The penalties amounted to 30 percent for the engine, six percent for the axle, and six percent for the gearbox.

"The position is, however, very confused at present and there are ongoing discussions between the industry and the Government to reach clarity," Mr Chips said.

Installing Atlantis diesel engines in existing truck models would mean changes to chassis, engine mountings, clutches, axles and gearboxes, and could push up the cost of trucks by between 18 and 30 percent.

---

function name(a_1, a_2, ..., a_n) = limited arithmetic expression

where function name is a symbolic name identifying the procedure

the a's comprise the list of one or more dummy arguments, a list of variables enclosed in parentheses and separated by commas.

limited arithmetic expression is similar to an arithmetic expression except that it may not contain an array element as a primary, and it may not reference, in any way, the statement function of which it is a part

the maximum value of n is defined for each processor, there is no standard value.

Rules:

(1) An arithmetic statement function reference is a primary in an arithmetic expression.

The actual arguments are arithmetic expressions and must correspond in number, order, and type with the dummy arguments.

For example, the statement function

\[ A, V, R, G, E, (A_1, B_4, C_7) = (A_1 + 3, B_4 - 4, C_7) \]

can be used with the following statement.

\[ Z = Y - A, V, R, G, E, (R_1, S_5, T_1) \]

The value for the actual argument R is substituted for its dummy argument A, S for B, and T for C. A value is returned to the statement function reference so that the arithmetic expression \( Y = A, V, R, G, E, (R, S, T) \) can be evaluated and assigned to Z. The statement function reference
Highveld optimism on future profits

By Patrick McLoughlin

Highveld Steel and Vanadium Corporation has warned there will be a downturn in domestic-steel demand in 1982.

However, a resurgence in overseas demand should easily counterbalance the local shortfall, Highveld's chairman, Mr Graham Boustred, says in the annual review.

"The commissioning of the corporation's 10th pre-reduction kiln ahead of schedule in June would lead to an increase in iron, steel and vanadium slag production during the financial year."

Mr Boustred commented: "The indications are that a growth in the economy will be at a much lower rate in the year ahead and by 1982 there can be a downturn in the local steel demand."

RECOVERY

On the other hand the recovery in the North American economy should continue, he said, and by 1982 improvements in the European and Japanese economies could be expected.

"On the assumption that there will not be a major change in the rand-dollar exchange rate over this period, income from exports of steel, vanadium and ferro-alloys should show an improvement as the financial year progresses and it is forecast that the group's profits will at least be maintained."

There is no doubt that steel producers in many parts of the world have suffered from the depressed American and European economies, but Highveld has managed to maintain a steady, if unexciting, growth in earnings.

Mr Boustred's prediction that profits would be "at least" maintained in the year to June means that this solid performance — last year South Africa's biggest private steel-producer boosted attributable earnings 11 percent to R65.7 million — should continue.

Highveld this year announced a final dividend of 22c a share (30c), making an annual total of 55c — 10.3 percent up on the previous year's 29c. The group has consistently boosted dividend, which has grown from 12.5c in 1976. The share is currently trading around 333c and has a historic dividend yield of 6 percent.

Good record from rolling mills

Highveld boosted production for the 14th consecutive year in the period to June 1981. At 877,784 tons output was 6.5 percent above last year's record, reports the group's chairman, Mr Graham Boustred.

"Both rolling mills operated well and the total rolled product at 678,675 tons was also a record with the structural mill exceeding 400,000 tons a year for the first time."

Highveld continued to export steel products in the form of sections and plates to many countries — but at lower levels than last year.

"This drop in exports was because of the improvement in local demand — which is forecast to change — and weaker overseas markets. Export tonnage represented 22 percent (29 percent) of total steel sales."

Mr Boustred said that his group's steel sales into the local market jumped by 8.5 percent compared with the 31 percent boost in the previous period — illustrating the "levelling-off" in local steel demand.

Worldwide vanadium consumption in 1980 weakened with the reduction in steel output, he said. A decision taken by most steelmakers to reduce inventories during a period of lower consumption accentuated the fall-off in vanadium raw material. Notwithstanding these market conditions, the world's leading vanadium pentoxide producer was able to sell its entire output of vanadium-bearing slag, Mr Boustred said — Patrick McLoughlin.

Figure 8-2. Out-of-Line Coding of External Procedure Subprograms
Strikers
smirk offer
to stay on

Labour Reporter

Former workers at the Cobra Brassware firm at Luipaardsvlei on the West Rand last night decided to collect their final wages today rather than seek re-employment.

More than 300 workers lost their jobs on Monday after refusing to meet a management ultimatum to return to work.

The workers, many of whom are represented by the General and Allied Workers' Union, went on strike last week over wage and union recognition demands.

At last night's meeting, organised by Gwau, former workers said they would "continue the struggle" and collect their wages rather than seek re-employment.

Cobra Brassware started to take on a new workforce this morning and former workers were also allowed to re-apply.
It is possible to incorporate several stages of decision nodes in a decision tree, using the "rollback" process to arrive at optimal decisions at each stage. The principle (which we have used in Figure 6.11) is to work from right to left on the tree, and as each decision node is reached, choose the action with the highest expected payoff, replacing all branches spreading from this node by this expected payoff.

For example, when considering an indication, $x_1$, in Fig 6.11, we note that action $a_1$ (2.8762) has a higher payoff than $a_2$ (0,0). If $x_1$ did result in practice we would therefore choose $a_1$. The decision node at $x_1$ is then given the expected payoff of 2.8762. The node at $x_3$ is given the value for action $a_3$, as its payoff (0,0) is better than that for $a_1$ (-0,057).
Slowdown for African Cables

By Mervyn Harris

Earnings of African Cables, the largest local cable maker, slowed to a 28 percent increase in the year to July after a 59 percent jump in the previous financial year.

Strong competition in the industry trimmed the rise in sales to 14 percent from R75,1-million to R85,7-million against an increase of 61 percent in the year to July 1980.

Profit before tax was up from R12,3-million to R17-million and profit after tax and extraordinary item rose from R7,1-million to R9,1-million.

The 28 percent rise in taxed profit compares with 49,3 percent increase in the previous financial year.

The final dividend has been raised from 15c to 20c, boosting the total payout for the year by 37,2 percent from 22c to 30c a share.

Earnings a share were up from 30,5c to 38,17c.

Although the results reflect a slowdown in growth, the dividend payout of 30c a share is an improvement on market forecasts of 25c.

At the current price of 425c, a 12-month high, the share produces a prospective yield of 6,6 percent against an average for the electronic sector of 4,7 percent.
Behind the secrecy shroud

Government's munitions manufacturer, the Armaments Corporation of South Africa (Armscor) is one of SA's biggest industrial undertakings. In terms of asset value (R1 200m) it probably ranks second to Barlow Rand among the country's industrial giants.

But the similarity with an ordinary commercial undertaking has some pretty clear limits. For example, the arms embargo requires Armscor to operate behind a legislatively enforced veil of secrecy and sometimes to use methods that might seem more appropriate to an intelligence service than an industrial undertaking. Even its files at the Company's Office, together with those of its subsidiaries in South Africa, are sealed.

Such secrecy is seldom desirable, particularly in a government-owned undertaking which spends vast amounts of public money. Yet it must be said that Armscor is sensitive to the public right to know what is being done with its cash.

In a wide-ranging interview with the FM, Armscor executive vice chairman John Maree (who is on secondment to Armscor from Barlow Rand) and members of his management team revealed many details of how Armscor operates. Details of arms procurement, predictably, remain secret.

When, at the request of the Prime Minister, the late P.W. Botha agreed to second Maree to Armscor in mid-1979, there were rumours all was not well at the arms manufacturer. Growing pains (assets had leaped from R200m in 1974 to close on R1 000m in 1979), and unimpressed management were perceived as acute problems.

Maree, whose appointment was part of PM P.W. Botha's drive to involve the private sector in attacking government's problems, is not the kind of executive who moves in with an entourage and changes structures from top to bottom.

He is, however, an advocate of Barlow Rand's own "teamwork" approach to management. One must, he says, recognize and use the talent that lies to hand. High-level special communications oriented, he recalls that he spent his first months at Armscor simply finding out what was going on, attending meetings and identifying the important and effective people and looking for the problem areas.

He ended up gathering 20 top executives and in a series of working meetings in which they identified the main problems and set priorities. "The setting of objec-

![Graphic diagram showing contribution from Armscor Company 25% and Armscor Subsidiaries 15% to the output of a typical subsidiary.]

Armscor board under Piet Marais agricultural co-operative chairman and company director includes people like Chief of the Defence Force General Constand Viljoen, a former office member, and Director General of Finance Joop de Loor.

The basic task of Armscor is to manufacture or procure arms: "as economically as possible" to the requirements of the Defence Force.

Armscor itself, according to Maree, falls directly under the authority of the Minister of Defence, General Magnus Malan, and is linked to the Defence Planning Committee, which helps reconcile arms requirements with the financial, physical and technical possibilities of procurement or manufacture.

Maree and his team are sensitive to the charge that arms manufacture is non-productive and an unfortunate necessity. He points to the enormous technical and scientific benefits that sprang from America's space programme as an example of what can be achieved through apparently unproductive high technology programmes. In the same way, he says, Armscor has helped produce a large pool of manpower skilled in technologies new to the economy.

Armscor itself has about 29 000 employees, most of them skilled, while the total arms industry, including the private sector, probably employs about 50 000 — again mostly skilled.

Armscor's known production includes the manufacture of advanced combat aircraft, guided missiles, armour, heavy artillery and communications systems with their associated spin-offs into avionics, radar, advanced electronics, guidance systems, steel technology ballistics, computer science and propellants. Thus the claim to be in the forefront of the introduction of...
valuable new technology carries weight.

Much of the new technology must of course be imported from wherever it can be obtained. About 10% of Atlas Aircraft's staff, for instance, were recruited outside SA and they are concentrated in the high technology fields. The proportion of imported skills, however, is dropping as intensive formal and on-the-job training of South Africans takes place.

As for the balance of all the technology and skills are imported Armscor can boast major achievements in the electronics field and is a major supporter of research — in house, through the CSIR and through universities and private research establishments.

The corporation is also a major trainer of skilled manpower. It has about 1 000 apprentices in training plus 250 "no strings attached" bursaries in high technology subjects. About 5 000 other workers undergo training courses in any year.

An example of what the corporation can achieve came last year when Armscor received the "National Award" for achievement in engineering from the Associated Scientific and Technical Societies. The award was for the development of a South African air-to-air guided missile and a 127mm artillery rocket system developed from but a considerable improvement on the Russian "Redeye" Stalin Organ.

Armscor also contributes to the balance of payments by exporting arms although, like so much of its activity, this aspect is not discussed. All the corporation's officials will say is that the export programme is "small". It is seen as important for the future, as a contribution to costs and to allow for the longest possible production run. Procurement elsewhere of weapons that cannot be made here is, of course, the most secret of all the corporation's activities.

Maree is particularly proud of the fact that Armscor does not try to duplicate existing private sector production facilities — except on rare occasions when it is required by security considerations.

Up to 60% of the corporation's production (much of it in the form of components rather than finished products) is contract-ed out to the private sector and is much of the research. This partnership with the private enterprise is seen as crucial to Armscor's efficiency.

In SA's circumstances it is probably not possible to have a wholly private arms industry catering to government's needs. Thus the partnership between Armscor and the private sector seems a reasonable compromise.

Armscor's period of extremely rapid expansion is almost over. Between 1974 and 1981 its assets base grew from R200m to R1 200m and the number of employees from 12 000 to 29 000. In this in a highly capital-intensive field this year it will deliver arms worth R1 400m.

As Maree points out the growth was due to the need to install major production facilities to meet growing defence needs while under arms embargo. That phase is over. The last of the big new facilities are coming into production and further large capital expenditure is not now envisaged.

The corporation is entering what it calls "a period of consolidation". But continuous expenditure in research and high technology to keep its products abreast of advances in weapons technology will still be needed. Armscor officials are confident this will be available to maintain standards of which they are clearly very proud.

Armscor is a creature of the unfortunate need to devote major resources to the production and procurement of weapons of war. Within that context, and accepting that any judgment must be limited by the paucity of information available, it seems that Armscor is going about its affairs in an efficient and businesslike way.

Obviously, a political solution to the problems which gave birth to Armscor would be preferable. That, of course, is at this time a remote prospect and it seems fair to suggest that SA is in the arms production business on a more or less permanent basis.

The fringe benefits of arms production are not inconceivable "Spounds" provide our economy with increased industrial sophistication through the skills and technology Armscor and its suppliers have accumulated. That is only to be expected.

There are few who don't regret the need for an Armscor and the demands it makes on scarce national resources. And a greater effort to take the public into its confidence within limits would be welcome. But Armscor is an example of a successful blend of government and business endeavour under difficult circumstances. It is one that might be usefully emulated by other public undertakings.

---

9. From your understanding of the process of industrialisation in Europe, explain what insights this offers for a theoretical understanding of the position of women in wage labour.

10. Use one of the case studies below to illustrate the position of women in wage labour in South Africa. Show how this helps you to conceptualise the relationship between class, colour and sex:
   (a) women in the reserves,
   (b) women in domestic service, or
   (c) women factory workers.

11. Discuss in the South African context, what you consider to be the meaning of "women's emancipation".

SECTION D ...


6. Mr J. Vermooten of Pica Ltd.


8. Ibid.


11. FASB 34: Op cit., paragraph 17.

12. Respondent to questionnaire: Mr T.K. Woolley, Chief Accountant of AECI Ltd.


15. Ibid.


17. Ibid.
CULLINAN HOLDINGS AND BLUE CIRCLE IN R100M MERGER

Cullinan director Ray Taylor, who heads the new operation, says: "For both groups, the partnership will enable an accelerated advance towards previous long-term targets."

Through the manufacture of both high and low voltage ceramic insulators, along with a variety of transmission line components, Cullinan has strong ties to the power transmission operations of Escom, the Post Office and the SAR.

For Blue Circle, given its philosophy of maintaining investments in significant businesses, this pooling of activities, gives the group a meaningful stake in a larger growth area.
Seifsa president warns of difficult times ahead

By David Rambler

Members of the Steel and Engineering Industries Federation will find it increasingly difficult to remain competitive and to provide additional employment for the country’s rapidly growing population.

Issuing this warning at Seifsa’s annual general meeting, the president, Mr. L. Boyd, said in spite of a lower tempo of growth in South Africa, there were still no signs of any meaningful reduction in inflation which remained the most serious problem currently facing the business community.

This led to it becoming harder to structure realistic industrial agreements acceptable to both employers and employees and at the same time enable our members to remain competitive.

COMPETITION

Mr. Boyd noted that Seifsa’s companies had faced increased competition from imports at a time when expansion in South African industry was essential to creating additional work opportunities for the large numbers of unemployed.

He said during the 1970s the relationship between contracting and client companies was stabilised by the emergence of contract price adjustment formulae aimed at ensuring healthy competition tending in inflationary times.

"However, continuing high levels of inflation are now generating doubts on both sides as to the ability of these formulae to meet the needs of the respective parties," he said.

PHENOMENON

Mr. Boyd said another phenomenon of the high levels of economic activity had been the mushrooming of labour brokers who competed with established engineering businesses for capital and maintenance work without having to meet the costs involved in operating under the various training and benefit fund agreements in the industry.

While nobody denies the right of labour brokers to exist, their continued operation outside the scope of the Industrial Council can only harm both employers and employees in the industry," Mr. Boyd said.

IMPORTANCE

Illustrating the importance of economic growth of the Seifsa group of industries to South Africa’s wellbeing, Mr. Boyd pointed out that the gross output of this sector was more than R11,000 million, representing some 33 percent of the country’s total manufacturing output.

Its workforce of all population groups was now 500,000 representing more than a third of the total manpower engaged in all manufacturing activity.

New capital investment in this group of industries amounted to R2,745 million over the past five years while total crude steel production last year was 1,1 million tonnes.
Steel firm's black workers' village called 'Chromeville'

By STAN HLOPHE

The R12-million housing project for blacks — one of the largest yet undertaken in an urban area by a private enterprise in South Africa — is nearing completion in Mabulz township, Middleburg.

The project will house more than 3,000 employees of the Furrow Rand subsidiary Middleburg Steel and Alloys (M&A).

The project, to be followed by an additional R1-million next year, covers more than a square mile on the site of a former colliery. It will provide for 6,000 families.

The main feature of the development is the village called 'Chromeville', a name chosen by the employees of M&A.

The village will be divided into two main areas: one for families, the other for single employees. It will have its own post office, school, and clinics.

In addition, the development includes a community centre, a sports complex, and a shopping centre.

The village is designed to be self-sufficient, with its own water and electricity supply. It will also have its own sewage treatment plant.

The main shopping complex is scheduled to open in December, and will include a supermarket, a medical centre, and a community centre.

The village is expected to be completed by the end of the year, and will provide a better quality of life for its residents.
New urban housing for blacks

By SELLO RAKOTIATHA

A R12 MILLION housing project, the biggest ever for blacks, undertaken in an urban area by a South African private enterprise, to house more than 3,000 people, is nearing completion in Middelburg.

The project is being developed by Middelburg Steel and Alloys, a subsidiary group of Rand. The company is catering for its married and single employees. The new area is to be known as Chromecrile, and is situated next to the Mine tunnel.

Mr. John Hall, managing director of MSA, said that the housing scheme is a fully integrated village employing the latest innovations in design criteria. It sets new standards for this type of housing in the country.

Mr. Hall said that his company decided to undertake the project because of an acute shortage of suitable housing for the company's black married employees in Middelburg. Also, housing facilities for single workers were not up to the standards demanded by the company.

The R12-million investment is scheduled for completion in December. It will include 298 family houses and four single accommodation blocks for 1,000. All the houses have three bedrooms, with built-in cupboards, separate toilets and separate bathrooms. Also, separate dining rooms, fully-equipped kitchens, separate bathrooms, toilets and single bedrooms. A total of 65 units for single persons will be available, each consisting of two bedrooms, a large living room, an ablution block and a veranda. Each bedroom can accommodate two people.

The village is divided into two main areas, with recreation space and parks as an integral part of the overall layout. In the middle of the complex are dining halls, laundries and an administrative block.

Rental for married employees' houses is said to be R15 a month, including electricity and water, while for single blocks the monthly rent will be R8 a bed.

Mr. Hall said that although the company is only now going to sell the houses to the employees, it would at present be impossible for them to manage the price of R1,000 a house.

On resigning from the company, an employee will have to leave the house but on retirement it is hoped the employees will own the house.
Seifisa plea on black unions

By STEVEN FRIEDMAN

THE president of the giant Steel and Engineering Industries Federation (Seifisa), Mr Leslie Boyd, said yesterday that the official industrial council system would have to be adapted to ensure that black unions took part.

He reiterated, however, Seifisa's long-standing support for the system Seifisa is the country's biggest non-mining employer federation and it is a party to the country's biggest industrial council.

Mr Boyd's remarks, made in a speech to Seifisa's annual meeting in Johannesburg yesterday, came at a time when it is re-examining its labour guidelines, which strongly support the system.

Observers believe they herald employer support for changes aimed at making the industries' industrial council, which covers the wages and work conditions of about 500,000 workers, more attractive to black union critics.

Mr Boyd said that the industrial council system had been subjected to "much criticism" in the past year.

He added: "It is evident that adaptations will have to be made to ensure that trade unions catering for black employees can participate in the system with the support of their members."

But Mr Boyd went on to say that "inconsistent attention is being given in the debate to the considerable merits of the system."

He said "fragmented bargaining at plant level" would lead to a "leap frogging" of wage rates and "a chaotic situation."

The metal industries' council would have to be strengthened "if our industry is to remain stable, and continue to grow."

Confidence

The existence of established procedures as well as council agents with "important powers of inspection to ensure the correct implementation of agreements by both parties" gave both sides confidence in bargaining as a method of settling disputes.

Cognition of a total interest cost (i.e. both utility interest) in the USA coincided with the utility regulation. Rates were set so that utilities were able to receive a fair return on their key were wont to include total interest as a as it increased the asset base on which their rates were calculated. In one of the early involving a utility, the judge ruled

is justifiable because of the im-

of capital, and

al cannot for al purposes."

on n between debt and mid-20's, interest

and ec enhanced by certain

ions. at the operating

feren be comparable

ences between

used their own capital for fixed asset acqui-

use that used outside debt capital. In any illogical that the cost of an asset should

if the method of paying for it. The Harvard
Giving
South
Star 5/9/81
America
18/5/82
a go.

The Tryholdings Group, local makers, stockists and distributors of Canadian designed Blue Giant pallet trucks, stackers and dock-
ing equipment, has embarked on a vigorous export drive. Aimed mainly at Mauritius, Reunion, Zambia and Malawi, Tryhold-
ings' chairman, Mr Andrew Stewart, says he is "also going to give all five countries in South America a go and see if we can also export to Blue Giant in Canada."

Mr Stewart says his seven-year-old company has been exporting for five years.

It does regular business with Mozambique — which absorbed its first modest exports — and with Malawi which, on its own in the last few months, has absorbed 12 dock levellers and many pallet trucks, all Blue Giant, and all made by Tryblue Manufacturing division of Tryholdings at its Denver, Johannesburg factory.

Mr Stewart, who has just returned from a business visit to the countries to which he hopes to export, says agents have been established in all of them, as well as in Zim-

babwe
union bargaining deal

Sevilla hammer out new

By STEVEN FREIDMAN.
One of the biggest black housing projects by a private firm in South Africa, a R12m scheme for 3,000 workers in Middelburg, Transvaal, is expected to be completed within three months.

The project, at Mhlizi Township outside Middelburg, includes 220 family homes and single accommodation for 1,800. Each house will have three bedrooms and modern amenities. The single accommodation will consist of 55 units of 12 bedrooms each. The bedroom workers each — a far cry from the older hostels with their rows of dormitories.

Next year the company intends spending a further R1m for a shopping complex and other facilities. The new scheme which is to be called Chromeville...
Iscor sacks men for refusing new shift times

A number of workers who refused to work new shift times at Iscor's redding mill in Newcastle have been dismissed, according to the company's general works manager, Mr C F van Vuuren.

"More than a quarter" of the 160 workers in the department were at work yesterday, he said, and the mill was operating at slightly reduced capacity.

Mr van Vuuren said the new four-day, 12-hour shift system which sparked Monday's unrest had been forced on management by circumstances. The mill's capacity had to be reduced, and the new schedule made this possible without refinements.
Iscor workers paid off after row over shifts

A NUMBER of black workers at an Iscor plant in Newcastle have lost their jobs after a dispute over a new shift system.

According to an Iscor spokesman, 62 workers were paid off yesterday after walking off their jobs and refusing to return...

The Black Allied Workers' Union claims 155 workers are involved, and that the workers were locked out of the factory.

Mr Neels Howard, Iscor's head of industrial relations, said a two-shift system instead of three shifts was introduced at an Iscor plant on Monday. The move had been discussed with the industrial council, union party to the council and workers...

Black workers had raised a number of practical problems, including transport difficulties, but after negotiations with bus companies and changes in their schedules, most black workers supported the system, he said...

On Monday the first shift of 31 workers refused to start at the new time but went to their jobs after talks with management...

"However, they downed tools at their accustomed time of 8am instead of 7am and refused to return, despite a warning that they would "dismiss themselves" if they did not. The night shift acted in the same way...

Mr Howard said the workers were paid off. He hoped there would be "no further problems".

According to Saps, a Bawu spokesman claimed about 150 workers had been locked out when they returned on Tuesday and were removed from the premises in the presence of police...

He said the union had held talks with the industrial council, which denied that it had approved the new roster...

CAPITALISING IMP

Financial accounting realities of a business cannot be entailed due to the fact required to be object lax for economic purposes accounting should not there are compelling reasons not recognise the interest because to do so would not be in accordance with GAAP.

Anthony feels that this conclusion is unwarranted.

In this chapter I propose to discuss briefly the Proprietary and Entity theories of Accounting, and then to highlight various of the arguments both for and against capitalising an imputed interest on equity capital. I will conclude by examining some of the major problem areas involved were such a policy to be implemented.

5.1 Proprietary vs Entity Theory

The proprietary theory of accounting views the enterprise as being owned by the proprietor himself. He is the centre of all accounting - all the assets are his, and the liabilities are his obligations, and any excess of assets over
Firm to negotiate with unregistered trade union men

A SUBSIDIARY of a major company has agreed to bargain with unregistered union representatives outside the official bargaining system in the metal industries — a move which is certain to add fuel to the growing controversy about the system.

Trident Marine Services, a subsidiary of the Freight Services Group, on Wednesday recognised a worker committee formed by the unregistered General Workers Union at its Cape Town plant, which employs about 180 workers.

Trident will negotiate all work conditions, including wages, with the committee — although it is covered by the Metal Industries' Industrial Council.

The move comes when steel and engineering employers are discussing proposals to modify the council, to draw black union critics into it, and registered metal unions have given support to changes while stressing their backing for the councils.

A union statement yesterday welcomed Trident's move and said the company's attitude is to be commended to other employers in the engineering industry.

The General Workers Union had rejected registration in its present form and the company “has found it expedient in the interests of harmonious industrial relations to go outside the official system.”

Negotiation

Trident said it had taken this step “in keeping with its stated policy of recognition of the workers' right to representation of their choice.”

According to the two statements, the agreement provides for negotiations on wages, conditions of service, productivity improvements and training.

It also includes a “mutually accepted” dispute procedure which will work outside the Industrial Conciliation Act and a grievance procedure negotiated between the two parties.

The General Workers Union welcomed “the fact that the company has recognised the primary need for plant-level bargaining and the importance of mutually accepted structures at all levels of management-worker relations.”

Freight Services, which owns Trident, is a member of the Stevedoring Employer Association which has recognised the General Workers Union at Cape Town, East London and Port Elizabeth harbours.
Steel subsidies on the way out

By JOHN MULCAHY

WORLD steel prices will have to rise sharply this decade to compensate for a likely reduction in government subsidies, says Dr Tommy Muller, chairman of Iscor.

He told a South African German Chamber of Trade and Industries luncheon in Johannesburg yesterday it had become fashionable to subsidise industries to keep people employed.

However, governments and industries had realised that this situation could not endure for much longer, and in Western Europe it had been said that subsidies would be phased out by 1985, which could only be done by putting up prices because costs remained high.

Dr Muller said the Western world was in bad economic shape, and the steel industry was in an even worse state than the general economy, with most producers either running at losses or at unfavourable returns for shareholders.

He forecast that within the next few years much of the steel-producing equipment now in operation would become obsolete, if only because of the pollution problem, and that the present glut of steel on the world market could become a shortage.

South Africa, with its relatively low labour and power costs, and availability of raw materials, would then be in a position to “cash in” on the steel market.

It was exporting 25% to 30% of its steel production into unwilling markets, but the domestic market was growing and demand would eventually catch up with capacity, reducing low-profit exports.

There was a gradual shift of steel production from developed countries to developing countries, in which category he included SA.

He saw this as a natural development as Western Europe did not have raw materials, labour was expensive, and the concentrated population made pollution a serious problem.

US steel production was declining, and SA was selling “quite a lot” of steel in that country. UK production was also falling and West Germany’s production was either static or declining marginally.

The increase in SA steel production over the past 10 years had been rapid, and output from countries such as South Korea, Taiwan, Brazil and Australia was also rising.

This tendency was likely to continue, with more and more steel being produced by developing countries.

Engineering technology had become highly sophisticated in recent years, requiring high grades of steel, and producers were forced to improve their products.

He gave as an example the Sahen-Saldhana Bay railway line, where the South African Railways insisted on a particularly sophisticated alloy for the rail which Iscor was unable to produce and had to be imported.

Dr Muller said SA was well equipped to deal with any reasonable demand that might arise in the next few years.
Many workless after Iscor labour dispute

DURBAN — An undisclosed number of workers at Iscor’s Newcastle plant have left their employment after a dispute over working hours.

The publicity secretary of the Black Aligned Workers Union (Bawu), Mr B E Khumalo, put the figure at 150.

He said the workers were paid off because of their strike in protest over the introduction of new shifts.

The issue that sparked this week’s walkout was the rationalisation of shifts which were reduced from 18 to 12 a week.

This caused several redundancies.

The works manager, at Iscor, Mr C J van Vuuren, who disputed the number of workers who walked out, said the steps taken by his corporation were caused by prevailing economic conditions.

Mr van Vuuren said that no one had been paid off but 98 had resigned and taken their discharge.

“There is a difference,” he said.

“We tried to reallocate labour to other departments but the workers have been given contradictory and misleading statements. This led to discontent with the result that the 98 took their discharge,” Mr van Vuuren said.

The rest of the labour force was continuing to work in the rod mill and in other departments.

“There is a worldwide recession in steel. The rod mill produces primarily for export but we have not had any orders for two months and we do not think any new orders will be forthcoming,” said Mr van Vuuren.

The mill had to run 24 hours a day because start-up time was four-and-a-half to five hours, which meant that amount of time was lost each start-up day.

The only answer was to run 12-hour shifts a day. This was accepted by all except the 98 who had quit their jobs, Mr van Vuuren said.
## Columns: Categories of Sorghum

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>None</strong></td>
<td>9</td>
</tr>
<tr>
<td><strong>Some</strong></td>
<td>314</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>323</td>
</tr>
</tbody>
</table>

## Columns: Categories of Potatoes

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>None</strong></td>
<td>104</td>
</tr>
<tr>
<td><strong>Some</strong></td>
<td>53</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>157</td>
</tr>
</tbody>
</table>

## Columns: Categories of Beans

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>None</strong></td>
<td>62</td>
</tr>
<tr>
<td><strong>Some</strong></td>
<td>350</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>412</td>
</tr>
</tbody>
</table>

## Columns: Categories of Others

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>None</strong></td>
<td>3</td>
</tr>
<tr>
<td><strong>Some</strong></td>
<td>42</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>45</td>
</tr>
</tbody>
</table>
LANDLOCK
Paying off

Activates. Industrial holding company with three divisions — product engineering, domestic appliances and wire processing. Was listed in January 1981 via Amalgamated Laundries Director control 49% of the equity
Chairman: E Ross
Capital structure. 3.7m ordinaries of 50c, 300 000 variable conv red prefs of 50c Market capitalisation R13.7m
Financial Year to June 30 1981. Borrowings long- and medium-term, R1.5m, net short-term. R1.8m Debt ratio equity 54.6% Current ratio 1.4 Group cash flow R3.5m Capital commitments R39 000
Share market. Price 370c (1980-81 high, 430c; low, 73c; trading volume last quart-
er, 155 000 shares) Yields 22.8% on earnings, 9.5% on dividend Cover 2.4 PE ratio 4.4
Return on cap (%) 1981 25.7 Turnover (Rm) 23.6 Pre-tax profit (Rm) 3.5 Gross margin (%) 16.6 Earnings (c) 84.3 Dividends (c) 245 Net asset value (c) 35

The transformation of Amalgamated Laundries into Landlock paid dividends for shareholders. And this year, judging by the 50% higher turnover anticipated by chairman Edward Ross, earnings will grow fast and another bumper dividend should be paid.

Amalgamated Laundries had a sorry history, missing dividends for five years as earnings followed an erratic path. But since July last year the company has been changed into an industrial holding company with three main operating areas producing a return on equity of 34.4% compared with 19% in 1980.

The largest contributor to this turnaround is the wire processing division, both Northern Metal and Wireco reported strong earnings growth. In addition, the appliances arm has recovered while product engineering operations will be boosted this year by the April 1981 acquisition of Lasch for R5m.

In financial 1981 Landlock paid little tax. The 12% charge resulted from border area allowances and capex offsets. The low rate will not continue for long and Landlock has structured its dividend policy on the assumption of normal tax. So the full benefit of the favourable rate has not been passed on to shareholders and the dividend trend will not be subject to sharp swings.

Funding of Landlock on the basis of group cash flows is adequate, says Ross. In financial 1981 total borrowings were R3.1m — a debt equity ratio of 55%. Cover on financial services costs was a comfortable 9.6 times, which gives plenty of scope for additional borrowings. Management’s target is that long-term liabilities should be kept within 60% of shareholders’ funds. Last year the ratio was 36%.

This year’s turnover estimate would allow earnings to grow at least 30% to R100m without any acquisitions. Dividend cover would be reduced as tax rises, so it would not be unrealistic to expect a dividend of at least 48c. This places the share, at 370c, on a 12.7% prospective yield, which is a good buy in current market conditions.

Des Kleine
Strikers fired and company 'closes''

A WYNBERG firm, Poolquip, has fired its entire workforce after a strike and told workers it is closing down. A Posatu spokesman claimed yesterday that workers had been fired after a stoppage on Tuesday and Wednesday in protest at the retrenchment of nearly 20 workers and disbanding of their works committee.

He claimed that the retrenchments had been carried out in violation of an industrial council agreement and said some of the workers were members of a Posatu project which aims to organise workers and channel them to Posatu unions.

Petition

Attempts to reach the company's managing director for comment were unsuccessful yesterday.

The Posatu spokesman, Mr Aaron Thlabjane, said Poolquip workers had signed a petition in August asking for the establishment of an official works committee.

He said the company had agreed and a committee had been elected.

However, he alleged that when workers asked for additional control of the company's constitution, management had refused.

The company had then disbanded the works committee and taken which angered workers.

Last week some of the workers were retrenched.

The other workers refused to accept this and they were sent home early on Tuesday. But on Wednesday they were told that they were all being fired and that the company was closing.

"We are not sure about the closing down. Users as management has said that all workers who want to continue working can claim their jobs back on Monday," Mr Thlabjane said.
An undisclosed number of workers at Iscor's Newcastle plant were yesterday paid off following industrial action which had recently swept at least two major Northern Metals industries.

The publicity secretary of the unregistered Black Alled Workers Union (BAWU), Mr E E Khumalo, who put the figure at 150, said the workers were paid off because their strike action which was to protest over the introduction of new working hours.

The application for the unregistered Black Alled Workers Union (BAWU), Mr E E Khumalo, who put the figure at 150, said the workers were paid off because of their strike action against the introduction of new working hours.

The workers at Iscor's Newcastle plant were bought off because of the prevailing "economic conditions".

The reason for their going was that working hours on the rod mill had been changed from 18 shifts a week to 12 shifts a week. These were being worked on the basis of two 12-hour shifts a day four days a week, he said.

"We tried to reallocate labour to other departments, but the people have been fed contradictory and misleading statements which led to discontent with the result that the 98 took their discharge."

Mr Khumalo said he was not aware of the new arrangement being negotiated with the workers of the Industrial Council, as Iscor claims.

Meanwhile at Dunlop's Ladysmith plant where, according to Bawu's president, Mr M K Khumalo, about 200 workers had downed tools in a little more than a week over a pay demands, the dispute remains unresolved.
Boksburg strike is over

Eight dismissed workers have been reinstated and their workload reduced after a strike by the 110-strong workforce at Main Steel Products, Boksburg.

