

Unemployment - 1986

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Warning of millions going jobless 335

ABOUT 4-million South Africans could be unemployed by the year 2000, Deputy Minister of Population Development in the House of Representatives, Luwellyn Landers, said last night.

This could cause economic and political disasters, he told a community development society in Brakpan City Hall.

At the current economic growth rate of 3%, only half the 365 000 youths entering the job market annually could be accommodated, he said.

The stimulation and development of "home industries" could open the door to much more job opportunities. — Sapa.

Researchers put unemployed at 4-6 million

Every second black worker may be jobless

WGS:VLM 12/9/88 335

By PHILLIP VAN NIEKERK

SOUTH AFRICA is facing a massive social disaster with between four and six million blacks out of work, according to estimates by two researchers at the University of the Witwatersrand.

Professor Jeremy Keenan of the Department of Social Anthropology and Michael Sarakinsky, a post-graduate student, say half the country's economically active blacks could be unemployed.

In a "Memorandum on Unemployment", they say that income levels have declined and poverty has increased dramatically since 1976 in black households.

The estimates could have explosive implications for the sanctions debate, where one of the main pegs of the anti-sanctions lobby has been the threat of black job losses.

Unemployment is also often cited as one of the main causes of the civil unrest which has burnt across South Africa for the past two years.

Many of the jobless are locked into the burgeoning squatter cities on the periphery of the metropolitan areas.

These include Onverwacht, Winterveld, Crossroads and Khayelitsha, KwaNdebele and the shanty towns which ring Durban and Port Elizabeth.

Keenan and Sarakinsky accuse the South African government of minimising the unemployment levels.

They say the exact level of black unemployment is unknown because of the "appalling lack of reliable data".

In their memorandum they dismiss as "ludicrous" the most recent official figure of black unemployment, which stood at 519 000 in June 1986.

The authors base their figures on the pioneering work into unemployment done by Charles Simkins at the University of Cape Town in 1977 and 1981.

In 1977 Simkins estimated there were 2,3-million unemployed, while in 1981 he revised his calculations and estimated there were two million unemployed.

Simkins made his calculations before the recession began in the early Eighties, wiping out jobs in many industries and leading to a levelling off of growth in employment.

A vicious cycle of poverty and illness for unemployed

The burden of unemployment is falling on young blacks and blacks in the townships, says a memorandum prepared by two Wits academics, and poverty related illnesses are the result of people being out of work.

The authors of the memorandum, compiled for the Transvaal Rural Aid and Development Programme, are Professor Jeremy Keenan of the Social Anthropology Department, and Mr Mike Sarakinsky, Development Studies, at the University of the Witwatersrand.

The authors write: "At present it is generally estimated that in most of South Africa's black townships some 30 percent of school-leavers are unable to find any sort of work."

The urban labour preference policy has increased poverty in the rural areas, claims the memorandum, and this in turn raises the level of unemployment in these areas.

A survey in the Pietersburg area of Bophuthatswana found "the main cause of unemployment was poverty related illness and disablement."

"Of the 36 percent of people who had never been able to get work, 40 percent were either too ill or disabled. Of those who had lost their jobs, 30 percent were because of illness."

Most of that 30 percent were aged between 20 and 29.

The memorandum claims "the percentage of unemployed men and women who had been out of work for longer than two years has risen from 8.3 and 4.3 percent respectively in

1977 to 38.5 and 53.8 percent respectively in 1984.

"By 1984, 36 percent of the unemployed had never been able to find work since leaving school. And of those who had lost their jobs, the mean average time spent out of work since becoming unemployed was five years and seven months."

Other studies showed:

● At the new industrial growth point of Richards Bay the average duration of unemployment in 1984 was 12.3 months.

● In the Port Elizabeth/Grahamstown area in 1984 29 percent of unemployed men and 23 percent of unemployed women had not worked for between one and two years, while 21 percent of men and 30 percent of women had been without jobs for more than two years.

● In 1980, at the peak of the last major economic upswing, research based on the "official" monthly surveys conducted by the Central Statistical Services (then the Department of Statistics) showed 29.8 percent of successful job seekers had been unemployed for more than a year, and that of these 15 percent had been unsuccessful in obtaining employment for more than two years.

"In all parts of the country, for those who are unemployed the chance of finding employment is becoming progressively smaller. In the bantustan areas the chances of re-employment are now almost negligible," says the memorandum.



Professor Jeremy Keenan . . . the figure is almost certainly an underestimate of the real number of jobless South Africans.

● Picture by John Hogg.

At least 6 million jobless in SA, say Wits experts

By Reg Rumney

The figure of around six million unemployed is almost certainly an underestimate of the real level of unemployment in South Africa, say the compilers of the memorandum on unemployment released today.

Professor Jeremy Keenan and Mr Mike Sarakinsky of Wits University have taken as their starting point two base figures on unemployment from highly regarded research by Professor Charles Simkins.

The first figure for the number of unemployed in 1977 was 2 313 000. This was revised downwards in 1981 to 2 004 000.

These figures were updated by calculating the increase or decrease in the level of unemployment each year and adding to those figures, or subtracting from them.

The number of jobs created each year, using Central Statistical Services figures, is set against the key figure of 250 000 new jobs needed each year to keep unemployment constant, and the result is the yearly increase (or decrease) in unemployment.

The net decrease in black employment between 1977 and 1985 was 16 084, and this is added to eight years of 250 000 needed jobs gives 2 16 084.

And adding this to Professor Simkins' upper figure of 2 313 000 gives 4 329 084 unemployed.

Similarly adding a net decline of 181 634 between 1981 to 1985 to 250 000 a year over four years gives 1 181 634.

Adding this to Professor Simkins' lower figure of 2 004 000 give a total of 3 185 634.

However, this excluded the agricultural sector, domestic service, and any self-employment, as

well as the independent homelands.

Adding in the decline in black unemployment in agriculture, taken from the agricultural census and then from the current population survey, gives adjusted figures of 4 872 665 and 3 715 634.

Also added in are estimates of independent homeland unemployment.

To do this the memorandum first calculates the population of the TVBC states, using two different methods and arrives at a lower figure of 5 035 000 and a higher figure of 6 805 310.

Micro-surveys show the average economically active population of these areas is around 50 percent, says the memorandum, and unemployment around 55 percent of this again, giving a figure of 1 871 480.

"Based on the . . . estimate of a 150 percent increase in unemployment in these areas since 1977, this gives an increase of 1 122 876 in the number of unemployed in these areas since these areas were removed from the national data.

"If this figure is now added to the figures 3 715 634 and 4 872 665 we have an estimated overall range of black unemployment of between 4 838 510 and 5 995 541."

The memorandum adds that these figures are "almost certainly an underestimate of the real level of unemployment in South Africa because:

● The estimate of 250 000 job seekers coming on to the market each year has not been updated and some analysts are using the figure of 300 000.

● The unknown under-enumeration of independent homeland populations.

● The exclusion of domestic service.

● Extrapolations from micro-surveys have been made mostly in the Transvaal, where unemployment is known to be less than in other parts of the country.

Keenan and Sarakinsky use the generally accepted estimate that 250,000 new workers reach the job market every year and that 250,000 jobs have to be found if unemployment is to remain static.

The authors quote figures from the Central Statistical Services which show there was a net decrease of 16 000 jobs in the modern sector of the economy between 1977 and 1985 and a decrease of 181 000 between 1981 and 1985.

Thus since 1977 there has been an increase in unemployment of two million and, since 1981, an increase of 1.2-million.

However, this excludes agriculture

where — the authors estimate — there was a decline of about a quarter of a million job opportunities between 1977 and 1985.

In the independent homelands, also excluded from the CSS figure, the authors estimate that since 1977 an extra 1,1-million people have joined the unemployment scrapheap in Transkei, Bophuthatswana, Venda and Ciskei.

Their estimate is based on an estimate of 1.8-million unemployed in these areas, two-thirds having become jobless since 1977.

Added to Simkins' base figures and the other estimates, they say, this adds

up to an estimated overall range of
between 4.8-million and six million.

However, the authors say, there are a number of factors — such as the under-enumeration of the population — which lead them to believe the estimate is in fact conservative.

Simkins — of the University of Cape Town's Department of Economics — said yesterday he had given up talking of gross amounts of unemployed because the government's statistical information was so poor.

"I do not intend to leap in with a new figure," he said. "But if you added on everyone who has joined the labour force since 1981 to my 1981 figure, you would have a figure well in excess of three million."

7-12-1960

75 000 jobs 'lost' in building industry

By Frank Jeans

The slump in the building industry could well have resulted in as many as 75 000 jobs being lost, well above the "official" figure of 27 000.

This is the view of Mr Charles Martin, economist of the Building Industries Federation, but he points out that this employment drain might well now have stabilised.

Another alarming statistic for the building industry is seen in the latest figures on cost escalation, which reveal that the rate of increase is ac-

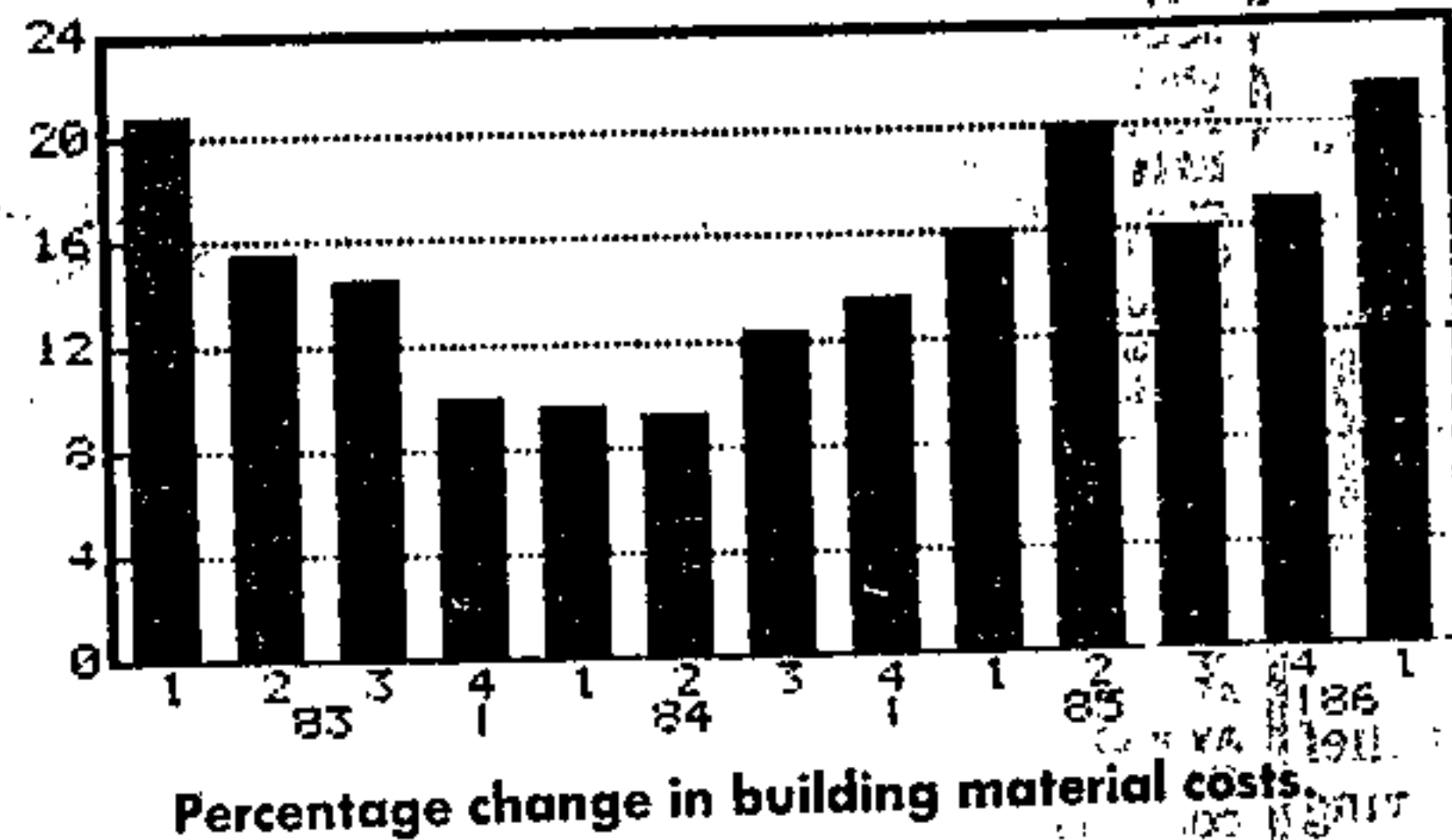
celerating — a trend primarily due to the boost in material costs. The cost-push for the first four months of this year is 21.4 percent up on that for the same time in 1985.

Writing in the latest issue of *SA Builder*, official publication of the Building Industries Federation, Mr Martin says: "This sharp increase will no doubt continue to have a negative impact on the demand for building work in present market conditions."

"Most building cost indicators have resumed an

upward trend and it is clear that it is no longer possible for contractors to absorb further increases in input costs."

On the homes outlook, Mr Martin says there are ample business opportunities in the low-income housing field.



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Coalface quandary

Two issues are raised by the Chamber of Mines announcement last week that collieries have started to draw up contingency plans to retrench workers because of the impact of the sanctions campaign on coal exports.

The first concerns the accuracy of the chamber's claims. The second arises from the National Union of Mineworkers' (NUM) threat to strike if the mining houses cut jobs.

The NUM supports disinvestment as a means of ending apartheid, as its general secretary, Cyril Ramaphosa, made clear at the recent conference of the British National Union of Mineworkers'. On the face of it, therefore, the NUM wants to have its cake and eat it. Clearly, the NUM cannot call for sanctions and, once they're imposed, refuse to take the consequences.

According to the chamber, the implications of the Danish parliament's ban on coal imports from SA are now being felt. It also says there has been a dramatic fall-off in exports to France and an increasing reluctance by other foreign buyers to take South African coal. The position will worsen if the European Parliament imposes sanctions, and the possibility that Far Eastern countries will follow suit cannot be excluded.

The chamber says that if this occurs, the employment of up to 35% of the coal industry's 110 000 employees of all races could be jeopardised. It also says individual coal companies are in the process of determining the basis on which redundancy programmes will be instituted.

However, three mining houses deny that they intend to retrench. Gencor director of mining, Steve Ellis, has said the company is not planning any retrenchments. A Gold Fields spokesman says his company also has no such plans at present. Rand Mines says its coal division is overstaffed by 200, but that it will be looking to place the employees elsewhere.

JCI, on the other hand — which is holding a meeting to consider the matter later this week — says it is possible that there could be a reduction in the numbers employed. Dave Rankin, MD of Amcoal — SA's biggest coal producer — refuses to comment at this stage. Anglovaal says the issue does not really affect it as it has only two collieries, neither of

which are chamber members.

Aside from these considerations, the chamber's claims of declines in coal exports are questioned. Says David Russel of J D Anderson: "SA exported 3,634m tons of coal in April. If you annualise that figure, it comes to 43,6m tons. Last year — which was regarded as a very good year — we exported 44,259m tons. Most of our export steam coal comes from open-cast mines, which pride themselves on not being labour intensive. That does not require you to lay off 35% of the labour force."

Peter Sowerby, director of Safbroker, says Denmark and France are the only countries which have imposed coal sanctions. He says, however, that the Denmark embargo only comes into effect later this year and that the Danes have been importing "madly" in expectation of the deadline. France has said it will not make any new contracts, but the existing ones are in place and exports this year have been steady. It remains to be seen if the contracts are renewed. Says Sowerby: "Sanctions are something the chamber has to consider seriously, but I doubt whether it has to implement retrenchments at this stage."

Ramaphosa's reaction to criticism of the NUM's contradictory stance has been to blame the chamber and government. He says: "Our members don't want to lose their jobs, but they are prepared to make sacrifices for the ultimate aim of liberation."

"The chamber is not addressing the question properly. It needs to look at why people are calling for sanctions. The reason is because apartheid must be completely eradicated and because wages and working conditions in the coal mining industry are appalling. If sanctions are implemented and jobs are lost, it will be the fault of the mining industry and government and we will be compelled to take action against the parties that are perpetuating the status quo."

It could be that the chamber's statement was designed to alarm — and possibly deliberately timed to coincide with British Foreign Secretary, Sir Geoffrey Howe's peace mission. From the comments of analysts, however, it appears that it may have been over hasty in talking about retrenchments now. Ramaphosa's response, on the other hand, indicates that the NUM is playing a dangerous game and one that could cause it to lose some of its members. Perhaps the best that can be said about the whole issue is that it is a remarkable illustration of how desperate South Africans have become about sanctions and political change. ■

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STRIKES

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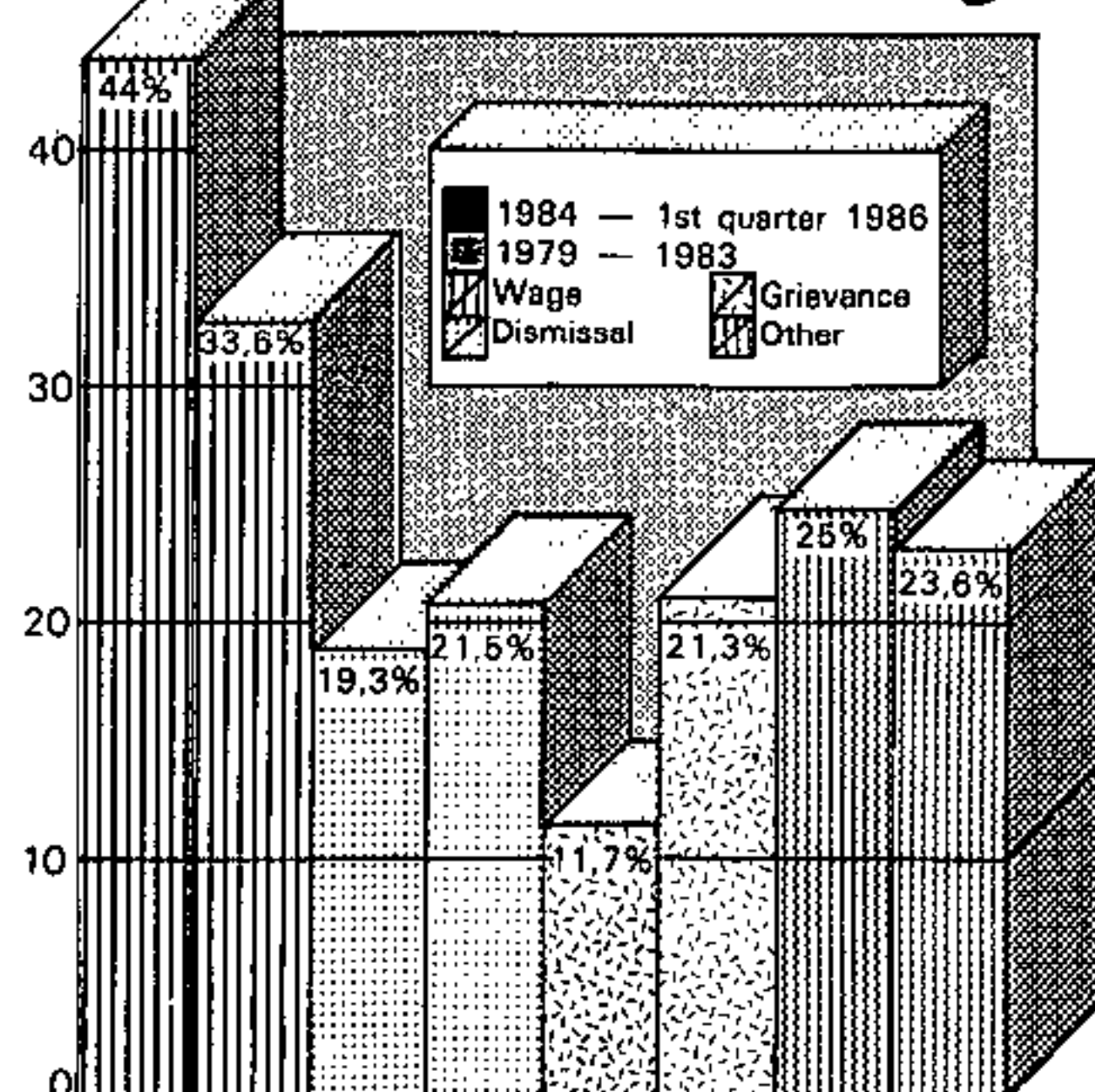
Immune to recession

The pattern of strikes in SA confounds the conventional wisdom that high levels of unemployment during a recession act as a damper on worker militancy. However, economic growth certainly exerts an influence on the ability of unions to win strikes.

These are some of the arguments in a report, just published by industrial relations consultants Andrew Levy and Associates, which analyses strike activity since 1979. According to the report, the two main factors influencing strikes were the rapid growth in union membership over the past seven years, and increasing levels of political activity.

The consultancy's data exclude mass stayaways — including May Day protests. Apart from these demonstrations, the report argues, strikes in the past few months have not "in the first instance" been politically inspired. It says that although political factors have affected industrial action, they

Pressure on wages



have not been essential to it.

What has become apparent since 1979, the report says, is a shift in the nature of the factors that trigger strikes (see graph). This, it says, reflects important changes in the development of industrial relations in SA. Wage disputes, for example, are increasingly the predominant trigger, while the incidence of industrial action over grievances and dismissals has fallen.

Aside from those triggers, there have also been shifts in other issues that sparked strikes — classified in the graph as "other." Up to 1982, disputes over union recognition were prominent. From then until early 1984, pension strikes were common. Since then retrenchments have become major strike triggers.

The report says the increasing pressure on wages is due to the extension of collective bargaining which came about with the growth of unions. And the main reason for

the relative decline of grievances and dismissals as strike triggers is the Industrial Court, whose workload has increased from four cases in 1979 to 800 in 1985.

Not only does the court provide an alternative course of action for the settlement of such disputes, but its decisions are avidly studied by managements and unions alike and used as guidelines. In many instances this has prevented disputes which might otherwise have resulted in industrial action. Another factor is "improved management sensitivity" about grievances and disciplinary action. The report predicts that this trend will continue.

Constant

The length of strikes has remained almost constant over the period from 1979 to March 1986. About half ended during the first day, while less than 10% continued for more than six days.

Examining the sectors that have been most affected by strikes, the report says that until last year the metal sector was consistently the hardest hit. As from 1985, however, the mining sector inherited that mantle. Other sectors which maintained the dubious distinction of regularly being among the five most prone to strikes are the retail and food sectors and the automotive industry. The chemical sector is now not far behind.

The impact of the National Union of Mineworkers (NUM) on the industrial relations scene has been enormous. Despite the fact that the NUM was only established in 1983, the mining sector suffered 42.8% of man-days lost in all recorded strikes since 1979.

The report observes that strikes have come to be perceived as a normal part of industrial relations. No longer, it notes, is every strike seen as newsworthy; only the "exceptionally large, violent or bizarre" still cause raised eyebrows. And few managements still consider strikes to be acts of disloyalty by employees. Nor do they see them as a serious attack on free enterprise or property rights; rather, strikes are considered a legitimate exercise of power.

Mass dismissal is now regarded by managements as a last rather than a first resort. And the Industrial Court has reinforced this tendency even among the "more inflexible" managements.

But despite the acceptance of withholding labour as normal, says the report, "a notable feature of strikes at the present time is the extremely high level of violent confrontation that occurs." This is attributed to both the daily violence in the townships and the stronger emphasis that union leadership is putting "on the revolutionary role of labour in the achievement of the socialist state."

Capitalism — rather than apartheid — is seen as the root evil, thus polarising management and labour even further.

This tendency will not disappear until the most of the questions hanging over SA's political future have been resolved, the report concludes. ■

Tembisa Town Council relents

Fired workers reinstated in act of sympathy

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MORE than 900 employees of the Tembisa Town Council on the East Rand who were dismissed in May are to be reinstated.

The council decided at a meeting on Tuesday to reinstate the 970 workers out of sympathy, town clerk Anthony Relihan said yesterday.

The workers went on strike in May after making several demands, including a monthly minimum wage of R700.

They had demanded the reinstatement of three dismissed workers and the recognition of the Black Municipal & Allied Workers Union (Sabmawu).

Relihan said: "The council realised that some of the workers were dismissed because they got involved in the strike involuntarily.

"Therefore, those people need to be given a chance to return to their jobs."

A short statement said: "The council, out of sympathy for the employees, will allow them to be reinstated in their jobs within the period August 1 to 31.

"The employees, so reinstated, will not be remunerated for the period of absence from work."

Sabmawu spokesman Benny Alexandra said: "The union has not been informed by the council of its decision and cannot comment further.

"Another reason is that some of the workers are still being held in detention under the state of emergency."

□ A lack of confidence in black local

SOPHIE TEMA

authorities has forced the mayor of Tembisa L L Mothiba to resign from the council.

He handed his letter of resignation to the council yesterday morning after a Press conference at Khotso House in which he made known his decision to journalists.

Since unrest erupted in Tembisa, Mothiba has been a victim of unrelenting harassment from youths and those opposed to local authority systems.

Reasons given by Mothiba for his resignations were:

- Lack of political and economic power of black local authorities.
- Structures deliberately created to render them powerless.
- Lack of seriousness on the part of government to reach a negotiated settlement with the national leadership on black communities.
- Lack of confidence in the black local authorities, making it impossible to continue working on the council.

□ The recent eviction of the families from their homes.

□ The strike by council employees whose grievances were reasonable, but could not be met.

Mothiba concluded: "The council should be seen as a structure for white nationalist politicians only."

Relihan said: "We feel rather sad to lose Mothiba. He sacrificed so much for his people and had looked forward to achieving great things for them."

CASE 12/9/86
Court
bid
over 335
lawyer

Labour Reporter

A DISMISSED worker with a Std 8 education, who was refused permission to be represented by an attorney at an Industrial Court hearing earlier this year, is opposing the decision on the grounds that he is not qualified to conduct his own defence.

The Supreme Court heard yesterday that truck driver Mr Vincent Mrali's former employer, Ellerines Holdings (Pty) Ltd, trading as Town Talk Furnishers, and the Industrial Court would not oppose his application to have the decision overturned.

According to papers before the court, Mr Mrali was dismissed by Ellerines in March after allegedly being frequently absent or late for work without reason.

He took the matter to the Industrial Court, claiming he had been unfairly dismissed.

The Industrial Court ruled that Mr Mrali's lawyer could not argue on his behalf because Ellerines objected.

Ellerines told the Industrial Court that it had not engaged an attorney because it did not want to incur legal expenses.

The Supreme Court will rule on the matter on September 17.

Mr Justice H.C. Nel presided. Mr Les Rose-Innes, instructed by Bernadt, Vukic and Potash, appeared for Mr Mrali.

Slight drop in PE black jobless

we post 12/19/76

By DENISE BOUTALL
UNEMPLOYMENT among blacks in the Port Elizabeth-Uitenhage has dropped marginally from 56% to 54,3% in the past year.

This is the finding of a survey conducted in August by the Employment Research Unit at Vista University which warns that imagination and bold action are required to break the vicious circle of economic stagnation and violence in the area.

The 1,7% drop in the unemployment rate could be regarded as "trivial" in an area where unemployment reached such enormous proportions, the authors, Prof Mike Levin and Prof A P du Plessis, comment in the report, which was released today.

"Nevertheless, it is significant that there was at least no further increase in unemployment amongst blacks in the area."

They estimate the number of unemployed blacks in the area at 122 000 people — 67 000 men and 55 000 women.

However, they add that about 25% of the economically active blacks in the area could be regarded as under-employed.

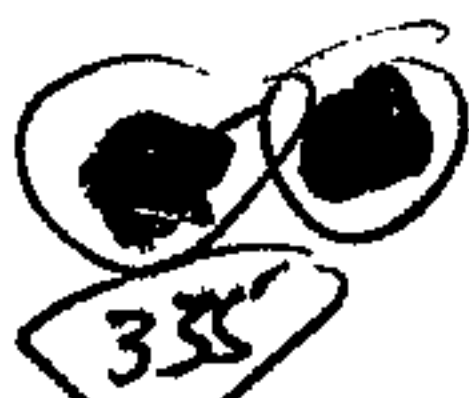
"It seems this area is caught in a vicious circle of economic stagnation and violence. As long as unemployment is as high as it is, there is very little chance that political unrest will disappear."

"On the other hand, it is highly unlikely that there will be an economic recovery as long as political unrest prevails because political unrest undermines confidence which is needed for investment and an increase in economic activity."

Breaking the vicious circle "is the challenge facing the Eastern Cape and its people".

Their findings were based on a survey carried out during August and their definition of unemployed includes people who did not look for work in the previous month "because there is very little use for blacks in registering as unemployed and many of them have given up looking for jobs".

People employed on a temporary basis on projects such as those created under the R4-a-day schemes and those who work only two or three days a week were regarded as employed. These had the effect of reducing the unemployment rate.



13/9/86



Cape Times, Saturday, Septe

Conflict between jobless findings

Labour Reporter

ATLANTIS residents consider unemployment the most serious problem they have to face, which conflicts with a report by the Divisional Council that the situation there is improving.

This is one of the findings of a survey of 620 Atlantis households by researcher Mr Brendan Roberts of UCT's South African Labour and Development Research Unit (Saldru).

He said the survey in May found that 27,2 percent of people were unemployed.

Asked what they considered the most serious problem facing their households, the majority said unemployment.

Mr Roberts said a Divco report which claimed more people had jobs in Atlantis than a year ago did not take into account the population increase.

According to the survey, 850 new houses are to be built in the town in the near future to accommodate 4 500 people who will need at least 1 500 jobs.

Although new factories had been established, many of these had brought workers with them. A significant number of people working in the town did not live there, he said.

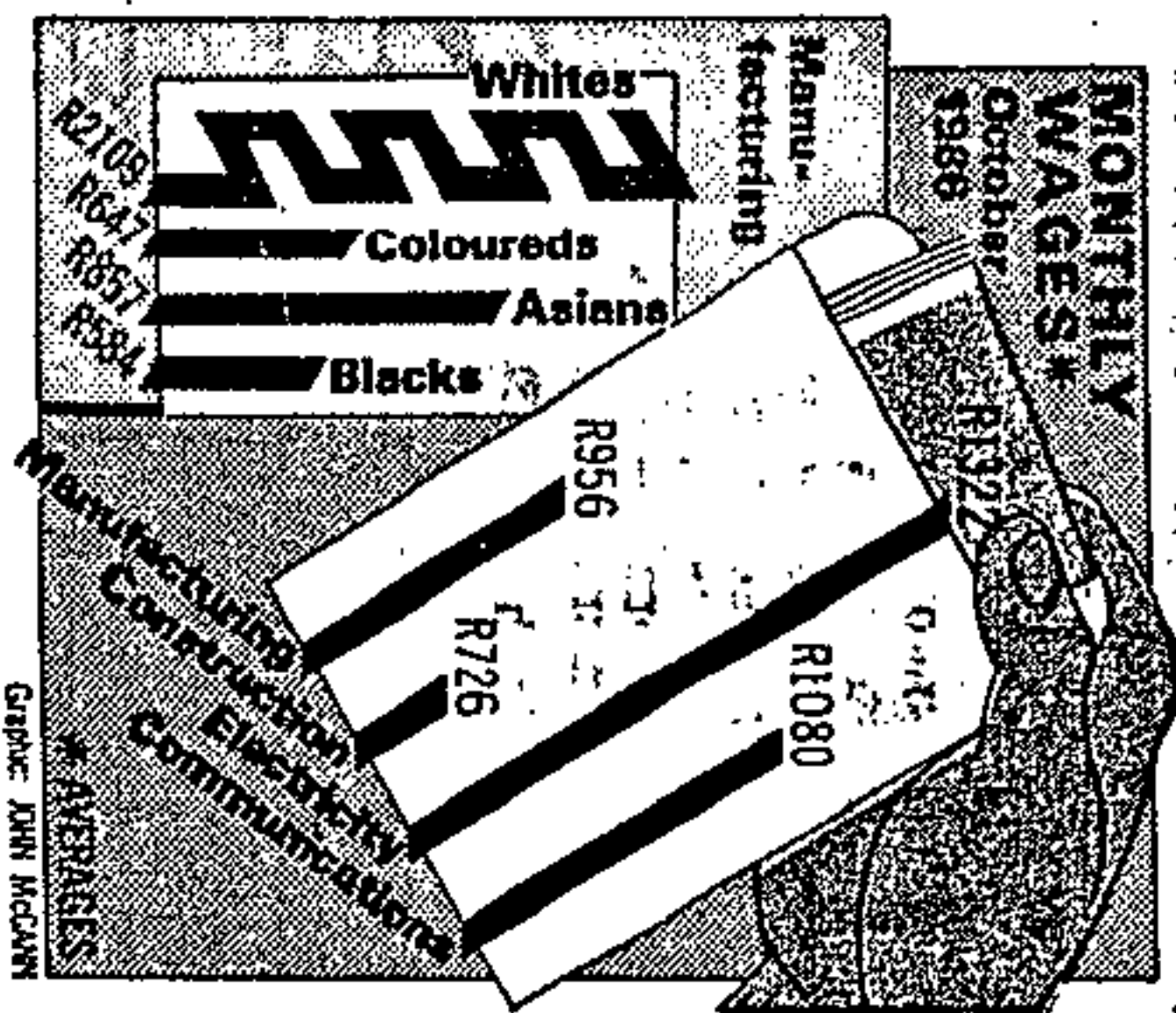
The Divisional Council also had not considered the living conditions in Atlantis which were "extremely poor" because even those who had jobs were unskilled or semi-skilled and badly paid.

Mr Roberts, who will publish a report on Atlantis at the end of the year, accused the Divisional Council of "running a public relations campaign to try give the place a veneer of well-being".

A spokesman for the Atlantis Advice Office said "the position on the ground is very bad".

"What the council says is not true. We have hundreds of people coming here for help," he said.

The Divisional Council could not be reached for comment despite numerous attempts.



Construction ranks thinned

CONSTRUCTION industry employment fell 25.5% between October 1985 and October this year, according to latest government figures.

They show 297 100 people were employed in the industry two months ago, compared to 398 800 a year before.

Manufacturing employment fell during the same period, but by only 1.7% to 1.32-million. Jobs in electricity generation fell 6% to 62 700, but employment in communications increased by 3.6% to 97 797.

In mining and quarrying, figures

DAVID FURLONGER

are available only up to September, when employment was up 4.3%, at 764 562, on September 1985. Transport jobs fell 6.3% in the same period to 214 609.

Wages and salaries, meanwhile, continue to be hard hit by inflation. The average monthly manufacturing wage in October was R956. In real terms, based on constant 1980 prices, this works out to only R402.

Even that figure would be welcome to most employees in the manufac-

turing sector. At current prices, the average white wage is R2 109, for Asians R857, for coloureds R647, and for blacks R584. In real terms, these translate to R881, R354, R267 and R250.

The average construction wage in October was R726, or R306 in real terms, in electricity R1 322 (R556) and in communications R1 080 (R453).

Average transport wages in September, the last month for which figures are available, were R1 051 (R446), while mining wages in August averaged R661 (R279).

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GADDA

Jobless increase

CITY PRESS

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14/12/86

CP Correspondent

CHRISTMAS is just around the corner and so could be unemployment for many more in the Eastern Cape – said to be one of the highest unemployment areas in the country.

A survey by Vista University's Department of Economic Research last year put township unemployment in PE at 54,3%.

However, researchers said the present figure could be much higher, and that it was "much worse" in the outlying towns and villages.

Some claim it is nearing the 80% mark, but this could not be verified.

The local Manpower Department office this week reported that compared to last month 1 111 people were employed – lowering the number of registered unemployed from 18 449 to 17 338 (a drop of 6%).

The Department's divisional inspector JC Greyling said few workers registered with the Department because many no longer qualified for unemployment benefits.

City Press asked Port Elizabeth township residents how unemployment had affected them.

"Right now you caught me on my way to borrow money from a friend and neighbour to feed us for today," was the response from KwaZakele resident Elizabeth Phandu.

For the past two years, the Phandus have been living on a mere R60 per month – a government pension grant.

They supplement their income with Operation Hunger food parcels and money earned from casual jobs.

Her husband, who has asthma and heart problems, has been unemployed for two years. He lost his job during a strike at Industex Textile factory.

"I did not get a cent from Industex," he said bitterly.

Four of their children who were previously employed are now unemployed. And four who are at school sometimes leave for school with empty stomachs and in tears.

The youngest son, aged 19, had to leave school to look for work. He joined the pool of workseekers who can be found outside the labour bureau offices daily.

She said the Operation Hunger supply of mealie meal and soup powder is not enough and the pension money is used to pay off loans from neighbours.

She said the unemployment problem was being exacerbated by sanctions: "The government should do something before it is too late."

City Press spoke to Noluthando Mjekula, 47, outside the Emthonjeni Group Training Centre in PE. She has been unemployed for three years.

She was last employed at Fedics Catering Company as a waitress. But the retrenchment axe fell on her when the company reduced its staff because of the recession.

"I need work just to have my own money, I want to meet my needs ... Sometimes husbands never bother to buy for their wives. Some husbands don't care about buying table cloths, vases and other household accessories," she said.

But Fezekile Khombela, 53-year-old father of four, said this is not always true.

He spends the R20 weekly wage he earns as a street cleaner on his home – not for buying vases and other luxuries, but on necessities. He has been offering training to the unemployed.

In conjunction with the Provincial Administration board, the center has been organising employment for the unemployed. They are paid a weekly wage of R20.

About 11 033 unemployed have been trained by the center since March.

But the centre is having difficulty in placing trained people. According to figures released yesterday, only 239 out of 7 493 black people who finished training in March have been employed. Only 1 350 out of 3 505 coloured people were placed and 18 of the 28 white people have been placed.

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Keeping up the pressure



The Reverend Leon Sullivan is head of the Zion Baptist Church in the US. He was responsible for drawing up the Sullivan principles of employment for US companies in SA.

He has been a director of General Motors (GM) since the Sixties. An *FM* special correspondent, Louise Haysom, interviewed him in Philadelphia.

FM: You are a member of GM's board. As a director, what role did you have in the decision to sell the South African subsidiary?

Sullivan: I concurred with their decision, and raised the possibility of their divesting for many years.

We have been losing money for four years, but it was the reluctance of the South African government to change its ways that made us change our minds. If it had moved forthrightly towards dismantling apartheid, in spite of losing money, the corporation would still have been there. It was the intention of the corporation to stay if the social, economic and political climate was sure that it could justify it.

You have a timetable for Sullivan Code signa-

tories to withdraw from SA after May 1987. What is the intention behind the deadline?

We want more aggressive efforts by all American companies to back the movement to end statutory apartheid and continued oppression of black political opponents. I have also written to the chief executives of American companies, calling on them to use their legal and financial resources to assist blacks to have equal access to all public amenities — housing, schools, beaches, parks and all aspects of life — so that there will be an end to discrimination. We want to see a clear commitment to equal participation of blacks in the political process. If I do not see these things happening by May 31, then I will call for all American companies to withdraw from SA.

It has been said that the Sullivan Code has been overtaken by sanctions and Federal policy on SA. Would you say they are now redundant?

In 1975, I travelled to SA and spoke with labour leaders who appealed for help in their struggle for equal rights in and out of the workplace. Their demands were couched in the Sullivan Code, whose provisions were designed to be evolved and strengthened from step to step. My hope was that they would eventually challenge the government

to put an end to all apartheid laws. They are now mandatory law for American companies in SA. They have fulfilled my objectives.

President Ronald Reagan has quoted you as an opponent of sanctions, in support of his policy on SA. What is your attitude to sanctions?

I am a pastor, not a politician running for office. I have fought against discrimination here in Philadelphia and in the South all my life. SA is the apex of racism in the world. That is why major governments, corporations and trade unions all over the world, and in SA, are bringing pressure to bear on your government.

I am not opposed to sanctions; in fact I have been calling for moral and economic pressure on SA for 14 years.

Won't withdrawal of US companies cause more hardship than gains if the influence of the Sullivan Code, on bodies from trade unions through to the boardrooms of some of the US's most influential companies, ceases to be felt?

Unless apartheid ceases to function in practice, and if representative white and black leaders still cannot sit down and find out what a free SA is like, then I will call that deadline. I don't want to, but if I have to I will.

Easing of employment problems predicted

15/12/86
335 N/M

Mercury
Correspondent

JOHANNESBURG—The Government and industry believe the worst of the unemployment problem may be over.

Although more people have lost their jobs during 1986, officials say the trend is slowing and should soon show signs of improvement.

Nobody is certain, however, of the true level of unemployment.

The number of registered unemployed at the end of October was 127 700, an increase of 200 on January. But this figure includes only those who have registered. Nor does it include people from Transkei, Ciskei, Venda and self-governing states.

Independent studies estimate that excluding these regions, unemployment in South Africa is about 700 000. Including them, the figure soars to between 2 000 000 and 3 000 000.

Manpower Director-General Piet van der Merwe says: 'Unofficial estimates vary widely. The University of South Africa estimates the total figure is about 2 000 000. If we include all

the various states, that is probably about correct.'

He says R44 million in unemployment benefits have been paid so far this year, at a rate of R1 500 000 each working day.

With an economic growth rate of only 1% expected in 1987, Mr van der Merwe admits prospects of a pick-up in the formal jobs market are not bright.

'Growth won't be in industry but in the informal sector. With the move to-

wards urbanisation, there will be jobs in the informal sector in construction and related industries. It will be self-help to a large extent. Many people are already doing this.'

He says, however, that 'indications are that unemployment growth in industry is slowing down' — a view shared by some industrialists.

The steel and engineering industries have also seen a reduced rate of retrenchments this year.

Appeal for jobs for servicemen

18/12/86 NMM
335

Mercury Reporter

THIS month 3 000 national servicemen will return to Natal after completing their two-year call-ups and the South African Defence Force has appealed to commerce and industry to offer them employment.

Cmdt Pieter Breytenbach, SADF Natal Coordinator of Orientation Services, said the employment situation had deteriorated.

'For the past three demobilisations I have made this appeal and it has been very successful.

'I cannot quote figures, but when I look at the economic situation I can only believe that it will be harder for returning national servicemen to find jobs this

year,' he said.

The Department of Manpower is assisting with the scheme and companies can contact Mrs N Hewetson at (031) 3011011, ext 158, and inform her of their requirements.

In other parts of Natal they can contact the town clerk of the local authority.

'Any serviceman who has difficulty regarding reorientation into civilian life can contact me at 847882,' Cmdt Breytenbach said.

He also appealed to motorists travelling to and from Durban during the Christmas period to give national servicemen lifts.

'People wanting to offer lifts can telephone Mrs Shirley Jones of Call and Ride at 525446.'

Kodak plans retrenchment deal

WASHINGTON — Eastman Kodak, the giant American company that is to quit South Africa next year, plans to offer its South African staff a severance deal that will amount to about a year's pay for some and more for others.

Speaking from Kodak's headquarters in Rochester, New York, Mr Ian Guthrie, director of employee information, explained that approximately one year's pay would go to employees who had been with the company for nine years — the average employee service time for the company's South African operation.

This would be the base from which other severance deals would be calculated.

Employees who had worked for more than nine years would get more

than a year's pay and those with shorter service would get less.

"I believe our employees have been informed of this," Mr Guthrie said in response to a claim that Kodak's South African staff were waiting to hear how they would be retrenched.

"I cannot say at what exact date our operations will end in South Africa. It all depends on how we wind down the business and when we sell off the assets whether they be products or buildings," Mr Guthrie said.

"All shipments of our products will end by April 30. And, as far as Kodak is concerned, we are going to be absolutely done by the end of June. By that date, anything remaining in the way of assets will be turned over to a liquidator," he added.

'Far-reaching' housing, social implications

CMT Trip 16/12/86

70% city dwellers black in year 2000

238 123 723 338

By AUDREY D'ANGELO
Deputy Financial Editor

IN 14 years' time, 70% of city dwellers in SA will be black, according to Sanlam's December economic survey. There are expected to be 20,7m urban blacks by the year 2000 compared with 8,5m in 1980.

This rate of growth — about 600 000 a year — will have "far-reaching implications" for the provision of housing, education and jobs.

There will also be growing demands on public services. This will "further underscore the need for privatization".

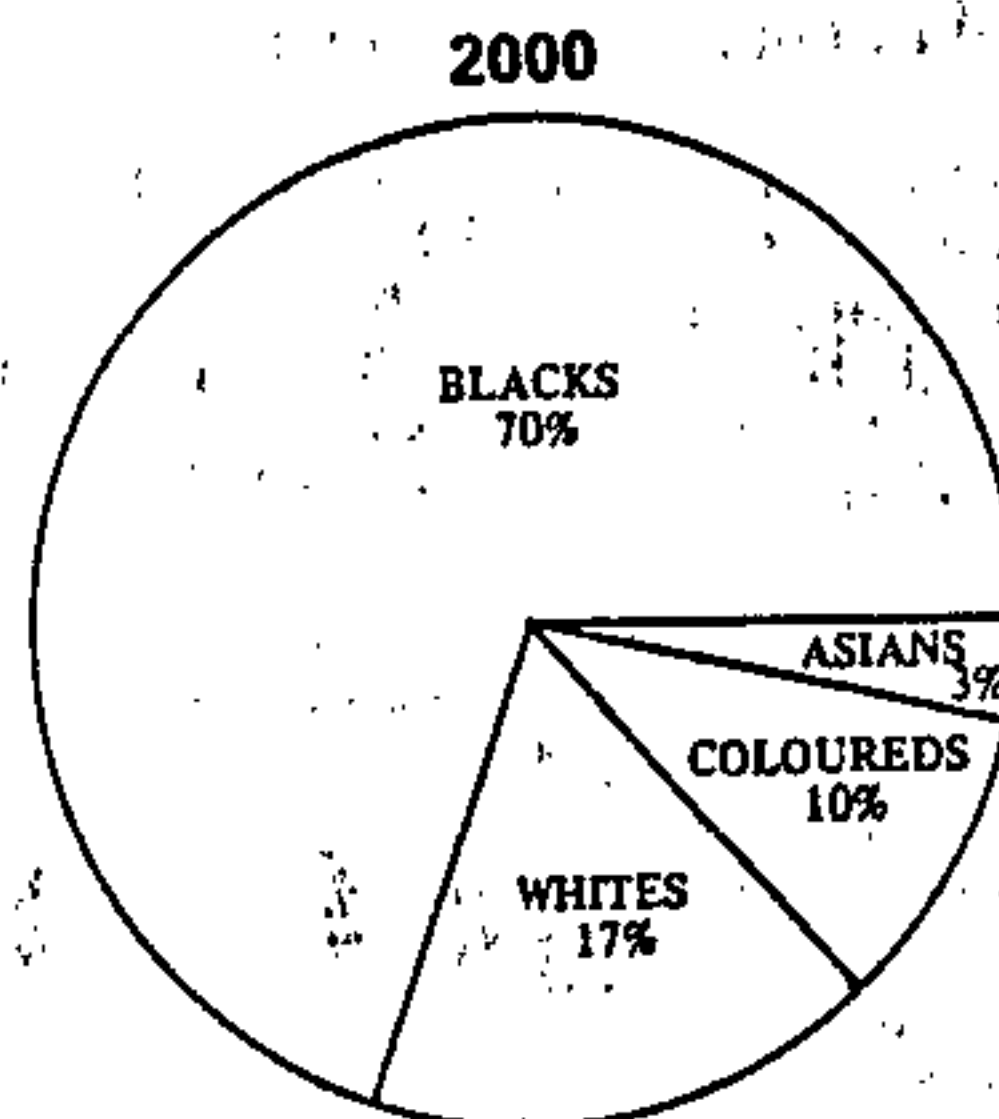
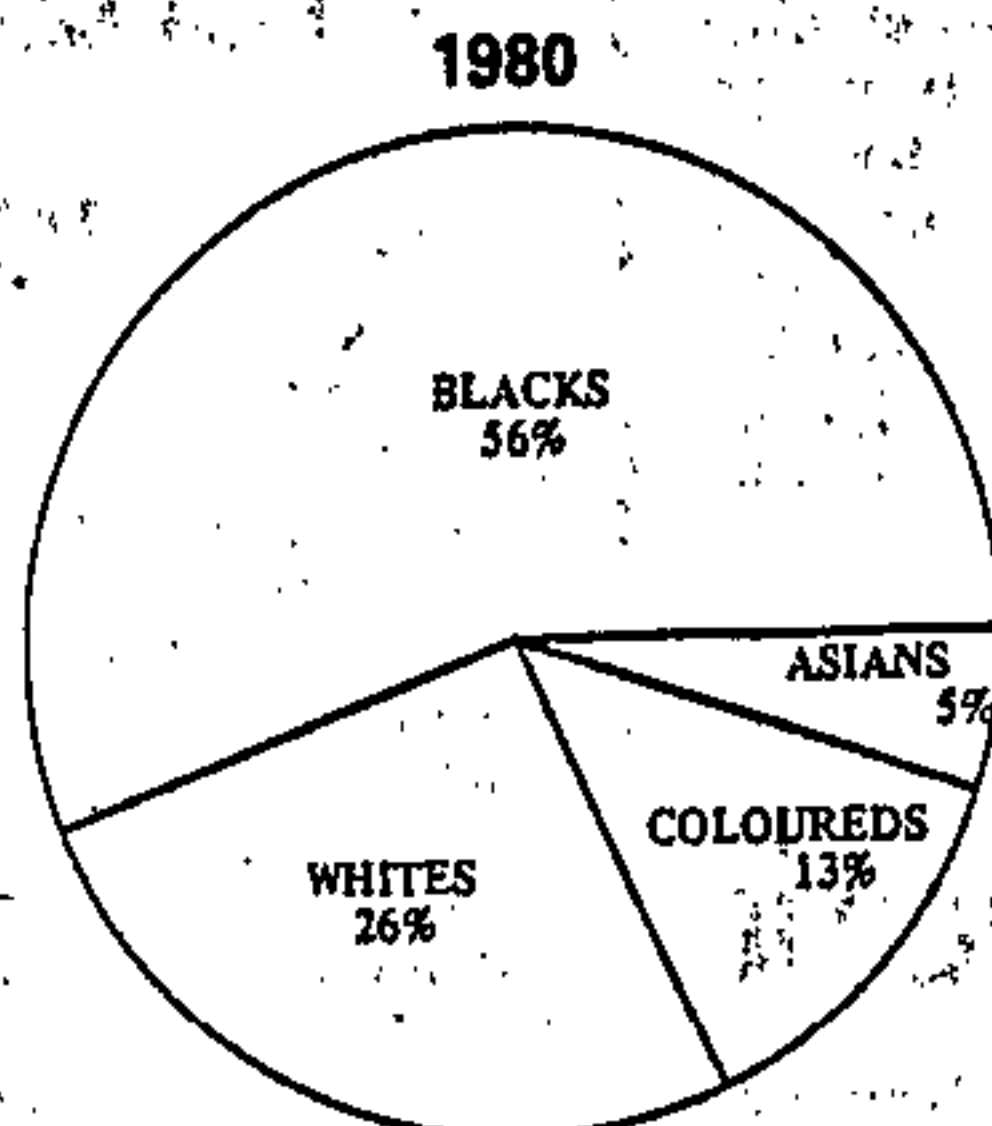
And an average of 144 000 houses a year will have to be built for black families. To achieve this, unconventional building methods will have to be used to a growing extent.

The survey points out that the accompanying redistribution of income could have a detrimental effect on the country's savings effort.

But, it says, "if this process were to be accompanied by a drop in the cost of labour in relation to that of capital, which should encourage the use of labour-intensive production techniques, it need not necessarily place upward pressure on interest rates."

It points out that a growing black urban population will mean more demand for basic, less sophisticated, goods and services which will boost local manufacturing industries including food, clothing, textiles, furniture and drinks.

**SOUTH AFRICA'S
URBAN POPULATION:
Percentage composition**



Source: Institute for Futures Research, Stellenbosch

"We firmly believe that inward industrialization, which is closely linked to the process of urbanization, will in future have an extremely important bearing on employment.

"This matter will be highlighted to an increasing extent, since the growing movement of the population to the urban areas will make unemployment even more noticeable.

"However, it is abundantly clear that a multitude of laws, regulations and ordinances are seriously hampering the informal sector and the establishment and development of small business undertakings.

"We therefore regard it as vital that regulations and practices having an unnecessarily restrictive effect on black entrepreneurship, in particular, be scrapped as quickly as possible."

Discussing the economy in the short term, the survey forecasts a mildly stimulatory budget.

Pointing out that real salaries and wages have been dropping for the past two years, it says that tax cuts and lower short-term interest rates are "necessary to stop economic growth from coming to a halt".

Sanlam says that merely granting generous salary increases, without a corresponding increase in productivity, would not solve the problem but would push up the inflation rate.

"We consequently expect the next budget to be fairly stimulating, with markedly higher expenditure on projects related to the social structure."

Jobs outlook bleak, best bet is in private sector

Labour Reporter

16/12/86 335
EMPLOYMENT prospects for new entrants to the job market are bleak, but not as grim as last year.