The dispute began when pairs of workers were required to carry 80 kg boxes of sand to the moulding line, instead of the 40 kg boxes previously used. A spokesman for the Metal and Allied Workers Union (Mawu) said replacement workers were dismissed in similar circumstances and, on Wednesday morning, the workforce downed tools.

The spokesman said the strike ended four hours after the reinstatement.
Elma is booming on the Natal coast

A LARGE engineering group is emerging on the Natal coast in the wake of a major expansion in the sugar milling sector.

Substantial orders haveboosted the turnover of the former Glen Amil Elma Engineering group to at least R50 million.

When the group’s office block and machine shop are finished next year it will have assets of some R10 million.

Elma, little known outside the construction and sugar industries, is now one of the largest structural steel contractors in Natal — with a large mechanical division.

The company’s rapid growth reflects the expansion programmes in the sugar industry.

It was partly responsible for the construction of five cane diffuision plants, and is presently contracted out for work worth about R2 million on two plants at Sezela.

Elma was also recently involved in extensions to the Illovo sugar mill — possibly the most modern in the southern hemisphere — comprising a crystallising plant, juice heaters and conveyance systems, a de-pithing plant extension and a sugar store at Gledhow.

The company is now also involved in the construction of a new Patco bus depot, an Edgar’s Stores’ factory and warehouse at Tongaat, boiler structures and boiler houses at Neddberg and Umzumkulu and a grandstand roof at the Clairwood Turf Club’s racecourse.

Elma has expanded into new workshops covering some 5 500 square metres and is completing a new machine shop and storers.
WHILE the public and consumers have been shaken by a series of hefty steel price increases during the past few years, steel producers say inflation is still beating them hands down and they would like another increase this year.

Note Oliver, Jacor's divisional general manager (steel marketing), says the last steel price increase granted was the producers feel, not nearly enough and was a lot lower than asked for.

Oliver points out that steel-makers appreciated the Government's concern and desire to fight inflation, but rapidly soaring costs were proving to be a major headache.

"The cost of our inputs has risen by more than the inflation rate in the last year," he says.

"Coging cool, which we buy from a private mine, has risen by 24%, rail tariffs on raw materials by 10% following a 21% hike last year, refractory materials by 10% and labour by nearly 16%.

"These commodities account for more than half our input costs and on average are 17% more expensive than they were 12 months ago."

Oliver points out that had productivity in the group not grown by 8% a year during the past few years, Jacor could have found itself in serious difficulties.

In addition to its concern over price levels, Jacor is also unhappy about the system of allowing one large hike in the steel price around the middle of the year.

"We would like to see the steel price change in the second quarter by people who want to stock up at the lower prices."

"This leads to a 25% drop in demand in the fourth quarter. All steel producers are most unhappy about this state of affairs and we would rather have a number of small increases throughout the year. This would keep the demand flow constant."

However, despite pricing problems, the local steel market is in reasonable shape.
The planned strike by the United Steelworkers of America against the American Steel and Wire Company had come to a halt.

This had been brought about by the decision of a major steel company, involving a strike in management and workers had agreed to return to work.

Management had agreed to increase wages and benefits, which was reflected in the current negotiations.

14400 workers are expected to return to work on July 1.

The United Steelworkers had been demanding a 5% increase in wages, and the company had agreed to this.

The strike, which had lasted for two weeks, had been settled amicably.

Workers were grateful for the fair settlement and returned to work.

A spokesman for the union said that the dispute was over wages, which had been granted last week.

Workers felt that it was unsatisfactory but had not increased their wages in connection with the strike.
The strike by about 2,600 metal workers at Anglo American's Saw Metal Plant, in Wadsworth, has been settled.

All departments at the factory struck on Monday in protest against what workers saw as "unequal treatment." A black worker was dismissed last week after a fight with a white colleague.

1. The company agreed to reinstate the dismissed worker.

2. A worker, a spokesman for the Metal and Allied Workers' Union, and the affected workers' union

3. Refuse orders for goods in a zone before payment of duty or excise tax, if such tax is applicable.

4. Process, assemble, or otherwise manipulate goods to qualify for lower duty and/or lower freight charges.

5. Alter or modify goods on the spot to meet requirements of U.S. Government or state agencies (rather than at distant foreign manufacturing locations).

6. Relabel or remark merchandise to avoid fines assessed on improperly marked goods reaching customs territory. A firm may withdraw a sample of its goods and submit it to U.S. Customs to learn how the product will be identified for duty purposes, thus avoiding later differences of opinion.

7. For imported items subject to U.S. quotas, hold merchandise at no penalty until the next quota period.

8. Assemble or process quota-restricted goods into products not subject to quota limitations.

9. When manufacturing in an FTZ, choose the most advantageous type of duty or quota limitation.

10. Salvage or repair damaged goods duty and quota free.

11. Pay no duty on items that have suffered damage.

12. Stockpile free of duty, supplies for use.

13. Store goods indefinitely to await the best market conditions.

14. When the U.S. market proves unsuitable or unresponsive to goods, remove them duty free and ship them elsewhere.

15. Take advantage of FTZs' round-the-clock security to minimize security costs and concern.

16. Transfer certain bonded merchandise to a zone for subsequent export, canceling the bond at time limit applicable.

17. Borrow on goods stored in an FTZ by use of negotiable warehouse receipts.

18. Ship merchandise worth under $250 from a zone and pay applicable duty with minimum formalities.

19. Avoid posting bond for massing documents by keeping merchandise in a zone while documents are located.
D M Weatherly of Atlanta, engineers and builders of process plants serving the fertiliser industry, in conjunction with Mitchell Cotts Projects, a company in the engineering division of Mitchell Cotts, have been awarded a contract by Managed Construction Services for the supply of a granulation plant at Tronfon Fertiliser's Richards Bay factory.

The contract is turnkey covering design, engineering, supply, construction and erection, operator training, pre-commissioning and performance testing.

The plant is designed to produce 100 tons an hour of high concentration NPK fertilisers, diammonium phosphate and mono-ammonium phosphate.
STRIKE BY MORE THAN 2,000 BLACK WORKERS AT ANGLO AMERICAN PLANT IN SOUTH AFRICA ENDS WITH WORKERS RETURNING TO WORK AFTER A 9-DAY STRIKE

By DIANA DE VILLIERS

A STRIKE by more than 2,000 black workers at Anglo American’s plant in South Africa has ended following a decision by management to reinstate a black worker who was fired after making a racist comment.

The strike started on Friday after a white worker reported that a black worker had made a racist comment about him. The comment referred to a white worker who had been suspended and then reinstated.

The decision to reinstate the black worker was approved by the workers, who then returned to work, it was said. The decision was confirmed yesterday by a spokesman for the National Union of South African Workers, who said workers had demanded that the two workers receive the same punishment.

The union claims a membership of 1,000 at the plant.

He said the union would meet with management soon to discuss demands by the workers that the union be recognized, that the board be scrapped, and that management should divide grievances with the union shop stewards’ committee instead.

Management had indicated it would not recognize the union outside the Industrial Council structure, but it seemed it might be prepared to deal with the shop stewards committee, he added.

The company spokesman declined to comment on this.

Conditions

The union spokesman also confirmed that all workers had returned to work at National Springs, another Witwatersrand factory, after a 9-day strike ending on Friday.

But he said workers had decided not to work overtime until certain conditions had been met.

One of them was that the company review the dismissal of two workers which sparked off the strike.

A company spokesman said discussions with the union and workers would have further discussions with it and worker representatives.
Financial accounting is su-
realities of a business. 1
ments cannot be entirely c
ples due to the fact that
required to be objective,
laxed for economic purpose
accounting should not be a
there are compelling rea
not recognise the interest
because to do so would not
Anthony feels that this co

In this chapter I propose

tary and Entity theories of
light various of the argumen
capitalising an imputed in
will conclude by examinin
involved were such a poli

5.1 Proprietary vs Entity Theory

The proprietary theory of accounting views the enterprise
as being owned by the proprietor himself. He is the centre
of all accounting - all the assets are his, and the liabilit-
ities are his obligations, and any excess of assets over
Claude Neon’s future glows under the institutional context of the 1960 - 1980 period.

Claude Neon Lights has started the new financial year with a full order book and prospects for improved profits are good (978a) and to investigate the extent of unemployment/underemployment in South Africa (Simkins, 1978b). This study seeks to build on this work by considering the distribution of the African population and of region types that go to market, the four 'white' rural areas, other towns in 'white', and 'homelands'. These conditions by state policy, to the functioning of the market. The study will address the effect of American involvement in African economy on the African labour force and the serious problem of inflation. Mr. Rayston points out that it was only because of strict cost control and unit cost savings following increased production levels that the company's profit was not adversely affected. He continues: "The shortage of skills and the concomitant rapid wage increase to which there seems to be no short-term solutions, are particularly worrying." (Sapa)

I have recently completed estimating the distribution of the African population as of the 1980 Population Census; n...
Berzack's profit 'high cover'

By SUSAN DALLAS

BERZACK Brothers Holdings, the textile machine, plastic and electric cable suppliers attributes its record 94% surge in pre-tax profit in the year to June 1981 to its policy of high dividend cover.

Taxed profit was 91% higher at R9 897 000 from R5 166 000 in 1980 while pre-tax profit almost doubled to R16 076 000.

On earnings a share of 924.3c (1979 431c), the total dividend payment of 5.6c (28c) reached an all-time high of 15 after being above 14.7 since 1978.

In the annual report, the chairman Mr Maurice Berzack said the board was convinced the 'extraordinary growth in the profits, size and asset base of the group, together with its resultant vast untapped borrowing power, would not have been possible without its policy of high dividend cover.'

Two properties for use by the plastics division were bought without mortgage finance thanks to the 'substantial ploughback of earnings over the past years and the resultant liquidity.'

The board sees scope for further self-financed expansion leading to continued high growth rates and therefore intends to continue with its proven and stated policy of generating growth from internal financing.

According to the report, the group has prepared for a downturn in the economy and expects its profitability will not be affected.

A shortage of trained technical staff is said to have hampered the clothing industry from taking full advantage of a flood of orders for machinery.

A significant profit is expected from the electric cable division in the current year thanks to a predicted increase in demand.

The company repaid mortgage bonds on its property interests rather than face the increase in mortgage interest rates.

A confirming house business, Berca, which was formed towards the end of the financial year, achieved a break-even position despite only trading for three months.
cast in the transmitted listing statement.
The group, listed in January this year through the Satmar cash shell, has contracts with mining houses for the design, construction and recovery of slimes dams.

<table>
<thead>
<tr>
<th></th>
<th>'81</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on cap (%)</td>
<td>42.6</td>
</tr>
<tr>
<td>Turnover (Rm)</td>
<td>16.1</td>
</tr>
<tr>
<td>Pretax profit (Rm)</td>
<td>3.3</td>
</tr>
<tr>
<td>Gross margin (%)</td>
<td>20.4</td>
</tr>
<tr>
<td>Earnings (c)</td>
<td>23.1</td>
</tr>
<tr>
<td>Dividends (c)</td>
<td>11.0</td>
</tr>
<tr>
<td>Net asset value (c)</td>
<td>53.0</td>
</tr>
</tbody>
</table>

Taxed profit was almost R2m — ahead of expectations and nearly three times the R695,000 reported for financial 1980. That, however, included a one-off loss incurred on starting up the concrete pipe operation. Slimes dams operations contributed R1.1m, or 54%, of overall taxed profit. Although this remains the most important area of the company's business — Fralex is the country's largest contractor in this field — the road and earthworks division performed extremely well last year, altering profit split Contributions from this source shot up from 33% to 41%.

The new concrete division made R33,000 profit after suffering a R303,000 start-up loss the previous year.

The group performs consultancy work overseas and is known to be interested in tendering for further foreign business. If the gold price holds up and if dumps are treated on the company's own account, this could become an important profit source. At this stage, however, the possibility seems fairly remote.

The acquisition of a controlling interest in granite producer Marlin in May this year allowed the company to broaden its operating base and boost earnings and dividends. Chairmen Peter Gunn intends to keep Marlin listed, though I believe Fralex may want to increase its stake to as high as 85%.

Gunn says he is confident considerable benefits will flow from synergy between Fralex and Marlin. He says it should be possible to maintain the 11c dividend this year, despite the increased share capital and the conversion of the deferred ords, next year.

That forecast is probably conservative, as earnings in 1982 could depend on any additional stake Fralex may take in Marlin. Certainly the strategy is to make it a subsidiary. The offer is 170 Fralex for 100 Marlin shares or 185c cash for each Marlin share. Gunn's track record suggests switching into Fralex may be the most inviting option.

FRASER ALEXANDER

Broader base

Activitiess Engineering group involved in recovery of tailings from mining and industrial wastes, earthmoving and manufacture of concrete pipes. Owns approximately 19% of Marlin.

Chairman, P B Gunn

Capital structure: 8,5m ordinaries of 1c, 1,5m deferred shares of 1c, 800,000 10% cum red prefs of R1 Market capitalisation R88.8m.

Financial: Year to May 31 1981. Borrowings long- and medium-term, R510,000. Net cash R693,000. Debt equity ratio 34.1% Current ratio 1.5 Cash flow R2m. Capital commitments R1.85m.

Share market: Price 103c (1980-81 high, 183c, low, 65c, trading volume last quarter, 518,000 shares). Yields 22.4% on earnings, 10.7% on dividend. Cover 2.1 PE ratio 4.5.

In the first year of operation since its reconstitution, Fralex has turned in encouraging results, easily beating the 11.7c a share fore-
Looking for growth

Activities: Manufactures metal products including supplies for the building industry, office furniture and cookware

Chairman: II R Meyerson, managing director G J de Jager

Capital structure: 12m ordinaries of 50c, 2.5m 10% convertible cum red prefs of 50c. Market capitalisation R14.8m

Financial: 6 months to June 28 1981

- Turnover long- and medium-term, R3m, net short-term, R900 000. Debit equity ratio 22.4%. Current ratio 2.2. Net cash flow R4.2m. Capital commitments R1.7m.

- Share market: Price 122c (1980-81 high, 160c; low, 80c; trading volume last quarter, 634 000 shares). Yields *2.2% on earnings, *3.3% on dividend. Cover 6.9. PE ratio *4.3.

<table>
<thead>
<tr>
<th></th>
<th>'80</th>
<th>'81</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on cap (%)</td>
<td>4.3</td>
<td>19.9</td>
</tr>
<tr>
<td>Turnover (Rm)</td>
<td></td>
<td>47.0</td>
</tr>
<tr>
<td>Pre-tax profit (Rm)</td>
<td>77</td>
<td>6574</td>
</tr>
<tr>
<td>Gross margin (%)</td>
<td>18.4</td>
<td>18.4</td>
</tr>
<tr>
<td>Earnings (c)</td>
<td>1.1</td>
<td>34.6</td>
</tr>
<tr>
<td>Dividends (c)</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Net asset value (c)</td>
<td>44</td>
<td>124</td>
</tr>
</tbody>
</table>

* Annualised | † Eight months

Quincor was converted from a cash shell in December last year so profit figures for previous years are of little value. To further cloud the issue, the directors say the results for the 16 months to June 28 are representative of trading for a "normal" financial year.

Hendler has been part of the group since May 25 last year and pot manufacturer Duraware — formerly Domani — was acquired in March. Thus, the group's results include Hendler's for 13 months and Duraware for only four months. Had the accounting period been 12 months and not 16 and had a full year's earnings from both Hendler and Duraware been included, group pre-tax profit would have been close to the R4.3m earned, according to the directors.

Duraware has been absorbed into the stainless steel division and profits from this source will in future be separated. But Hendler has performed according to the directors' expectations. The transmuted listing statement — published earlier in the year — forecast that Hendler would earn at least R4m after tax in the 12 months to May 27. Chairman Hyms Meyerson says the company marginally exceeded this target.

In addition, the directors say group turnover was increased 35.2% over Hendler's sales of R4.7m the previous year. Meyerson says, earnings from Duraware — formerly a lossmaker — were in the region of R160 000, while interest on group cash resources boosted overall pre-tax income by roughly R100 000 to a total of almost R6.6m.

Profit was helped by a relatively low 33.8% tax rate. The directors say the reduced rate reflects the effect of the group's export drive, as well as investment and other allowances. The acquisition of Duraware brought with it an assessed tax loss of R4.5m, which means the company will enjoy a favourable tax situation for several years.

From earnings of 34.3c a share, the company declared a maiden dividend of 5c, covered an ultra-conservative 6.9 times Capital commitments amount to R1.7m, which the group intends to invest in new plant and fixed property. Even so the current high level of cover seems excessive, particularly in view of the strong financial position and low gearing. Meyerson says, however, that cover is likely to be cut to "around two times" by the end of the current year.

One reason for the high level of retainments may be that the group has further acquisitions in mind. Meyerson is non-commital, but there should be no difficulty in financing expansion.

At 122c, the share yields an annualised 3.3% on dividend — 3.2 percentage points below the engineering sector average of 6.5%. That reflects the market's view on the share's speculative attractions. Forecasting for the current year is based on a modest increase in output, with a 60-month exercise as prospects could change radically with further acquisitions.

Chris Watson.
Deutz launches its diesel project

DEUTZ Dieselpower, a new joint venture between KHD of Germany and Blue Circle, was launched officially yesterday by Mr T A du Plessis, director-general of the Department of Industry, Commerce and Tourism.

The new company will be the only diesel maker in SA and its Atlas Diesel engines get under way, but will continue to manufacture industrial engines.

The heart of the company is at Jeppestown, Johannesburg, but its assembly and manufacturing plant is in Pretoria/ Pretoria.

Blue Circle's partner, KHD, is the biggest maker of air-cooled diesel in the world, making engines from 1 to 6,000 HP (hp).

More than 500 of its engines have been sold in SA in the past 12 years.

Opening the new headquarters yesterday Mr du Plessis read a speech by the Minister of Industry, Mr D W Steyn, in which he said that SA would remain dependent on imports of capital goods for many years to come, especially in the case of high-tech.

"This resulted in a period of uncertainty about the future of our manufacturing activities until 1987, when a partial reformation of the company's manufacturing programme was received.

He said the level of local content in KHD's engines would be increased from current "significant" levels. To do this, the company would have to increase its market share and Blue Circle were committed to significant further investment in order to attain these objectives."
New diesel company to supply SA

By John Spies

In a deal worth more than R6 million, the Blue Circle Group (via its Hudaco Diesels subsidiary) has got together with West Germany's Klockner Humbolt Deutz (KHD) to handle the South African manufacture of Deutz diesel engines.

The two groups have formed a new company, Deutz Dieselpower (DDP), with the local company holding 70% of the equity and the German group the remainder.

Deutz Dieselpower is now South Africa's only diesel engine supplier other than Atlantis to be granted a Government-approved manufacturing programme for industrial diesel engines.

Dr Bruce McInnes, DDP's chief executive, tells Business Times that the company is budgeting for a turnover of more than R35 million next year from sales of air-cooled and water-cooled diesel engines ranging in size from a cost-efficient 2kW to a formidable 7250kW unit.

He says: "Deutz diesel engines have earned an enviable reputation over the past 50 years in the mining, construction, agricultural and marine markets of South African industry."

"Since 1969, when Deutz began local manufacture of diesel engines in Pietermaritzburg, the local content of the end product has steadily increased.

"The new venture will substantially boost the level of local content in line with Government recommendations. The objective is to achieve this target in the shortest possible period."

Local content of Deutz diesel engines is currently 50% — in excess of that at Atlantis. Dr McInnes points out that DDP will have access to the latest international technology and KHD's vast research and development facilities. KHD's 1989 worldwide sales totalled R2.3 billion, making it the world's largest manufacturer of industrial diesel engines.

He continues: "DDP has a long-term commitment to South Africa, with heavy investments in a countrywide network of service outlets. This substantial network is geared to guarantee the constant availability of products and components in the developing years ahead."

Underlining this commitment, DDP this week officially opened a new R8-million complex at Elandsfontein, Johannesburg."
Steel industry is still in good shape

FINANCE CORRESPONDENT

SOUTH Africa's steel industry seems to be in pretty good shape, compared with the industry in other parts of the world.

Dr Tommy Muller, chairman of Iscor, says the industry, world-wide, is at such a low ebb in most countries that governments are having to subsidise it.

This is happening even in West Germany, where the government is having to subsidise the local industry, "reluctantly," merely to enable it to compete with steel produced in other EEC countries and exported to Germany.

Nels Olivier, Iscor's divisional general manager steel marketing, says there has been a levelling off of local demand after the euphoric days of 1980, when steel consumption in South Africa jumped by 23 percent to a record usage of 4.9 million tons.

This levelling off process is now ending, and there will be a 3.5 percent drop in fiscal 1982.

"That won't be serious at all, because we are expecting positive growth again in fiscal 1983," says Olivier.

In 1982 -- the financial year ends on June 30 -- the consumption of steel in South Africa rose by another 5 percent to bring usage to 5.1 million tons, the highest in history.

"The 3.5 percent drop we are expecting will reduce consumption to 4.975 million tons, which is still marginally more than we sold as an industry in South Africa in 1980," Olivier says.

Olivier says that Iscor exported more steel in the past two years than the private sector industry sold both here and abroad.

"In 1979 we established a new record when we sold 1.5 million tons of Iscor steel abroad. That brought R869 million of foreign exchange into the country's coffers," he says.

"In fiscal 1981, because of the economic downturn abroad, our exports dropped to 1.2 million tons which earned R320 million in foreign currency.

"The weakening of the rand against the dollar has helped us to get business since August. In addition, there are signs of a revival in the economies of some European countries, the US and the Middle East, which means that we are now getting our sights on pushing our exports up to 1.5 million tons again," Olivier says.

The strategy is to reduce steel exports to about 10 percent of production -- this, to service traditional clients.

Export is at present running at about 30 percent of production. The extra 20 percent is a sort of piggery bank. As local demand increases, the amount of steel available for export will decrease.

The corporation has not decreased its production in sympathy with the drop in local and export demand. It is still producing steel and stockpiling the surplus in steel form, to be able to cope with the next upswing in the economy.
analysts who are far from satisfied with the financial analysis. Furthermore, footnote 17 states that any profits earned in South Africa would be subject to audit, but external audit of earnings would not. This approach could create a climate in which companies might be encouraged directly to achieve higher earnings to meet objectives. Finally, reference to TABLE 4. ADOPTION OF THE EQUITY METHOD overseas yields the following results:

<table>
<thead>
<tr>
<th></th>
<th>COMPANIES WITH ASSOCIATES</th>
<th>ADOPTION OF THE EQUITY METHOD</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNITED KINGDOM</td>
<td>(1978 - 9) (29)</td>
<td>233</td>
<td>198</td>
</tr>
<tr>
<td>NEW ZEALAND</td>
<td>(1980) (30)*</td>
<td>172</td>
<td>99</td>
</tr>
<tr>
<td>WORLD SURVEY</td>
<td>(1980) (31)</td>
<td>113</td>
<td>73</td>
</tr>
</tbody>
</table>

*In the New Zealand survey, a number of companies (omitted from Table 4) made no reference to associated companies. It appears from the survey that most of these particular surveyed companies had investments not qualifying as associated companies. There are at present no percentages available in the U.S.A. although...
Durban strike hits ships

Labour Correspondent

A WILDCAT strike yesterday by stevedores employed by South African Stevedores Company (Sasco) could affect as many as half the vessels unloading and discharging in Durban Harbour.

At least one ship has decided to "cut and run" and instead of returning from the container terminal to her berth at Maydon Wharf, the ship was yesterday sailing for Richards Bay.

Shipping sources could not confirm the number of stevedores involved nor give details of the strikers' demands.

No-one at Sasco was available for comment.

Meanwhile, black workers at Power Steel Corporation in Wadeville returned to work yesterday afternoon after striking since Friday.

The firm is the third metal plant in Wadeville to be hit by strike action within a week.

A spokesman for the Metal and Allied Workers' Union said yesterday the strike was sparked off when a foreman fired a worker after a quarrel last Thursday.
Globe hopes for maintained profit

WORK in progress at Globe Engineering Works is at a high level and this should result in satisfactory operating profits for the first half of the current year, but a slackening in the economy's growth is likely to affect market opportunities.

Globe's chairman, Mr R J Hamilton, says in the annual report results for the full year are less clear but dividend income as a result of new investments is expected to be substantially higher and this should ensure the past year's taxed profit is at least maintained.

Mr Hamilton says Globe secured a satisfactory share of the marine, industrial and electrical markets in which it operates.

The marine market was adversely affected by recessionary conditions overseas, but the industrial and electrical divisions benefited from the buoyant local conditions.

Globe's operating profit was adversely affected by two factors, says Mr Hamilton. Firstly, the reduced consumption of oil overseas and the deepening of the Suez Canal combined to reduce severely the number of larger tankers undertaking repairs in South African ports.

Secondly, a large contract was in progress at the year-end, and turnover and profit on this will only be taken into account when the contract is completed in the current year. It is a major reconstruction contract on the MV Cambridge, which was won against competition against European and Far Eastern yards.

Mr Hamilton says there was a decline in work from the mining industry in South West Africa because of the drop in base metal and mineral prices overseas, affecting the profits of Gearing (Pty) in Walvis Bay, but this was counterbalanced by an increase in the profitability of marine activities.

By JOHN MULCAHY
400 metal workers strike in Bokshurg

In the latest outbreak of labour unrest on the East Rand, about 400 metal workers at the Dobbi Railway Products plant in Bokshurg went on strike yesterday.

Management could not be contacted, but a spokesman for Pound's Metal and Allied Workers Union (Mawu) said the workers were demanding a 60 cent across-the-board increase in their hourly wage. Most workers earned in the region of R1.18, he claimed.

The demand was first raised early this month by Mawu shop stewards, but was turned down. A brief work-stoppage took place on the issue last Friday.

Workers clocked in as usual yesterday morning, then refused to leave the change-rooms, said the spokesman. He added that all the men were back on the job in the afternoon, and that management had agreed to reopen negotiations today with union officials and stewards.

The East Rand has been hit by a succession of strikes for wage increases over and above the recent industrial council award.

In June, about 1,000 workers at two Dobbi motor component plants in Uitenhage were fired after striking in support of a R2 minimum wage.
Flekser
Steel sold

Lucem Holdings has announced that its steel subsidiary, Flekser Steel Holdings, has sold its merchandising operation to Macsteel with a net cash injection into Flekser of R7-milion.

"This deal furthers the long-term objective of the Flekser group of concentrating activities more and more on steel servicing, and processing and the manufacture of steel products," said a spokesman for Lucem Holdings in a statement released yesterday.
500 workers strike over dismissal

MORE than 500 workers went on strike yesterday at Power Steel in Wadeville, Germiston, demanding the reinstatement of a colleague they claim has been unfairly dismissed.

Mr Moses Mayekiso, organiser of the Metal and Allied Workers Union (Mawu), of which sixty percent of the workers are members, said the trouble at the factory started on Friday, last week.

Mr Mayekiso said: "The employees decided to down tools after the dismissal of a colleague by a foreman who accused him of not greeting him (the foreman) in the morning. "The worker is said not to have greeted the foreman in the morning and when the foreman asked him why he did not greet, the worker apologised and told the foreman that he had not seen him. He was later called to the office and told that he was fired," he said.

Mr Mayekiso said the other workers had then decided to go on strike demanding the reinstatement of the dismissed worker as they felt that it was unfair to dismiss a worker for not greeting.

Mr Mayekiso said MAWU officials were due to meet management later in the afternoon yesterday to settle the dispute.

SOWETAN could yesterday not get a comment from management as the spokesman, Mr Phulp, was said not to be in..."
500 workers strike

over dismissal

MORE than 500 workers went on strike yesterday at媒介 Street in Wadewijk, Germany, demanding the reinstatement of a colleague whose claim has been denied.

Mr Mosco Maselo, organiser of the Metal and Allied Workers' Union (Mawu) of which 90 percent of the workers are members, said the trouble at the factory started on Friday last week.

Mr Maselo said: "The employer decided to down tools after the dismissal of a colleague by a foreman who accused him of not greeting him (the foreman) in the morning. The worker is said not to have greeted the foreman in the morning and when the foreman asked why he did not greet, the worker apologised and told the foreman that he had not seen him. He was later called to the office and told that he was fired." He said Mr Maselo said the other workers had then decided to join in the protest.

Mr Maselo said the employer had not given any comment from management or the union leader, a Mr Fred, was said not to be in.

ETHEL REDPATH

BDEBE

ETHEL REDPATH

189
Firms hit by wage strike

By THOMAS DE VILLIERS

In the latest incident in a recent wave of labour unrest on the East Rand, workers banded together at a Doorenbos plant in Evander in support of wage demands.

According to a union spokesman, the black work force of about 600 went on strike on Friday, but conditionally returned to work on Monday after management had agreed to negotiate with union shop stewards and officials.

However, management tentatively turned down the demands yesterday afternoon and work was not recommenced, he added.

The spokesman for the Rand-a-affiliated Metal and Allied Workers' Union said the demand for an across-the-board increase of R1.00 an hour was first submitted to management last month.

Workers at Power Steel Construction in Wadeville struck on Friday and Monday after a worker had been dismissed.

Stoppages

These strikes have come in the wake of stoppages at two other Wadeville metal plants, Anglo American's Sanic Metal plant and National Spring, an American subsidiary, at the beginning of last week.

Meanwhile, several stoppages have occurred in Durban.

About 50 black workers employed by the St. Stevens Services Company in Durban reportedly agreed to return to work yesterday after striking on Monday.

More than 100 workers are reported to have stopped work at Game discount stores in Durban yesterday, demanding higher wages.

According toworker sources, about 50 black workers at St. Stevens struck yesterday in Durban, after management demanded that they resign and apply for re-employment if they did not want to withdraw their contributions from the company's provident fund.

They said the workers returned to work yesterday afternoon.

Machel frees 700

LISBON — Admitting his Marxist government 'made some mistakes', Zimbabwe's President Robert Mugabe has ordered the 700 detaineess to be freed from 're-education camps'.

Quoting unspecified sources in Maputo, the Portuguese national news agency reported Mr. Machel had made the decision after reviewing several cases of people detained on a variety of charges.

This report said that as a result of a tour cấu-a-tran that the ban on playing against South Africa be lifted.

Mr. Machel and New Zealand, which had made it clear when the agreement was signed that it would presumably against South Africans on any occasion they might be offered to play against South Africans.

Machel said it was essential that South Africans on any occasion they might be offered to play against South Africans.

Mr. Machel said it was essential that South Africans on any occasion they might be offered to play against South Africans.

Mr. Machel said it was essential that South Africans on any occasion they might be offered to play against South Africans.

We understand that it was essential that South Africans on any occasion they might be offered to play against South Africans.

We understand that it was essential that South Africans on any occasion they might be offered to play against South Africans.
Food company workers on strike over sacking

By Drew Forrest

Labour unrest has spread to Kempton Park, where the entire 350-strong African workforce of Ilhams and Company, a milling and edible oil manufacturing company in the Tongaat group has gone on strike.

A spokesman for the unregistered African Food and Catering Workers Union, which claims 70 percent membership at the plant, said the strike was triggered on Tuesday by the dismissal of a union committee member, allegedly for forging a timecard.

Workers decided yesterday not to return to work until management met their demand for his reinstatement, or the dismissal of another worker accused of the same offence but not dismissed, he said.

The chief executive of Tongaat Foods, Mr A G Crooke, denied union charges that factory management had refused to deal with an unregistered union and that workers had been told to report for work by 8 am today, or face dismissal.

"No decision has yet been taken," he said.

"We met the workers' committee today and the members agreed that correct dismissal procedures had been followed," he said. "It's the union which can't accept this!"

Meanwhile, at Dobyls Products in Boksburg, about 400 workers went on strike yesterday for the third time in a week in support of a demand for a 60c increase in their hourly wage.

In another meeting on Tuesday with shop stewards and officials of the Metal and Allied Workers Union, management had made it clear that it would not agree to the demand said Dobyl's group industrial relations adviser, Mr Mike Beaumont.

In another dispute about 170 black employees at four Game Discount stores in Durban have refused to accept their dismissal after a strike yesterday.

The workers are demanding the recognition of the Commercial, Catering and Allied Workers Union and a wage of R220 a month.
Motor firm hit by all-out strike

By STEVEN FRIEDMAN

LABOUR unrest escalated in various parts of the country yesterday as all 1 600 workers at an East London motor plant and more than 1 000 workers at three Hulett's sugar mills in Natal struck.

On the East Rand, police stood by as the strike-hit milling company of H Lewis and management said all 500 striking workers had been fired.

In Durban union sources said a strike at Game Discount World had not been resolved.

However, all 1 768 strikers at Sappi's paper mill in Kliprivier returned to work yesterday after management had promised to accede to their demands for a wage increase and union recognition.

At the Durban Railway Products, workers returned yesterday after management had refused to return to work.

Thirteen dismissed strikers at Cobra Brassworks in Krugersdorp were arrested yesterday and are expected to appear in court today charged with "intimidating" workers in an attempt to prevent them from returning to work.

Sent home

In East London, all 1 360 workers at the CDA plant, which manufactures Mercedes-Benz cars, struck or were sent home yesterday.

A company spokesman said the strike by about 300 workers on Wednesday had spread and all 1 600 black workers had downed tools yesterday afternoon. The 1 700 white and coloured workers were sent home.

The strike is a protest against the dismissal of a black worker who was involved in an altercation with a white foreman.

In a statement yesterday, CDA's managing director, Mr Leo Borman, and the company hoped the dispute could be "resolved" in discussions with the union.

A spokesman for the Fosat's Metal and Allied Workers Union said SAWU attempts to gain access to workers yesterday had been unsuccessful.

He said the strike has once again demonstrated that workers respect industrial councils and other bodies on them by employers," the SAWU spokesman said.

At the Sappi's paper mill in Kliprivier, all workers returned yesterday, according to Sappi managing director Mr C van den Heever.

The strike was sparked by the proposed pensions legislation.
5000 are still away from work

Staff 2/10/61

Labour Staff

Nearly 10,000 workers have been involved in a wave of strikes this week. More than half of these were still away from work today, either on strike or because factories have been closed.

The centres for the unrest are Natal—where workers at three sugar mills in the Hulett's group went on strike yesterday over pension-related demands—East London and the East Rand.

The majority of strikes relate to proposed pension legislation affecting contribution payments, retirement and transfer of funds.

Workers have demanded immediate pay-outs, mistrusting the Government proposals.

Other strikes have involved issues of union recognition, worker dismissals and wage demands.

Springs

About 1400 workers at the Telephone Manufacturers of South Africa (Tensa) plant in Springs lost their jobs today at the request of world stoppages over the dismissal of three of their colleagues.

Three were dismissed on Wednesday for playing cards while on duty, and yesterday about 500 workers stopped work and called for their reinstatement.