Work seekers are advised that job satisfaction may be hard to find, to be pragmatic and stick to the basics.

In the civil service and para-governmental sectors the outlook is tough, but brighter in the private sector.

Mr Mervyn Wetmore, careers advisor at University of Cape Town, said prospects for students with a good degree and extra-curricular skills were "reasonable".

"Our students certainly are finding the need to be better prepared because of the recession, especially with their job applications and curriculum vitae," he said.

Graduate placement had

been attended by almost the same number of companies as last year and things seemed slightly better, he said.

Prospects were best in engineering, computing and accounting.

Mr Colin McCarthy, director of the Cape Chamber of Industries, said there were slightly better opportunities this year for people looking for positions in industry than last year.

The furniture and clothing industries seemed the best prospects.

A spokesman for South African Transport Services said there were virtually no vacancies. "Things look very grim."

Employers said a good matric result was essential for most positions and advised job seekers to equip themselves with scarce skills such as word processing, shorthand and typing.

DET's dodging the crisis, says NECC

QUESTIONING the legitimacy of the National Education Crisis Committee is not going to resolve the problems in the schools, the NECC told the Department of Education and Training this week.

But, the NECC added, that action may please some of the "sectional interests" represented by Sam de Beer, Deputy Minister of Education and Development Aid.

NECC chairman Vusi Khanyile was responding to a charge contained in a recent telex from De Beer to newspaper offices that the NECC lacked legitimacy.

In his telex to De Beer, Khanyile said the NECC was not, at this stage,

By SEFAKO NYAKA

questioning whether or not De Beer had the moral authority to run the education department.

"At this point in time we are prepared to disregard the fact that you represent a government that we had no part in electing; that we are not part of the policy-making bodies of the state, that your ministry is exclusively made up of white people who have given themselves the responsibility for black education.

"This should not be seen to be political blindness on our part, but is a reflection of our deep desire to get the education of our children on the right

road."

The NECC, Khanyile said, has on several occasions pointed out to De Beer that the DET on its own does not have the capacity to get the schools back to normal, and shunning community representatives on the issue is in nobody's interest.

"To argue whether or not the NECC is a legally recognisable body is an irrelevant diversion that will not benefit anyone.

"What is significant is that parents, teachers and students have formed the NECC and have given their support to it."

Khanyile charged that the NECC had been the victim of "malicious

campaigns" on radio and television and pamphlets dropped from helicopters.

Homes of some leading members of the NECC have been attacked and in some cases members have been seriously injured. In one instance member of the family died during such attack.

While the NECC and the DET were involved in discussions, he said "certain organs of your government continue the detention and harassment of our members".

According to the Chief Liaison Officer of the DET, Job Schoeman the minister has received the telex but had not yet responded.

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Teachers' body to seek legal counsel on sackings

Mercury Reporter

THE Teachers' Association of South Africa (Tasa), which represents more than 6 000 Indian teachers, is seeking legal opinion on whether to contest the retrenchment of 291 teachers by the House of Delegates.

Tasa president Mr Pat Samuels said that among those sacked this week were some with 25 years' service.

The Department of Education and Culture in the House of Delegates maintains that only those on the temporary staff and unqualified teachers have been sacked.

'How can they account for the dismissal

of those with 25 years' service? It's absurd to argue that they have been on temporary staff. We believe there is a strong case to contest the retrenchments in the Industrial Court,' he said.

At a Natal School Grantees' Association's management committee meeting the dismissals came under heavy fire amid a call for integrated education.

Dr A D Lazaras, patron of the association, said: 'The present crisis in Indian education arises from racial fragmentation. An integrated education system under one ministry is a top priority.'

Employment situation improving says govt

Dispatch Correspondent

JOHANNESBURG — The government and industry believe the worst of the unemployment problem may be over.

Although more people lost their jobs during 1986, officials say the trend is slowing and the picture should soon show signs of improvement.

Nobody is certain, however, of the true level of unemployment in South Africa.

The number of registered unemployed at the end of October was 127 700, an increase of 200 on January. However, that figure includes only those who have registered and does not include people from Transkei, Ciskei, Venda, Bophuthatswana and the self-governing national states.

Independent studies estimate that, excluding these regions, the number of unemployed people in South Africa is about 700 000. Including them, the figure soars to between two and three million.

The director-general of Manpower, Mr Piet van der Merwe, said: "Unofficial estimates vary wildly. The University of South Africa estimates the total figure is about two million. If we include all the various states that is probably about correct."

Forty-four million rands have been paid out in unemployment benefits so far this year — at a rate of R1 500 000 each working day.

With an expected economic growth rate of only one per cent in 1987, Mr Van der Merwe admitted the prospects of a pick-up in the formal jobs market are not bright.

"Growth won't be in industry but in the informal sector. With the move towards urbanisation, there will be jobs in the informal sector in construction and related industries. It will be self-help to a large extent. Many people are already doing this."

However, he said the "indications are that unemployment growth in industry is slowing down" — a view shared by some industrialists.

The steel and engineering industries, which have shed tens of thousands of jobs since 1981, have seen a reduced rate of retrenchments this year.

An estimated 4 000 jobs have been lost in the industries in 1986, bringing the work force down to about 347 000.

An estimated 14 000 jobs have been lost in the motor and allied industries this year — again a slowdown on previous losses. Motor manufacturers laid off another 4 000 while component manufacturers and the retail/distributive trades each laid off about 5 000.

The director of the National Association of Automobile Manufacturers, Mr Nico Vermeulen, said: "There is most definitely a slow-down in all areas. Among manufacturers I would expect employment to actually start rising from the first quarter of 1987."

The Federated Chambers of Industry also saw a slight improvement.

"Employment in the manufacturing sector in January 1985 was 1 347 000. This figure declined to 1 317 000 in January 1986 and declined further in June to 1 316 200," said a spokesman.

"Since then we have seen a steady improvement and the latest available figure for September was 1 319 000."

"While we are still below the levels of 1985, we are already better than the trough that was reached in June 1986."

The SA Federation of Civil Engineering Contractors said the sector has been enjoying a slight upturn but it was too early to say if the worst was past.

"From August 1985 to August 1986 we have seen a retrenchment rate of 10 per cent. In 1985 we had 93 000 people employed and the current level of about 83 000 bears this out," said a spokesman.

In 1976 the sector employed 135 000 people.

"Unemployment is also flowing from the great protagonists of the disinvestment lobby. I believe unemployment created by disinvestment is a lot greater than is realised," said a Johannesburg Chamber of Commerce labour spokesman.

However, one sector to show definite increases is mining. The Chamber of Mines said there had been increased employment on the gold and coal mines of its members. In 1985 these mines employed 532 561 but figures for this year are not yet available.

On asbestos mines and on mines switching to mechanisation there had been limited retrenchments but these have not appeared to dent overall employment figures.

CNE Times 15/12/86

Job loss trend slowing down

335

Own Correspondent

JOHANNESBURG. — Government and industry believe the worst of the unemployment problem may be over.

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'Bleak' job scene is bleak

for 1987

3/1/78
235

By KIN BENTLEY

JOB opportunities for the coming year are scarce because of generally depressed economic conditions, a situation aggravated by the availability of fewer public sector jobs.

A survey of some of the major employer bodies in Port Elizabeth revealed that the largest employer, the PE Municipality, has no vacancies.

Neither has the Cape Midlands region of SATS, the largest single employer in the Eastern Cape.

And the Post Office is engaging less than half the number of new trainees for 1987 than it did two years ago.

A spokesman for the municipality's personnel

department said today that employment prospects for school-leavers were "bleak". In better years, 20 to 30 matrics were taken on annually, but this year none would be recruited.

The municipality, which employs about 6 000 people, had been inundated with inquiries, he said, "but vacancies will only be filled as they arise".

SATS regional manager for the Cape Midlands, Mr George Engelbrecht, said "a few vacancies in key categories could arise during next year, but no need for the recruitment of staff exists at the moment".

With SATS having embarked on a rationalisation programme, he

said, the number of employees in the region had shrunk from 16 800 in 1982 to 12 100 this year.

Nationally, he said, SATS had reduced its workforce from 270 000 in May, 1982, to 206 000 in December this year — the lowest number for 34 years.

This had been done "without SATS retrenching any of its personnel, while productivity per worker increased by 4.5% during the last year".

According to figures released by Mr Renier Strydom, Post Office public relations officer in the Eastern Cape, the number of trainees for the region dropped from 248 in 1984 to 230 last year, then to 136 this year.

Of the 112 people to be trained next year, he said, 62 male matriculants would undergo technical training and 50 matriculants (40 male and 10 female) clerical training.

In 1984 there were 110 technical trainees and 138 clerical trainees; in 1985, 126 technical and 104 clerical trainees, and this year 86 technical and 50 clerical trainees.

From a high of 76 in 1984, female clerical recruits dipped in numbers to 60 last year. Last year there were none last year, but this year there were 10.

More applications had been received than could be accommodated, said Mr Strydom.

335 12/12/86

Cape Times, Friday, Decer

STELLENBOSCH. — Unemployment had made a considerable contribution to the internal unrest which the country is experiencing, State President P W Botha said yesterday.

Speaking at a graduation ceremony at the University of Stellenbosch, he said historically South Africa had an unequal distribution of wealth, and to correct this balance it was necessary to allow the lower income groups to improve themselves by economic development.

But it would be economic suicide to adopt a socialist approach as this would stifle initiative and productivity to the detriment of all, he added. The upliftment of less privileged people would have to be financed from the proceeds of economic growth.

"We have pressing problems which can be countered only by financial growth. One of these is high population growth which has reached a rate of about 2,7 percent a year. This causes considerably greater problems when it is linked to high unemployment, as further jobs have to be created to accommodate the rise in population."

Mr Botha said that according to experts, it would be reasonable to expect an economic growth rate of three percent for South Africa's economic potential for the next few years. To reach this rate would require an increase in productivity, specially in the wake of sanctions and disinvestment campaigns.

"Higher productivity will not only have a wholesome effect on economic growth, but the reduction in production costs per unit will help to reduce inflation," he said. — Sapa

Botha: Financial growth cure for unrest

T.N. 12/12/86

Can free enterprise survive?

The chances of free enterprise surviving sanctions intact (let alone the post-sanctions socialistic black government many people fear is inevitable) must be extremely low. While the private sector will continue to play an important role, particularly in sanctions-busting where government's intellectual and bureaucratic ponderousness renders it impotent, increasing bureaucratic control will be difficult to ward off.

One of the most important factors in Rhodesia's 15-year survival under sanctions was that it had a nimble, intelligent and adroit civil service which allied itself with an equally dextrous private sector. That example will no doubt be used as a model here. Unfortunately, our civil service may be an obstacle rather than an aid.

"With the structural dislocation of manufacturing industries, the State will have to assist," says Bryan Bench, research officer at the SA Institute of International Affairs.

"To me it is self-evident that the State's operations will have to expand. Priming the pump cannot lead to a massive blooming of capitalism. Employer organisations will have to monitor their interests a lot more closely.

"The enthusiasm that followed Pik Botha's statement in Witbank inviting the world to 'hit us with sanctions and we will show them what we can do' was ill-advised."

Bench points out that the private sector already depends fairly heavily on government contracts. The military-industrial complex is completely under government control. "This could expand into the service sector, the computer industry and others," he says.

The prospect of improved economic growth in the next two to three years, however, will provide a respite for the free market system. "The arguments to try to save the market economy will probably prevail through to about 1989," says JCI economist Dr Ronnie Bethlehem. "In the initial phase, SA will probably benefit from sanctions. It is when deterioration begins that the pressure on the market economy will become intense."

Econometrix's Tony Twine believes that the concept of inward industrialisation being touted with enthusiasm as a solution to SA's problems will involve increased government intervention. "Unfortunately, government is not capable of optimally introducing resources into the system, so we will end up with the wrong things being produced in the wrong quantities at the wrong price, and shortages and distortions will develop. Everybody will be building dams when actually we need canned peaches."

Increasing centralised control does not, of course, automatically lead to the total withering-away of the private sector. "It is possible to have an economy which is both protected and directed, and yet have free

The final part of this FM survey on sanctions considers some of the broader social and strategic issues likely to be thrown up in the medium to long term.

enterprise survive," says Nedbank's Edward Osborn. "Government should aim for this.

"It does not have the knowhow and competence to take over every aspect of the economy. This is evident in the way government is approaching the private sector, particularly since 1980.

"A siege economy would be as free as now in some respects. However, government will be drawn into a greater involvement and interference with industry, if only to protect the BoP through imports. In extreme conditions government may have to impose strict import controls."

Fears are widespread in the business community. "Free enterprise is now more threatened than ever," says consultant Mike Perry. "Already the government has started exercising more control. Mines, for instance, are being told who they may or may not employ.

"When the sanctions screw is tightened and really starts to affect our ability to import, government will start allocating foreign exchange to business and dictating what it may be spent on.

"From that time on, bureaucracy rules. We will have civil servants dictating what sort of technology inputs we can bring in. We will see a lowering of standards in business, which will lead to increased inflation."

Free Market Foundation executive director Leon Louw argues that the correct approach would be precisely the opposite. "Government could neutralise sanctions just by reducing its foreign trade restrictions," he says. "If sanctions impose an additional 10% transaction cost on foreign trade, government could easily bring about an equiv-



Institute's Bench ... enthusiasm was ill-advised

alent reduction in trade barriers.

"Government should release the creative energies of the free market, which is likely to be much more imaginative in overcoming sanctions than the bureaucracy. Unfortunately, the knee-jerk reaction of government will be to try to control things. This would be insane, like shooting yourself in the foot."

It is little consolation that, as PFP leader Colin Eglin observes, free enterprise is a limited concept in SA in any case. Clearly, says Eglin, sanctions will weaken the private sector, make it less independent and increase the State's role in planning and regulating economic activities.

The question is, how far will the process go?

"My real fear is of ending up in a totally controlled Communist-type economy," says Econometrix chief economist Azar Jammine. "In the past decade, industrial and financial concentration has increased dramatically. The economy is far less versatile, and we don't have the spirit of entrepreneurship we once had.

"The private sector is a sitting duck for nationalisation — and this will be very tempting to a future black government."

Job losses

Sanctions, it is widely said, will hurt the very people they aim to help — the blacks. This is borne out by projections by Johannesburg Consolidated Investment's group economics consultant, Dr Ronnie Bethlehem, who postulates that 2m jobs will be lost by the year 2000 as a result of sanctions. By then, he reckons, only 8m people will be in employment — barely more than the 7.7m now — whereas without sanctions the figure could be 10m.

"By far the greatest proportion of jobs lost would be in the unskilled category," says Bethlehem, "for, under sanctions, the total number of skilled jobs would actually increase as sanctions necessitate more capital-intensive production to maintain competitiveness and profitability in export markets."

In the short term, employment could rise under the impetus of import-replacement activity, and could even return to the long-run trend line. "However, after 1988-1989, as sanctions escalate, the benefits of this adjustment would most likely exhaust themselves. The business sector, to sustain profitability and competitiveness, would have to be ruthless in retrenching surplus labour."

At least part of the cost of sanctions could be displaced to other countries in the region by, for example, repatriating migrant workers. Even so, it will not be possible to avoid increasing unemployment within SA.

of reform."

Eglin concedes that these negatives may be offset to a degree by increased attention to import substitution and labour-intensive manufacturing, but in the medium term, as the economic situation deteriorates, socio-economic conditions for blacks will deteriorate, especially in urban areas.

In the long term, Eglin sees continued gradual deterioration of the infrastructure which will make it even harder to shake off the "legacy of apartheid." Vast reconstruction would be required, he argues, "and you will not be able to achieve that in a situation of economic repression."

In Eglin's view, two things have to be done: "To the extent that sanctions will have a negative impact on the reform process, one has to try to counter it. Sanctions are a direct consequence of the internal situation, and South Africans should not change moral course. The things that need to be done internally will also lead to reasonable relations with our Western partners."

"Secondly, if sanctions cause unemployment, one must replace those jobs in another way. The negative socio-economic impact must be minimised."

Eglin, however, has little hope that government is at all susceptible to his pleas. "Government seems not to know what to do, it is battenning down the hatches and trying to ride out the storm."

Eglin detects since early May a perceptible hardening of attitude in government towards fundamental restructuring of the political equation. This flowed from evidence of a white backlash, the breakdown of law and order in the black townships and misinterpretation of President P W Botha's statements on power sharing.

"His own reform process and the words he used — such as power sharing — raised expectations to a level he realised he had no intention of fulfilling," says Eglin.

Boycott phases

Despite three or four decades of piecemeal sanctions of various kinds, SA has reached a clear watershed in its boycott history. It is only now, in the view of most observers, embarking on an era similar to the 15 years of Rhodesia's UDI.

An analysis by Johannesburg business strategy consultant Mike Perry identifies three phases in the sanctions life-cycle.

Phase 1, which he calls "The gathering storm," has begun. This is characterised by both severe threats and profitable opportunities. The initial shock of sanctions is felt during this phase, which will last, Perry estimates, 12-18 months.

The economy suffers a sharp once-off "terms of trade effect" as exporters have to pay middlemen and develop new markets, often on a price-penetration basis. Busi-

nesses invest in disguising and re-labelling products and using secret distribution channels either to retain existing markets or develop alternatives. This, of course, costs money — the "sanctions discount" which in Rhodesia was put at 10%-15%.

The shock, however, may be somewhat less severe than that experienced by Rhodesia during the same phase because of the greater diversity of the economy.

Import control is introduced, with an adverse effect on economic efficiency, and import substitution sparks a boom in local manufacturing.

Phase 2 is a period of rapid expansion, but it is, says Perry, a "misleading boom." The effectiveness of sanctions in the early part of



Consultant Perry ... phases in the sanctions lifestyle

this phase declines, and export market and product diversification starts to pay dividends — but export profitability remains low because of the sanctions discount.

Import substitution, on the other hand, begins to pay off in terms of economic output and employment creation. In Rhodesia, this phase lasted six years; Perry believes it could be about the same here.

While this scenario is highly speculative, two political developments (elections in Britain and the US) during the next two years inject confidence into the projections. President Reagan's departure will almost certainly bring an end to any cushioning of sanctions policies in the US. And in the UK, if the Conservatives lose the next election, a tougher stance is certain. In any case, pressure for more sanctions is bound to continue both in the Commonwealth and in the EEC.

Towards the end of Phase 2, the impetus from import substitution begins to fail as projects become increasingly capital-intensive, foreign currency-intensive and hi-tech intensive.

Phase 3 is one of permanent deterioration. The sanctions net is widened, the foreign currency constraint tightens, domestic economic expansion fails to keep pace with population growth, and unemployment grows. The security threat begins to soak up more and more government spending.

"In this phase, sanctions' effectiveness shifts from the impact on exports to the impact on investment levels, on job generation, on technology, on the brain drain and on the renewal and replacement of obsolete equipment," Perry says.

"Government must make changes to make SA acceptable to the outside world. If we get into Phase 3, we won't recover."

As evidence for this, Perry points to Zimbabwe which, he says, is performing as though sanctions were still in force. "Businessmen are not much better off than during the sanctions era," he says.

His gloomy view is supported by Nedbank chief economist Edward Osborn. "In extremis, you create an uneconomic economy," he says. "After sanctions, it remains so for ever. There is no question of opening up the Zimbabwe economy to foreign competition. The whole panoply of protection Ian Smith put in place 20 years ago is still there."

Perry's analysis ties in neatly with the "sanctions threshold theory" of the SA Institute for International Affairs. This describes the thresholds for each progressive tightening of sanctions.

"In terms of this theory, there are three conditions for comprehensive sanctions," says research officer Bryan Bench. "Continued occupation of Namibia; continued destabilisation of neighbouring states; and domestic unrest and repression."

"We have seen differing attitudes develop towards sanctions by particular groups in the West. The US has gone furthest down the road because apartheid and the southern Africa issue have become an intrinsic part of the civil rights question in the US and as such are now a domestic political issue."

This is not the case in Europe, however. There is no great population movement pressuring for sanctions in Whitehall, Bonn and other capitals. Indeed, the sanctions question in Europe is marked by deep divisions.

Both Britain and Germany have a high dependence on strategic minerals from SA. Britain, in addition, has strong ties of history, culture and kinship — not to mention the fear that an estimated 800 000 people in SA with a claim to British citizenship may be forced to return.

Though the generally accepted figure of 600 000 may be an over-estimate, Portugal's expatriate community in SA is undoubtedly large. The problem for Portugal is uniquely sensitive. Not only do these people repatriate large sums of money to their homeland, they have the vote in Portugal.

Progress on sanctions in Europe has also been affected by the extreme nature of the measures approved by Congress. Had they been milder, a number of other nations could have taken a lead from them.

Bench does not believe Japan will meekly follow the US lead. "They operate differently," he says. "The pressures and lobbying on the Japanese government are qualitatively different."

Care Time 11/12/86 (15) 335 (1409) (186)

Dairymaid job dispute unresolved

Labour Reporter

ATTEMPTS by Dairymaid workers to secure the jobs of about 150 ice-cream vendors hit a snag this week due to an unresolved dispute over the closure of four ice-cream vending depots.

The chairman of the shop stewards committee, Mr William Petersen, said

Dairymaid will not negotiate the closures or retrenchments.

The Food and Allied Workers's Union (Fawu) last month declared a dispute over wage increases, and by extension, the retrenchments.

Managing director Mr Barney Marais said talks with Fawu were continuing, but declined to comment.

2/12/86
C 174 P 162/135

Big jump in jobless

By SOL MORATHI

SINCE 1980 there has been a massive increase in unemployment and a decrease in income in the Vaal Triangle, according to a survey recently conducted by Prof Helgaard de Jager van Wyk of Unisa's Bureau for Market Research.

In 1985 the average income of black households in Sebokeng, Evaton and Sharpeville amounted to R7,401 per annum - 23% lower than Soweto despite an increase of 6,7% since 1980. Last year, when the survey was conducted only 66,5% of people were employed.

one picture and results
W/Arkus 6/2/86 (335)

Jobless plan

By DICK USHER, Labour Reporter

THE Mayor of Cape Town, Mr Leon Markovitz, has promised speedy and sympathetic attention to the problems of the unemployed.

Mr Markovitz had a meeting lasting nearly two hours with a delegation from the Manenberg Advice Office at which problems arising from the serious unemployment on the Cape Flats were discussed.

These included rent, water and electricity arrears and health problems due to malnutrition.

Mr Markovitz said it was his policy to be available to discuss problems with the community.

"The delegation will deliver a schedule of special problems together with names and other details and these urgent matters will receive attention within days," said Mr Markovitz.

Many people were without electricity and had high arrears. They wanted to know if they could be reconnected by making a "reasonable" payment and how much would be considered reasonable.

1986-3/12/86 (335) (188)

Vaal unemployment soars

PRETORIA. — Soaring unemployment accompanied by a decrease in income characterised the Vaal Triangle during 1985, statistics from the University of South Africa have shown.

The average income of black households in the townships of Sebokeng, Evaton and Sharpeville amounted to R7 401 last year. A recently released report compiled by Professor Helgaard de Jager van Wyk of Unisa's Bureau for Market Research shows that in spite of a real increase of 6,7 percent since

1980, this is still 23 percent lower than the Soweto figure.

The number of people in each household has also jumped to an average of 5,54 people from 4,95 in 1980. This increase resulted in the income for each person falling by 4,8 percent.

With the deterioration in the economic situation of individuals, there is increasing unemployment. Only 66,5 percent of the potential male workforce was employed last year — a decrease from the 1980 figure of 81,6 percent.

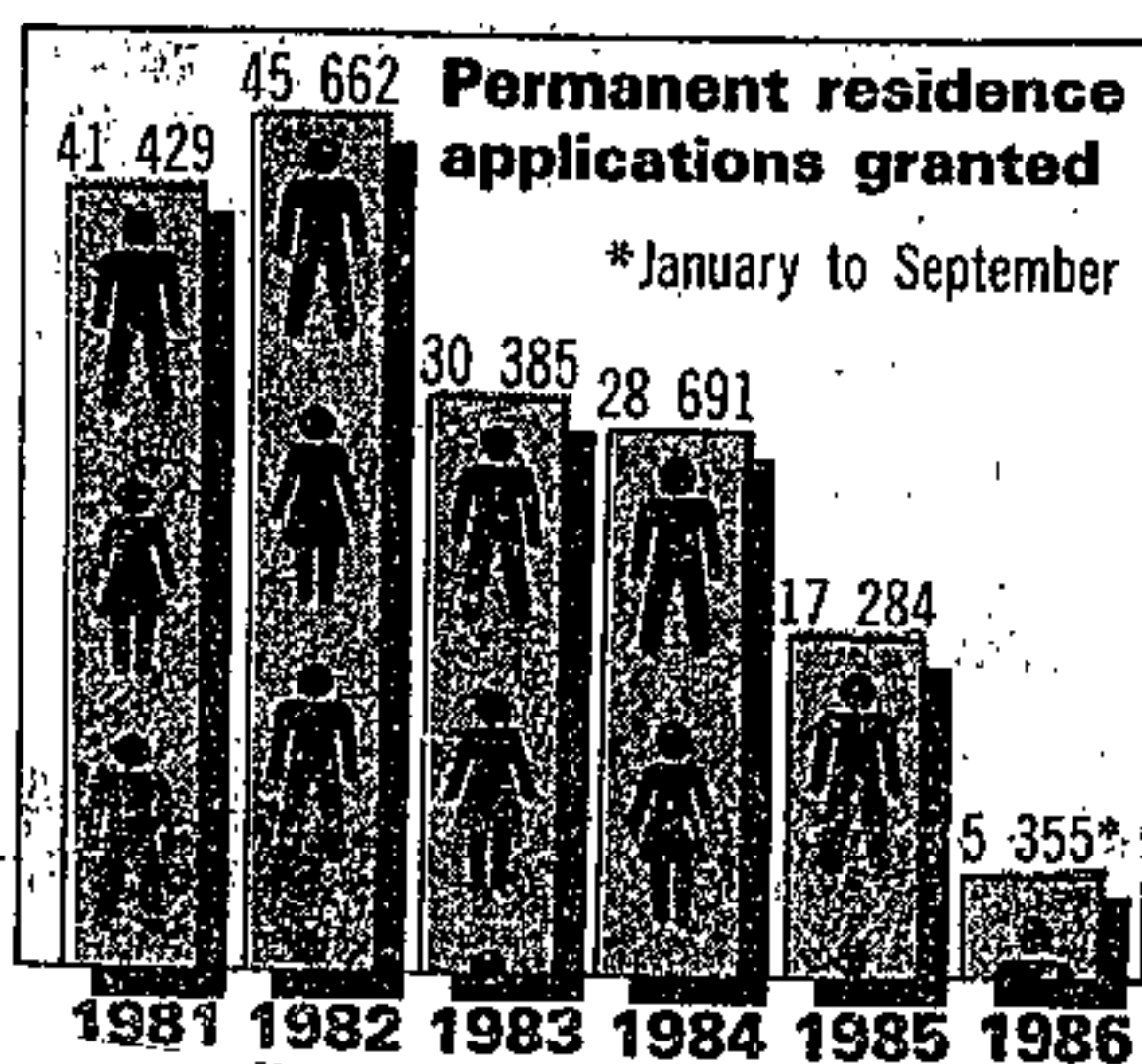
Fewer work papers for foreigners

SA protects its dwindling job market

FEWER foreigners have been granted permanent residence in SA in the past two years as government departments co-operate to protect SA's dwindling job market.

Home Affairs figures show the number of residence applications accepted from January to September this year was 5 355, against 14 276 for the same period last year.

The downturn in the economy that led SA to stop active recruiting campaigns



DIANNA GAMES

abroad about 18 months ago, coupled with increased training for the large local labour force, has also contributed to the dramatic drop.

Permanent residence applications granted in the past four years numbered 41 429 in 1981, 45 662 (1982), 30 385 (1983), 28 691 (1984) and 17 284 (1985). The department does not record the number of applications refused.

Home Affairs has had a good response from employers in the return of many of the 190 000 circulars asking for details of their foreign workers of all races. The circulars form part of the crackdown on illegals.

The department will begin next week to send out inspectors to work premises, depending on information in the circulars, to check the information against its own records.

Home Affairs Director-General Gerrie van Zyl said the state of the economy had resulted in department officials looking

● To Page 2

Foreign recruitment down

at all work-permit and residence applications in a much stricter light.

This had meant a far closer relationship between Home Affairs and the Department of Manpower to assess which categories of professional and skilled people were required.

The Manpower Department had a representative on the Immigration Selection Board.

Among the professions not currently in demand were those in the building industry, including certain kinds of engineers and architects, and sales and clerical staff. The situation is monitored monthly to determine supply and demand.

Van Zyl said SA stopped active re-

cruitment by extensive advertising — which led to thousands of applicants a month — about 18 months ago.

"We are now recruiting very much more selectively and, of course, this had led to a large drop-off in the numbers of people applying to our overseas offices."

He said this was inevitably reflected in immigration figures, which the media chose to stress negatively.

The Manpower Department was involved in training the "up-and-coming" labour force in skilled and semi-skilled jobs, many of which would normally be filled by recruiting foreigners, Van Zyl said.

◀ ● From Page 1.

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2266

THE Media Workers' Association of SA (Mwasa) has threatened to take the SA Broadcasting Corporation (SABC) to court over the re-trenchment of its members.

In a statement released yesterday, the union accused the corporation of unilaterally selecting workers to be retrenched while negotiations on this issue were still on.

Mwasa, SABC clash

By LEN MASEKO

More than 50 Mwasa members employed by SABC were issued with letters this week informing them of their re-trenchment, effective from December 31, according to the union.

Mwasa's regional chairman Mr Sam Mabe has accused the corpora-

tion of unfair labour practice and of showing "contempt for Mwasa's role in protecting the interests of its members".

The clash between Mwasa and SABC started in September when the corporation informed the union of the re-trenchments only two

days after management had allegedly selected workers to be re-trenched. Letters informing union members of their re-trenchment were withdrawn after Mwasa's intervention, Mr Mabe said.

"We thereafter held meetings with a view to exploring a number of cost-cutting measures because of the reported R60-million losses SABC incurred in the running of TV1 and TV2," the Mwasa official said.

"We proposed sending our auditors to look at their books and, to our surprise, our members told us that the let-

ters that had been withdrawn had been reissued this week," Mr Mabe said.

SABC labour advisor Mr I Tait could not be reached for comment yesterday.

About 500 J G Strijdom Hospital workers, who have been on strike since early November, have called their strike off and returned to work yesterday.

A spokesman for the SA Black Municipal and Allied Workers' Union (SABMU) said these workers resolved to resume work pending a possible out-of-court settlement between their lawyers and those representing the Johannesburg hospital.

By yesterday lawyers representing the two parties were still locked in talks, according to the spokesman.

The latest developments unfolded on Tuesday, the same day the 500 hospital workers were to oppose an order barring them from entering the hospital premises without permission from management.

Meanwhile a Rand Supreme Court case involving 100 Sabmawu members — all members of the Kagiso Town Council police force — has been postponed to February 14.

The case is a sequel to a court interdict which allowed the 100 policemen, evicted by the council after a wage strike, to return to the council-owned barracks.

The Kagiso council is expected to oppose the interim order.

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BACK-

776ms 3/12/86

Labour dispute at feed plant settled

Labour Reporter

BOSSIE Clarke Feeds and 17 members of the Food and Allied Workers' Union reached settlement in the Industrial Court in a case in which the workers were claiming unfair dismissal and reinstatement.

Presiding officer Mr Pierre Roux ordered that, as agreed by both parties, the terms of the settlement be confidential.

The action arose from an incident in October at the plant in Klipheuwel. Workers were told they had all been retrenched and

should not return to work the next day.

Alleging that this was unfair because no grounds had been given for their dismissal and accepted procedures had not been followed, they sought temporary reinstatement by the Industrial Court pending a final settlement.

After negotiation between the parties yesterday, a settlement was reached which was made an order of the court.

Mr J Sandler of Bernard, Vucic and Potash appeared for the ap-

plicants. Mr W J Pretorius instructed by Smit, Nel, Kruger and Potgieter appeared for Bossie Clarke Feeds.

● Workers at scores of Western Cape factories organised by unions affiliated to the Congress of South African Trade Unions held work stoppages on Monday.

The action was in response to a call from the Metal and Allied Workers Union — a Cosatu affiliate — for stoppages over the death of one of their members in police action at a union rally in Durban last month.

GM cuts salaried staff 'at all levels'

About 100 salaried staff at General Motors in Port Elizabeth have been retrenched in an effort to ensure viability for the new South African owners.

Mr. George Stegmann, director of personnel and public affairs, said staff reductions were made at all levels, from senior executives to administrative clerical staff.

"We do not contemplate any further reductions," he said.

There were no plans to cut hourly paid staff.

The latest retrenchments were necessary to enable the new company to enter 1987 with a more streamlined and rationalised operation. Some were related to the cutting of ties with the US which in the New Year would make certain functions unnecessary.

Mr Stegman said the plant had increased its working day by an hour to catch up with production lost during the three-week strike in November. Production was up to 95 units a day before the extended working hours and was now approaching the normal level of about 130 units.

Mr Stegmann said GM hoped to announce the new name of the company before the Christmas shutdown on December 19.

Argus 2/12/86 (33) (002)

General Motors retrenches 100 in bid to streamline company

The Argus Correspondent

JOHANNESBURG. — About 100 salaried staff at General Motors, Port Elizabeth, have been retrenched.

Mr George Stegmann, director of personnel and public affairs, said staff reductions were made at all levels, from senior executives to administrative clerical staff.

He said: "We do not contemplate any further reductions."

The retrenchments had trimmed salaried personnel to the minimum level needed to run the business effectively. There were no plans to adjust the company's complement of hourly paid staff.

The latest retrenchments were necessary to enable the new company to

enter 1987 with a more streamlined operation. Some of the retrenchments were related to the cutting of ties with the US which, in the new year, would make certain functions unnecessary.

LOST PRODUCTION

Mr Stegmann said the plant had increased its working day by an hour to catch up with production lost during the three-week strike in November. Production was up to 95 units a day before working hours were extended and was now approaching the normal level of about 130 units.

Mr Stegmann said GM hoped to announce the new name of the company before the Christmas shutdown on December 19.

Group aims to aid the unemployed

Sowetan
11/2/86
335

LOSING a job is a traumatic experience that more and more South Africans confront every day.

This was said by top musician and actor, Mr Victor Phume, when he launched the Christian Business Employment Aid whose aim is, inter alia, to help blacks obtain and create jobs for themselves.

Mr Phume, who is the director of the organisation, said in a recession unemployment affected blacks extensively.

The organisation is non-profit making and its exclusive aim is to address itself to the problem of unemployment. It is non-political, non-denominational and ex-

ists for blacks regardless of their sex and creed.

The organisation's objectives are to:

- Motivate blacks to start more business in townships.
- Help them to obtain trading licenses and to trade legally and professionally.
- Create jobs for blacks who are unemployed.
- Teach black business concepts and how to run their businesses.

The organisation has opened an office in Johannesburg. Its numbers are 834-8632 or 834-8690.

• Meanwhile Professor Jeremy Keenan of the Department of Social Anthropology at Wits University and Mr



Mr VICTOR Phume.

Michael Sarakinsky, a post graduate student, have estimated that between four and six million blacks were unemployed in the country.

In "Memorandum on Unemployment" they say half the country's economically active blacks could be unemployed. They also say income levels have declined and poverty has increased dramatically since 1976 in black households.

100 retrenched at GM today

Post Reporter

THE administrative and financial departments have been the hardest hit in today's retrenchments at General Motors.

But cuts have involved all departments of salaried staff within the company, according to Mr George Stegmann, director of personnel and public affairs.

By midday figures were not yet available for

the number of retrenchments that had been made, but the number would not be far off the 100 mark indicated by management last week, Mr Stegmann said.

The majority of cuts were made in the areas of administration and finance because the company would no longer require employees to maintain ties with America.

The retrenchments

spanned the entire salaried staff structure. In some cases senior executives have been axed.

Retrenchments will be effective from December and January.

No hourly workers will be axed.

Cuts had been made to streamline the organisation to a level where it was compatible with production, Mr Stegmann said. No further retrenchments were envisaged.

(335)

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Four in 10 blacks 'would sacrifice jobs to fight apartheid'

More than four in every 10 black adults aware of international sanctions told the researchers they were willing to pay the sacrifice of losing their jobs as the price of the cause against apartheid. The figure was 43 percent.

The poll was run before the announcement of the Kodak withdrawal and the sale of South African assets by General Motors, IBM, Bata and Barclays Bank.

The level of awareness of the possibility of job losses as a result of sanctions was above 80 percent in all categories — highest among blacks between 18-24, especially females.

When asked if they were willing to lose their jobs in the struggle to end apartheid, 43 percent said they were, 21 percent said they were with reluctance and 14 percent said they would be resentful.

The remainder said they were not involved in the option or else "didn't know".

Willingness to sacrifice jobs was highest at 47 percent among the younger generation and fell

Research Surveys has completed a nationwide Omnichek poll into black attitudes towards key issues, from sanctions and job threats to the degree of support for Mr Nelson Mandela if he were released from prison. MICHAEL CHESTER examines the findings.

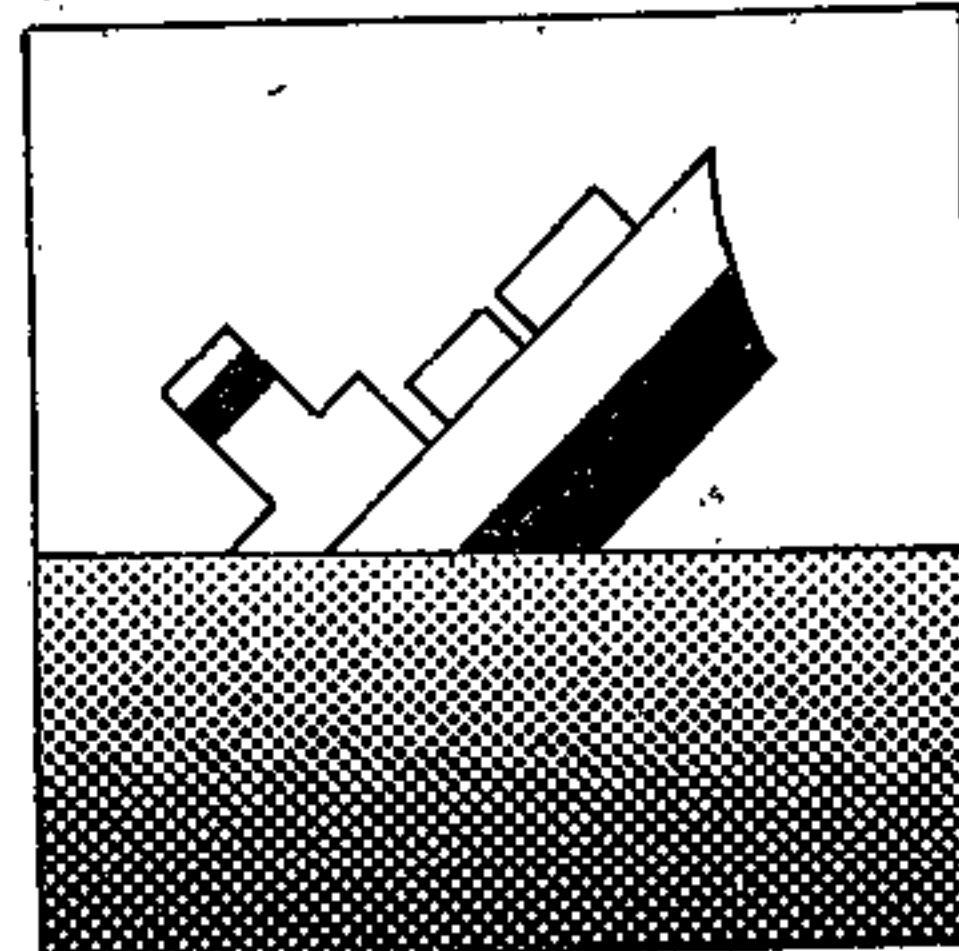
to 32 percent among the men aged 50 or older.

Four out of every 10 urban males said they agreed with the African National Congress, Archbishop Desmond Tutu and the Rev Allan Boesak in calling for sanctions.

The most vociferous in their agreement were respondents in the 25-34 age group (45 percent of them). They were joined by only 29 percent of older blacks.

In all, only 16 percent disagreed with sanctions calls.

Mr Henry Barenblatt, joint managing director of the re-



search survey unit said: "Most people are aware of the consequences of sanctions. Political support for these measures is by no means uniform, despite a strong viewpoint about the rightness of calling for sanctions."

"And if there is mass unemployment, the financial strain on extended families to support the jobless would be considerable. Indeed, such support may not even be forthcoming simply because the resources would not be there."

Retrenchment policy in SA in 'Iron Age'

JOHANNESBURG. — South African companies are still in the Iron Age in terms of retrenchment policy, according to a survey conducted by Potchefstroom University.

In a report on the survey, Ms Elsa Kruger, of the National Manpower Commission, said that while 65% of the companies surveyed had retrenched staff, and 58% were party to industrial council agreements, only about 15% (7% of the total) said their agreements provided for retrenchment procedures.

The firms approached employed some 375 000 people. More than 60% said they were affiliated to employer organisations, about half being members.

However, only 24% confirmed that these organisations issued guidelines on retrenchment.

The lack of guidelines on retrenchment practices, was cause for serious concern, Ms Kruger said.

Measures to avoid retrenchments included work-sharing, subsidies and early retirement, noted Ms Kruger.

Selection criteria

She also explained that, in line with recommendation 166 of the International Labour Organisation, there were two kinds of retrenchment selection criteria.

"One is aimed at maintaining in employment those who would experience the most hardship from losing their jobs, the other is aimed at the most qualified personnel.

"Criteria aimed at protecting workers who would suffer most from retrenchment include length of service, age, the family situation and impaired health.

"However, the criteria preferred by employers are ability, qualifications, efficiency and adaptability."

Measures to moderate the adverse effects of retrenchments include: "Advance notice of retrenchment so as to enable workers to seek alternative employment, time off for this purpose, the provision of compensation or income protection, and the entitlement to re-employment should business conditions improve and compensation through unemployment benefits. — Sapa

GM executives had little warning

Weekend Post Reporters

TOP General Motors executives had only a couple of hours warning earlier this week that they were to lose their jobs.

As scores of senior GM staff spend an uneasy weekend worrying if they will face the same fate on Monday, a former executive said today:

"We were called in on Tuesday afternoon and told to leave that evening. It was a shock. I'm still feeling it."

He added that he had been in a similar position before, but then he had been retrenching other people. "This time I was the one being fired."

The executive is one of more than 100 salaried staff — some who have more than 20 years' service with the company — who have already been retrenched or will be told on Monday that the axe is falling.

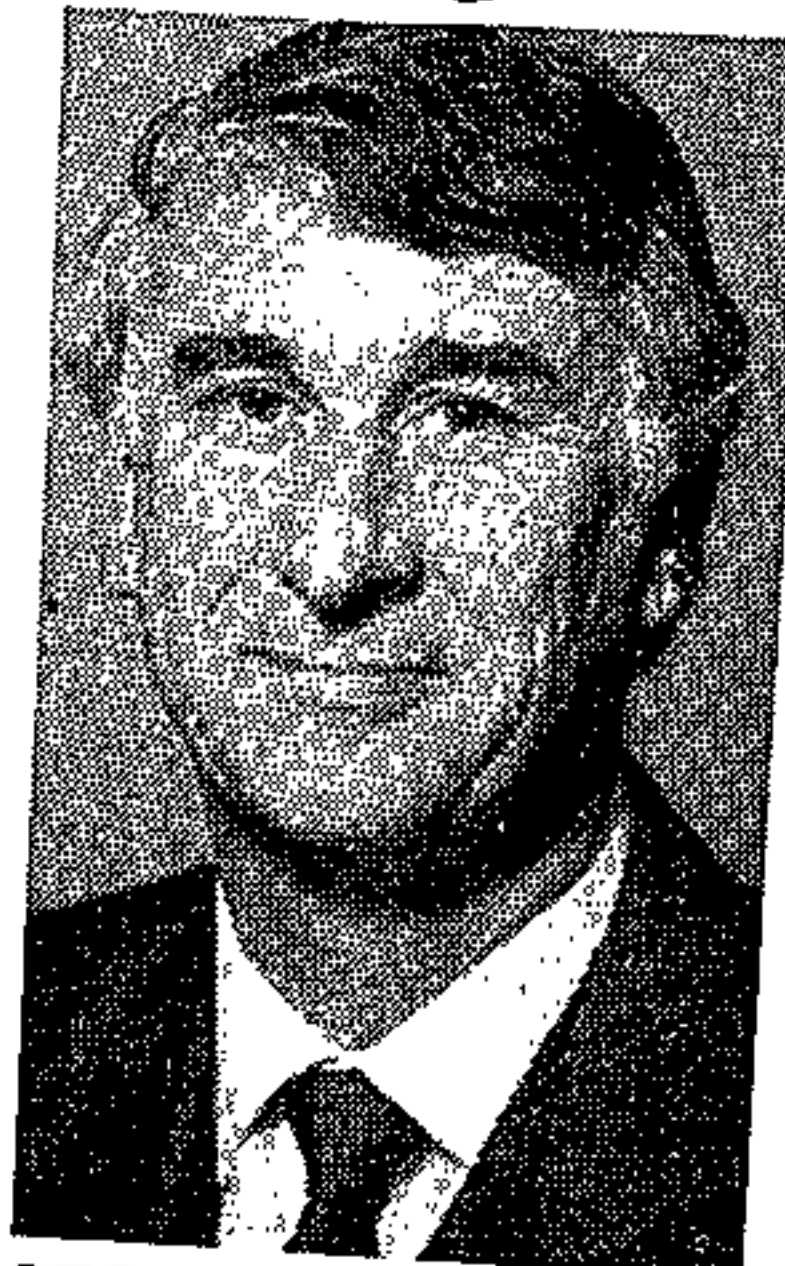
Some will go on early retirement in January and February and those who are already of retirement age would leave at the end of December.

GM's director of personnel and public affairs, Mr George Stegmann, said today that in the few — he knew of only two — cases where staff had been given such short notice, the decision had been taken in the "mutual interest of the individual and the company".

He added that only "a handful" of staff had been told already. "The vast majority will be told on Monday."

In an earlier interview Mr Stegmann said all retrenchments would be effected in December and January.

They were part of a series of reductions that



GEORGE STEGMANN
...GM's director of personnel and public affairs.

started last year.

"We are not contemplating more beyond this point. We believe we will be at the level to run the business effectively."

"The new company will start with a streamlined organisation," he said.

He emphasised that hourly-paid staff were not affected.

"Reductions in the hourly-paid head count were done last year and this year."

"They were primarily volume-related and we have got down to the strength we need to meet production requirements in the immediate future."

Weekend Post's source said that although for his part the axe had fallen after almost 20 years' service, he understood that it was most important for the new company to succeed.

"As I see it from the company point of view the few of us who have already left and those who will be leaving, are of little consequence. We must view this in the perspective of 2 000 jobs saved. The company has the right to call the shots, and it has that prerogative without consulta-

tion. I think that is what has been done to make the company viable."

"It's far more important to Port Elizabeth and its citizens to have a viable company like GM in full operation than to be over-concerned about a few of us who have had to part to achieve this."

"I believe those of us who have left will find suitable employment in Port Elizabeth in the near future. The best of luck to the new company."

Another senior executive, who is going on pension, after more than 30 years, also said he was not bitter.

"Port Elizabeth needs GM and it is vital that the company stays viable. I think it has made a real commitment to remain here."

He believed that it was the company's insistence on staying in the city that had caused a possible merger with a Transvaal-based motor company to falter.

"The key issue, which made the BMW deal fall through, was a proposal to move out of Port Elizabeth."

The executive said he did not know how many of his colleagues would be affected by the axings.

"This would go right through the salaried staff."

Asked how he felt, he said: "That's an awkward question. I'm not unhappy with the deal I will get. It will be a fairly good package. The situation is similar in this respect to what happened with Ford — only that company is no longer here."

"I can appreciate what has to be done to ensure that the new company remains productive and viable."

"Knowing the motor industry, it's rough and tough."

30/11/86 City Press 335

A call to the youth

CP Correspondent

"EVERY youth a congress member" was the slogan adopted by the township region of the Cape Youth Congress at its annual conference last weekend.

The congress, the first ever held by the township region, resolved to hit out at the fast growing unemployment on the Cape Flats, and to strengthen ties with the Congress of SA Trade Unions.

A Cayco delegation told *City Press* that the township region would prepare its members for the eventual launch of another national youth organisation.

Newly elected Cayco chairman Mzqukisi Meyane called on all "the youth in the churches, streets and sport-

clubs to join Cayco, to work towards a society where the doors of culture and learning shall be open".

He said the youth should mobilise "to restore to the people their self respect and responsibility to run the day to day affairs of the struggle".

Cayco was formed in 1983 as an offshoot of the now-banned Congress of South African Students. It was aimed at organising the youth no longer at school.

The township region has seven branches spread throughout the Cape Flats.

A central UDF affiliate in the Western Cape, Cayco has worked closely with other local community organisations.

100 GM staff to go

PORT ELIZABETH — It will be a bad weekend for General Motors salaried staff who will be told on Monday whether or not their future lies with the new Port Elizabeth-based company.

More than 100 GM salaried staff, some of them with senior status and more than two decades of service with the company, are facing retrenchment or early retirement.

In an interview, GM director of personnel and public affairs, Mr George Stegmann, said any retrenchments would be effected in December and January.

"But those involved will be told beforehand. We'll be advising all salaried people affected by the staff reduction on Monday. Those who are already of retirement age, will leave at the end of December." — DDC

sunrise

Govt bluffing itself on jobless stats — PFP

By David Braun,
Political Correspondent

CAPE TOWN — The Government was bluffing itself and the country with its totally unrealistic unemployment figures, the Progressive Federal Party said today.

Mr Peter Gastrow, PFP spokesman on manpower, said latest research figures, which indicated that as many as six million people could be without work, underlined the necessity for the Department of Manpower to produce its own realistic figures.

The latest unemployment statistics supplied by the Department showed that in March there were 533 000 people without work.

OFFICIAL DATA

He was reacting to a report produced by two University of the Witwatersrand academics which claimed that official Government data was designed to minimise the level of black unemployment.

They said that using best available data and erring on the conservative side, the lowest estimate of total unemployed people in the country was in the range of 4,2 million to 5,3 million.

Mr Gastrow said this was substantially higher than any estimate previously made.

He said: "This is alarming because of the possible consequences. Unemployment of such magnitude is like a time-bomb.

"If it cannot be addressed, social and political instability must necessarily result to an even greater extent than it does now."

DEMAND FOR JOBS

Unemployment could not be ascribed simply to the recession. Much of it was structural unemployment because the country was just not able to meet the demand for jobs.

"The Government must face up to reality now. Instead of publishing its completely unrealistic unemployment figures based on registered work seekers, it must produce reliable data so that the problem may be addressed."

APPREHENSIVE SA businessmen believe new international economic sanctions will deepen the country's recession, force firms out of business and throw millions, mostly blacks, out of work.

work.
"Extensive sanctions will be devastat-
ing to the economy — there will be the
psychological impact on confidence,
companies will go to the wall and many
will lose their jobs," said Premier Group
head Tony Bloom.

University professor Piet Nel, who recently completed a study on sanctions, estimates a total trade ban would put one-million people, about 85% black, out of work in non-agricultural sectors.

But the biggest victim would be agriculture, Nel said.

Fruit growers' spokesman Fred Meintjes said sanctions would be disastrous, resulting in the loss of many jobs in the 250 000-strong fruit industry.

Exports accounted for 85% of the industry's revenue of about R1bn. About 95% of the workforce were blacks with on average five dependents, Meintjes said.

Analysts agree the savage unemployment toll resulting from sanctions would be the overriding economic problem. — Sapa-Reuter.

'Don't gamble'

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1210	1515	SA341	1830	SA341	1930
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Sanctions: Fears of growing unemployment

JOHANNESBURG. — Apprehensive South African businessmen believe new economic sanctions will deepen the country's recession, force firms out of business and throw millions, mostly blacks, out of work.

"Extensive sanctions will be devastating to the economy, there will be the psychological impact on confidence, companies will go to the wall and many will lose their jobs," said top industrialist Mr. Tony Bloom.

The head of the Premier Group conglomerate said: "The brain drain will be ex-

acerbated and business will be placed in a weak bargaining position in international markets."

Professor Piet Nel, who recently completed a study on sanctions, estimates that a total trade ban would put one million people, some 85 percent of them black, out of work in non-agricultural sectors.

But the biggest victim would be agriculture, Professor Nel said.

Fruit growers' spokesman Mr. Fred Meintjes said sanctions would be disastrous and result in the loss of many jobs in the indus-

try. Exports account for 85 percent of the industry's revenue of about R1-billion. About 95 percent of the workforce were blacks with on average five dependants and extensive sanctions could bring hardship to more than one million people, Mr. Meintjes said.

Analysts agreed the savage unemployment toll resulting from sanctions would be the overriding economic problem. "Unless there is growth to keep pace with the population, the social disorder being experienced will be com-

pounded," one said.

Economists do not think South Africa's mineral exports will be too vulnerable to sanctions in the short term. South Africa is a major supplier of rare minerals and is regarded as a cheap and reliable source.

Sanctions busters could fairly simply route minerals through other countries, they said, and contingency arrangements were already being made with East European and Black African states.

Experts warned however that if the West was to switch to other suppliers of

minerals, it could be difficult for South Africa to win back traditional markets.

The South African Foreign Trade Organisation (SAFTO) says that in Western Europe, a key market, mining and agricultural exports have been feeling the effects of political action.

But, SAFTO reports, trade with Black Africa is increasing. "Political developments have not had any noticeable effects on these business ties."

South Africa has been gearing up for sanctions for months and the prepara-

tions may soften the blow. There has been a sharp increase in imports of mineral products for strategic stockpiling.

Sanctions are already being felt in the coal industry which says more than a third of its 11 000 jobs are in jeopardy because of foreign boycotts. After gold, coal is South Africa's most valuable export.

Some economists believe new sanctions will not go much further than formalizing what is already in effect, pointing out that South Africa has seen neither foreign investment

yment

nor foreign capital for many months.

Lack of investment is cited as a major reason for the economy's poor growth, estimated at only one percent so far this year — about a third less than the population growth.

Some economists speculate that there could be a short-term boost to the economy as manufacturers switched from buying imports to manufacturing them locally. But they say these advantages will disappear in the long-term. — Sapa-Reuter

Unemployed mother kills her child

By Inga Molzen

(335) 5/8/86
A 20-year-old mother of three was given a suspended sentence yesterday by a Rand Supreme Court judge for infanticide.

Josephine Nonqaba Nkomo was sentenced to nine months' jail conditionally suspended for three years.

Mr Justice A J O'Donovan heard that Nkomo, of Kagiso 11, Krugersdorp, threw her daughter into a overflow pipe shortly after she was born.

Nkomo said: "I was emotionally upset and dis-

STK
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turbed, and saw the only course open to me was causing the death of my baby. I placed her 10 minutes old and still living in the manhole."

She told the court that neither she nor her boyfriend, Mr Herbert Eland, had the means to support the child as they were both unemployed.

The dead baby was found wrapped in plastic the following day by Nkomo's sister-in-law, Mrs Bernice Molte.

A post-mortem examination showed the baby's death was caused by suffocation.

surrender R347-m in policies

By TOM HOOD,
Financial Staff

CASH-STRAPPED families, who surrendered their insurance policies and bonuses for cash, were paid out a record R347-million by South African companies last year.

This is a jump of 63 percent over the previous year's R214-million and reflects the harder bite of recession and retrenchments.

The annual report of the Life Offices Association of SA says today: "This feature, which flows from the adverse economic situation, is of great concern to the industry since surrenders directly result in the deprivation of insurance cover for beneficiaries."

The report also indicates workers are hanging on to their jobs and thinking twice before leaving with their insurance and pension contributions.

Another R250-million was paid out to people leaving their jobs and withdrawing from group schemes, a rise of 7,3 percent, but a slowdown on the 46 percent increase in the previous year.

This indicates a smaller staff turnover as a result of the uncertain economic conditions.

The industry paid out more than R11-million every working day to beneficiaries of all kinds.

In comparative terms, this represents the cost of building close on 200 modest-sized homes every working day, says Mr Pierre Steyn, chairman of the association.

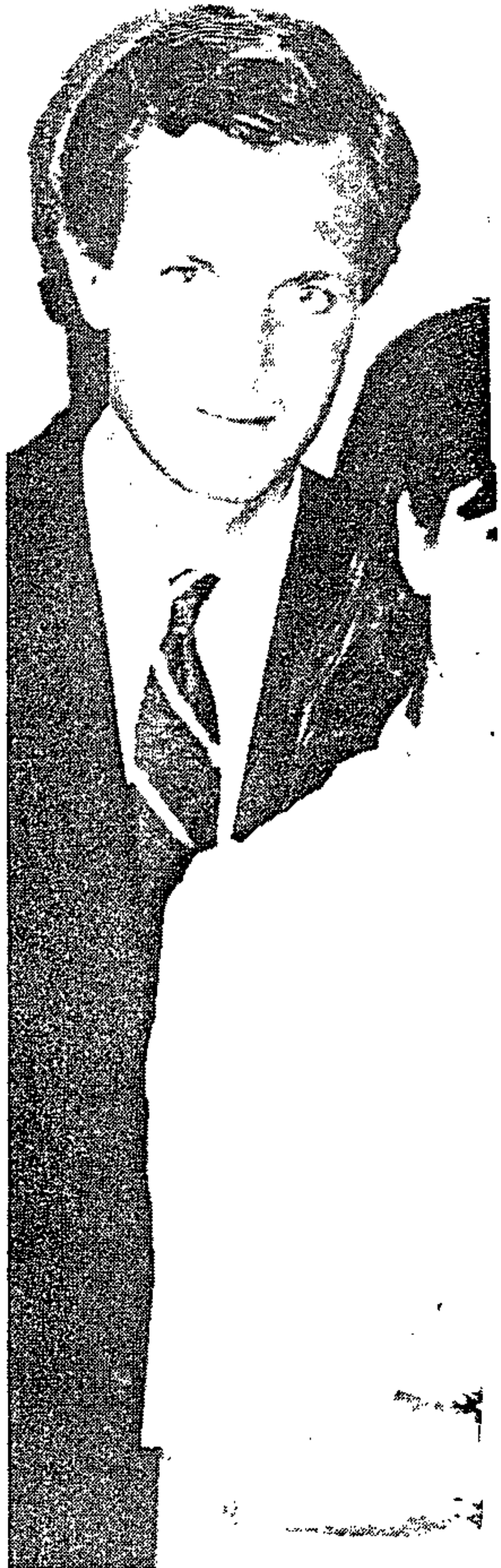
"What would millions of beneficiaries have done in the absence of the services rendered by the industry," he says in his annual report.

Thirty percent of the payout went on death and disability claims — R659-million, a rise of R159-million.

The industry's total premium and investment income rose by 20 percent to R9 889-million after a growth of 27 percent in 1984.

However, total assets jumped by 27 percent to R36,6-billion and, at the year-end, insurance companies had R5,5-billion available for investment.

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Princess Caroline of Monaco and Stefano Casiraghi pose with lotte Marie Pomeline. Chartered at 7pm on Sunday at 10. Princess Caroline, 29, g
Pierre,

N/M/6/8/86 (335)

34 000 of all races out of work

Labour Reporter

THE Department of Manpower in Durban yesterday announced that 34 651 people of all races had registered as unemployed in Natal in June.

However, the actual number of people unemployed is believed to be far greater than the official figures.

Mr Nick Hitchcock, divisional inspector of the de-

partment, said yesterday that 15 731 blacks had registered as out of work, compared with the previous month when 18 113 were officially unemployed.

He could not understand the reason for the slight drop. 'It is possible that some of them found jobs and therefore did not re-register,' he said.

Indians continued to

dominate the ranks of the unemployed in Durban with the latest figure standing at 10 871, of which women made up 3 314.

The number of whites officially out of work in the city stood at 4 045, with coloureds numbering 2 161. In Pietermaritzburg 555 whites, 337 coloureds and 951 Indians were unemployed.

Unit Chest sets R2 m target

400 rush for 150 jobs in Durban factory

Labour Reporter

DESPERATE job seekers besieged a sweet factory at Mobeni, Durban, yesterday.

Mr A Zulman, managing director of Beacon Sweets and Chocolates, said the company had been able to employ only about 150 of more than 400 people who had wanted jobs.

'We did not advertise the vacancies. It was spread by word of mouth by our employees last week.

'Since then, hundreds of people began waiting outside the factory gates daily in the hope of getting a job,' he said, adding that the exceptionally large turn-out yesterday was another indication of the critical unemployment situation.

Among the crowd which began milling outside the factory yesterday were

many Indian and black women who had been retrenched from other factories during the year.

An Umlazi mother of three, Mrs Gladys Mkhize, said she was so desperate for work that she was prepared to take any job. She said she had been walking the streets of Durban since her retrenchment from a clothing factory more than three months ago and was still unable to find work.

Mrs Shirley Moodley, of Merebank, said she had waited outside the factory gates since 7 a.m. in the hope of getting a job, but all jobs had been taken even before she could be interviewed.

Objector

Mercury Correspondent

Mammoth failure



Grim outlook for coal, iron, steel

50 000 jobs in jeopardy if ban enforced

CONCERTED action by Europe, Japan and the US to ban imports of SA steel, coal and iron ore could cost more than R3bn in foreign earnings and throw 50 000 people, mostly blacks, out of work.

Some industry sources, however, believe contingency plans are available to lessen the blow.

Worst-hit by sanctions would be the coal sector. Nearly all coal exports are bought by Japan and the European Community (EC).

Japan is by far the biggest customer, taking 8,5-million tons of SA's total export of 44-million tons in 1985. EC nations took up almost all the rest, with the US, Korea, Taiwan and black Africa taking minor tonnages.

There is disagreement on the exact value of SA's coal exports. Official Japanese trade statistics say Tokyo spent R1,31bn in 1985 on SA coal. Local analysts say the total value of exports, based on world market prices, of between \$22 and \$24 a ton, is about R2,5bn. Exports make up about one-third of SA

Business Day Reporters

coal production. The Chamber of Mines warned last month that, in the face of total sanctions, 33% of the workforce would be laid off.

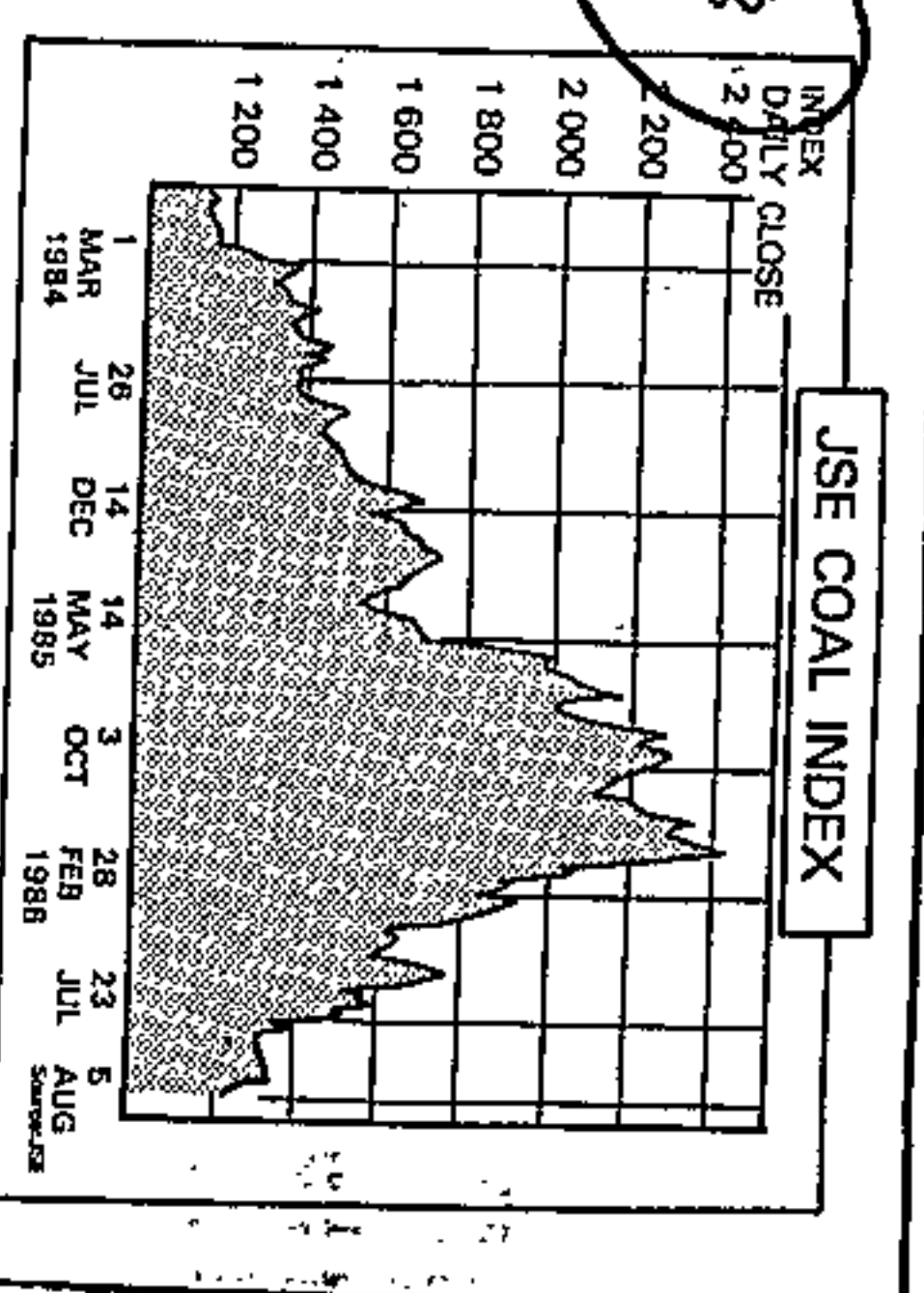
More likely, according to industry sources, is that SA could continue to export 30-million tons a year by offering an average 30% discount, resulting in a 50% drop in export income.

Exports of iron ore, totalling R312m in 1984, would probably be eliminated completely under sanctions, say analysts. The worldwide glut in pig iron production means that exports of that commodity, worth R42m in 1984, would also be wiped out.

The steel industry stands to lose about R300m a year as a result of sanctions. However, industry spokesmen say they are already laying plans to expand into other markets.

If they fail, say observers, at least

● To Page 2



Confirmation of Commonwealth sanctions against SA coal exports sent coal shares plummeting on the JSE yesterday with the coal index falling 5,4% to 12 272. Panic-selling by small investors pushed the JSE coal index back to March 1984 levels.

Analysts say that talk of Japan joining the boycott could knock prices further.

50 000 jobs on the line

10 000 jobs could be at risk in the iron and steel sectors.

"Losing Britain as a window for SA steel is worrying, especially in a buyer's market. But we intend to sell these ton-nages elsewhere," says an Iscor spokesman.

Steel exports, making up more than 40% of total steel production because of reduced local demand, are budgeted to earn Iscor and its competitors more than R1,5bn this year.

Much of that will remain safe in traditional south-east Asian and Middle East markets. However, SA stands to lose 70 000 tons of steel exports to Britain and more than 600 000 tons as its 0,42% share of US steel consumption.

Middelburg Steel & Alloys marketing director Leo Melvill says the loss of Britain and Commonwealth markets would cost the stainless and specialty steel-maker R15m — and a further R25m from an EC boycott.

He declines to comment on export

prospects for the company's 3CR12 alloy, but analysts say the company will almost certainly maintain overseas sales through manufacturing licensing agreements in other countries.

Exports of coal and mineral fuels in 1985, including those from Lesotho, Swaziland, Botswana and Namibia, totalled R3,22bn, SA trade data show. Iron and steel exports were R2,26bn, Sapa-Reuters reports.

Japan imported R317m of ferro-chromium and R710m of non-monetary gold lumps, Japanese statistics show. Total imports from SA in 1985 were worth R5,86bn.

SA and neighbouring countries exported R2,47bn of mineral products, largely coal, to Europe in 1985. Of those, R525m went to Italy, R520m to the Netherlands, R334m to France, R268m to West Germany and R244m to Belgium. The UK imported just R98m in this category.

● From Page 1

Mafani: relief for jobless

Dispatch Reporter

MDANTSANE — Unemployment in Ciskei had been relieved by industrialists who invested more than R2 million in the country, the Minister of Agriculture and Forestry, Mr Vusani Mafani, said at the weekend.

Mr Mafani was addressing a report-back meeting at the Civic Centre which was attended mostly by supporters of the ruling Ciskei National Independence Party (CNIP).

He said the invested money went to government coffers for the provision of employment.

Various areas in Ciskei had been developed

to provide employment.

An example was Peddie, where pineapples were cultivated for export.

The MP representing Victoria East, Mr G. Koli, told the meeting that the government had done a lot for its citizens. "The country has been developed and the sky is the limit. Other countries can learn from Ciskei through its exports and otherwise."

Mr Koli said the present government was doing its best to improve the standard of living for Ciskeians — socially and economically — to prove that it had a stand in the political sphere.

In the drive to fight

unemployment, firms were established in several centres, including Fort Jackson and Dimbaza. This resulted in more industrialists investing in the country, he said.

Mr Koli told the enthusiastic crowd that they had been blessed with a true leader in President Lennox Sebe.

"We should not be afraid of unidentified parties which aim at swinging the minds of Ciskeians and encouraging non-support of the ruling CNIP, which is well-supported throughout Ciskei as it is helping the people financially and economically," he said.

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(P) N/M 18/86 (335)

Business Mercury

Graduates for hire at R2,50 a day

Mercury Reporter

AT a time when unemployment makes it difficult to get a job 'if you have no experience' and impossible to get 'experience' a local secretarial college has started a scheme that might relieve the situation.

Miss Terry Hughes, personnel consultant for the college, said yesterday: 'Employers have been persuaded to hire our graduates for a short period (up to three months) at a nominal cost of R2,50 a day to meet their transport costs. This will overcome the 'experience' problem.'

She said that several employers had taken people on. They would be talking soon with organised commerce and industry to canvass their support for the concept.

Grants

'Many of these graduates have been sponsored by the Department of Manpower's training grants while at our college. The scheme is an extension of our training with the graduates not being hired by the companies they go to,' Miss Hughes said.

She said there would be minimal costs for the company and the scheme would be a great investment in human welfare.

'The unemployment problem is explosive and it's time private enterprise did something to help. Our scheme is an opportunity for business to plan in expectation of their future needs — after all, they've got a very real stake in the

creation of jobs,' she said.

'It will give trainees valuable experience and increase their earning potential and marketability.'

'Newly-qualified people are caught in a catch-22 situation. They can't get jobs without experience and they can't get the experience to get the jobs.'

Miss Hughes said that young, inexperienced people between the ages of 18-20 and those between 40-60 re-entering the job market find it particularly difficult to find jobs.

Several large companies have volunteered to take part in the training scheme. Any other businesses that would like to join can contact Miss Hughes at Sight and Sound 3042693. Graduates who lack experience and feel they would benefit from the scheme are also welcome to phone.

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ARCUS 12/8/86 (335) 290
**'Illegal' workers
to be sent home**

JOHANNESBURG. — Because there are more than 700 000 unemployed in South Africa, the Government will make every effort to repatriate "illegal" workers.

The Director-General of Manpower, Dr Piet van der Merwe, said not only the co-operation of employers, but that of workers would be necessary to identify about 1,3-million "illegal" workers in the country.

Dr van der Merwe said that considering the millions of rands spent to reduce unemployment, the presence of "illegal" workers was counter-productive. Efforts would be made to reduce the number of "foreign" workers.

It was the Government's policy to give priority to local unemployed. Only where local labour could not be employed would "foreign" labour be used.

These "foreign" workers must enter the country through the correct legal channels and be in possession of valid work permits. The presence of "legal" foreign workers was subject to their behaviour and the policy of their governments, Dr van der Merwe said.

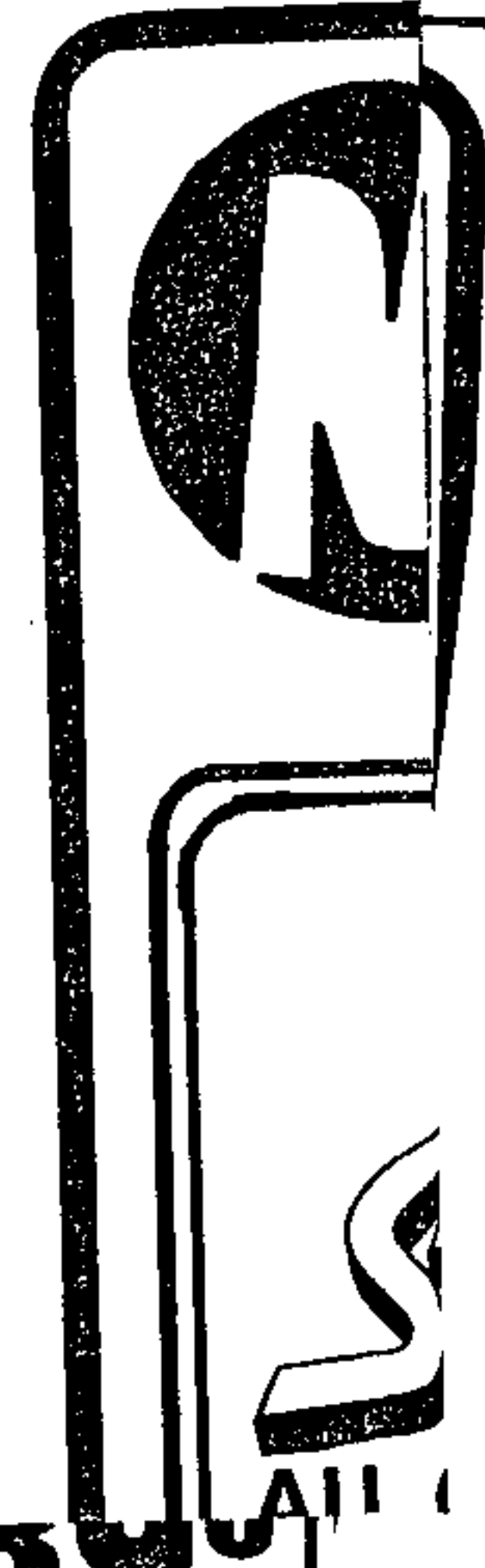
This included workers from Transkei, Ciskei, Bophuthatswana and Venda. — Sapa.

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Council proposals on job creation

Labour Reporter

CAPE TOWN needs to provide 133 new jobs each working day just to keep unemployment at its present level, according to a report from the City Council on low-cost job creation.

And unless the regional economy is restructured to make it more labour-intensive, the cost of creating these jobs could be as high as R2,5-billion a year.

The report, prepared in response to the President's Council's request for submissions on employment creation, calls for a broadly-based strategy, involving the

State, local government and the business sector, to combat growing unemployment and create work as cheaply as possible.

Among the recommendations are:

- That the government provide tax incentives for labour-intensive industries, for companies employing school-leavers and for companies offering apprenticeships and training to employees.

- That "economically restrictive" laws like the Group Areas Act and the Aliens Act be reviewed.

- That the stringent controls and high standards im-

posed on small businesses be eased.

- That the government commit itself to a non-racial education policy which would encourage the development of marketable business and technical skills.

- That local and central government spend money on labour-intensive public works, and award contracts on the basis of the number of jobs they would provide rather than tender price alone.

The report says the creation of more jobs at a reasonable cost requires a "radical philosophic shift by both the private and public sectors so

as to accord priority to the employment of more people and less capital in the form of fewer machines and less expensive buildings".

The aim should be to reduce the cost of creating each job to the average annual salary of an industrial worker — less than R10 000 a year.

The report warns that unemployed and labour organizations should be involved from the outset in formulating a job-creation strategy and any scheme which would undercut the pay and working conditions negotiated by unions for their members should be avoided.

ARGUS 13/11/86
**Township
residents owe
R84 000 rent**

Tygerberg Bureau

PEOPLE living in Kraaifontein township owed R84 000 in rent and many were unemployed and sub-let rooms, the area's management committee has been told.

At a meeting last night committee member Mr J D Watson said there were people who owed the municipality more than R800.

He said unemployed people had been given the opportunity to apply for a reduced rent of R48, but some working residents had paid only part and had built up large debts. Others had paid no rent.

Mr Watson said many in debt were sub-letting rooms and spending the money on themselves.

"It is better to evict these people and make the houses available to the many others who need a home and who would be good tenants."

Deaf ^{ARMS} mute, ^{14/8/86} but Sisa ³³⁵ qualifies ³³⁵ as welder ³³⁵

By DICK USHER
Labour Reporter

BEING deaf mute didn't stop Sisa Mazuza from spotting a good opportunity and grabbing it.

So, in spite of the obvious difficulties facing him, he is now a proficient welder and pipefitter and his future looks a lot brighter.

Mr Mazuza, 30, was one of the thousands of people who took advantage of training programmes sponsored by the Department of Manpower under the Government's R600-million unemployment relief scheme.

He signed up for a course at the TAS Welding School in Maitland where he progressed so well during the 10-day course that he was taken on by the school to assist with training.

Instructor Mr Les Langenhoven said he was amazed by Mr Mazuza's ability, in spite of being deaf mute, to cope with the mathematical and trigonometrical calculations involved in pipefitting.

DEMAND

"He handled it all so well that sometimes I couldn't believe he couldn't hear," said Mr Langenhoven.

Mr Dave Johnson, a director of the school, said there was a great demand for trained pipefitters.

"It is not recognised as a separate trade in South Africa and because there are no training facilities 78 percent of pipefitters are imported for major projects," he said.

"It is a great disappointment to us that the scheme is going to end. We have an idea for training welders to enable them to set up cottage industries but have so far not been able to persuade government or private industry to sponsor us."



Mr Sisa Mazuza and instructor Les Langenhoven.

Board employees may now lose their jobs

SCORES of the now-defunct development board black employees may lose their jobs — despite Government assurance guaranteeing their future in the public sector.

This warning was sounded yesterday by the Development Board and Black Local Authorities Employees' Union, which is currently trying to get former West Rand Development Board employees reinstated.

The union had also intervened in the case of 34 other black employees who were on the verge of being retrenched by the board.

The country's 13 development boards were abolished on July 1 this year. Their responsibilities have been taken over by the Provincial Councils, Regional Services Councils and the town councils.

Mr Joe Magongozi, acting chairman of the union, said the board was "doing everything it could" to find an excuse to retrench black employees.

Charges

In some cases, he said, workers were called before disciplinary hearings to answer charges of misconduct from a year ago.

The union has referred the cases of dismissal to the Industrial Court.

Mr Hannes Bezuidenhout, chief executive officer of the West Rand Development Board, denied that the board was retrenching black workers.

Unemployed workers to ^{AR 6/15} meet Minister

Labour Reporter ³³⁵

THE Unemployed Workers Movement (UWM) is to seek a response from Minister of Manpower Mr Pietie du Plessis to its memorandum on work or full maintenance presented in April.

Two representatives from each area in which the UWM is organising will meet Mr du Plessis on August 26.

The memorandum, which is backed by a petition with 4 784 signatures, demanded the inclusion of school-leavers, domestic workers, farm workers and "so-called illegals" in the official definition of unemployed.

It urged a programme to create work for all, including a co-operative movement, state industries and public works schemes.

Full maintenance for the unemployed should cover rent, food, clothing, family responsibilities and provision for emergencies. Until its implementation there should be rent and transport concessions for the unemployed.

It also urged the adoption of the Unemployment Insurance Fund memorandum, a document recommending changes to UIF which would further benefit the unemployed.

Cape Times 18/8/86

Jobless being 'ripped off'

Labour Reporter

UNEMPLOYED workers accepting casual jobs from passing motorists on the N2 near Nyanga are being "ripped off" by employers who disappear without paying them, according to Western Cape Men's Hotel Association organizer Mr Johnson Mpukumpa.

He said their advice office in Langa had received complaints from four workers who said they had been conned into working without pay.

Two workers were told by a builder

they would be paid fortnightly. After two weeks the man disappeared without paying them a cent, Mr Mpukumpa said, adding that his office was tracking down the builder.

Two others worked a full day loading sand on to trucks without pay.

"I just want to warn workers about this so they are more wary.

"There are a lot of unemployed people who are so desperate for work, they accept just any job without checking it out first or getting their employer's name," Mr Mpukumpa said.

City engineer has plan to fight off unemployment

Labour Reporter

A STRATEGY to fight unemployment and promote low-cost job creation has been proposed by the Cape Town city engineer's department.

In a report on job-creation strategies the department urges maximum efforts from the Government, local authorities and the private sector.

These would include "radical philosophic" shifts on a broad front, including a drastic decrease in the cost of creating jobs, fiscal measures to encourage a lower capital/labour ratio, intensive housing development, education, fresh land-use strategies and public works programmes.

It warns that without involving the workless and trade unions from the start, job-creation on a significant scale is unlikely, if not impossible.

It recommends a strategy operating on three time-scales:

- Short-term crisis response (within two years) for the socially useful employment of all new unemployed;

- Medium-term preventive measures (within five years) to substantially reduce existing unemployment and measures to improve incomes and change capital/labour ratios in all sectors; and

- Long-term restructuring (five to 10 years) of the regional economy in which it grows proportionately to the population, with everyone earning a living wage.

STRATEGY CHANGE

Urging the need for creating permanent jobs, the report said low-cost job creation required a radical philosophic shift by both the public and private sectors in employing more people and using less capital.

To encourage this it recommended a Government fiscal policy which encouraged enterprises with a higher-than-average capital/labour ratio, the employment of school-leavers and diversification.

A high priority was job-creation in sectors like health-care, food production and processing for local consumption, housing construction and skill-training for employment.

The report is firmly in favour of a change of strategy on housing, pointing to studies which show the extremely high employment-generating potential of low-cost homes.

Small enterprises and the informal sector should be freed from as many restrictions as possible.

Education and training were also emphasised.

The report said that "without a substantial improvement in the provision of high-school education, the skill level and employability of workers was likely to diminish rapidly, placing ever greater burdens on the State."

The report was prepared in response to a President's Council request for strategies on job-creation.

Unemployment — an economist's view

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TODAY unemployment is a big issue, not only in overseas countries, but also in South Africa. It is no exaggeration to think or even speak of an entire generation that will fail to experience a normal job career and working life.

Anyone who drops out of employment for too long or cannot get a first job will be left at the bottom of the social and economic ladder without much chance of getting back into the system.

Personal, social and political costs associated with unemployment are staggering. However, despite all of this, the unemployment issue is still not fought with the enthusiasm that it deserves.

It makes sense in discussing this issue to try and explain from an economic perspective why people become unemployed. There are basically two major types of unemployment.

One is referred to as structural unemployment and the other cyclical unemployment.

Structural unemployment occurs even when the economy is operating at full capacity. Cyclical unemployment occurs because of a general downturn in the economy.

Structural Unemployment

Structural unemployment generally reflects the imperfections in the labour market that exists regardless of the overall state of the economy.

There are a variety of reasons as to why people may be regarded as being structurally unemployed.

They may for instance have wrong skills, live in wrong areas, face institutional barriers, or they may be inefficient in searching for jobs.

There are also instances where people do not have any incentive to accept jobs for a variety of reasons.

Under the circumstances, broad monetary and fiscal policies will have limited if any corrective impact in addressing the situation. Instead more targeted policies are needed in dealing with this type of unemployment.

One source of structural unemployment is the mismatch between the skills required for the available jobs and the skills possessed by the job-seekers. New entrants into the labour force and workers displaced from other indus-

tries often confront this type of unemployment.

Of course, chronically low-skilled individuals are also prone to this type of unemployment. An imbalance of this nature could be reduced if the available unemployed workers were given appropriate skills training and better education.

Stop-gap type of training would only have limited success in helping this category of our workforce. Training programmes, designed to help people so handicapped need to be firmly structured, be on-going in nature and be fully backed by concerned agencies.

Structural unemployment can also result because of a mismatch between the location of available jobs and the location of available workers. This type of unemployment exists where workers in one location qualify for jobs that exist in another location. Prior to its abolishment the Influx Control Act was the prime instrument which fuelled locational unemployment. Locational unemployment of this nature can also arise where one area develops faster than other areas. The development of the Reef for instance, has for historical reasons, been favoured at the expense and neglect of other areas.

As a result jobs became available in this area to a near exclusion of other areas. Rural and other outlying areas were saddled with able people looking for jobs whereas the Reef was laden with vacancies.

This situation was further compounded by the then notorious Influx Control Act.

There is a tendency by business companies to move their places of business, notably their head-offices from city centres to outlying suburbs. The more pronounced reason for this influx to suburbia is the high leasing cost associated with having offices in the city centres.

The effect on workers, notably blacks, is that the cost of travelling from their places of residences, through the city, to the new suburban location, may actually become prohibitive.

This is usually aggravated, in many instances, by the non-existence of efficient or reliable transit facilities between the suburb, city centre and the township where workers reside.

All in all, prohibitive transport costs can lead to people being forced to discontinue employment. Also in this re-



AN economist with Barclays Bank, NCEDO MLAMLA, continues his series on the South African economy — this time with a look at unemployment.

gard the distance between the city centre and suburban area can actually result in information breakdown such that the city or township dweller fails to know of the vacancies available in the suburban areas.

A third source of structural unemployment stems from the existence of institutional barriers in the form of laws and regulations which interfere with the labour markets from working as efficiently as possible.

Laws such as the now defunct Influx Control Act and the Job Reservation Act to name only two, resulted in able unemployed workers getting marooned in areas where they could not sell their labour even though jobs were available in other areas.

Structural unemployment does also result from the existence of imperfect information flows. This inefficiency usually results from poor communication between the job-seekers and job-offerers. The end result is that there are some people who are out of work not because there are no jobs available in their vicinity, but simply because they do not know about available jobs.

In this case it may help to augment the number of existing private personnel agencies by state-assisted agencies to effectively co-ordinate and disseminate information concerning the availability of jobs.

The most important reason for our grave structural unemployment, though, lies in the perennial South African mismatch between capital and labour. Com-

pany managements favour modern technology while labour-intensive practices may involve all kinds of labour-related problems.

At any point in time there may therefore be a certain number of people who will be without jobs. If the majority of these people are structurally unemployed, economic stimulation through conventional economic policies may not be effective. More targeted strategies may have to be employed in overcoming this type of unemployment.

Cyclical Unemployment

This type of unemployment is a result of the fluctuations in the business-cycle. The business cycle is basically characterised by upswings and downswings in the economy. The extent of these swings are a function of the general state of demand in the economy.

Cyclical unemployment stems from a decline in the economic activity resulting from deteriorating levels of demand.

Under normal circumstances extreme swings in the business cycle should not be allowed to occur because of the ills they bring in their wake. The authorities should have an appropriate stabilisation policy to contain extreme swings in the economy.

Unfortunately, policies adopted by our monetary authorities have for some time now tended to aggravate rather than contain the swings in the business cycle.

Fired driver asks court for lawyer

Staff Reporter

AKLUS 12/9/86 (16) (74) 331
A FORMER truck driver has asked the Supreme Court, Cape Town, to review an Industrial Court decision refusing him permission to be represented by an attorney in a dispute.

An order was granted yesterday calling on the Industrial Court and Ellerine Holdings (Pty) Ltd to show before September 17 why the decision should not be overturned.

According to papers before the court, Mr Vincent Mrali applied to the Industrial Court for relief after being dismissed in March from his position as driver for

Town Talk Furnishers, owned by Ellerine Holdings.

Management representatives alleged that on numerous occasions Mr Mrali reported late for duty and was absent without reasonable excuse.

Mr Mrali claimed that the "abnormal and chaotic" situation caused by unrest in Guguletu made it necessary for him to take alternative routes to work and on other occasions public transport disruptions made him late.

On March 3 he could not go to work because Guguletu was sealed off.

According to the rules of the

Industrial Court, if one party in a dispute objects to the other party having legal representation, permission for representation must be refused.

Mr Mrali's attorney, Mr J Sandler, submitted in papers that the Industrial Court had a discretion to allow representation and Mr Mrali should have been permitted representation.

Mr Sandler argued that Mr Mrali, who has a Standard 8 education and cannot speak English or Afrikaans fluently, was unable to conduct the proceedings without an attorney's assistance.

The application was unopposed.

(335) 126 00 11 4 18

SABC retrenches 56 backstage employees

JOHANNESBURG — The South African Broadcasting Corporation said yesterday that a further 56 employees had been retrenched this week as part of the corporation's "rationalisation" process.

A spokesman said that letters to the 56 had been sent out earlier this week and had been received by the people concerned.

The two departments affected by the latest cutbacks in staff are the decor and scenic services departments.

The retrenched employees will receive three months' salary in advance and their full pension reimbursement — that covers both their own and the corporation's pension contributions.

Retrenchments at the SABC have been taking place for more than a year and it is believed

that more than 1 000 employees have been retrenched in that period.

The spokesman said that the rationalisation process was an "ongoing situation".

The SABC recently announced cuts in operating and capital expenditure until the end of the year in an effort to

offset a deficit of almost R30 million.

A source at the SABC said yesterday that some of the people who had been retrenched this week had already indicated they would try to secure positions on the new M-Net television channel. — Sapa

M-Net lineup page 11

CAPE

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11/9/86

Jobless problem hits Atlantis — UCT report

By DICK USHER
Labour Reporter

A NEW report on the situation in Atlantis contradicts an optimistic one drawn up by the Divisional Council.

The report, by the South African Labour and Development Research Unit (Saldru) of the University of Cape Town, will be published this year.

Mr Brendon Roberts, who is preparing the report, said although the council report showed 13 713 people in jobs compared with 11 934 a year ago, their research had shown a general unemployment rate among people wanting to work of 27,2 percent in May.

Among women the rate was 33,6 percent and for people under 21 it was 46,7 percent.

"It is time the Divisional Council stopped feeling obliged to promote the image and policy of the place and started looking at the quality of life in Atlantis," said Mr Roberts.

Serious problems

"People there have very serious problems and it is not helping anyone to run a public relations campaign giving the place a veneer of well-being."

He said there was also the problem of population increase.

When Saldru surveyed the area about 850 homes had been planned and approved. When completed these would house about 4 500 people who would require about 1 500 jobs.

Another problem was that companies moving to Atlantis generally brought a high proportion of their staff with them and therefore created only minimal job opportunities.

"You also have to distinguish between the concepts of job creation and the welfare of the community," said Mr Roberts.

"The situation of people employed is far from rosy and this has a direct relationship to wages, employment practices and the cost-of-living in Atlantis. Mere job creation is not going to solve the problems."

U S gives

R6 m

for black

bursaries

JOHANNESBURG—The United States Government has given the South African Institute of Race Relations another \$2 750 000 (about R6 000 000) for black bursaries, bringing the total to \$3 665 000 (more than R8 000 000).

This has been announced in Johannesburg by Mr John Kane-Berman, director of the institute, who signed an agreement with U S officials yesterday.

Mr Kane-Berman said the additional money meant the institute's intake of American-funded black students would increase from 38 this year to 129 in 1987.

He said that accounting, law, medicine, and dentistry had been added to the list of disciplines for which American bursaries were available.

Graduation

Agriculture, building science, commerce, engineering, journalism, liberal arts, nursing, pharmacy, public administration, science and social science were already on the list.

'This is a marvellous investment in South Africa's future by the American taxpayer,' Mr Kane-Berman said.

He said bursaries were awarded by the institute according to academic ability and financial circumstances and that, depending on satisfactory progress, students were funded all the way through to graduation.

The additional bursaries which would be available from the beginning of next year would therefore stretch in some cases to the end of 1994, depending on the field of study.

'When necessary, allowances for books, accommodation and transport will be given to students over and above the provision for tuition and accommodation,' Mr Kane-Berman said.

Coloured

Funds were also available for bridging programmes to compensate for the deficiencies in the black schooling system.

Mr Kane-Berman emphasised that the bursaries were open to blacks all over South Africa, including rural areas. The term black included Indian South Africans and so-called coloured people, he said.

He added that the bursaries were tenable at any university in South Africa, and that in making its awards the institute paid no attention to homeland boundaries.

Mr Kane-Berman said that applicants should

Fewer visitors so thousands jobless



Johannesburg's centenary was marked horticulturally yesterday when a gold mellaleuca bractiacta was named "Johannesburg Gold" by the mayor, Professor Harold Rudolph. The Australian import will be planted in city parks and be on sale to gardeners at Earthlink Expo '86 in October. The president and founder of the Johannesburg Botanic Garden Society, Mrs Sima Eliovson (pictured with the shrub), said part of the price of every sale at Earthlink would go towards a planned R140 000 biblical garden.

No arrest for bomb death

No one has been arrested in connection with the death of the former kwaNdebele Minister of the Interior, Mr Piet Ntuli, in a car bomb explosion. Pretoria had been completed.

Mr Ntuli was killed on July 29 when his car exploded at about 8.30 pm, soon after he left the home of the Chief Minister, Mr S S Skosana.

A spokesman for the authorities in Siyabuswa confirmed that the investigation by a special police team called in from

Mr Ntuli was seen as the driving force behind the territory's march towards independence scheduled for December 11.

He was head of the powerful Mbokotho vigilante group, which was involved in fierce clashes with opponents of independence.

Within a few days of Mr Ntuli's death, the Legislative Assembly cancelled the independence plans and disbanded Mbokotho. — Pretoria Bureau.

Hospital chief in critical condition

NELSPRUIT — The superintendent of Nelspruit's Rob Ferreira Hospital, Dr Arnold le Roux, is in a critical condition after a fall in his bathroom.

He was transferred from the local hospital to the H F Verwoerd Hospital in Pretoria.

In addition to being superintendent at Nelspruit, Dr le Roux is also in charge of hospitals at Barberton, Sabie and Waterval Boven. He is also a Nelspruit town councillor. — Lowveld Bureau.

Political Staff

CAPE TOWN — Thousands of people in the hotel and related industries have lost their jobs as a result of the decline in the number of foreign visitors.

A memorandum submitted by the SA Tourism Board to the economic affairs committee of the President's Council now sitting in Cape Town says that in "good years" the hotel industry provides between 60 000 and 85 000 job opportunities.

This figure has dropped to about 55 000.

About 10 percent of the people employed in the industry are whites.

Between 40 and 50 percent of the employees were in the semi-skilled and unskilled category. In the non-hotel accommodation industry the figure was between 60 and 70 percent.

There are 1 321 registered hotels in South Africa with a total of 91 362 beds.

Between April 1985 and May this year the average occupancy of beds for the various grades of hotels ranged from 32 percent (for one-star hotels) to 45 percent (for three-star hotels).

FIVE-STAR HOTELS

Five-star hotels, of which there are 11 with a total of 5 687 beds, had an average occupancy of 36 percent.

Tour operators and travel agents, which employ about 5 000, have been hard hit.

In a relatively undeveloped field with "enormous potential" relating to agricultural activities, package tours are already being offered, such as to the wine, wool and crayfish route.

The tourism industry is already making a large contribution to job creation in the informal business sector.

An even bigger contribution could be made in this field as tourists are eager to buy hand-made articles and art work.

"The cultural diversity of the South African population lends itself to the development of this sector and we believe many job opportunities can be created in this way, especially for unskilled and semi-skilled work-seekers," the memorandum says.

Oral evidence on job creation was given at the hearings by two directors of the SA Tourism Board, Mr Kobus Roux and Mr Johan Fourie.

Gencor retrenches 130 mineworkers

Gencor has retrenched 130 mineworkers at its Matla Colliery near Witbank following the closure of the colliery's No 3 Mine.

Acting chief executive of the coal division, Mr J C J van Rensburg, said the retrenchments were unrelated to the sanctions issue.

● The strike by 8 000 mineworkers at another Gencor mine, Beatrix in the Free State, entered its third day yesterday.

The company said meetings with the National Union of Mineworkers (NUM) and workers' representatives were continuing to establish the cause of the strike.

A NUM spokesman said the workers downed tools after allegedly being attacked by mine security officials while returning from a meeting on Sunday night.

● The pay dispute between about 500 members of the Food and Allied Workers' Union (Fawu) and Farmfare has ended.

The dispute led to a nine-day "sleep-in" strike and a Supreme Court order by the company.

A Fawu spokesman said workers would be receiving a R14 across-the-board weekly increase on the old minimum of R86.

● In another development, Fawu said talks were continuing with Table Top management for the reinstatement of 80 workers reportedly dismissed by the company's Clayville distribution plant last month.

Steep rise in jobless figures reported

UNEMPLOYMENT among blacks and Asians in SA for the month of June has risen, compared with the same period last year, says Central Statistical Services (CSS).

In its news release, the CSS says that for Asians, the estimated number of unemployed for June 1986, compared with June 1985, shows that the number increased from 22 740 to 30 525 — or by 34,2%.

The average unemployment figures for Asians for the first six months of 1986 shows increases of 33,8% and 40,4% for men and women respectively over those for the same period last year.

Of the 906 552 Asians in the country, 304 603 were regarded as economically active.

For blacks, the estimated number of unemployed for June, compared with the corresponding period in 1985, shows that the number increased from 495 000 to 519 000, or by 4,8%.

Unemployment in respect of men rose by 11,9% while the number for women dropped by 0,01%.

The total number of economically active persons increased by 3,3% between June 1985 and June 1986, the CSS says. — Sapa.

Experts warn of mass unemployment

SAK 19/10/78 335

By Claire Robertson

The growing crisis in black education will leave South Africa "cursed" with hundreds of thousands of virtually unemployable youngsters, educationists warned today.

Black schools reopened for the fourth term today, after two years of widespread boycotts in many parts of the country.

Yesterday the Department of Education and Training (DET) announced the "imminent closure" of more than 20 schools in the Eastern Cape and Johannesburg.

The closure of the schools has been labelled a "desperate act by desperate men".

Educationists approached by *The Star* called it an admission of failure.

DET closes 20 schools until end of the year

The Department of Education and Training (DET) has announced that more than 20 schools in the Johannesburg area and in the Eastern Cape will remain closed for the rest of the year.

It had become "unavoidable" to close certain schools until December 31 this year, the director-general of the DET, Dr Braam Fourie, said in a statement yesterday.

The reasons given were:

- No pupils had registered at certain schools, therefore there was no demand for education at those institutions.

- Continued disruptions and poor attendance at some schools had led to a situation where no effective education could take place during the third term.

- Due to last year's disruptions, many schools used the first term to complete previous syllabuses and examinations and were only able to start with this year's work at the beginning of the second term.

It was no longer humanly possible to reach the scholastic standards set for this year.

The names of the schools would be released in due course.

CONDITIONS

Dr Fourie said the DET was doing everything possible to ensure that effective education could be resumed next year.

- Some schools where pupils re-registered at the beginning of the third term but where education was seriously disrupted during that term, may continue functioning subject to certain conditions, said a joint statement by the Deputy Minister of Education and Development Aid, Dr Sam de Beer, and Idamasa (Interdenominational African Ministers' Association).

The conditions state that pupils should return to school today and maintain a daily attendance rate of at least 80 percent. Should disruptions occur or attendance drop below 80 percent, the school would be excluded from the agreement.

Special programmes will help make up lost time and will include afternoon and Saturday classes.

The schools will not close on the normal date for the December holidays, but internal examinations must be completed by December 22.

The arrangements do not apply to schools where no pupils registered after the July holidays. These schools will be closed until the end of the year.

Mr Ken Andrew, Progressive Federal Party spokesman on black education, said: "Obviously there are complex problems needing to be resolved in black education, but the unilateral heavy-handed tactics adopted by the DET since July have aggravated rather than alleviated these problems."

"Increasingly, one gets the impression that these are desperate acts by desperate men."

A leading educationist, who asked not to be named, said: "Closing a school is a very final step — and an admission that the situation is out of your hands. It is a signal that the DET has lost control."

No Johannesburg area schools have been closed yet, but it is likely that several will be this month, sources at the DET said. It is believed these will include the three high schools in Alexandra, where almost no classes have been held this year.

The National Education Crisis Committee (NECC) has called on the Government to hand over education to "the people" in the wake of the decision to close schools.

"The Government seems hell-bent on destroying what remains of our education," an NECC statement said. "It is clear the Government policy has failed totally. If our children are to have education, education must be in the hands of the people."

'Great resentment'

A lecturer at the University of the Witwatersrand and former headmaster of Orlando High School in Soweto, Mr T W Khambule, described the decision to close schools as "tragic for South Africa".

"We know the disastrous effects on children denied an education. This is building up great resentment, not only among children, but among parents."

"The Government is under a false illusion that the situation will right itself. The only solution is to talk to recognised black leaders, but the Government will not do this, because they somehow blame these leaders for the situation."

The move by the education authorities comes on the eve of the judgment in the case in which the NECC has challenged the restrictions imposed on schools earlier this year.

Pupils responded to the restrictions — which included compulsory re-registration in the third term and ID documents — with mass stayaways.

It is estimated that normal schooling in the past two years can be "measured in weeks rather than months," said Mr Andrew.

"South Africa will be cursed with hundreds of thousands of improperly educated and virtually unemployable young people, who are unlikely to contribute towards stability, peace and prosperity in this country."

NRGWS 10/9/86 (335)

Recession causing distress — Cafda

Staff Reporter

INCREASED unemployment, fed by a deepening recession, has led to an upsurge in marital problems, alcohol abuse and the need for material aid, according to Cape Flats Distress Association (Cafda) senior supervisor Mrs A Ariefdien.

Writing in the Cafda annual report, she said the liquidation of many businesses because of the recession had led to "unprecedented unemployment".

Inflation had helped to price basic commodities beyond the reach of the average breadwinner.

ABUSE

"The frustration experienced by families is clearly reflected in an increased incidence of marital problems, divorce and alcohol abuse," she said.

"Not only has there been an increase in the overall case-load but also in those social pathologies which adversely influence a stable family life."

She said it was "nothing short of a miracle" that the number of children in need of care remained fairly constant.

Cafda warden Mr D Fitnum said housing remained a major problem "for tens of thousands of families".

In the area under the jurisdiction of Cape Town's city engineer the estimated shortage of houses was 50 000, resulting in gross overcrowding with 15 or more people sharing two-bedroomed houses in some cases.

SELF-HELP

In spite of political turmoil, Cafda managed to operate for all but six days last year, he said.

Cafda chairman Dr Oscar Wollheim said social work had changed from hand-outs to self-help, from "trying to patch up wounds and trauma" to "getting out into the community to look for potential problems and preventing them from happening".

The report was adopted at Cafda's annual meeting in St Saviour's Church hall, Claremont, last night.

1 540 new jobs for Atlantis

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CARE Tmp's
10/9/86

By PETER DENNEHY
Municipal Reporter

NINE new factories under construction in Atlantis will provide 1 540 new jobs there by July next year.

Releasing new details on the troubled town's growth in a statement yesterday, the secretary of the Divisional Council, Mr C H Mocke, said most of its factories were back to full employment levels.

Nearly 1 000 new homes were to be built in the next 12 months.

He rejected reports that Atlantis was turning into a ghost town. Only six businesses had closed in the past year, he said.

Mr Mocke said employment in Atlantis had grown by 15 percent in the past year to a record figure.

Independent consultants who conducted a survey for the Divisional

Council in July this year had established that 13 713 people were employed in 120 industries there now, compared with 11 934 a year ago and 12 788 at the previous peak in November 1984.

Four new factories had opened in the past year, creating 51 jobs, and 54 existing industries increased their workforce by a total of 1 976 jobs.

The Decentralization Board had approved 136 new projects for Atlantis which had not started yet, and 982 families on a waiting list hoped to move to Atlantis when accommodation was available there.

At present 6 150 State-funded dwellings were occupied in Atlantis, and 914 new houses were to be built in the coming 12 months. The price of serviced land in Atlantis, both industrial and residential, was about half that in the Peninsula, the release said.

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Thousands jobless in hotel industry

Political Staff

THOUSANDS of people in the hotel and related industries have lost their jobs as a result of the decline in the number of foreign visitors to South Africa.

This is shown in a memorandum submitted by the South African Tourism Board to the economic affairs committee of the President's Council.

The committee, now sitting in Cape Town, is hearing evidence on job creation.

"Good years"

The memorandum says that in "good years" the hotel industry provides between 60 000 and 85 000 jobs.

This figure has dropped to about 55 000 as a result of the decline in the number of foreign visitors.

About 10 percent of the people at present employed in the industry are whites and about 90 percent are of other races.

The memorandum says that between 40 and 50 percent of the employees were in the semi-skilled and unskilled category. In the non-hotel accommodation industry the figure was between 60 and 70 percent.

The memorandum says there are 1 321 registered hotels with a total of 91 362 beds.

Between April 1985 and May this year the average occupancy of beds for the various grades of hotels ranged from 32 percent (for one-star hotels) to 45 percent (for three-star hotels).

Five-star hotels, of which there are 11 with a total of

5 687 beds, had an average occupancy of 36 percent.

The memorandum says tour operators and travel agents, which employ about 5 000 people, have also been hit by the decline in foreign visitors and the economic climate.

It is suggested that special-interest tours related to agricultural activities is a relatively undeveloped area with "enormous potential".

Package tours are already being offered, such as the wine routes, the wool route and the crayfish route.

An even bigger contribution could be made in this field as tourists are eager to buy hand-made articles and art work.

Evidence on job creation was given by two directors of the Tourism Board, Mr Kobus Roux and Mr Johan Fourie, at the committee's hearing.

CME 11/12 10/9/86

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Claims decline in unrest cases

Mr Mellet categorically denied charges that the Bureau for Information "manipulated, withheld or vetted" news. "We give good and bad information. The bureau is not a censor, but the state of emergency regulations act as a censor," he said. "That we do not deny."

He conceded that emergency regulations required information to be verified through an extensive process which often caused delays, much to the frustration of the media.