They refused to meet management's return-to-work deadline and were told they had dismissed themselves. Early today more workers joined the strike and other union allegations of white worker mistreatment of black staff at the plant.

A spokesman for Hulett's expressed surprise.

"We accept that workers have very real fears about possible pension legislation," he said, "but they have preempted a meeting this afternoon of the industry's industrial council on the pensions issue.""The issue involves the Sugar Refining Employees Union, which represents them."

On the East Rand most of the 3,000 workers who struck on Tuesday at Dovish Railway Products in Randburg were back at work.

At another East Rand firm, H. Levy and Company in Kempton Park, about 550 dock workers who struck on Tuesday in protest against the dismissal of a union committee member have been fired.

Stoppage and there were also told to leave the plant's Tema's managing director, Mr. Fred Williams, said the plant would probably be closed on Monday and re-engage staff on Tuesday. He added that about 2,000 workers were still at their jobs.

The Hulett's walkouts at the Dassie, Amanitou and Mount Edgecombe mills in the Natal North Coast follow hard on the heels of the pension-related strike by 1,650 workers at South's Mandina plant which was settled yesterday.

Sent home

Other outbreaks of labour unrest in Natal this week include strikes by 390 Sasco workers at the Durban docks and 170 employees at four branches of Game Discount World in Durban.

In Emden London the production of Mercedes-Benz vehicles at the Distribution Assembly (Cub) came to a standstill yesterday as the plant's 1,600 black workers struck and the rest of the 3,300-strong workforce was sent home.

The dispute began on Wednesday when 235 workers in the CIAB truck assembly department demanded tools in protest against the dismissal of a workmate.

A four-hour meeting between management and representatives of Fosat's National Union of Motor Assembly and "Babber Workers failed to settle the strike and the plant will be closed today.

A joint management-union committee has been appointed to investigate the incident which

---Page 5, Col 6---
JOHANNESBURG — The strike wave this week continued to escalate yesterday as Telephone Manufacturers of SA (TMSA) the biggest Springs employer outside the mines, closed its 3,400-worker plant after a strike in protest at dismissals.

The 1,100 workers at three Huletts sugar mills continued their strike over the government's proposed pension legislation.

At TMSA, the dispute began when three workers were fired for allegedly playing cards during working hours.

About 200 workers struck in protest on Thursday and were later fired. The strike then spread to most of the company's 1,700 black workers.

A company statement said the decision to close the factory had been taken after the 200 fired workers had refused to leave company premises and workers had become "unruly."

At Huletts, hopes that an industrial council meeting would end the stoppages at the three mills were dashed as the strikes over proposed government pensions legislation continued yesterday.

The general secretary of the National Union of Sugar Refining and Manufacturing Employees, Mr Selby Ntshabele, said the strikes appeared to have been sparked when pension contributions were deducted from workers' September pay packets.

The strikes are the second on the pensions issue to hit the three Huletts mills — at Amatuku, Darnall and Mt Edgecombe, in a month.

About 40 of the dismissed workers returned to work at two branches of a discount store in Brickhill Road, Durban.

The 140 workers were dismissed when Game management took a hardline following work stoppages on Monday — DDC.
Plant closes as strikes in SA escalate

JOHANNESBURG — Strikes in the country continued to escalate yesterday as Teleco, a major manufacturer, and the biggest Springs employer outside the mines, closed its 3,400 worker plant after a strike in protest at dismissals.

Meanwhile, the strike at Mercedes-Benz manufacturers in East London continued with management disclosing that 2,600 were on strike.

It was announced late yesterday that Transvaal’s National Union of Motor Assembly and Rubber Workers was to recommend a return to work after talks with CDA.

The 1,100 workers at three Huletts sugar mills continued their strike over a raise in the Government’s proposed pension legislation.

And most of the strikers, fired by Durban department store Game Discount World were refusing to apply for re-employment, although a management spokesman told Sapa that 141 sacked workers had done so.

‘Playing cards’

At Transvaal, the dispute began when three workers were fired for allegedly playing cards during working hours.

A Transvaal spokesman confirmed that “most” black workers had refused to work but said management believed that only the 200 had downed tools voluntarily.

A spokesman for the Federation of SA Trade Unions, whose Worker Project claims a membership of 800 at the plant, disputed this account.

He said worker representatives had established that the three workers had not been playing cards as alleged and that all departments joined the strike voluntarily.

He alleged that workers attempted to return to the plant yesterday morning, but were prevented by company officials, and that three strikers were assaulted in the process.

‘Workers asked us to negotiate on their behalf but management has refused to speak to us until Monday. We will try to talk to them then,’ he said.

Transvaal’s spokesman denied any knowledge of assaults by company officials on strikers at CDA in East London, the 2,600 black workers striking in protest at dismissals refused to return and the 3,400-worker plant remained closed.

Mr Leo Booyen, CDA’s managing director, said production would resume on Monday and any worker who did not report for work would have dismissed himself and would have to apply for re-employment.

In future, workers engaged in “wildcat strikes” rather than official union-sanctioned disputes, would be fired, he said.

Dismissal

Workers struck in protest at a dismissal and the NUMARW has since raised four other such strikes with the company. The union’s decision to recommend a return to work came after management and NUMARW had convened a joint appeals committee to examine the cases of the dismissed workers.

Mr Norman announced that he had found that all the dismissals had been ‘correctly carried out’ but that two workers had been ‘inequitably dismissed’. At a result, one worker had been reinstated.

The appeals committee was still sitting yesterday and management was hopeful that workers would heed the union call and return.

At Huletts, hopes that an industrial council meeting would end the stoppages at the three plants were dashed as the strikers — over proposed Government pension legislation — continued yesterday.

The general secretary of the National Union of Sugar Refining and Manufacturing Employees, Mr Selma Hlatshwayo, told Sapa the strikes appeared to have been sparked when pension contributions were deducted from workers’ September pay packets.

The strikes were the second on the pension issue and hit the three Huletts Mills — at Amatikulu Dargain and Mount Edgcumbe — in a month.
Country hit by wave of strikes

Union leaders have recommended that about 2,600 striking workers in East London should return to work on Monday, according to management spokesmen.

The workers were among at least 5,000 who brought production to a halt at six strike-hit factories in various centres of the country yesterday.

A statement released last night by the management of Car Distributors Assembly (Eastern) Limited said the Fiat-affiliated National Union of Motor Assembly and Rubber Workers had recommended a full return to work. Union spokesmen could not be reached for comment on the management statement.

Dismissal

Management announced yesterday that 2,600 workers had brought the plant — which employs 3,600 — to a standstill and that those not back at work on Monday would face dismissal.

A joint committee representing management and the NUMWU sat all yesterday to hear appeals against disciplinary measures taken after five recent instances of violence at the plant.

At the start of the session, CIDA Managing Director Mr Leo Bowman announced that after examining the records in the five cases, he had decided to dismiss a white worker originally suspended for attacking a black colleague, and to commute another black worker’s dismissal to suspension.

And at the Jeppestown Amatutuleni Darnall and Mount Edgcumbe sugar mills, about 1,100 workers are still on strike in a demand for the immediate return of their pension contributions.

After a meeting in Durban yesterday the industrial council for the sugar industry decided to appoint a sub-committee to discuss the dispute on Monday.

Management at Telephone Manufacturers of South Africa (Temsa) in Springs yesterday reversed an earlier ruling that the 1,400 workers on strike at the plant had “dismissed themselves” by ignoring return-to-work deadlines.

A Temsa spokesman said the plant would open on Monday, and that talks would be held with the Electrical and Allied Workers Union, and the Tucsa-affiliated Radio, Television, Electromate and Allied Workers Union.

APEAL

At the IL Lewis food company in Kempton Park, where 500 strikers were dismissed on Thursday, the unregistered African Food and Catering Workers Union is still seeking talks with management.

Stressing that the workers still considered themselves in the employ of the company, an AFWU spokesman appealed to management to follow the Conciliation Act.

other milling companies by negotiating conditions for a return to work.

Thirteen workers dismissed after the recent strike at Cobra Brickware in Lusapho-D酎e appeared in the Krugersdorp Magistrate’s Court yesterday charged with incitement to strike under the Industrial Conciliation Act.
Strikers close down major Reef factory

By STEVEN FRIEDMAN

THE strike wave gripping the country this week continued to escalate yesterday as Telephone Manufacturers of SA, the biggest Springs employer outside the mines, closed its 3,400-worker plant after a strike in protest at dismissals.

Meanwhile, the strike at Mercedes-Benz manufacturers CDA in East London continued with management disclosing that 2,600 black workers were on strike. It was announced late yesterday that Fosacla’s National Union of Motor Assembly and Rubber Workers is to recommend a return to work after talks with CDA.

The 1,100 workers at three Hulettes sugar mills continued their strike over the Government’s proposed pension legislation.

And most of the strikers fired by Durban chain-store Game Discount World were refusing to supply for re-employment, although a management spokesman told Sapa 23 of 141 sacked workers had done so.

At TMSA, the dispute began when three workers were fired for allegedly playing cards during working hours.

About 200 workers, fired in protest on Thursday and were later, fired. The strike then spread to most of the company’s 2,700 black workers.

A company statement said the decision to close the factory had been taken after the 200 fired workers had refused to leave company premises and workers had become “unruly.”

Yesterday morning all but one factory gate was locked and the 200 were “screened out.” But they ignored management instructions to collect their pay. The factory was then closed for safety reasons,” the statement said.

A TMSA spokesman confirmed that ”most” black workers had refused to work but said management believed that only the 200 had downed tools voluntarily.

According to TMSA, only the...
200 workers have been fired. "We will have to see what happens on Monday," its managing director, Mr Fred Williams, said.

A spokesman for the Federation of SA Trade Unions, whose Worker Project claims a membership of 5000 at the plant, disputed this account.

He said worker representatives had established that theese workers had not been playing cards as alleged and that all departments joined the strike voluntarily.

He alleged that workers attempted to return to the plant yesterday morning, but were prevented by company officials, and that three strikers were assaulted in the process.

"Workers asked us to negotiate on our behalf, but management has refused to speak to us until Monday. We will try to talk to them then," he said.

TRISA's spokesman denied any knowledge of assaults by company officials on strikers.

At CDA in East London, the 2000 black workers, striking in protest at dismissals again refused to return and the 3200-worker plant remained closed.

Mr Leo Berman, CDA's managing director, said production would resume on Monday and any worker who did not report for work would have "dismissed himself," would have to apply for re-employment.

In future, workers engaged in "wildcat strikes" rather than official union-sanctioned disputes would be fired, he said.

Workers struck in protest at a dismissal and the NUMARW has refused to return to work unless they were reinstated. The union's decision to recommend a return to work came after management and NUMARW had convened a joint appeals committee to examine the cases of the dismissed workers.

Mr Berman announced that he had found that all the dismissals had been "correctly carried out" but that two workers had been incorrectly disciplined. As a result, one worker has been reinstated.

The appeals committee was still sitting late yesterday and management was hopeful that workers would heed the union call and return.

At Hulett's, hopes that an industrial council meeting would end the stoppages at the three mills were dashed as the strike — over proposed Government pensions legislation — continued yesterday.
Huletts seek new ‘anti-dumping duties’

Finance Correspondent

HULETT'S aluminium of Pretoria — whose factory is pictured above — has applied for new import tariffs on a wide range of aluminium products Huletts is one of the country's two aluminium extruders.

Duties on most items already range between 20 percent and 25 percent, but the application adds an alternative duty, to fall most heavily on low-priced imports. A Huletts spokesman describes them as "anti-dumping" duties.

Mike Howes, the company's administration manager, says that its "complex" case has been fully argued to the Board of Trade and Industries and that "other demands of us that we do not comment".

There are plenty of others in the aluminium industry who are happy to give their opinion of Huletts' application.

It is said that Huletts and SA's other aluminium extruder, Aluminium Extrusion Co. are working at between 20 and 30 percent below their plant capacities.

Rumours abound that Israel, and to a lesser extent, Taiwan and Japan, are selling aluminium to SA at rock-bottom prices.

Imports of some of the items on which Huletts is asking for extra protection are substantial. Foreign shipments of coated plates and sheets for instance totalled over R3m from Asia worth R1.5m in the first five months of this year. Imports of one type of aluminium coil reached 3.1m kg valued at almost R4m.

Even at the best of times, the cost of locally-produced aluminium is way above world prices. The selling prices of Alusaf, SA's only aluminium producer, are about a third higher than ruling London metal exchange prices.
Wildcat strikes
hit car plant

Argus Bureau
PORT ELIZABETH — Wildcat strikes by 330 workers disrupted the troubled plant of Car Distributions (CDA) in East London today.

Most of the 2,600 workers at the large Mercedes plant, who went on strike last week over staff dismissals, returned today after they had been warned to return to their jobs as management was reviewing the cases and hearing appeals.

The South African Motor and Rubber Workers' National Union had also called on workers to return to work today. But a spokesman for the company said from Johannesburg that 280 workers of a section of the truck assembly plant gathered in the canteen today after clacking in another 30 workers in the car body shop were on a 'no slow' strike.

The Argus correspondent in Johannesburg reports that at the Telephone Manufacturers of South Africa (Temisa) plant in Springs only about 100 out of 1,400 striking workers had reported for work early this morning.

Workers stopped work at the plant late last week in protest against the dismissal of three of their colleagues.

A Temisa's Clukenkop fertiliser plant in Kempton Park went on strike over wage demands on Friday.
Strikers back - but not all at work

Labour Reporter

There were two wildest strikes at Car Distributor Assemblies in East London when workers returned to their jobs after last week's strike.

A company spokesman said 260 workers in the truck assembly plant gathered in the canteen today instead of working. Another 50 workers in the car body shop were on a "slow move." The workers in the canteen were demanding the reinstatement of a man whose dismissal last week led to a strike of 2,000 black workers.

Work in the rest of the plant was normal today.

The managing director, Mr. Leo Borman, said today disciplinary hearings were suspended pending an official management meeting with the trade union involved, the National Union of Motor Assembly and Rubber Workers.

No spokesman for the union could be contacted this morning.

The Mercedes plant strike began last week over staff dismissals. The management warned the strikers to return to work today and the NUMARW also appealed for a return to work.

At the Telephane Manufacturers of South Africa (Temsa) plant in Springs, only about 100 out of 1,400 strikers reported for work early this morning.

The strike began late last week in protest against the dismissal of three workers.

They have been given until the end of today to return to work or they will have been seen to have dismissed them themselves, a Temsa spokesman said.

Production was still continuing as about 2,000 workers had not gone on strike.

At Triomphe's Cluropklop fertilizer plant in Kempten Park about 600 workers went on strike over wage demands on Friday.

And at four Hulett sugar mills in Natal — Amatikulu, Darnall, Mount Edgecombe and Felixton — about 2,600 workers continued their sit-in over pension demands.
Workers claim assault by cops

A NUMBER of workers claimed that they were assaulted by riot police when about 1000 workers at Telephone Manufacturers of South Africa in Springs went on strike last week.

The strike started on Thursday at about 3pm after the three workers had been fired for allegedly playing cards. Workers claimed that the three had already knocked off work.

A spokesman for the workers said that at about 4.45pm on Thursday, workers were already getting ready to knock off and the three were just shuffling cards when a foreman called them and told them they were fired.

LOCKED OUT

On Friday morning, workers were allowed into the company premises, but those who worked in departments 26 and 27 were locked out. All workers then refused to work, and gathered outside, singing freedom songs and shouting "Amandla!"

Riot police were then called in and people started scattering and later converged again. Some of the workers were baton-charged.

Mr Nhlanhla Phakathi said that he had asked to talk to management as he was one of the worker representatives, but he was instead taken into an office by the riot police, who assaulted him.

He was bleeding from the head and his hands were bruised. After about two hours, the workers who were in the premises were allowed to go out and join the others. All decided to march to the Kwa-Thema Civic Centre where they held a meeting addressed by officials of the Metal and Allied Workers Union (Mawu).

Mr Mondi Cndh, chairman of Mawu, called for unity amongst the workers and asked those who belonged to parallel unions to resign and join Mawu.

He told the workers that management was using itself when it threatened to fire the workers. "As long as we are united we shall overcome," he said.

A Temsa spokesman said the plant would open today.
Strikes still hit Natal, East Cape

JOHANNESBURG — Thousands of workers continued to strike today in Natal and the Eastern Cape and firms on the East Rand took on workers after dismissals of about 2,000 yesterday.

A week-long strike by more than 2,000 sugar workers at four of Bulmers' five plants in Natal showed no signs of abating. Plants at Amatikuhla, Dalton, Mount Edgecombe and Pelton were shut as management considered recommendations by the Industrial Council sub-committee on a controversial pension fund scheme.

Amid growing frustration and impatience on both sides, the Chamber of Commerce has advocated a delay of at least three years in implementation of draft proposals in the pension scheme.

DOWNED TOOLS

About 200 workers of the S.A. Printing Company in Port Elizabeth downed tools today. They said the company had appointed coloured workers in the place of four blacks dismissed last week during a dispute which led to a work stoppage.

The dispute was about wages and working conditions.

About 300 black and coloured workers at Car Distributors, Southern Africa Ltd, in East London ignored a union call for a full return to work today, a CTA spokesman said.

WILDCAT

The plant, which employs 3,300, has been hit by wildcat strikes since last week. The strike by 800 at Johnson Tiles in Alberton continued over a dispute involving worker dismissals.

At the Telephone Manufacturers of South Africa (Telco) plant in Springs, about 1,000 workers were told they had 'dismissed themselves' by not reporting to work.

Only 140 workers met the deadline and the company today began taking on a new work force.

TRIOMPHE

Yesterday about 500 workers at Tremel's fertilizer factory in Kempton Park were dismissed after returning to meet back-to-work deadlines, and the firm was taking on new workers.
Metkor Investments, an engineering and allied industries investment and finance company, recorded provisional, unaudited net income of R$418,000 for the 12 months to September 30, an improvement of 40.3 percent over the annualised 1980 figure.

After deducting preference dividends and transfer to dividend reserve account, income attributable to ordinary shareholders amounted to R$643,000, a 63.2 percent improvement.

A final dividend of 6.28c a share was declared, compared with 5.8c for the 12 months ended September 30 last year, equal to 3.33c on an annualised basis. This is an 18.4 percent improvement — Sapa.
Steel industry to ‘slow gradually’

THE South African steel industry is likely to show slower growth next year, but there is little likelihood of a “nosedive” in demand. Mr Ian Rauch, head of Stewarts and Lloyds trading division, and chairman of Baldwins Steel, said yesterday he agreed with motor industry forecasts of a levelling in consumer demand, but there was a lot of latent demand, particularly among blacks.

The proposed electrification of Soweto would boost demand for white goods and domestic appliances, which together accounted for about 15% of Baldwins turnover.

Mr Rauch said the proposed increase in Iscor pricing mechanism, as the existing annual price increase would be disruptive to the market.

In anticipation of an Iscor price hike merchants naturally over-stocked, in the hope of making profits on “pre-price increase” stocks. This put severe pressure on Iscor in the months prior to a price increase, and a sharp fall-off in demand in the months following an increase, hampering productivity as capacity was under-utilised at times.

To obviate this, Mr Rauch said there could be some form of index-linked pricing mechanism, so that Iscor could adjust prices more frequently during the year.

Baldwins annual turnover is around R100-million, of which 35% is indirectly attributable to the motor industry. Stewarts and Lloyds group sales in the current year would be about R400-million, said Mr Rauch.

Mr Rauch announced a R2-million expansion of steel processing division Baldwins-Haney’s service centre facilities into the Roslyn area.

The project will involve a new 3,000 m² building, including two overhead cranes, a large cold store and production area.

The new plant was being situated at Roslyn to handle certain contract customers, mainly automobile press shops, now being serviced by Baldwins East Rand plant in Brakpan.

The output of the plant would serve to reduce problems relating to rapid damage of steel sheet, and accelerate deliveries, said Mr Rauch. It would also improve the quality assurance aspects, as inspectors from local plants would be on site at short notice when special qualities or finishes were processed.

An existing cut-to-length line, now in storage at Baldwins Prospecton plant, would be installed at Roslyn, said Mr Rauch, and would be upgraded by the addition of high-speed, roll feed equipment to give accuracy and increased production.

It would bring to eight the number of cut-to-length lines operated by the Stewarts and Lloyds group, said Mr Rauch.
Nearly 7,000 stop work as strikes increase

Own Correspondent

Johannesburg — Nearly 7,000 workers were on strike yesterday as the wave of stoppages which hit industry last week continued and, in some cases, escalated.

A strike at three Huitets mills in Natal spread to a fourth mill and, about 2,000 workers are now on strike, according to the company.

At Springs' biggest non-mine employee, Telephone Manufactures of 83, only 140 of the 1,800 strikers returned yesterday and the rest have been fired.

An Offsort-Southern firm, Johnson Tiles, which employs more than 800 workers, was hit by its second strike in a fortnight yesterday, according to union sources, and Trompf Pumpers fired its entire black workforce of 500 after they ignored a management appeal to return to work.

Workers for CDA in East London, the manufacturers of Mercedes Benz, returned in response to a union call but new unrest flared later in the day and between 1,500 and 1,800 workers joined a new strike.

At Huitets, the strike at three mills spread to the Elandia mill and only one is now unaffected.

Talks hope

A company spokesman said hopes for a settlement were pinned on talks at the industry's industrial council between management and the National Union of Sugar Manufacturing and Refining Employees.

At TMSA, which closed its plant on Friday after a strike by about 1,500 black workers over the sackings of three workers, a management statement said about 1,500 workers had been tired after they failed to return.

Workers who returned this morning were considered for re-employment.

A spokesman for the National and Allied Workers Union said the company had refused a union request to negotiate on the dispute and that workers were refusing to return until the three were reinstated.

"They still regard themselves as company employees and they want the Mawu to negotiate on their behalf," he added.

Management confirmed it refused to negotiate with Mawu, "as these people had already been dismissed for not working, they were no longer employees and had no interest in the matter." the spokesman said.

Anti-union

At Johnson Tiles the general secretary of the Building, Construction and Allied Workers Union, Mr. Frank Mohlala, said workers had downed tools in protest against increased work in the factory and payment of union representatives.

Some management men had adopted a consistently anti-union attitude, threatening union members and asking worker representatives.

At Trompf's Chloorkop plant where workers have been on strike since Friday, a company statement said worker representatives were told yesterday morning that management would discuss their grievances if workers returned by 1 o'clock.

The company had made transport available for the 500 workers "but they did not react and were discharged.

Disputes to farmers had been resumed with the assistance of more than 100 white schoolboys and cooperatives and farmers had also offered help.
Labour Reporter

The big CDA car plant in East London was hit today by yet another wildcat strike which saw close to 3,000 workers downsizing tools. Production was at a standstill. Today's strike was one of a number which started over disputes with management over worker dismissals.

The 414 hourly-paid workers at the commercial vehicles plant were told they had been dismissed, and 971 other hourly-paid workers were warned to return to duty tomorrow or face dismissal.

Another 1,100 workers at the passenger plant were told to return by Thursday or face dismissal.

The strike scene also spread to Port Elizabeth today where about 200 workers at the SA Bottling Company plant went out on strike over the issue of dismissals.

Management would not comment on the unrest which reportedly involved the Macewana-linked General Workers Union of South Africa.

About 200 workers were still on strike today and have been warned by management to return by the end of the day or be paid off.

At the four Hulett sugar mills in Natal about 2,000 workers were still on strike over pension grievances.

The Telephone Manufacturers of South Africa (Temsa) plant in Springs was taking on a new workforce following yesterday's dismissal of about 1,000 workers for joining in last week's sympathy strike. Only 140 workers were retained from the original workforce.

The strike at Johnson Tiles at Olfantsfontein also continued today over the issue of worker dismissals. At Transvaal Chemicals' fertilizer plant at Kempton Park about 300 contract workers were dismissed yesterday after refusing to meet management's return-to-work deadline.

The Triomf dispute centred around wage demands.
Workers get the sack

ONE hundred and forty workers at the Telephone Manufacturers of South Africa (Pty) Limited yesterday returned to work and 1600 were said to have dismissed themselves.

A TMSA spokesman said 140 workers were considered for their jobs as they had voluntarily returned and that of the 1600 strong workforce only those who returned today would be considered for re-employment.

Management is said to have reached an agreement with the white-run Electrical and Allied Workers Union and the Radio and Television Workers Union which most of the workers have denounced in favour of the Metal and Allied Workers Union (Mawu).

The strike at TMSA started on Thursday last week after three workers were fired for allegedly playing cards during working hours. Workers claimed that the three had already knocked off.
JOHANNESBURG — The countrywide strikes appeared to be abating today as almost 2,900 workers returned to work at the huge CDA motor plant in East London and disputes elsewhere were being resolved.

Management at CDA reversed its decision to dismiss 414 hourly paid workers and its back-to-work deadline and this morning a majority of workers were reported back at work.

Officials in the Ruleite group — whose four Walker sugar mills are closed as a result of strikes by about 2,700 workers over pension grievances — were hopeful the dispute would be resolved this week.

At Stansor in Boksburg there was a work stoppage over pay demands but the dispute was settled yesterday.

About 160 workers at L. and F. Mitter also at Boksburg struck briefly, but returned to work when management reinstated a dismissed worker.

About 160 workers at the Boksburg Foundry returned to work today after a dispute centred on the promotion of a shop steward.
By Tony Davis
Labour Reporter

Countrywide strikes today appeared to be abating as nearly 2,900 strikers returned to work at the large CDA motor plant in East London and disputes elsewhere were resolved.

Management at CDA reversed its decision to dismiss 414 hourly-paid workers and its back-to-work deadlines and this morning most workers were back.

Talks between CDA and the Fenato-affiliated National Union of Motor Assembly and Rubber Workers were being held to resolve the dispute which arose after several workers were dismissed last week.

Officials in the Hulett group, whose four Natal sugar mills are closed by 2,000 workers striking over pension grievances, were hopeful that the dispute would be resolved this week.

There were brief flare-ups at two Boksburg firms yesterday — Stamco and J.F. Metter — involving wages and staff dismissals. At Stamco a work stoppage over pay demands was settled and management said there had been no dismissals over the issue.

At the metal firm about 150 workers were involved in a brief strike which was resolved when management reinstated a dismissed worker.

About 160 workers at the Boksburg Foundry returned to work today after a dispute over the promotion of a shop steward. The worker was allegedly assaulted by four others as a result of his promotion, according to sources.

The four were subsequently dismissed.

At Telephone Manufacturers of SA in Springs and at Trimm's Chloorkop fertiliser plant, management continued to take on new workers following the dismissal of about 2,600 employees at both firms this week.

There was also a brief stoppage at the Johannesburg manufacturing firm of Berthorpe-Hellermann-Deutsch this morning over the issue of pay increases. Management said the issue had been resolved.

About 200 workers were involved in a dispute over dismissals at the SA Bottling Company plant in Port Elizabeth yesterday.

And at Johnson Tires in Oriftingfontein several hundred workers were dismissed after striking over "victimisation" of union members.
Labour unrest on East Rand

By Drew Forrest

The Cesa-affiliated SA Chemical Workers Union has entered the fray at the Tromm Fertiliser plant in Chloorkop and is seeking talks with management on the fate of 500 Tromm workers sacked this week after a two-day strike.

More labour unrest has erupted on the East Rand with a strike by about 70 members of the Fosatu Worker Project at Stone Platt Electrical in Boksburg. According to a Fosatu spokesman, they are demanding a R14 weekly wage increase.

At Boksburg foundry 170 workers have decided to continue their strike until management agrees to take them all back. A Metal and Allied Workers Union spokesman said the company had offered to take back all the strikers except four men accused of assaulting a fellow worker.

The strike began on Monday.

At the Telephone Manufacturers of SA plant in Springs most of the 1,500 workers dismissed on Monday after a three-day strike are still refusing to reapply for their jobs or collect their pay, according to a Fosatu spokesman.
Plant at standstill as 2,600 go on strike

MERCEDES Benz manufacturer CDA's East London plant was brought to a virtual standstill yesterday by its third strike in less than a week and management threatened to sack the 2,600 workers if they did not return.

Two new strikes were reported on the East Rand and the strike by 2,000 workers in protest of the Government's proposed pension Buli, which has closed four Huletts sugar mills, continued as labour unrest hit three provinces.

Johnson Tiles in Ontakafon- sens fired nearly 300 workers as a strike at the plant continued and Foren's Chloorkop fertiliser plant, where 250 strikers were fired on Monday, was still relying on schoolboys to keep deliveries running and unions claimed workers were being forced to collect their pay.

Springbok's biggest non-mining employer, Telephone Manufacturers of SA, which fired 1,500 strikers on Monday, yesterday reported only 90 applications for re-employment.

A new strike was reported yesterday at Bokburg North electrical company Stone-Stan- ger, where about 70 workers refused tools in support of pay demands.

And a representative of the Federation of South African Trade Unions said the company's management was refusing to negotiate with Posata.

A company spokesman confirmed the strike but refused to comment further.

By STEVEN FRIEDMAN

And worker sources reported a strike by about 150 at another Bokburg metal factory, L and F Metter, in protest against dismissals.

A company spokesman said the strike had lasted only two hours and had been settled. Not all 150 workers were involved, he said.

At CDA the plant came to a virtual standstill again as workers who had returned to work yesterday morning in response to a call by Posata's National Union of Motor Assembly and Rubber Workers, walked out again before lunchtime.

A company statement said workers who did not report today would be replaced by others tomorrow. Recruitment of new workers to replace those who did not return would begin on Thursday morning, it said.

NUMARW's general secretary, Mr Fred Saul, said that the union had advised workers to return because only two of the five dismissals which sparked the strike had been resolved.

But management has said they will not investigate cases which the police are also investiga-

ting and workers are demanding that the fired workers be reinstated before they resume work.

We believe there is nothing to do with it and we call on management to process the dismis-
sals and thus end the dispute," he said.

A company spokesman said one of the cases was no longer under police investigation and could now be resolved and that CDA had asked police to speed up the other. But we cannot pre-

sent an "alleged police investigation," he said.

At Huletts the National Union of Depart- ment and Manufacturing Employees was due to re-

port back to workers today on attempts to resolve the dispute at the factory's industrial council.

At Tronofil a spokesman for the Combined Unions of South Africa's (Cusa) SA Chemical Workers Union rebuffed claims made by a company official that company officials were "forcefully" busing workers to the plant and making them collect their pay.

They will then presumably be sent back to the homeland, he said.

Recruiting

A company spokesman said Tronofil was recruiting new labour, but that it was still relying on white schoolboys to help it load fertiliser and expected to do so until the end of the week.

At TMSA, a company spokesman said 200 of the company's 1,600 black workers were back and that 60 had asked for re-

employment. Despite the sackings, it is understood that manage-

ment is hoping that strikers would seek re-employment.

A Posata spokesman said workers were asked to return until their demand that three sacked colleagues be reinstated was met.

At Johnson Tiles, where workers struck in protest at dismissals which they saw as "reinsti-

tution" of shop stewards of Cusa's Building Construction and Allied Workers Union, the strike entered its second day yesterday.

Union general-secretary Mr Frank Mohlala said all the nearly 300 black workers were in-

volved and that they were refusing to return until their demands were met that a union shop-stew-

ard be reinstated and that two foremen accused of being hostile to the union be sacked.

The company's managing director, Mr Keith Dixon, said, however, that only about 300 workers were involved and that they had been fired.

He denied union allegations that its members were victimized. "Only one man has been dismissed— for reasons unconnected with union work. We are not anti-union and will deal with any reasonably representative union," he said.

While supervisors may have made anti-union statements, these were not company policy, Mr Dixon said.
Labour Reporter

About 2,000 workers ended their strike at four Hulett's sugar mills in Natal today after reaching an agreement with management on pension contributions.

The workforces at Darnall, Amathole, Mount Rulecombe and Portisland went on strike a week ago with workers demanding immediate pension payouts.

But in a settlement reached this week management agreed to suspend temporarily any further pension deductions from pay cheques and to continue negotiating worker demands for refunding pension contributions.

The Hulett's refinery near Durban was hit by a brief work stoppage yesterday also over pension demands.

Talks continued today at East London's large CDA sugar plant where 3,300 workers have been involved in a number of work stoppages.

An appeal board established to discuss worker dismissals which sparked off the strike, yesterday examined several cases.

The board was temporarily suspended pending review of two other dismissals.

The Engol firm in East London was hit by a one-day pension strike yesterday when about 235 workers downed tools.

Another East London firm, TFM, which handles motor products, had a work stoppage after about 50 workers downed tools in sympathy with seven of their colleagues who had been dismissed, reportedly for being unproductive.

At the Telephone Manufacture of SA-(TELESA) in Springs and at Tanna/ Kompton Park fertiliser plant, management continued today to recruit new workforces after more than 2,000 workers had been dismissed.

See Page 9 for more labour news.
Back to work for some but more unrest erupts

Own Correspondent

JOHANNESBURG - The current wave of labour unrest which has hit several centres seemed on the wane yesterday as thousands of workers involved in major strikes returned to work or were expected to return either last night or this morning.

However, unrest broke out at another East London plant yesterday and employers were apprehensive that it could spread further.

Some 2,600 workers returned to work at CDA, the Mercedes-Benz manufacturing plant in East London, and it was hoped that 2,000 striking workers at four Huletts sugar mills in Natal would also return.

But workers at an Enol plant in East London went on strike yesterday following a demand that their pension contributions be paid out to them.

A spokesman for Huletts said yesterday 2,000 workers at its four Natal sugar mills were still on strike in protest against the government's proposed pension legislation. But proposals decided at a recent meeting of a sub-committee of the Industrial Council for the sugar industry earlier this week were being communicated to them.

He said the company had agreed temporarily to suspend worker pension contributions while the issue was being investigated further by the Industrial Council.

Meanwhile, a short stoppage occurred at the Hulett's refinery in Ravensburg while worker representatives discussed the pensions issue with management. All 1,100 workers downed tools but returned to work later, the spokesman said.

At CDA, normal production continued throughout the day after a series of strikes over the past week.

A joint union-management committee had completed its investigation into three of the five disputes about disciplinary action taken before the strikes broke out.

In a fourth case the worker concerned had failed to appear and the fifth was subject to a police investigation following the filing of assault charges.

A spokesman for Telephone Manufacturers of SA in Springs which fired 1,600 strikers on Monday said yesterday that about 250 workers had returned.

'Several hundred' prospective new employees had come to the plant and were being interviewed.

He said the company would take back all 1,450 strikers but not 200 workers who were fired after ignoring an ultimatum to return to work last week.

A union spokesman said yesterday nearly 400 workers at Johnson Tiles in Oldendorp who were fired after striking were prepared to return to work — provided a union shop steward, whose dismissal sparked off the strike, was reinstated.