"We have a golden rule that information must be the truth," Mr Mellet said.

Dr Kobus Neethling, chief researcher at the bureau, said the Eastern Cape and Soweto were the major unrest areas which accounted for 36 percent of the nation-wide unrest in August this year.

While this was the "visible" side of unrest, the bureau would soon release research data which reflected the "emotional state" of the country, he added.

CME 11/12 10/9/86

50 356

DET closes 20 schools

THE Department of Education and Training (DET) has decided to close 20 schools in the Eastern Cape, Johannesburg and other areas — because of "zero attendance" — until the end of the year and temporary teachers will be sacked as a result.

This was announced yesterday by the Director-General of the DET, Dr Braam Fourie.

Dr Fourie said disruptions and boycotts made it impossible to pursue "meaningful and effective education" and the DET had no alternative but to suspend classes at individual schools from time to time.

King 'misled' by Tutu, says Botha

Political Correspondent

PRESIDENT P W Botha yesterday accused Bishop Desmond Tutu and the UDF of attempting to mislead Mrs Coretta Scott King on "the real state of affairs" in Crossroads and Khayelitsha.

Mr Botha said in a statement following Mrs King's failure to arrive at a scheduled meeting that he had intended to inform her of conditions in the two areas "since there are apparently those in South Africa who take pleasure in displaying only the negative aspects of South Africa to foreign visitors".

Mr Botha said he intended to inform Mrs King that the prevailing conditions in Crossroads "were the result of an orchestrated attempt by the United Democratic Front to keep people there. Dr Allan Boesak took a lead in this."

"During his visit in January this year, Senator Edward Kennedy advised the inhabitants not to move, although he described Crossroads as one of the worst townships he had ever seen."

"Despite invitations, Senator Kennedy refused to visit Khayelitsha. Mrs King and her entourage did not visit Khayelitsha either."

"In view of attempts by Archbishop Tutu and others to keep Mrs King uninformed and to withhold the real state of affairs from her", Mr Botha said he intended to convey the following facts about Khayelitsha to Mrs King.

- As many as 5 136 houses had already been built in the township.
- 17 912 serviced sites had been provided.
- There were a secondary school and 14 primary schools, and a further six primary schools would be ready in November.

From January 1985 to the present as many as 12 500 sites had been developed — an average of 625 a month.

Three community centres, six clinics and two shopping complexes had been erected.

Crown in Kasparov's grasp after win

By DAVID GLUCKMAN

CHALLENGER Anatoly Karpov yesterday resigned the 14th game of his world chess championship match against champion Garry Kasparov without resuming play, leaving him two points behind and virtually clinching the crown for Kasparov.

The win gives Kasparov, who played white, an overwhelming 8-6 edge in the match with the man who once held the world title for 10 years. Of the remaining 10 games, Karpov would have to win three more than the champion to regain the title.

Kasparov now needs only four points out of the last 10 games to retain his title. Game 15 is scheduled to begin tomorrow in Moscow.

1, 2 & 4

tonight

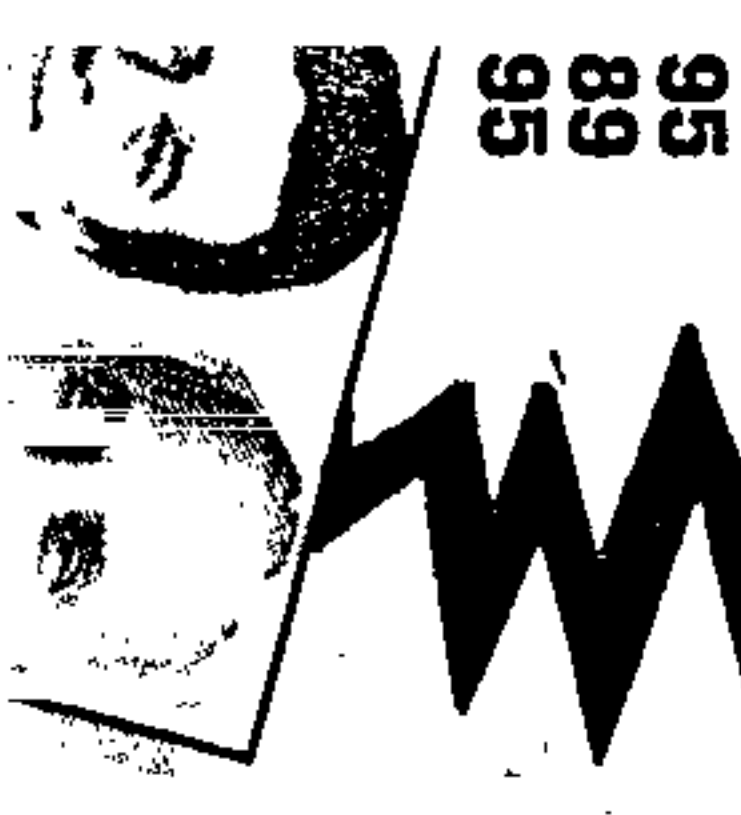


Grethe Fox plays Annette van der Merwe in "Losprys" at 9 on TV1.

- 3.30: Take a Stand. Moly attempts to force her viewpoints on the team. The resulting crisis is resolved by Norman who presents powerful reasons to postpone the proposed changes.
- 3.45: Your Tomorrow. The World of the Natural Sciences. The life sciences, botany, zoology and entomology.
- 3.57: Programme schedule
- 4.00: Polke Dot Door
- 4.25: Hand in Hand
- 4.30: Loving. All the ingredients for a good soap opera ... love ... hate ... intrigue ... mystery, found in the small town of Corinth.
- 5.00: The Cosby Show. Goodbye Mr Fish.
- 5.25: Ghostbusters
- 5.50: Northern Sotho Language Course.
- 6.00: News
- 6.15: Fast Forward. Presented by Ian Warren and Chris Prior. Studio guests Biara Lane from the group "October", and Roddy Quin, managing director of EMI. Featuring David Lee Roth "Yankee Rose", Jean-Michel Jarre concert, Chart rundown, Falco interview, Stanley Jordan "Lady of my life", Rolling Stones special, including "One Hit to the Body".
- 7.00: Who's The Boss? Thanksgiving. Tony takes Angela and the kids to Mrs Rossini for Thanksgiving dinner but circumstances lead Angela to enjoy the celebration less than anticipated.
- 7.30: Mary. Forest For The Trees.
- 8.00: Die Nuus en Network
- 9.00: Die Losprys. Georgie, who was involved in a murder case when Wessel was a state attorney, knows of the kidnapping and decides to turn matters in his favour to avenge the death of his friend.
- 9.55: Die Lang Slaap. A dubbed film (The Big Sleep). Robert Mitchum plays Philip Marlowe in this film based on Raymond Chandler's book. Others in the film are Sarah Miles, Richard Boone, Candy Clark, Edward Fox, Joan Collins, John Mills, James Stewart, Oliver Reed, Harry Andrews, Richard Todd, James Donald and Colin Blakely.
- 11.30: Oordening
- 11.35: Uitsending eindig

TV2

Tygerberg Fair talent competition



When generosity can be hazardous

RETRENCHMENT

THE generosity of a company when making retrenchments can be adversely affected by the conservative view taken by the taxman of retrenchment payments, says Maric Glaser of Deloitte Haskins & Sells.

"The payments are often attacked as not being in the production of income and are therefore considered non-deductible," he writes in the Deloitte newsletter, *The Business Adviser*.

"Employers who do make retrenchment payments should show them separately from regular wage payments on the tax return so that if they are challenged at a later date by the Commissioner, at least they will have already been disclosed.

"This will avoid any possible penalties in the event of a successful attack by the Commissioner, as well as limit the period during which he can re-open an assessment."

More skilled jobs on offer but few takers

2/6/86
6/9/86
335

By DEREK TOMMEY
Financial Editor

WITH the end of the recession in sight companies throughout South Africa are looking for extra staff. But the response from Cape Town to their advertisements so far has been poor.

Mrs Val Middleton, managing director of Admark, Cape Town, a company which specialises in the preparation and placing of job advertisements for skilled staff, said today there had been a steady increase in the past few months in the number of jobs being advertised.

May had been a record month for Admark and so had August, with help-wanted adds up 30 percent on May. September had opened on an incredibly busy note so this could be a record month too.

However, recruiters were finding there was a grave shortage of skilled workers. Some placement advertisements drew as little as seven responses.

Mrs Middleton blamed the emigration of skilled workers and the reluctance of people to move from existing jobs for this situation.

"There has been a horrific brain drain," she said. "Every day people have been emigrating."

Recently a British company had recruited 27 computer programmers from South Africa. A large number of engineers and accountants had been going to Australia and the United States.

But another factor militating against the recruitment of staff was the unwillingness of people to move from their present jobs.

People were feeling insecure and were most reluctant to take a chance and move to another job. It was not unusual for successful applicants to refuse at the last minute to move to the job offered them.

This shortage of skilled people has meant that recruiters were having to offer a bigger carrot.

But though there was a skills shortages, many good people were still looking for jobs. Their difficulty was that they did not have the right skills.

School leavers and university graduates, especially women, were also having difficulty finding work. Employers usually wanted people with at least a year's experience so it was not easy to place young people straight out of school or university.

MORE APPLICATIONS

Mr Michael Lane, manager of the appointments division of PE Corporate Services, Johannesburg, confirmed there had been an increase in the number of companies seeking staff in the past month or so. But he had experienced an increase in the number of applications — though perhaps not from Cape Town.

A specialist in appointment of senior executives, Mr Lane said people living at the coast seemed far less willing to change jobs than was the case on the Reef.

The financial services field had experienced a serious brain drain. The answer was to step up the training of blacks. At present South Africa had only seven black chartered accountants.

He was increasingly working on the development of black management.

AKGWS 5/9/86

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Minister 'unconcerned' about jobless

Labour Reporter

THE Unemployed Workers' Movement is perturbed at the "unconcerned attitude" of the Minister of Manpower about the plight of the jobless.

In a statement issued yesterday the movement said this was its impression during a meeting with the Minister, Mr Pietie du Plessis, last month.

At the meeting the UWM delegation of 40 representatives and observers from nine areas in the Western Cape and the Boland presented a memorandum for work or full maintenance.

SECOND PHASE

The UWM said that because of its failure to get a positive response from the Minister it would start the second phase of its campaign for work or full maintenance.

This would involve report-back meetings, campaigns for the demands of the memorandum, forging closer links with the organised labour movement, the involvement of unemployed workers in the UWM and the initiation of projects on co-operatives of unemployed workers.

Jerome Thomas (SALDRU)

WEEKLY MAIL 5/10/86 335

THE ECONOMY

How 'freeing' the economy shackled small businesses

THE government's recent economic policy decisions have severely hampered small business and worsened growing unemployment, a think-tank heard last week at the University of Cape Town.

The gathering of several prominent South African economists was organised by the UCT School of Economics and the South African Labour and Development Research Unit (Saldru) to consider government macro-economic policy and its relationship to poverty.

The economists, representing a range of opinion, generally agreed that government mismanagement and inefficiency had led the South African economy into a perilous downward spiral.

And decisions to free the exchange rate, dramatically increase interest rates and move away from a controlled and regulated economy had hindered small business and increased the growth of unemployment, they argued.

"There was consensus that the sharp increase in interest rates was far too sudden, and benefited large scale enterprises, at the expense of the small businesses," said the Director of the UCT School of Economics, Professor Francis Wilson.

"And this came at a time when the government was talking about assisting small scale development and tackling unemployment."

The workshop, organised with the support of the West German-based Friedrich Ebert Stiftung, agreed that for any future economic growth significant political change was necessary.

Wilson stressed the need for professional economists to "engage in fruitful dialogue with policy makers, whether they be in Pretoria or Lusaka".

According to the workshop organiser, Terence Moll, "the government is on the run. No-one is investing in South Africa because of political uncertainty. In the past five years, investment has dropped in real terms every quarter."

"The crisis is endemic, not cyclical. There is virtually zero employment growth, and there has been a total collapse of the manufacturing sector, which is usually the engine that propels developing economies."

Government misallocation of resources was a recurring theme in the workshop. Wolfgang Thomas of the University of the Western Cape cited as an example the R840-million set aside in the 1986/7 budget for uranium enrichment projects.

There was general consensus among the economists that the liberalisation of monetary policy in the past five years and government moves towards a free market approach had

Recent policy decisions to free the exchange rate, increase interest rates and move away from controls had severely hampered small businesses and worsened the unemployment crisis, argued speakers at the UCT economics conference last week. MOIRA LEVY reports

exacerbated the economic crisis.

"The government was seen to have abdicated its responsibility. It was trying to transfer its obligation to provide pensions and other forms of welfare to the private sector," Moll said.

This led to a deepening of the economic and political crisis, and the government was forced to see that this policy was unworkable, Moll said.

On the whole, some government departments were now starting to follow a policy of "mild redistributionism", some of the economists argued.

Although the concept of economic redistribution was until recently anathema to many policy makers, it is increasingly gaining acceptability, particularly in the Department of Constitutional Development and in the military, as a strategy to secure political stability and growth.

"It was agreed that there is a need for government to be thinking at the level of macro-economic policy about the reallocation of resources within the budget. More analysis is needed about the efficiency of different forms of state expenditure aimed at reducing poverty," Wilson said.

He said the workshop discussed the possibility of "reallocating funds away from defence and into pensions or carefully selected public works programmes."

UCT economists Iraj Abedian and Barry Standish argued that if the defence budget were redirected into public works programmes, close on two million jobs could be created.

Reallocation of funds within the state budget to increase pensions was also considered as a strategy to promote growth and combat poverty, especially in the rural area where the majority of black pensioners were situated.

Most of the economists agreed that redistribution was dependent on economic growth. Some suggested that white incomes would need to be pegged at their present level to enable the incomes of blacks to catch up.

Dr Wolfgang Thomas of the University of the Western Cape said increases in state spending generally benefited only the, usually white, middle and upper classes, while cuts in expenditure more directly affected the low income earners.

He argued that a relatively small share of the R1 000-million increased

expenditure on education in the 1986/87 budget actually reached black education, and the same is true of government spending on public sector and building programmes, he said.

● Professor Mike Savage of the University of Cape Town, in an inaugural lecture delivered last week, argued that reallocation of government spending could significantly alleviate poverty in South Africa.

He said that in 1984 the Department of Education and Training identified a shortage of 3 327 primary school classrooms and 2 448 secondary school classrooms, a shortage that would cost the department R420-million.

The shortfall could be eradicated by switching the equivalent sum paid to the SA Development Trust over the past four years for purchasing land to consolidate black areas, it could be met in one year by disengaging militarily from Namibia. It could be met in just over two years by charging 15 percent of the cost of their education to white pupils.

Savage also cites a study by UCT economists Abedian and Standish which claims that the state allocated 15,8 percent of its budget in 1932 to providing jobs for poor whites.

Savage writes, "If a similar proportion of the 1986 budget was devoted to generating jobs, then R5 936-million would be made available for this. This would generate a total of either 2 920 000 jobs or 5 240 000 training positions."

"The 1930s experience among other things demonstrated that a fundamental reallocation of economic resources is required if unemployment and poverty are to be eradicated."

Savage argues that the state spends an excessive amount of its budget on maintaining the system of apartheid. He estimates that some 12 cents out of every rand spent by the government in 1985/6 "was directed towards maintaining and enforcing segregation, imposing apartheid programmes, and on policing and guarding the system".

The cost of running three houses of Parliament and 10 legislative assemblies, with their 12 270 members, approximately 121 ministers and 151 departments amounts to almost R50-million a year, Savage claims.

Pass laws, until they were abolished, cost the state between R89-million and R113-million a year to enforce. And to continue to employ the 1 204 officials who used to apply influx control now cost the government about R12,7-million. A further average of R6 734 863 is spent annually on applying the trespass laws which have replaced influx control.

4/9/86

'80 pc out of work' in Zolani

By TONY WEAVER

INSIGHTS into life in Zolani township, Ashton, emerged in Tuesday's hearing in the Worcester Regional Court.

In the court 32 Zolani residents, including 13 children, were sentenced to a total of 258 years' jail for public violence.

It emerged from evidence that many of those appearing were either unemployed or could get work only as seasonal labourers. None had completed high school.

Zolani township has been described by community workers as "desperate". It has an adult unemployment level estimated at more than 80 percent.

Vigilante action in the area has been a cause of friction in the community. The Supreme Court granted an interdict in March restraining the vigilantes from imposing a curfew and from assaulting schoolchildren.

Circumstances

An Ashton policeman, Warrant Officer Leon Hansen, described the vigilantes as being "a small group who acted against the accused, who were not scared of intimidation and threats, they are blacks from the community who on their own came forward when the unrest began".

Some of the circumstances of the accused described to the court included:

● Mr Fikele Mana, 21, the oldest of nine children who has Std 7, lives with his parents and both he and his father are seasonal labourers supporting the family of 11. He spent 10 months in detention before being brought to trial and was sentenced to eight years' jail.

● A boy of 17 with a Std 6 education who has nine brothers and sisters, his mother is a pensioner, his father is dead. He does casual work to help support the family and has been sentenced to seven years' jail.

● Mr Mathews Fante, 31, sentenced to eight years' jail, has no formal education. His wife is an awaiting-trial prisoner held at Pollsmoor Prison and they have a child of two years. A labourer at Langeberg, he has been in jail for the past 10 months awaiting trial.

● Mrs Amelia Memani, 22, was sentenced to eight years' jail. She had her first child when she was 14 and has two children, now aged three and eight. Her husband does seasonal work and the couple look after the three children of her dead stepfather.

'19 000 SOVEREIGN jobs in 2/9/86 335 danger'

ABOUT 19 000 members of the Black Allied Mining and Construction Workers' Union face repatriation if the Government carried out its threat to send "aliens" home in retaliation for economic sanctions against this country.

This threat came under the spotlight at the union's congress held in Johannesburg at the weekend where about 700 delegates condemned the move as "being politically naive" and resolved to resist it.

The 74 000-member Bamcwu also resolved to liaise with other trade unions and community organisations in its fight against the tit-for-tat Government threat.

"The affected workers have an equal stake like all others in the wealth of this country as they have dedicated innumerable hours to its development," the resolution read.

Bamcwu is to give momentum to its asbestos campaign, co-ordinated to expose the dangers of working in the asbestos industry.

In his presidential address, Mr Letsatsi Mosala urged the congress to resist "imposed solutions to the current socio-economic and political situation in the country unless black workers are involved at the leadership of such solutions or settlements".

Sullivan threatens to call a business pull-out

NEW YORK — The Rev Leon Sullivan warned at the weekend that, if SA did not abolish apartheid by the middle of next year, he would call on all US corporations doing business in the country to pull out.

He was speaking to about 100 business leaders at a seminar at Dartmouth College's business school in Hanover, New Hampshire.

The Baptist black clergyman is the creator of the Sullivan Principles, a corporate code of ethics aimed at ending apartheid.

"If by May 31, 1987, apartheid is not abolished and blacks do not have the right to vote, I will call on all US companies to leave, and I will call for a total American embargo against SA no matter what the President or Congress says.

"The SA government has become more intransigent. Every force must be brought to bear on the government to bring about change before the dam bursts," Sullivan said.

Developed in 1977 and expanded since, his principles suggest methods that US corporations with investments in SA can improve the economic and social conditions of SA workers.

Among the recommendations are that US companies pay blacks and whites equally for equal work, place more blacks in management, and develop job-training programmes.

Sullivan conceded many US corporations could be doing more for black SA workers.

"US businesses who follow the Sullivan Principles are doing more to bring about social, economic and political change than all other companies and institutions in SA at this time," he said.

"The problem is that too many companies, as well as governments, are doing little more than paying lip service to change in SA.

"They're using things like the principles as a camouflage."

SA would reach a crossroads next year, Sullivan said.

One road, he said, would lead toward a "bloody civil war in which millions of people will die".

The other would lead toward a peaceful solution to the growing civil unrest.

The key to preventing a civil war, Sullivan said, was for foreign companies in SA to put pressure on government to end apartheid. — Sapa-AP.

Chokka job scramble

Weekend Post
Reporters

UNEMPLOYED men, some from as far afield as Walvis Bay, today snapped up jobs as fishermen on chokka boats — and within hours were off to sea.

One boat filled with new workers, ranging from university students to an electrician and former railwayman, sailed for 10 days at sea.

"I have never caught chokka before in my life," said ex-UPE student Mr John Doubell, on board the Sea Urchin. "I have left university and I think I will give chokka fishing a go — the pay is good."

He had responded to an advertisement placed by the industry's newest entrepreneur, Mr Johan Stander, for 40 crew members for his two new boats.

"I am looking for fit people who can persevere," Mr Stander told the assembled hopefuls. "My men will be paid R1,25 per kilogram of chokka."

Mr Stander said his other boat, the Viskorn, would leave port as soon as crew positions had been filled.

The boats were bought from a Durban-based owner.

Meanwhile, representatives of the industry met the Minister of Environmental Affairs, Mr John Wiley, in Cape Town this week in an effort to solve problems.

Recently it was disclosed that the Minister intended imposing a six-week closed season for



Mr JOHAN STANDER (second from right) signing on crews for his two new chokka boats today. From the left are Mr DOUGLAS STEYN and Mr FANIE TREURNICHT, both of Walvis Bay, Mr JAN DE RIDDER, Mr NEIL GASKON, Mr Stander and Mr ROBERT COOPER, all of Port Elizabeth.

chokka fishing, starting on October 15, in an effort to conserve resources.

This led to an uproar from local fishermen, who have demanded the season remain open and that East Cape waters be

reserved for them.

Nine representatives of the chokka packing industry — six from the East Cape and three from the Cape — and other interested parties met Mr Wiley and the Chief Director

of the Marine Development Branch, Dr J Serfontein, and Sea Fisheries Research Institute officials.

Mr Wiley is expected to make an announcement soon.

Fishermen in the R10 million-a-year chokka export industry are said to favour a limited licence and quota system and are fighting to keep the season open.

● See Page 11



335 Thembeke Gqiba with Nombeko Mlambo

She teaches others new skills

WE Argus 30/8/86
Education Reporter

THEMBEKA Gqiba has every right to feel proud of herself. She has just put 25 women on the road to earning money in their own right.

Tired of long hours, little pay and "learning nothing", she left her job in a clothing factory and started teaching other women her self-taught skills of dressmaking and machine-knitting.

Capital

This week, 25 women who attended her classes at the Council for Black Education and Research Trust (Cobert) in Langa celebrated by holding a fashion show.

Part of the proceeds will be used to provide venture capital to 10 of

the women who will set up a co-operative in pre-fabricated premises in Guguletu, designing and making clothes to order.

People come every day to register for Thembeke's course: the waiting list is 40.

Cobert's cramped premises in Shop 13 of Langa's business centre buzz with chatter and the whirr of machines as the women work.

A big problem is that the tiny room can only accommodate a few women and machines.

● Cobert also runs training workshops for people to teach others to read and write; art, drama, jazz, ballet and art classes, reading circles and study groups in whatever venues can be found.

Cape Times 28/8/86

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Self-employed gain by learning costing

By AUDREY D'ANGELO
Assistant Financial Editor

PEOPLE of all races who have lost their jobs or are having difficulty in finding one after leaving school are looking for ways to make a living at home, says the MD of Business Dynamics, Theo Rudman, who is also chairman of the Southern African Society for Training & Development.

Rudman recently ran a pilot course, underwritten by the Small Business Development Corporation, to teach people with skills how to use them to earn money.

"It was intended for people who wanted to be self-employed but did not feel ready to start a business employing other people," he explained yesterday.

"There were 15 people — black, white, and coloured — chosen from more than 30 applicants.

Revelations

"And one of the biggest revelations to me was that most of these people, before taking the course, had no understanding of the difference between profit and sales and had no idea of costing.

"Most of them thought that any money left over after paying for raw materials was profit and made no allowance for overheads or the cost of their own labour.

Rudman, who is now running similar courses in rural areas but intends to run more in Cape Town next month, said he was able to show some students who had already started working at home why they were not making a profit.

"One woman, living in a black township, was working about 18 hours a day.

"She was making a profit from frying fish and selling it outside a school.

"But she was losing money on a sideline of selling dresses because her prices were too low.

"She had a third sideline, of buying boxes of women's underwear rejects, enough of which were good enough to sell profitably.

"Where she was going wrong was that it was easy, in her community, to sell the large sizes but there was less demand for the smaller sizes.

"She did not buy a second box before the first one was finished and was turning away would-be customers for weeks while she sold the remaining small sizes.

"After taking the course she has stopped selling dresses and has a constant supply of large sized underwear to sell while she is disposing more slowly of the smaller sizes.

"Between this and the fried fish she should earn a comfortable living."

00278/1 (335)

Closure to make 460 redundant

CAPE TOWN — At least 460 people will be out of work with the closure of the South African Wool-len Mills' factory in Mowbray.

A statement from the Frame Group, which owns the blanket factory, said the closing was part of a "major rationalisation operation."

Production will be "phased down" and manufacturing will stop on September 26. Employees will be made redundant in sequence, with "generous severance payment according to terms drawn up in consultation with the

Textile Workers' Industrial Union and the National Union of Textile Workers."

Only a few staff members will be offered alternative employment at other centres in the group, the statement said.

About 400 hourly-paid workers will be affected by the closure of the 74-year-old factory.

The management of the factory expressed its regret at the loss of jobs, and said products would be distributed through other factories in the group elsewhere in the country. — Sapa

detainees

335

But confusion exists as to just how the money is to be allocated.

Making the announcement yesterday, the Minister of Finance, Mr Barend du Plessis, said that R3,1 million of the R750 million earmarked for housing and job creation would go to the families of detainees.

In addition, R3m would be made available to rebuild the houses of black policemen which were destroyed by arson in unrest-related incidents.

Initially the Department of Finance stated that the R3.1m would be administered by the Department of Justice but the department had no knowledge of the announcement.

Later it was disclosed that the money would be handled by the Department of Constitutional Development and Planning, but a spokesman for the department said he was unable to give any information about the scheme.

The Minister of Constitutional Development and Planning, Mr Chris Heunis, was in Pretoria and it was hoped to be able to give some clarification when he returned to Cape Town today.

'Bizarre' announcement

Peter Dennehy reports that the Detainees Parents' Support Committee was "stunned" yesterday by what it described as the government's "absolutely bizarre" announcement of an emergency aid programme for the families of detainees.

Mr Du Plessis made the announcement yesterday at a press conference on how the government is to spend R750-million earmarked for low-cost housing in a bid to reflate the economy and stabilize society.

Another R3-million of the money was to be spent on rebuilding policemen's houses. About ten thousand new "special constables" would be appointed at a cost of a further R17,3-million from the low-cost housing package and R10-million from a separate fund allocation for job-creation.

He said R4m would be spent on a pension scheme under the House of Representatives, and R1,4m on emergency food aid.

Black housing would be allocated R185m, while R17,7m would be spent on white housing.

'Nest egg' for private sector

R400m would go to the private sector as a "nest egg" for a trust fund or company empowered to issue housing bonds which would enjoy the status of prescribed investments. The R400m would be multiplied several times over "in the next few years" as the funds were turned over.

Most of the projects could be implemented "within days or at most weeks", Mr Du Plessis said.

The DPSC spokesman said there would be no need for the R3,1-million handout if the government would simply release detainees. A Repression Monitoring Group spokesman said his organization viewed it as "a cynical move" by the government.

"It would be absurd to expect families to be grateful. The government can't buy off the hostility detainees' families feel. This is an attempt to purchase a veneer of morality."

Jobs for thousands

C/pt Tm 20/8/80 (20) (20) 331
JOHANNESBURG. - SA reserves of platinum, chrome and vanadium are at least twice as large as first estimated, SABC radio news reports.

This was revealed in a geological survey released in Johannesburg which says the mineral deposits in the so-called "bushveld complex" between Pretoria and Brits are at levels which make them economic to mine.

The survey said the deposits were only 400m below the surface in some areas.

The mining is expected to provide jobs for thousands of people.

The extent of the deposits was determined by a method which is used throughout the world in searching for oil, according to the report. — Sapa

Iscor retrenches 250 Benoni workers

JOHANNESBURG — Iscor has retrenched about 250 workers from the Dunswart Iron and Steel Works in Benoni in order to rationalise production at the plant.

Iscor's public relations manager, Mr Piet du Plessis, said yesterday the move followed an investigation into incorporating Dunswart into Iscor's system of steel production.

Iscor took over the management of Dunswart Iron and Steel Works in 1983.

Mr Du Plessis said a number of alternatives to retrenchment had been considered to make the plant as pro-

ductive as possible.

"We transferred as many people as was practically possible to positions in other Iscor plants. However, some people could not leave the Benoni area and there were not posts available for others.

"Their services were terminated on Friday under special conditions," he said.

"These conditions were negotiated with the individuals concerned and included severance pay."

Trade unions organising at the plant had been informed of the decision to retrench. — Sapa

Savage: Informal sector the answer

Political Staff
and Sapa

HOUSE OF ASSEMBLY.
— Mr Andrew Savage (PFP Walmer) expressed the fear yesterday that government hadn't come to terms with the freedom needed for a free-enterprise economy.

The government, he spelt out in debate here, would like black entrepreneurs who would contribute to economic growth and would be delighted if the informal and small business sectors could "mop up mass unemployment".

But, he added, the

government wanted this on their own terms — some of which ruled out growth, political stability and prosperity.

One of these terms was the fact that the government was only prepared to open CBDs — where capital outlay was prohibitive — while another was that it was impossible to develop competitive productivity within a political dispensation regarded by most of the population as discriminatory.

Mr Savage was speaking to second-reading debate on the Temporary Removal of Restrictions

on Economic Activities Bill, which gives wide powers to the State President, Mr P W Botha, to deregulate and cut through administrative red tape.

South Africa, he said, was caught between a population which doubled every 26 years and a stagnant economy.

The answer, he suggested, appeared to lie in small, informal business, particularly small manufacturers who were frequently engaged in subcontracting to giant industries.

Mr Savage said the

State President ran one of the most authoritarian societies in the world while paying lip-service to freedom.

The government had been plugging deregulation for a long time but in practice was still loading vegetable sellers into "black marias" for earning a living by serving a legitimate demand, he said, citing the case of two women issued with summonses for selling tomatoes in Rink Street, Port Elizabeth, in July.

● The advantages of the bill should not be overestimated, the Min-

ister of Administration and Economic Advisory Services, Mr Eli Louw, said in reply to debate.

He said it would be wrong to think it opened up some sort of "undeveloped gold mine in our midst".

"Deregulation is a process, not an opportunity, and will go on for years

... "Our challenge is to settle the mass of poor in this country in housing, business and agriculture in a Third World manner, because we can't afford any better."

The bill was read a third time. — Sapa

Sanctions would hurt 2 million — Relly

By Frank Jeans

In the event of total sanctions being imposed by America, Japan and the European Community (EC) on coal, steel and iron ore exports two million South Africans, mostly black, would be seriously affected.

This was said by Mr Gavin Relly, chairman of Anglo American Corporation, at the 21st anniversary dinner of the SA-Britain Trade Association in Johannesburg last night.

Referring to a sanctions scenario of gloom and hardship, Mr Relly said: "If there is a total ban on exports there will be a loss of 130 000 jobs of which more than 100 000 will be black.

"Whole towns will become industrial wastelands."

RIPPLE EFFECT

On the ripple effect and impact on Escom and SATS, he conservatively estimated the total loss of 300 000 jobs.

If dependants of breadwinners are taken into account then the figure for those who will be seriously affected by sanctions would be nearer two million.

Pointing out that next month would see key decisions being taken by the EC and the US, Mr Relly said these would have far-reaching effects on international trade with South Africa.

"We cannot allow economic sanctions to succeed for reasons that go beyond a self-interested defence of our markets," said the Anglo chairman.

"We must not abandon the fight against further sanctions and we must make certain that we dent the effect of those measures already introduced."

AREA B: Durban and Port Elizabeth.

AREA A: Lower Tugela.

Superceding w.d. no: 292

425 - CORDAGE AND MATTING INDUSTRY, CERTAIN AREAS.

SA Woollen Mills to close

Financial Staff

RATIONALIZATION of Frame Group blanket production will mean the loss of several hundred jobs through closure over the next few weeks of the SA Woollen Mills (Sawm) factory in Mowbray.

Frame management says the spluttering SA economy necessitated the move which follows the appointment of former SA Nylon Spinners chief, Justin Schaffer, as Frame's new MD.

Changes

Schaffer intimated at the time of the appointment a few months ago that fairly drastic changes would probably be required in the new portfolio.

Production at the Sawm plant is to be phased down from today. All manufacturing is to cease on September 26. After that blanket production will be carried on in the five other factories in the group.

The 74 year-old factory, a well-known land-

mark on the Southern Suburbs railway line, employs some 460 people including 400 hourly paid workers.

A management spokesman last night described the closure as "very distressing" but unavoidable.

A few of the monthly paid people had been offered positions elsewhere in the group.

Bureau

An advisory bureau had been set up in an attempt to find new jobs and to deal with questions concerning severance pay, pensions, and unemployment benefits.

Most employees are members of the factory's well-established Textile Workers Industrial Union, or the relatively new Cosatu affiliate, the National Union of Textile Workers.

Management is understood to be concerned that the rival union mix could lead to an exploitation of the closure, but labour leaders could not be contacted for comment last night.

R400-m to help jobless build homes

By David Braun,
Political Correspondent

CAPE TOWN — A R400 million trust fund to enable unemployed and homeless people to start building their own homes was announced by the Finance Minister, Mr Barend du Plessis, today.

The fund may take the form of a private sector company without gain and will be administered by trustees appointed by the State President.

It will be boosted by the sale of special housing bonds, similar to the standard defence investment bonds, which will be made available at market-related interest rates. A further R350 million is to be made available for housing projects.

Mr du Plessis said discussions between the State President, various Ministers and a number of prominent leaders of the private sector, had led to the decision as to how the money should be spent.

The resources would be utilised for maximum stimulation of the economy, the provision of low cost housing and maximum job creation.

The main goal of the Housing Trust was to enable unemployed people to construct their own houses by means of self-help schemes.

The Trust would cooperate with the relevant authorities and existing organisations in the private sector, which was to be involved in the process as much as possible.

In co-operation with local authorities, committees would be established to assist with loans and building materials.

deadline for rent defaulters

SOPHIE TEMA

THE Soweto City Council yesterday said that it would evict all residents whose rents were not paid by July 15.

Town Clerk Nico Malan also warned that "drastic measures" would be taken against council employees who leaked information about people who had paid rent.

Fears have been expressed that details about rent-paying residents would make them targets of victimisation.

Hundreds of residents have already been served with notices to pay their rent or face eviction.

"We have thousands of people desperately in need of houses who are prepared to pay the rents," said Malan.

Council records show that there are 22 000 people on the housing waiting list.

Malan said only a third of the estimated 75 000 registered tenants had paid their rent last month.

The council normally collects R500 000 a month in rent.

"The council has tried to meet the residents as far it was able by walking the first mile alone. But we cannot carry these arrears any longer," he said.

"The council provided a special rent office during June and sympathised with the people for this month because of the unrest.

"We are now hoping that those people who did not pay in June will make two payments on their rents in July."

Malan said that the electricity supplies of about 100 Orlando East families had been cut because they had arrears of more than R300.

Govt urged to relieve unemployed

CAPE TOWN 26/8/86 335

By BARRY STREEK
Political Staff

THE government is responsible for the unemployment crisis which was denying four million adults in South Africa, and their dependent children, the right to a decent existence, the Unemployed Workers Movement (UWM) will tell the Minister of Manpower, Mr. Pietie Du Plessis, today.

"Who can lead a decent

life without food in their stomachs, a roof over their heads, with rags on their bodies, or when reduced to begging," the UWM has said in a memorandum to be presented to the minister.

In the memorandum, the Cape Town-based UWM has made a number of far-reaching proposals — including a massive job-creation programme, rent and transport concessions.

It has called for the official definition of the unemployed to be widened to include school-leavers, farm-workers, domestics and "so-called illegals" in the urban areas.

The proposed job-creation programme should include a co-operative movement, State industries and public work schemes.

It calls for a study of labour-intensive programmes, as proposed by the International Labour Organisation (ILO) in a recent manual.

"The expansion of the politically motivated and the industrialist-oriented decentralization strategy must be stopped in favour of employment-motivated projects."

The UWM demanded that the government provide relief for the unemployed in the form of an allowance called Full Maintenance.

"Full Maintenance should cover rent, food, clothing, family responsibilities, contingencies such as sickness or death, and leisure. Such an allowance must keep pace with inflation."

UWM also proposed that:

- The government ban retrenchments. Plants that are closed down must be reopened by the government and run as State enterprises.
- Overtime work also be banned.
- Post-school study opportunities be created for people with a Standard Eight pass and for matriculants.
- Suspension of debt-payments for unemployed, coupled with the freezing of interest on their debts.
- Subsidies provided more benefits for bosses than for workers and should be abolished in favour of a system of price control.
- Rental arrears "hang like a millstone around many families' necks. We demand that the government scrap all rental, electricity, water and telephone arrears that accumulated because of unemployment".
- The memorandum says unemployment "exists because the State has abdicated its responsibility to the working-class members of society".

GOVERNMENT is responsible for the unemployment crisis which is denying 4-million adults and their dependents the right to a decent existence; the Unemployed Workers Movement (UWM) will tell Minister Pietie du Plessis today.

The UWM said in a memorandum: "Who can lead a decent life without food in their stomachs, a roof over their heads, with rags on their bodies, or when reduced to begging."

The Cape Town-based movement's memorandum also lists a number of far-reaching proposals, including a massive job-creation programme, rent and transport con-

Unemployed blame govt for jobless crisis

BUSINESS DAY, Tuesday, August 26 1986

cessions.

It has called for the official definition of the unemployed to be widened because, to date, the problem has been wished away by excluding most of the jobless, and to include school-leavers, farm-workers, domestics and "so-called illegals" in the urban areas within the definition.

Because the right to a decent living had no meaning when people were disallowed a means of income "our most fundamental demand is that government immediately initiates a programme to create jobs for all at a decent wage".

The programme should include a co-operative movement, State industries and public work schemes.

It calls for a study of labour intensive programmes, as has been proposed by the International Labour Organisation (ILO) in a recent manual.

It said: "The expansion of the politically motivated and the industrial-orientated decentralisation strategy must be stopped in favour of employment-motivated projects."

UWM said it realised that the actual creation of jobs for all would

take "some time. This meant misery, suffering and degradation would still be the lot of many."

"We demand that government provides immediate relief for all the unemployed in the form of an allowance called Full Maintenance."

"Full Maintenance should cover rent, food, clothing, family responsibilities, contingencies such as sickness or death, and leisure. Such an allowance must keep pace with inflation."

"As a first step to the implementation of Full Maintenance, UWM will

accept a subsistence fund for all unemployed workers without exception."

Until Full Maintenance was implemented, a rent concession for unemployed workers, reducing rents to R10 a month, and transport concessions to allow unemployed people to travel at a quarter of the price of rail and bus fares should be introduced.

At present, the Unemployment Insurance Fund was the only definite security which some of the unemployed could fall back on, but the fund "abounds with problems".

Workers chip in to help others

Labour Reporter

WORKERS at a Jacobs motor components firm, Smith Manufacturing, had rallied to the aid of fellow workmates who had been put on short time, Mr Vice-roy Mandlakapeli, a spokesman for the National Automobile and Allied Workers' Union, said yesterday.

He said the union had more than 500 members at the plant and each member had volunteered to contribute R2 towards a relief fund to help workers on short time during the next three weeks.

About 30 workers were put on short time last week and more will be following soon. The company has stated that there will be no pay for workers on short time. To help them, we started

the fund,' he said.

The company was planning to retrench about 90 workers.

'We are still negotiating with the company to avoid the retrenchments.

'Short time was introduced as a temporary measure while negotiations take place,' he said. Short time would be spread among workers in the different sections.

'Various departments will have their quota of short time in rotation.'

A spokesman for the company said yesterday that he could not comment on the workers' relief but confirmed that they were planning to retrench about 90 workers because of the tough times the motor industry generally was going through.

11/4 17/8/86 (335)

Women win claim over unemployment

Court Reporter

THREE Kwa Mashu women yesterday won an application against the Natal Provincial Administration entitling them to claim unemployment benefits following their dismissal.

The hearing was before

Mr Justice Kriek in the Supreme Court, Durban.

The dispute arose when Mrs Nomatamba Jane Gana, Mrs Vincentia Mfusi and Mrs Mantabengwe Senesia Kwela were employed by the then Natalia Development Board as street cleaners.

The Natalia Development Board has since been incorporated into the Natal

Provincial Administration.

Following their dismissal, the women attempted to claim UIF benefits and were told they would have to obtain UIF cards from their employers.

Mrs Gana said the Natalia Development Board would not give them cards.

After the Transport and General Workers' Union had written to the Natalia Development Board, a reply was received from the NPA informing the women that they had never been employees of the board but had been taken on as independent contractors.

The UIF deductions had been made in error and the women were told they would be refunded their contributions, but as they were not considered employees, they were not entitled to unemployment benefits.

Mrs Gana said that when she joined the Natalia Development Board, she signed an agreement and was told she would be an employee.

Mrs Mfusi and Mrs Kwela did not sign any agreement.

The registration of these two women was recorded in their reference books.

It was submitted that if they were registered as independent contractors, their employment would never have been registered and recorded as such.

Substantiating their claim as employees, the women said they were paid on a monthly basis and UIF contributions were always deducted.

By consent

They were told no one else was allowed to do their work for them.

Mrs Gana said if they were really independent contractors, the Natalia Development Board would not have insisted on personal performance.

Mr Justice Kriek granted an order by consent declaring that the three women were entitled to unemployment benefits.

Mr Christopher Nicholson from the Legal Resources Centre appeared for the women.

GM axe falls on salaried staff

335
We Post
28/11/86

GENERAL MOTORS announced today that about 100 salaried staff at all levels would be retrenched or retired early.

Mr George Stegmann, director of personnel and public affairs, said this was being done "to support the company's current volume of business and to ensure its viability in the longer term".

He said the adjustments were necessary to enable the new company to enter 1987 with a more streamlined organisation.

The reductions were taking place from executive level to clerical and other administrative

functions.

"Some reductions have been made possible by the fact that functions relating to General Motors Corporation USA reporting will no longer be required," Mr Stegmann said.

Wherever possible, he said, the early retirement option was adopted, but retrenchment was unavoidable in some cases.

Mr Stegmann emphasised that the staff reduction was being confined to salaried staff.

"No adjustments are planned at the levels of hourly paid employees," he said.

MCUS 28/11/86

SA companies in 'iron age' on retrenchments

339

JOHANNESBURG. — South African companies are still in the iron age in terms of retrenchment policy, according to a new report which says this is a cause for "serious concern".

Few firms have guidelines and proper procedures, says a survey by Potchefstroom University presented at a conference there on Economics, Business Economics and Manpower Research.

Ms Elsa Kruger of the National Manpower Commission said it was found that while 65 percent of the companies surveyed had resorted to retrenchment, and 58 percent were party to industrial council agreements, only about 15 percent (seven percent of the total) said their agreements provided for retrenchment procedures.

The firms approached employed about 375 000 of whom

54 percent were blacks, coloured or Asians. More than 60 percent said they were affiliated to employer organisations, about half being members.

However, only 24 percent confirmed that these organisations issued guidelines on retrenchment.

Of the 58 percent of the overall sample who were party to industrial agreements, only about 15 percent (seven percent of the total sample) indicated that such agreements provided for retrenchment procedures.

The report notes: "Keeping in mind that some 65 percent of all participants had recourse to retrenchment, the lack of guidelines on retrenchment practices is cause for serious concern."

An important finding, says the report, is that: "There is a discrepancy in the perceptions

of employers and trade unions of the most important reasons for retrenchment."

"Although both saw the downturn in the business cycle as the most important reason, they differed totally on what the second most important reason ought to be."

Measures to avoid retrenchments included work-sharing, subsidies and early retirement, noted Ms Kruger.

She also explained that, in line with recommendation number 166 of the International Labour Organisation: "There are basically two kinds of criteria for the selection of workers to be retrenched."

"One is aimed at maintaining in employment those who would experience the most hardship for losing their jobs — the other aimed at the most qualified personnel. — Sapa."

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UNEMPLOYMENT 335

Creating Cape jobs

In the latest focus on unemployment problems in the western Cape, the Cape Town City Council (CTCC) says that unless the cost of job creation can be reduced from between R17 000 and R121 000 a job to about R10 000 across the board, there is little hope of ever reducing the region's growing human surplus.

In a submission to the economic affairs committee of the President's Council, the city engineer's department says a new strategy for job creation has to be devised. It must include "a radical restructuring in priorities to employ people instead of buying machinery."

The report dovetails with a new initiative launched last month by Wesgro, a private and public sector-backed economic development agency, which is trying to involve all western Cape communities in a project to create 35 000 jobs a year (*Current affairs* November 14).

The latest report says a "crucial factor" limiting the viability of any proposals for job creation is whether the regional economy can provide the necessary capital resources.

At 1985 costs of job creation, which range from R17 857 a job in construction, to R121 951 in the services sector, it will require new capital investment of R1,7 billion

a year to create 24 000 jobs, and R2,5 billion a year to create 35 254 jobs, which is considered to be the more realistic figure of employment needs.

The R2,5 billion represents nearly 1,5 times the current annual new investment in the region. "This is clearly an impossibility without substantial assistance from external sources," the report concludes.

If, however, the cost of job creation can be reduced to R10 000 a job, it will require only R400m to create 35 245 jobs, or 24% of the new annual capital investment in the region. "This figure could be regarded as a regional goal, provided a radical restructuring in priorities to employ people, instead of buying machinery, is agreed to by all concerned," says the report.

The CTCC's report indicates growing concern at what is clearly developing into the most severe crisis facing the western Cape.

Caltex SA executive chairman Denis Fletcher, who is backing Wesgro's "Wesplan" job creation strategy and is co-president of the plan, says the western Cape faces long-term economic collapse unless more jobs are created.

Unemployment in the western Cape is estimated by Wesgro at 175 000. The organisation's long-term goal is to create 700 000 new jobs.

2. EMPLOYMENT

2.215 STATE EMPLOYMENT IN SOUTH AFRICA - WHITES : 1960 - 1985

YEAR	TOTAL	CENTRAL AUTHORITIES	PROVINCIAL AUTHORITIES	LOCAL AUTHORITIES	HOMELAND GOVERNMENTS	STATUTORY BODIES & CONTROL BOARDS	SATS	GPO	PUBLIC CORPORATIONS
1960	103 726	63 000	38 361	500	1 206	109 268	331 061	0	15 000
1961	107 090	65 098	38 267	600	1 165	110 859	340 079	0	17 000
1962	112 825	67 449	38 877	700	1 207	111 011	351 069	0	19 000
1963	117 620	69 711	39 465	800	1 245	113 459	363 300	0	21 000
1964	121 851	72 153	40 300	800	1 256	113 911	373 271	0	23 000
1965	122 700	73 131	41 917	1 100	1 292	115 040	380 180	0	25 000
1966	127 490	78 503	43 400	1 200	1 356	116 383	395 332	0	27 000
1967	131 325	80 588	44 632	1 300	1 338	114 822	403 005	0	29 000
1968	135 620	85 283	45 326	1 400	1 561	115 128	450 129	34 811	31 000
1969	129 950	89 339	45 456	1 500	1 573	114 309	450 560	35 433	33 000
1970	99 915	92 081	47 364	1 600	1 574	105 099	421 528	38 202	35 693
1971	102 757	95 313	49 137	1 700	1 584	112 652	441 468	40 325	38 000
1972	104 443	98 537	52 222	1 800	1 650	110 972	450 057	40 433	40 000
1973	102 881	101 022	52 392	2 029	1 608	110 218	453 004	40 854	42 000
1974	102 276	104 033	54 863	2 121	12 557	107 803	468 628	40 975	44 000
1975	105 909	108 441	57 500	2 139	12 913	111 844	489 529	43 524	47 259
1976	116 867	112 194	57 900	2 217	13 804	113 046	508 677	43 649	49 000
1977	121 699	116 987	57 900	2 313	14 081	114 399	523 293	44 905	52 000
1978	123 268	120 867	58 100	2 306	14 454	116 489	534 389	45 576	54 000
1979	129 872	123 193	57 200	2 400	14 523	113 441	543 205	44 988	57 000
1980	129 172	127 329	56 600	2 500	15 085	113 959	552 467	43 618	62 834
1981	129 836	125 326	56 400	2 600	15 282	115 852	552 914	45 202	64 000
1982	133 376	126 662	59 900	2 700	14 518	119 663	565 321	49 485	66 000
1983	145 447	129 333	61 200	2 800	16 141	113 767	583 373	52 074	70 000
1984	150 576	132 136	61 200	2 900	15 886	109 766	591 638	52 074	70 000
1985	151 538	128 721	63 400	3 000	16 616	102 597	587 576	52 704	72 000

SOURCE : Standish, J.B., State Employment in South Africa, M.A. Thesis, University of Cape Town, 1984. (Unpublished Data)

27/11/86 BUS DAY (335)

Aberdare retrenches 220 staff

THE Aberdare Group, an Altech subsidiary, yesterday retrenched 220 staff members, mainly employed by its Asea Scottish Cables.

Aberdare chief executive Peter Watt said the retrenchments would be effective from January 2 and added "a rationalisation had become necessary".

Although reluctant to "pre-empt an imminent media release", Watt said the

LIAM EGAN

retrenchments, which encompassed "most designations", took place mainly from Asea's Rosslyn factory.

A women employee of Asea phoned *Business Day* yesterday to complain that the "summary retrenchments had taken place in the face of Altech's sponsorship of a tennis tournament".

'Recession has revealed talent'

'Many succeed' after job loss

ONE THAT 27/11/86 328

By AUDREY D'ANGELO
Deputy Financial Editor

RETRENCHMENT has meant the start of a successful new career for many people of all races in the past two years, says Tobie Coning, the head of the Small Business Unit at the University of Stellenbosch Graduate School of Business.

"When job security falls away, people have to rely on their own talents to make a living and some of them are doing very well indeed.

"The recession has revealed a lot of latent entrepreneurial talent in

the Western Cape."

This, he said, included the informal sector. "There is a lot of cash business going on in the townships."

Giving an example of activity in the Western Cape, Coning said 22 people had enrolled with his unit for a course to teach coloured people how to organize cleaning and gardening services.

"The course has just ended with only 11 students left. The others have already started to put what they have learned into practice and are in business."

Coning was comment-

ing on the speech made by the MD of the Job Creation SA programme, Ian Hetherington, yesterday, when he received the 1986 Free Market Foundation award for services to the economy.

Hetherington said at a luncheon in Johannesburg that the economic situation was not as bad as might be thought because so many people were earning money in the informal sector.

But he appealed for more deregulation and less opposition to it by those who felt their own interests threatened.

Unrecorded

"Probably as many as two thirds of all SA households have some cash income other than from wages and salaries.

"Perhaps as much as 30% to 40% of all economic activity in some black areas goes unrecorded."

This, he said, explained how life went on in spite of soaring unemployment and wages below the level required for minimum standards of living.

"It suggests that an economic strategy should concentrate on releasing this bursting entrepreneurial energy by swiftly and savagely slashing government intervention, by reducing taxation and by putting in laws to enhance individual economic freedoms, whilst repealing those that restrict them," Hetherington said.

REPORT SLAMS SA EMPLOYERS

SOUTH African companies are still in the iron age in terms of retrenchment policy, according to a new report.

There is 'cause for serious concern' that so few firms have guidelines and proper procedures.

In a survey conducted by Potchefstroom University, and presented at a conference there on economics, business economics and manpower research, Ms Elsa Kruger of the National Manpower Commission, said it was found that while 65 percent of the companies surveyed had resorted to retrenchment, and

'Lack of guidelines on

retrenchment'

58 percent were party to industrial council agreements, only about 15 percent (7 percent of the total) said their agreements provided for retrenchment procedures.

The firms approached employed some 375 000 of whom 54 percent were blacks, coloureds or Asians. More than 60 percent said they were affili-

ated to employer organisations, about half being members.

However, only 24 percent confirmed that these organisations issued guidelines on retrenchment.

Of the 58 percent of the overall sample who were party to industrial agreements, only about 15 percent (7 percent of the total sample) indicated that such agreements provided for retrenchment procedures...

The report notes: Keeping in mind that some 65 percent of all participants had recourse to retrenchment, the lack of guidelines on retrenchment practices, is cause for (serious) concern.

Jobs 'the greatest challenge'

GERALD REILLY

THE greatest challenge of the future was not only to provide new jobs, but to protect existing ones, Manpower Director-General Piet van der Merwe said at the weekend.

Addressing a manpower seminar at the University of Pretoria, he said economic conditions in past months had a severe impact on unemployment, earnings and even migration.

To provide the necessary job opportunities would demand a greater degree of decentralisation, privatisation, deregulation, and the development of the informal and small business sectors.

"We can expect the economic penalties imposed against SA to increase in severity. This will affect job creation which in turn will affect labour relations."

On the new trade unions, Van der Merwe said that identifiable and credible leaders had now emerged.

In this developing scenario the trade union movement had to contend with the increased bite of unemployment through firings.

23/11/86

SUN TIME

(B) (H) (G) 335

By JEREMY McCABE
A SOARING Eastern Cape unemployment rate played a major role in ending the three-week-long strike at General Motors' Port Elizabeth plants.

And the decisive breaking of the strike this week was seen as a definite slap in the face of pro-disinvestment lobbyists and militant unionists.

The strike by more than 2 000 GM workers eventually broke down dramatically because their unions' bargaining power was far more limited than they had expected — largely because of the potentially disastrous unemployment position in the struggling region.

GM management remained unmoved in the face of a list of demands arising from worker dissatisfaction about the manner in which the company had gone about ridding itself of its South African subsidiary.

The workers were aggrieved that they had never been consulted about GM's disinvestment move and sale of their local operation to a South African business consortium.

They complained that they felt their future was uncertain in the new company.

Among the demands made by the National Automobile and Allied Workers' Union (Naawu) and the Motor Assembly and Component Workers' Union of SA (Macwusa) were an optional refund of pension fund contributions and the granting of severance pay.

But GM could afford to resist worker pressure even though production suffered severely — if the motor giant's striking workforce no longer wanted to work, there were plenty of desperate, unemployed people who would

do anything for a job.

And the unemployed arrived in their droves ... ignoring thinly veiled threats by striking militants that "scabs" would be dealt with.

Mr Dennis Brislin, manager of hourly personnel at GM, said his department had received more than 900 job applications since the start of the strike.

Many of these were from former Ford employees (who lost their jobs when most of the Ford company's activities were curtailed in PE)

and skilled motor industry labourers.

He said many unskilled workers had indicated that they would do "anything" just so long as they had work.

"The task of selecting the lucky few from the hundreds of hopefuls was not a pleasant one," Mr Brislin said.

Several recounted heart-rending stories about why they needed work.

One woman "begged to be allowed to sweep, clean or wash floors", saying her husband had been without work for 18 months and their little children were starving.

Another application had come from an entire unemployed family of four.

"Fortunately, GM was able to hire the father and one of the sons," Mr Brislin said.

And yet another desperate applicant had even refused police orders to move away from the GM plant gates.

"He was so desperate that neither police orders nor fear of intimidation could move him."

In the face of this mass turnout for jobs, many striking workers suddenly realised just how precious those jobs were.

But the angry unions have contested the re-employment figures provided by management.

At a fiery Naawu meeting held this week, the union's national secretary, Mr Freddie Sauls, said the union believed that 800 of its members were continuing with the strike.

He said during the meeting that a union delegation would meet Mr Bob White, GM's managing director, and advise him that striking workers "were not accepting their dismissal".

Several workers who had abandoned the strike action and who were present at the meeting were evicted amid shouts of "backstabbers and sellouts".

SLAP IN THE FACE FOR UNION MILITANTS AS DROVES OF JOBLESS SCUTTLE GM STRIKE

22/1/86
(335) Db

250 000 jobs lost in recession

PRETORIA — Employment in the construction and manufacturing industries and in South African Transport Services (Sats) plunged by nearly a quarter of a million between August 1984 and August this year, according to Central Statistical Services figures.

In six major employment areas — construction, manufacturing, Sats, post office, mining, and electricity the total employed dropped by 182 877 in the two years to August.

Only the post office and the mining industry registered increased numbers of workers in the period. The post office increased by 3 116 to 97 943 and the mining industry by nearly 40 000 to 760 925.

The recession eroded employment in the manufacturing industry by 81 300 to 1 319 000 and in the construction industry by a massive 119 600 to 294 000.

Sats policy of shrinking its total worker complement by a policy of attrition resulted in the total dropping from 238 358 in August 1984 to 215 870 in August this year — a decrease of 22 488. Economists said the huge decrease of construction and industrial workers indicated the significant extent of spare capacity which had developed in the past two years. — Sapa

...did not say his department did ...
...admitted that they were ...
...complaints were among several ...

4 BUSINESS DAY, Friday, November 21 1986

Cencor mine to cut staff

USUTU Coal Mines, a Gencor mine near Ermelo, is to retrench about 100 staff because of an Eskom request to cut — with immediate effect — coal supplies to its Camden power station.

A Gencor statement said Eskom blamed the lower electricity demand resulting from the economic slump.

"The reduction in coal supply will regrettably lead to a de-

crease of Usutu's workforce by approximately 100 persons, both black and white," Gencor said.

Gencor said every effort would be made to find alternative employment within the Gencor Group for those employees affected, but this could not be guaranteed by management.

Usutu currently employs about 1 900 people. Output will be cut from 50 000 tons a month to 30 000. — Sapa.

341
222
78

...is a holding of thirty ... standby offe

335

270 to lose jobs at Putco

(335)
Sowetan
20/11/86

PUTCO is to retrench about 270 employees because of the boycott of buses in Soweto, the company announced yesterday.

The retrenchments, in the three Soweto divisions of the western area, will be implemented soon and talks are currently taking place between divisional managements and representative worker bodies.

A company spokesman said yesterday the

MORE RETRENCHMENTS LOOM

implications for staff and passengers, "through the actions of others", were regretted.

About 100 buses have already been pulled off the road, but adequate services will be maintained by the rest of the fleet, to meet remaining commuter demand.

The boycott, which has been accompanied by violence, follows a

17,5 percent fare increase to meet higher operating costs.

The increase, introduced on November 1, was the first in a year.

"Every effort is being made to give staff as much time as possible to make other arrangements, but it has not yet been decided which individuals will be affected. The company is

also hoping to alleviate the situation by transfers, early retirements, and any other means open to it," the company said.

"More buses may still have to be taken out of service, and as a result of this, further retrenchments may still have to be considered. Putco employs altogether nearly 10 000 people."

— Sapa.

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Putco to retrench

JOHANNESBURG — Putco is to retrench about 270 employees because of the boycott of buses in Soweto, the company announced yesterday.

Talks are taking place between divisional com-

pany managements and representative worker bodies.

The boycott, which has been accompanied by violence, follows a 17,5 per cent fare increase to meet higher operating costs. — Sapa

Appointments frozen at GM

By DAWN
BARKHUIZEN

APPOINTMENTS have been frozen at General Motors following a flood of job applications and the employment of 290 new staff members this week.

However, members of the group of 566 who were dismissed for failing to leave the company's premises last week, will be screened for re-

employment until tomorrow, according to Mr Robert McIlwaine, GM's industrial relations manager.

Nearly 2000 workers manned production lines at General Motors today, he said.

According to Mr Dennis Brislin, manager of hourly personnel for GM, the personnel department has been inundated with more than 900 job appli-

cations since workers first went out on strike two weeks ago.

Many of the applications were from former Ford employees and skilled motor industry workers, he said. There were also applications from many unskilled workers prepared to "do anything".

The company was faced with the onerous task of selecting workers

from a group of people who were in many cases desperate, he said.

"As far as possible we have tried to employ people with previous experience."

At General Motors yesterday morning, 1743 workers were at the Kempston Road plant with approximately 145 at Ayles, according to Mr

● Turn to Page 3

● From Page 1

McIlwaine.

Included in this figure were 280 people who had been re-employed after being fired along with 386 others last week. Also included are 149 new staff members.

Mr McIlwaine said about 400 applications had been received from the 566 who were dismissed.

"If we do not receive applications from the balance by tomorrow GM will have to assume that they do not wish to seek

re-employment, and we will have to plan our manning levels accordingly."

This did not prevent those fired from making applications at a later stage, but their positions would then be subject to vacancies.

Of the new employees, one was a Port Elizabeth woman with a Std 9 education, who said her husband had been unemployed for 18 months and her children were hardly eating, according to Mr Brislin.

"She begged to be allowed to sweep, clean or wash floors," he said.

Another application had been received from an entire family of four, all of whom were unemployed.

"We were able to employ the father and one of the sons," Mr Brislin said.

Yet another applicant who was waiting at the GM gates when police ordered strikers to disperse on Monday refused to budge.

"He was so desperate that neither police orders nor fear of intimidation could move him."

Full production is expected to be reached by Monday.

Upturn means thousands get jobs

335

Cape of good hope

THE improvement in business conditions in the Western Cape in recent weeks appears to be more widespread than the seasonal, short-lived upturn experienced over the same period last year, according to the Cape Chamber of Industries (CCI).

In a report released on the eve of its annual general meeting, the CCI notes that the upturn started in consumer goods industries and has since spread to other sectors.

It says the improved conditions have brought back into employment literally thousands of workers, particularly in the garment industry — the largest employer of industrial labour in the region.

The CCI cautions, however, that the improvement in order books and employment is still too recent to tell whether it is a harbinger of a new period of growth, or just another "seasonal bump in an otherwise continuing negative growth pattern".

Nevertheless, when viewed alongside other

CHRIS CAIRNCROSS

er economic indicators, such as the gold price and a slight firming in the rate of exchange, the CCI remains optimistic conditions may be sustainable.

Despite the slightly improved business environment, management confidence in the Western Cape remains at low ebb, the CCI remarks.

Unemployment is still at unacceptable levels. The lack of opportunities for new job-seekers entering the labour market from school is chronic, and being exacerbated by the thousands of people migrating from tribal areas to Cape Town each month.

The CCI says it remains guesswork how many "new" people have streamed into the region. What is clear is that very few of them have found formal work.

The potential for further strife and unrest in depressed black areas and squatter camps is therefore increasing day by day.

20/11/00
335
BUSINESS DAY, Th

ALAN FINE

A FURTHER 78 General Motors employees were fired yesterday for failing to meet a management ultimatum to return to work, taking the total for the last two days to 297.

The company hoped to resume full production today, director of personnel and public affairs George Stegman has said.

GM industrial relations manager Robert McIlwaine said yesterday 28 nightshift workers at the Kempston Road plant and 50 at the Aloes plant were dismissed.

However, 200 of the 566 people dis-

GM fires another 78

missed two weeks ago for refusing to vacate company premises had now been re-employed.

Applications from another 150 were still being processed. GM has said that, in this group, workers who GM believed were involved in intimidation or violence would not be re-hired.

McIlwaine said no applicants had yet been rejected.

Meanwhile, National Union of

Automobile and Allied Workers' Union (Naawu) general secretary Fred Sauls said about 500 of the GM workers who were still out met yesterday and decided not to apply for re-employment, but to stand by their demands.

Sauls said they felt their colleagues who had returned to work had done so due to GM's Tuesday ultimatum and the threat of police action. They resolved to campaign for support among those who had returned.

'Economics major factor'

Kodak closes the shutters on SA sales

US MULTINATIONAL Eastman Kodak is to pull out of SA and none of its foreign operations will be allowed to sell their products here.

The move will hit professional photographers and health services the hardest. Newspapers using the Kodak-owned Atex system do not expect to be severely hampered.

No timetable has been fixed for the withdrawal, which will cost about 500 jobs and involve the closure of five marketing branches around the country.

Kodak CE Colb Chandler said in Rochester, New York: "The economics of the situation are a major factor in our decision to withdraw."

"Our SA business has been affected negatively by the weakness of the economy. We also have no doubt the system of apartheid has played a major role in the economy's under-performance."

He said Kodak's hopes that reform would lead to the end of apartheid were not justified and added: "We must now make the business decision to withdraw."

Kodak agreed in June not to supply Pretoria as part of a \$8m municipal contract to sell high speed copying equipment to New York.

SA Institute of Photographers past president Mike Reed said Kodak was the biggest supplier of X-rays in Southern Africa and loss of Kodak equipment to professional photographers would be "a wrench".

He said Kodak stock was widely used for film-making and for video and sound

HAMISH McINDOE

material of broadcasting standard. He said: "It's a major shock."

A film laboratory, that did not wish to be named, dismissed suggestions it would not be able to buy supplies of positive material abroad.

And an Atex spokesman made it clear the company would abide fully by Kodak's decision to withdraw. He said: "This means that after April 30, no Atex products — hardware or software — will be sold in SA."

Slating US sanctions as "childishly illogical", SA Associated Newspapers (SAAN) MD Stephen Mulholland said last night: "We will find ways to continue to produce our newspapers without any disruption."

"Sanctions are aimed at damaging that element in SA society which has been campaigning against apartheid for decades at risk and cost to itself."

SAAN deputy MD Roy Paulson said the April embargo deadline would allow SAAN to build up its existing R500,000 stock of spares.

Atex systems are also used by Argus and Nasionale Pers publications.

News of Kodak's proposed disinvestment was leaked to *Business Day* late Tuesday night. Kodak (SA) MD Dick Ferris would not comment on the move and the company closed its Johannesburg office early yesterday afternoon.

● Comment: Page 8.

Some to lose jobs, says Putco

PUTCO is to retrench some of its staff members at three Soweto depots because of the ongoing bus boycott.

The boycott was triggered off three weeks ago when the company increased its fares by up to 17,5 percent.

Mr Pat Rogers, Putco's public relations executive, yesterday confirmed that some staff members at their Soweto division may have to be retrenched.

Depots affected would be Baragwanath Putcoton (New Canada) and Ikhwezi.

"We will be making a full statement today. We feel we have first to give full information to the people involved and their trade unions," he said.

Information reaching the *Sowetan* is that workers at the Ikhwezi and Baragwanath depots were called to a meeting in Selby yesterday.



Mr PAT Rogers . . . Putco's spokesman.

They were told that three-quarters of the staff at the two depots was to be laid off at the end of November because "there is no longer enough work for them to do".

They would range from sweepers to inspectors.

To date, Putco has lost a considerable amount of money because of the boycott. By last week Tuesday, violence had already cost the company more than R480 000 in damage to property.

The burden to the company also became worse recently when two bombs exploded at its two Soweto depots in Diepkloof and Ikhwezi.



THESE are some of the beauties who will be represented at the Sandton contest is held at the Sandton

RIGHT ROYAL ROW

Mass stay-away over princes

THOUSANDS of KwaNdebele civil servants have been boycotting work since Monday in protest against the continued detention of the two Mahlangu princes and nine other residents.

Reliable sources in the homeland told the *Sowetan* yesterday that the mass stayaway followed a call for the unconditional release of all detained citizens.

The call, they said, was made at the weekend in pamphlets distributed by unknown persons who also urged employees at all government departments not to go to work until the release of Prince James Mahlangu and Prince Andries Mahlangu.

Some of the people who work in Pretoria said the meeting which was held on Sunday resolved that those

By ALINAH DUBE

employed outside the homeland, as well as medical personnel, be exempted from the boycott.

Schools are also not affected, they said.

A spokesman for the Department of Internal Affairs confirmed the stay-away but refused to discuss the matter further.

Detained

Detained with the two princes are Mr Fanie Molapo, a deputy sheriff and the only messenger of the court in KwaNdebele; Mr Joe Morgan, a public relations officer for Witbank Black Aces Football Club; Mr Joe Aphane, a Siyabuswa businessman; Mr Abram Skosana, a Kameeldrift village councillor and businessman; Mr Jabu Mahlangu, a manager of businesses owned

To Page 2

129 lose jobs: Mawu may take action

236
The Metal and Allied Workers Union says it is considering taking legal action against Raylite Batteries Pty Ltd in Benoni following the dismissal of 129 workers on October 15.

Organiser Mr David Raseshu said problems arose after Kruger Day when wage-paid staff, who do not usually have the day off, refused to work.

Five were later suspended after management allegations of intimidation. A company spokesman said there had been violent intimidation of workers, including an acid attack on one.

The union said talks failed to resolve differences and on October 15 about 129 workers downed tools.

The company demanded that they return to work by 12.30 pm. Workers returned by 1 pm but were all dismissed for failing to meet the company's ultimatum.

The union has demanded a meeting with the company next week but is also considering declaring a formal dispute and going to the industrial court.

The company spokesman said negotiations were continuing.

Employment worries

18/11/86
SA'S VAST unemployment problem is serious now, but by the end of the century the chances are that it will be a lot worse, according to economists. This is why government has intensified counter-action and channelled more funds into the campaign to slow down the spiralling numbers of workless blacks.

A factor spurring the urgency of the campaign is the certainty that unemployment is becoming a major factor in black unrest.

Economists have estimated that with the current level of those unemployed — estimates vary from government's 500 000 to academic estimates of about three-million, in addition to the 300 000 new work seekers who come on to the labour market every year — by the year 2000 there could be up to four-million without jobs.

Sanctions already imposed will in the long-term slow down the pace of the economy and shrink further the availability of work.

It's against this background that Manpower Minister Pietie du Plessis has decided to increase employers and employees subscriptions to the unemployment insurance fund from 0,7% of earnings to 0,9%. He has also raised the eligible salary ceiling for benefits from R26 000 to R30 000. This will bring in an additional R9m a month.

Manpower director General Piet van

335
BUSDAY
GERALD REILLY

der Merwe says there is no quick fix for the enormous problem, caused mainly by the rapid population growth. Even if the population control campaign mounted by the Department of Health is in any way successful in halting the people explosion among blacks it will be years before the rate slows down to below the current nearly 3% a year.

In the meantime, new workers will continue to flood the labour market at an increasing rate. Van der Merwe says his department is engaged in the most intensive campaign in the country's history to relieve the acute distress caused by unemployment.

The Unemployment Insurance Fund, he says, is only one of the instruments being used. Others include the department's training and job-creation programmes, for which more than R800m has been allocated.

Government policy of deregulation and privatisation will also generate employment, Van der Merwe hopes. Meanwhile, during the first nine months of this year 197 000 beneficiaries were paid a total of R300m in unemployment and other benefits. At the end of September the fund's reserves stood at R174,6m, compared with R149,8m last December.

18/11/86
Unemployment shocks

Business Day Reporter 335
UNEMPLOYMENT among whites, coloureds and Asians has more than doubled in under three years, according to figures published in the latest United Building Society *Economic Monitor*.

The number of unemployed in these categories rose from under 30 000 at the end of 1983 to 81 000 in July this year. Black unemployment is estimated at more than 2-million or about 30% of the black labour force.

Structural unemployment is expected to continue at current levels. Negative real interest rates will lead companies to invest in non-productive assets.

Brits workers to lose jobs

By SOL MORATHI

MORE than 200 workers in the Brits industrial area face the prospect of losing their jobs.

This follows a recent announcement by air conditioning company Dunair that it intends closing down its plant and transferring its production to Pinetown, Natal, at the end of the year.

According to a Brits Ac-

tion Committee spokesman, the company has employed 250 workers, 70% of whom are residents of the Brits Old Location which is being threatened by removals.

Dunair MD Leon Coetzee said they are pulling out for "economic reasons".

He said although "a considerable number of people will be affected by the closure, employment opportu-

nities will still be created for people of Pinetown".

But the National Automobile and Allied Workers' Union - to whom the workers are affiliated - differs with Coetzee.

They say the closure will add to the unemployment figures in the area, which is standing at 44% at the moment.

The company has been in the area for more than seven years.

'My studies are over, but will I get a job?'

BY YVONNE STEYNBERG

EMPLOYMENT prospects in the Eastern Cape for school leavers, graduates and diploma holders are bleak.

"When young people come to me for jobs, about all I can do is to offer them a cup of tea and chat a bit about career guidance for further study," said Mr E. Wills, managing director of MSL PE Management Consultants in Port Elizabeth.

Spokesmen for educational institutions and financial organisations also stressed that only well-trained graduates in certain specialised categories stood reasonable chances of lucrative careers in the Eastern Cape.

Mr Wills said the economic situation made it difficult for first-time job seekers.

While he was confident circumstances would improve soon, even graduates were going to have a struggle in the immediate future.

His advice to those aiming for a future at management level was:

● If a graduate cannot get a job in the field for which he had trained, he should try for a job in an allied industry or in commerce.

This would stand him in good stead when opportunities came later in his own specific field.

School leavers who had to decide on what courses to take at technikons or universities should not be influenced by the current job

Employment prospects for school leavers, graduates bleak

No rush to teach



MR J BARNARDO

Women without training could only expect "girl Friday" jobs at about R500 a month, and those positions were not plentiful.

Employees did not want to spend time training school leavers and also did not want to take chances regarding their potential, he said.

Also difficult to place were BA graduates with subjects not always easily applicable to practical job situations.

Holders of electronic data-processing (EDP) diplomas stood a very good chance of getting a job, particularly in the main centres outside the Eastern Cape. They could expect to start on R1 100 to R1 500 a month. BCom graduates

Practical courses



MR PIETER SWART

dends.

Although there were few vacancies for qualified motorists for mechanics at present, there was a shortage of apprentice mechanics, said Mr Colin Robertson, regional chairman of the National Automobile Dealers' Association (Nada).

If the situation was not rectified there would be a shortage of qualified mechanics in the near future.

Modern vehicles required sophisticated servicing and monitoring, which meant an apprentice with a quick grasp of computerisation could do well and advance to management level.

The starting wage for apprentices (even while at

the bank was extremely low and established Port Elizabeth employees were not leaving the city because of the depressed property situation.

While there were some jobs for men in country banks in the Eastern Cape, young men invariably wanted to remain in cities after leaving small towns for their army training.

A spokesman for Standard Bank agreed that there were few openings.

Mr Pieter Swart, PRO for the Port Elizabeth Technikon, said he had noticed that school leavers now approached the decision for their future with practical courses in mind.

"We are again going to be in a position where we might not be able to provide accommodation to attend technicians, although Letaba Hostel can take about 40 students more this year," he said.

Popular courses were:

- Public relations, which has a quota of 20 students.
- Electronic data processing.
- Architecture.

Mr Jan Barnardo, PRO for UPE, said enrolments for 1987 were about the same as for this year, but he had noticed a difference in the type of courses being chosen.

"There is a definite decrease in the number of courses which would qualify for teaching positions," he said.

This could be because

They should take the courses in which they were interested and for which they had an aptitude, as conditions would change.

"Follow the career you want as that is the path to success," he said.

● If a graduate could afford it, he should continue studying for a year or two,

as this would improve his chances of getting to management level.

Personnel companies agreed that matriculants with no training had very little chance of obtaining good jobs next year — or any jobs at all, for that matter.

could also expect starting salaries at that level.

A spokesman for Drake International Personnel said diploma holders in practical subjects had good prospects, but university graduates had a better chance of advancement. Graduates usually moved to the bigger cities were

there were more opportunities.

Secretarial positions were more easily available to women holding secretarial diplomas with word-processor training. Specialised training in certain fields, like legal secretarial training, also paid divi-

first-years, and is to be increased soon.

A qualified mechanic's minimum pay is R900 a month, but most firms pay more.

Posts and Telecommunications PRO Mr Remier Strydom said the Post Office had a fixed quota for both clerical and technical learners.

Applications far exceeded the 1987 quota and applicants were selected only after passing strict aptitude tests.

In past years banks have taken many school leavers, but this year prospects are not good.

"We have been inundated with job seekers because it has always been known that banks train matriculants and help them further their careers, but this year we can help very few, if any," said Mr Jules Opperman, Eastern Cape general manager of Barclays National Bank.

The labour turnover in

Cape Provincial Administration no longer made bursaries available, coupled with the fact that the demand for teachers was not as high as in the past.

Enrolments for BSc and BCom courses were good and showed an increase.

● In East London, personnel consultants detect a slight upswing in the job market.

"There is still very little work available, especially for women," said Mr Bruce Illingworth, an employment consultant, "but there do seem to be more jobs on the market than last year."

"Perhaps the firms that cut staff are now finding themselves too lean."

Mr Illingworth believed there were more jobs available this year for matriculants coming out of the army.

"There are always jobs available for those leaving university with qualifications," he said.

W/E Post 15/12/86

White, coloured, Indian jobless figure doubles

ART Times 15/11/86 335

JOHANNESBURG. — The number of unemployed whites, coloureds and Indians more than doubled to about 81 000 in July, compared with less than 30 000 at the end of 1983.

The Economic Monitor of the United Building Society says black unemployment is unofficially estimated at more than 2m or about 30% of the black labour force, fuelling the current socio-political problems.

The problem is aggravated by the alarming brain drain, as reflected by the emigration of 1 422 professional and technical workers in the first seven months of the year, compared with 1 659 for the whole of 1985.

Uncertain socio-economic conditions are a serious stumbling block for a notable improvement in the level of

employment, says the Monitor.

The skilled labour problem is aggravated by continuing net emigration due to political instability, while negative real interest rates will eventually lead to non-productive, inflation hedging, investments.

Since capital investments from abroad cannot fill this gap, structural unemployment is likely to continue.

A profile of the unemployed reveals that the problem affects most heavily the young, unskilled and the under-educated.

"Because education forms such a large part of the unemployment solution, the current boycott of classrooms will seriously affect the long-term employment pattern." — Sapa

UIF expected to pay out R400 m this year

Social security

net widened to help more jobless people

By Kym Hamilton, Pretoria Bureau

Contributions to the Unemployment Insurance Fund will rise by 0,2 percent from January 1 this year to boost the fund by R9 million a month, the Director-General of Manpower, Dr Piet van der Merwe, said yesterday.

The ceiling of eligible contributors has also been increased to a maximum income R26 000 to R30 000 a year.

The latest moves will strengthen and bolster the fund to meet future demands.

"However, it really means that the social security net has been broadened to assist more people," said Dr van der Merwe.

The fund is expected to pay out R400 million in benefits to the unemployed this year. Up until September 30 this year, the fund had already paid out benefits totalling R299,5 million to 197 000 jobless South Africans.

The increase from 0,7 percent to 0,9 percent was recommended by an actuarial investigation into the fund and will increase reserves to enable it to meet its commitments should unemployment continue to rise, said Dr van der Merwe.

And this year, for the first time since 1982, the fund is showing a surplus of R9,2 million instead of a deficit, which last year totalled R146,6 million.

The fund's balance is at present R174,8 million.

The number of workers who contribute to the fund has increased from 3,6-million last year to 4,1 million for 1986.

In the pipeline

Dr van der Merwe pointed out that the fund assisted the jobless for up to 26 weeks depending on how long a person has contributed.

However, amendments to increase the number of beneficiaries are in the pipeline. The legislation has already been submitted to the Speaker in Parliament and will go to the standing committee on manpower early in the new year.

In terms of this, benefits will now be extended to parents of adopted children. They will qualify for assistance for a maximum period of up to 26 weeks if the adopted child is under two years of age.

Maternity benefits have also been revised. At present an expectant mother can claim for 18 weeks prior to giving birth and for eight weeks after the birth. Now the mother will be able to claim for a total of 26 weeks from the time she leaves her job.

The law will also be changed to assist unemployed people who undertake a training course and widowers who were dependent on their wives. Up until now, a widower has had to prove he was also sickly.

The UIF was only one way in which the Government was attempting to ameliorate the situation and assist the unemployed in South Africa, said Dr van der Merwe.

According to the latest current population survey there are presently 700 000 unemployed in South Africa. This figure excludes the four independent homelands. Other "non-official" estimates put the number of jobless at 1,7 million and others as high as 3 million.

There was no instant solution to the problem, said Dr van der Merwe.

However, the present multi-million rand job creation and training programmes are the most comprehensive and intensive project to relieve the situation and create jobs yet undertaken by a South African Government.

Successful

Dr van der Merwe added that it was also the most successful programme.

However, the solution is not only the Government's task. The private sector also has an important contribution to make, he said.

Cape jobs scheme

If the latest plan to revive the western Cape's stagnant economy by creating 35 000 jobs a year fails, the region faces long-term economic disaster, according to Denis Fletcher, executive chairman of Caltex Oil SA and co-president of the job creation scheme launched in Cape Town last week.

Known as Wesplan, it is sponsored by Wesgro, a business and public sector-backed association, which aims to promote economic growth in the area.

In response to the scepticism of some businessmen who attended the launch, Fletcher says: "The western Cape has until now been a dying area. There is no new development. Are we going to sit back and watch it go — or do we do something about it?"

He adds: "There is no guarantee of success, but if we do nothing at all, the consequences are guaranteed."

Fletcher says the region has reached "economic crisis point" for which a solution must be found.

The other co-president, University of the Western Cape principal and vice-chancellor Richard van der Ross, says unemployment in the western Cape can no longer be ignored, and predicts that the region's population will grow from 2,3m to 3,3m in the next 15 years.

Unemployment is already estimated at 175 000. To absorb new entrants to the labour pool, at least 35 000 new jobs will have to be created annually. Wesplan hopes to devise a strategy to make this possible. The long-term aim is 700 000 new jobs.

Beau Pryce, chairman of Wesgro and Wesplan and former chairman of Murray & Roberts (Cape), says he will not accept defeat. The plan will not merely become another unimplemented grand strategy.

He warned local businessmen that if they do not become involved voluntarily "we will come and get you."

Guidance comes from James Hudak, an American development consultant who is ad-

vising the Cape Town office of accountants Arthur Andersen & Company, which has been commissioned by Wesplan to assist in developing an effective job-creation strategy.

Pryce says all sectors of the community will be invited to help formulate the plan, which must be finished within 12 months.

"Action teams," made up of executives nominated by Cape business concerns and chaired by senior executives, will identify

issues and possible opportunities, and devise strategies accordingly.

The study will be confined to Region 39, which includes the Cape Peninsula, Bellville, Parow, Atlantis, Wellington, Paarl, Stellenbosch, Somerset West and Gordons Bay.

Wesplan executives believe that if their strategy is successful, it could be a model for similar job development schemes in other parts of the country.

2. EMPLOYMENT

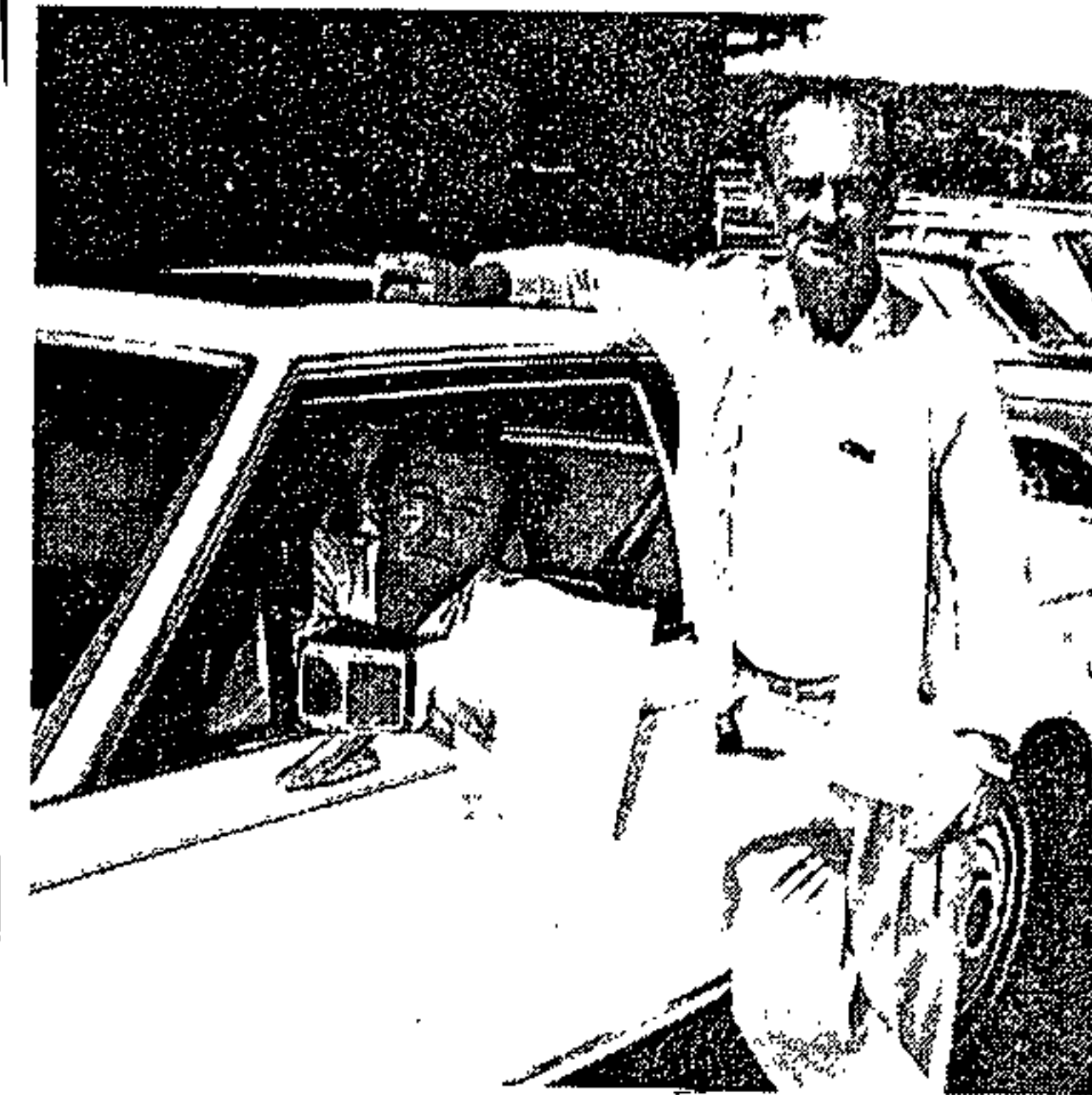
2.211 EMPLOYMENT IN FACTORIES BY RACE AND GENDER : 1960 - 1982

INSPECTORATE REGION OF CAPE TOWN

(As at 31 December. The Dept. of Manpower has 10 inspectorate regions covering South Africa, excluding reserves. See text, p. . Figures unavailable in this format after 1982 after)

YEAR	TOTAL	TOTAL		AFRICAN		ASIAN		COLOURED		WHITE	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
1960	..	..	..	..	..	..	..	..	..	..	..
1961	156 293	103 626	52 667	28 935	1 806	427	468	47 883	42 589	26 381	7 804
1962	158 837	104 035	54 802	28 608	1 897	455	452	48 615	44 784	26 357	7 669
1963	179 841	118 587	61 254	30 924	1 889	643	535	57 185	50 853	29 835	7 977
1964	188 453	126 730	61 723	32 203	2 625	..	..	63 841	51 382	30 686	7 716
1965	200 001	135 272	64 729	34 144	1 996	472	470	67 143	53 825	33 513	8 438
1966	200 123	132 971	67 152	31 135	1 659	568	236	68 574	56 900	32 694	8 375
1967	201 139	134 580	66 559	30 455	1 873	282	155	70 498	56 156	33 345	8 357
1968	212 683	139 640	73 043	30 490	960	710	888	74 011	62 492	34 429	8 703
1969	225 846	147 144	78 702	32 958	1 463	711	573	78 495	67 934	34 980	8 732
1970	237 015	153 208	83 807	34 868	1 745	762	648	81 736	72 897	35 842	8 387
1971	234 658	151 130	85 763	34 171	1 827	539	593	79 850	73 612	35 812	8 336
1972	236 893	151 426	84 232	32 477	1 745	452	364	82 382	76 057	35 955	7 515
1973	254 301	160 428	93 873	34 403	2 212	652	548	89 418	83 413	39 131	8 040
1974	262 240	166 544	95 696	34 586	2 436	673	910	92 154	83 824	39 131	8 750
1975	259 755	159 475	100 280	31 787	1 127	647	399	90 256	89 139	36 785	8 306
1976	245 356	153 909	91 447	31 745	2 426	533	284	86 712	82 002	34 919	8 034
1977	253 939	156 631	97 308	29 650	2 432	904	322	90 761	86 476	35 316	8 084
1978	250 185	155 666	97 327	29 818	2 311	552	320	88 106	86 430	34 382	8 145
1979	255 910	164 482	105 313	28 437	2 373	481	258	91 177	89 145	35 581	8 530
1980	269 795	175 093	115 198	28 881	1 854	1 146	212	98 929	93 557	36 191	9 171
1981	290 291	..	..	29 905	..	..	566	106 960	102 205	37 082	10 573
1982	..	..	..	..	..	..	..	..	..	..	..

SOURCE: MANPOWER, (formerly LABOUR), Department of, Annual Reports.



After their stint in a Transkei prison, former policeman Mr Ronnie Els (in the car) and his 70-year old uncle Mr Albert Els with the car that Transkei security police accused them of stealing.

Policeman's 'nightmare' in Transkei

By CLARE HARPER

A BUSINESS trip to Transkei to sell a luxury car turned into a nightmare for a former Cape Town reaction unit police lieutenant, when he was arrested under Transkei security legislation and detained for three days outside Umtata.

Mr Ronnie Els, 41, arrived from Transkei yesterday morning and described how he, his 70-year-old uncle, Mr George Els, and a friend, Mr Clive Ruiters, 43, were accused of stealing his own car — a flashy 1983 Lincoln Continental — and jailed by Transkei police on Friday.

Mr Els said that in Umtata he telephoned the local Commissioner of Police, a General Mantanga — whom he had known from Guguletu police station, and asked him whether he knew anybody who would be interested in buying his car.

Warrant of detention

The general said "he would see what he could do" and at 2.30pm, three men arrived at his hotel room and said they were taking him to the general.

But then a Captain Robert Dlabantu showed him a warrant of detention, issued to security detainees, that could hold him without trial "for as long as they wanted" — although Mr Els had papers proving his ownership.

Mr Els said he overheard a conversation and "I recognized some of what they were saying in Xhosa. They said 'let him run, we can shoot him' — I have never feared so much for my life."

On Monday morning the three men were taken outside the prison to a place of interrogation where Mr Els said he was asked why he did not have a criminal record. He was also repeatedly asked to write down "the quick brown fox jumped over the lazy dog" and sign it.

□ The head of the Transkei security police, General L Kawe, said yesterday the car had not appeared in the computer register and it was discovered only later Mr Els had bought the car and not transferred it into his name.

He said Mr Els had "pretended" to know General Mantanga. When Mr Els was being investigated, he behaved "strangely" towards the police and "displayed a negative attitude".

And General Mantanga denied ever having served

Operation Employment moves into Edenvale

74/11/81 S. S. S. 335

ABOUT 407 jobless people have been placed on temporary or permanent employment by Operation Employment as the recession bites deeper and the rate of unemployment escalates in the country.

The association has been offered a large vacant shop in Edenvale to be used by unemployed people who would like to start small businesses. The premises will be officially opened tomorrow.

In a statement the association's spokesman

said the premises will enable a considerable number of people to sell their goods to the public, hereby bringing in an income.

"This unique arrangement will provide regular work for a number of people and bring the community of Edenvale a shop with a difference," the spokesman said.

A second market will be opened in Hillbrow (in the Protea Inn's parking area at the end of Kotze Street) next Saturday (November

22), according to the spokesman.

The organisation has also arranged to run two computer courses sponsored by a large computer company and they are currently running a number of other courses, one being basic offices skills and another covering how to apply for and get a job.

Operation Employment staff has helped two potential suicides.

"We have offered the organisation premises at Edenvale as we believe the centre ideally sit-

uated for their type of business — with 107 000 people shopping at the centre monthly, Operation Employment's members can only benefit," the spokesman said.

Unemployed people who are interested in Operation Employment's projects can contact Marion Temple at 788-8217 or 452-3237 for the Edenvale shop and Elaine Cobru-Coburn at 640-5149/5146/7666/7667 for information about the Hillbrow market.

Coal boycott can cost SA 43 500 jobs

By Frank Jeans

The sanctions issue loomed over the "Coal in Crisis" conference yesterday, and delegates got a clear picture of boycott problems facing the industry.

But they were reminded that while sanctions were a threat coal producers have a good track record and can withstand overseas pressure and maintain market stability and reliability abroad.

The conference, organised by the Techno-Economic Society of South Africa (Tessa) and the Systems Publications group, heard some grim forecasts about the effect of a total coal blockade — 43 500 jobs lost and 260 000 mostly black people without breadwinners.

Dr Manny Pohl, energy analyst of a stockbroking firm, said sanctions could be a "form of protectionism cleverly disguised under the apartheid banner".

"Due to its intention to increase exports to 80 million tons by 1992, this country is a threat to market positions of other world producers, especially Australia. Little wonder the Australians are cheer-leading the sanctions parade."

Dr Pohl estimates that if sanctions gain momentum present coal exports of 40 million tons could decline to as low as 12 million tons.

Mr Graham Thompson, chief executive coal of Trans-Natal, said South Africa was recognised one of the most dependable international suppliers of coal and had increase exports from 2,7 million tons in 1975 to 44,8 million last year.

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Own Correspondent

HOTEL tariff discount wars have led to major staff cuts in the industry, with a loss of 547 employees in Durban area alone during the past year.

This was revealed by Fedhasa's Durban branch chairman Alan Gooderson at the association's annual meeting at a beachfront hotel yesterday.

But the good news, according to Gooderson, is that average room occupancy figures for the Durban area remained the same as last year, at 60%. This was about 11% higher than the national average.

Gooderson said the high inflation rate of between 18% and 20% had had an adverse effect on the industry, particularly as the price of food items continued to rocket while hotel tariffs lagged far behind — with average increases of 5% to 12%.

Although hotels had been innovative by producing excellent competitive packages in a major drive to maintain market share for the Durban area, inflation had taken its toll. And the reductions in staff numbers were of great concern to the overall economy, he said.

800 Day (335)
Staff cuts
as hotels
13/11/86
wage war

Photo course for the jobless

UNEMPLOYED people of all races have the chance to attend a free three-week course in photographic and dark-room skills.

The course starts next week and covers all aspects of photography, including how to use a camera, lenses and other accessories, lighting skills and darkroom techniques for both

black and white and colour work.

The course director, Mr Mike Goldblatt, says it is designed to enable people to earn their own living from freelance photographic work.

Interested people should phone (011) 783-1644 or 783-1013 as soon as possible.

SOWETAN Reporter

(335)

Sowetan

12/11/86

Weil warns of unemployment 'time-bomb'



Mr Clive Weil ...
'full employment
must be priority'.

The unemployment situation in South Africa was "an enormous time-bomb ticking away, ready to explode far sooner than anyone would like to believe", the managing director of Checkers, Mr Clive Weil, said last night.

Mr Weil told members of the Institute of Race Relations it was important that fuller employment should be a national priority.

He said the whites would inevitably lose their political power base but busi-

nessmen had a duty to see what they had built up was not destroyed.

"We will have to move closer towards the black perspective and, in doing so, embrace some of the socialist concepts espoused by black thinkers," said Mr Weil.

Government projects to train unemployed masses in an attempt to create self-employment would not have the desired results unless there was a massive deregulation of the economy, Mr Weil said.

STAR 11/11/86

335

GM dismisses 219 workers

GENERAL Motors (GM) has dismissed 219 workers who failed to respond to a management ultimatum to return to work yesterday.

However, most of the 2 000 people who had been on strike for nearly three weeks were back on the job.

National Automobile and Allied Workers' Union (Naawu) regional secretary Les Kettledas said yesterday the strike "had effectively been broken by the company, assisted by the SAP".

He was referring to SAP intervention on Monday, when strikers gathered at GM's gates to block the entry of newly employed workers. The 16 people arrested during the incident have been released on bail.

Kettledas expressed regret the issues which precipitated the strike — demands for severance pay and the repayment of pension fund monies — had not

been resolved without State intervention.

GM industrial relations manager Robert McIlwaine said the 219 dismissed workers were all employed at the Kempston Road plant.

The numbers back at work also exclude most of the 566 dismissed for refusing to vacate the plant two weeks ago. McIlwaine said about 300 of them had applied for re-employment. About 20 had been taken back already, while the other applications were still being processed.

He said applications from the remainder of that group would still be considered and he thought most would be taken back.

The only exceptions would be those

● To Page 2

GM dismisses 219 workers over ultimatum

whom GM was satisfied were involved in "acts of intimidation or violence or who associated themselves with such acts". McIlwaine declined to say how many would be affected adding: "We are still assessing evidence."

The matters in dispute are still to be referred to arbitration as soon as the union and the company have agreed on the identity of an arbitrator and his terms of reference.

And yesterday, the Industrial Court handed down an interim interdict restraining Naawu from inciting GM employees to strike and trying to prevent people from applying for employment with the company, or from remaining in the company's employment.

Bus chaos as Putco fires 200 drivers

Mercury Reporter

CHAOS reigned yesterday morning and last night when thousands of commuters from three Durban townships were left stranded following the dismissal of 200 Putco drivers who allegedly gave passengers free trips.

Commuters who were unaware there was no bus transport in the morning found themselves scrambling for places in taxis, many of which were already full.

Hundreds of workers from KwaMakhutha, Umbumbulu and Umlazi reported late for work and in the afternoon there were long queues of commuters at Isipingo waiting for taxis. Umbumbulu and KwaMakhutha, unlike Umlazi, have no train service.

Putco spokesman Mr Pat Rogers said he expected the situation to become worse.

Commuters who usually flock to the city to shop on Saturdays were expected to experience transport problems today.

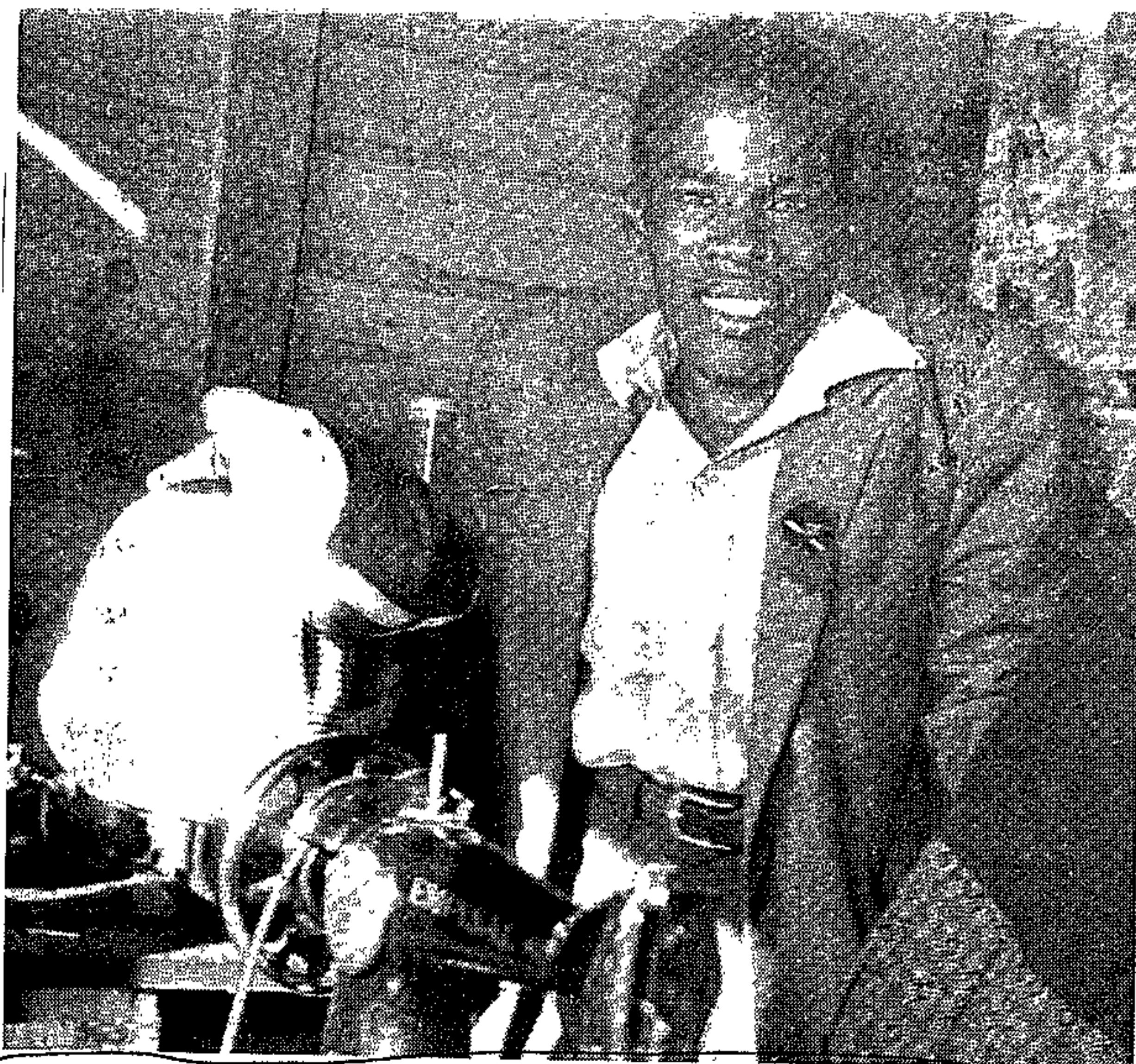
The massive disruption of services in the south of Durban was caused by the firing of 200 drivers.

Mr Pat Rogers said the problems arose from drivers not collecting fares on October 24.

'About 200 have been found guilty at disciplinary hearings and discharged, many of them in their absence,' he said.

Further cases were still being considered and it was not known when the services would be resumed.

Putco employs about 320 drivers, running 230 buses and usually carrying about 95 000 passengers daily.



Self employment means self taught

Weekend Post Reporter

AS necessity is the mother of invention, so unemployment in Port Elizabeth's townships has taught many people to be self-supporting.

One of them is Mr Victor Dinana Mangani, 32, of Zwide.

He was forced to leave school after a relative paying his fees lost his job.

Mr Dingani first began to earn a living selling vegetables.

But he is now selling the caps, dresses, trousers and lumber jackets he makes in his backyard shack in Zwide, where he lives with his wife, Nofanele, and their three-month-old baby.

Another making it through the tough times is Mrs Margie Ngece, who has been selling second-hand clothes since leaving her job in 1960.

She has educated her five children, one of whom is a teacher.

Mrs Nobuntu Zihle is selling fat-cakes (*amagwinya*) like proverbial hot cakes to township youths. She is supporting seven children.

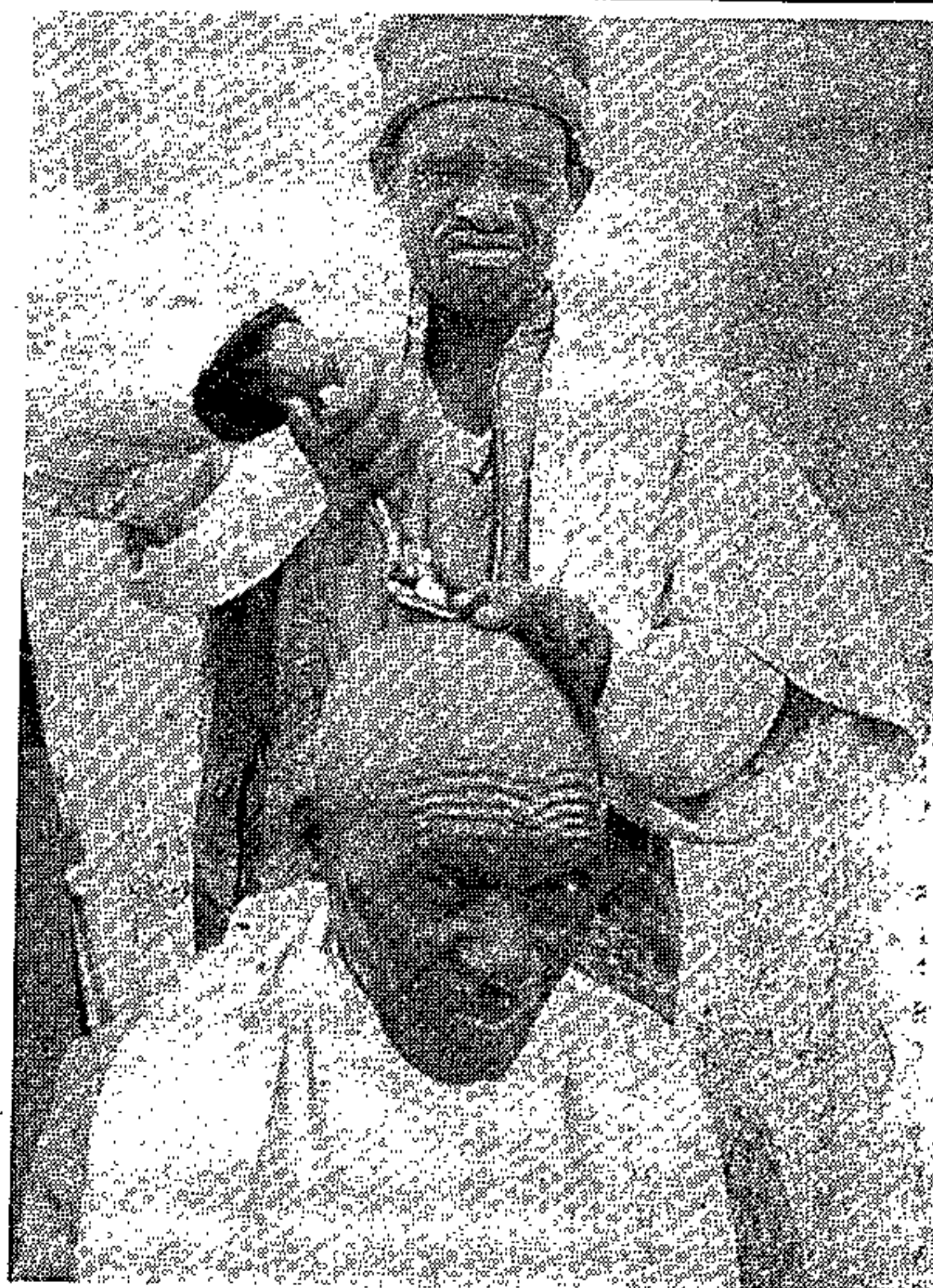
Mr France Ndamase, of Kwazakelê, lost his job in 1974, but he had been able to support his wife Nobelungu and five children by teaching himself to become a barber. He charges R1,20c a time.