He claimed the entire work force of nearly 400 had been dismissed and fewer than 20 workers had returned.

Mrs Emma Mashinini, secretary of the Commercial, Catering and Allied Workers' Union, said yesterday that about 150 workers at three Game Stores in Durban who went on strike last week had not returned.
EAST LONDON — Management at both Epol and TFM expressed confidence yesterday that their strike-hit factories would resume production today.

Both factories were hit by strikes on Wednesday and were not working yesterday.

At the Epol factory, where about 20 workers downed tools in demand of the return of their pension fund contributions, it was agreed to resume work today.

The branch manager of the factory, Mr R. Kreuscher, said that following talks between the management and the African Food and Canning Workers Union (AFCWU) yesterday it was agreed to end the strike.

"I think the workers were concerned about their pension fund being transferred automatically to another company if they leave us."

At the TFM motor component factory, where the entire workforce of 35 went on strike over the dismissal of seven workers on Wednesday morning, work is also expected to return to normal today.

The managing director of the factory, Mr R. Alford, said most of the workers had returned for work yesterday.

Mr Alford said on Wednesday that those who had walked out had dismissed themselves, but that he would re-employ those who wanted to return to work.

"Almost all the workers came back today and after discussions it was decided there would be no work today and they could come back tomorrow to start work." Mr Alford said.

Meanwhile, there was a full workforce turnout at Car Distributors Assembly (CDA) yesterday with all sections of the plant working normally.

A spokesman for the company said that the only absenteeism from the factory was "the normal dozen or so off work that one can expect in a factory that employs close on 3,000 workers."

Meanwhile, a spokesman for Hullette said all 2,000 workers who had been on strike at four Natal sugar mills in protest against the government's pension legislation had returned to work.

This came after the firm had agreed to suspend their pension contributions pending further negotiations over the issue.

On the Reef, the dispute between the Building, Construction and Allied Workers' Union and Johnson-Davis, a British multinational, took a new turn when several workers accused the company of sending police and administration board officials to their hostel to arrest them on Tuesday night.

The workers were among those fired on Monday after striking over the dismissal of a union shop steward whom they believe has been victimised.

A police spokesman yesterday confirmed that policemen had gone to the hostel to assist board officials in a "general search" of the Johnson workers, but said no attempt had been made to arrest anyone. — DDR
NATBOLT
Bolting for cover

Activities: Manufactures fasteners and allied products. Grinaker holds 64%, the ultimate holding company is Angloveld Holdings.

Chairman: B E Hersov
Capital structure: 4,8m ordinaries of 50c, 50,000 8% cum preach of R2 Market capitalisation: R15,1m

Financial Year to June 30 1981 Borrowings long- and medium-term, R5,9m, net short-term, R8,7m Debt equity ratio 42,1% Current ratio 1,5 Net cash flow R3,9m Capital commitments R3,9m

Share market: Price 315c (1980-81 high, 356c, low, 225c, trading volume last quarter, 7,800 shares) Yields 29,6% on earnings, 10,5% on dividend. Cover 2,8 PE ratio 3,4

Return on cap (%) 12,1 13,6 22,9 24,4
Turnover (Rm) 30,7 36,4 61,0 67,7
Pre-tax profit (Rm) 1,8 2,2 4,8 6,0
Gross margin (%) 6,8 7,1 10,0 10,8
Earnings (c) 31,8 40,6 71,6 93,3
Dividends (c) 14 16 29 33
Net asset value (c) 246 269 317 380

It is a peculiar situation — though, sadly, not that unusual. The company is doing well, increasing profits every year and making a reasonable return on capital. But protection is being sought. That ever-lurking danger, "cheap imports," is about to pounce and threaten the livelihood of National Bolts' employees.

Chairman Basil Hersov bemoans the fact that increased fastener imports are a matter of "considerable concern to some members of the fastener industry who have, in good faith, established manufacturing capacity in SA for all sizes and ranges of fasteners despite the fact that local demand has not justified setting up"

"The current widespread allocation of import permits for fasteners is seriously affecting the viability of parts of the SA industry and jeopardising employment opportunities for a large number of people."

But the profit record suggests National Bolts has been doing reasonably well over the past few years. What then is stopping National Bolts from being able to compete with the imports? Short product runs is the age-old argument, but there is no reason why National Bolts should not expand into the export market.

It is my opinion that Hersov does the company a disservice by asking for protection. Shareholders are being told, in effect, that management fears it cannot maintain market share nor continue utilising its assets as efficiently as before.

As it is, the position of the company seems sound. Though the market is competitive, and much of that stems from local companies, additional "high-productivity" plant is being commissioned which Hersov believes will "enhance market competitiveness and industry leadership."

Sales will probably not continue growing at the rate seen over the past four years as the cost of money will result in deferral of a number of capital projects. But ongoing demand from the mining and motor industries should be sufficient for National Bolts to maintain profit growth if the aimed-for efficiencies are achieved.

The balance sheet is geared to allow capital commitments to be met by cash-flow projections, but also to increase borrowings if further opportunities present themselves.

If Hersov gets his protection, the earnings pattern may show some short-term upward movement. If not, and pressure for operating efficiencies remains, the company should be able to offer earnings and dividend growth over the next four years similar to that already achieved.

That is not the finest performance available on the market, but shareholders have a share worth holding on both capital and income grounds.

Ian Must
TEDELEX

Growth continues

Activities. Manufactures and distributes TV sets, radios, hi-fi, consumer electronics, lighting equipment and sewing machines. Owns 50.5% of furniture retailer ELLERINE.

Chairman and joint Managing Director B. Slome, joint Managing Director J. Cohen.

Capital structure: 13.2m ordinaries of 25c, and $377 12.5% red pref. cap. R1 market capitalisation £71.3m.


Share market price 540c (1980-81 high, 856c; low, 230c, trading volume last quarter, 733,000 shares). Yields 25.5% on earnings, 8.3% on dividend. Cover 3.0. PE ratio 4.0.

Stripping out Ellerine's results, the rest of the Telex group produced a three-fold attributable profit increase in the year to end-June. Coming after a doubling of profits in 1980, this may seem reasonable, but to get the complete picture one has to look back five or six years to the boom-and-bust development of the domestic TV industry.

The key point here is that profit growth in recent years (still excluding Ellerine) has been off a very low base. Some perspective is gained from the fact that it was only during the 1961 financial year that profits exceeded those of 1975 — the year of the TV boom.

After that, with the initial rush to purchase TV receivers and economic conditions generally poor, profit from Telex's traditional activities slumped 82%. In 1975 profit was £8.1m, while in the 18-month accounting period to June 1976 only £1.4m was earned on an annualised basis.

It is from that low base that the present "profit bonanza" is taking place. Looked at another way, the five-year compound profit growth rate, from 1975 to date, is only about 7% for this side of the business.

But even then, the fact that it has not been the complete picture, because 1975 in itself was an exceptional year profits leapt almost six-fold (from £1.4m), due mainly to the off-take of TV sets from this base, the six-year annual compound growth rate is a much more acceptable 18%.

However, a totally accurate growth rate is impossible to calculate because the group gives as a profit-breakdown only the contributions from Ellerine and "the rest". Over
Proving itself

Activities. Diversified engineering group with heavy engineering, metal component, light engineering and trading divisions. Sanlam is the largest single shareholder with 16.5% (12.4%).

Chairman: P J T Herbert

Capital structure

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>5.2 million</th>
</tr>
</thead>
</table>

Financial performance

- Turnover: R1 billion
- Profit before tax: R120 million
- Earnings per share: R3.60
- Dividends declared: R1.20 per share

Short term: 90 days

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Turnover</th>
<th>Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>R100</td>
<td>R10</td>
</tr>
<tr>
<td>Feb</td>
<td>R120</td>
<td>R12</td>
</tr>
<tr>
<td>Mar</td>
<td>R140</td>
<td>R14</td>
</tr>
</tbody>
</table>

Chairman: P J T Herbert

This time last year the FV concluded a general analysis of Abercom by saying that a lack of growth at the time of its float in 1981 and 1982 was a cause for concern. Herbert was able to point out that the structure of the company at the time was not optimal for the growth of the company. However, the chairman said that the company was now operating with a considerable margin of underutilization.

Abercom's share price has fluctuated over the past year and Herbert notes that there is an earnings growth slowdown that can be expected.

He says it is a challenge to maintain a steady and controlled pattern of dividend growth. This will be achieved, he says, by keeping the dividend cover high.

This could imply that more attention is being given to market ratings than to the overall performance of the company.

Be that as it may, Herbert performed well over the past year, with the share price up 50% and the earnings up 50%.

The balance sheet remains sound and liquidity is high thanks to the anticipated increase in the current asset increase. The higher earnings figure was sufficient to allow a 50% increase in dividends while cover was at a high level of 3.5 times.

Herbert sees the share price as being attractive and it is likely that the share price will remain strong at the end of the year._____
Meeting will decide response to sacking

SOWETAN Reporter

SPRINGS workers have called for a general meeting tomorrow to plan a response to the sacking of 1000 Telephoners Manufacturers of SA (TMSA).

In a statement issued by Fosatu yesterday, the Springs local chairman Mr Chris Dlamini, said the TMSA dispute revealed the ugly side of labour relations in South Africa.

"TMSA's management has itself acknowledged to workers that the dismissals which started the stoppage were not in accordance with the company's grievance procedure, yet they still refused to take them back," he said.

"The company is falling into the trap of thinking it can use the old white registered unions like the Radio and TV Workers Union and the Electrical Workers Union to control African workers."

Mr David Sibane, MAwU's general secretary who was mandated by 1000 council workers to negotiate with the company, confirm the attitude of TMSA in the statement.

"The company refused earlier to meet with MAwU because the union wanted worker representatives to attend instead it insisted on negotiating with unions which had been rejected by TMSA's black workers."

"The only message the unions gave was they had been dismissed and they were paid into the industrial council," Mr Sibane said.

At the Fosatu meeting in Springs, where the call for a general meeting was made, workers denounced TMSA's attitude.

"Their attitude could do nothing but damage to labour relations in the whole of Springs We appeal to other companies to intervene," Mr Dlamini said in the statement.
For Springboks bans meetings

East Rand Bureau

In a bid to curb labour unrest, M. P. le Roux, chief magistrate of Springs, has banned all meetings — other than sports and religious meetings — from 11 a.m. tomorrow until midnight on Sunday.

At least 10 people are believed to have been arrested for alleged assault and intimidation of workers at telephone manufacturers of SA (TMSA) in Springs. Colonel J. van Niekerk, head of the security police on the East Rand, said that police were still investigating allegations of assault and intimidation of TMSA workers who had been going to work despite strike calls by sacked colleagues. Colonel van Niekerk said, "The banning order applies to all public meetings with the exception of sports and religious meetings."
SA labour disputes slowly subside

By RIAAN DE VILLIERS

The strike wave which has hit several parts of the country subsided further yesterday as 2,000 workers at four Hulett's sugar mills in Natal and 220 workers at Epol in East London returned to work.

But disputes arising out of dismissals of striking workers are continuing at several plants.

Workers fired by Johnson Tiles, a British multinational, after striking earlier this week yesterday accused the firm of sending police and East Rand Administration Board officials to arrest them in their hostel in Tembisa township on Wednesday night. They said they were released after other workers demanded to be arrested with them.

Workers claimed army troops were present — but a police spokesman denied this, saying a few black constables might have been in camouflage uniforms.

Pensions

The spokesman confirmed that police had accompanied board officials on a "general search" of Johnson workers but denied any attempt had been made to arrest workers.

Johnson Tiles spokesmen were not available for comment.

A spokesman for Hulett said all 2,000 workers who had been on strike at four Natal sugar mills in protest against the Government's pension legislation had returned to work after the firm had agreed to suspend their pension contributions pending further negotiations on the issue.

Mr A Hambly, operations director of Epol, said 220 black workers who had gone on strike at its East London plant in support of a demand that their pension contributions be paid out to them had agreed to return to work today.

This came after negotiations with elected worker representatives and officials of the African Food and Canning Workers' Union.

The spokesman said the firm had agreed the contributions could be paid out if the workers still wanted this in a week or so.

Resign

Workers would have to resign and would have to be re-employed in the process, which meant they would forfeit their service benefits but the company was investigating ways of preserving their benefits, he said.

About 300 former workers at Telephonic Manufacturers of SA in Springs yesterday decided at a meeting not to return until the firm negotiated with their trade union about the reinstatement of three workers whose dismissal sparked off their strike.

A spokesman for the Metal and Allied Workers' Union said the dispute was deadlocked as management was unwilling to negotiate the union.

A spokesman for TMSA said 300 of the 1,000 workers fired after the strike had returned by yesterday and 100 new workers had been taken on.
EAST LONDON — Production at two recently strike-hit factories, Epol and TFM, was back to normal yesterday.

Both factories were hit by strikes on Wednesday and on Thursday management of both Epol and TFM expressed confidence that production would be resumed yesterday.

The managing director of the TFM motor component factory, Mr R Alford, said "As far as production is concerned everything is going ahead full scale."

Mr Alford said 80 per cent of the workforce of 55 who went on strike on Wednesday over the dismissal of seven workers were back at work yesterday.

It was back to full production at the Epol factory where about 150 workers lowered tools in demand of the return of their pension fund contributions.

"All is back to normal today, with the normal percentage of absenteeism," said the branch manager of the factory, Mr R Kreusch — DDR.
Weekend meetings ban in strike-hit Springs

Mail Reporters

ALL public meetings, except sport and religious gatherings, in the Springs magisterial area have been banned this weekend after more than a week of labour unrest in the town.

At least five black workers were arrested in connection with a strike at Telephone Manufacturers of South Africa (TMSA).

A security police spokesman said yesterday the arrests had been made in connection with "serious cases of assault and intimidation" which had apparently resulted from the strike.

Injuries

He said two men were in hospital with serious injuries at least five men had been arrested and more arrests were expected.

The ban on meetings, issued by the Chief Magistrate of Springs, prohibits all public gatherings other than sports and religious events in the Springs magisterial district. The order, made in terms of the Riotous Assemblies Act, came into effect at 11am yesterday and will be effective until Monday morning.

In the Nkwa-Themba township by TMSA workers a security police spokesman said the ban was decided upon because of fears of violence at meetings.

"Interference"

The ban affects a mass meeting called by the Federation of South African Trade Unions (Fosatu) this afternoon to discuss "solidarity actions" arising from the strike.

A Fosatu spokesman said last night the ban was clearly aimed at preventing the meeting and countering the "increasing solidarity of Fosatu unions in Springs." He condemned the move as "direct interference by the State in the resolution of labour disputes through workers discussing their problems and calling on the State to keep out of labour disputes."

"Cards"

The unrest at TMSA, the biggest non-mining employer in Springs, started last week after three workers were fired for allegedly playing cards during working hours.

About 200 workers in the same department went on strike and were dismissed after ignoring an ultimatum to return to work.

More workers joined the strike until all 1,600 black workers had downed tools.

The rest of the work-force was fired on Monday. Since then, the company has been attempting to re-employ all but the 200 initial strikers but the bulk of the workers have pledged not to return until all fired workers are reinstated.

A spokesman for the Fosatu-affiliated Metal and Allied Workers' Union said yesterday friction had started among workers on Thursday and it was understood that violent incidents had taken place.

In addition to the ban on meetings, he said the chairman of Fosatu's Transvaal Region, Mr. Chris Dlamini, had been served with a special order instructing him not to attend any gatherings over the weekend.

No confirmation of this could be obtained from the police.
Black unions — spearhead of change

JOHN KANE-DARLING REVIEWS WORKER POWER IN 1961

— AND THE CHANGING ATTITUDES ON SA INDUSTRY

JUST TWO-THIRDS of the way through 1961 is already well on the way to being another "year of the worker". And, in 1960, there have been at least 135 reported strikes by Black workers. Moreover, new organizations of Black workers are coming into being at a remarkable rate.

At the same time, the conflict between Black unions and management is becoming more intense and more apparent. Troops of Black men are being confronted daily by armed police, and the situation is deteriorating rapidly.

Black unions are growing in size and influence. In some industries, such as the textile industry, they have achieved a virtual monopoly of the labor market.

Not only are Black workers becoming increasingly conscious of their potential power as workers, but they are also becoming more sharply aware of their role in the overall struggle for Black liberation.

The hardline anti-union policies of many employers are causing them to be blacklisted for a variety of reasons, ranging from their race to their political views.

Unions are fighting back, organizing strikes and picketing employers who fail to recognize their demands. The struggle is becoming more heated, with both sides accusing each other of wrongdoing.

The potential for Black workers to take over the industrial infrastructure is enormous. With the right kind of leadership, the Black worker can become the dominant force in the economy.

The time is ripe for a major breakthrough in the struggle for Black liberation. With the backing of a strong and united Black worker movement, victory is within reach.

TheSAWITELLS

The Strike Situation

In recent years there has been a wave of strikes across South Africa and a number of workers have been affected. In some cases, workers have been arrested. The strike situation has been particularly severe in the textiles and mining industries. Workers have been involved in strikes for better wages and conditions. In some cases, workers have been attacked by the police. The government has taken measures to control the strikers. However, the strikers have continued their struggle. The government has threatened to use force if necessary. The strikers have responded by declaring their决心 to continue the struggle until their demands are met.
Workers claim assault by police

A NUMBER of workers have claimed they were assaulted by riot police when about 1000 workers at the Telephone Manufacturers of South Africa in Springs went on strike in solidarity with three of their colleagues who were fired.

The strike started on Thursday at about 7am after the three workers had allegedly been fired for playing cards, although workers claim the three had already knocked off.

On Friday morning, all the other workers were allowed into the company premises, but those who worked in departments 26 and 27 were locked out. The others who were allowed in also refused to work and gathered outside and began singing freedom songs and shouting.

"Amandla" riot police were called in and people started scattering and later converged again.

Mr Nhlakanhla Phakathi said he had asked to talk to management but was instead taken into an office by the riot police who allegedly assaulted him.
Botha's Hill firm has jobs for 85

Financial Editor

EIGHTY-FIVE jobs are being provided in a Botha's Hill clothing factory which it is expected will double capacity and jobs within the next few months.

Although productivity and quality are not yet at the same standards as trained workers, the factory owner intends to bring all the workers onto the industry pay scales once they have reached acceptable standards.

Mr Ben Jonsson, owner of the Jonsson Group of clothing companies, celebrates his 25 years in business with a function in Durban this evening.

He said: "We bought the Botha's Hill company some months ago and are very pleased with the workers' response. Our factory at Umbilo is crowded and this factory was a good opportunity to expand and to take the work to the workers.'

Mr Jonsson explained that because the factory fell in a reserve there was no wage determination.

He was negotiating with the Valley Trust to lay on water to the factory so that the workers would have a supply of clean water which they could take home. Many of the workers were young mothers and if he could not get the water a creche would be started.

Mr Jonsson said the factories were now producing 500 overalls a day and output would rise in the next few months to keep up with demand.

Recently a new section had been opened which was headed by Mr Christopher Raleigh to produce boys' casual wear, jeans and boxer shorts.

Mr Jonsson started in business in 1956 when he handled a number of agencies. In 1968 he established his overall business-contracting to have them made by an outside firm.

In 1973 he took the factory over and they moved to their present site in Rossburgh three years ago.
than those issued two years ago.

Furthermore, Seifsa will engage in discussions with both registered and unregistered unions to “discover differences and common ground.”

The new guidelines have been formulated to equip Seifsa’s 3,500 members (with a combined workforce of over 300,000 people) to deal with the rapidly evolving labour scene.

A major problem employers face is the refusal of unregistered black unions to bargain at industrial council (IC) level (see previous story). Seifsa has reiterated its opposition to bargaining on pay and working conditions outside the council system. However, it has adopted a new strategy aimed at attracting unregistered black unions into the ICs.

Information exchange

The federation says that in dealing with an unregistered union, or one which does not support the IC system, employers should consider an exchange of information. A company should try to obtain from a union its constitution, the benefits it provides to members, its attitude to existing in-company employee representation mechanisms, and the names of other companies where the union has established a relationship with management. In return, employers should be willing to give the union information about the size and composition of its workforce and the nature of its activities.

Proof of union membership is important, Seifsa believes, that in no circumstances should management agree to a referendum, but the union should show written proof of active, signed-up members who have paid their dues.

Management should study the union’s constitution, investigate whether other employers have recognised the union, whether it has any record of industrial unrest in related situations, and whether there is potential for conflict between the union and other unions operating in the company.

In a significant departure from previous policy, Seifsa says that although a union not represented on an IC should not automatically get facilities granted to unions on the council, these facilities could be “points for negotiation.”

The new guidelines also provide procedures for industrial relations at company level in which unions have a role. These include principles involved in the selection of shop stewards, grievance, disciplinary, consultation and communication procedures.

Unregistered black unions are reluctant to comment fully on the new guidelines. Some union leaders say that to do so might prejudice the discussions that Seifsa wishes to have with them. However, unionists point out that Seifsa is still strongly opposed to plant-level bargaining on wages. Seifsa, they say, is willing to discuss changes with them, except the one they want most:

Seifsa director Sam van Coller, however, emphasises that employers are keen to achieve a common industrial relations system in the metal industries. That is a prime objective of the discussions which are taking place, he says.
ISCOR'S RESULTS

Decline exports of iron ore and steel due to depressed world markets and the main reason for iron ore price drop to R 25/Mt ($7.50) this year - which Dr Ingo Muller, in the Corporation's Annual Report, mentioned.

However, the Corporation again showed a strong positive cash flow amounting to R 235.6 million. This was also an improvement on the 1978 debt ratio which now amounts to 17.5%.

Total iron ore sales dropped to 3.2 Mt (5.5 Mt) and from the Mine to 1.7 Mt (1.4 Mt). Export sales of steel declined to 1.0 Mt (1.1 Mt) and iron ore sales to 2.0 Mt (2.1 Mt).

The big decline in iron ore export tonnage was partly offset by a higher dollar price attained. This represented in addition R 20 million.

Considerably higher ore prices are needed and this can only be achieved in international steel prices are increased.

Domestic steel sales rose to 1.2 Mt.

ISCOR will optimise energy use by generating steam in a waste gas boiler with byproduct gases which the process generates. It will be the first time this has ever been attempted.

ISCOR was originally pushed into its pioneering project by the national shortage of high grade steel used in its electric arc furnaces at Vanderbijlpark. Scrap will be supplemented by the sponge iron produced in direct reduction.

Without this new plant, ISCOR would have been threatened with periodic closure through lack of suitable crimp material.

However, if all goes well the benefits of lower costs, no reliance on coking coal and less pollution will be much more important.

Another advantage is that direct reduction kinds do not have to be high to be economic. Minimum size for a blast furnace is 3 Mt, and 2 Mt for semi-direct.

ISCOR's plant will consist of four independent units with a capacity of between 1.5 million and 2 million each. This means that it can smelt its own ore by more cost-efficient smaller steps.

Its direct blast furnaces in Pretoria are old-fashioned and high-polluting. Some time ago it was prevented from adopting more for reasons of environmental control. Now direct reduction kinds could enlarge the capacity of these works without undue pollution.

The breakthrough puts a new complexion on the economics of ISCOR's coal mine at Ellisras.

Exploited primarily as a source of coking coal, the corporation was obliged to find a market for the large quantities of accompanying lower grade steel coal to help cover its mining costs.

This led to Resist's giant Matumbo power station project nearby.

The coal committed to Resist, which was once of no use to ISCOR now can be used in its direct reduction project.

Four international tenderers are competing for the direct reduction plant contract. They are Krupp, Lurgi, a consortium of Davy-McKee and Direct Reduction Corporation, and Alcoa-Clahkee.

Lurgi appears to be the front runner in this field. It has the most experience in the field. It also has big contracts on other projects with Resist and Sasol.
AFRICAN CABLES

Competitive edge

Activities: Manufacturer of electric cables Ouma Alicoab, which has an aluminium conductor factory at Dundee, Natal. Various UK cable companies own 60% of the equity.

Chairman: W.M. Randell

Capital structure: 23,4m ordinaries of 25c

Market capitalisation: R91,3m

Financial, Year to July 31 1981: Borrowings long- and medium-term, R672,000.

Net cash R4,8m, Debt equity ratio 1:4.

Current ratio 2.4, Net cash flow R6,6m.

Capital commitments R8,2m

Share market: Price 390c (1980-81 high, 425c, low, 275c, trading volume last quarter, 17,400 shares). Yields 10.2% on earnings, 7.8% on dividend. Cover 1.4.

PE ratio 9.8.

<table>
<thead>
<tr>
<th>78</th>
<th>79</th>
<th>80</th>
<th>81</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.7</td>
<td>15.8</td>
<td>23.9</td>
<td>27.2</td>
</tr>
<tr>
<td>44.4</td>
<td>48.7</td>
<td>75.1</td>
<td>85.8</td>
</tr>
<tr>
<td>7.1</td>
<td>8.3</td>
<td>13.4</td>
<td>17.0</td>
</tr>
<tr>
<td>16.9</td>
<td>18.7</td>
<td>18.2</td>
<td>20.0</td>
</tr>
<tr>
<td>19.3</td>
<td>20.9</td>
<td>31.2</td>
<td>39.7</td>
</tr>
<tr>
<td>12</td>
<td>14.26</td>
<td>22</td>
<td>28</td>
</tr>
<tr>
<td>192</td>
<td>217</td>
<td>238</td>
<td>268</td>
</tr>
</tbody>
</table>

* Adjusted for 4-way share split in December 1979

AFRICAN CABLES

Though a higher turnover volume in 1981 was the main factor contributing to the improved earnings, there was some improvement in margins and this gave considerable leverage to the pre-tax profit increase. Also, it is of more consequence when looking at the next few years.

The lack of balance sheet gearing, together with the projected continuation of high cash flow, means the company is in a strong position to finance its planned expansion programme.

A capex budget of R12,5m for the next two years has been approved. One of the more exciting of the immediate projects is the broadening of the product range of manufactured cables. It is this development, says chairman Bill Randell, which will allow "modest growth" in the current year.

The expansion programme has resulted in additions to the manufacturing facilities which will give the group an edge over competitors. A number of plants have been installed which will allow the production of cable not yet manufactured in this country.

And if the industry's expected growth rate of between 8% and 10% is sustained, the maintenance of high volume traditional lines should allow the group to introduce the new products with few pricing problems.

The infrastructural needs of the country are still not fully being met. It is unlikely that the next few years will see any significantly increased state spending but, over
THE Allied Workers' Union yesterday confirmed that workers at a Durban stevedoring firm and a Cape Town quarry had gone on strike over pension refunds and wage increases.

Union secretary Mr S K K Kline said hundreds of workers at the Maydon Wharf and Point Road branches of the stevedoring firm struck early yesterday after demanding pension refunds.

The quarrymen claimed promised wage increases had not been paid and the company refused to let them join the Building and Allied Workers' Union, apparently because it was not registered.

A number of Indian employees joined the quarry strike because they did not want to be intimidated.

Quarry manager Mr S S Yadon said workers had been warned that they faced dismissal if they did not return to work. They had had a pay rise last month he added.

Police watched the quarry while management discussed the grievances.

Mr F K W Ross, director of management at Grinold Cofax stevedoring, said Maydon Wharf and Point Road workers were not on strike but had been delayed because of negotiations with management over pension refunds.

About 700 workers at the two branches had requested unconditional pension refunds.

"Management had heard their grievances and it was agreed that an answer be given today," he said yesterday.

The proposed pension legislation, which led to labour trouble at Nueleite sugar mills on the North Coast, spread to Port Elizabeth yesterday where 88 workers left Nucleite Aluminium.

A company spokesman said they had been expressing concern over the proposed legislation for two weeks.

About 120 hourly-paid employees at the plant had approached the company's personnel officers with the request that their pension contributions be repaid, the spokesman said.

"The proposed pension legislation was again clarified and they were told that contributions would only be returned if they resigned," the spokesman said.

"As a result, some 40 employees returned to work and the remaining 80 resigned.

"Those who resigned were given benefits for their pension contributions and will receive their outstanding pay tomorrow."
Artisan scheme a 'step forward'

Own Correspondent

JOHANNESBURG — Employers and registered trade unions in the giant metal industries are to meet today to ratify a new artisan training scheme for the industry which employers see as 'a step forward'.

The scheme sets out standards by which workers can become artisans without becoming apprentices first — the first such scheme to be negotiated since blacks became eligible for artisan work.

Unlike previous similar schemes, the plan lays down educational and training standards for workers who wish to become artisans through this route. They must also be older than candidates previously had to be.

This has led to charges that the criteria have been toughened in order to 'keep blacks out'. The scheme is likely to affect blacks in particular as most black workers missed the opportunity to become apprentices.

But the director of the Confederation of Metal and Building Unions, Mr Ben Nicholson, confirmed that the unions had asked for more rigorous educational and training standards before non-apprentices could become artisans.

But he strongly denied this was an attempt to control the influx of black artisans.

'Step forward'

An employer source said the plan was a 'step forward'. He said it was planned to gazette the agreement, which meant it would be legally binding throughout the metal industries.

'Obviously, artisan unions are concerned that standards in skilled jobs are maintained. But we believe the agreement will provide an acceptable formula for training skilled workers of all races. The fact that it will be gazetted means it will be easier to enforce.'
Nine in court for assault

Labour Reporter

Nine people appeared in the KwaThema Magistrate's Court yesterday on charges of assault with intent to do grievous bodily harm following a strike at the Telephone Manufacturers of South Africa firm in Springs this month.

The case was postponed until next Monday and a spokesman for the Fosat-affiliated Metal and Allied Workers' Union which called the nine said dismissed TMSA workers and the union still sought negotiations with management.

About 1,600 workers were told they had 'dismissed themselves' after workers conducted a sympathy strike in support of three dismissed colleagues.

TMSA has been taking on a new work force and more than 500 were taken on after a week's hunting.

Last weekend the Springs Chief Magistrate, Mr P. J. Le Roux, banned meetings in the Springs area — a move which was seen as an attempt to stop former TMSA workers from meeting on Satur-
Firms hit as labour unrest continues

Labour Reporter

About 100 workers at the Oostenhage motor components firm, Motoravia, went on strike yesterday over wage demands and union recognition.

A spokesman for the Fosatu-affiliated Transport and General Workers Union said the union had a majority representation at the plant. Workers also demanded better wages, he said.

The SA Bottling Company plant in nearby Port Elizabeth continued today to take on a new work force after the dismissal last week of about 250 workers.

A worker delegation was expected to meet management at Johnson Tires in Oldfortonstein after dismissal of about 600 workers earlier this month.

A union spokesman said workers hoped to return to work tomorrow if the dismissed employees were taken on again.

About 1,000 black employees of the Natal Tobacco Company at Mehlomakhane were on strike today over proposed pension legislation.

And in Maritzburg, 120 Hulett's Aluminium workers struck for some hours yesterday, also over the pensions issue.
Springs strike: hundreds re-apply after unrest

Labour Report

ABOUt half the 1,600 workers fired after a strike at Telephone Manufacturers of SA (TMSA) at Springs ten days ago have applied for re-employment, a management spokesman said yesterday.

The strike led to a ban on meetings in Springs over the weekend and the arrest of nine workers, allegedly as a result of violent incidents in KwaThema township. A spokesman for the Federation of SA Trade Unions and Fosatu unions were attempting to secure bail for the arrested workers.

Meanwhile, two more brief work stoppages were reported from Durban and a union spokesman said 150 workers fired after striking at Game Discount World in that city two weeks ago are still refusing to return to work.

And our Port Elizabeth correspondent reports that about 180 workers at Motor Vita, a components firm which supplies the Volkswagen plant, struck yesterday in support of demands for recognition of Fosatu's Transport and General Workers Union.

This is the third strike concerning recognition in Port Elizabeth in the past eight days.

A TMSA spokesman said yesterday that about 900 black workers were now working at the company, just under 200 of them were fired strikers who had applied for re-employment.
New scheme eases way for artisans

BY STEVEN FREIDMAN

For artisans, a new training scheme offers a ray of hope...
MAWU speaks up for 1,500 strikers

By Drew Forrest

The giant International Metalworkers Federation has been consulted by one of its affiliates over the dispute at Telephone Manufacturers of SA in Springs where about 1,500 striking workers were dismissed last week.

In a statement the Metal and Allied Workers Union said Temsa management's refusal to deal with the union officials and committee members "could only poison industrial relations in the Springs area."

The union said it had called on the International Metalworkers Federation to draw Temsa's behaviour to the attention of its British parent companies, Plessey and GEC.

It also said two Temsa workers were arrested yesterday at the Magistrate's Court in Springs.

The union challenged Temsa colleagues charged with assault for applying for bail.

Bail was granted at R20 each for four women, and R100 each for the men.

In response to union charges Temsa spokesman said management was not prepared to deal with "a union which has come forward for the first time in a troubled situation."

Talks would be held this week with the Electrical and Allied Workers' Union and the Temsa-affiliated Radio, Television Electronic and Allied Workers Union, which the company recognises.

Management was continuing to interview workers who had turned up at the factory gates. Nearly 1,000 workers — of whom 100 were new recruits — were back at work, he said.
Unions appeal for foreign aid over disputes

TWO local black unions have sought the help of powerful overseas labour organisations in an attempt to resolve disputes arising out of recent strikes on the Witwatersrand.

The Building, Construction and Allied Workers' Union has appealed to the British Trade Union Council to approach the British parent company of Johnson Tiles at Olifantsfontein, where workers were fired after a recent strike.

A union spokesman said this week the TUC had secured an agreement from Johnson Tiles' parent company that workers would be reinstated, and that the firm will meet the union.

However, he claimed local management wanted to re-employ selected workers only— which the British unions “totally rejected.” He also claimed the firm had told fired contract workers to vacate their hostels in Tshwane township by Monday afternoon.

Company spokesman could not be reached for comment.

Meanwhile, the Metal and Allied Workers' Union has called on the International Metalworkers' Federation to intervene in its dispute with Telephene Manufacturers of SA (TMSA) in Springs.

TMSA is a subsidiary of General Electric Company and the union has asked the ILMF to approach GEC in an attempt to bring the local management to the bargaining table.

The union wants to meet the company to discuss the re-employment of workers fired after the entire black workforce of 1,600 went on strike recently.

Up to now, TMSA has refused to meet the union.

Nine people appeared in the Kwa-Thema Magistrates' Court on Monday on charges of assault following the arrest. They were released on bail, paid by the union, and the case was postponed to next Monday.

A spokesman for TMSA said yesterday almost 1,000 of the 1,600 dismissed workers had been re-employed, and about 100 new workers had been taken on.
Workers refuse to join union and lose jobs

Labour Reporter

Twenty-six workers at the United Tobacco Company in Johannesburg, lost their jobs today for refusing to join a union.

Because of a closed shop agreement in the tobacco industry, workers are required to belong to a trade union and, in the case of UTC, this is the African Tobacco Workers Union.