Selling baked fish is Mrs NomaXhosa Mgudlandlu's business.

She has been doing this for the last four years since losing her job as a domestic worker in Walmer. She lives in Soweto with three children.

"Since learning to support myself, I have also been supporting my family," she said.

Mr VICTOR MANGANI, who dropped out of matric in 1979, has learnt to make clothes.



Mr FRANCE NDAMASE, a street barber in Kwazakele, plies his scissors. He was last employed 12 years ago, but is managing to support his family.

many hungry and jobless

'Sorry, no job today' is all Ernest hears

W/E Post 8/11/86

335

Weekend Post Reporter

SEVERAL hundred people in Port Elizabeth share the plight of a young Port Elizabeth man who has been granted the maximum unemployment benefits (UIF) which can be allotted to him and despite exhaustive inquiries has still not been able to find a job.

Mr Ernest Jonas, 32, of Windvogel, is faced with the dilemma of having to seek work elsewhere, probably Johannesburg.

Mr Jonas has three foolscap pages stamped by firms on whose doors he has knocked for work in the month of October. None of the firms had a vacancy.

He left Port Elizabeth as a young man of 19 and worked for seven years at an hotel in downtown Johannesburg where he started as a wine steward and then worked himself up to a position of supervisor of cleaning with stints on the night reception desk.

He returned to PE in 1980 to get married. His wife was not keen to accompany him to Johannesburg so the couple stayed in PE.

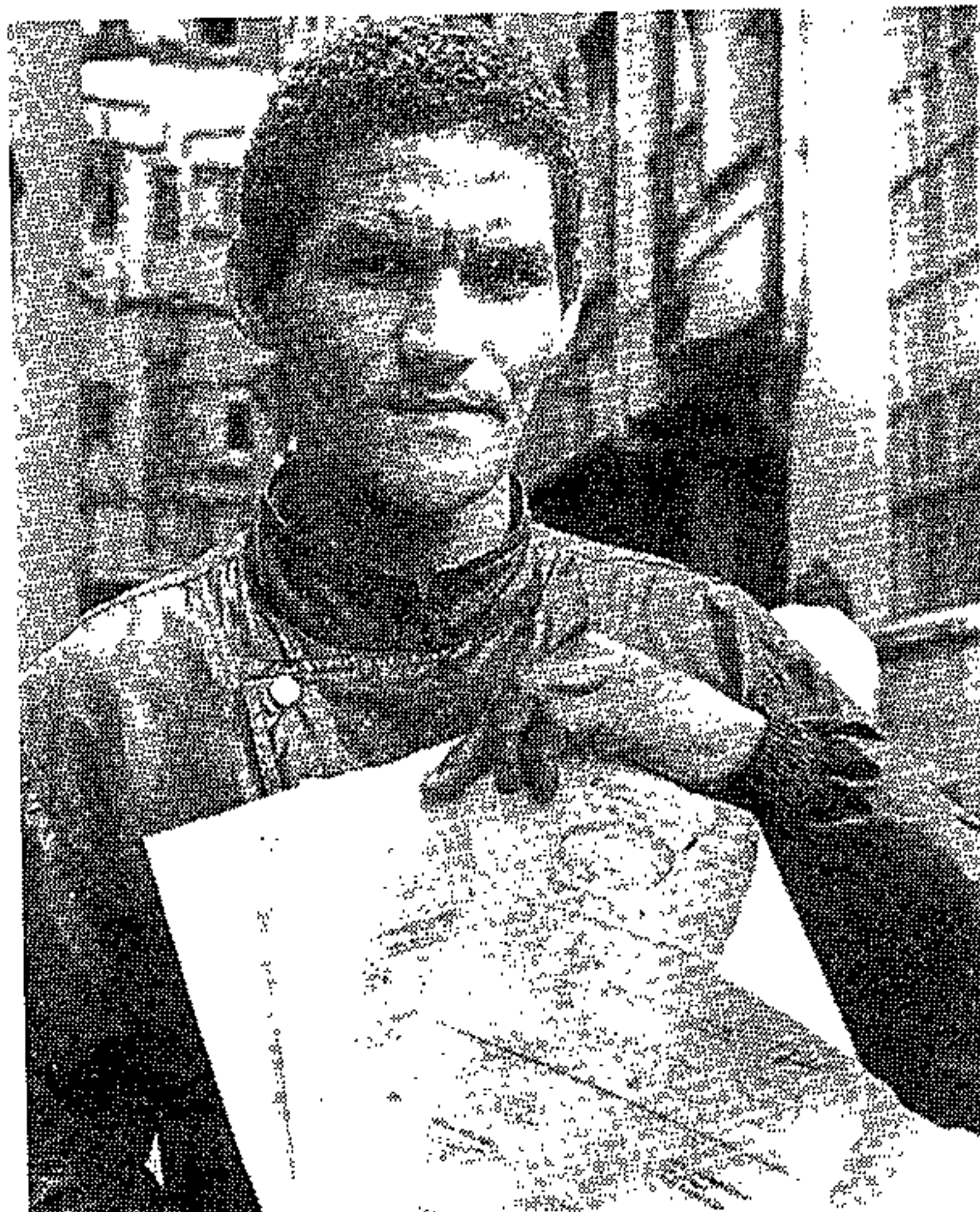
They have a daughter aged four.

Mr Jonas had a good job at the Ford Motor Company as a material handler but was retrenched and then got another job with a steel company which closed down.

Yet again he was without a job. A stint as a security guard with a security company was followed by yet another job at a steel company where he was retrenched when staff was reduced.

He claimed from the Unemployment Insurance Fund (UIF) and was given benefits for six months and an extension for two months.

Mr Jonas said UIF could



Mr ERNEST JONAS, 32, married with one child and unable to find a job in PE despite exhaustive inquiries. He is holding three foolscap sheets stamped by firms at which he applied for jobs last month without success.

not grant him a further extension.

"I would like to stay in PE and I would like to make a positive contribution to the city," he said.

"But all the places I have tried do not have any vacancies," said Mr Jonas. "I might be forced to leave town to make a new life for my wife and child."

His wife, Hester, said the couple stayed with her mother-in-law, who drew an old age pension of R117 a month.

Her husband left their home in Windvogel early every morning and walked to the city to look for work because he could not afford the bus fare.

She said they managed to survive by eating simply.

Breakfast was a slice of potbrood and black coffee followed by an egg for lunch. Supper was the main meal of the day with a little stewing meat and lots of vegetables.

Weekend Post told her about the social relief scheme administered by the House of Representatives for unemployed people affected by the recession.

The adults in the household can draw R164 each and R49 for each child.

Mrs Jonas said they would apply for relief aid which would be a great help to them if granted.

The director of the Christelike Maatskaplike Raad (CMR), Dr M H Vorster, said there had not

been a dramatic increase in applications for relief aid from unemployed people.

What was happening was that people who had applied for relief from CMR in the past and then had drawn UIF benefits had again applied for help from CMR when their unemployment benefits were exhausted.

Dr Vorster said there had not been a flood of applications for help from unemployed people because the State was now doing more for the unemployed than in the past through social relief aid for unemployed people of R164 per adult and R49 a child a month.

These grants are administered by the three "own affairs" Departments of Health Services and Welfare departments.

Social relief is granted in the form of food vouchers until the grants come through. The food vouchers comprise R25 for two weeks for an adult and R18 for two weeks for a child.

All the applications for social relief are assessed by social workers on their merits.

Unemployed whites in PE who have exhausted their UIF benefits can apply for interviews to obtain social relief by telephoning 543321. In East London, dial 23110. In platteland towns, apply to the local magistrate's court.

Unemployed coloureds in PE who have exhausted their UIF benefits and who wish to apply for social relief can make appointments at 546731.

Unemployed Africans are not included in the social relief scheme. They can apply for food parcels from the State while grants such as old age pensions and disability pensions are being processed.

Union to challenge sackings

THE Insurance and Allied Workers Union of SA is to challenge the retrenchment of 23 union members at Trust Bank's Johannesburg branch.

Iawusa general secretary Mr Jow Rakgoadi said the union would seek legal advice with a view to fighting the retrenchments.

"The 23 union members were not given any warning nor were they consulted about the retrenchments, said to have been implemented as a result of the closure of a department at Trust Bank," Mr Rakgoadi said.

Iawusa is to meet Trust Bank management next Monday, to discuss the matter.

• General Motors asked police to remove 500 striking workers at two of its Port Elizabeth plants on Wednesday night.

The company said it asked police for assistance in removing 500 employees who had earlier been dismissed and refused to leave its plants in Kempston Road and Aloes.

Yesterday the company was stopping many employees entering the factory.

A meeting between

By LEN
MASEKO

management and union officials ended after only 15 minutes when General Motors rejected a key union demand outright and refused to discuss others until strikers returned to work.

• Production ground to a halt at South African Breweries' Rosslyn plant as a result of hundreds of workers staging a sit-in strike.

The strike started on Wednesday after the dismissal of a security guard on the grounds of "gross negligence".

The case of the security guard revolves around the theft of R15 000 worth of beer in August. Two men have since been convicted.

• The Commercial Catering and Allied Workers Union of SA holds its annual congress in Durban this weekend.

The conference starts today, and will be held at the Koinonia Centre in Botha's Hill.

W Cape campaign to create 700 000 jobs

By DICK USHER,
Labour Reporter

PLANS for a campaign to create 700 000 jobs in the Western Cape in the next 15 years have been unveiled at a meeting of Cape business and civic leaders.

The campaign aims to deal with the problem of a population expected to grow from 2,3-million to 3,3-million in 15 years, requiring the creation of about 35 000 jobs a year.

Unemployment levels were already estimated at 175 000, said Dr Richard van der Ross, joint president of the campaign.

Mr D T Fletcher, the other joint president, said the loss of business and jobs in the Western Cape had reached proportions that were becoming alarming.

"With a current family formation of something in excess of 5 000 new families a year, this problem is escalating at a rate that threatens to become unmanageable," he said.

Known as Wesplan, the scheme has been initiated by Wesgro, an association for the promotion of economic growth in the Western Cape whose members are drawn from business, industry and the public sector.

The launch was announced last night by Mr Beau Pryce, chairman of Wesgro and Wesplan and former chairman of Murray and Roberts (Cape).

Vital first step

He said that identification of key problems was a vital first step that would need the involvement of as many people in the community as possible.

Wesplan has a 19-member executive committee of leading businessmen, academics, councillors, council officials and members of public bodies who have been meeting regularly for the past two months.

It will set up task forces to build on the strengths of the region such as its unique natural beauty and mild climate, well-developed commercial and industrial infrastructure, relatively skilled labour force and extensive academic, research and training facilities.

Mr Pryce said that initiating the campaign would require about R150 000 over the next 12 months for the process of identifying job-creation possibilities.

"As the action plans are formed we will establish relationships with the private sector to see who will lend us executives to fit in with the teams which will be formed and for leaders for each of the action teams," he said.

Government departments would be kept informed of the developments.

Union link urged for jobless

By PETER DENNEHY

A COSATU speaker urged about 300 unemployed people at a "Jobs for All" rally in Hanover Park yesterday to organize around their common problems and link their struggle with that of unions and community organizations.

Mr Nic Henwood, regional secretary of the Congress of South African Trade Unions (Cosatu) in the Western Cape, said unemployment was "a sickness of capitalism" which was not of

workers' making, but they had to find a solution to it as they carried its burden.

And the solution lay in organization, he added. In the unions, much had been gained through building organizations controlled by their membership. "We need to form food co-operatives. We need to organize crèche's for working mothers. Where repairs are needed to homes, schools, even roads, unemployed workers can be organized to do it."

2/11/86

SUNDAY TIMES, Business Tir

DIAGONAL STREET by DAVID CARTE

THE dire straits in which the construction industry finds itself have been well chronicled.

Civil-engineering activity is back to 1971 levels. Bobby Zylstra told the Bifsa congress this week that 75000 jobs had been lost in the building industry and another 25000 were at risk. He foresaw only blood, sweat and tears.

Every major listed civil-engineering and construction company in SA has reported drastic reverses.

The Big Three — Darling & Hodgson, Murray & Roberts and LTA — have together lost more than R100-million in the past 18 months. The share price of M&R fell from R15 in March this year to R6 in May and has rallied recently to R7.10. D&H has plunged from R8 in August 1985 to R115c. LTA has fallen from R6 in 1984 to R2. Grinaker went from a high of 500c to a low of 300c before moving up to 325c recently.

Grinaker, No 4 in construction, made most of its money recently in electronics and only peanuts in construction. In a strongly rising market, the Johannesburg Stock Exchange Actuaries building and construction index fell from 1200 in February this year to 850 in June before moving to 1071 this week. Because M&R and D&H are not in this index and relatively the index understates the calamity.

Disastrous results have come from big construction companies even though large profits are still flowing from projects started three years ago. Soon the protection provided by the good times of yesteryear will fall away.

It is interesting to note, for instance, that LTA's profits in South Africa before interest and disasters offshore and in Soweto were a record.

HOUSING

There is one consolation. Companies appear to have seen trouble coming and have been extremely conservative with their accounting. In providing for losses already disclosed, indications are that D&H, M&R, Group Five and LTA have taken a genuine bath. All appear to be clean now.

New managements are in place in and it is customary for new managers to knock

FINANCE

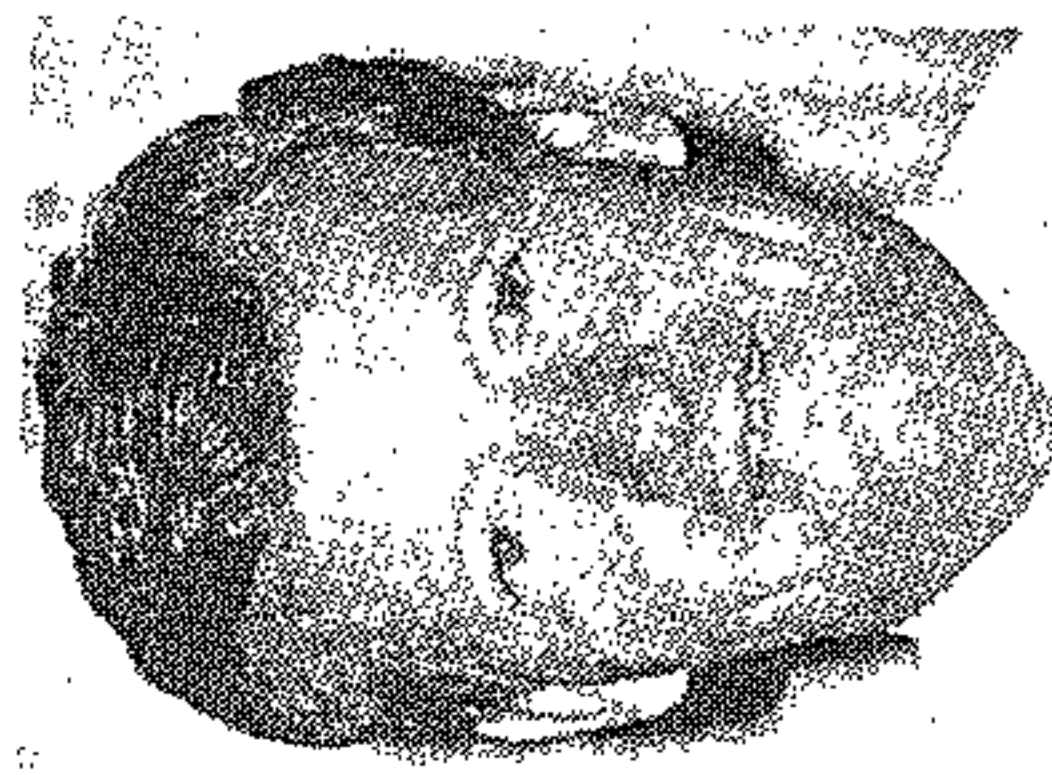
Schachat has access to finance through Sage. It is a complete developer, as opposed to a builder.

"We found black buyers want precisely what white buyers want. We are building what people want, offering more than 100 different designs to a complete spectrum of home buyers," says Mr. Schlesinger.

He believes building is the easiest part of development. "It is developing a piece of raw veld into a complete township that takes the skill. That is why we are sceptical, that self-help is the complete answer to the housing backlog."



Alan Schlesinger ... the customer's the boss



Rob Crockett ... right-hand man in revamp

Blood, sweat and tears in concrete

started to flow and appears to be earmarked for self-help schemes. The civil engineers will probably get only service work.

So, failing further contractual disasters, the Big Three may not go downhill as far as industrial indicators might make one fear.

Civil engineers and builders are not too enthusiastic about prospects even though Mossel Bay and the Lesotho Highlands water projects are going ahead. They need activity across the economy more than enormous landmark projects. There is a glut of office, factory and shopping accommodation. Mining continues to provide a basic workload, but does not compensate for cutbacks by Escom and other parastatals.

Builders are also not excited by the prospect of mass housing schemes and township upliftment. Finance Minister Brand du Plessis's R750-million earmarked for this purpose has still not

Willem. Professional managers on salaries have fared poorly relative to entrepreneurs and owners.

The Bester brothers are still in place, but it remains to be seen whether they can cope with a sea change in their market. Mass housing schemes are out for the moment are out, particularly with parastatals cutting back heavily.

In buying Tucker for twice the price offered by competitors, Bester has repeated the mistake it made in 1976. Once again it is sitting on large amounts of loan-funded, unserviced, unproclaimed land. The company is overgeared and interest is a heavy burden.

ITCHING

Two or three companies in construction are performing — and they are relatively small and led by entrepreneurial people.

Schachat, wholly owned by Sage Holdings, but itching for a listing in its own right, is one. SM Goldstein another.

Gary Zulberg's Ozz Construction has as much work as can cope with at Brum Lake, Johannesburg.

SM Goldstein has signed contracts totalling R123-million in the past month. Its order book of R250-million has never been higher.

It has a R70-million contract for construction of Armcor's Pretoria headquarters, a hostel worth R9.5-million for ERPM, a R6.1-million sewage works at Botshabela, OFS, a headquarters for the SA Police in Soweto worth R9.2-million and extensions to the Durban Technikon for R9.7-million.

Goldstein chief executive Tony Jackson says the work was obtained on tight margins against stiff competition. "But we have lived with tight margins for a long time and we are confident this is a potentially profitable order book".

Schachat was providing half the taxed profits of Sage Holdings until it was delisted three years ago. The proportion has declined since, but is still material.

90 workers retrenched at Pepsi

DURBAN — The 90-member workforce of Natal Beverages, manufacturers of Pepsi-Cola, are to be retrenched following a court order plac-

ing the company, which has debts of R3 million, into provisional liquidation.

The order was granted by Mr Justice A J Viljoen

in Cape Town's Supreme Court on Tuesday, one of the company's joint provisional liquidators, Mr Ralph Millman of Cape Trustees, confirmed.

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EVE Post 31/10/86

Company in debt: 90 to lose jobs

DURBAN — The 90-member work-force of Natal Beverages, manufacturers of Pepsi-Cola, are to be retrenched following a court order placing the company, which has debts of R3 000 000, into provisional liquidation.

The order was granted by Mr Justice Viljoen in Cape Town's Supreme Court on October 28, one of the company's joint provisional liquidators, Mr Ralph Millman of Cape Trustees, confirmed yesterday.

The return date is December 3.

The closure of the

Prospecton plant could mean that Pepsi will no longer be available in Natal or the Transvaal which was also supplied by Natal Beverages. However, this could not be confirmed last night.

A spokesman for the Registrar in Cape Town said the company had debts of R3 000 000 with a R234 000 loss in the 1986 tax year.

Mr Millman said the book value of assets stood between R3 million to R3,5 million.

According to court records the managing director is Mr Graeme Anthony Wynne. — DDC

ENQUIRIES — TELEPHONE EAST LONDON 26141

Dispatch Reporter
EAST LONDON — A Bonza Bay resident, Mr A. Archer, who has worked in South Africa for nearly 30 years, has been told by the Department of Manpower here he cannot claim Unemployment Insurance Fund (UIF) benefits because he was employed in Transkei for a year.

Mr Archer was told he would have to be employed in South Africa for a minimum of 91 days again before he could claim any UIF benefits due to him.

He said he had worked in South Africa since 1957 before joining a company in Engcobo in Transkei in September 1985. He was employed there for about a year before moving to East London.

While working in Transkei, he had commuted daily from Elliot in the North-eastern Cape, where he and his family lived.

"While working in South Africa I never claimed from UIF, even though I had contributed to the fund for many years. Once my job in Transkei ended I moved to East London hoping to find something here.

"After a while I approached the Department of Manpower here to claim UIF as I couldn't find a job. I was told that I didn't qualify for any UIF benefits as I had worked in Transkei for a year and would have to work for a minimum of 91 days in South Africa again before I could claim any UIF benefits," Mr Archer said.

"But the ridiculous thing here is that if I found a job for 91 days, I then wouldn't have to claim from UIF as I would be employed, and that's all I want."

Mr Archer said initially he had approached the department for advice on job opportunities in East London and had been told there were job

Jobless man in UIF pay wrangle

Catch 22 after 30 years



Mrs Olga Archer and Mr Arthur Archer with their eight-year-old son, Chevron.

possibilities in Butterworth in Transkei.

"But I didn't take the offer. If I had I would have ended up at square one again because I would have been employed in Transkei," he said.

"In the same breath that the department tells me I will have to work in South Africa for a minimum of 91 days before I can claim from UIF because I worked in Transkei, they offer me a job in Butterworth."

He had never been aware of the "complications" of working in Transkei and had never been informed of the implications of trying to claim UIF in South Africa again if he ever needed to.

"It's a vicious circle. I wouldn't claim from UIF if I wasn't desperate. The first time in my life that I do try, I get told that I don't qualify for it — even though I contributed to the fund for nearly 30 years — because I worked in Transkei for a year," Mr Archer said.

"Another thing that really upsets me is that

even though I worked in Transkei for a year, all my earnings were still spent in South Africa as I lived in Elliot. The South African Government was still getting my money."

Mr Archer said his savings were now almost completely depleted. He and his wife, Olga, and their eight-year-old son, Chevron, now live in a rondavel in a caravan park in Bonza Bay which costs them more than R200 a month.

Mr Archer said his son

had not been able to attend school since they left Elliot at the end of August.

"We have enough money for one more month's rent, and that's all," he said.

● Officials of the Department of Manpower in Pretoria could not be reached for comment yesterday. Repeated attempts since Wednesday to contact the department by telex for comment also proved fruitless.

Child Welfare tu

Dispatch Reporter
EAST LONDON — Saturday is Children's Day and the 60th anniversary of Child Welfare, and the public will be asked to open hearts and purses for children in need of care.

The manager of public relations and fundraising of Child Welfare in South Africa, Mrs Joan Oberholzer, said almost a quarter of a million children in need were assisted annually by the South African National Council for Child and Family Welfare and its 170 affiliates.

Because of a lack of funds, Child Welfare could not help all the chil-

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SOUTH AFRICA produces nearly 60 percent of Africa's total electricity supply.

Yet 22-million South Africans, out of a population of 31,4-million, have no access to electricity.

For their energy requirements, the vast majority of the country's population is forced to use fuels like paraffin, gas, coal and wood, which are considerably more expensive than electricity.

A survey by Anton Eberhard, director of the Energy Research Institute at the University of Cape Town, showed that township families without electricity paid up to three times as much for domestic energy than those households with access to electricity.

"This data clearly dispels the popular myth that most black households cannot afford electricity. The truth is they can no longer afford not to have electricity," Eberhard writes in the latest study to come out of the second Carnegie Inquiry into Poverty and Development in Southern Africa.

In his study he calls for more urgent investigation into alternative energy

The highest electricity bills go to those without electricity

sources for the rural areas.

"Until now, only trivial amounts have been invested in energy supply for the underdeveloped areas, while it is clear that it is in this sector that the most serious shortages and problems occur," Eberhard warns against the "misallocation of research and development funds which have focused mainly on non-renewable" types of energy, in particular nuclear energy, with little regard to the environmental consequences of depleting resources.

In underdeveloped rural areas, wood is the most common fuel, accounting for 80 percent of energy used. The result has been "enormous and severe scarcities" of natural woodlands and a new reliance on purchased wood which, although relatively cheap, needs to be transported — at approximately 80

A new study dispels the popular myth that many black households cannot afford electricity and shows that those with no electricity pay three times as much for their energy needs, reports MOIRA LEVY

percent of the price of the load.

"The social costs of dependence on fuelwood are high. The average woman spends most of the working day labouring over the provision of basic services which are simply taken for granted in most urban areas. Fuelwood and water collection trips are arduous and time-consuming," Eberhard writes.

"Wood scarcities have meant that more and more households are having to switch to alternative fuels, particularly in peri-urban and urban

areas. With many of these households denied access to electricity, they are forced to use inferior and expensive fossil fuels."

It is the families in the peri-urban areas, "sandwiched between the metropolitan and rural areas", who are denied access to agricultural land and woodland and who are forced to rely on these "most costly, and perhaps least reliable fuels".

Eberhard found in his survey that most householders consider paraffin, gas, coal and batteries to be too expensive, and fear that gas and candles constitute a fire hazard. Many families "complained that paraffin and candles are messy to use, that they provide poor light, and that smoke from wood and coal fires permeate clothes".

Eberhard argues that in spite of the initial costs involved, electrification in

shortages.

He estimates that supplying electricity to the households in and around the metropolitan cities and towns would require less than 8 000-million kwh each year, or seven percent of the total electricity produced by Escom in 1984.

"Unfortunately, it seems that the provision of services such as electricity is still being regarded as of secondary importance in the planning of townships and the up-grading of peri-urban and informal settlements," Eberhard writes.

The massive housing project at Khayelitsha in the Cape is another example where the electrification of houses has been ignored. "There is no doubt that by denying electricity to these areas, communities are further impoverished by having to meet the higher costs of fuels such as coal, gas, paraffin, candles and batteries, and quality of life expectations are frustrated by being denied the opportunities and benefits of electrification."

The installation of electricity is expensive, Eberhard concedes — the World Bank lent \$60-billion (in 1982) to Third World countries for developing electric power sources — and he proposes that solar heating and a more energy-efficient design for low-cost housing also be considered in remote rural areas far from the electricity grid.

"The creation of energy-efficient building requires a greater appreciation of the way climate, orientation, design and building materials can be used to increase comfort levels."

Eberhard also calls for state or community-initiated afforestation projects, especially in the homelands. He says South Africa's fuelwood production is about 420 000 tonnes, way below the country's basic requirement of 5,3-million tonnes. To meet this demand, he estimates, nearly 750 000 ha of woodland needs to be cultivated.

This is "clearly a huge task when it is recognised that the total area under commercial plantations in South Africa is 1,2-million ha and that the total area in the homelands currently under woodlots is only about 26 000 ha."

Besides increasing the availability of wood, energy supply could be improved if wood were used more efficiently. An experiment by UCT's Institute for Energy Research has produced a stove that uses woodfuel

NATIONAL/INTERNATIONAL

MMS 30/9/86

Tourism decline: Many lose jobs in hotel industry

By FRANS ESTERHUYSE
Political Staff

THOUSANDS of people in the hotel and related industries have lost their jobs as a result of the decline in the number of foreign visitors to South Africa.

This is shown in a memorandum submitted by the South African Tourism Board to the economic affairs committee of the President's Council.

The committee, now sitting in Cape Town, is hearing evidence on job creation.

The memorandum says that in "good years" the hotel industry provides between 60 000 and 85 000 jobs. This figure has dropped to about 55 000 as a result of the decline in the number of foreign visitors.

About 10 percent of people presently employed in the industry are white.

Semi-skilled

The memorandum says that between 40 and 50 percent of employees were in the semi-skilled and unskilled category. In the non-hotel accommodation industry the figure was between 60 and 70 percent.

Large numbers of people in these and related industries lost their jobs as a result of the poor economic climate and the decline in the number of foreign visitors.

The memorandum says there are 1 321 registered hotels in South Africa with a total of 91 362 beds. Between April last year and May this year the average occupancy of beds for the various grades of hotels ranged from 32 percent to 45 percent.

Hard hit

Five-star hotels, of which there are 11 with a total of 5 687 beds, had an average occupancy of 36 percent.

The memorandum says that tour operators and travel agents, which employ about 5 000 people, have also been hard hit.

It is suggested that a relatively undeveloped field of tourism with "enormous potential" is to be found in special-interest tours related to agricultural activities.

In this field, package tours are already being offered, such as the wine routes, the wool route and the crayfish route.

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anniversary festival.

Public meeting on 335 plight of unemployed

Staff Reporter

AR6's 30/10/86

THE Advice Office Forum — an umbrella body for 14 advice offices — is to hold a public meeting on Sunday to discuss unemployment-related problems.

Ms Shahieda Issel of the Mitchell's Plain Advice Office said that during a two-week programme on unemployment, the forum had screened more than 200 unemployed people for health problems.

"The screening uncovered a high level of malnutrition and psychological problems in nearly every household. There is a tremendous need for relief.

"People are still being evicted because they cannot pay rents. Others have had their electricity cut off.

"The whole quality of life deteriorates under the impact of

unemployment and then the results of the stress start emerging in marital problems," she said.

The meeting will take place at the Hanover Park Civic Centre at 2pm. Transport will be available from advice offices.

• The Mayor of Cape Town, Mr Leon Markovitz, has declined an invitation to attend the meeting.

Mr Markovitz said he had a previous engagement, but thought it would have been inappropriate for him to have attended the meeting.

"The letter said they wanted to discuss issues of rent and electricity payments," he said.

"I have invited a delegation to meet me and officials to discuss these issues. They are welcome at any time."

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Job levels rise in revived Cape clothing industry

By DICK USHER, Labour Reporter

JOB levels in the Cape clothing industry have been boosted by about 800 a month since July and about 53 000 people are now employed at factories in top gear to keep pace with full order books.

The Christmas rush is in full swing, there is plenty of overtime and the first six months of next year are also looking hopeful.

Mr Simon Jocum, chairman of the Cape Clothing Manufacturers' Association, said the brighter position was a result of the usual Christmas rush, retailers who had been over-pessimistic and late fabric deliveries.

"There was a shortage of cloth around May and June and factories had to cut back," he said.

"Now the late fabric deliveries are in and manufacturers are rushing to get their orders out.

"Also, I think the retailers played it too close to the chest, they were caught up in the general pessimism and the upturn caught them by surprise.

"The factories are having to force goods out."

The industry was off the bottom, had survived the total onslaught and prospects for the first six months of 1987 were better than the first half of this year which had been "a disaster".

He said the Cape clothing industry — about 40 percent of the country's total — was in the happy position of having buyers flying in.

"It's always good to have someone asking what you can sell him," he said.

But Mr Jocum warned that things were still tight owing to the high costs of raw materials.

"It would be a lot better if imports came in at more competitive prices," he said.

CH 7-29/06 (186) 335

Retrenchment settled

TEJ Knitwear yesterday agreed to pay seven retrenched workers a total of R36 250 in an out-of-court settlement after an 18-month legal wrangle over the fairness of their dismissal. The workers were among 350 TEJ employees retrenched in May last year, according to the company's managing director, Mr Ian Anderson. The seven took the matter to the Industrial Court, claiming an unfair labour practice.

Ackerman gives R50 000 for jobless

Cape Times
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Staff Reporter

PICK 'n Pay chairman Mr Raymond Ackerman last night donated R50 000 to relieve the plight of Cape Town's unemployed.

Making the presentation to the Mayor's Relief Fund during the pre-opening function for the new Ottery Hypermarket, Mr Ackerman said he had thought "very deeply" about the poverty which resulted from the unemployment crisis in Cape Town.

Impassioned plea

The relief fund was established by the Mayor of Cape Town, Mr Leon Markovitz, following an in-depth investigation into the unemployment crisis on the Flats in the Cape Times this month.

"We need jobs more than hand-outs, but the fund is there, and I hope this contribution will go some way to relieving the poverty," Mr Ackerman said.

During his address, he made an impassioned plea to American



Mr Raymond Ackerman

businessmen: "For God's sake stay in this country".

"By investing and not running away", American businessmen could create the jobs necessary to bring peace to South Africa.

"I appeal to those companies

who are still here, in spite of the hassle factors and the criticism: Stay here. We need you," he said.

Mr Ackerman, who is to attend the Carlton III conference this month between government and top businessmen, said South Africa had two years in which to beat sanctions and disinvestment.

Minorities

"Sanctions have only just begun. It will be a long time before punitive, mandatory sanctions are imposed.

"It is time for us to get off our butts and talk to everyone; not go into the laager and adopt a hard-line attitude."

He urged black leaders to "put their hands across as well".

Eighty percent of South Africans believed in the same things: Democracy, protection for minorities and peace.

"Only by talking to each other will we discover how much we all have in common."

75 000 jobs go as builders 'bleed to death'

Property Editor

PRETORIA—About 75 000 jobs have been lost in the building industry and the figure could rise to 100 000 as builders are still reducing staff.

This was reported to delegates at the annual Bifsa congress here yesterday by Bobby Zylstra, retiring president.

In a series of questions he posed to the authorities, Mr Zylstra asked if there

was awareness that numerous contracting companies had closed or gone bankrupt and that the loss of these companies was a severe loss of expertise and entrepreneurship for South Africa.

He said the industry could not stimulate its own demand, and 'while there is no demand for our services, there will be no further employment opportunities'.

'I cannot see an increase in job opportunities until

progress is made in the political arena,' he said.

It was impossible for the average builder to look any further into the future than a few months at a time in current political/economic circumstances.

'Our industry is bleeding to death and I regret to say that I see only blood, sweat and tears lying ahead in 1987,' said Mr Zylstra.

Referring to a comment by the Governor of the Reserve Bank that he was surprised the private sector had not started to show greater signs of recovery, Mr Zylstra said the Government 'has been most unsuccessful in convincing the country, and the businessman in particular, that there is reason to have confidence in the future and thus the sluggish reaction from the private sector'.

No campaign for jobless — union 335

PR 24/7/80
Labour Reporter

NO campaign against unemployment involving the Congress of South African Trade Unions (Cosatu) and the Unemployed Workers Movement (UWM) has been launched.

A spokesman said today Cosatu had met the UWM, as it was prepared to meet all progressive organisations tackling day-to-day issues facing workers such as unemployment.

Issues raised at the meeting were being discussed within Cosatu's structures.

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'Shocking' poverty in the E Cape

By BARRY STREEK
Political Staff

SHOCK details of poverty among black people in the Eastern Cape — with 70 percent of black families surviving on less than R150 a month — have been disclosed by a top government official.

Mr Louis Koch, chief director of the now-defunct Eastern Cape Development Board, said in evidence to the Parliamentary Select Committee on Public Accounts that the board's statistics indicated that "roughly 70 percent" of black families in the whole of the Eastern Cape were "earning below R150 a month".

He also told the committee, whose report was released in Parliament yesterday: "Our ~~past~~ ^{present} ~~future~~ is that 40

percent of the employable people in the area are unemployed because of the low economic activity."

The board's statistics as well as those of the Urban Foundation were, however, lower than the 60 percent unemployment estimate made by Vista University for the Port Elizabeth/Uitenhage area.

"There is a very high degree of unemployment, but there is also a very large group of people with a low income," Mr Koch said.

Mr Koch, whose evidence was given on May 7 this year, said the non-payment of rents and service charges was mainly attributable to the high unemployment level.

He said there had been an "element

of indoctrination" recently. "But it is going to be very difficult to attribute the amount of what one would call civil disobedience at this stage."

He also said that though he was satisfied there was a willingness to pay rents in the community, about 25 percent of black families in the Eastern Cape were one month in arrears, about 50 percent were three to six months in arrears and the rest were higher than that.

The Director-General of Co-operation and Development, Dr Andries van Wyk, told the committee that many of the black towns in the interior of the Eastern Cape had no water-borne sewerage, only the bucket system.

He thought the people in these towns would "probably regard the

bucket system as perfectly normal within the environment, because the town as a whole cannot afford any other system". But in Port Elizabeth the feeling of relative deprivation became much stronger.

Mr Harry Schwarz, PFP spokesman on finance, commented: "We are dealing here with what is probably one of the most volatile areas in the country, for a lot of reasons."

"The reasons for this volatility are clear from the statistics we have been given."

"I fear that, unless you have massive subsidization at least to establish standards which are acceptable, you will find you are breeding continuous dissatisfaction and unrest," Mr Schwarz said.

Charity 'no solution to city jobless

are this 24/10/86

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By HILARY VENABLES
Labour Reporter

COMMUNITY and labour organizations have slated attempts to alleviate Cape Town's unemployed by "charity hand-outs" and have called for a concerted attempt by the State and big business to eliminate the structural causes of the problem.

The Advice Office Forum (AOF), which held a fortnight's focus on unemployment in Cape Town's coloured townships this month, said meeting the problems of the unemployed "with food parcels and hand-outs" was not the solution.

"Our solution is for the government and business people to take a serious look at the problem," AOF media officer Mr Fadiel Manuel said.

He dismissed statements by organized commerce and industry last week that there were "no easy solutions" to the crisis.

The AOF believed the situation could be immediately improved if:

- ☐ Overtime was banned to provide more jobs.
- ☐ Workers were paid a living wage.
- ☐ Companies were prepared to accept a drop in profits instead of retrenching people.
- ☐ Commerce and industry stopped importing foreign technology to replace labour.
- ☐ Workers were encouraged to organize and form democratic trade unions.
- ☐ The "totally inadequate" Unemployment Insurance Fund was revised.

The regional secretary of the Congress of South African Trade Unions, Mr Nic Henwood, said unemployment was an international problem which affected all capitalist countries.

The burden of supporting the unemployed in South Africa fell on other workers because of an inadequate welfare system, he maintained.

A researcher for UCT's South African Labour and Development Unit (Saldru), Mr Brendon Roberts, said unemployment was a "regulating mechanism" to maintain low wages.

Neither the government nor big business made any attempt to alleviate the problem until it reached a level where it threatened social stability and general economic development.

Unemployment would persist until the basis of economic distribution was changed and a new set of values was accepted.

"Soup kitchens and hand-outs are great as individual efforts, person to person, but they are never going to solve the long-term problem," he said.

Editor

CAPE TRAINS
24/10/86

☐ Charity 'no solution to city jobless', page 3.

VENTURES

First SBDC cluster industry project launched in W Cape

By LAURA YEATMAN
Finance Staff

THE Small Business Development Corporation opened its first cluster industry complex in the Western Cape, but it was urged to shed its negative political image among prospective black entrepreneurs.

The complex in Hadji Ebrahim Crescent, Athlone, houses 22 businesses ranging from carpenters to radiator repairs on 815 sq m. About 50 jobs were created at an average cost of R2 600 and the total estimated cost of the project is R126 000.

"The SBDC is wrongly seen as a semi-government body," said Mr B Figaji, vice-rector of the Peninsula Technikon, in his opening speech yesterday. "The corporation creates the image of officialdom and white control."

LOW COST WORK SPACE

A cluster industry accommodates entrepreneurs in low cost work space where expensive equipment and a secretarial service is provided centrally. The SBDC also provides services like business advice and information, marketing assistance and access to training programmes.

Another field of activity is lobbying against unnecessary rules and regulations blocking small business development.

There are eight other cluster industries in South Africa.

The SBDC has provided financial assistance totalling R230-million to 9 000 small businesses from the informal sector, according to managing director Dr W Vosloo. Over 100 000 job opportunities have been created countrywide. In September alone the SBDC received 18 000 inquiries.

Mr Figaji said the appointment of Professor Wolfgang Thomas, of the

University of the Western Cape, as deputy regional general manager would assist in seeing that the SBDC was sensitive towards the attitudes and needs of the community it served.

Professor Thomas said: "We need to build up an independent structure of contacts and a basis of trust in the African community. We need advisers who understand and relate to the situation."

He said he was aware of a strong suspicion about the SBDC in many circles because it was partially government financed.

"The SBDC is a private company. The Government has 50 percent of the shares, but only 25 percent of the control."

Professor Thomas said the Government was a major source of finance in contrast to a "stingy private sector".

The National African Federated Chamber of Commerce was distancing itself from Government and this could create problems for the SBDC, he said.

Mr Figaji said the SBDC was criticised for "treating the disease and not the cause". Blacks also rejected developments unless they were associated with fundamental change in South Africa.

There would be no stability until there was equal participation of all South Africans in every sphere of life.

With rising unemployment, black urbanisation and population growth this country "could look forward to a bleak future unless something was done".

Small business was the most effective job creator in a free enterprise economy, Mr Figaji said.

Operation Hunger can't cope with aid pleas from desperate families

Jobless figures 'horrifying'

By Janine Simon

Horrifying unemployment figures have emerged from Operation Hunger's research in Natal, the Eastern Cape and the Free State, according to the organisation's press officer, Miss Anne Scott.

Researchers working in townships near Port Elizabeth stopped counting when they reached 23 000 families who had no visible income, Miss Scott said. As the families comprised an estimated seven members each, this totalled 161 000 people.

"We have received a formal request to feed 25 000 children in Bochara, Bloemfontein, where unemployment is running at an estimated 80 per cent," Miss Scott added.

"Applications for aid in Natal are swarming in so fast we can't process them on time," she said. "We have no choice but to say yes to helping these people."

These increased demands have intensified Operation Hunger's need for additional funds.

"We appeal to the public to make a last-ditch effort to buy tickets for our Million Dollar Gold Rush," Miss Scott said.

More needed

Funds raised by ticket sales have covered the cost of all prizes but more is needed for food.

The competition closes on November 1 and the winner will be drawn on SABC-TV's "Sundowner" programme on Friday, November 14.

Tickets are available at Operation Hunger tables at major shopping centres and hypermarkets in and around Johannesburg and other cities.

Contact the Operation Hunger head office at (011) 339-1125/6/7 for details.

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22/10/86
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Cape T

Hungry: Divco appeal for aid

By PETER DENNEHY

DR Len Tibbit, the Divisional Council's Medical Officer of Health, appealed to the public yesterday to support the organizations which help Divco to aid the unemployed and malnourished in the Peninsula.

"The emphasis thus far has been on the City Council areas, but my area of jurisdiction is even worse-hit," he said. "Divco can't raise funds on its own, as it has no welfare organization number."

Yesterday the council inadvertently asked donors to address cheques to "Operation Hunger, The Mayor's Relief Fund".

This is not permissible, as Operation Hunger is a separate organization, so cheques should be addressed to The Mayor's Relief Fund, PO Box 298.

Divco's health department had distributed 5 000 food parcels in February this year, and would distribute another 5 760 "over the next few months".

The parcels had exactly the same contents as those the City Council was distributing, and also came from the Department of National Health and Population Development, Dr Tibbit said.

Dr Tibbit said the organizations which helped Divco minister to the needs of the poverty-stricken were:

Manna (formerly Kupugani); SA National Tuberculosis Association; Durbanville Child Welfare Society; Lions Club of Atlantis; Diakonale Dienste and Barmhartigheidsdienste in the Elsie's River/Ravensmead area; Fish Hoek, Kommetjie and Noordhoek Welfare Association; Child Life, Electric Road, Wynberg; and the Red Cross, St John Ambulance and the Catholic Welfare Bureau, who are still supporting refugees from the Crossroads violence.

MANDATORY UN sanctions against SA, and the need to maintain a current account surplus, could cause a 30% drop in GDP and 1,34-million unemployed in five years, according to a report by the Federated Chamber of Industries (FCI).

In this worst of three scenarios outlined by the report, FCI says GDP would decline by about 6% a year and nearly 20% of South Africans would lose their jobs. Agriculture's contribution to GDP would decline by 30,7% and 187 417 jobs would be lost, mining by 17,2% (20 452 jobs), secondary industry 29,3% (404 650

Thousands of jobs are in jeopardy

GERALD PROSALENDIS
Economics Editor

jobs), commerce and transport 29,1% (209 983 jobs) and services and others by 27,6% (312 511 jobs).

It says the SA economy will survive, but "at much lower levels of economic activity and welfare".

And, Afrikaanse Handelsinstituut (AHI) chairman Christie Kuun warned last night that if sanctions against SA exports were only 20% successful, the balance of payments would be weakened by R2,0bn, white unemployment would rise by 120 000 and black unemployment by 430 000. The personal income of whites would decline by R520m and blacks by R470m.

Sanctions would not have catastrophic consequences, but some disruption and adjustment was unavoidable.

SA would have to do without luxury imports and foreign exchange would

● To Page 2

Thousands will lose their jobs

have to be rationed to sectors and industries which needed priority from the national economic point of view.

The FCI report, based on an econometric model, envisages three sanctions scenarios. Firstly, the full set of trade measures agreed upon by the US and currently being discussed by the EC, Commonwealth and Non-Aligned Movement, which will reduce GDP by 1,7% in the next 18 months to two years.

Secondly, if sanctions were imposed on all SA exports, but with substantial leakages, the total effect would be a decline of 16,9% in GDP over five years from its 1985 level, and 685 343 people would lose their jobs.

The third scenario envisaged UN mandatory sanctions substantially adhered to by the international community.

Sapa may retrench 10 staff

Mercury Reporter

THE operations of the South African Press Association (Sapa) news agency may be reduced significantly, with 10 of its Johannesburg staff facing retrenchment.

The deputy managing director of South African Associated Newspapers, Mr Ray Paulson, who is on the board of Sapa, last night confirmed that the agency was looking into various cost-cutting measures — including a reduction of staff.

'At a committee meeting held on Monday a suggestion was put forward in which Sapa will discontinue supplying edited Reuters and Associated Press copy to newspapers. As some newspapers already receive this copy directly, it was felt that it is a duplication of services,' he said.

Mr Paulson said, however, that no final decision had been taken and that the matter would be put to the board of Sapa on October 29 for their decision.

He confirmed that 10 staff members would go on leave for a month to see how the new system would work, before any decision to retrench would be taken.

Sources at Sapa said the proposed retrenchments would cut Johannesburg staff from 26 to 16.

Methodists may pass resolution on sanctions

Pietermaritzburg Bureau

THE Methodist Church of Southern Africa is expected to pass a resolution today on the issue of overseas disinvestment in and sanctions against this country.

Members of the Church conference in Pietermaritzburg held discussions behind closed doors for nearly two hours before deciding to ask the resolutions committee, together with a number of co-opted members, to draw up a resolution reflecting opinions expressed from the floor.

The conference agreed to go into committee late yesterday after receiving legal advice that some speakers might contravene the state of emergency regulations by expressing their views in open session.

The Church's standpoint on the controversial issue is likely to be decided this morning when the conference resumes.

The Rev Khoza Mgojo, president of the Federal Theological Seminary at Imbali, near Pietermaritzburg, was elected president of the Church for the second time in four years.

He will succeed the Rev Jack Scholtz in October next year. Mr Scholtz was inducted as president last Friday.

Dr Mgojo previously held office as president of the Church in 1982.

Teachers 'should be retired at 55'

TEACHERS should be retired at the age of 55 instead of 65 to avoid retrenchments in the Indian teaching profession, Mr Reuben John, Solidarity's candidate in the November 12 Durban Brickfield parliamentary by-election, said yesterday.

Mr John, 59, a retired headmaster, said in a statement that a recent announcement by the Ministers' Council in the House of Delegates that 413 qualified and 291 unqualified teachers may have to be retrenched because of expected cutbacks in education budgets was 'very disturbing.' — (Sapa)

(Report by N Bisetty, 36 Westgard House, Gardiner Street, Durban)

Candidate bulls Fastest s

Sanctions will hit SA employment — survey

STAR
22/10/86
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By Chris Moerdyk

Sanctions could damage South African employment and production "more seriously" than generally perceived both locally and abroad, according to an analysis by the Federated Chamber of Industries.

Over two years sanctions announced by the US, EC, Commonwealth and Non-Aligned Movement would cut jobs by 48 922 and reduce Gross Domestic Product by 1,7 percent.

Should sanctions be extended to include all exports, excluding strategic minerals, gold and diamonds, 204 803 jobs would be lost and GDP cut by 6,7 percent.

The total effect over five years would result in employment decreasing by 685 343 and GDP by 16,9 percent.

In the case of total mandatory sanctions employment would be reduced by 312 361 and GDP by 10,1 percent.

WELFARE LOSSES

In five years there would be a 1,1 million decrease in employment and the GDP would be cut by 29,3 percent.

"In 1985 one percentage point of SA GDP amounted to more than R1 billion. Welfare losses involved in escalating sanctions could be considerable."

Unemployment would increase substantially, "rising to alarming proportions as one moves up the scale to heavier sanctions packages. In 1985 there was already considerable unemployment in the South African economy and if 300 000 new entrants a year were added, unemployment could become a major problem."

The study concludes that despite considerable damage caused by, for example, total mandatory sanctions, "the economy can indeed survive albeit at much lower levels of economic activity and welfare."

AK615 22/10/86

How employment could be hard hit by sanctions

The Argus Correspondent, LONDON

SANCTIONS could damage South African employment and production "more seriously" than generally perceived both locally and abroad, according to an analysis by the Federated Chamber of Industries.

Over the next two years, sanctions packages announced by the US, EEC, the Commonwealth and the Non-Aligned Movement would cut jobs by 48 922 and reduce gross domestic product by 1,7 percent.

Should sanctions be extended to include all exports from South Africa, excluding strategic minerals, gold and diamonds, 204 803 jobs would be lost And GDP would be cut by 6,7 percent.

THE total effect over five years would result in employment decreasing by 685 343 and GDP by 16,9 per cent.

In the case of total mandatory sanctions by the United Nations, employment would be reduced by 312 361 and GDP by 10,1 percent. In five years, there would be a 1,1 million decrease in employment and the GDP would be reduced by 29,3 per cent.

"Some idea of income/production losses can be obtained if it is realised that in 1985 one percentage point of South African GDP amounted to more than R1 billion. The welfare losses involved in any escalating sanctions scenario could be very considerable indeed."

THE analysis said no matter what the degree of sanctions, unemployment would increase substantially, "rising to alarming proportions as one moves up the scale to heavier sanctions packages. It should also be remembered that in 1985 there was already considerable unemployment in the South African economy and if 300 000 new entrants a year were added, unemployment could become a major problem."

The study concludes that despite considerable damage caused by, for example, total mandatory sanctions, "the economy can indeed survive albeit at much lower levels of economic activity and welfare."

Warning over GM 'snowball effect'

The decision of General Motors to pull out of South Africa may have a snowball effect, the official Opposition warned today.

Mr Harry Schwarz, PFP finance spokesman, said today he was unhappy that GM had decided to quit South Africa because this was likely to influence and put pressure on other large foreign companies to sell their investments.

He added that it was obvious GM made its decision because of pressure in America and because South African motor industry profits had been hard to come by.

21/10/86 SMK
GM last night ended months of speculation by announcing it was selling its South African subsidiary to the company's local management.

However, managing director Mr Bob White said GM's Opel, Isuzu and Suzuki models would still be produced here and the US conglomerate would retain an option to buy the company back.

The General Motors' name will be dropped.

The move was speeded up by the Senate sanctions vote, prohibiting new investment in South Africa.

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However, GM is to settle the local operation's outstanding debts before the new operation starts. That means the US parent may have to bring over close to R100 million.

Mr White indicated the new owners were getting the company for next to nothing, with no money changing hands straight away.

Payments will be made out of future profits, which Mr White does not expect before 1988.

● See Page 16.

hunt for killers.

len vehicles.

Survival for the unemployed

21/10/82 335 Soweto

SOUTH Africa is facing massive unemployment and every attempt must be made to help jobless blacks.

This is the view of Ms Peggy Reid-Daly, who runs a project called "Strategies for Survival" on behalf of the Small Business Development Corporation.

She said a two-day

seminar would be held at Pennyville Industrial Park, near the Putco main depot on the road to Soweto, starting on October 28.

"The aim of the seminar is to motivate people to realise that they do not have to be employed by others to make money," she said.

It is still not clear how many unemployed are in the country.

Relief for
Cape Times 21/1/96
unemployed
35
pours in

Staff Reporter *780*

FOUR truckloads of 5 800 government emergency food parcels arrived in the city from Potgietersrus yesterday, as relief funds from the public to the unemployed began pouring in.

Dr Reg Coogan, the city's Medical Officer of Health, has arranged food donation depots around the Peninsula. Donors should give only dried or tinned foods.

A special account was opened yesterday. Cheques can be made out to Operation Hunger, c/o the Mayor's Relief Fund, P O Box 298, Cape Town 8 000.

The depots, open weekdays from 9am to 4pm, unless stated, are at:

- Sea Point Civic Centre, Main Road, 2pm to 3pm, telephone 446598.

- Chapel Street Polyclinic, Woodstock, 2102484.

- Woodstock Civic Centre, Aberdeen Street, 2102949.

- Maitland health inspector's office, Norfolk Street, 513812.

- Rondebosch Town Hall, Mill Street, 656202.

- Claremont Clinic, Station Road, 611148.

- Wynberg Town Hall, Maynard Road, 773271.

- Muizenberg Civic Centre, Atlantic Road, 2pm to 3pm, 888940.

Fresh fields for jobless women

Unemployed black women can take new hope from Durban's Foundation for Entrepreneurship Development, which is striving to create thriving home industries through its intensive training courses in dressmaking. JANE CONYNGHAM reports.

IN South Africa today we have to promote entrepreneurship — or we'll all be lost,' says Dr Dennis Wolmarans, executive director of the Foundation for Entrepreneurship Development, whose preoccupation is to promote black business in this country.

Dr Wolmarans, who holds a doctorate in development economics, started an advisory bureau for black businessmen at the University of the North before becoming first editor of *Black Business News*.

Just over a year ago he acquired a defunct clothing factory in Moore Road, Durban, and established the foundation which has revolutionised the lives of scores of unemployed black women.

'We decided to focus on women because there is virtually no training available for them to enter the economy,' he says. 'We knew there was a ready market in the clothing industry — so that's where we've concentrated our efforts.'

Quality

Basic sewing courses offered by the foundation cover a 20-day period, and by the end the trainees are skilled enough to become self-employed.

'Although we don't pretend to be teaching haute couture design, the clothes must have a couturier finish,' says Dr Wolmarans. 'We expect a higher quality than most of the clothes you find in fashion boutiques.'

'Obviously we don't expect a 100% success rate. But most of the women do take the initiative of starting their own businesses, even if it just means selling clothes from home to friends and colleagues.'

To avoid simply giving handouts, trainees must pay R 180 towards the course. The remaining R 200 of the costs is sponsored by concerned organisations.

Donations

The Foundation relies heavily on donations. A R 20 000 grant from the United States government yesterday helped establish the centre, and Old Mutual is helping sponsor operational costs to the tune of R 20 000 a year.

The Foundation also provides training for retrenched members of the garment workers' union, taking on 40 new members a month in conjunction with the Department of Manpower.

'There are 5 500 unemployed garment workers in Natal,' says Dr Wolmarans. 'By the end of March we hope to have retrained 440 of them.'

In July this year the foundation established its first Cottage Industry Development Unit



The Cottage Industry Development Unit (CIDU) teaches not only sewing skills but also marketing and cost accounting. Here CIDU manager Jean Edwards (centre) helps Constance Masikane with her garment while Zanele Mdluli looks on.

(CIDU) in its building. The unit caters for 32 women who get a further six months' training in producing and selling their garments, as well as all aspects of cost-accounting and marketing.

To friends

'We've got limited space in our CIDU, so we select the women who show the most initiative on our basic sewing course,' says Dr Wolmarans.

Trainees at the CIDU sell their garments weekly to friends and contacts, then reinvest their money into their own savings accounts — part of learning to manage their own business.

At the end of six months they have earned

enough to purchase their own sewing machine, plus enough capital to get started on their own.

Yesterday the American Consul-General in Durban, Martin Cheshes, presented a cheque for 8 500 US dollars (about R18 000) to the Cottage Industry Development Unit.

● The Foundation For Entrepreneurship Development can be contacted at 3010681/2. The first basic skills course next year starts on January 19 and can take up to 20 women. Correspondence can be sent to Dr Dennis Wolmarans, Entrepreneurship Centre, 75 Moore Road, Durban, 4001.

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Major US firms unhappy over drop in their ratings under Sullivan Code

GORDON KLING

HEADS of major US firms operating in SA are bitterly disappointed by a perceived demotion of their companies in terms of the Sullivan Code ratings.

Frustrated executives complain they have no way of knowing the criteria on which their com-

panies are being judged, but the consequences of a slip in ratings have severe repercussions in the US.

There is a belief that smaller firms are benefiting in the ratings this year at the expense of those with large payrolls.

Caltex chairman and MD Denis Fletcher said: "If it was just one big company that lost out, I

could accept it. But it is my understanding that practically every major company has been dropped at least one notch, and we don't know why."

Fletcher said management had been advised that they might have misinterpreted the instructions relating to the code, or failed to write up their

reports correctly.

He rejected this on grounds that executives of many big firms made trips to Boston last October to obviate possibility of procedural errors.

Caltex, one of the original signatories to the code, was unhappy with its No 2 rating (satisfactory as opposed to good).

The company had acted on all the recommendations made to it, he said.

Reid Weedon, senior vice president of the US industrial/management consultancy Arthur D Little and a key evaluator of performance in terms of the code agreed that there had been changes to the rating system.

Speaking from Cambridge, Massachusetts, he emphasised that the final report of the Sullivan committee was not due out until the end of the month.

Firms that were unhappy with their ratings had until last week to appeal.

Weedon confirmed that 50% of the signatories were in this category, but he believed it was possible that perhaps 75% would succeed in obtaining a re-rating.

A social justice category had been introduced this year, but companies had been notified of this months ago and he did not believe the basic system had been changed.

Locals keen to snap up assets

Shell could lose billions from pullout

SHELL stands to lose billions of rands of assets if it is forced to quit SA.

Heavy commercial pressure from US markets finally forced the company to indicate at the weekend that it would withdraw from SA, if reform was not speeded up.

The company will leave behind huge capital interests in oil refining, fuel marketing, agriculture, chemicals and coal, which local consortiums are waiting to snap up at bargain-basement prices.

Industry sources say Shell's continued operations in SA are not considered vital in an over-traded market.

MICK COLLINS

When the Salem incident was made public it was obvious the multinational was no longer involved in bringing oil into SA. That function is now known to be handled entirely by the Strategic Fuel Fund (SFF), which in turn is managed by the Industrial Development Corporation.

While the withdrawal move would have been unthinkable a year ago, industry sources now point out that circumstances have changed.

World markets are glutted with oil. SA coal, in which Shell has large interests, is taboo on international markets.

The company owns 50% of Durban's Sapref refinery, and has a strong managing interest in it. But spare refining capacity is glutted. Many refineries, especially in Europe and the US, have shut down.

Refineries in SA have continued to operate, thanks mainly to government support that sees multinationals guaranteed profitability.

Shell owns Cadac, which it bought four months ago, and Shell Chemicals. Sources point out all these business interests could easily be absorbed by local consortiums.

Trek Petroleum, which Shell helped to set up, would be hit by any disinvestment. Analysts point out Trek was a joint venture between BP and Shell, and the

● To Page 2

Shell stands to lose billions

company does not own any tankers or oil depots. Many of the multinationals still operating in SA would be only too willing to take over Shell's thousands of petrol outlets, which would be up for grabs.

Known as the most aggressive and effective petro-selling organisation in the world, the company has been forced to its knees by fierce pressure from anti-apartheid lobbyists.

One incident, considered the most serious, was the cutting in half of thousands of Shell petrol credit cards by anti-SA factions in the US. The cards were later mailed back to head office.

Various other incidents, including the bombing and picketing of Shell service stations in the US, have brought the message home — quit SA or pay for your

presence in lost profits.

The company employs about 2 500 in SA. Annual sales amount to R2,2bn, with profits in the region of R100m.

PFP MP Brian Goodall said yesterday government should take the threat of Shell's withdrawal as a warning to speed up reform.

He said: "It would be most unfortunate for SA if Shell goes.

"It will have far-reaching effects in the long term. With the present state of the economy we must ask ourselves 'Can SA survive shocks like this?'"

"No country changes because of outside pressure, but SA has become the international pariah."

● From Page 1

Funds, parcels for jobless to roll in today

Municipal Reporter

FUNDS from the public and parcels from the government are expected to roll in today for the unemployed on the Cape Flats.

Cape Town's Medical Officer of Health, Dr Reg Coogan, was yesterday unable to quantify the public response so far to an appeal for funds, launched after a Cape Times investigation brought to light the extent of the unemployment crisis on the Flats.

Dr Coogan expected the first of 5 800 parcels from the Department of National Health and Population Development to arrive in the city today. These would initially be stored in hospital warehouses.

Each of these 25kg parcels contains enough staple foods — such as rice, mealie meal and powdered milk — for a family of five for a month.

The consignment is Cape Town's share of the government's R1,4-million handout of emergency food aid which the Minister of Finance, Mr Barend du Plessis, announced in August as part of a broader attempt to reflate the economy and stabilize society.

Dr Coogan said the City Health Department would distribute the food parcels and had already compiled lists of families who fell into the State Health definition of victims of "genuine grinding poverty".

"After the end early this year of the State's last poverty-aid programme, the city set up its own and we have distributed 42 tons of meat and vegetables since June."

Food parcels would not be handed out arbitrarily to whoever arrived at the 18 polyclinics in the worst-hit areas, he said.

"We will notify those who should come to the polyclinics, or in some cases deliver it to their houses," Dr Coogan said.

□ The director of the People's Dispensary for Sick Animals, Mr Norman Wilkie, said he believed "a new poor" was emerging.

This year the PDSA had treated 10 000 more cases in the Cape than last year, while vets had fewer clients, he said. He attributed this to unemployment and the economy in general.

General Motors' future is key to the fate of a whole region

Pullout could spell disaster for E Cape

335
20/10/86 STAR

By Chris Moerdyk

Port Elizabeth, once the "Detroit of South Africa", is again holding its breath — this time about fears of a pull-out by motor-industry patriarch General Motors (GM).

For some time now GM South Africa (GMSA) has been looking for a local partner to give it access to the local capital market and to ensure continuation should its American parent decide to give up on its 60-year-old South African offspring.

So far it hasn't managed to find anyone willing to sink millions of rands into the risky business of building motor vehicles.

The effect of abandoning this roughly half a billion rand investment would be nothing short of catastrophic for the already struggling Eastern Cape.

Mr Brian Matthew, executive director of the Midland Chamber of Industries, is quite emphatic about the consequences of a GM pull-out. It would simply mean disaster, he says.

"Even though GM and Volkswagen are the only two motor manufacturers left down here, the motor vehicle industry, with all its ancillary suppliers, is still driving the economy.

"At the moment black unemployment is over 50 percent and I don't know how much more we can absorb," he said.

"We have certainly had our share of violence here and to be realistic, there is no doubt that this has been caused by economic factors. In the days when car sales were booming, people down here saw their future getting brighter — then suddenly they were dumped."

The disappearance of GM from the scene will also have far-reaching social ramifications. The company has been one of the front-runners in applying the Sullivan Code and was a founder member of the recently-formed US Corporate Council on South Africa which is directed toward the abolition of apartheid.

GM has an equal-opportunity, equal-facility programme that really works and it is involved in graduate in-training programmes, the Adopt-a-school project and pays for books and school fees for children of black employees. In 1973 the company made a

loan to the Port Elizabeth City Council of \$500 000 for the construction of homes in the coloured residential area.

In the industry itself, GMSA has been described as the "weakling" with declining sales and a market share of about seven percent. The point is, however, that this weakling has managed to make it through the bad times when others have withdrawn.

Only three years ago 11 of the original 20 car manufacturers present in the early 1970s still remained. Now there are seven and GM is one of them.

This seems to suggest that the company has staying power and with the imminent launch of a new model, the Monza, it should be able to weather the current storm on purely economic grounds.

Although Port Elizabeth would bear the brunt of a GMSA shut-down, a ripple effect would be felt throughout South Africa. The company has a 200-strong dealer network and the shock to these would be considerable.

First-hand knowledge

In the past few days GM's largest dealer has advertised on television and in newspapers, refuting rumours of a pull-out, claiming GM is contracted to supply vehicles for another five years and offering to buy back GM cars should the company withdraw.

Those in the motor trade with first-hand knowledge of the way motor giants think, say current rumours amount to nothing but sensationalism. When GM chairman Roger Smith said in Detroit a few days ago that his company was "reassessing" its future in South Africa, this apparently did not mean a pull-out was on the cards, but was simply ongoing company policy.

However, there is more to what Mr Smith is saying than simple routine reassessment. He has long been in the forefront of championing the fight against disinvestment. He has made sure his company has done everything possible to promote change. He has bowed to pressure and seen GMSA having to stop selling vehicles to the SAP and SADF, which must have taken a sizeable chunk out of the company's turnover.

But what he hasn't seen is any significant political change.

In the 1986 General Motors Public Interest Report published in the US earlier this year, he claimed that not being able to supply the SAP and SADF was increasing pressure on an already-struggling South African subsidiary.

"Any further deterioration from currently depressed sales levels may make it impossible for GM to continue its operations in South Africa."

In any language, that is plain talking, and of course, the man-in-the-street doesn't understand the meaning of reassessments. He tends to smell smoke, imagine fire and buy elsewhere.

'At a loss'

The motor industry and GM itself have shown frustration and even anger at reports of a possible GM withdrawal. They suggest "sensational-seeking" by the media.

In May this year GMSA managing director Bob White said he was at a "loss as to what he could say or do to convince the Press and the public that GM intends to remain in South Africa."

Perhaps he should tactfully suggest that his chairman in Detroit stops making what have become fairly routine statements about being "discouraged" at the South African political and economic situation and saying quite openly that if things get worse for GMSA it simply won't continue.

More than 3 500 employees would join the unemployed in Port Elizabeth.

The dealer network would be rocked quite considerably although this blow would be cushioned by the fact that someone would still have to provide maintenance and services for the many thousands of GM products on the road.

SA embassy denies ANC crash accusations

ar Bureau
The South African
has categorical-
allegations that
is somehow in-
death of Mozam-
lent Samora Ma-
eated the pledge
inquiry would be
n came late Mon-
BBC 2's News-
me from South
age d'affaires in
Leo Evans, who
that President
ssed shock at the
only "crocodile

tears".
He said the President's rela-
tionship with President Machel
was "very cordial" and that
South Africa enjoyed a "prag-
matic relationship" with Mo-
zambique, despite the fact that
it was a Marxist regime.
Mr Evans predicted "a dis-
turbed period ahead" for Mo-
zambique, and declined to com-
ment on what shape South Afri-
ca's relationship with the new
Mozambique government
would take.

The rebel MNR, too, denies
any knowledge of the cause of
the crash. A Lisbon-based
spokesman for the organisation
said President Machel would
be difficult to replace because
he was popular with the people,
held Frelimo together and
maintained an equilibrium be-
tween East and West in the re-
gion.
In a tribute to President Ma-
chel yesterday, the British For-
eign Office said he was not
only the architect of his own

country's independence but
also made a significant contri-
bution to the Lancaster House
Agreement on Rhodesia.
A spokesman said the For-
eign Office extended its deep
sympathy to the families of
those who died and to the peo-
ple of Mozambique. Appropria-
te messages of condolence
would be sent.
The spokesman recalled that
Mr Machel visited Britain in
1983 and 1985, and that Prin-
cess Anne had visited his coun-

try last year. Foreign Secre-
tary Sir Geoffrey Howe visited
Mozambique in July this year
during his European Communi-
ty mission.
Prime Minister Robert Ma-
gabe, who is in Britain, is cut-
ting short his visit to return
home, it is reported here.
A Foreign Office spokesman
said Mr Mugabe was on a pri-
vate visit and had not seen any
members of the British Go-
vernment.
While most other commenta-

tors and governments re-
mained cautious about the
cause of the crash Monday
night, the ANC refused to with-
draw its allegations of conspir-
acy.

Until late it was issuing te-
lexed messages about the
"unresolved circumstances" of
President Machel's death and
referring to the remarks made
a week ago by "the racist De-
fence Minister Magnus Malan",
which "serve to strengthen our

suspicion that Pretoria bears
full responsibility".

Meanwhile, officials at the
European Community in Brus-
sels expressed concern about
stability in Southern Africa fol-
lowing President Machel's
death.

The Italian Prime Minister,
Mr Bettino Craxi, said in Rome
that the crash had robbed the
world of an heroic freedom
fighter and a great political
leader, while in St Denis, Re-
union, the French Prime Minis-
ter, Mr Jacques Chirac, ex-
pressed his condolences to the
people of Mozambique.

The three that are seen as possible successors

By Joao Santa Rita,
The Star's Africa
News Service

As a Marxist-Leninist party, the
ruling Frelimo in Mozambique
will choose the successor to
President Samora Machel from
its 11-member Political Bureau.

And, within that body of hard-
core veterans of the anti-colonial
guerilla war, three men are seen
by observers as possible succes-
sors.

They are Mr Marcelino dos
Santos, the number two in the
party hierarchy; Mr Joaquim
Chissano, the Minister of For-
eign Affairs, and General Ar-
mando Guebuza, Minister in the
President's Office and number
four in the party hierarchy.

Mr dos Santos, a founder of
Frelimo, had been losing power
in the last few months as Mo-
zambique shifted away from the
disastrous Marxist economic po-
licies for which, as Minister of
Economic Planning, he had been
responsible until his dismissal
from the Cabinet.

However, he has retained
some of his strength as his po-
sition within the Political Bu-
reau did not change.

Mr dos Santos, married to a
South African woman, Pamela
dos Santos, is also the perma-
nent secretary of the People's
Assembly, a position just below
the presidency in the state hier-
archy.

NUMBER THREE

Significantly it was Mr dos
Santos and not the Prime Min-
ister, Mr Mario Machungo, who
read a communique over Radio
Mozambique stating that Presi-
dent Machel's plane was miss-
ing.

Mr Joaquim Chissano, num-
ber three in the Political Bu-
reau, has been Minister of For-
eign Affairs since independence.

Recently, when the constitu-
tion was changed to allow for
the appointment of a Prime Min-
ister, Mr Chissano was tipped as
the person most likely to assume
that position.

However, sources said he
turned down the offer because
the post does not carry any real
power.

Mr Chissano is popular among
Mozambicans and is known to
have been close to President Ma-
chel.

A softly spoken, good-looking
man, he has always been regard-
ed as a moderate and pragmatic
Minister within Frelimo but sig-
nificantly he did not take part in
any of the negotiations that led
to the Nkomati Accord.

He was in charge of Freli-
mo's security during the war
against the Portuguese and sup-
ported Mr Machel in the struggle
that followed the assassination of
Frelimo's first president, Dr
Eduardo Mondlane, in Tanzania
before Mozambique's indepen-
dence.

He was also Prime Minister
during the nine-month transition-
al government that led the coun-
try to independence.

General Guebuza was a ris-
ing militant within Frelimo's
cadres when the country became
independent in 1975.

As political commissar of the
armed forces he controlled the
appointments to the army.

HUNDREDS DIED

He was appointed Minister of
the Interior in the first post-inde-
pendence Cabinet — a post he
lost after a disastrous campaign
to send to "re-education camps"
hundreds of prostitutes and "non-
productive" people from the
main cities shortly after indepen-
dence.

Hundreds of people died in
that campaign.

Known as a hardliner who de-
tests liberalism, General Guebu-
za then became governor of the
northern province of Cabo Del-
gado until he was recalled to
once again become Minister of
the Interior.

Within the Political Bureau
the Minister of Defence, Gener-
al Alberto Chipande and his de-
puty, General Sebastiao Mabote,
will play an important role in
the decision.

Some political observers say
Mozambique might follow an
Angolan-type solution to choose
a successor to President Machel.

When President Agostinho
Neto of Angola died his succes-
sor was Mr Jose Eduardo dos
Santos, whom very few outsiders
had heard about.

The Mozambican Prime Min-
ister, Mr Mario Machungo, who
was appointed to the Political
Bureau as number 10 in the hier-
archy only after independence,
could be such a man, although
observers point out that he has
very little power.

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Jobless figures 'not true situation'

Pietermaritzburg
Bureau

UNEMPLOYMENT figures supplied by the Department of Manpower do not reflect the actual unemployment in any given area but are an indication of the number of jobless who have registered with the department, according to Dr P van der Merwe, Director-General of Manpower.

A survey carried out recently by the Development Research Group at the University of Natal, Pietermaritzburg, showed there were more unemployed people in the capital than there were registered with the department in the whole of Natal.

Dr van der Merwe said the department's figures showed only the number of people who had registered as being unemployed — figures which were 'bound to differ' from those derived by different means and using different criteria.

'We do not suggest the registered unemployment figure reflects the actual unemployment situation,' he said.

Would not help

He said many unemployed people did not register with the department as they either felt it was inconvenient or they would rather find work on their own.

Furthermore, others felt registration would not help and did not do so, while other people consulted the country's 1 040 private placement officers for help in finding work.

He added that people were not forced to register, except to apply for Unemployment Insurance Fund (UIF) benefits, and many people who were unemployed did not qualify for UIF or had already exhausted their benefits.

Dr van der Merwe said the number of black unemployed registering with the department had also decreased 'sharply' since the abolition of influx control in July as it was no longer compulsory for them to do so, with a resultant effect on the manpower figures.

GM going, going... 'Individuals' in car-giant buyout

GENERAL Motors is pulling out of South Africa, but its cars and full sales and service facilities will continue to be represented.

Falling sales, the lack of progress in the political-reform policy and mounting pressure from anti-apartheid groups in America has finally become too much.

Well-placed sources close to the company said that GM, with a turnover last year of R521-million, will be "bought by individuals" — but not another motor company.

The deal will mean that GM and its products will remain, but under another guise.

It is understood that local contracts with dealers were reconfirmed by the company on Friday.

The final decision to withdraw came late on Friday and obviously took local managing director Bob White by surprise.

Pledge

A "We are committed" advertising campaign initiated by Williams Hunt, the largest GM dealer, on TV and in the Press, was partly paid for by GM South African.

The Williams Hunt advertisements pledged to buy back any GM product bought after October 16.

The launch of the new Monza — a Kadett with a boot — will go ahead as planned on November 16. Tooling-up for this car cost R30-million.

Speculation mounted this week after comments by US general manager Roger Smith that poor economic

By Don Robertson

conditions in SA and the even more important absence of a political solution could force GM out of South Africa.

But it is generally accepted in the motor industry that GM made the decision to withdraw from the market some time ago and has been pondering the best way of doing this.

GM has seen its share of the passenger-car market decline quite significantly this year. In the first nine months sales totalled 10 507 for a 7.9% share compared with 13 731 in the same period last year for 9.1% of the market.

It lost a bigger slice of the light-commercial-vehicle market, retaining only 11.2% with 6 627 sales in the first nine months of this year compared with 15% last year on sales of 9 536.

Sales in the medium and heavy truck sector have de-

clined similarly.

Like the rest of the industry, losses have been mounting.

GM has insisted for a number of years that it was seeking a South African partner which would be prepared to invest in the company.

Last year discussions with BMW SA aimed at establishing a joint assembly line failed. BMW denied on Friday that it was involved in any association with GM.

About-face

Mr Smith has continually embarrassed General Motors South African with his attacks on the slow pace of reform.

However, his suggestion now that because of economic and political problems in South Africa GM might be forced to withdraw from the market seems to be a complete about-face.

He has been quoted on many occasions as saying

that, once apartheid has been abolished, SA will need a strong economy and for this reason US companies operating in the country should remain.

But GM's decision could put pressure on other motor multinationals — particularly Ford.

Since the merger of Mazda, Mitsubishi producer Amcar and Ford, the American giant effectively has a minority, financial share in what is an Anglo American company and as such is not technically involved in the market.

It is expected, however, that GM's decision will be noted by Ford.

But industry sources believe that Ford, subscribers to the Sullivan Code, will be able to withstand suggestions that it follows the GM escape.

GM's withdrawal will be in name only and will not mean any loss of jobs in the troubled Port Elizabeth area.

144 teachers laid off

CP Correspondent

A TOTAL of 144 temporary teachers at 20 closed black schools in the Eastern Cape have been retrenched by the Department of Education and Training because of the boycotts.

This was disclosed to *City Press* by DET chief PRO Job Schoeman in Pretoria.

DET's disclosure follows their long-standing threat to shut down schools where the attendance rate not in excess of 80% and to transfer or retrench teachers affected by the closures.

Schoeman declined to provide personal details of individuals retrenched or

transferred staff members or the schools to which they had been transferred, saying that appointments and transfers were dealt with by the regional office.

Schoeman said that 458 teachers in the Eastern Cape who were not working because of the boycott, were attending in-service training programs. A further seven teachers were being used for subject advisory services, he said.

DET's Eastern Cape director Bill Staude was not available for comment.

● *Sapa* reports DET deputy director in the Western Cape PJ Scheepers said he was not aware of attempts to organise a boycott of this

year's matric exams — due to begin in the Western Cape on October 24.

Scheepers said the boycott in the Transvaal and Eastern Cape is not likely to spread.

● Meanwhile, the Black Sash this week condemned the closing of black schools and the presence of security forces in others, saying white parents would not tolerate such conditions.

In a statement declaring it was time to "stand in solidarity with black parents", the Sash demanded

● The release from detention of students, teachers and parents.

● The withdrawal of troops from the schools and town-

ships.

● The lifting of the state of emergency.

"The heeding of these demands would ease tension in the townships and reduce an explosive situation," the statement said.

"It is urgent and imperative that the government makes immediate contact with the National Education Crisis Committee to demonstrate its willingness to enter into open and constructive discussions."

● Stan Mhlongo reports that Vaal parents and teachers interviewed said the 200 000 figure given by DET of matric students who've enrolled for exams "is an exaggeration".

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Natal is losing thousands of jobs

19/10/86

City Press

CP Reporters

UNEMPLOYMENT is on the increase in Natal, a Natal University survey has found – and in Port Elizabeth about 3 000 workers face unemployment if General Motors pulls out.

Thousands of Maritzburg residents are now unemployed, a Natal University Development Research Groups survey – carried out in the area in late July and August – has found.

Black women are the worst hit.

Comparing unemployment figures among the city's races, the report give this breakdown: whites (12 528), coloured (2 532), Indian (14 944) and African (46 312) – dominated by 54 728 unemployed black women.

"In the black labour force 2,7% of males and 27,8% of females are unemployed. On own classification the gap widens to 27,3% and 35,5% respectively", said the report.

"The unemployed are relatively young. About 80% are under 35 years of age, 46% less than 25 years old and 15% under 20 years of age."

The study found unemployment had worsened over the past 12 months.

Sobantu township was the only area where unemployment declined since mid-1985.

● Concerning General Motors in PE, considerable confusion has been caused by contradictory statements about plans to withdraw from SA.

The news from the US this week that GM was considering its withdrawal from SA due to the slack economic conditions and the "lack of progress in the termination of apartheid", has caused consternation amongst GM dealers.

One of the largest GM dealer networks, Williams Hunt, strongly denied that GM was considering withdrawal. Managing director Brian Joffe said he was assured by GM that it is to remain in SA.

But reports from the US contradict this. GM is "struggling in desperation" with the problem and does not know what to do, reports say.

"We must revise what we are doing on a daily basis ... and assess the prospects," GM chairman Roger Smith told the US magazine *Automotive News*.

Smith is discouraged about the prospects of the termination of apartheid, Sapa-Reuter reports from Detroit.



A small measure of relief for (from left) Mr Alfred Clarke, Michelle Linda, 5, Mrs Christine Davids and her two-month-old son Jonathan, all of Mitchells Plain, as they receive some of the food donated by the public and bought by the Advice Office Forum food-buying co-operative.

Picture: Anne Laing

By HILARY VENABLES
Labour Reporter

THE number of people receiving Unemployment Insurance Fund (UIF) benefits in Cape Town has remained almost static over the past year, despite a huge increase in unemployment in the Western Cape.

According to the divisional labour inspector for the Department of Manpower, Mr Jan du P Marais, between 4 000 and 5 000 new applications for UIF benefits are processed by the Cape Town inspectorate every month.

But the number of people receiving benefits has increased by only 1 000 over the past year — from 15 625 in September 1985 to 16 645 last month.

According to official population surveys of the Western Cape, more than 65 000 people are unemployed, but labour experts say the true tally is far higher.

Jobless up, but UIF claims static

As the job situation worsens there is increased pressure from community and worker organizations for the UIF system to be revised to provide for the vast number of people who are out of work and who cannot find jobs before their UIF benefits expire.

In terms of the rules governing the fund, a registered unemployed person may

claim 45 percent of the wage he or she was earning before becoming unemployed.

Unless an extension is granted, a worker may not claim UIF for more than six months.

Only 168 applicants were granted extensions last month.

The Advice Office Forum said the focus had highlighted the inadequacy of the UIF system. Increased pay-outs and extension to the time limit on benefits were vital to prevent a worsening the poverty crisis on the Cape Flats.

The Unemployed Workers Movement said the only solution was for people who were out of work to be given jobs or full maintenance.

The Congress of South African Trade Unions said the failure of the State to deal with the problem of unemployment meant the burden of supporting the unemployed fell on other workers.

WEEKEND COMMENT

W/ Argus 21/6/86 **A TIME FOR CARING**

A CRISIS of poverty and hunger has struck the Cape Flats, the dismal evidence of it spelled out by Cape Town's Medical Officer of Health, Dr Reg Coogan — unemployment, malnutrition, an increasing tuberculosis rate and the attendant social scourges of depression, alcoholism, child battering and assault.

It is a crisis which afflicts people of all ages and social levels.

Few could not have encountered the urchins, the down-and-out adults, people sometimes of good appearance and well spoken, begging for food or financial help to buy food and often showing their humiliation at having to turn to strangers on the street for help.

Few could not have noticed the growing crime rate, the sad tales of desperation told in court, the official figures showing that unemployment on the Cape Flats has risen by more than 30 percent in the past 12 months. All this, too, is evidence of the crisis.

Now, in association with the Mayor's Relief Fund, we have launched The Argus Food

Campaign because we believe that ultimately every citizen of South Africa's most caring city is touched by this unfolding tragedy and because our readers have shown twice this year that when they are called on for help — first in the wake of the Crossroads violence, then to assist the families whose homes were flooded in Manenberg and Heideveld — they can make the critical difference between desperation and hope.

We appeal to our readers yet again — and we make no apology for doing so. This is a time for compassion, and giving. Help is needed to head off a potentially more devastating crisis than anything we have faced before, and it is needed urgently.

Since June, 42 tons of food have been distributed in the worst hit areas, but more — much more — is needed. And it will be needed as part of a continuous programme to alleviate suffering which threatens to get worse before it gets better.

The Argus Food Campaign is launched through the good offices of the Mayor's Relief Fund in response to deep concern.

Times are hard for everyone. But times are grimmer for the growing numbers faced by hunger. It is to those who do have food or funds to spare, no matter how modest these might be, that we turn. Let us help where we can.

THE motor industry in Port Elizabeth was still in disarray yesterday as it awaited word on General Motors' (GM) future in SA.

New rumours that GM may abandon its SA operation have rekindled doubts concerning the future of the city as an industrial centre.

Contacted in Detroit last night, GM spokesman George Schreck said he was aware of remarks made by GM chairman Roger Smith to Automotive News.

He said: "We are familiar with the Smith interview. He did indicate that we are regularly assessing operations in SA."

"As you are aware, we have frequent reviews of our operations worldwide. In the case of SA, we have reviews more frequently due to the economic and social climate. Social change has not been as rapid as we initially thought."

Schreck said as part of the review programme, the company had looked at the possibility of taking on a partner in SA but nothing concrete had been decided.

He refused to confirm the motor giant was about to quit SA.

A GM spokesman in PE declined to comment last night, saying his principals

GM sets cat among pigeons

MICK COLLINS

still had to hear from the US.

He said: "We may have something to say tonight or tomorrow."

GM's main local dealer Williams Hunt has taken a strong stand on the issue, and has placed a full page advertisement in today's *Business Day*.

Chairman Brian Joffe said a pull-out would be contrary to an existing arrangement his company had with GM SA.

He said: "They are obliged to continue with the supply of motor vehicles to our company for a further five years."

"MD of GM SA Bob White informed me that he intends to comply with this arrangement."

The ad states that as an expression of confidence, Williams Hunt will buy back any new Opel or Isuzu vehicle sold after October 16.

The offer applies to vehicles "pur-

● To Page 2

GM has set cat among pigeons

chased from ourselves at our selling price before GST, less the normal depreciation and calculated in accordance with the SA Income Tax Act".

It states: "You may be aware that GM has just invested R30m in the development of a new model, the Opel Monza, which is to be launched in two weeks."

"Does it make sense that the world's biggest motor manufacturer would quit on the eve of a launch?"

Industry analysts say the motor industry could easily survive a GM pull-out which, in any case, would encourage other manufacturers to stay.

They expressed scepticism that a withdrawal was imminent, citing similar recurrent comments over the past 15 years.

National Association of Motor Manufacturers (Naamsa) director Nico Vermeulen said: "It would be disastrous for the eastern Cape, but one could surmise it would improve demand for those remaining behind."

John Farquharson, the financial director of a large GM dealership in Durban,

said the reports were ambiguous and second-hand.

Farquharson said GM's top management in Port Elizabeth told him there was no intention of the company withdrawing from the country.

He said: "I'm not worried. We have heard these stories before and the opposition grabs them to try to turn them to their advantage."

The closure of GM's huge PE plant could have crippling longterm effects on the area's black unemployment, which has reached 55% of the total workforce.

GM employs a total of 3 000, and about a third of the region's 7 500 hourly automobile workers. These jobs would be lost, and industry executives reckon between two and three jobs in component manufacture and retail sectors depend on each GM job.

Midlands Chamber of Industries executive director Brian Matthew said: "If GM closed down, it would be another big blow."

● From Page 1

By HILARY VENABLES
Labour Reporter

A WHITE medical student helping the Advice Office Forum with its health-screening programme among the unemployed last week, "almost broke down and cried" when she realized the depth of her patients' misery.

Ms Shahieda Issel, who is running the Mitchell's Plain side of the AOF's two-week focus on unemployment, says all her white student assistants "had no idea how bad things were".

"The student who nearly broke down said: 'I didn't believe unemployment did this to people'."

"They were shocked and depressed. They couldn't believe all this was going on just a few miles from where they live in the comfort of their white suburbs."

Survey of unemployed shocks students

CMT Trips 16/10/86

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The Baileys of Eastridge were among the many struggling families who took part in the focus — aimed at highlighting the problems and demands of the workless and offering practical help and advice.

Edward and Charmaine Bailey are both unemployed. All they have to feed themselves and three children is bread and butter.

Mr Bailey's UIF benefits have expired. He is waiting for an extension.

The rent for his tiny house is R45 a month. He is R400 in arrears for rent, R100 for water and R58

for electricity.

"We haven't had lights for two years. We make hot water on our gas stove," he says.

"I lost my job as operator for a brake and clutch workshop a year ago. I have tried to find work. Sometimes our family or friends help us, but we can't keep asking."

Mr Bailey has suffered two epileptic fits since being out of work.

"Of course I have worries. What man doesn't?" he says.

Abduraman Dollie and his wife Ragmat have R57 a month in UIF benefits to support their six children.

Mr Dollie, a driver, has been unemployed for eight months.

The City Council has reduced his rent from R106 a month to R47 a month, but he still owes R225 in rental arrears and R47 for electricity.

"We live on bread and jam... sometimes some porridge," Mrs Dollie says.

"I had a slight stroke because of the worries about food and the rent and the children."

"It's hard. Very hard. But what can you do except trust in God?" Mrs Susan Louw, who came to the AOF's soup kitchen in Manenberg on Thursday last week, gets a widow's pension of R117 a month. She owes the City Council R144 in rental arrears.

"My rent is R22 a month. My electric is R30 to R40 a month, my water is about R12 a quarter and I pay R15 a month for my burial."

"There is no money for food for me and my unmarried daughter. I say if I haven't got a piece of bread this morning, the Almighty will make sure I have some tonight so I can live another day."

Mr Peter Lewis has been out of work for a year. His UIF benefits expired last year, and he has no

income, except what he manages to earn from casual jobs.

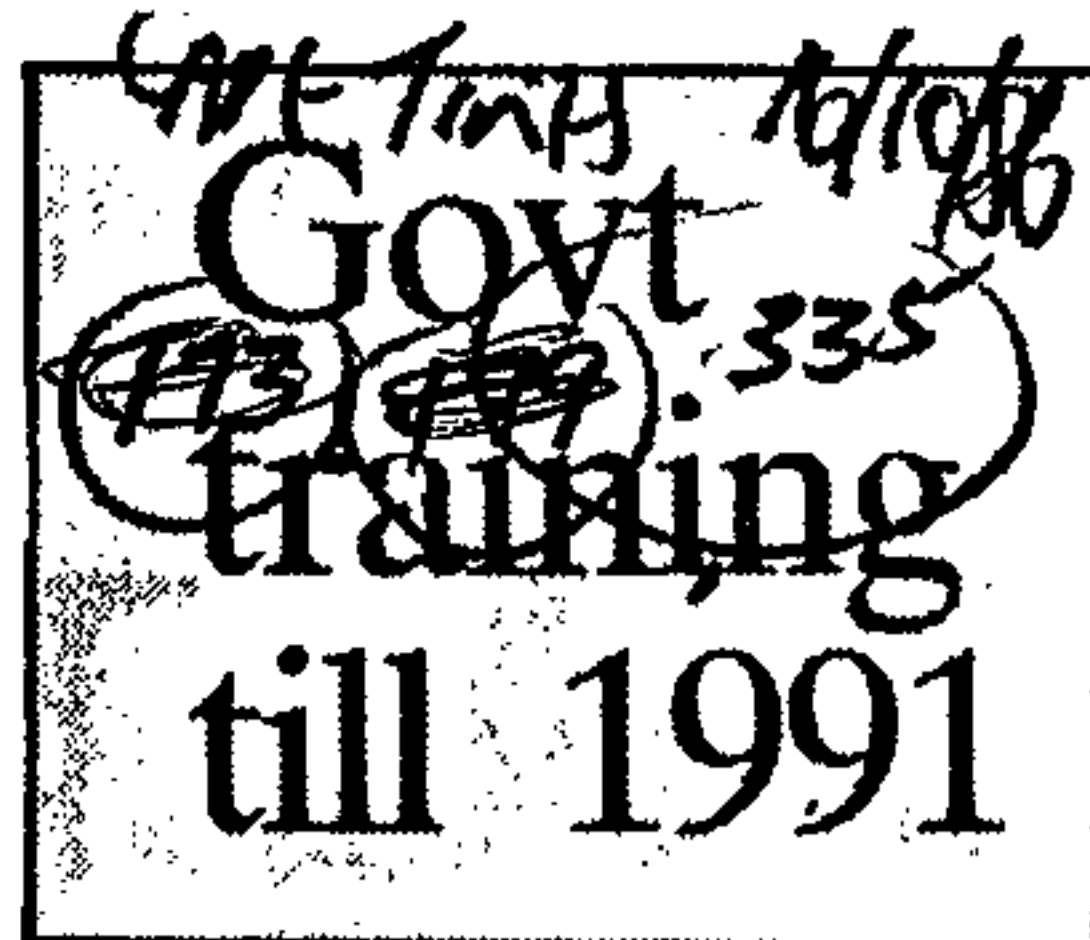
He hopes to marry Georgina Ceres soon, but first he must find R60 to place an advertisement in the paper in an attempt to find his wife, who left him in 1971.

"They say I must advertise, and if she doesn't turn up, I can get a divorce. But I can't afford the money," he says.

He and his child share a house with Ms Ceres and her three children.

Her maintenance grant of R214 a month has just been cut to R70 a month "because coloured affairs says I must find a job. How can I find a job? I am four months pregnant", she says.

Between them, they owe the council more than R150 in electricity, water and rental arrears.



PRETORIA. — The government has given the green light for a five-year extension of the Department of Manpower's training programme for the unemployed.

The Director-General of Manpower, Piet van der Merwe, speaking at a press conference in Pretoria yesterday, said an estimated 420 000 unemployed people would be trained this year in 182 basic skills at 200 different places.

There is a 25 to 30-per-cent success rate in the placement of the trained unemployed immediately after completion of courses.

The government has made R885 million available for the 1985/86 financial year for training of unemployed persons and special work creation programmes.

An amount of R5 million has been earmarked for the current financial year for the training of the unemployed who enter the informal and small-business sector as entrepreneurs. — Sapa

Sapa-AP

Capl Times 16/10/86
Soweto to fire 300

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JOHANNESBURG. — The Soweto council confirmed that more than 300 of its workers would soon be retrenched because the council was "near-bankruptcy" because of the rent boycott.
Reports by staff reporter, own correspondent, political staff and Sapa-AP

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City

Job crisis on Cape Flats

By HILARY VENABLES
Labour Reporter

COMMUNITY and family life is steadily disintegrating under the weight of mass unemployment and poverty on the vast low-cost housing projects of the Cape Flats.

The Advice Office Forum — an umbrella body for 14 advice offices in the Western Cape — said this came to light during their current two-week focus on unemployment in Cape Town's coloured community.

● Mitchell's Plain owes the city council R2-million in rental arrears. An estimated 75 percent of Mitchell's Plain house-

holds are behind in their rent because their breadwinners are unemployed, according to figures given to the AOF by the City Council. Some families owe the council R600 for rent. Local advice office worker Ms Shahieda Issel believes there is "at least one person out of work in every house in Mitchell's Plain".

● In Manenberg in August, only 52 out of 4700 tenants paid their full rent. "Ninety-three sub-economic tenants were in arrears in May. If the City Council decides to evict people who can't pay their rent, they will have to evict the whole of Manenberg," Mr Kevin Patel of the Hanover Park Advice Office said.

● Health screenings of the unemployed and their families last week showed unusually high levels of chronic depression, high blood pressure, malnutrition, scabies, alcoholism and drug addiction. "All the children are losing

Cape Times Investigation

CAPE FLATS CRISIS

weight. One woman had a nervous breakdown because she was so worried about her arrears and she now goes for treatment at Valkenberg," Mr Patel said.

● Domestic violence is spiralling. The AOF said Red Cross workers had reported an alarming increase in incest, wife and child battering and general aggression in the home. AOF workers say the pressure of unemployment and grinding poverty is putting a strain on the most stable marriages.

Mr Patel described unemployment as "a virulent and debilitating social disease".

"If you go into the town centres of Manenberg, Hanover Park or Mitchell's Plain any day of the week, you will find them full of people, out of work and begging for anything that will put some bread in their children's mouths.

"Every day is like a Saturday. When we go around to the houses any time of the day, there is always someone home.

"I went to one house at 11am and both the parents were still in bed. There is nothing for them to get up for. They are too depressed to leave the house.

"The whole fabric of the community is breaking down. People are screaming at each other for money. Married women say they have turned to prostitution to try and feed their kids. It is a social disaster."

Mr Patel said the AOF focus was an attempt to reverse the "creeping paralysis"

sis" of unemployment and to help people articulate their demands.

"People want better and extended UIF payments, pay-out offices close to where they live, they want the council to scrap all the arrears, they want money to be ploughed into job-creation, self-help projects and training and they want free health care right in their neighbourhoods because they can't afford transport.

"We hope our focus will bring these demands to the attention of the authorities, make the unemployed realize that they have certain rights, and encourage them to act instead of just sliding into a pit of depression and helplessness," Mr Patel said.

● Survey of unemployed shocks students, page 3

UCT: 3

67 MAIN ROAD, CLANMILLER
NEXT TO GRAND BAZAARS

The Fact correction service is 206-2111

executive director Brian Matthew said.
court said, taken reasonable steps to ensure they were acting within the law. tions to govern, it would be another

2 000 to lose jobs

ESCOM is to retrench about 2 000 of its staff because of the economic slump and reduced demand for power.

It said in Cape Town yesterday that affected staff would receive "a substantial pay deal and other benefits".

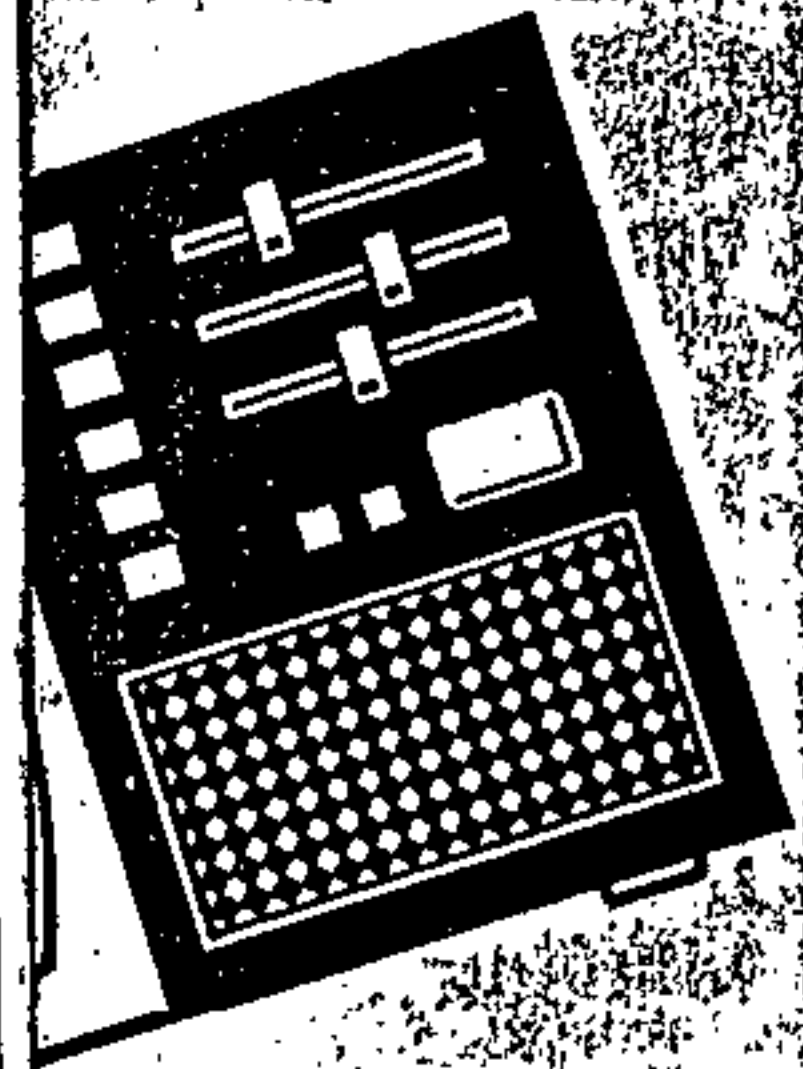
Sources involved in the discussions said that although the retrenchment package had been decided, staff to be retrenched had not yet been identified.

An objective set of criteria had been agreed on to establish which jobs would become unnecessary and these would be applied to decide which staff were to be retrenched.

Retrenchments would take place after February next year and those affected would receive at least seven months' salary or, where applicable, early retirement without loss of pension benefits.

Once identified, redundant staff would be given at least two months' notice.

Escom said employees over 50 and with more than 10 years' service could take early retirement. — Sapa.



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Soweto's workers to lose jobs

JOHANNESBURG

The Soweto Council has confirmed that more than 300 of its workforce is soon to face retrenchment as the council is in a state of "near-bankruptcy" because of the rent boycott.

The confirmation was made by the council's deputy mayor, Mr Glen Jwara yesterday who said: "We are very sorry that hundreds of people will lose their jobs at these difficult times. We are very bitter about this. But what can we do? The council is losing a lot of money on a daily basis and sooner or later we will be absolutely bankrupt unless people come forward and pay their rents," Mr Jwara said.

He could not say how much money the council has lost since the start of the boycott early this year. — DDC

Escom's EL workers face retrenchments

335
16/10/87

Post Reporter

THE only Escom employees in the Eastern Cape who could face retrenchment in the next few months are at the West Bank power station in East London which, contrary to earlier reports, will not be closed down, a spokesman for Escom said today.

The station employs 260 people, of whom about one-third are white and the rest black.

"It's too early to say now who will be retrenched, or when or where," the spokesman said.

For "system operation reasons" the West Bank power station was indispensable, he added.

The 2 000 employees throughout South Africa that Escom expected to retrench were a fraction of the total work force of 63 000, he pointed out.

Affected staff would receive "a substantial pay deal and other benefits", Escom said in an earlier statement.

Staff to be retrenched had not yet been identified.

An objective set of criteria had been agreed on, in consultation with trade unions, to establish which jobs would become unnecessary.

16/10/16 STARK

Escom jobs axed

Escom has announced that about 2 000 staff will lose their jobs in a retrenchment programme starting in February.

Talks with unions and employee associations this week led to agreement on a substantial severance package.

Those affected will receive two months' notice.

Reduced power demand in the recession is blamed.

Vast majority of jobless are under 35

16/10/86 (335) N/M

Pietermaritzburg Bureau

ALMOST 80% of the capital's 35 000 unemployed people are under the age of 35, according to a survey on unemployment conducted recently by a group of University of Natal academics.

The survey, carried out by the Development Studies Research Group, part of the Department of Economics at the University of Natal here, showed that of the 35 356 unemployed people in the city — representing 26,9% of the labour

force — 79,2% were under the age of 35.

It also showed that 31% of unemployed people here were aged between 20 and 25.

Restricted

The survey, carried out in 2 059 households in Pietermaritzburg and its environs during July and August, found that 33,4% of the black labour force was unemployed during the period, as were 31,9% of coloured workers, 19,7% of Indian workers and 4,9% of white workers.

The figures derived by the survey were substantially higher than those

supplied by the Department of Manpower, mainly because the department did not supply figures covering black unemployed and restricted its definition of 'unemployed' to registered unemployed persons.

This, the survey said, excluded genuine work-seekers who had not registered with the department, either because they did not qualify for Unemployment Insurance Fund (UIF) benefits or did not believe that they had a chance of placement in a period of general unemployment.

The survey also found that 46,2% of unemployed people here had at least some secondary school education, while 34,2% had attained Std 4 to Std 6 and only 5,5% had no formal education.

'This general picture is compatible with the youth of the unemployed and the rise in formal education attainments over the past 10 to 15 years,' it said.

It added that 31,9% of unemployed men had never been employed, while 56,5% of unemployed women had never held a job.

Furthermore, 22,3% of the unemployed had been jobless for more than 18 months.

Slump-hit Escom to retrench 2 000 staff

16/10/86 N/M
CAPE TOWN—Escom is to retrench about 2 000 of its staff because of the economic slump and reduced demand for power.

In a statement yesterday the giant organisation said affected staff would receive 'a substantial pay deal and other benefits'.

Sources involved in the discussions said that although the retrenchment package had been decided, staff to be retrenched had not yet been identified.

An objective set of criteria

has been agreed on to establish which jobs would become unnecessary and these would be applied to decide which staff were to be retrenched.

Retrenchments would take place after February next year and those affect-

ed would receive at least seven months' salary or, where applicable, early retirement without loss of pension benefits.

Once identified, redundant staff would be given at least two months' notice. — (Sapa)

Go-ahead for extension of job training

420 000 jobless to benefit

335 16/10/86

PRETORIA — The government has given the green light for the five-year extension of the Department of Manpower's training programme for the unemployed.

The Director-General of Manpower, Dr Piet van der Merwe, speaking at a press conference in Pretoria, said an estimated 420 000 unemployed people would be trained this year in 182 basic skills at 200 different centres.

There is a 25-30 per cent success rate in the placement of the trained unemployed immediately after completion of courses.

The conference followed the meeting of the department's committee for the training and placement of the unemployed at the Waltloo Group Training Centre.

The committee stressed that it would be expected of contracting bodies to register as private employment offices with a view to the placement of the trained unemployed.

"Last year we were swamped with applications from the private sector," said Dr Van der Merwe. Therefore one had to determine priorities when considering the allocation of training contracts.

There are currently 129 contracts issued to private institutions. Institutions involved in training contracts include construction houses, computer schools and the clothing industry.

The government has made R885-million available for the 1985/86 financial year for training of unemployed people and special work creation programmes.

An amount of R5 million has been earmarked for the current financial year for the training of the unemployed who enter the informal and small business sector as entrepreneurs.

Another aspect which the committee thought warranted attention was that of home management.

"Although it may not result in employment," said Dr Van der Merwe,

"it can improve the quality of life and lead to the upliftment of the family."

The committee emphasised that the present training and short term work creation programmes in respect of the unemployed should not be judged purely on the basis of the results of placement in employment.

"There are many positive effects, one of these being that it contributes directly and indirectly to work creation," said Dr Van der Merwe.

The self-confidence and self image of the unemployed was restored and labour turnover was decreased. — Sapa

Cape Times
15/10/86

Cape

Bossie Clarke's workers arrested

Labour Reporter

POLICE arrested 21 workers at the Bossie Clarke fodder factory in Klipheuwel yesterday morning when workers challenged management over 18 "retrenchments" at the plant.

According to the Food and Allied Workers' Union (FAWU), which represents all 30 workers at the plant, management summarily paid off 18 workers on Monday without following the correct procedures for retrenchment or negotiating with the union.

"All the workers turned up at the factory the following day, but management locked the gates and only let six in."