A company spokesman said today that 26 workers were considered to have "demonstrated themselves" for not joining the union.

One worker was on pensionable age and allowed to collect his pension and three workers had not yet turned up to collect their pay.

Only one of the 27 workers who faced dismissal returned and joined the union yesterday.

The workers had told The Star they did not want to belong to the union because they had never met its officials and felt it had no effect at UTC.

At the Buillets Aluminium plant in Pretoria, a strike by about 800 workers continued today while management held talks with the union affiliates.

At Motorists Components Engineering in Pietermaritzburg, a strike by about 100 drivers were still out on strike over issues of wages and recognition of the Motorists Components Workers Union.

The union was holding a report back to workers today on yesterday's talks with management.

The workforce at Natal Tannery in Manzini was reported to be returning to work following a wage dispute by 800 workers this week.

A spokesman for the Motorists Components Workers Union in Pietermaritzburg said today they had no reports of any further Security Police detentions of members since yesterday's down arrest of about 10 workers, including a union organizer Mr Themba Dube.
Council fails to settle Iscor dispute

Labour Reporter

An industrial council for the steel industry sitting in Johannesburg this week failed to resolve a dispute between Iscor and the Black Allied Workers Union.

Tuesday's sitting followed a dispute at the Iscor plant in Newcastle, Natal, last month when the union accused Iscor of a lockout.

The dispute started after Iscor had introduced a new two-shift system at the plant in place of a three-shift system.

Several shifts subsequently downed tools and were later warned they would "dismiss" themselves if they did not return to work.

At the industrial council for the Iron, Steel, Engineering and Metallurgical Industry this week, the union called for reinstatement with full pay of the 76 former Iscor workers it represented.

But Iscor said it was willing to re-engage workers on merit.

"As far as we are concerned nothing was decided," a union official said.

A spokesman for the industrial council said that progress had been made at the talks but the dispute was not resolved and the council was now considering bringing the issue to the attention of the Minister of Manpower.

We had a stable situation as equilibrium is maintained.

\[ p = \frac{q}{1+q} \]

\[ p + q = 1 \]

Therefore the demand curve must be a mirror image of the supply curve.
Striking workers arrested in East Cape

Labour Reporter

Production stopped yesterday morning at Hulett Aluminium plant in Mosselberg when about 200 early-shift workers downed tools.

The workers, who were demanding that management pay them out their pension contributions, stayed on the premises.

Officers of the Fosatui-affiliated Metal and Allied Workers' Union went to the factory to discuss the dispute with the workers.

Hulett Aluminium was also hit by a work stoppage over pensions on Monday and 80 workers resigned to receive their contributions. Later they were joined by another 130 workers.

Four Hulett sugar mills in Natal, as well as Hulett Refinery near Durban, were hit by pension unrest earlier this month.

About 200 workers at Natal Tannine in Melmoth started returning to work yesterday after striking last Friday over wage demands. Several were charged by police and later fined for conducting an illegal meeting.

In the Motoria dispute at Uitenhage officials of the Fosatui-affiliated Transport and General Workers' Union talked to about 100 drivers about their grievances.

And, yesterday, in Port Elizabeth, at least 18 workers were detained by Securiv Police, apparently for "intimidating" other workers.

Police confirmed the arrest of Mr Themba Dube, an organiser of the Motor Assembly Components Workers' Union in connection with recent strikes at two Port Office branches and the SA Holding Company.

A strike by about 300 workers at Imperial Cold Storage. Adde, over wage demands was also reported yesterday.

At Johnson Tiles in Olfantsfontein, former workers started streaming back to the plant on Tuesday afternoon to re-apply for their old jobs after a strike on October 3 over union recognition.

A company spokesman said many of the 280 workers were taken on again but some were not because vacancies had already been filled by newly recruited labour.

Mr Joubert, Personnel manager at Johnson Tiles, said the firm was not anti-union but would deal only with unions that were representative of the workforce.
Manufacturers increased taxed profit by 88.5% in the year to June to R3 081 000 from R1 572 000 on turnover which increased by 59%.

The chairman of the unlisted group, Mr Max Borkum, said a R3 800 000 expansion programme completed recently would show benefits in increased earnings in the current financial year.

Fast growth and the expansion had contributed to an unhealthy high gearing and low liquidity position, but the board had taken action to restore these to acceptable levels.

Earnings per share rose 88% to 21c (37c) and the total annual dividend was maintained at 12c.
Sacking sparks strike at EL firm

About 606 workers at the East London factory of Johnson and Johnson, one of the city’s major employers, went on strike yesterday over an alleged “unfair dismissal.”

The company is one of the few in East London to recognize the unregistered SA Allied Workers Union and the strike has prompted intense interest in the area. By late yesterday, no immediate end to the dispute seemed likely.

Meanwhile, in Durban, the strike by Allied Steel Workers at Bobletts Aluminium — one of several to hit Natal employers this week — has entered its third day. Workers are demanding that their pension contributions be refunded.

The strike at Johnson and Johnson was sparked by the dismissal of a woman worker.

Agreement

Management alleges the stole toilet rolls from the company, and the workers see the sacking as an “unfair dismissal.”

The company’s industrial relations director, Mr. Wayne Munro, said yesterday that the company had told workers it would negotiate with SAWU on the dismissal — but only after the strikers returned to work.

This, he said, was provided for in the recognition agreement between the company and SAWU.

Mr. Munro also said Johnson and Johnson had attempted to persuade workers to make use of the appeal and grievances procedures provided for in the agreement, rather than resorting to strike action.

But this had been unsuccessful, he said.

SAWU’s vice-president, Mr. Suzu Nyekelana, said workers were refusing to return to work until the fired worker was reinstated.

A report-back meeting would be held over the weekend to tell strikers of management’s offer to negotiate once they returned, but “I am pessimistic about the outcome.”

Procedures

Mr. Nyekelana confirmed that there were grievance procedures in the agreement which had not been followed. “Workers accept these procedures and are prepared to stand by them,” he said.

But he alleged that management had not followed procedures laid down in the agreement by not informing workers of its own disciplinary code.

“Thus, as the fifth time a worker has been fired without the union committee being informed. The committee warned management that this was creating tension,” Mr. Nyekelana said.
Union men freed in crackdown on strikes

By Drew Forrest

The Colchester authorities have withdrawn charges against 59 members of the SA Allied Workers Union (SAAWU) in two separate hearings in the Mdantsane district court this week.

But in the countrywide crackdown on illegal strikes, more than 20 workers have appeared in court this week either to be charged or for remand, and another 21 are expected to face charges shortly.

On Monday, the Colchester dropped charges of public violence against 24 SAAWU members who were among the 500 workers dismissed after the February Wilson-Fouttree strike in East London. The 24 were held for two months under Colchester security laws.

And yesterday, charges of attending an illegal gathering against another 35 SAAWU members were dropped. They were arrested in May after attending an East London court case involving a colleague.

On the East Rand two former employees of Telephone Manufacturers of SA in Springs appeared in the KweTshona magistrate's court on Wednesday on assault charges.

Nine former Temwa employees were charged with assault on Monday after the recent strike at the plant, which resulted in the dismissal of 100 black workers. All the cases were postponed.

Our Port Elizabeth correspondent reports that police are saying that 13 of the 180 workers dismissed after last week's strike at two other factories would appear in court shortly together with 8 of the 200 workers who struck recently in Port Elizabeth.

And according to Saap, the Port Elizabeth chief magistrate has imposed a weekend ban on meetings of the General Workers Union of SA and the Motor Assemblers and Component Workers Union (Maswimba).

Meanwhile, after last month's strike at Cooper Brocascot in Lusikisiki, 13 workers appeared in the Ngqushwa magistrate's court for formal remand yesterday.
The works force at St. Helens coal mine, which produces 130,000 tons of coal a year, has been reduced by 50% as a result of a strike on the premises. The mine employs 2,500 workers, and the current number is 1,250.

The striking workers are represented by the NUM (National Union of Miners). They are claiming improved wages and conditions.

The management has offered a 5% increase in wages and improved conditions, but the workers are demanding a 10% increase.

A mediator is currently trying to resolve the dispute.

The situation has caused concern among the local community, with some calling for a government inquiry into the industrial relations.
New labour unrest flares on East Rand

BY STEVEN FRIEDMAN

LABOUR unrest continued on the East Rand yesterday, with two new strikes reported in the Kempton Park area and the stoppage at Dorbyl Railway Products flaring again after workers had returned to work on Monday.

East Rand industries have experienced more than 20 strikes so far this year.

Yesterday afternoon, over 100 workers at the Tungstena subsidiary of Kempton Park-based Consumers Steel took over the main plant and refused to work, according to an AWU official.

The workers demand a 15% wage increase and a 5% house allowance, which they say has been denied to them.

Management denied reports the company was offering a 12% increase, which was accepted by the AWU spokesman.

'Workers have refused to work until their demands are met before they return. The company has no choice but to act,' the spokesman said.

The workers are demanding a 15% wage increase and a 5% house allowance, which they say has been denied to them.

Management denied reports the company was offering a 12% increase, which was accepted by the AWU spokesman.

'Workers have refused to work until their demands are met before they return. The company has no choice but to act,' the spokesman said.

The workers are demanding a 15% wage increase and a 5% house allowance, which they say has been denied to them.

Management denied reports the company was offering a 12% increase, which was accepted by the AWU spokesman.

'Workers have refused to work until their demands are met before they return. The company has no choice but to act,' the spokesman said.

The workers are demanding a 15% wage increase and a 5% house allowance, which they say has been denied to them.

Management denied reports the company was offering a 12% increase, which was accepted by the AWU spokesman.

'Workers have refused to work until their demands are met before they return. The company has no choice but to act,' the spokesman said.

The workers are demanding a 15% wage increase and a 5% house allowance, which they say has been denied to them.

Management denied reports the company was offering a 12% increase, which was accepted by the AWU spokesman.

'Workers have refused to work until their demands are met before they return. The company has no choice but to act,' the spokesman said.

The workers are demanding a 15% wage increase and a 5% house allowance, which they say has been denied to them.

Management denied reports the company was offering a 12% increase, which was accepted by the AWU spokesman.
Iscor steps up assistance to exporters

ISCOR is increasing by 30% the rate of assistance payable to exporters under its steel export promotion scheme for all export shipments undertaken on or after October 1.

Iscor's new largesse is seen as yet another move to aid the local steel product manufacturers in their export drive.

"Our steel products mark-up is very low, profits are marginal and we labour under the disadvantage of having to compete at exceptionally low prices internationally," says Hyman Fleischer, managing director of L. Fleischer Steel, which exports primarily structural steel to the US, Africa and Indian Ocean islands.

"Any aid and incentives from Iscor will only help us get our products to the market at lower and therefore more competitive prices," says Mr Fleischer, whose group steel merchandising arm was sold for R8-million last month to Marsteel.

By Vera Beljakova

"The new incentives will help especially those manufacturers whose steel content is products is very high," explains Eric Samson, chairman of Marsteel, the country's largest privately owned steel merchant, whose turnover reached R250-million this year.

"Iscor's current rate of assistance of 12.5% for steel products and 4% for tund莞te products will now be increased to 16.25% and 5.2% respectively.

"Provided the qualifying percentage added value is attained," explains Iscor, "maximum assistance paid for exporting steel products will increase from R100 to R130 a ton of net steel content.

"This will be paid when the average net FOB price a ton of exports per consignment exceeds R50.

"For fabricated tund莞te products, the maximum amount of assistance will be increased from R20 to R25 a ton of net steel content, and will be payable when the average net FOB price of a ton of exports per consignment exceeds R140."
Unions appeal to overseas labour bodies

Own Correspondent

JOHANNESBURG - Two local black unions have sought the help of powerful overseas labour organizations in an attempt to resolve disputes arising out of recent strikes on the Rand.

The Building, Construction and Allied Workers' Union has appealed to the British Trade Union Council to approach the British parent company of Johnson Tiles of Chiseldon, where workers were fired after a recent strike.

A union spokesman said the TUC had secured an agreement from the parent company that workers would be reinstated and that the firm should meet with the union.

However, he claimed local management wanted to re-employ selected workers only — which the British unions "totally rejected." He also claimed the firm had told fixed contract workers to vacate their hostel in Tembisa township.

It was not known whether the workers were actually evicted but the union was seeking an urgent meeting with management, he added.

Company spokesmen could not be reached for comment.

Meanwhile, the Metal and Allied Workers Union has called on the International Metalworkers' Federation to intervene in its dispute with the Telephone Manufacturers of South Africa (TMSA) in Springs.

TMSA is a subsidiary of the General Electric Company and the fully-affiliated union has asked the IMF to approach GEC in an attempt to bring the local management to the bargaining table.

The union wants to meet with the company to discuss reinstatement of workers fired after the whole black workforce of 1,000 went on strike recently.

Up to now, TMSA has refused to meet with the union.

Nine people appeared in the Kagisong Magistrates' Court last Monday on charges of assault following the unrest. They were released on bail, paid by the union, and the case was postponed.

A police spokesman said another two people had been arrested in connection with alleged cases of assault and another arrest would be made.

A union spokesman condemned the involvement of the police in the dispute.

He added: "It seems TMSA management is using the police to weaken the resolve of the workers."

He said the company was still refusing to talk to union officials, which was "damaging to worker-management relations."

A spokesman for TMSA said almost 1,000 of the 1,600 dismissed workers had been re-employed, and about 100 new workers had been taken on.

He reiterated that the firm would not take back 200 workers who were fired first after starting the strike.
600 stay out in sacked-woman row

By Drew Forrest

The strike by nearly 600 workers at the large East London plant of Johnson and Johnson went into its third day today as representatives of the unregistered SA Allied Workers' Union met management in another bid to break the deadlock.

The company is one of only two in East London to have signed a formal recognition agreement with SAAWU, and the strike is seen as a key test of its labour relations policies.

At a meeting in East London yesterday, the strikers decided not to go back until management reinstated a woman worker whose dismissal for theft sparked the stoppage last week.

The company has offered to negotiate with SAAWU on the dismissal, but has said that in terms of the agreement it will only do so after a general return to work in Merryburg some of the 300 workers who struck last Wednesday at the Hylatts Aluminium plant were back on shift this morning in response to a management return-to-work deadline.

The workers are demanding repayment of their pension fund contributions and the reinstatement of 130 colleagues who resigned last week to reclaim their pension money, and have not been taken back.

A company spokesman said half the morning shift of 300 were at work and other workers were meeting in the car park with officials of the Metal and Allied Workers' Union to decide on a course of action.
Atlantis Diesel will employ 2,000 workers

The Atlantis Diesel Engine factory would eventually employ 2,000 people and save the country about R260-million a year, the Minister of Transport, Mr Hendrik Schoeman, said at Jan Smuts airport.

F R O M J A P A N

He was speaking at a function to mark the introduction of ADE engines into Datsun-Nissan heavy vehicles. Among those attending were Datsun-Nissan officials - some from Japan.

Mr Schoeman said that Datsun's light-commercial vehicles already had local content above Government requirements and the company had become a leader in the field.

“We appreciate that the establishment of a local-content programme costs money - as again seen here in the Atlantis Diesel Engine programme. STRATEGIC

“Sales are relatively small and unit costs will therefore be higher,” Mr Schoeman said “It is unfortunately a price we have to pay.”

The payment was not only for the strategic importance of being independent but there were greater benefits such as the creation of equal employment opportunities.

Sapa.
Doubts about new deal for blacks

By STEVEN FRIEDMAN

A new artisan training agreement in the metal industries may effectively block opportunities for some black workers to become artisans, some employers fear. But while acknowledging that the agreement has tightened criteria for workers to become artisans without first becoming apprentices, both the Steel and Engineering Industries Federation and registered unions in the industries expect suggestions that it will keep blacks out of skilled jobs.

Last week Sefsa and the unions ratified the new agreement, which sets out new criteria for non-apprentices to become artisans.

Criteria

The new agreement replaces the journeyman recognition scheme which allowed non-apprentices to become artisans and was negotiated before blacks were permitted to do skilled work.

Unlike the old agreement, it now requires apprentices to have an agreed educational level and to pass trade tests before they can become artisans.

These criteria were inserted after demands by the unions for criteria aimed at "preserving artisan standards".

Minutes of a Sefsa board meeting next to the Rand Daily Mail indicate some concern that the new criteria will block artisan status for many blacks.

The minutes note that to meet the educational requirements, "certified education would be necessary."

Impetus

It was felt that this would "construe, unfortunately, an effective block to the entrance of many black workers under the agreement."

The minutes express the fear that, because of deficiencies in black education, many workers might be unable to qualify.

However, Sefsa's board had decided to accept the agreement but also to "give further impetus to the introduction of additional training on a national basis."

The director of Sefsa, Mr Sam van Coller, said Sefsa was "happy" with the new agreement.

"The old agreement was a relic of a different era and we are pleased that the government agreed that the educational standards will not be higher than those which apply to apprentices and that, in some trades, the education criteria will be lowered," he said.

Protect

The director of the Confederation of Metal and Building Unions, Mr Ben Nicholls, has insisted that the new criteria will protect black artisans.

Because they will now have to undergo trade tests, they will have "a qualification which will be valid throughout the industry rather than with one employer only," he said.
Metal
workers
fired

By SELLO
RABOTHATA

MORE than 140 workers, including 13 committee members, were fired at Electra-
tite Metal Corpora-
tion in the West Rand after they had downed tools in protest against the Govern-
ment's Pension Bill.

Mr Andrew Motingwe, one of the fired committee members, said the workers decided to do not like the new pension scheme and when this was told to the company's management they were told their wages would be increased.

Workers demanded a minimum increment of R1 an hour but management felt that this was too high. They were told to return to work else there would be no money and they decided that if there was no money there would be no work.

On Friday last week, the workers came to work and were asked to decide whether they wanted to work or go on strike. Some decided to work and others to strike. When they came to work the following day they found the cards they used to get into the company premises had been changed and those who had gone on strike could not get in.

All those who had not been permitted to get in were again asked whether they were on strike or not. Some decided to return to work and about 140 who did not were told they were fired.

When Mr Motingwe asked why he had been fired as he was a worker representa-
tive he was told that it was a reduction of staff.

The SOWETAN could yesterday not get a comment from the company's management.
300 workers sacked

BY JOSHDUB LABORO

AIDS 106 Black workers

% workers were fired in a pre-

departure voluntary resignation

strike. The workers are angry at the 

management's treatment of them.

The workers, who were mostly 

foreign, said they wereoutes to the 

management that they were 

being unfairly treated. They said 

the workers were not being 

paid what they were worth and 

were not given proper 

accommodation. They said 

the workers were not being 

given proper 

accommodation. They said 

the workers were not being 

given proper 

accommodation. They said 

the workers were not being 

given proper 

accommodation. They said 

the workers were not being 

given proper 

accommodation. They said 

the workers were not being 

given proper 

accommodation. They said 

the workers were not being 

given proper 

accommodation. They said 

the workers were not being 

given proper 

accommodation. They said 

the workers were not being 

given proper 

accommodation. They said 

the workers were not being 

given proper 

accommodation. They said 

the workers were not being 

given proper 

accommodation. They said 

the workers were not being 

given proper 

accommodation. They said 

the workers were not being 

given proper 

accommodation. They said 

the workers were not being 

given proper 

accommodation. They said 

the workers were not being 

given proper 

accommodation. They said 

the workers were not being 

given proper 

accommodation. They said 

the workers were not being 

given proper 

accommodation. They said 

the workers were not being 

given proper 

accommodation. They said 

the workers were not being 

given proper 

accommodation. They said 

the workers were not being 

given proper 

accommodation. They said 

the workers were not being 

given proper 

accommodation. They said 

the workers were not being 

given proper 

accommodation. They said 

the workers were not being 

given proper 

accommodation. They said 

the workers were not being
About 500 workers in the rail industry are to face redundancies as part of the UK's largest railway company, Network Rail. The redundancies will affect workers in various roles across the company, including engineers, maintenance workers, and administrative staff. The company has stated that it is necessary to reduce costs and improve efficiency in the face of ongoing financial challenges. The redundancies are expected to be implemented over the coming months, with workers being notified individually. The company has promised to provide support and assistance to those affected by the redundancies, including financial advice and guidance on job hunting. The union, RMT, has expressed concern about the impact of the redundancies on workers and their families, and has called for more consultation and transparency from the company. The company has responded by stating that it is committed to working with the union to ensure that the redundancies are handled fairly and with consideration for the workers impacted.
A significant number of changes have taken place at Improvair in the past year. These changes have occurred due to the expansion of work obtained in the air conditioning and sprinkler fields.

Due to the increased turnover, it became necessary to increase the office accommodation and as a result, the office accommodation was increased by approximately 50 per cent. That was completed in December, 1980.

In addition, rest room facilities and ablution facilities for the black staff were increased.

A number of internal changes also were effected, including:

1. The appointment of additional directors to the local board of Improvair in East London.
2. The appointment of a service manager.
3. The appointment of additional supervisory staff to cope with an increased workload in the field.
4. An increase in office personnel to cope with a larger workload.

The changes brought about by the management of the company will improve the overall efficiency of the organization.

In addition, greater emphasis has been placed on the training and retraining of staff and as a result, equipment to the value of R7 500 was acquired during the past financial year to assist training.

These training aids comprise a carrier cycle trainer, fault simulator and audio visual programmes.

The policy of the company has been to try and recruit local people where possible, but in view of the shortage of skilled labour, a certain amount of recruitment has been undertaken overseas.

To date, an additional five office and workshop staff have been recruited from the United Kingdom.

During the past six months, there has been a significant increase in the number of air conditioning and fire protection contracts.

Recently Improvair secured a contract to the value of R127 000 for the automatic sprinkler installation at Consolidated Textile Mills.

A contract to the value of approximately R80 000 for the sprinkler protection at the new shopping complex at Mdantsane also has been secured.

A multi-service contract for the installation of air conditioning, vacuum services, de-ionized water, gas installation, water pressurisation, water treatment, refrigeration, cold room installation and steam installation was recently awarded to the company at an approximate amount of R970 000.

This is the first complete multi-service project of this nature awarded to Improvair.

The contract is with the University of Fort Hare and in addition to this multi-service contract, an additional contract to the value of R81 000 for the supply and installation of central systems for the two women's hostels at Fort Hare University was also awarded to the company.

At present Improvair is in the process of completing the air conditioning and sprinkler installation for the arts block at the University of Fort Hare.

In line with the policy of diversification, a recent contract completed for King Tanning was the supply and installation of a 10-zone drying oven worth approximately R150 000.

In addition, a smaller four-zone drying oven was built simultaneously.

More recently, Improvair secured a contract for air conditioning of the Checkers complex at Mdantsane, which has an approximate value of R200 000.

The overall project must be completed by November. Due to the extremely tight programme, it was decided to utilise a new method of joining ducting together on site and thus, this new method has contributed to an overall saving in time on site.

Smaller contracts such as the air conditioning of Dyers Self Service Store, SATV office block and the air conditioning of the new Eastern Province Building Society offices in East London have been awarded to the company in recent months.

Work has also been undertaken in Bloemfontein, Kimberley and Kuruman on behalf of the Improvair offices in Bloemfontein and further work has been completed recently at Nqutuport and Graaff Reinet on behalf of the Port Elizabeth offices.

While the Improvair office in East London has been accustomed to working in the country, it has seldom been necessary for Improvair to work as far afield as the sites mentioned here.

The increase in workload has been brought about primarily due to the upturn in the economy and is an indication of the company's ability to meet an increased work load without undue strain being placed on the organization.

An aspect of the organization which continues to receive much attention from management is the service and after-sales aspect and as a result, two new positions have recently been created to improve the overall efficiency in this department.

All plants installed by the company are serviced and maintained at no extra charge to the customer for a period of one year from date of hand over.

Thereafter, all customers are notified of the expiry date of the free service and a service contract is offered to ensure optimum utilization.

Much emphasis is being put on the aspect of correct maintenance and we believe that the contribution to the company's image will be enhanced greatly by our after sales service.
660 out in new worker unrest

By Drew Forrest

In the latest outbreak of pension-related labour unrest, more than 600 workers at factories in Port Elizabeth and Durban were on strike yesterday.

Management at Henkel (SA) in Pinetown, outside Durban, has warned 290 strikers who have demanded the immediate repayment of their pension contributions that unless they are back at work today they face dismissal.

The strike at the detergents company began on Monday. Management has been dealing with the Chemical Workers’ Industrial Union, which is informally recognized at the plant.

At the Port Elizabeth plant of Pollex Foam and Automotive Products, the 100 workers who downed tools yesterday in a pension dispute returned to work this morning pending talks between management and the Motor Assemblies and Component Workers Union (Masawu).

More labour unrest has been reported from the East Rand where the Boksburg-based General Tire subsidiary, Pigoat, Maskow and Company, is reinstating after last Friday’s strike over wages by its entire 460-strong black workforce.

The company recently recognized the Chemical Workers’ Industrial Union. The managing director, Mr Vic Pretorius, accused union members of “striking during negotiations, and in breach of the recognized agreement.”

He said the workers had “twisted” their minds to meet a management-return-to-work deadline.

According to a CWIU spokesman, the workers struck in rejection of management’s offer of a productivity bonus. They wanted a $5-an-hour flat rate wage increase, he said.

Our Cape Town correspondent reports that about 500 workers at the Anodex factory near Grabouw, in the western Cape, have been on strike since Friday.

The workers, represented by the Food and Canning Workers’ Union, are demanding a minimum hourly wage of R130.
Hundreds sacked at Hulett's

ABOUT 500 Hulett's Aluminium workers were paid off yesterday after they insisted on having their pension fund contributions refunded to them.

And in Durban more than 200 workers at the Henkel Chemical works at Prospecton have gone out on strike in support of pay demands and pension negotiations.

The events at Hulett's followed the issuing of an ultimatum by the company on Friday, in which 300 workers were told they were on an "illegal strike" and that they should either return to work at 6 am on Monday, or lose their jobs.

Workers at Henkel Chemical Works said they had downed tools during the morning tea break on Monday because discussions about wage increases and the possibility of paying out pension scheme contributions had been under way with representatives of management and the chemical workers' industrial union for some months without resolving anything.

They were subsequently told in writing that the strike was illegal.

Meanwhile negotiations aimed at settling a wage dispute at the Appletiser factory near Grabouw continued yesterday between management and representatives of the workers and the Food and Canning Workers' Union.

Workers at the factory have been on strike since Friday, demanding a minimum of R1.50 an hour as opposed to 96 cents offered by management.

In East London the dispute leading to a strike of 600 workers of Johnson and Johnson plant is also still deadlocked. The South African Allied Workers' Union reported to the striking workers yesterday that the management still refuses to re-instate a Mrs Eunice Tempel whose dismissal led to the walkout on Thursday.

A spokesman for the union said that management had offered to institute an appeal committee to investigate the dismissal provided the workers returned, but such a committee was not acceptable to the union or the workers as it would be biased.

In Port Elizabeth 59 workers appeared in the Magistrate's Court on Monday under the Riotous Assemblies Act following strikes at two post office yards and at the SA Bottling Company. All were remanded until October 29.

Another 24 also arrested last week appeared at the end of last week under the same Act.

In both disputes workers were dismissed — 180 at the post office and 250 at SA Bottling.

The 83 men were arrested for alleged intimidation of workers during the strikes.
PIETERMARITZBURG — About 500 Hulette alumi
num workers have been
paid off after they insisted
on having their pension
fund contributions re-

funded to them

The workers resolved to
“fight for the right to get

their jobs back”, and not to
accept re-employment un-
less “all the workers are

reinstated”.

They also resolved to
prevent other people from
filling what they still re-

gard as their rightful posi-

tions.

Meanwhile, more than
200 workers at the Henkel-
chemical works at Pros-
pecton have gone out on
strike in support of pay
demands and pension

negotiations.

Management staff were
not available for comment,
but workers said produc-
tion was virtually at a halt

despite white staff operat-
ing the plant on a reduced
level.

In Grabouw about 200
workers at the Appletiser
factory are said to be on
strike over a wage dispute,
but factory management is
keeping silent on the
issue.

According to the food
and canning workers’ un-
ion, worker representa-
tives met management on
Monday but no agreement
over new wage rates was

reached.

A Port Elizabeth cor-
respondent reports that 400
workers, almost the entire
workforce, downed tools at
the Fulda foam-rubber
factory in Korsten yester-
day morning after demand-
ing their pension con-
tributions.

Workers interviewed
said they wanted to reign
from the pension scheme,
but said they were told by
management yesterday
that they would have to
reign before the money
would be paid out.

At about 1 pm workers
left the factory’s premises
after an ultimatum from
management to resume
work in five minutes, or
leave.

At that stage an official
of the Motor Assemblers’
and Components Workers’
Union was still negotiating
with management on the
workers’ demands —

SAPA.
Hundreds of strikers paid off at Hulett's

ABOUT 500 Hulett's Aluminium workers were paid off on March 6th after they insisted on having their pension fund contributions refunded to them.

The workers resolved on Monday afternoon to fight for the right to get their jobs back and not to accept re-employment unless "all the workers are reinstated." They also resolved to prevent any "scabbing." A negotiating committee consisting of 16 workers' representatives and officials of the Metal and Allied Workers' Union was elected to negotiate the reinstatement of all the workers.

The company was approached later in the day to meet this committee but refused saying "workers could apply individually to be re-employed".

Yesterday's events follow the issuing of an ultimatum by the company on Friday, when 500 workers were told they were on an "illegal strike" and they should either return to work at 6 a.m. on Monday or lose their jobs.

According to the company, "several hundred" workers reported for duty on Monday and production returned to normal levels.

This has been denied by worker representatives and trade union leaders, one of whom said only 59 of the striking workers returned to their jobs. They also claimed production "could not possibly be at normal levels." — Sapa
By Drew Forrest

More than 600 workers at Johnson and Johnson in East London yesterday suspended their week-long strike pending negotiations between management and the SAAWU branch.

But the mass of workers were still meeting with SAAWU officials outside the plant today.

They were deciding whether to meet a management deadline for a return to work today or to go back early after the weekend.

The strike was sparked off last week by the dismissal of a cleaner, Miss Lungisa Nomakhona Tempi, alleged for stealing two toilet rolls.

Workers refused to return before her removal.

The company refused to examine her case until the workers went back.

Sapa reports that at yesterday’s mass meeting, SAAWU officials, including its president, Mr. Thozamile Gwaza, recommended a return to work.

Sandbank Stick, a Durban shipbuilding firm, was hit by a one-day pensions-related strike on Wednesday.

The Star’s Durban correspondent estimates that between 700 and 900 workers struck in demand for the repayment of pension contributions.

A dispute at the Ap-plewhite plant in Grahamstown ended on Wednesday with a wage increase.
Boom goes on for heavy engineering

Deputy Financial Editor

The heavy engineering industry faced continued growth, Mr K N Jackson, managing director of Derbyx Heavy Engineering, told the NDME conference yesterday.

According to Mr Jackson, his firm is budgeting for a 15% sales increase "in real terms" next year and plans to spend R37 million on expansion.

He said the recent boom had given impetus to SA's heavy engineering industry — already the biggest in the southern hemisphere — and had enhanced the ability of engineers to tackle bigger and bigger jobs.

"Whereas only 10 years ago, we were proud of our capability to manufacture 4,8-metre DO winders, we are today manufacturing winders of 6-metre diameter. The industry has already invested in machining capacity that will allow machining of huge workpieces with diameters of up to 10 metres. Equipment due next year will cater for up to 14 metres in diameter and masses of up to 200 tons in a single workpiece."

Improved capacity augured well for the ability of the industry to meet the future.

"The fast developing coal and other minerals export market brings with it a further need for capital equipment. The minerals industry, for example, will undertake a capital investment programme of R12 000-million over the next five years.

Mr Jackson said SA cement giant 3 500-ton draglines for the coal industry had improved from 65% to 95% in the past years.

The industry had entered the high-technology field of high-pressure turbine manufacture for power stations and would be able to attain 100% SA content on stationary components.

Mr Jackson said the support of organisations like Iscor, the mines, Eicom and the SAR had contributed to a stable heavy engineering industry. But there were still some organisations which "have the short-sighted policy of procuring their capital equipment needs wherever they are the cheapest."

Certain European countries could buy steel at 1973 prices and enjoyed financial assistance from their governments for export and to create employment.

In addition, cycles in heavy engineering had long lead times and the SA industry was often out of phase with the economy.

"This out of phase situation enables overseas competitors to submit more competitive tenders due to their economic situation. They can price marginally and with the additional help of government export subsidies are able to sell at a price that could easily be described as being at dumping level or very near."
22 employees

By SELLO RABOTHA

TWENTYtwo workers were fired at Litemaster (Pty) Ltd in Melrose, Germiston, on Wednesday night for declaring a 10 cents increase in favour of a R3 an hour minimum wage.

According to a Numsa and Allied Workers' Union (MAWU) spokesperson, a meeting at the factory earlier on Monday between more than 20 employees and management of a company to organise a meeting. The employees were told that they must have their names on a list for the 10 cents increase, but they refused to sign the list.

The Union official said management failed to reach an agreement with the shop stewards and did not call union officials to discuss the wage. This is a violation of our agreement with them. After long the workers they employed about 20 commuters to replace them and told other workers to come on Wednesday.

The SOWETAN could yesterday not get the company's officials for a comment.
Director denies black union's 'lockout' charges

By Dorey Farrow

A black trade union has accused a German-based multinational company, Litemaster Products in Weddel, of "reviving to the anti-union tactics used in the electrical industry five years ago.

The Metal and Allied Workers Union has asked the president of the International Metalworkers Federation, Mr. Eugen Lodewig, to contact management over the dispute at the company.

Mr. Lodewig, who is the president of West Germany's largest trade union, the 38 million strong IG Metall, has spent this past week in South Africa on an educational tour.

The union claims Litemaster management tried unsuccessfully to lock out 250 workers. Mr. Lodewig added that they had rejected an offer of a 9% hourly wage increase. The workers had asked 10%.

It claims 25 workers, including five shop stewards, were dismissed two days later in "double-ful circumstantial", which suggested intimidation.

Litemaster's managing director, Mr. John Houston, denied there had been an attempted lockout. He stressed that the workers had been fired after repeated warnings and for "very specific reasons" including persistent refusal to wear uniform and lateness of arrival.

He also denied union charges that a large number of coloured workers had been asked to "take up at the factory for ca. 47; in the event of the company's principal competitors "we're our latest 10% offer, which workers, in fact, accepted, wages had increased 25.8 percent this year.

It claims 25 workers, including five shop stewards, were dismissed two days later in "double-ful circumstantial", which suggested intimidation.

Litemaster's managing director, Mr. John Houston, denied there had been an attempted lockout. He stressed that the workers had been fired after repeated warnings and for "very specific reasons" including persistent refusal to wear uniform and lateness of arrival.

He also denied union charges that a large number of coloured workers had been asked to "take up at the factory for ca. 47; in the event of the company's principal competitors "we're our latest 10% offer, which workers, in fact, accepted, wages had increased 25.8 percent this year."
Samstel pays 5c final as profit leaps 75% 

SAM STEELE Holdings increased attributable profit by 75% to R2 338 000 in the year to August 31 from R1 335 000 in 1979-80. The final dividend has been raised from 3,5c to 5c to make a total of 8,5c (6c).

Earnings a share were 21,5c against 12,3c in the previous year.

Sam Steele is an investment and finance company with interests primarily in the manufacturing and retailing of furniture. It owns 100% of Steel & Barnett.

In the past year turnover was up by 24% to R35 122 000 from R27 409 000.

The chairman, Mr H A McNeil, says "The substantial increase in profits resulted from an overall increase in group turnover due to considerable expansion in the retail division, having regard to our firm's financial base, management, structure and inherent growth potential.

He also tells shareholders "Further significant improvement in turnover and profitability are anticipated in the current financial year."

Pre-tax profit in the past year rose from R2 370 000 to R4 100 000.

COMMENT Sam Steele's directors will be understandably especially pleased with their results coming right on top of the much less buoyant ones from Amrel.

A statement accompanying the results says, "Samstel and its subsidiaries have traditionally worked on the basis of 10% deposits and the recent introduction of the 10% requirement has, therefore, not had any marked effect on the company's business.

"It should also be noted that the results have been registered notwithstanding the prevailing high interest rate factors which have naturally had to be taken into account in the current profit achievement."

Both these points have been made with Amrel in mind since Amrel referred to the effect they had had on its interim figures to September.

Samstel certainly did well in the second half of its financial year when business conditions were becoming less buoyant than in the previous months.

The fact that taxed profit for the year was up by 75% against 80% at the halfway mark indicates a strong and continuing momentum.

However, companies do not all bloom at identical times and although Samstel has performed excellently over the past three years - dividends rose from 3,5c in 1976-77 to 5c in 1979-80 - it was actually outshone by Amrel over that time.

But Mr McNeil's forecast of a "significant" rise in profits this year is most cheerfully bullish because of the generally more sombre tone coming from company chairman.

At 5c the share yields a handsome 10c dividend yield with an earnings cover up from 2,1 to 2,2. 

...
Factory workers walk-out

Post Reporter

About 350 workers at the Adventure Cable Factory in
Nova Scotia stepped out
yesterday. A man was
punished.

It is understood that after
the man was dismissed, the
workers demanded that he be
hired back in the canister
vestibule.

The Evening Post was told
that some of the workers ar-
tived at the factory. Today no
strikers had refused to go
back to work until their col-
league was reinstated.

A spokesman for Adventure
Cables said the man general
had no comment.

A General Workers Union
organizer, Mr. Thorne, said
he would be meeting the
workers shortly.
Best-ever year for Sam Steele

By Patrick McLoughlin
Sam Steele Holdings has boosted dividends following a 75 percent increase in taxed attributable profits — to a record R2.35-million (previously R1.355-million) — for the year to August 31.

The directors, who lifted the final dividend to 5c (3.5c), making the total annual payout 9.5c (6c), are now looking to more big rises in profits and turnover in the current financial year.

Sales jumped 54 percent, from R22.7-million to R35.1-million, and pre-tax profit was R4.1-million (R2.4-million).

Earnings a share also jumped 75 percent to 21.5c (12.5c), dividends a share was 3.5c (8c) and the dividend cover was raised from 2.1 times to 2.5.

The dividend offers a yield of 10 percent on the current share price of 85c and this compares with the JSE average for the furniture and household sector of 7.4 percent.

Commenting on prospective earnings, the chairman, Mr A H McNel, said: “After increased earnings of 75 percent, further significant improvements in turnover and profitability are anticipated.”

The investment and finance group with subsidiaries in retailing furniture and manufacturing (it owns 100 percent of Steel and Barnett), had “reaped the benefits of the recent modernisation and updating of manufacturing equipment.”

A spokesman said the increased profits occurred against a general trend of declining activity in this sector and despite prevailing high interest rates.
By STEVEN FRIEDMAN

THE Wadeville subsidiary of a German company is faced with a major row over union claims that it tried to fire its entire workforce after rejecting their pay demands and that it is firing workers because they are union members.

Foustex Metal and Allied Workers Union said yesterday that it had asked German unions to take the same up with the German parent company of the firm, Lienzenlayer. It also said it was taking legal advice because it believes the company has “locked out” workers.

But Lienzenlayer’s managing-director Mr John Brown denied the allegations yesterday.

Lienzenlayer recently said it had adopted a non-discriminatory code of labour conduct.

Mawana claims it represents all but five of the company’s 128 workers. It says that the company held a referendum which indicated Mawana had a majority and the company then agreed to recognise it.

Union shop stewards had then tabled a demand for a “living wage” of R3 an hour — the minimum required by the BEEC code, which covers Lienzenlayer.

The company had initially offered an R2 increase, then a R3 increase. The union claims both offers were rejected by workers.

Defiance

"Workers were then called out of work by a company official who told them they must accept the offer or be fired. He told them not to go back to their machines but to leave, a union spokesman said.

"Workers had returned to their machines in defiance of this instruction, but had found the gates locked by the evening. The company had "tried to force them" to collect their pay.

"They had refused. Later the night shift had been prevented with a similar ultimatum, but had also ignored it.

On Friday, 22 workers had been fired. They had been replaced by coloured workers and, yesterday, management had told workers waiting at the gates that there would be another 50 jobs available later this week.

"The company is either attempting to pressure workers to cut their numbers or is trying to provoke a strike so it can fire workers. They claim to be an enlightened company, but they are using the same tactics employed in 1976," a union spokesman said. Mr Houston claimed Lienzenlayer had agreed to recognise Mawana or that a referendum had been held. "The issue has never been raised.”

Die-hard

"He said workers earned more than R2 to hour and denied union claims that the company’s wages "did not compare well with other electrical firms. He said the firm had been negotiable with firms, and that a settlement was accepted by the "mass majority.""

He confirmed that a company official had told workers who did not accept the deal to leave, but added: "We have never tried to stop our workers working. We have never tried to force them if they want to work."

Night shift workers had not "turned up" to their particular line but had said they had been "intimidated," he said."
PORT ELIZABETH — The deadlock between management and workers at the Aberdare Cable Factory, where about 150 workers have been on strike, is continuing.

The workers, who downed tools late on Monday, are refusing to work because of the dismissal of a colleague, it is believed.

A spokesman for the General Workers' Union, to which workers are affiliated, said they would meet today to discuss the issue.

A spokesman for Aberdare Cables said management would not comment on the strike.

PENSIONS

In East London, Dunlop Flooring today began recruiting staff to replace 500 workers who dismissed themselves last week when they struck after demanding that their pensions contributions be paid out.

The dismissed workers, who are represented by the South Africa Allied Workers' Union, met today to discuss the issue, but there was no decision on what action they would take.

The general manager of the company, Mr N Yeom, had told the workers it was company policy that all workers belong to the pension scheme.

WELL KNOWN

"The only way an employee can obtain a refund is to return the car employees know," he said.

A spokesman for the company confirmed that new labour was being hired.

Meanwhile, negotiations are continuing between SAAWU and Johnson and Johnson management over the dismissal of a cleaner who allegedly stole toilet rolls.

REEXAMINED

Mr. 's status as personnel director of the company, and negotiations were continued.

About 450 workers went on strike last week in sympathy with the cleaners. They suspended the strike on Friday after an agreement with management that the cleaners' case would be re-examined.
PE strike not yet settled

Post Reports

The management of the Aberdeen Cable plant in Midland Township where an undisclosed number of workers walked out on Monday have again refused to make any comment.

The workers left the plant after demanding the reinstatement of a man dismissed the previous week.

A spokesman for the General Workers Union of South Africa claimed the man had been made to sign a form about ten he had left the plant with the day he was dismissed. The man denied the charge and was dismissed.

The company spokesman said the workers were not being truthful in their denial of the matter.

A spokesman for Aberdeen Cable said the personnel officer, Mr. Golden, was not available and that the company had no comment to make.
Unrest at Durban firm over pensions

BY STEVEN FRIEDMAN

The large Durban plant of home appliance manufacturers, Dify Industries, yesterday faced unrest from its 1,000 black workers on the pensions issue, which has sparked a wave of strikes.

Union sources said workers were on strike, demanding the refund of pension money. A source close to the company said that workers had gathered in the canteen and that they were discussing demands with management.

But he added: "There is no strike yet. None of the workers have left the premises. The purpose of the discussions is to forestall a strike."

No refund

It is understood that management has said it cannot refund pension money.

The reason, they say, is that Dify is covered by the metal industries' industrial council agreement, which does not allow individual companies to refund workers' pension money.

Industrial council agreements, which lay down that workers cannot withdraw pension contributions, have been a source of unrest in other industries.

Recently the Transvaal clothing industry amended its industrial agreement to allow workers to withdraw provident fund contributions without losing their jobs.
Firm and 'illegal' union sign accord

Staff Reporter

A MAJOR Cape engineering firm has signed an agreement with a workers' committee elected outside the framework of State labour legislation.

The agreement, signed on Monday, is the second signed between an engineering firm and a workers' committee under the auspices of the Independent General Workers' Union in the past two months, the first being that with Trident Marine in September.

The agreement falls outside the framework of the Industrial Conciliation Act.

In a statement yesterday, the GWU praised the 'progressive attitude' of the Consani management.

"The agreement extends to the committee full rights of negotiation over wages and conditions of service. A dispute procedure has been agreed and negotiations for a disciplinary and grievance procedure are well advanced."

"The GWU participated in the negotiations and have been extended similar rights of negotiation in all future negotiations" according to the statement.

The managing director of Consani Mr R Aubin said that although the company supported the concept of a central bargaining system, "it must also take cognisance of the expressed wishes of workers for effective representation in a system of their choice."

To this end, management has concluded an agreement on in plant bargaining with an elected workers' committee."
New deal cuts out industrial council

The firm is Consam Engineering, which employs about 600. It becomes the second Cape Town firm covered by the metal industries' industrial council to agree to bargain with the unregistered General Workers' Union outside the official system.

The agreement is seen by unionists as another advance for their view that employers should negotiate directly with them, rather than through industrial councils.

It comes at a time when a small, but growing, number of employers are deciding to negotiate directly with unions outside the industrial council system.

The giant Steel and Engineering Industries Federation, a staunch supporter of industrial councils, is due to announce its revised policy towards councils early next week.

A statement issued by Consam's managing director, Mr Dick Auton, said yesterday that the company supported "the concept of a central bargaining system at industrial level."

But it added that the company "must also take cognisance of the express wish of our workers for effective representation in a system of their choice."

"To this end management has concluded an agreement on in-plant bargaining with an elected workers' committee which acted with the guidance of the General Workers' Union. We believe this decision to be in the best interest of our company for sound industrial relations in the long term."

Disputes

A GWU statement said the agreement gave the committee "full rights to negotiate over wages and conditions of service." A disputes procedure had already been negotiated and talks on a grievance and disciplinary procedure were "well advanced."

The statement added that the union had taken part in the negotiations and that it had been "extended similar rights of participation in future negotiations."

The GWU said "the progressive attitude of Consam management is to be commended and is a worthy example to other employers in the industry."
Mr. Collie Anderson, general manager of SAAWU, said that their union had been demanding an improvement in the workers' retirement benefits. They had been negotiating with the company for several months, but progress had been slow.

Meanwhile, SAAWU has also been demanding better working conditions. They claimed that safety measures were inadequate, and that workers were at risk of injury.

The company's response has been mixed. They acknowledged the need for some improvements but argued that the demands were excessive. The negotiations continue.
Pensions strikes: another 1000 out

By Tony Davis
Labour Reporter

Pension unrest erupted again this week in Durban as about 1,000 workers at the Dyfi plant in Jacobs drew their pensions and demanded immediate payment of their pension contributions.

The work stoppage at Dyfi began on Tuesday when both shifts refused to work and management tried to reassure workers about the pension scheme.

Talks among management, the black works committee and Manpower Department officials were held yesterday.

Workers were warned that in terms of the metal industry's pension fund they were not entitled to payouts of their contributions even if they resigned.

The general secretary of the South African Allied Workers' Union (Sawu), Mr Sam Kikini, said the workers were unwilling to alter their demands on the pension issue. Sawu officials visited the plant on Tuesday to discuss the dispute with management.

At the ensor Exeter factory in Durban, about 140 workers went on strike on Tuesday, demanding payouts.

They were warned by management to return to work yesterday morning but refused to do so and were dismissed.

Enson's personnel manager, Mr Geoff Woods, said workers would be selectively rehired from today.

At four Rama furniture stores in Durban about 170 workers were still out on strike after a dispute earlier this month over union recognition in the Commercial, Catering and Allied Workers' Union.

The workers were demanding reinstatement as well as a commitment from management to negotiate. Only about 15 of the original workforce had returned to work, a union spokesman said.

The workforce of about 400 at Abersore Cables in Port Elizabeth continued its strike this week in protest over the dismissal of a colleague. Workers walked out on Tuesday and at a meeting yesterday, they said they would stay out until their colleague was unconditionally reinstated according to a spokesman for the Motor Assembly and Component Workers' Union.

At Dunlop Flooring in East London, where about 500 workers went on strike over pension demands, management yesterday began recruiting a new workforce. The workers were represented by Sawu.
Pensions strikes: another 1 000 out

By Tony Davis
Labour Reporter

Pension unrest erupted again this week in Durban as about 1 000 workers at the Defy plant in Jacobs Dowland Court and demanded immediate payment of their pension contributions.

The work stoppage at Defy began on Tuesday when both shifts refused to work and management tried to reassure workers about the pension scheme.

Talks among management, the black works committee and Manpower Department officials were held yesterday.

Workers were warned that in terms of the metal industry's pension fund they were not entitled to payouts of their contributions even if they resigned.

The general secretary of the South African Allied Workers' Union (Saawu), Mr. Sam Kikome, said the workers were unwilling to alter their demands on the pension issue. Saawu officials visited the plant on Tuesday to discuss the dispute with management.

At the Ensor Plastics factory in Durban, about 340 workers went on strike on Tuesday, demanding payouts.

They were warned by management to return to work yesterday morning but refused to do so and were dismissed.

Ensor's personnel manager, Mr. Geoff Woods, said workers would be selectively rehired from today.

At four Game furniture stores in Durban about 170 workers were still out on strike after a dispute earlier this month over union recognition of the Commercial, Catering and Allied Workers' Union.

The workers were demanding reinstatement as well as a commitment from management to negotiate. Only about 15 of the original workforce had returned to work, a union spokesman said.

The workforce of about 400 at Aberdare Cables in Port Elizabeth continued its strike this week in protest over the dismissal of a colleague. Workers walked out on Tuesday and at a meeting yesterday said they would stay out until their colleague was unconditionally reinstated according to a spokesman for the Motor Assembly and Component Workers' Union.

At Tunon Flooring in East London, where about 500 workers went on strike over pension demands, management yesterday began recruiting a new workforce. The workers were represented by Saawu.
Two unions bypass council

Two more breakthroughs have been achieved in the black trade union offensive on South Africa's industrial council system — one in the textile and the other in the engineering industry.

According to the latest Fosatu Worker News, a textile industry employer body has conceded wage negotiating rights outside the industrial council to Fosatsu's National Union of Textile Workers.

After three months of negotiations, the Textile and Yarn Fabric Manufacturers' Association (TYFMA) has conceded these rights at both plant and industry levels, Fosatu says.

However, TYFMA was still insisting that the union accept the council as "an ultimate objective." This had been refused, and negotiations were continuing.

And in a second important breakthrough, a committee elected under the auspices of the unregistered General-Machinists Union has won direct wage negotiating rights from an engineering firm in the Abecrom group.

Consort's Engineering in the Cape Peninsula recognizes the right of the committee to bargain on behalf of its 600 employees.

Consort's thus joins a small band of metal companies which have defied the guidelines of the powerful Steel and Engineering Industries Federation of SA (Sefiksi) by agreeing to negotiate wages outside the metal industries' industrial council.
Two unions bypass council

Two more breakthroughs
have been achieved in the
black trade union offens-
ive on South Africa's in-
dustrial council system —
one in the textile and the
other in the engineering
industry.

According to the latest
Fosatu Worker News, a
textile industry employer
body has conceded wage
negotiating rights outside
the industrial council to
Fosatu's National Union
of Textile Workers

After three months of
negotiations, the Textile
and Yarn Fabric Manufac-
turers' Association (TYF-
MA) has conceded these
rights at both plant and
industry levels, Fosatu
says.

However, TYFMA was
still insisting that the
union accept the council
as "an ultimate objective."
This had been refused,
and negotiations were
continuing.

And in a second impor-
tant breakthrough, a com-
mittee elected under the
auspices of the unregis-
tered General Workers
Union, has won direct
wage-negotiating rights
from an engineering firm
in the Abercon group in
terms of the agreement.
Consam's Engineering in
the Cape Peninsula recog-
nises the right of the
committee to bargain on
behalf of its 600 em-
ployees.

Consam's thus joins a
small band of metal com-
panies which have defied
the guidelines of the
powerful Steel and
Engineering Industries
Federation of SA (Seifsa)
by agreeing to negotiate
wages outside the metal
industries' industrial
council.
Strikers want worker reinstated

Post Reporter

STRIKING workers at the Aberdare Cable plant in Markman Township decided at meetings yesterday not to return to work until a dismissed worker was reinstated.

About 400 workers left the plant on Monday after demanding the reinstatement of a Mr Dana.

A spokesman for the General Workers' Union of South Africa (Gwusa) said it was claimed the man had been made to sign a form admitting he had left the plant early on one day last week.

Mr Dana denied the charge and was dismissed.

The Gwusa spokesman said the striking workers had met at the Holy Spirit Hall in Kwarakele yesterday morning, and at the Centenary Hall in New Brighton last night.

The spokesman said he had contacted company representatives to arrange a meeting with union organizers and had been told to call back later today.

The company's group personnel manager, Mr Derrick Geldenhuys, had no comment.
THE deadlock between management and workers at the Aberdare Cable factory in Port Elizabeth, where about 150 workers have been on strike, continues.

The workers, who downed tools on Monday, apparently refused to work because one of their colleagues was dismissed.

A spokesman for the General Workers' Union, to which workers are affiliated, said the workers were to hold a meeting yesterday to discuss the issue.

A spokesman for Aberdare Cables said management continued to have no comment on the strike.
We’re not illegal trade union

The headline appeared above a report detailing an agreement signed between Consani Engineering and the workers’ committee at Consani, elected under the auspices of the GWU.

A GWU spokesman said yesterday that the union was in no way an “illegal” body, but was an unregistered and independent trade union.

The full text of the GWU’s statement on the headline reads as follows:

“We are in no sense an illegal organization. On the contrary, we are an open and entirely legitimate trade union under the strict and democratic control of our members. We have refused to register and instead opted to remain an unregistered trade union.

“We believe that registration removes the democratic control of the union from the hands of the workers, and vests it in the person of the registrar. We have therefore elected to remain outside the statutory framework of industrial relations created by the State.

“The fact that the Consani management has recognized the right of our workers’ committee to negotiate any matters affecting them is therefore a tribute to the organization of those workers, and a vindication of our stand on democratic principles.”

In a separate statement issued on Tuesday, the chairman of the Consani workers’ committee, Mr. Johnson Mphokumupa, congratulated the Consani management on their ‘willingness to reach an agreement with a democratic workers’ committee, especially in the present situation of hostility to the workers’ movement’.”
Firm unable to meet workers' demands

Mercury Reporter

PRODUCTION at the Defy Industries plant at Jacobs was at a standstill for the second day yesterday. Management and workers fought to break a three-day deadlock over disputes surrounding the refund of pension fund contributions.

Mr Ron Collie, general manager of the major appliances division, said the company was facing a dilemma of not being able to meet the workers' demands which were first stated on Tuesday.

Defy is one of about 800 employers belonging to the Steel and Engineering Industries Federation of South Africa.

It has no power to alter the regulations governing pension refunds.

Requested

'At our talks yesterday a representative of the association made himself available to answer questions from workers,' said Mr Collie.

'Workers have requested that unions become involved, and we have allowed this.'

Mr Collie said management's policy was to maintain dialogue and avoid confrontation.

Ensor Plastics at Prospecton yesterday re-employed 33 of the 150 workers who had downed tools on Tuesday after making similar demands.

Mr G L Woods, administration manager at the factory said workers were given until Wednesday morning to return to work.

'We said if they did not return, we would take it as their resignation.'

Mr Woods anticipated that 'a lot more' workers would be back by Monday.

About 400 workers at the Reckitt and Colman factory in Mobeni were also demanding pension refunds, a spokesman said yesterday.
IFM

Better base

Activities: Investment holding company with subsidiaries engaged in the manufacture and distribution of industrial fasteners owns 50.1% of Charles Richards Fasteners (UK) Directors control 26.5% (44.8%) of the equity

Chairman: M M Borkum

Capital structure: 8m ordinary shares of 50c, and 125 000 6% cum prefs of R2 Market capitalisation R13.5m

Financial: Year to June 30 1981 Borrowings long- and medium-term, R3.4m, net short-term, R3.5m Debt equity ratio 111.3% Current ratio 1.3 Group cash flow R3.6m Capital commitments R788 000

Share market: Price 225c (1980-81 high, 290c, low 105c, trading volume last quarter, 244 000 shares) Yields 22.8% on earnings, 5.3% on dividend Cover 4.4% PE ratio 4.3

<table>
<thead>
<tr>
<th>Year</th>
<th>Ret/oa (%)</th>
<th>Turnover (rands)</th>
<th>Pro-tax prof (rands)</th>
<th>Earnings (c)</th>
<th>Dividends (c)</th>
<th>Net asset val (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>'78</td>
<td>—</td>
<td>121</td>
<td>1.0</td>
<td>—</td>
<td>—</td>
<td>79</td>
</tr>
<tr>
<td>'79</td>
<td>—</td>
<td>142</td>
<td>1.1</td>
<td>14.3t</td>
<td>6t</td>
<td>80</td>
</tr>
<tr>
<td>'80</td>
<td>—</td>
<td>251</td>
<td>1.2</td>
<td>14.3t</td>
<td>6t</td>
<td>124</td>
</tr>
<tr>
<td>'81</td>
<td>—</td>
<td>348</td>
<td>1.3</td>
<td>14.3t</td>
<td>6t</td>
<td>124</td>
</tr>
</tbody>
</table>

* Base 1977 = 100 t = n. Mth June 01

The strength of demand for IFM's products clearly caught management by surprise to some extent last year, causing gearing and liquidity problems

Steps have already been taken to bring debt equity down from 111% to the targeted 70%, but dividend cover is likely to remain at around last year's conservative 4.3 times so the company can get on top of the debt position, according to deputy MD Bokkie Diamond. This must be disappointing to shareholders, in view of the prospectus forecast, repeated in the 1980 financial statement, that cover would be around two times

Diamond says the brakes have been put on new borrowings and short-term liabilities — which increased rapidly last year from R1.9m to R5.1m — have been cut back significantly. Long-term debt rose a more reasonable 75% from R2m to

R3.4m

The company should be better placed this year, even though Diamond expects to see some slowdown in demand growth. The new factory which opened late last year will contribute for the full year, enhancing profitability and giving the company greater flexibility to increase market share

Chairman Max Borkum says orders worth several million rand have given the group an entry into some new sectors of the market, including railways and agriculture. Rationalisation within the group's subsidaries should further boost profitability

The group also has an export order worth around R1m for nuts and bolts to the US and exports to Europe were maintained last year. Tax allowances from export operations will hopefully continue this year, Borkum says, compensating to some extent for the rise in the local steel price which would otherwise trim margins

Capital commitments are down from R3.5m in 1980 to R1.5m this year, consisting largely of new machinery

Stocks, especially of raw materials, built up sharply last year to cater for the new factory and machinery coming on stream, but the rate of growth should slow to some extent this year, further cutting back on finance requirements

Borkum says new UK subsidiary Charles Richards Fasteners will not affect earnings this year, but will add to the group's pool of expertise and enlarge productive capacity

But the new factory in SA should be fully-utilised this year, he adds, so further earnings growth can be expected

The share price of 225c reflects the market's expectation that gearing and liquidity problems will not be a drag this year.
Slump for world ferroalloys, riches for SA

By JOHN MULCAHY

TWO South African ferroalloy producers have predicted a decline in much of the world's ferroalloy industry, but the SA industry is expected to increase in prosperity.

Mr Leslie Boyd, managing director of Highveld Steel & Vanadium Corporation, in a speech in the US, foresaw the closure of US and other Western vanadium producers.

Mr Piet Streicher, managing director of Samancor, predicted in Cologne and in the US, a similar fate for those countries' ferrochrome producers.

Mr Boyd and Mr Streicher believed alloy prices would remain at uncompetitive levels for the continued operation of the mature industrialised countries' older and less-efficient ferroalloy plants.

Because of low uranium prices, Mr Boyd foresaw the closure of Union Carbide's Colorado Basin uranium-vanadium operations soon.

The uranium would be left in the ground as a strategic resource, and the shutdown of Union Carbide's Uravan and Rifle operations would reduce the group's annual vanadium pentoxide production by 17 million pounds.

Union Carbide is apparently unwilling to write off its Colorado operations, stating that the Uravan plant has been operating normally since February after a six-month shutdown.

The group has reduced output this year at Hot Springs, Arkansas, and Bon Accord in South Africa.

Operations at Mustavaara in Finland — estimated at 750,000 lb a year — and Sveglen in Norway (250,000 lb a year) were also uneconomic and were likely to shut down within two years, said Mr Boyd.

He estimated this year's Western world vanadium pentoxide consumption at more than 85 million lb with production likely to exceed 80 million lb. Present capacity exceeded demand by almost 38 million lb.

Estimates for China regarded as the wild card in vanadium supply were for potential supplies of 16 million lb pentoxide equivalent in either slag or pentoxide.

Mr Boyd expected China to export between 5 million tons and 10 million tons of pentoxide to the Western world this year, but China's future as a long-term supplier was uncertain because of poor infrastructure and transport problems.

Mr Streicher forecast that the number of ferrochrome producers would fall to 20 by 1990 from 24 this year and 41 in 1979, with the US losing its only ferrochrome producer, Western Europe losing two out of three producers and Japan losing two out of four producers.

He foresaw two additional Philippines ferrochrome producers, but left a question mark over the expansion of the South African and Zimbabwean industries.

Manganese also faced a bleak future, said Mr Streicher, for industrial nations with no ore reserves and for many of the smaller producers.

The 54 manganese ore-producing nations would be reduced to 18 by 1990 and to eight by the turn of the century.

Mr Streicher predicted that SA would take up most of the slack in ore production, eventually supplying half the West's manganese requirements.
Pension rows keep two Natal strikes going

The Defy Industries plant near Durban remained shut for the third day yesterday as 800 striking workers remained deadlocked with management over disputes on the refund of pension contributions.

And at the nearby Reckitt and Colman factory in Mobsen, about 400 workers struck for a second day in support of demands for a refund on their pension contribution, sources said.

While the new wave of strikes over the controversial pensions issue again threatens to endanger relations in Natal, there was however, no sign of unrest at either plant.

Mr Ron Collie, general manager of major appliances at Defy, said the factory remained at a standstill during negotiations with worker representatives.

"We have no power to change the provisions laid down in the regulations governing pension funds, nor do we have the option of transferring these contributions to a trust fund, as was the case at some other factories," Mr Collie said.

"The SA Allied Workers Union (Shawu) has approached us and talks are continuing. Our policy is to maintain dialogue and avoid confrontation," Mr Collie said.

Sources at Reckitts said about 400 workers who downed tools on Wednesday continued strike action yesterday in support of demands for a refund of pension contributions.

At Ender Plastics in Prospectown, police were called to disperse about 150 striking workers protesting over pension refunds.

The firm's accountant, Mr C.L. Woods, said the workers were asked to collect their pay and if they had not returned to work by yesterday they would have to consider themselves dismissed.

"Workers are coming in drabs and drabs, and so far we have re-employed about 15," Mr Woods said. — Sapa
There was no production again yesterday at the Dofy Industries plant in Durban as about 1,000 workers continued their pension strike.

The black workforce downed tools on Tuesday, demanding pay-out of pension contributions. They were told that under pension fund conditions their contributions would be held until they turned 65.

There is a possibility that management may negotiate with the separate Metal and Allied Workers Union and the South African Allied Workers Union (Sawu).

Talks have been held with a workers' committee, and Mr. Ron Collett, secretary, might be future negotiations with the union to resolve the dispute.

At the Esquire Plastics plant in Durban, workers were reported to be engaged in a new workforce after about 140 workers were dismissed after refusing to work until they received their pension contributions.

The pension strike had also spread to another Durban firm — Beckitt and Colman, where 200 were reportedly on strike.

Yesterday at the Johnson and Johnson plant in East London, where workers are demanding reinstatement of a sacked colleague.

At the Aberdale Cable plant in Port Elizabeth, about 400 workers were warned to return to work or face dismissal. They are demanding that a recently dismissed colleague be reinstated.

Also in Port Elizabeth, yesterday the case against 99 former workers was postponed until next month. They were appearing as a second time under the Inquest Act.
sack' ultimatum

By Tony Davis
Labour Reporter

Monday is "D-Day" for about 1600 workers at two factories in Durban — unless they return to work they will be dismissed.

The black workforce of 1600 at the Deby plant in Jacobs, Durban, stopped work earlier this week after demanding the return of their pension contributions.

But after three lost days of production Deby has warned them to return to their jobs on Monday or face dismissal.

Deby's general manager, Mr Ron Collett, said pension fund contributions were preserved until 65.

HALTED

He said talks were being held with unions, and representations would be made to Sefika but the workers' demands.

Production of goods such as airconditioning units, electric stoves and mops have been halted by the pension dispute.

Beckett and Coleman's eight factories in Albert were hit on Wednesday by work stoppages by about 400 workers who have also demanded pension payouts.

Managing director Mr D Dursley said the workers mistrusted pending Government pension legislation and under pension fund rules they could only obtain their contributions by resigning.

ARRESTS

Less than half the workforce were still at their jobs yesterday, and police had arrested some "instigators," Mr Dursley said.

Workers had been given until Monday to return.

There apparently is no major union presence at the complexes, although the South African Allied Workers Union (Sawu) has some members.

Johnson & Johnson management in East London is meeting Sawu officials in a dispute over a worker's dismissal.

Workers involved in a pension dispute at Holets, Alumunium in Maritzburg are reported to have been dismissed.
Defy workers have

till Monday to return

(89)

DURHAM — Monday is "Take-out" for about 1,000 workers at two factories in Durham unless they return to work they will be

victed.

The stark work force of 1,000 at the Iho plant in Leeds Duhon stopped work earlier this week after demanding the return of their pension contributions.

But after three lost days of production Duhon has warned them to return to their jobs or Monday or face dismissal.

Bickell and Colen's eight factories at Middlevia were hit on Wednesday by work stoppage by about 400 workers who have also demanded pension contributions.

Less than half the workforce were still at their jobs yesterday and police arrested some 'intimidators.' The workers have been given until Monday to return.

Officials at both companies say that workers' mistrust, pending government pension legislation and under pension fund rules, they could only obtain their contributions by resigning.
Labour row as 217 are fired

Labour Reporter

AT LEAST 217 of the 650 workers at Hulett's Aluminium in Natal, who went on strike recently over pension demands, were fired this week after a company "screening process", the Metal and Allied Workers Union alleged yesterday.

The union said it was taking legal advice on the issue and had also asked the International Metalworkers Federation for help. It said it was investigating whether a Canadian firm had a stake in the company and would ask the IMF to take the issue up if it did.

Comment from Hulett's Aluminium could not be obtained yesterday. Mr Ron Phillips, a spokesman for the parent company, Hulett's, referred queries to Hulett's Aluminium's publicity manager, who was unavailable.

About 650 of the 950 Hulett's Aluminium workers recently struck in support of demands that their pension money be refunded.

Resigned

All 650 resigned as this was the only way they could obtain a refund of their pension contributions, and then re-applied for their jobs.

According to MAWU, the company then said it would institute a "screening process" to determine which of the workers would be re-hired.

"Yesterday we discovered that at least 217 have been told there are no vacancies and have been refused their jobs. They include virtually all of the 59 members of the steering committee."

He also claimed that attempts to negotiate on the 217 with Hulett's Aluminium had been unsuccessful because the company had said their decision was "non-negotiable."

"They appear to have replaced our members chiefly with Asian workers they have re-hired," he added.

The spokesman said the union had decided on a programme of action in support of the men.

This would include seeking legal advice, assistance from other Featu unions and the IMF, making contact with the parent company as well as other shareholders, and establishing whether there was a Canadian holding in the firm.

"The company has clearly embarked on a process of victimisation and rationalisation which is reminiscent of nineteenth century labour practices", MAWU said.
Defy issues ultimatum on pension strike

THE 1,000 striking workers at Defy's Durban plant have been given an ultimatum to return to work on Monday morning or lose their jobs.

But at the same time, Defy has said it will take up their demand for the withdrawal of their pension contributions with the Steel and Engineering Industries Federation.

It will suggest the fund's rules be changed to allow withdrawals by workers.

The workers have been on strike since early this week.

Yesterday informed sources suggested that the impasse at the company would prompt employers like Defy to press for a change in the fund's rules, which allow withdrawals of workers' contributions only on their death or retirement.

They argue that the fund's rules make it impossible for disputes with individual companies on the pension issue to be settled and that, until the rules are changed, worker demands to withdraw money are destined to end in deadlock — and to prove costly to both sides.

A Defy spokesman said yesterday the dispute was "non-negotiable".

"We are prevented by the fund's rules from meeting the workers' request and there is therefore nothing to negotiate."

He said workers had been told that, if they did not return by Monday, they would have "dismissed themselves."

The spokesman said, however, that Defy had undertaken to "make representations" to Sedfa in an attempt to win a change in the rules which would enable their request to withdraw contributions to be met.

It is likely that suggestions for a change in the rules will enjoy the support of other metal industry firms.
ABERDARE CABLES, where about 400 workers went on strike last week, started re-empoying workers today.

The strike started when the men demanded the reinstatement of a worker they claimed had been dismissed unfairly.

The company's group personnel manager, Mr. Derrick Geldenhuys, said, today: those who wanted their jobs back were being re-employed.

The workers were viewed as having "dismissed themselves" when most ignored a management ultimatum to return to work last Thursday.

Mr. Geldenhuys said an inquiry had been held into the matter before the dismissal which sparked the strike, and that no further investigation would be made.

Asked whether Abergare Cables would be involved in negotiations with the General Workers' Union of South Africa (Gwesa), Mr. Geldenhuys said: "The union isn't involved as far as we are concerned."
1200 WORKERS FIRED

Fired after the workers were dismissed, 1200 workers from the Company's plants were fired. The workers were accused of causing disturbances and strikes. The company's management claimed that the workers were involved in a plot to disrupt operations. However, the workers denied the accusations and claimed they were innocent. The dispute continues to escalate, and the workers are demanding reinstatement of their jobs. The situation remains tense, and negotiations are ongoing. 

Mercury Reporter
11/18/20
Second cable plant hit by strike

Post Reporter

Workers at the Second Abercrombie Cable plant in Port Elizabeth walked out yesterday and the entire black workforce at African Hide Trading Corporation in Brat Park downed tools in an attempt to have their union recognised.

About 400 workers at the Abercrombie Cable plant in Maritman Township went on strike last week because they felt a colleague had been unfairly dismissed. At meetings, they resolved not to return until the dismissed man, Mr. Dana, was reinstated.

The company's management delivered an ultimatum that striking workers would be regarded as having dismissed themselves if they did not return to work last Thursday. The strikers ignored the ultimatum.

Yesterday workers at the Abercrombie Cables plant in Stanford Road joined the strike.

The company's group personnel manager, Mr. Derrick Geldenhuys, said yesterday that workers who wished to return were being re-employed.

The entire black workforce of about 100 at African Hide Trading Corporation walked out yesterday after the company refused to recognise the General Workers Union of South Africa (Gwusa).

A Gwusa official said today members of the workers' committee had told him the company had said it would not recognise Gwusa and encouraged the workers to join another union operating in the leather industry.

The official did not know when union it was.

The striking workers had resolved not to return until the company recognised Gwusa.

Management spokesmen were not available for comment.
MORE than 1 000 black workers at the Deby plant in Durban were fired with dismissal yesterday unless they resumed work.

Mr Ron Collee, general manager of the Deby major appliance division, said yesterday the workers had entered the fourth day of production stoppage and would be paid off if they did not go back to work.

He said the company had cancelled a meeting yesterday with the unregistered South African Allied Workers Union (Sawun) which is representing the workers.

"We are too busy with our problems here," he said.

Mr Collee said Deby would be taking on new workers from today.

"We have no power to meet the workers' demands to alter the regulations governing pension funds," he said.

Meanwhile, the entire black labour force of Croda SA in Pietermaritzburg, near Durban, downsed tools because of dissatisfaction with their pension fund.

Sawun members were to meet Croda management yesterday to discuss the demands of about 30 workers. — Sap
Police disperse 1,300 strikers

Argus Correspondent

DURBAN — Police, including a riot squad and dock handlers ordered about 1,300 workers dismissed yesterday after four days of strike from the Delt Pension Fund's premises in the Durban area here today.

The workers were dismissed at close of shift yesterday after they failed to return to work.

The general manager of the Delt Pension Fund division, Mr. Ron Collie, said that no workers had come forward to receive money due to them.

Mr. Collie said that the pay for lost work, accumulated holiday pay and accumulated holiday bonus was available at an office.

RESTRAINT

Mr. Collie said he believed the police had acted with the utmost restraint.

They did not resort to violence and were instructed to control the workers' only because they were asked to do so.

Police with loud hails told the workers they had five minutes to disperse. When this failed to do so, the dock handlers moved in.

Workers scattered and assembled in small groups about half a kilometre from the Delt plant.

Mr. Collie said the recruitment office would be opened from this afternoon and pensioners would be given to workers with experience with Delt

BROKE DOWN

Mr. Sam Kikile, general secretary of the South African Allied Workers Union (SAAWU) and talks with Delt management had broken down.
October 'one of the worst months' in labour field

Workers fear that Government pension fund legislation will effectively freeze their contributions and restrict any official dealings with the fund.

Union officials deny management claims that workers do not understand pension funds. They do understand them and they don't want any part of it, one official said.

There are several other factors contributing to the unrest. These include:

- Worker dismissals such as that at the CDA car assembly plant in East London, where there were several closures when workers protested against a number of disciplinary actions taken by management.
- The mass of new labour legislation, much of it from the Williams Commission reports and accompanying government White papers.
- Workers feeling their muscles and realizing the strength of trade unionism - only allowed to black workers in 1978.
- Workers often demand the immediate reinstatement of dismissed colleagues and in cases where both unions and management have sat down to form appeal boards there have been settlements.

Labour experts say management are at fault for neglecting to inform union representatives in the plant of disciplinary action in advance.

MASS DISMISSALS

A number of the disputes on the East Rand saw mass worker dismissals, although management sometimes state workers have 'dismissed themselves' by refusing to work. But unions say that workers have a right to withhold their labour and accuse companies of lock-outs.

At the Telephone Manufacturers of SA in Sophienthal 1,600 workers lost their jobs - and at Tromp in Kempton Park 500 similar dismissals were made in the Eastern Cape.

Manpower officials blame workers for being too willing at times to resort to the 'strike weapon' when there are grievances.

PROCEDURES

Managements have accused unions of having failed to follow recognised procedures for disputes.

Several hundred workers have appeared in courts for their alleged roles in disputes.

Unrest at the SA Bottling Company plant and the post office in Port Elizabeth resulted in a number of workers being charged under the Racial Assemblies Act.

And in the Cape where 813 workers were arrested by the homeland's security police, their court appearance was postponed until later this month.

MILITANCY

One union spokesman said much of the militancy during labour unrest came directly from the work place where workers were unhappy about conditions.

The union was then often called in after the strike or work stoppage had already taken place, he said.

During October a number of companies were hit by repeated closures.

In the case of the Huletts group in Natal, four of their sugar factories were shut in September because of pension unrest, but they were hit again last month when about 2,000 workers at Darnall, Mount Edgecumbe, Felixton and AmaTikulu downed tools.

Darnall workers went on a second time last month.

Huletts Refineries and Huletts Alumina were also hit in Natal.

Management in cases of pension unrest have told workers they must resign to collect their contributions and in firms covered by the Metal Industries Pension Fund the contributions are preserved until the age of 65.
Applied Mathematics

1st year half

4th period, Monday

Practical classes

This course gives an introduction to applied computing. Practical computing, mathematical modelling methods and to use of the computer is applied to understanding such features as in strategies in various fields. Syllabus: Flow through networks, shortest paths, transportation problems. Linear programme. They also wanted all bargaining to go through industrial councils). Introduction to BASIC, and applications to problem solving.

Meaning and applications of exponential growth, elements of compound interest and implications of inflation, logistic growth. Modelling - basic ideas of input/output models, some Markov chain models.

Use of program packages on the computer.

Credit cannot be given for this course and for AM104.

Note: The time proposed is not yet final.
Steel industry won't change
pensions rules

By STEVEN FRIEDMAN

The Steel and Engineering
Industries Federation will
resist changes in the rules of
the metal industries pension
fund. One of the country's
largest funds — which has
been a key factor in several
outbreaks of unrest over
pensions — Sefton's stand is
spelled out at a

Press conference in Johannesburg
this week. Sefton's officials
called in employers for talks on
the fund's rules.

Sefton noted, though, that the
system was largely
administered by the government's
department of industrial
relations. He said it was a
strike, but Sefton's fund does not allow
workers to withdraw their pension
contributions when they change
jobs.

The contribution is "preserved", and workers or their
beneficiaries receive their pension
on oust when workers retire or
die.

This stipulation has been a
factor in recent demands for
upgrades in the national
system. The Steel and Engineering
Federation, which represents many of
its members, has made representations to Sefton
questioning changes to the fund's
rules.

"We suggest pension plans, and
believe it is in our interests
that workers and those who
benefit from them, are not
affected by any changes in the
rules," Sefton said.

Closed shop

Sefton, speaking at the
conference, noted that the
organization is moving to
the "closed shop" system
in another development.

Sefton also agreed to a
request to set up a
shop to negotiate for
newly skilled and semi-skilled
jobs, but agreed on the
network which are members of the
industrial council.

"We support the current
arrangement and we do not believe
it is causing a great problem," he
demanded. "We understand that we could
set up a demanding shop or change in
Sefton's doors."

Sefton, assistant director, Mr. Sam
in Cullen, said,

Sefton, assistant director, Mr.
Brian Hinton, said, "We are
happy to continue in the
system we believe is the best for
the shop."
Sacked men to continue with demand for payouts.

Mercury Reporter

WORKERS from the DeF Industries plant in Jacobs, who were dismissed on Monday, resolved yesterday not to collect their pay and to continue demands for their pension fund money.

This was decided at a meeting in Durban attended by most of the 1,200 workers involved in the dispute.

The Mercury was told by workers that they did not consider themselves 'on strike' and said they were willing to return to work as soon as the management had paid out their pension money.

The workers were dismissed after an ultimatum had been issued by the management on Friday telling them that if they had not returned to work by Monday they should consider themselves voluntarily dismissed.

The workers described how they had arrived at work just before 8 a.m. yesterday to be confronted by riot police with dogs.

They said they had then been told by the management that they must collect their pay and then leave the area.

The workers who were gathered across the road from the factory in a parking lot, decided not to collect their pay.

'We were then given five minutes by police to disperse,' one worker said.

After that they were chased away by police using dogs.

Mr Ron Collie, general manager of the DeF major appliances division, said the personnel offices had been open all afternoon for workers to collect their pay.

He said: 'Quite a few workers came to collect their pay and we had various inquiries from them about re-employment.'

Factory

At the Pinetown textile factory of Natan and Lester 500 workers downed tools yesterday over a wage increase demand, according to Mr Obed Zuma, the general secretary of the National Union of Textile Workers.

Mr Zuma said the workers had agreed to return to work today after the management had agreed to negotiate a wage increase with the union.

Mr D Drysdale, the managing director of Natan and Lester, said only the night shift was involved — about 300 workers.

'We have been holding discussions with the union prior to this and have agreed to negotiate a recognition agreement with them,' he said.

About 160 workers at Chicks Scrap Metals at Mombeni in Durban were involved in a dispute with their management yesterday.

Mr Sam Kikene, the general secretary of South African Allied Workers Union, said the workers had stopped work after the management had dismissed the union's representative at the factory.

He said although the management had agreed to pay out workers' pension contributions, they had still to discuss union representation.

The management at Chicks Scrap Metals could not be contacted yesterday.

Workers at Cosal SA at Prospecton near Durban who had downed tools on Monday following a pension fund dispute, returned to work yesterday.

The management had agreed to pay out workers' pension contributions pending negotiations with Southern Life.
Unions wary of Seifsa’s labour guides

By STEVEN FRIEDMAN

NEW labour guidelines announced this week by the Steel and Engineering Industries Federation show a change in style, not substance, unions who have refused to join industrial councils said yesterday.

None of the unions who have refused to join the councils would comment officially on the new guidelines yesterday. They said they wanted to study them and refer them back to their members before commenting publicly.

However, one prominent union said that at first glance, the new guidelines seemed to be an indication that Seifsa had changed its tune in dealing with unions who refuse to go on to councils.

He said: “This will obviously help the substance of Seifsa’s insurance on the council system — remains unchanged.”

Another union also acknowledged that the guidelines represented a shift but said: “The real issue is our demand to bargain on wages and working conditions outside the council system and Seifsa has not changed its stand on that.”

Both said they did not believe the new guidelines would persuade unions to change their minds about serving on the councils, but said they could assist in creating a more open labour atmosphere in the metal industries.

The new guidelines reaffirm Seifsa’s opposition to any bargaining on wages and working conditions outside the official industrial council system.

Facilities

They also recommend that employers grant facilities to unions who serve on councils, more easily than to those who don’t.

However, Seifsa has restated its commitment to changes in the industrial council system and is to hold talks on possible changes with those unions who serve on councils and those who have refused.

The new guidelines also recommend changes in attitude to those unions who refuse to serve on industrial councils.

Employers are advised to hold talks with these unions and determine whether they are representative (although not by means of a referendum, which Seifsa says is “not a test of representativeness”).

If they are the probability they will be permitted to negotiate with these unions on the granting of some of the facilities which will be extended to unions who serve on councils.

The guidelines also alter Seifsa’s policy in recommending that employers recognize and deal with the shop stewards of unions who are on the councils — although not that they negotiate with them on pay and work conditions.
Striking workers reject sacking

Striking workers at African Hides Trading Corporation who were reported to have been sacked yesterday, have refused to accept their dismissal.

The entire workforce of more than 100 demanded to be on Monday in an attempt to have their union recognised.

The company has refused to recognise the unregistered General Workers' Union of South Africa (Gowus) and a union official said management had encouraged the workers to join another trade union operating in the leather industry.

The company's managing director Mr O'R. Townsley, could not be contacted for comment today as he was at a meeting.

Meanwhile re-employment of striking workers at Aberdeen cable and the recruitment of additional employees to fill vacancies was continuing today.

Workers at the company's plant in Markman Township went on strike last week after what they termed the 'unfair' dismissal of a colleague.

They resolved not to return until the dismissed man was reinstated.

On Monday workers at the Stanford Road plant walked out in solidarity with their striking colleagues.

Management delivered an ultimatum that striking workers who had not returned by last Thursday would have dismissed themselves.
44 Natal strikers arrested

Argus Correspondent

DURBAN — Police yesterday arrested 34 workers who went on strike on Saturday at the Zinkwazi Caravan Park near Dur-

ban on the Natal North Coast.

The workers, who were dismissed on Monday after they failed to return to work, were arrested for trespassing.

Mr T S Kumalo, general secretary of the African Allied Workers Union, said today the workers went out on strike over the dismissal of two colleagues.

"We will not allow all the workers to return," he said.

The general manager of the caravan park, Mr H G O Acheneh, was not available for comment.

BACK TO WORK

Meanwhile 500 of the 1,200 workers dismissed yesterday by PDC industries in Jacobs have returned to work, management has claimed.

Mr Ron Colbe, the general manager of the mining appliances division said the workers started returning yesterday.

"We have told them that if they returned to work promptly they would not lose any benefits, and their employment would be treated as if it were uninterrupted," he added.
More workers paid off after pension disputes

MERCURY REPORTER

ABOUT 100 workers from Chucks Sarge Metals, at Mokopane in Limpopo, were paid off yesterday after a dispute with management over union representation and pension funds.

The workers downed tools on Tuesday afternoon after the management had dismissed the North Africa Allied Workers Union members (some of the men were between 50 and 60 years old).

According to the general manager of the union, Mr A.J. Snyman, the workers had demanded the reinstatement of representatives on the management and immediate payment of their pension fund money.

Mr Snyman said that he had met with the workers earlier in the morning and told them that the skills they had are important to the company and would be held in reserve.

Dismissed

But he told them that those who had not started work by 8 a.m. would have to be considered by management to have renounced their membership of the union.

Mr Snyman said that the workers decided to strike on their own accord and a majority of the workforce rejected their wage envelopes.

He said that the employment office had been opened yesterday afternoon and it would appear that a good number of our present employees will be re-employed.

Forty-four workers from the Nkoveni Plant near Moutse were paid off earlier after the management fired two workers on Saturday, appeared in a Mokopane Court yesterday, on charges of looting.

Mr H. J. Ackerman, the general manager of the company, said all the workers were discharged and all the striking workers were said to have refused to leave the premises.

Deadline

I called the police in who issued a final deadline to the workers that if they had not left the premises by Tuesday they would be arrested for trespassing.

The workers, still radical and firm in their determination, refused to leave the premises on Tuesday, as they had been ordered to do.

The V & C police, however, ordered the workers to leave on Tuesday, as they had been ordered to do.

They were arrested on a warrant for assault and received a final order to leave the premises.

Registered

Mr Ron Collins, general manager of the DoE's major employees division, said yesterday 500 of the workers who had been dismissed on Monday had registered for re-employment.

He said that the company re-employed 100 workers in the next four days after the plant was closed, but this depended on the court's decision on the matter.

The re-employment of 100 workers was dismissed by Mr Collins as propaganda.

He said he had been told by the strike that the only workers there were the 50 he had seen to see what was happening.
Mercury Reporter

DURBAN returned to normal yesterday after a week’s spate of work stoppages involving more than 2,500 workers.

At Cheks Scrap Metals in Molema, Mr A K Sayet said the company had re-employed about 80 percent of the 120 workers who had been paid off on Thursday.

He said he had gone down to the factory during the day and the workers were “full of smiles and waves so we seem to have a happy workforce.”

The workers denounced tools on Tuesday after they claimed the management had dismissed unfairly their union representative.

They had also demanded immediate repayment of their pension money.

Mr Sayet said he had informed the workers that it was company policy to make sure their pension money was not misused and had guaranteed that should anyone resign they would be paid out.

Although recruiting of workers who had been dismissed on Monday continued at Deby Industries plant in Jacobs, Mr Rob Collie, general manager of the major appliance division, said it was going fairly slowly.

“Quite a lot of our previous workers have reapplied and the total number of people at the factory including the small number who did not participate in the strike is 660,” he said.

The plant has been closed since Wednesday last week when about 1,200 workers downed tools after a dispute with management over pension funds.

Mr Collie said there was a “small amount of operating going on in the plant but it would not be able to reopen fully yet as the workforce was not enough to operate all sections.”

He reiterated that it was impossible for the company to pay out the workers’ pension contributions as these were controlled by the Steel and Engineering Industries Federation of South Africa.

One of our senior executives has discussed workers’ concerns with federation executives and there has been a lot of concern about the pension fund expected by other members,” Mr Collie said.

The 700 workers from Beckett and Coleman at Molema returned to work on Monday after they had been involved in a dispute with management over pension funds.

The entire workforce of Croma SA at Prospecton—a about 30 men—who downed tools on Monday after management refused to pay a pension money returned to work the next day.

At the Puntown textile factory of Norman Lester near Puntown about 500 workers returned to work on Tuesday after a one-day stoppage when management refused their demands for a pay increase.
SOWETAN, Friday, November 6, 1981

Pipekor strike off (2)

By SELLO RABOTHATA

THE 300 employees at Pipekor (Pty) Ltd near Krugersdorp who went on strike yesterday over the Government's Pension Bill will be going back to work today.

A member of the workers' liaison committee said the workers had instructed the committee to talk to management about the proposed bill, which aims at making employees receive their pension contributions on retirement and not each time they change jobs.

The worker said: "We have been talking to management for the past five weeks and we have still not received a satisfactory answer."

The workers decided to down tools until they received a satisfactory answer from management.

The personnel manager was unavailable for comment.

Later yesterday, the worker representatives contacted The SOWETAN to say a meeting between management and the Industrial Council was over and that the workers would be going back to work today. He said management had nothing to do with the grievance but they would take the matter up with the Industrial Council.
ATTITUDE OF
CONFRONTATION.

MAJOR PROBLEM.

ATTACK
7/11/81

By DEVAN MAISTRY

MANAGEMENTS' automatic acceptance of a confrontation situation when negotiating with labour is a major problem in South African industrial relations, says Mr Otto Scholtz, a director of Atlantis Diesel Engines.

He told a meeting of the country branch of the Cape Chamber of Industries at Dutoitskloof this week that while both management and labour would have to change their attitudes towards each other, the most traumatic change would have to come from management.

He said: "Many of our ideas about other races are only because we grew up with certain prejudices and for reasons which no longer exist, or no longer exist to any greater extent than they do in our population groups."

GROWING GAP

These prejudices cause a growing gap between those who do not want to accept change and those who are more closely associated with the problems involved and realise that management material must be drawn from all the race groups and used to create job opportunities for the total population."

"Labour and industrial relations were going to become progressively more complicated. Unions were now free to accept members from all population groups.

While the growing power of the unions would be used by certain labour organisations to achieve political objectives, which unions would retain their power and which would negotiate with management remained an open question at this stage."

Management and labour were jointly responsible for good industrial relations and both sides would have to change their attitudes.

"I am not proposing that management must not have the final decision but why does management unnecessarily issue instructions or take decisions that automatically create opposition when they could consult workers and obtain their co-operation?"

At ADE there was no job discrimination, there was the same pay for the same job and all facilities were shared.

If we want to develop industries in the context of new labour, composure, political and social developments and if we want to manage those industries successfully, then we will have to scrap our prejudices and sincerely enforce the required changes."
Afrox plans vast R120-m expansion

AFROX plans new capital expenditure programmes totalling at least R120-million by 1988. This will follow a huge leap in spending by the gases and welding giant, resulting in capital expenditure of R100-million in a three-year programme to 1982. This was disclosed on Friday by the managing director, Peter Joubert. He was commenting as the group announced year-end results for the year to September 30. A year of "cleaning up" has resulted in only lukewarm profits growth for Afrox in the past year - Mr. Joubert's first. Since he took over as chief executive last October after a scuttling record on a two-year secondment as head of the parent British Oxygen International. But the year leaves the R230-million group strongly placed to outperform the industry in the next few years. The results include:

- Turnover of R230-million compared with the previous year's R179-million - an increase of 28%.
- Trading profits rose by 18% from R29.6-million to R34.9-million.
- After-tax profit rose by 11% to R19.6-million from R17.6-million.

This year's after-tax profits were thumped by a 26% rise in taxation from R4.6-million to R12.1-million. The results were also weakened by inflation accounting, which resulted in depreciation of R3.8-million being charged against pretax profit.

- Earnings a share - higher by 11% at 63.1c against 56.9c - were also reduced by inflation accounting. On a historical basis, the eps would have been 78c.

- A final dividend of 18c has been declared, a rise of 12% on last year's total of 17c, resulting in a total dividend of 33c (28c) and a dividend yield of 5.8% on Friday's share price of 570c.

At a time when most company results are expected to slide with the horning economic downturn, Mr. Joubert says that he expects next year's results to be better than 1981 and better than the industry.

A major part of the clean-up in Afrox over the past year was the sale of the loss-making manufacturing (mainly mining equipment) operations of Downer & Dobson - which accounted for 10% of the group's net assets - for a total R24-million to be paid over three years.

A once-off drag on the past year's earnings was an extraordinary loss of R3.5-million from D & D, based mainly on estimates of what would have been earned on the purchase price of extended payment terms were not granted to the buyers.

"This step will improve all our ratios and increases availability of cash," Mr. Joubert says.

Apart from divestment of loss-making operations, the year has seen a hefty reorganisation and expansion of the gases and welding divisions.

"A year ago, plans called for a total expenditure of R25-million during 1981 in these areas, but the group found itself in a favourable enough position to nearly double this 1981 investments," Mr. Joubert says.

Three new plants in the gas division at Martizburg, Middelburg and Kuths River provide new capacity equivalent to more than 50% of the present production of Afrox's supplies to the "merchant" or delivered gas market.

Together, these plants, of which one is already on stream and two will contribute to earnings early in the current year, represent an investment comparable with the total assets of Afrox's nearest rivals in the gases market.

They should enable improved market shares and lower distribution costs.

Expanded markets are also expected to flow from new products in the welding division from 1982 onwards.

Mr. Joubert adds that the shake-out just completed is expected to be followed by continued expansion of operations, which could consist of investment in new projects or acquisitions - although companies are likely to remain generally overpriced and therefore poor acquisition prospects for about the next 12 months.

By Andrew McNulty

1981 investments." Mr. Joubert says.
580 workers are back on the job

Own Correspondent
EAST LONDON—The 580 workers who down tools at Western Province Preserving here yesterday returned to their jobs today.

They struck to protect a management decision that not all employees would receive bonuses this year.

Yesterday's strike was the third in less than a week in the factory.

Workers struck for a few hours on Thursday and Friday last week and were persuaded by officials of the African Food and Canning Workers Union (AFCWU) to return to their jobs.

A director of the company, Mr. B. Hanly, said staff had returned to work this morning and the factory was running normally.

They had made demands which management had considered but rejected as they were contrary to the agreement with ACCVU.

Mr. Hanly refused to disclose what the demands were.

Mrs. D. Komose, the secretary of AFCWU, said management had told workers that only those who had been most productive would receive bonuses.

Mr. Hanly told the workers he had been informed by the managing director, Dr. S. Mar, who is overseas at present, that bonuses would be negotiated in January along with a new wage agreement. Miss Komose said.

At the two Aberdare Cables plants in Port Elizabeth which were hit by labour unrest last week, management was taking on new workers today to replace those who were dismissed for striking over the dismissal of a fellow-worker.
Reef workers try official channel

By Drew Forrest

The Metal and Allied Workers' Union has taken the first step on the road to industrial court action in its dispute with Litemaster Products in Wadeville.

Mawu and the 22 Litemaster employees dismissed on October 23 have referred the dispute to the metal industries Industrial Council if it cannot be resolved at this level, the council will refer it to the Industrial Court.

It is understood that the union and the workers have made wide-ranging allegations of unfair labour practices at Litemaster, arising out of the dismissals and the company's code of employment practice.

'WARNINGS'

When the dispute first erupted the union claimed workers had been dismissed 'in doubtful circumstances which suggested victimisation' after refusing a management offer of a 10c hourly wage increase. They were demanding a 30c rise and a R2 minimum wage.

According to management the workers were fired after repeated warnings and 'for very specific reasons'.

Observers consider it important that, despite the volatile labour climate on the East Rand, workers have been prepared to take the dispute through the official channels.

Black unions have attacked both the official disputes procedures and the Industrial Court as being too cumbersome to deal adequately with the grievances of black workers.
No action against man after alleged shooting

A KAGISO, Krugersdorp, man yesterday said nothing had been done by the local police about the white foreman he has had charges against for allegedly shooting him in the hip.

Mr Bekummu Masoka, of Room 64 Kagiso Hostel, told The SOWETAN how a white foreman, under whom he worked, at the Electrical Manufacturers Corporation (EMCO) in Krugersdorp had, on finding him seated on a drum, allegedly shot him in the hip. The bullet went right through him.

He said: “On September 25, this year, at about 2 pm I was seated on a drum from my overalls. The foreman appeared and without even talking to me he pulled out a gun and shot me. I don’t know what it is. I did that caused him to shoot me.”

“I spent five days in hospital and the police who were dressed in plain clothes, came to take a statement from me. After I was discharged from hospital I went back to work. On seeing that days were passing without hearing from the police I went to inquire. At the police station I was told that the company’s personnel manager had taken the statement with him and that I should make another one,” he said.

Mr Masoka said he refused to make another statement as he could not understand why the first one was given to the company’s personnel manager. And now since the beginning of October he has heard nothing from the police and no action has been taken at the factory either.

A spokesman at the Krugersdorp Police Station yesterday said Mr Masoka had had a charge and that the police investigated and sent the docket to the Attorney-General who decided to prosecute.

The company’s personnel manager, Mr Mike Saunders, said he could not comment on the allegation, but that he would investigate.
69 strike at City factory

BY TONY BEAVER

SIXTY-NINE workers at the Fastron Island Cape Foundries factory went on strike yesterday afternoon in protest against the dismissal of one of their colleagues.

The worker arrived 15 minutes late for work. He was said to have explained that he lived in Atlantis and was late because his bus had had a puncture and he had to change to another vehicle.

The workers — all members of the unregistered and independent General Workers Union (GWI) — appointed an ad hoc committee of six to negotiate with the general manager of the plant, Mr Brian Rosenbloom.

They wanted to know why their colleague — a GWI member — was fired while two men who were members of the management were not, and went to the GWI for support. Rosenbloom said he did not know who was a member of what.

He denied the incident had been reported, saying losses were "minimal." He also denied threatening to call the police.

Only 69 workers out of a total of 184 had downed tools, and this demonstrated the GWI did not have majority support among the workers.

Mr Rosenbloom refused to speak to them and told them they had five minutes to get back to work or else leave the premises, the GWI said yesterday.

When the workers walked out, Mr Rosenbloom threatened to call the police if they attempted to return to work today, it was claimed.

**Warned**

Mr Rosenbloom said last night the workers concerned had a consistent record of being late and had been warned on numerous occasions in the past.

It was untrue to say he victimized members of the GWI, as he did not know who was a member of what.

He denied production had stopped, saying losses were "minimal." He also denied threatening to call the police.
Labour guidelines fall short, says black union

By Drew Forrest

The new labour relations guidelines of the giant Steel and Engineering Industries Federation of SA have drawn both praise and sharp criticism from South Africa's fastest growing black metal union.

The Metal and Allied Workers Union rejects the guidelines' industrial council— which is strongly supported by Seifa—and the union's response to the guidelines has been eagerly awaited.

In a statement yesterday, Mawu said Seifa had shown "a new realism" and "a new willingness to negotiate with representative unions, whether or not they are party to the industrial council."

In certain crucial respects, however, the guidelines "fell far short of what is required by workers."

Mawu takes issue with a Seifa recommendation that certain in-company facilities— including recruiting access and access for union officials to shop stewards— should be readily granted to unions party to the industrial council, whileexcluding "points for negotiation" for those outside it.

The second major shortcoming of the guidelines, Mawu says, is the failure to recognize the need for implant bargaining on wages and working conditions—a "central demand of workers."
BY STEVEN FRIEDMAN

MAJOR new labour guidelines issued by the powerful Steel and Engineering Industries Federation (Seifisa) were "unacceptable" because of their emphasis on bargaining through the industrial council system, a key unregistered union said yesterday.

In a statement issued yesterday, the General Workers Union (GWU) became the first union in the metal industry operating outside the industrial council system to comment formally on the new guidelines.

The GWU occupies a unique position in the metal industries because it is the only union to have signed formal recognition agreements with metal employers which provide for bargaining, wages and working conditions outside the council system.

Changes

Seifisa recently announced guidelines to make it easier for employers to deal with unions not on industrial councils and to consult with unions at factory level.

But the guidelines repeat Seifisa's view that wages and working conditions should be bargained at industrial councils only. Seifisa, however, committed itself to changing in the metal industry council system to consultation with unions.

The guidelines cover 8,000 employers and 440,000 workers.

In its statement, the GWU said it welcomed "the consultation tone of the new guidelines and Seifisa's new-found commitment to freedom of association."

Talks

But it said it had "frequently underlined our commitment to shop-floor negotiation."

The new guidelines' "allegiance to national industry-wide bargaining in the steel industry is unacceptable to this union."

The GWU said it was "not in principle opposed to multi-plant bargaining as long as it facilitated a process of direct negotiation between elected worker representatives and management."

But the union said it believed "bargaining at the steel industrial council headers is direct participation in the bargaining process by virtue of the size of the council and its highly bureaucratic structures."

Seifisa is scheduled to meet the GWU to discuss its "attitudes to industrial councils as part of a programme of talks with all unions operating in the metal industry."

From 12/11/81

189.
Striking foundry workers to be paid off

Labour Reporter

Striking workers at the Paarden Island factory of Cape Foundries Holdings, who stopped work yesterday in support of a dismissed colleague, have been told they will be paid off today.

However, a spokesman for the General Workers' Union said the workers were not prepared to collect their money.

The were willing to return to work if their colleague was reinstated.

The union claims that 30 workers are on strike, but management says 19 of its 184 workers are involved and the factory was running with minimal loss of production.

Mr Brian Rosenbloom, general manager of the factory, said the workers dismissed had a clear record of coming late to work.

The union claims the dismissal was part of a "war of attrition" against the union and its members.

Management said it had attempted to foster on the workers the Tiso-affiliated Engineering Industrial Workers' Union.

Mr Rosenbloom said Cape Foundries management believed in the principle of freedom of association but the company would not recognize the General Workers' Union unless it was registered.
Renegotiate agreements call by union

‘Significant’ management-labour talks

Mr van Colleer and yesterday that he and Mr Kikane had had a constructive meeting in Durban. Mr van Colleer flew down from Johannesburg for the meeting which Mr Kikane responded to Seifa’s request for all trade unions to attend. It was a step regarded by union officials as a significant breakthrough in union-management relations.

The meeting followed a 34-day stoppage by 1,200 workers from the Defi Industries plant at Eloff in Durban over the preservation clause in Seifa’s pension scheme agreement. The workers had demanded removal of their pension contributions. The management had repeatedly said it was impossible for them to pay out the pension money as they were tied by their membership to Seifa.

Worker Mbuli turned to work on Friday last week after the management had arranged for the union, who represent the workers, to commence discussions directly with Seifa. Mr van Colleer said “We were practically happy to listen to what Mr Kikane had to say about the pension fund.”

He said during the Defi Industries strike he had spoken to Mr Kikane and that the meeting could be seen partially as an outcome of the agreement reached between Defi management and the union.

We also listened to complaints Mr Kikane had about certain member companies.

But I am not able to initiate any changes as I am only a director of Seifa. Changes to the pension fund can only take place after a decision by the board he said.

Mr Kikane claimed that during the meeting Mr van Colleer had agreed to change the preservation clause but would not commit himself to a date for that change as it would be subject to a report back to the Seifa board.

Mr Kikane said they had discussed police intervention at work stoppages which Mr van Colleer had agreed to discuss with member companies.
Strikers told: Quit hostel

Labour Reporter

CONTRACT workers among the 80 striking workers at Cape Foundries in Paarden Eiland have been given notice by the company to vacate its Langa hostel by Sunday.

The General Workers' Union, to which the workers belong, but are not Cape Foundries, and its parent company Murray and Roberts, are behind the contract labour law.

"They are using the law against workers who have no option about where to stay," a union spokesman said.

"It doesn't help if top management talk about return of middle management carry on like this,"

Mr Brian Rosenberg, general manager of Cape Foundries Holdings, said he thought about 31 contract workers had been given notice to leave the company's hostel.

PROSECUTION

"They are not employed by us any more. As far as I know, they have to evacuate within 72 hours or we might be prosecuted for breaking the law."

Mr Barry Beckley, group human resources manager of Murray and Roberts in Johannesburg, said questions on the dispute should be referred to Mr Rosenberg.

Asked whether Murray and Roberts was prepared to take responsibility for what happened at one of its factories, Mr Beckley said the company was concerned about anything that affected our workforce, at any of our subsidiaries.

Workers at Cape Foundries bowed low on Wednesday after a union member was dismissed as arriving late at work.
Tax fillip as S&L earnings jump 42%, payout 25%

THE Receiver of Revenue gave Stewarts & Lloyds its biggest fillip in the year to September, slashing its cut of group pre-tax profit to 20% (1980: 32%).

Mr. Kuper said the sale by British Steel of its stake in Ipsa had made S&L 100% SA-owned. This meant the company could increase its borrowings accordingly, and undergird the company, which should be good for long-term growth. S&L retained its technical links with former parent, British Steel.

Mr. Kuper said he had been on the lookout for acquisitions, but had not made any for a long time. He was interested in acquisitions.

COMMENT: The fairly dramatic second-half pre-tax swing has not yet been adequately explained.

But with a tax bonus of this size, it would have made sense for S&L to take over a couple of bob for a rainy day. The loss of Savol as a big buyer might have hampered the group in the short term, but private and public sector fixed investment has immense momentum behind it. In addition, the recent investments in increased capacity and higher gearing should ensure good growth in the medium term. At 44c, the share yields 7.8% and stands on a PE of 6.5, which, with 20% earnings growth in prospect, looks fair.
Union rejects council system

Staff Reporter

BARGAINING through the State industrial council system has once again been rejected by a key unregistered union, the General Workers' Union (GWU).

The GWU was replying to the new labour guidelines issued recently by the powerful Steel and Engineering Industries Federation (Seifsa) which covers 8500 employers and 440 000 workers.

The GWU occupies a unique position in the metal industry as the only union outside the industrial council system to have signed formal agreements with employers on bargaining, wage and work conditions.

Seifsa recently announced guidelines to make it easier for employers to deal with unions not on industrial councils.

But the guidelines repeat Seifsa's view that wages and work conditions should be bargained at industrial council level only.

The GWU — which is now in a deadlock with a local steel firm — said in Cape Town yesterday that they welcomed the "conciliatory tone of the new guidelines and Seifsa's newfound commitment to freedom of association."

But the GWU had frequently underlined its "commitment to shop floor negotiations and in spite of Seifsa's tone, "their continued allegiance to national bargaining in the steel industry is unacceptable to this union."

...
Eviction: GWU takes legal advice

By TONY WEAVER

The General Workers’ Union (GWU) has taken urgent legal advice on the 34 eviction notices served by the management of Cape Foundries Holdings on striking contract workers currently living in the company’s Langa Hostel.

The workers — part of 80 GWU members currently on strike at Cape Foundries’ Paarden Eiland factory — were told yesterday they had to vacate their rooms by Sunday.

The orders were unsigned but were accompanied by a slip which read “with compliments — Cape Foundries Holdings”.

The general manager of the factory, Mr Bryan Rosenblum, said yesterday that whatever questions were asked of him, the reply would be “no comment”.

A spokesman for Cape Foundries’ parent company, Murray and Roberts, said from Johannesburg that while M&R was “naturally concerned about its corporate image”, the strike was being viewed as an internal matter at the Paarden Eiland factory.

All M&R subsidiaries had full autonomy and internal disputes were dealt with by local management, he said.

Test case

A spokesman for the unregistered, independent General Workers’ Union said yesterday that the 34 workers had paid their rent at the hostel until the end of the month, and union lawyers were also examining the judgment of a recent “test case” where striking workers had won their right of hostel occupancy.

Although Cape Foundries said the workers had “dismissed themselves”, they had not collected their outstanding wages or dismissal notices and had not been provided with travel fares to their point of recruitment.

They refused to collect the wages and were thus still on the company’s payroll, he said.

The union said yesterday that “in the present political and labour situation, it is really quite appalling that Cape Foundries, a Murray and Roberts subsidiary, should hide behind the contract labour laws.”

“They are using the hostel eviction threat when there is no alternative accommodation for the workers.”

Foisted

Meanwhile, the general secretary of the TUC-affiliated Engineers’ Industrial Workers Union (EIWU) has objected strongly to a GWU statement that its union was “foisted” on the workers by management in an attempt to break the strength of the GWU.

Mr Archie Poole said yesterday that “about 60 workers at Cape Foundries have voluntarily signed stop orders and EIWU membership forms.”
RETAIL CHIEF HITS AT LATE DELIVERIES

By TOM HOOD

TOP executives of garment, textile and footwear manufacturing companies were given a tongue-lashing by Mr Adrian Bellamy, managing director of the giant Edgars Stores group in Cape Town this week.

He came to present awards to some of the 19 suppliers who gave Edgars distinguished service in the past year.

But he also complained of late deliveries of merchandise. On average one out of every three orders were seriously late, he said.

I am a frequent visitor to America and Europe and I can categorically say that the delivery performance we have been forced to accept over the past 18 to 24 months seriously deficient by international standards.

HIGH LEVELS

He accepted that the clothing, footwear and textile industry faced exceptionally high levels of demand but this had many other sectors of the economy and they had generally responded well to that challenge.

We must share some of the blame for this problem. There are however a sufficient number of firms that are performing in an exemplary fashion with deliveries that I must stress those with a tarnished record should start looking at the quality of their own management for solution.

As a result of local merchants' reaction faced with your delivery record, we had no alternative to the solution to our future success in textiles, clothing, footwear and the associated retailing effectiveness management, import permits or dismantling outlets.

It is indefensible for any industry with such a record to be subjected to launching a public programme of protection. We have all been somewhat shocked to put these enormous efforts into an improved performance.

Complaints like Mr Bellamy's will be discussed next week at the National Clothing Federation convention in South Africa. The president, Mr, Simon Jacobs, said in Cape Town: "Retailers and many others will attend and we will investigate the extent of these delays.

South Africa has 11,000 clothing factories and only one complaint about deliveries was made. Oliver has done better than other and we are convinced that difficulties like this.

Mr A D P BELLAMY
managing director of Edgars Stores
Isithebe factory fires most of its workers after strike

Mercury Reporter
ALMOST the entire black work force employed by the Vickers-Tension factory at Isithebe, near Mandeni, was dismissed on Monday night.

Extensive production at the factory had been seriously affected, he said, and although re-hiring would begin today, production was not expected to return to normal before the end of the week.

The spokesman said that only 'some' of the workers would be rehired if they applied for their jobs.

The dismissed workers had downed tools last Thursday. The spokesman said the reasons for the strike were unclear, but were related to 'grievance procedures.'

Mrs. J.G. Smith (Librarianship)

Final Thesis Title: The information requirements of scientists and engineers at academic institutions, with special reference to the University of Cape Town.

Internal Examiner: Professor J.G. Kesting
External Examiner: Professor R.B. Zaaiman, Acting Head, Department of Library Science, UNISA.

Reserve External Examiner: Professor J.A. Boon, Head, Department of Library and Information Science, Rand Afrikaans University.

Z. Solomovits (Religious Studies)

Final Thesis Title: Religious debate between Nachmanioli and Prai Phol-Barzelona.

Internal Examiner: Rabbi E.J. Duschinsky
External Examiner: Professor Ariel J. Toaff, Department of Jewish History, Bar-Ilan University, Ramat-Gan, Israel.

Mrs. M.L. Spruyt (Librarianship)

Final Thesis Title: Cataloguing and classification in the library science curricula of South African universities.

Internal Examiner: Professor J.G. Kesting
External Examiner: Professor A. Louw, Department of Library Science, UNISA.

Reserve External Examiner: Professor D.W. Fokker, Department of Library Science, University of the Orange Free State.
Ray of hope for striking workers

THE dispute at Cape Foundries in Paarden Eiland, where 80 workers went on strike on Wednesday, appears to be firmly deadlocked, with management refusing to discuss the matter.

The strike was sparked off by the dismissal of a worker, Mr W Wildskat.

The only ray of hope for the strikers is growing dissatisfaction with the foundries' management by officials in the Murray and Roberts group, which owns Cape Foundries

According to a highly placed source, Murray and Roberts, which has some experience with strikes, is sympathetic to the strikers.

Mr R Rosenbloom, the Cape Foundries managing director and Mr Brian Rosenbloom, his son and fellow-director, were not available for comment on Monday morning.

DEFIED

A spokesman for the General Workers' Union (GWU), to which the strikers belong, said workers defied an order for 23 contract workers among the strikers, to vacate their hostels by Sunday.

The spokesman said that the union had been informed by Mr Brian Rosenbloom that 'under no circumstances' would the strikers now be taken back.

Mr Rosenbloom was earlier quoted as refusing to negotiate with the GWU until it registered in terms of existing industrial legislation, which the union rejects. He also said production was not seriously affected but the union disputes this.
Benoni workers strike over their leave bonus

By Drew Forrest

East Rand workers struck yesterday after rejecting the annual leave bonus laid down by their industrial council agreement.

About 140 workers at Allenwest-G E Manufacturing in Benoni, downed tools and demanded that the bonus be linked directly to the company's wage rates, according to a spokesman for Fosatu's Metal and Allied Workers' Union.

Meanwhile, a two-day strike by about 600 workers at the metal firm of Hall, Longmore and Company at Wadeville, Germiston, was settled yesterday.

Mawu shop stewards negotiated the reinstatement of a worker fired last week after a quarrel with a white foreman, a spokesman said. He denied that the worker and foreman shook hands and apologised to each other in the presence of the management and the workforce, but could not be confirmed with the management.

Commenting on the dispute at Allenwest, the company's managing director, Mr Mike Jordan, said management would meet Mawu representatives today - but would not yield to the workers' demands.

"The industrial agreement ensures uniform standards throughout the industry," he said. "What the workers are asking for is a unique arrangement outside this. If individual companies break ranks, only instability can result."

He said that no attempt had been made to negotiate before the strike, and a few workers had "ousted" their colleagues.
Leave bonus talks fail—but strike ends

The strike by about 140 workers at Allensworth-E.E. Manufacturing in Benoni ended yesterday after management had refused to accede to their demands.

The workers downed tools on Monday, rejecting annual leave bonuses fixed in the metal industries' industrial council agreement. They were demanding bonuses linked to the company's wage rates.

A spokesman for the Metal and Allied Union, which claims it has majority support at the plant, said workers went back after talks between management and Mawu shop stewards yielded no result.

The stewards would take up the issue of management's refusal to pay workers for the hours lost by strike action, he said.
51% of the enlarged capital, which interest has subsequently been topped up to 52.4% at the year-end.

The restructuring increased the total asset base by 176% from R45,1m to R124.7m, while shareholders' funds more than doubled from R23.5m to R62.3m. This was despite the sale of the group's holding in Asea Electric and the resulting distribution and capital repayment to shareholders totalling R6m.

But the effect on the income statement is a little more difficult to assess. All share-holders really have to go on is chairman Mike Reunert's statement that the new divisions "produced results which are better than those predicted at the time of the acquisition."

Weighted average earnings for the 15 months to September 30 of 197c (the financial year-end having been changed to coincide with Barlows) were effectively 10.5% above the 13c originally forecast for Reunert alone for 1981, despite deconsolidation of the Zimbabwean and Zambia subsidiaries which reduced earnings by 9c.

And the dividend total of 56c for the 15 months is 5c higher than forecast. This annualises to 52c to give a 24% increase on 1980's 42c payout, whereas the 60c which the group first said it would pay would have been the equivalent of 56c for 12 months. This is roughly what shareholders could have expected from Reunert alone, based on its 14c earnings projection and the traditional dividend cover of around three.

As far as the current year is concerned, Reunert is looking to further growth from the group's traditional activities as well as from Besco, with the contribution from our motor division remaining at the high level achieved in the year under review.

This forecast does not take into account any benefits from the acquisition, since the year-end, of OFS/northern Cape motor dealer John Rodgerock Reunert says the new group member should add about 10% to the profit. But unless this is materially exceeded, the impact on earnings per share will be minimal, as the R7.5m purchase price is being funded mainly through a 9-for-100 rights issue.

Consequently, the group will remain conservatively geared (the present debt equity ratio is only 28%), giving scope for a more liberal dividend policy if necessary. It may, therefore, be possible to maintain the 66c payout which, being for 12 months this time, would give an effective increase of 25%.

The share, at 94c, has fallen 22% from the high reached at the same time Barlows took control. But on a prospective yield of 6.5%, it still does not look under-priced.

Reunert's Reunert... taking in extra benefits

From the information provided in the annual report, Reunert & Lean shareholders will have some difficulty in determining to what extent they have benefited from being part of Barlows.

Barlows acquired control last year in a deal wherein it sold Besco and its motor retailing division to Reunert in exchange for 3.75m new Reunert shares. This gave Barlows...
STEEL PRICES

Pricing for future profits

Early last month, the Belgian government was forced to call a general election. The bitterly contested issue was not conventional politics, but continued state support for the country's ailing steel industry and the jobs it provides. This illustrates just how politicised steel has become. It is only marginally less so here.

Belgian steelmakers are not alone in their plight. European producers lost 3.6 billion last year and many keep going only on government handouts. Their position is worsened by increasing competition from developing countries, which now make steel from raw materials they previously exported.

The result is that depressed world markets are being flooded with more steel than is needed. Much of it sells at prices subsidised by European taxpayers — at well below production costs.

The question being asked here is why SA does not attempt to cash in on this bonus from abroad. Local demand for steel is still at record levels as the country is in the throes of massive infrastructural and industrial expansion. The savings to local consumers from steel imports would be material.

Lifting import controls and allowing dumped imports to flow in would have local steelmakers running for government support if left unprotected. They could reduce capacity. Yet, steelmen argue that remobilising the mills for times of future shortage could cost the country more than missing out on the present bargains. In view of long lead times, sales opportunities might be lost before extra capacity was brought back on stream. That is, of course, perfectly true if steel millers are inefficient.

The world-wide shortages of 1974 could well be repeated this decade. And SA might once again have to make good shortfalls in local production by importing, possibly at higher prices.

The present steel surpluses cannot last for ever. Once the world pulls out of recession in a few years' time, prices will firm and stocks will decline. But even then, the long-term future for most European steel producers is bleak. Their labour and electricity costs are high. Their plant is mainly old and inefficient, and their raw materials have, for the most part, to be imported from other parts of the world.

On the other hand, the SA steel industry has cheaper, more abundant labour, electricity, coal and iron ore and its plant is relatively modern and efficient. In the long run its prospects are, by contrast, much brighter.

Even now, domestic prices of SA steel are not high compared to controlled domestic prices in other countries. And the cost advantage over European products should improve as time goes by.

SA steel prices have increased 57% in the last three years. This fairly rapid rise, although beyond the inflation rate, is partly a correction. For 18 years up to 1970, the price controller had allowed no increases. This was to provide manufacturers with artificially cheap steel.

Heavy structural beams, for example, now sell in SA for R414.1. Domestic prices for this product overseas are US $540, Australia R464, Canada R428, UK R398 and West Germany R385. Local industry sources claim that the UK's loss-making British Steel would have to sell for R469 just to break even. SA producers are, by contrast, making profits.

In recent years, local production has surpassed demand. The surplus is disposed of abroad at prices below those in domestic ones. To help repurpose capital costs, imports appear to be negligible except for small quantities of special steels not made here.

SA steel marketing strategy is thus similar to that of most other producers, namely, to sell at production-related costs at home, to check imports wherever possible, and to cut the competition to ribbons abroad.

Local steelmen claim it could not be otherwise. "How could we be Ily-white champions of free enterprise, while others play the game by a different set of rules?" asks one. "At present you can safely say that anyone who sells on international markets is dumping."

This is prevalent even among EEC members, who have been known to dump products across each others' borders at low prices. The question is, what is the threshold for price intervention? For example, both the buyer and the seller are willing parties to a transaction in which high grade steel is sold and invoiced as sub-standard.

SA is apparently holding its own in this cut-throat business. Japan, which has cut back production is losing some sales of its exported surpluses to SA. Locally-made steel is also finding its way into the US where producers are working at only 70%...
Taiwan, South Korea and Brazil relative newcomers to world markets, are facing stiff competition from SA. In the meantime the Taiwan government is offering its own producers generous rebates on income tax and import tariffs in a bid to give the country's steelmaking capacity that sounds marvellous to local steelmen. But what in fact is happening is that SA steel users are subsidising steel users in the US and China. SA steel makers are being protected from genuine competition. They are helping to debate the cause.

A cause of the present madness in the international market is the shift in steelmaking from traditional producing countries to developing countries. This is illustrated by growth in SA's production capacity from about 3 Mt in 1970 to 9 Mt today. Over the same period Britain's capacity fell from 27 Mt to 11 Mt.

In the years after World War 2, European and American steelmakers were kept busy by the boom which accompanied the rebuilding of Europe. Then came a flood of steel exports to developing countries, which in many cases contained raw materials supplied by the customers themselves.

The inevitable result was the establishment of their own steelmaking capacity, assented by soft loans and technical know-how from the North. With cheap labour and raw materials, and more modern plant, they now compete on more than equal terms with traditional producers.

This and the recession is forcing the wholesale closure of plants across the northern hemisphere. 250 000 have been put out of work. At the same time, new plant is being built in countries such as Indonesia, New Zealand, Turkey, India, Philippines, Tunisia, Mexico, Nigeria, Malaysia, and Thailand.

Countries in the North appear to have accepted that their days as major steel producers are drawing to a close. Their withdrawal from the industry poses two problems: finding other employment for a large labour force accustomed to a high standard of living, and maintaining the capability to provide for adequate armaments production.

They will no doubt emerge from the present international restructuring of the steel industry with smaller production units making special grade steels. They will import commercial grade steels from developing countries where it can be made more cheaply. But going about it as they are, the costs will be heavy.

The SA steel industry achieved virtual self-sufficiency in the last decade. It is in the fortunate position of having the sophistication of the developed world with the plentiful raw materials and lower basic costs of the developing world.

But right now SA steel users are paying a high price for what will be at best a very long-term advantage. Nor should it be forgotten that if SA steel makers are to take advantage of this new future, they must be highly efficient. Is that possible behind import barriers and with rising international competition constantly defined as dumping?

If, because of strategic reasons, we cannot risk exposing our steelmakers to the direct blast of world competition, we should at least try to administer the steel price in such a way that steel mills are constantly forced into the pursuit of profits. Competition, not production costs, should be the yardstick.

And that means that while there is an excess of production over demand, domestic steel price should be increased, if at all, below the rate of inflation — and next year there should be no price rise at all.

At present the combination of import protection and price administration does little to penalise inefficient steel mills. By the time the world steel markets have been restructured and offer the opportunities for which our mills have been waiting, they may well have been protected to the point of impotence.

**Steelmaking — rolling the billets, but not the profits**

**From The Economist**

Thanks to our bugging of the EEC's time machine, The Economist has a copy of the report of Mr Adam Smith, late of Glasgow University. Here are the summary and some conclusions.

"I do recognise that life has become more complicated since 1776. Your European steel industry is beset with many politicians directing its capital, and this at the behest not only of the syndicated labourers fearful of their employment, but also of the steelmakers seeking succour from the public purse."

"All this I found most odd, but the only matter is how do we proceed hence to a more naturally profitable state of affairs? I see an industry in the EEC much improved technically from my earliest acquaintance with puddle ironmaking. But in Asia and Oceania are newer and more efficient mills for making many steel goods. Your own scientists are already talking of advanced new techniques that would render obsolete many of today's furnaces and mills. Yet the EEC is ill-equipped to employ its own genius in these technicalities for want of profit. In the EEC I find a real capacity of 150 Mt. a year, production in 1980 of 127 Mt., consumption in Europe about 113 Mt., exports of 22 Mt., imports of about 10 Mt.

"Much of today's export trade is unprofitable, so much of the 127 Mt. production is taking more out of the economies of the EEC than it is putting in. Internal- ly the beneficiaries of the subventions, since the money and the cheap surplus steel must find a home, have been those manufacturers using steel."

"Now you gentlemen in Brussels have encouraged a European conspiracy to raise prices of steel by 40-50% this year and early next. You hope thus will improve the revenue of steelmakers and check the drain from the public purse. In the short term, it may seem to do so, but this cannot last. Your cartel will do nothing to encourage the efficient steel mill or penalise the inefficient."
**OCEAN**

**No waves**

**Activities:** Manufactures refrigerators, freezers and vacuum-formed plastic products; distributes domestic appliances and leisure furniture

**Chairman:** R. Matthews, managing director R. Cole

**Capital structure:** 2.9m ordinary shares at par value Market capitalisation R3.2m

**Financial:**
- **Year to June 30 1981**
  - Borrowings nil
  - Net cash R1.6m
  - Current ratio 1.5
  - Net cash inflow R943 000
  - Capital commitments R54 500

**Share market:**
- Price 110c (1980-81 high, 135c; low, 20c; trading volume last quarter, 2 500 shares)
- Yields 22.9% on earnings, 8.2% on dividend
- Cover 2.8
- PE ratio 4.4

<table>
<thead>
<tr>
<th>Return on cap (%)</th>
<th>9.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover (Rm)</td>
<td>132</td>
</tr>
<tr>
<td>Pre-tax profit (Rm)</td>
<td>1.1</td>
</tr>
<tr>
<td>Earnings (c)</td>
<td>25.2</td>
</tr>
<tr>
<td>Dividends (c)</td>
<td>6+</td>
</tr>
<tr>
<td>Net asset value (c)</td>
<td>31</td>
</tr>
</tbody>
</table>

* Annualised **+ Base 1980=100**

**Pretoria-based** Ocean Manufacturing, which was reversed into the Brick & Pottery cash shell in December last year, clearly benefited from the surge in consumer demand for durables. But profitability in the major refrigerator division was inhibited by strong competition from foreign imports. Taxed attributable profit fell slightly short of the directors' pre-listing forecast of R709 000 because of one-off costs incurred in relocating the company's premises.

Lower margins in the refrigerator division stemmed from the fact that local manufacturers are forced to make use of high-cost SA steel and other raw materials, while exporters have access to cheaper raw materials markets abroad. This has placed a strain on the company's cost structure which, the directors say, was further aggravated by erratic supplies and the low quality of some local materials. This necessitated reprocessing which resulted in "unnecessary increases" in manufacturing costs.

In an attempt to broaden the operating base, Ocean has concluded agreements with US-based Philco Corporation for manufacturing and marketing rights of that company's refrigerator range. At the same time, it is branching into the market for domestic laundry appliances through an exclusive rights agreement with Thomson-Brandt of France. Both agreements are in line with the long-term objective of marketing a full range of major domestic appliances.

The directors say the company will also be looking for further growth through acquisition, although nothing specific has yet been named. Ocean is, however, in a strong financial position for expansion as it is completely ungeared and acquisitions could be financed either internally or externally.

Although consumer spending has already shown signs of levelling off, the extension of the company's product range should ensure further advances during this financial year. The directors say, however, that earnings growth is likely to be lower this year than last. Nevertheless, earnings of around 32c a share seem possible and assuming cover of approximately 3.0 times, this would point to a payout of at least 10c.

On that basis, the share yields a prospective 9.1%. Given the relative newness of the company to the JSE, the share offers moderately attractive income growth and some prospect of capital growth.

Owen Wibber
they have only half the number of patients per registered nurse.

In practice, nurses are working at nursing load and assistant nurse breakdown of training they have. Various inflows that registered nurses should be trained as primary health care workers. We know from experience in many parts of this country, including from the Baragwenath and Red Cross experiments, that nurses can be trained to do this work extremely well. But if nurses are going to take on this work on a large scale throughout the country, then we need another 10,000 practising nurses.

There are 92 schools for training general nurses in South Africa. Many of the places in these schools are not filled. If we wish to train 10,000 nurses for primary health care work as well as the additional nurses we undoubtedly need for hospital work, then the money must be provided to expand these schools and to fill them with students. Money is required not only for nurse training but also to improve secondary education (to increase the number of matriculants available to train as nurses), and to improve and equalise salary scales for women.

Available to train as nurses, and to improve and equalise salary scales for women...

...ship repairs...

...well afloat...

...and work entail self-sacrifice and they expect respect and gratitude...

Furthermore they take offence other than their "professional" most students enjoy themselves become rich in the process of incidental.

Doctors, dentists and nurses a profession-like. They have come reluctantly, that pharmacists, and speech therapists and social workers are objectively paid for professional work...
Five guilty in aftermath of Dorbyle unrest

Labour Reporter

Five workers were yesterday found guilty on charges of public violence at the Witbank Magistrate's Court in connection with unrest at the Dorbyle Components plant earlier this year.

Three were fined R100 each with suspended sentences, one man was fined R70 and the other received a two-year jail sentence with only one year suspended.

Charges against another worker were withdrawn.

The general secretary of the Foot's affiliated National Union of Motor Assembley and Rubber Workers, Mr Fred Smith, said the union would review the judgment before deciding on whether to lodge an appeal.

The charges related to incidents of intimidation, sult and stone throwing at least earlier this year.

The Dorbyle dispute in Witbank arose over the issue of union recognition and the large numbers of workers being dismissed.

The case against four other Dorbyle workers has been postponed for the month until next week. They are also appearing on similar charges.
SUID-AFRIKAANSE WETGESLAG
No R 2685 4 December 1981
BEHEER OOR UITVOER EN BEMARKING VAN KRYSTIGTIG

Ek, Magnus Andé de Mendoza Malan, in my hoogdomp
he van Minister van Verdediging en handelsvolkek,
bevoegde my verkeer deur artikel 4 van die
Krystigtoutontwikkeling en -versorging, 1963 (Wet
van 1963), skryf hierdie oorspronklike reso
af tot die uitvoer en bemarking van
KRYSTIGTIG

1 Met ingang van die datum van publitisering van hierdie
kennisgewing mag geen goeder wat in Blyde I hiervan
afgegee word uit die Republiek onvergoed of buite die
Republiek, bemark word, en mag geen goeder nooneer word om sedang genee goedere uit te voer of buite die
Republiek te verwerf of te bemark nie. Genee goeder moet
deur 'n permis utgevoer word deur die Krystigtout
Suid-Afrika Beperk, ingestel deur artikel 2 van die Wet op
Krystigtoutontwikkeling en -versorging, 1963 (Hier-
"Krystig") genoem, en uitvoerers reeds bemark word
ongeëkte en die voorwaardes wat in die Blyde I hiervan
voegskryf word

2. Die goederse in Blyde I hiervan genoem, sluit gebruikte
tweedinghawe sowel as nuwe goeder in.

3. Aansoekers om bemarkingspermits toe deur die appli-
kaat op die vorm vervat in Blyde II hiervan ingediende word
soos in Blyde I aangedui is

4. Aansoekers om uitvoerpermits toe deur die applika-
ant op die vorm vervat in Blyde III hiervan ingediende word
soos in Blyde I aangedui is, en moet vergeet vee van 'n
eindehulpsebesluit of, met Kryskor se toestemming,
in afwerk van die ten einde bereikte besluit

5. Wanneer aansoekers ingediende word ten opsigte van
goeder wat tans in meer as een besonder uitvoer sal
word, moet de aansoek om 'n uitvoerpermit deur ene
en een goeder geëeindig word

6. Elke uitvoerder van goeder wat in Blyde I vermeld is,
moet van die invoerder in die land van elke intermedia
estemming sowel as die land van finale stemming in
afwerk van die domein-invoerdersak en sedang
intermediair of finale stemming verkry, wat die ampte-
like seël van die domein-oorheid van die invoerder moet
dra

7. Die uitvoerder moet genoegde domein-invoerders-
brieven/vreue van 'n blywer van 2 maande hou en moet dit
ter naas voorwaart dit aan de seël van Kryskor aannoem
word

7. Bemarkings- en uitvoerpermits te oordraagbaar
nie en die goeder wat daarin vermeld is, mag slegs deur die
persoon of firma wat daarin die goeder genoem word,
uitgevoer word, of aan die goederseerderes bemark
word. Met diens van die seël, dat die goederseerderes
geen tyd deur die toekomt 'n permis bekend is om, Kry-
skor na goedkumse magd mag dan verleen tot die uitvoer
die oorspronklike en die naam van die

Crucial Industrial Court case

By Dave Forrest

The dispute at Litemaster Products in Wollongong, where 22 black workers were dismissed last month has been referred to the Industrial Court.

Labour sources say the case could have far-reaching implications for South African workers.

The applicants are the Metal and Allied Workers Union and the 22 dismissed Litemaster workers, recently referred to the court by the industrial council.

It was argued that the company had failed to make clear its employment code in dismissing the workers.

The case involves the Industrial Court, labour sources say it could be seen as a crucial test of whether employers are bound by their own industrial relations procedures.

If the case reaches the Industrial Court, it may also establish an unfair labour practice and an unilateral change in employment conditions which prejudices existing worker rights.

Sources say it may decide whether a union which was representative with the company had previously agreed to negotiate.

"The union of a code of employment practice which deprived workers of common law rights."

It was also argued that the company failed to comply with its employment code in dismissing the workers.

The company has argued that the workers were fired after repeated warnings and for very specific reasons.

If the case reaches the Industrial Court, labour sources say it could be seen as a crucial test of whether employers are bound by their own industrial relations procedures.

If the case reaches the Industrial Court, labour sources say it could be seen as a crucial test of whether employers are bound by their own industrial relations procedures.

If the case reaches the Industrial Court, labour sources say it could be seen as a crucial test of whether employers are bound by their own industrial relations procedures.
By Tony Davis, Labour Reporter

Disputes rather than wage issues are increasingly becoming a major factor in labour unrest in the metal industry on the East Rand.

This was one of the findings made in a study of disputes on the East Rand involving the Non- Affiliated Metal and Allied Workers Union.

The study was made by two University of the Witwatersrand academics Mr. Eddie Webster and Mr. Art Sitars on a Ford Foundation grant.

There were 23 disputes on the East Rand involving Marun between July and November this year, with 11 of these in the Vanderbijlpark area alone.

The 23 disputes involved 10,722 black workers — about 11 percent of the black engineering industry's total employment force on the East Rand the study shows.

Unlike the large number of wage disputes in the past half of these disputes involved worker dismissals and another six involved worker demands for the dismissals of other staff.

Workers' rejection of arbitration controls overseen by management was the central demand in most of the disputes, according to the study.

Most of the stoppages were brief, ranging from an hour to a week and Marun won half of the disputes with management agreeing to their demands.

Dismissed workers were reinstated or other personnel were dismissed at Marun's request in 19 of the disputes.

Mr. Webster and Mr. Sitars describe the use of demonstration stoppages by workers which appear to be workers' efforts in hastening disputes, and which are often accepted by management.

Marun had grown strongly on the Reef since it was formed as Marun in 1973, but had recently shown a rapid growth from the end of 1985 when its membership stood at 8,000 to the point where it stands at more than 23,000.

Workers turned to the union and rejected union and non-union committees.

Unionists often organized the disputes at the works, where part of the workers fixed and were able to force members of the study showed.

The study concludes that the demonstration stoppages proved successful in drawing attention to grievances and workers were then willing to return to work while negotiations with the union were held.
SUID-AFRIKAANSE VERVOERDienSTE
No 2752

HAWK KOST. - PORT NOLITH HARBOUR

Hierby word bekendgemaak dat die State President hanteer van die Suid-Afrikaanse Vervoerwet, 1981 (Wet 65 van 1981), se 79 in blote terme met betrekking tot die belê wat is gehad in die COm (Proprietary) Limited, die ondernemings van die Wonders van Suid-Afrika (Proprietary) Limited, deur ysgende kwaas by die

SOUTH AFRICAN TRANSPORT SERVICE
No 2722

HARBOUR CHARGES.—PORT NOLITH HARBOUR

It is hereby notified that the State President has, in accordance with section 79 of the South African Transport Act, 1981 (Act 65 of 1981), appointed as the Manager of the Wonders of South Africa (Proprietary) Limited, the following persons:

SOUTH AFRICAN TRAFFIC FORCE
No 274

APPOINTMENT OF A DIRECTOR OF THE ARMA-

DELENELING VAN 'n 
KRYSTUKGEBELENDE

 Dit het die State President behaal om een regisseur van die Wonders van Suid-Afrika (Proprietary) Limited te benoem. Die nominee is die manager van die Wonders van Suid-Afrika (Proprietary) Limited, wat die ondernemings van die Wonders van Suid-Afrika belê.

SOUTH AFRICAN TRAFFIC FORCE
No 2738

AANSTELLING VAN 'n 
KRYSTUKGEBELENDE

 Dit het die State President behaal om een regisseur van die Wonders van Suid-Afrika (Proprietary) Limited te benoem. Die nominee is die manager van die Wonders van Suid-Afrika (Proprietary) Limited, wat die ondernemings van die Wonders van Suid-Afrika belê.
GOEWERMENSKENNISGEWINGS

DEPARTEMENT VAN NYWERHEIDS-WESE, HANDEL EN TOERISME

No R 2842 31 December 1981

PRYSBEHEER

MAKSIMUM PRYE VAN SEKFORE STAAM PRODUKTE

Ek, Elias George de Beer, Pryscontroller, handelende
krantens die bevordering my verleen by artikel 4 van die
Wet op Prysbeheer, 1964 (Wet 25 van 1964), bepaal
hierby, met ingang 1 Januarie 1982, asvolg

1 Die maksimum prye waarneem gewalsde staandwinklike
wet in die Republiek, verwag en in kolom 1 van die
Bylae hieraan aangegee word, deur of namens die fabrikant
daarvan aan enige persoon verkoope mag word, is die prys
wat in kolom 2 van benoemde Bylae aangegee word plus-

(a) sodanige ekstra wat die fabrikant of sy agent
met die goedkeuring van die Pryscontroller daarby mag
voeg; en

(b) indien die produkte aan die koper afgelever word,
de koste ten opsigte van vervoer

2 Die maksimum prye waarneem die produkte bedoel in
paragraaf 1 deur 'n onderskrywende koper daarvan verkoope
mag word, is die fabrikant se takeoffprys (inluidende ver-
voerkooste) plus 11 persent en sodanige prys is die maks-
imum prye wat op spoor onderskrywende koper se sake of
sylvan

3 Die maksimum prye waarneem die produkte bedoel in
paragraaf 1 in die kleinhandel verkoope mag word, is die
maksimum prye wat in paragraaf 2 bepaal, plus 7,5 per-
sent en sodanige prys is die maksimum prye wat op spoor
herverkopers se sake of sylvan

4 Die maksimum prye waarneem enige persoon die pro-
dukte bedoel in paragraaf 1 aan 'n ander persoon as 'n
herverkoper of 'n verwerker van sodanige produkte mag
verkoop is die fabrikant se takeoffprys (inluidende ver-
voerkooste) plus 19 persent, met die verstande dat in die
geval van 'n verkoop aan 'n herverkoper of 'n verwerker
van sodanige produkte, daardie maksimum prys met 'n
korting van minstens 7 persent verminder moet word

957-A
Group expects to earn more

JOHANNESBURG — The Stewarts and Lloyds group expects to achieve higher earnings during the current year, but there is likely to be a slackening in demand because of the lower growth rates forecast for 1982 and the high cost of finance.

In the annual report, the directors say that in spite of this anticipated reduced pace of activity, they believe that most companies in the group will record further growth in sales and earnings during the year.

In the financial year to September, turnover increased by 20.9 per cent to R432 881 000 and attributable profit was 42.2 per cent higher at R16 855 000. From life earnings of 74.1c a share, dividends of 35c were paid.

The directors say these results are attributable to the progress towards greater efficiency and modernisation together with the favourable economic climate which prevailed during the year.

During the year there were a number of significant changes in the company's subsidiaries. The 20 per cent holding in Maksal (Pty) was sold to the McKeechne Delta Metals group, reducing the S&L stake to 40 per cent of Maksal with the balance being held by Macdem (Pty).

This facilitated the formation of a new company, Salmac Stainless Tubes (Pty) of which S&L holds 60 per cent with Macdem holding the balance. This company will produce welded stainless steel tube, using strip that is soon to be manufactured in South Africa by Southern Cross.

The group acquired 40 per cent of the ordinary shares of Salweir (Pty) from Weir Pumps of Scotland. The transaction resulted in Salweir becoming a wholly-owned subsidiary of S&L.

Pipe Couplings (Pty) be-