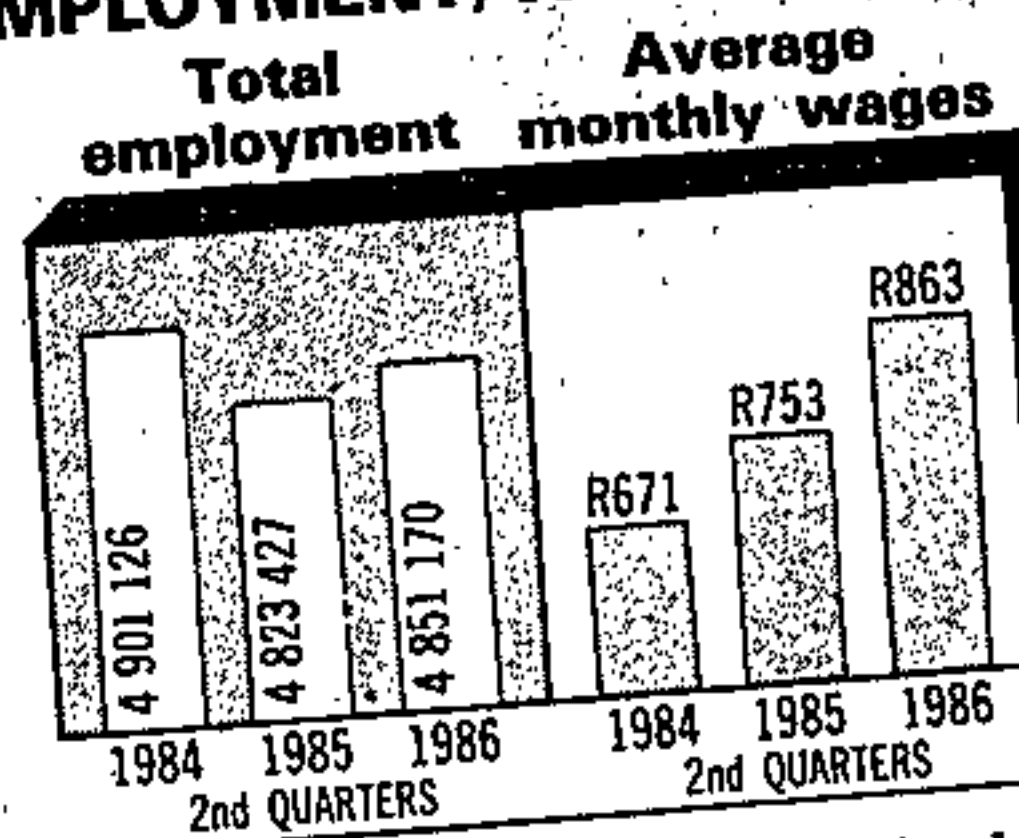
"When the others refused to leave, they opened the gates and then called the police who arrested 21 workers for trespassing," a union spokeswoman said.

Mr Clarke, who once played rugby for Western Province and is a former captain of the WP Cricket Club, declined to comment yesterday.

Police, however, confirmed that 21 workers had been arrested. They were released after being given written warnings to appear in the Malmesbury Magistrate's Court today.

It is not yet clear whether all the arrested workers have been dismissed, but the union says management gave police the pay-packets of all workers charged.

EMPLOYMENT/WAGE LEVELS



Overall employment levels remained constant in the second quarter of this year, while average wage levels showed a 14,5% improvement on the corresponding 1985 quarter.

Latest government figures show 4 851 170 people in paid work at the end of June, a 0,3% decline on the first quarter but up on the 4,82-million in work at the end of June 1985. The figures show employment figures have remained steady between 4,8-million and 4,9-million since 1983.

The average monthly wage/salary at the end of June this year was R863, compared to R753 the previous year. In real terms, however, it represents a decline. Based on constant 1980 prices, that R863 translates to R388, compared to R399 in June 1985.

Govt wins against unemployment

GERALD REILLY

GOVERNMENT'S fight against unemployment is making some impact on the problem, labour authorities claim.

And in Pretoria yesterday, Manpower director general Piet van der Merwe provided figures which seemed to support the claim.

So far R885m has been allocated to job creation, training, food aid, small business development and unemployment insurance.

In the current financial year, R160m has been allocated for job creation and another R75m for training unemployed workers.

In the small business development category in the year to March, 27 818 job opportunities were created or maintained, and between April and June another 14 853.

ESCOM TO AXE 2 000

ARGUS 15/10/86

2000
335

By DICK USHER
Labour Reporter

ESCOM is to retrench about 2 000 of its staff because of the economic slump and reduced demand for power.

In a statement today, the giant organisation said affected staff would receive "a substantial pay deal and other benefits".

Sources involved in the discussions said that although the retrenchment package had been decided, staff to be retrenched had not yet been identified.

An objective set of criteria had been agreed on to establish which jobs would become unnecessary and these would be applied to decide what staff would be retrenched.

Retrenchments would take place after February next year and those affected would receive at least seven months' salary or, where applicable, early retirement without loss of pension benefits.

Early retirement

Once identified, redundant staff would be given at least two months' notice.

According to the statement, employees over 50 and with more than 10 years' service could take early retirement.

They would not be penalised when pension benefits were calculated and service gratuities would not be reduced.

Annual bonuses would be calculated on a pro rata basis and all leave would be paid out in full.

Home loans

All other redundant employees would get five percent of gross annual earnings multiplied by the number of years' service.

People who could not take early retirement would receive at least seven-twelfths of annual salary.

Affected employees who are members of Escom's home-ownership scheme would retain their loans at current interest rates for six months. Current building society rates would then apply and loans would have to be transferred.

Other benefits applied to cars and study bursaries.

Jobless training scheme to be extended for five years

By Kym Hamilton,
Pretoria Bureau

The Government has committed itself to extending its unemployment training relief scheme for the next five years, the Director-General of Manpower, Dr Piet van der Merwe said yesterday.

Dr van der Merwe said he hoped the training of unemployed would continue with the same intensity as in the past 18 months. But this would depend on available funds.

He also announced that the Department of Manpower would, in conjunction with the private sector, give high priority to the provision of low-cost housing.

An amount of R26 million had been set aside this financial year for the necessary training in this respect.

Courses in self-building and house improvements are already underway in Bloemfontein and in the Cape and a training course on the East Rand was due to start today.

Training will take place in two stages. The first, of two to three weeks, will centre on basic building skills, and depending on the progress of the trainee, a second more advanced course of three weeks will be offered.

Priority in this regard will be given to the unemployed and

farm labourers.

Qualifications for the course include the quality of existing accommodation, if any, an income ceiling of R15 000 a year and the motivation of the applicant.

General training of the unemployed started in April last year as part of the Government's R600 million relief scheme. So far 253 168 jobless people have benefited from the schemes.

And the Department expects to have assisted in the training of 420 000 unemployed people by the end of this year.

At a cost of R260 a person a week — this figure includes one meal — the jobless are trained at private sector training centres in more than 180 basic skill directions.

Courses usually last for about 10 days and 129 contractors in the private sector are presently involved.

Dr van der Merwe said an average of 25 to 30 percent of those trained were successfully placed in jobs immediately after completing the courses.

But indications were that this figure was far higher as many newly skilled people were absorbed into the informal sector or became self-employed.

Although the relief scheme was primarily a short-term strategy, it had been decided to press ahead with the training programmes to combat the un-

employment crisis in South Africa.

However, to fight South Africa's critical unemployment levels and lack of skilled manpower, a long term commitment had to be made, Dr van der Merwe said.

In the past 18 months a total of R885 million has been earmarked by the Government for short-term relief, and recent successes with its relief measures have prompted a commitment by the authorities to continue with programmes.

Of the R885 million budgeted, R196,6 million had been spent on training and a further R480,9 million on job creation.

In the Transvaal alone, 50 000 unskilled jobless were trained at a cost of R17,8 million during the 1985/86 financial year.

So far contracts have been entered into to train 86 000 unemployed Transvaalers during the present financial year. These contracts are valued at R25,8 million.

A further amount of R5 million will go towards training unemployed in crafts such as spinning, weaving, knitting, sewing and pottery to enable them to enter the informal sector.

Dr van der Merwe said the self-confidence of the jobless has been restored. This was shown in the hundreds of letters and thanks received by the department.

DD15/10/86

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Escom agrees with staff on redundancies

Deal effective in February

JOHANNESBURG — Escom, trade unions and staff representatives have agreed on a separation package comprising "substantial" pay and other benefits for redundant staff at the giant public utility.

A statement issued by Escom said the retrenchments, which would not take place before February 1 next year, were part of Escom's nationwide rationalisation programme arising from the economic slump and less demand for power in recent years.

"The staff affected will receive the equivalent of at least seven months' salary, or, where applicable, early retirement without loss of pension benefits, said the statement.

Escom's communication manager, Mr Ewald Thal, said the agreement was reached after negotiations between employee representatives, trade unions and Escom management.

"Once identified, redundant staff will be given at least two months' notice. The separation package provides for employees over the age of 50 and with more than 10 years' service to take early retirement.

"They will not be penalised when pension benefits are calculated and service gratuities will not be reduced," the statement added.

They said in addition, annual bonuses would be calculated on a pro rata basis and all leave would be paid out in full. As for all pensioners, medical aid benefits would still apply.

All other redundant employees will receive the equivalent of five per cent of their gross annual salary or wage, multiplied by the number of years service, said the statement.

"Escom guarantees that for persons who cannot take early retirement, benefits will be equal to at least seven-twelfths of an employee's gross annual salary. Leave, bonus and pension money will also be paid out.

"Redundant employees who are members of Escom's home ownership scheme will be allowed to retain their loans at current interest rates for six months. Current building society rates will apply thereafter and the loan must be transferred. Escom houses may be occupied for six months.

"Employees who have Escom scheme cars will be allowed to buy them within six months.

"Affected employees will also be exempted from study bursary commitments and those whose children have Van Der Bijl scholarships will retain the benefits for the life of the scholarship," said the statement.

Rent boycott - 300 lose jobs

MORE than 300 Soweto Council black employees are to be retrenched because of the township rent boycott.

This has been revealed to the *Sowetan* by workers who claimed that the council's town clerk, Mr Nico Malan, informed them at a meeting that the council was having financial problems following the rent boycott.

The workers said Mr Malan warned them that the council had no alternative but to retrench some of them because the rent boycott was having serious effects on the council's financial position.

The deputy mayor of Soweto, Mr Glen Jwara, yesterday confirmed that some workers will have to be retrenched because of the rent boycott.

Mr Malan's secretary told the *Sowetan* that he was unavailable to talk to the Press.

The University of the Witwatersrand's Community Research Group (CRG) has also announced that rent boycotts in the Pretoria-Witwatersrand-Vereeniging (PWV) and other areas, including bantustans, were costing the government at least R1-million a day.

To make matters worse, the council has had to spend R16 000 on temporary toilets for the 1 000 shacks that have now popped up on the Soweto golf course — popularly known as "Mshenguville".

The Soweto rent boycott has also had devastating results when at least 30 people were shot dead near White City, Jabavu during confrontation between residents and council police who were attempting to evict rent defaulters.

By
**JOSHUA
RABOROKO**

Sowetan
15/10/86

Rate of 'coloured' jobless up by 34,5%

By BARRY STREEK

THE number of unemployed "coloured" people in SA has rocketed by 34,5% in 12 months and 113 574, more than half of whom were under the age of 24, were out of work in June this year.

The Central Statistical Service said that according to the current population survey "the estimated number of unemployed for June 1986 when compared with the same period in 1985, shows that the number of unemployed increased from 84 000 to 113 000, or by 34,5%".

The unemployment rate for coloured people in the Western Cape increased from 5,7% in June 1985 to 7,2% in June 1986.

It found that 24 466 of the unemployed people were under the age of 20, and a further 33 458 were in the 20

to 24 age bracket, which means 57 924 were under the age of 24.

Another 19 255 were in the 25 to 29 age bracket.

The survey said there were 2,9 million coloured people in South Africa in June this year but 1,8 million were not economically active.

It estimated that 113 574 of the 1 058 000 economically active coloured people were unemployed.

It also found that most coloured workers were employed in semi-skilled and unskilled positions.

The unemployment rate in other regions ranged from 29,6% in Natal to 24,9% in the PWV, Northern and Eastern Transvaal region, 23,1% in the Western Transvaal and parts of the Orange Free State, 19,2% in the Orange Free State and 11,1% in the Eastern Cape.



Mike Kipling has been promoted to actuary of the life division of Protea Assurance.

Sanctions may hit 2-m jobs by 2000

GRADUALLY increasing foreign trade sanctions could bring a loss of 2-million jobs by the year 2000, reversing the effects of income redistribution that has given blacks a larger share of the country's wealth.

This was reported yesterday by JCI economist Ronnie Bethlehem. He said if SA's population continued to grow at an annual rate of 2,5%, unemployment could reach 55% by the year 2000 from 37% last year.

Writing in Durban's *Sunday Tribune*, Bethlehem said import substitution opportunities and new industrialisation would probably offset sanctions and spark a "short-run boom" for employment, lasting until 1988 or 1989.

By then, industry would have

Economics Reporter

filled most of the capacity currently sitting idle and new employment would come only in capital-intensive areas involving mostly skilled labour.

He said: "The business sector, in its efforts to sustain profitability and competitiveness, would have to become ruthless in the retrenchment of surplus labour."

As a result, unskilled employment would fall to about 2-million jobs by the year 2000 from 4,8-million in 1985. If sanctions were not initiated, unskilled employment would rise slightly to about 5-million.

Bethlehem said the loss of employment, plus higher consumer

price inflation, would contribute to a widening of the income gap between whites and blacks.

He predicted that by 2000 blacks would account for 76% of SA's total population, but just 20% of total income. Last year blacks made up 72,6% of the population and received 28,7% of income. Without sanctions blacks' share of income would rise to about 36%.

He said: "For the black section of the population, it would be a massive sacrifice in foregone opportunity, not only in economic terms but in political terms — for the political leverage of a black community whose income comprised nearly 36% of all income earned in SA would be much greater than the leverage of a community whose income share was less than 20%."

Unemployment relief extended for five years

Argus 13/10/86 335
Labour Reporter

THE Government's unemployment relief scheme is to be extended for five years.

Dr Piet van der Merwe, Director General of Manpower, said the decision had been taken in principle. Funds would be allocated from year to year, depending on need and availability.

The scheme was launched in June last year with R25-million for training the unemployed. It was extended and expanded this year when a further R600-million was allocated for training, job creation and other projects.

Dr van der Merwe said that in the first year of the training scheme about 340 000 people had been trained in about 180 skills at 200 centres.

SMALL PAYMENT

"In 1986 we hope to train about 420 000 people," he said.

The scheme offered a small payment, a travelling allowance and meals during training.

It had been an important contributor to employment.

About 4 000 unemployed artisans had found work as trainers and there were also jobs for administrative and clerical staff at the centres.

Under the job creation programme, there had been more than 39-million working days on a variety of projects in a year.

With R75-million allocated to it, the Small Business Development Corporation had created more than 42 000 jobs, said Dr van der Merwe.

Only 46% of
Sowetans
have work

13/10/85 335
SOCIAL turmoil and recession have hit Sowetans where it hurts most — in the pocket.

Figures, released at the weekend, show that only 46% of all Sowetans between the ages of 20 and 64 earned a salary in 1985.

This compares badly with the 67% who earned fixed incomes in 1970.

A survey conducted by the University of SA's (Unisa's) Bureau of Market Research questioned inhabitants about demographic characteristics and all sources of income.

The bureau's income and expenditures division head, Professor Johan Martnes, said that up to 1970 incomes a household showed a steady increase.

He said: "But from 1975 to 1985 there has been a drastic decline.

"People are now back to the same levels of income a household as in 1970."

The situation was largely blamed on unrest as continuing violence precluded entrepreneurs from investing and, as a result, job opportunities dried up.

The report said: "It is evident the economic circumstances of a certain group of Sowetans are causing frustration, whereas others are enjoying relative prosperity.

"On the basis of household size, an estimated 25% of Soweto households earned less than they needed to maintain their minimum living level in 1985."

In real terms average household income more than doubled from 1962 to the R9 624 level of last year.

NEWS FOCUS

BUDDA

335

8/10/86

Economics Reporter

FORD's plants are shuttered and the black boycotts, for the moment, have been lifted. The suspense is over, and a sense of stability has returned to Port Elizabeth.

With much unemployment and poverty in the area, the state of the city is not so terrific — but, some say, not as desperate as Press reports would have it.

With stability have come thoughts for the city's future — from motor executives, retailers, suppliers and union officers as varied in their sophistication, direction and promise as the needs and desires of the many constituencies.

Indeed, in the end, it may be a lack of consensus that limits what PE can do for itself in making a comeback.

There is a large, influential group who believes the city is, as it always has been, a function of the motor industry, and that recovery will come as vehicle sales return.

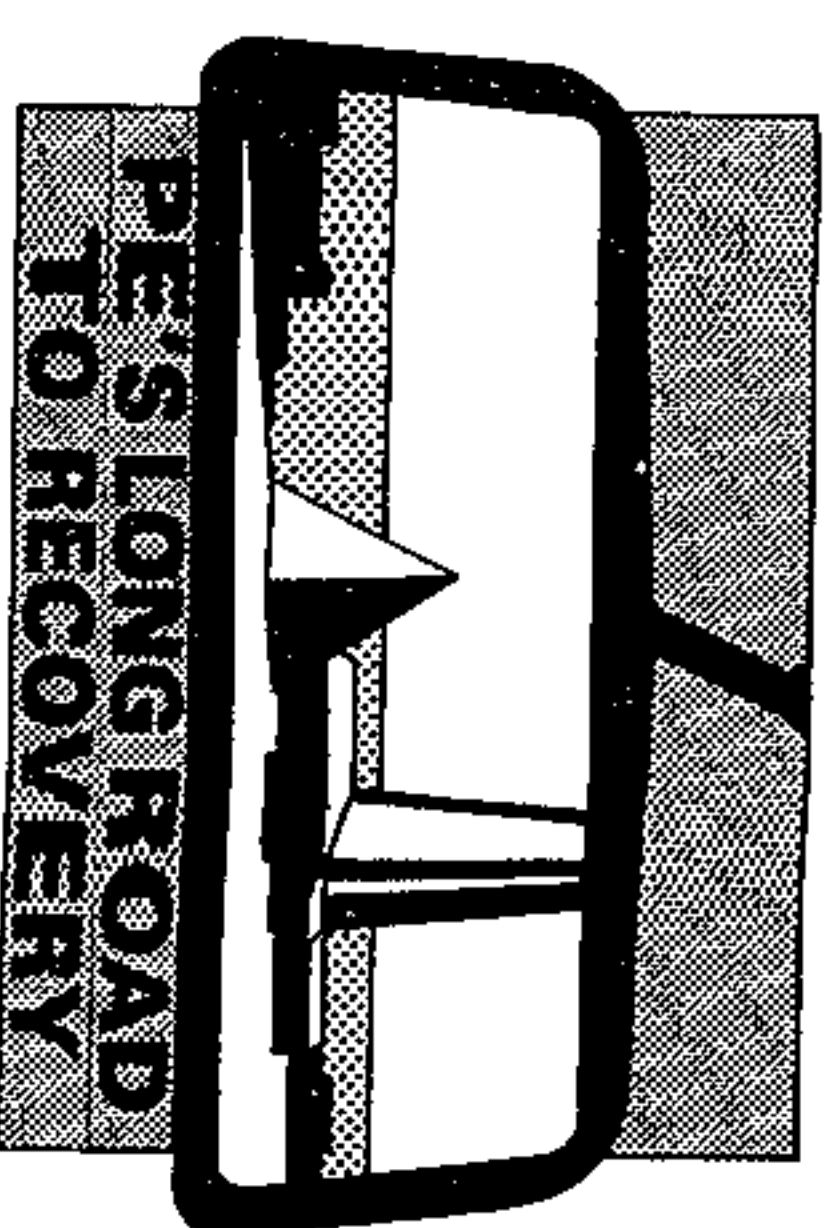
Dramatic effect

"The vehicle and component plants are still there, they're just making less, and that's the positive side for 1987," said Brian Matthew, executive director of the Midland Chambers of Industries. "An upturn in motor car sales would be easily accommodated."

The current depression in the motor industry, he said, has had a dramatic effect on the dependent city. "But an upturn would have the same kind of effect."

Others think waiting for car sales to return is a dangerously, complacent strategy. "If PE people sit back and wait for the motor industry to

As stability returns, PE faces the future



Last in a four-part series
by *Business Day*
that looks at the troubles
of the past, the present
and the future facing
business in Port Elizabeth

recover, they're going to wait for a long time," said Urban Foundation regional policy director Roger Matlock. "I think that's a bloody naive attitude."

Indeed, the most successful businessmen in the next decade may be those who recognise that PE cannot depend on the motor industry as it always has. Some component suppliers, like Welbilt Oddy, have developed new products and new markets to fill the capacity left idle by lost Ford orders. Even the remaining Ford plant, which produces engines at Struandale, has diversified into other motor components and export markets.

In this way, the withdrawal of Ford "might be the best thing that's ever happened to PE," observed Sy Lippstreu, who owns Pioneer Ford, the city's one remaining Ford dealer (the other closed earlier this year).

Lippstreu and others believe that the loss of Ford business will force long-complacent suppliers to improve their competitiveness. "When you're busy in good times, you don't tend to look at the nuts and bolts," added City Paint & Tool MD Alan Orchard.

Even if PE businesses are flexible enough to adapt, however, it is uncertain what they should adapt to. Component manufacturers, burdened by

higher freight costs, will be hard pressed to compete for Samcor business with PWV suppliers. And as long as SA remains mired in political and economic uncertainty, it is unlikely that any new industry will settle in the Eastern Cape. Export opportunities, too, soon may be limited by more severe foreign trade sanctions.

An exception may be the gas field project at Mossel Bay, construction of which is scheduled to begin in 1988. Although much of the benefit from the project will remain in the immediate Mossel Bay area, the PE harbour is expected to secure some contracting business.

'Frightening'

Other problems seem even more intransigent. Most believe the urbanisation of the PE-Uitenhage area will continue to intensify in the next decade, with the rate of black population growth rising to as high as 8% annually. "It's quite frightening the extent to which people are flocking to the city, and we see evidence of that every day," said Volkswagen MD Peter Searle.

Although the construction industry is expected to benefit from the growth of black housing, it will not create the economic activity required to offset the new population. "We don't see much new employment becoming available in the area," said National Automobile and Allied Workers Union regional secretary Les Kettledas.

Bus Day 8/10/86

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Duty-free port

Kettledas and other leaders lay some blame for the lack of solutions on local government. Firestone CE Peter Morum, at a recent dinner celebrating the company's 50 years in PE, asked: "When last did we see some positive action from the council in terms of actively seeking new business?"

"We have also heard comment about establishing a duty-free port here, but again it has been simply talk. Too many times do we hear too many voices crying for help from central government, whilst what we need is a macro solution rather than a micro solution.

"The resolution of our local problems," Morum said, "is in the hands of local people."

Curbs will hit 'at least 30 000' steel jobs

By Sheryl Raine

At least 30 000 jobs are in jeopardy in the steel and related industries following decisions abroad to press ahead with sanctions and bans on imported South African steel, says a leading trade unionist.

Mr Ike van der Watt, president of the SA Boilermakers' Society, said the employers' body in the steel industry, the Steel, Engineering Industries Federation of SA (Seifsa) had estimated the impact of sanctions on jobs. Their figures indicated that about 49 000 jobs would be directly affected in the steel-producing sector, and a further 43 000 in industries which service the steel industry.

"Perhaps this figure of more than 90 000 is slightly exaggerated but I estimate at least 30 000 jobs will be in jeopardy in the next 18 months as a result of bans on South African steel exports," said Mr van der Watt.

IMPACT ON MINERS

These figures follow estimates by the Chamber of Mines collieries committee. The committee found that bans on local coal imports could result in the loss of 30 000 jobs for blacks in the coal mines. Since each mineworker is estimated to provide for an average of five dependents, a further 150 000 people could be affected.

"Some companies have already made plans to beat the boycott of South African steel but the embargo on exports is going to affect us tremendously," said Mr van der Watt.

The SABS is one of the unions which has opposed sanctions. Mr van der Watt said the main objective of sanctions was to cripple the economy. "If this happens, then trade unions will also be crippled".

Mr van der Watt said he believed South Africans would at first be lulled into a false sense of security over the impact of sanctions.

"In the short term they may even be to South Africa's advantage and may create employment in industries which will work towards manufacturing locally what used to be imported. Ultimately, however, no country can operate in isolation".

125 000 jobs lost in two industries

By DICK USHER
Labour Reporter

THE economic slump has cost at least 125 000 jobs nationwide in the building and civil engineering industries.

The stress in the industries is reflected in losses posted by major companies.

Darling & Hodgson disclosed losses of R78-million in the 18 months to June and Murray & Roberts announced a loss of R14,5-million after profits of R43-million last year and R62-million in 1984.

Employment figures have slumped from about 390 000 to

about 265 000, affecting all categories of workers but unskilled and semi-skilled most severely.

Building industry sources said employment was down from a high of about 270 000 in the boom period and Mr Kees Lagaay, executive director of the South African Federation of Civil Engineering Contractors, said employment was down about one-third.

The tight market has led to intense competition for contracts and spokesmen said some large firms were tendering "very competitively" to win

jobs and keep jobs for staff they were unwilling to lose.

In the Western Cape building industry between 8 000 and 10 000 workers have lost jobs, but spokesmen said the slump appeared to have levelled out.

Building industry unionists, who are preparing for this year's wage negotiations, said a large proportion of the losses incurred by larger companies happened overseas. Murray & Roberts and LTA had large losses in Australia.

They said there was no reason why these losses should influence wage demands in South Africa. **AF**

By LEN
MASEKO

ABOUT 150 black Escom workers stayed away from work at the parastatal's Vaal Triangle branch in protest against management's plans to retrench "redundant employees".

The stayaway was sparked off by workers' fears that, if retrenched, they may lose their homes in an Escom-funded housing scheme in Zone 10, Sebokeng.

Most of the Escom employees who stayed away from work are members of the Orange-Vaal General Workers' Union, whose officials were due to meet management late yesterday.

Escom management recently announced that they would retrench a number of workers from next month. Last Friday, management and

Escom workers stay away

12 trade unions representing Escom employees reached an agreement on "the criteria for identifying redundancies and the process to be followed to identify redundant jobs".

The Orange Vaal Workers' Union general secretary Mr Philip Masia told the *Sowetan* that his union was opposed to the retrenchments because black employees would not only lose their jobs but their Escom-sponsored homes as well.

"If Escom is cutting

down on its operations, this should not be done in the cost of jobs," said Mr Masia, whose union has no formal recognition agreement with Escom.

Escom management confirmed the stayaway by some of its employees yesterday, but said reasons for this action "are not clear on this stage as no formal approach has been made to Escom".

Therefore it was not possible to confirm allegations linking the stayaway to the recently announced retrenchment programme, an Escom spokesman said.

"Negotiations with the 12 recognised unions are still continuing and it is not possible at this stage to say how many employees in the Vaal Triangle will be affected," the spokesman said.

SMK
385
6/10/76

Sanctions bite Cape lobster trade

CAPE TOWN — South Africa's multimillion-rand rock lobster industry is one of the major victims of the sanctions Bill passed by the United States Senate.

Two-thirds of the R120-million "red gold" industry is geared for export to the US.

Leaders in the industry said this week that sanctions could put many Cape people out of work.

QUOTA INCREASED

The Minister of Environmental Affairs, Mr John Wiley, increased lobster quotas this year.

However, only a fraction of workers employed in previous years will still have work when the season opens next month, a highly placed source in Cape Town said.

Thousands of Cape families rely on the eight-month "crayfish season."

SMR 335
6/10/88

Tannery forced to retrench 101 workers

EAST LONDON — King Tanning Company retrenched 101 employees because of deteriorating economic circumstances, the managing director, Mr P D Brand, announced in King William's Town.

Mr Brand said in a statement the retrenchments were due to the "serious and deteriorating prevailing economic circumstances", and said the decision was taken with "deep regret".

He said management consulted both trade unions operating at its factory "in order to establish retrenchment terms which are aimed at ameliorating the inevitable hardship which this action implies". — Sapa.

where are they going? asked Rocky Schoonraad, chairman of

at a time when police were under fire for neglecting subur-

able

being threatened by Tshabalala's supporters.

UIS denies visa changes

Business Day Reporter

THE US Information Service (UIS) yesterday denied reports that the sanctions Bill would have any effect on consular facilities offered to South Africans and said visas were being issued as usual.

Several reports have stated the Bill would deny consular facilities to South Africans, but the UIS said the misunderstanding may have arisen as this provision was included in the original draft, but not in that passed by the Senate.

THE implementation of the US sanctions package will result in more than 1-million people in SA having no means of financial support, Operation Hunger says.

It has estimated the package will increase the number of unemployed people by about 130 000, of whom 10 000 will be white.

With the higher number of black dependents, it is calculated that more than 1-million people will be without support.

Operation Hunger's executive director Ina Perlman says the organisation's budget — the amount it expects to raise in do-

Curbs raise fears of more hunger

STEPHEN ROGERS

nations — has almost doubled this year to R12m.

The cost of feeding 1-million people is estimated at R9m. Now that the package has gone through, the budget could rise to R20m.

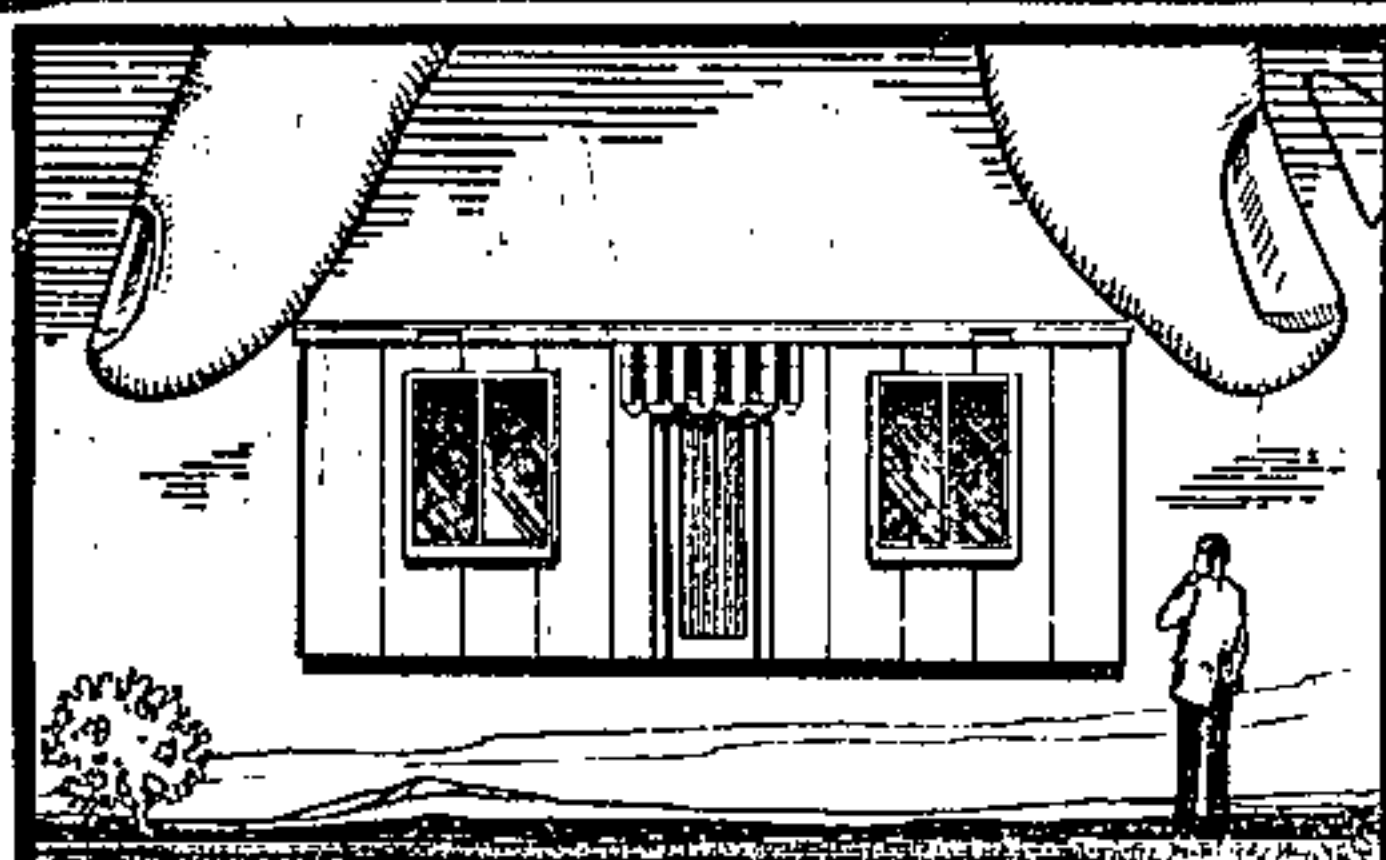
About 10% of the budget comes from the US aid programme. Perlman said the US had committed the same percentage this year and that the German government had donated R1,6m.

Some black areas in the eastern Cape were also visited by the Minister's entourage last week.

A week ago Tshabalala and the Sofasonke Party executive were mandated by the Sofasonke Party to ask Constitutional Development and Planning Minister Chris Heunis to dissolve the Soweto Council.

The delegation submitted a memorandum to the Department demanding the Soweto Council be dissolved and an interim committee be appointed to run the affairs of Soweto.

Sofasonke Party public relations officer Ambition Brown said: "The Minister's office had promised to consider the matter and we are hoping to hear from him in due course."



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FROM THE TOP FACTORY HOME BUILDERS IN SOUTH AFRICA

BARKER McCORMAC 4908/3R

THE US sanctions package, if properly implemented, will have a dramatic impact on the Western Cape's economy — particularly exacerbating unemployment in the region, industry executives say.

Key industries which will be directly affected include agriculture, textiles, clothing and fishing — the biggest employers in the area.

It is estimated that up to 500 000 jobs will be placed on the line as a result of the punitive sanctions.

And, concern is being expressed by spokesman for these sectors that the US decision will encourage the European Community to considerably extend the scope of its sanctions package.

Fruit farmers in the Western Cape are expected to earn as much as R600m from exporting to Europe and the US this year. Of this 25% is estimated to have gone to the US.

The trade embargo will not only cut off this source of revenue but endanger the livelihood of about 250 000 workers.

Industry sources say textiles and clothing exports valued at about R120m will be directly hit. Companies most likely to be affected by this ban, howev-

Employment 'will be casualty'

CHRIS CAIRNCROSS

er, are those that set up manufacturing operations in the TVBC territories — the Ciskei particularly — specifically for export.

Ironically, SA textiles appear to be a last minute casualty of the sanctions package. New quotas had been ratified, and published in the Federal Register for comment, at the time the sanctions issue was passing through Congress. This caused them to be brought to the notice of the sanctions lobby which included them, at the last minute, in the sanctions package.

The Cape's R120m a year rock lobster industry will also be directly affected by the sanctions issue.

It is estimated that at least 85% of lobster exports go to the US.

While industry executives are confident they will find alternative foreign markets, they nevertheless acknowledge it is going to be a costly exercise.

King firm retrenches staff 335

Dispatch Reporter

Town.

DD 6/10/86

EAST LONDON — The King Tanning Company has retrenched 101 employees, the managing director of the company, Mr P. D. Brand, announced in a statement from King William's

Mr Brand said the retrenchments were due to the "serious and deteriorating prevailing economic circumstances", and said the decision was taken with "deep regret".

He said the management had consulted with both trade unions operating at its factory "in order to establish retrenchment terms which are aimed at ameliorating the inevitable hardship which this action implies."

C876 Tris 6/10/86

Forum focuses on unemployed

33

Staff Reporter

THE Advice Office Forum, an umbrella body of 14 advice offices in the Greater Peninsula area, is holding a focus week on unemployment.

Events include a fun run, health screenings, educational sessions, church services and activities in which people can learn about the causes of unemployment and what can be done about it.

"The problems of unemployment affect not only the unemployed, but also their families," the Forum said. "It leads to problems like rent arrears, health problems and social problems like wife-battering, child abuse, incest and the break-up of family life."

Some Manenberg tenants had run up electricity arrears of R600, according to the press release. The Forum said unemployed people demanded that their rent and electricity arrears should be scrapped and their rent payments suspended.

Another demand was that overtime work should be banned and workers should keep to a 40-hour week so more people could be employed.

"Unemployed people should be allowed to travel free on public transport," the Forum said. Many had to walk long distances in their search for work, and even when they took their children to hospital.

Community response to the "unemployment crisis" included the setting up of soup kitchens and food co-operatives.

Further details can be obtained by telephoning 637-2898.

Pretoria has highest black unemployment

Pretoria Bureau

Male unemployment in Pretoria's black residential areas was significantly higher than the percentage in South Africa's total black labour force, research by the Institute for Sociological and Demographic Research shows.

According to the institute's findings, published yesterday, male unemployment in the Atteridgeville and Mamelodi townships was collectively 23,2 percent for May 1984. This was more than 15 percent higher than the 7,8 percent in July 1985 for the total black labour force.

More than half the respondents in the research project were under the age of 25. Most had relatively low educational qualifications, though some were well qualified.

The attitudes of most respondents were characterised by indifference, frustration, and even helplessness. They blamed low wages, discrimination, the lack of education and training, and a shortage of job opportunities as the causes of high unemployment.

The report recommended that urgent attention be paid to the provision of formal social support for the unemployed.

"In the medium and long term, South Africa faces the almost superhuman task of providing purposeful and problem-oriented education and training, vocational guidance and the creation of sufficient and appropriate job opportunities.

"These reforms will be meaningless, however, if the black worker does not commit himself to a sound work ethic."

Jobless figures on rise

EAST LONDON — Unemployment had continued to increase, despite the "success" of the government's R600 million package for job creation, the Minister of Manpower, Mr Pietie du Plessis, said yesterday.

He told the congress the figure for registered unemployed had doubled last year and since the beginning of this year there had been a steady increase in the number of unemployed.

The biggest contributory factor to unemployment in South Africa was the high population growth. The economy was unable to meet the demands for more jobs.

There were also a number of cyclical factors contributing to unemployment, including the serious recession through which South Africa was passing and the very serious drought conditions of the past few years. — Sapa

Unemployment 'still rising'

THE result of the Government's infusion of R600 million for a job creation programme had been phenomenal, said the Minister of Manpower, Mr P T C du Plessis.

He said that in spite of the success of this, the biggest programme of its sort ever undertaken, unemployment continued to increase.

The figure for registered unemployed had doubled last year and since the beginning of this year there had been a steady increase in the number of unemployed.

The biggest contributory factor to joblessness in South Africa was the high population growth. The economy was unable to meet the growing population's demands for more jobs.

Apart from this structural problem, there were also a number of cyclical factors contributing to unemployment. These included the serious recession and the very serious droughts of the past few years. Selective sanctions were also playing a role. — (Sapa)

Argus 2/10/86

Escom cuts: Collieries to close

The Argus Correspondent

JOHANNESBURG. — Three collieries supplying coal to Escom power stations will be closed by October 1989.

This follows massive cutbacks by Escom.

The Anglo American colliery feeding the Vierfontein plant in Vereeniging will be closed by March 1988.

Anglo's Cornelia colliery, which feeds the Vaal power Station, will shut down by March 1989.

Gold Fields' Coalbrook colliery, which supplies coal to the Taaibos and Highveld power stations, will be closed by October 1989.

The two Anglo collieries employ a total of 1 350 workers. An Anglo spokesman could not say how many jobs would be lost.

A spokesman for Gold Fields Coal said Coalbrook still had extensive reserves and a decision on further operations would be taken in due course. Coalbrook employs 818.

Post Correspondent

CAPE TOWN — The Cape has been hardest hit by a general decline which has cost thousands of employees in the hotel and related industries their jobs.

The situation has been severely affected by the drop in overseas visitors, as well as a fall off in local support.

This information is contained in a report by the Central Statistical Service in Pretoria, and a memorandum by the South African Tourism Board.

Although the industry as a whole picked up during winter, it still showed a decline against last year, with the Cape suffering one of the largest decreases.

But, significantly, inland resorts recorded increases — an indication that generally, holiday-makers are cutting out excessive travelling because of the economic recession and are motoring to resorts which are not far away.

According to the Central Statistical Service in Pretoria, although the hotel occupancy rate for June 1986 was 14 percent, lower than for June 1985, a

Cape hotels take the worst knock

seasonal improvement of 11,3 percent was noted compared with January this year.

The average occupancy rate for all hotels from April to June this year was 34 percent compared with last year's 38,9 percent.

Three of the nine tourist areas recorded increases in occupancy for June 1986 compared with the same month last year. These areas were mainly inland resorts.

The Cape suffered one of the largest overall decreases — 21,1 percent.

Other major decreases were on the Witwatersrand (33,7 percent) and the Free State (19,5 percent).

Meanwhile, thousands of people in the hotel and related industries have lost their jobs as a result of the decline in the number of foreign visitors to South Africa.

This is shown in a memorandum submitted by the South African Tourism Board to the economic affairs committee of the President's Council.

The committee, now sitting in Cape Town, is hearing evidence on job creation.

The memorandum says that in "good years" the hotel industry provides between 60 000 and 85 000 jobs. This figure has dropped to about 55 000 as a result of the decline in

the number of foreign visitors.

About 10 per cent of people presently employed in the industry are white.

The memorandum says that between 40 and 50 per cent of employees were in the semi-skilled category. In the non-hotel accommodation industry the figure was between 60 and 70 per cent.

Large numbers of people in these and related industries lost their jobs as a result of the poor economic climate and the decline in the number of foreign visitors.

The memorandum says there are 1 321 registered hotels in South Africa with a total of 91 362 beds.

325

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**Laid-off staff
APR 46 11/10/86
redundancy
benefits up**

Labour Reporter

IMPROVED redundancy benefits have been organised for the 422 weekly-paid staff affected by the closing of the South African Woollen Mills factory in Observatory.

The 74-year-old factory ceased production on Friday, a month after its closing was announced.

The new payout formula is two weeks' pay for the first year of service, three weeks' pay for one to three years and another week's pay for each further year.

Workers with more than 10 years would get a quarter of a week's pay for each year of service over 10.

On top of this was a further quarter of a week's pay for every week's wages already calculated.

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Bloodbath for the big builders

28/9/85

SUNDAYS



DARLING & Hodgson this week disclosed losses of R78-million in the 18 months to June, providing more evidence of a slaughter in the construction industry which is expected to go on for another year.

D&H's operating loss in the six months to June was R11,6 million, but there were also extraordinary losses of R38,4-million. Last year D&H showed an operating loss of R16,8-million and extraordinary losses of R11,1-million.

More evidence of crisis in construction:

- Last week Murray & Roberts announced a loss of R14,5-million after a profit of R43,2-million in 1985 and R62-million in 1984.

- LTA lost R18,6-million in the year to March and wrote off extraordinary items of R28,5-million, bringing losses to R46,8-million.

M&R and LTA sustained large losses in Australia, but both are struggling in a domestic market where many contracts are taken on at less than cost.

- The combined valuation of Murray & Roberts, Darling & Hodgson and LTA on a strongly rising stock exchange has plunged by R438-million in a year.

- In the past four years, 45 000 con-

Business Times Reporters

struction workers have been laid off and many small and medium companies have gone to the wall.

- Gross domestic fixed investment, the economic indicator that most directly affects construction, has fallen in real terms from R17,8-billion to R15-billion in a year and is expected to drop to R13-billion this year.

Rights issues

The Government and its agencies, such as Escom, SA Transport Services and the Post Office, have slashed spending on infrastructure. But regardless of criticism, the State has continued to spend on consumption, largely on public-service salaries.

Provinces, municipalities and Government departments, such as water affairs have grabbed a bigger share of available work, putting even tighter screws on the private sector.

Cape Town Municipality is considering privatisation of some of its services and the private sector hopes it will start a trend. The only other hopes are: go-ahead for the Mossel Bay gas and Lesotho Highlands water projects, more road work and the black housing and township improvement drive.

Even if the economy has turned the corner at the retail level, construction sources warn it could take another 18

months before building and civil engineering benefit.

To reduce debt, D&H sold its services division for R65-million and its coal operations for R30-million. It is making a R40-million rights issue to top up depleted cash reserves. Both LTA and M&R have made large rights issues.

Kees Lagaay, executive director of the SA Federation of Civil Engineering Contractors, reports that employment in the industry plummeted from 125 000 five years ago to 85 000 by the middle of this year -- a 32% drop.

Mr Lagaay says: "The industry has had a terrible time. The only way insolvencies have been kept down is by wholesale disposal of plant and machinery. Many small contractors have faded off the scene."

He warns that when demand picks up, contractors will be forced to replace plant and machinery at hugely inflated prices.

A return to 1981 investment levels is a long way off. Sats and Escom, the biggest spenders on construction, have no plans for major capital investment.

The gold-mining industry is providing work for shaft sinkers, but not much work for above-ground contractors.

Mr Lagaay says the only ray of light appears to be in lighter engineering for township development and electrification and building

Govt's unemployment relief plan 'works and will continue'

Pretoria Bureau

By the end of March this year, more than 300 000 formerly jobless people were in employment under the Government's unemployment relief scheme, the Minister of Home Affairs, Mr Stoffel Botha, told a meeting of the Natal Chamber of Industries.

More than 26,5 million workdays were rendered by these former unemployed and the small business development programmes were responsible for the creation of 28 000 new jobs.

Mr Botha added that 25 000 South African had been trained in 180 different skills in 367 training centres around the country.

Twenty-five percent of these trained people were placed in jobs immediately after they qualified.

This joint venture by many private concerns and government institutions has proved that "we can generate what is needed on the employment front," added Mr Botha.

This "operation employment" scheme will continue. The Government hoped to aid a further 250 000 jobless people by March 1987.

Mr Botha also called on the industrialists to assist the Government in identifying the 1,3 m foreign workers employed illegally in commerce, industry and agriculture in South Africa.

"After all, charity begins at home," he said.

A future where each community was equal could be achieved if the Government and private sector took hands and succeeded in getting all parties around the negotiating table, said Mr Botha.

Unemployment up by 100 pc

Cape Trib 26/9/86 335

THE number of registered unemployed coloured people in the Western Cape has more than doubled in the past year.

But economic experts say the increase — from 8 553 to 19 945 — is "nowhere near" the true figure.

The number of people actually registered as unemployed is only "a fraction" of the total number of people out of work, according to Dr Charles Simkins, of the Department of Economics at the University of Cape Town, and his University of Stellenbosch counterpart, Professor Jan Sadie.

However, Dr Simkins said the dramatic increase in the number of registered unemployed did give some indication of the magnitude of the problem.

"Precisely how much worse it is getting is difficult to say, but it is very bad," he said.

Figures calculated by Central Statistical Services (CSS) in Pretoria after surveying samples of the economically-active popula-

**By HILARY VENABLES
Labour Reporter**

tion gave a more realistic picture but were still far from accurate, both academics said.

The surveys show that 51 000 coloured people were unemployed in June 1986 in the Western Cape, compared to 43 000 in May last year.

The official figure for blacks over the same period has dropped from 10 000 to 7 500.

The national unemployment figure for Asians, which is not broken down into regions, was 22 740 in June 1985 compared with 30 525 for the corresponding month this year.

CSS could not provide the figure for unemployed whites.

Professor Sadie said the apparent drop in black unemployment was "unrealistic" because official surveys did not take into account workers who lost their jobs and returned to the TBVC states.

"As the demand for labour decreases, employers are retrenching or not renewing contracts and

workers are returning to the national states where they become invisible for the purposes of official surveys," he said.

Dr Simkins said there was "a crying need for a major investigation into unemployment", but that this would have to be done by the government.

"It would be an impossible task for an individual," he said.

Professor Sadie said the actual loss of jobs was less important than the dearth of employment opportunities for newcomers to the job-market.

"Unless the economy begins to grow to provide for these people, the situation will deteriorate year by year."

Dr Simkins said the decrease in real earnings was also a major cause for concern.

"The real earnings of South Africans dropped by eight percent from 1984 to 1986," he said.

The growth in the symptoms of poverty — such as malnutrition, political tension and crime — were caused by a combination of unemployment and increasingly low wages, he said.

Labour Reporter

According to Mr Moosa's legal representative, who did not wish to be named, Mr Moosa was not responsible for the laying of carpets as this was done by a sub-contractor.

He also said his client had been fired after a final warning, although no further complaints had been given. The warning was given received after the director for OK in the managing director for Coppin.

The managing director, Mr. Aubrey Copping, Western Cape, had been receiving said Mr. Moosa for every carpet sold and commission for every carpet to make sure it was his responsibility to make sure his customers were satisfied. "had no although the company 'the Industri-

Although the company "had no doubt" that it would win the Industrial Court case, it had decided to settle out of court because this was the cheaper option.

Jobless figures misleading

OFFICIAL unemployment figures are being misinterpreted, says the latest issue of the Johannesburg Chamber of Commerce's *Chamber Bulletin*.

The latest available unemployment statistics showed the number of registered black unemployed stood at 49 025 compared with 82 433 this February, which was incorrectly being taken as a

steep decline of 40.5%.

The *Bulletin* says: "What has actually happened is that with the scrapping of the pass laws and influx control, and the phasing out of the Development Boards, the compulsion on black workers who become unemployed to register with the Development Board has fallen away. — Sapa.

Unemployment among Indians still on increase

Labour Reporter

THE rate of unemployment among Indians in Natal continues to rise, according to latest figures released by Mr Nick Hitchcock, divisional inspector of the Department of Manpower in Durban.

Nearly 13 000 Indians registered as officially unemployed last month with the department and 11 642 were from the Durban area. Pietermaritzburg had 1 094 Indians officially unemployed for the same period.

Mr Hitchcock said 15 974 blacks registered as unemployed in Natal in August.

He conceded that the actual number of unemployed throughout the province was far in excess of the official statistics.

In most cases people did not register with the department either because they did not qualify for financial aid or their benefits had been fully exhausted, he said.

According to the department's figures, 4 332 whites were unemployed in Durban in August, followed by 2 329 coloureds. In Pietermaritzburg there were 480 whites and 381 coloureds officially unemployed.

Ladysmith had 140 whites, 27 coloureds and 137 Indians out of work and in Newcastle, 271 whites, 43 coloureds and 124 Indians were unemployed.

Labour experts have said the recent lay-offs from clothing factories are among the reasons for the upswing in unemployment among Indians.

Mr Frankie Hansa, general secretary of the Garment Workers' Industrial Union in Natal, said he feared the loss of another 10 000 jobs in the clothing industry after the expected shut-down of factories as employers moved to the border industrial areas where labour was cheap.

Mr Simon Conco, secretary-general of the United Workers' Union of South Africa, said the effects of disinvestment and sanctions were already being felt in the labour field.

'No jobs for Norweto'

BUS DAY 25/9/86
THERE will be no jobs for Norweto's 250 000 residents, states a document to be submitted to the Department of Constitutional Development and Planning.

• Compiled by town planner Fanie Haacke for discussion by the Greenbelt Action Group, the document states that "optimistically" it can be assumed the north-western Witwatersrand provides only 8% of job opportunities for black people on the central Witwatersrand, all of them filled by workers from other residential areas.

A township for 250 000 would therefore create an oversupply of labour.

The Draft Guide Plan for the central Witwatersrand recommends that industrial land be frozen — but to maintain the existing ratio of one person per 634 hectares of occupied industrial land, an additional 394 hectares at least would have to be allocated for industrial use, Haacke claims.

He says: "The inevitable conclusion must be drawn that while unemployed blacks will be imported

335 342
LINDA ENSOR
into the area, the existing policy of restriction of industrial expansion combined with a lack of economic public transport and an absence of sufficient work opportunities in surrounding white areas will mean that the new black city can only develop into one of the worst black ghettos on the Witwatersrand."

Case 15-23/9/86

Industrial Court ruling set aside

By HILARY VENABLES
Labour Reporter

THE law did not intend that an ignorant worker should have to argue his case without a lawyer against a huge, conglomerate master "like David without his sling against a well-armed Goliath", Mr Justice H Berman said in the Supreme Court yesterday.

In a landmark decision, the judge set aside an Industrial Court ruling which denied a worker with a Std 8 education a lawyer in his dispute with his employer.

According to papers, the worker, Mr Vincent Mrali, cannot speak English or Afrikaans fluently and is "somewhat overwhelmed" by court proceedings.

He was fired in April this year by Ellerines Holdings (Pty) Ltd, trading as Town Talk Furnishers, and took the matter to the Industrial Court, claiming unfair dismissal.

The Industrial Court ruled that Mr Mrali could not be represented by an attorney because Ellerines, represented by a director, objected.

Mr Mrali applied to the Supreme Court for relief, claiming he was not qualified to conduct his own case.

Mr Justice Berman said the Industrial Court had the discretion to allow a party a lawyer, even if the other party objected.

Ellerines did not oppose the application.

The Industrial Court will reconsider Mr Mrali's position on Friday.

Mr Justice H C Nel sat with Justice H Berman. Mr Les Rose-Innes, instructed by Bernadt, Vukic and Potash, appeared for Mr Mrali.

Group aims to help workless

Mercury Reporter

OPERATION Employment — a non-profit organisation aimed at combating the increasing numbers of unemployed people in South Africa — will soon open a branch in Durban.

The organisation was established in Johannesburg in June and has already achieved much success.

The senior executive, Mrs Beryl Scafo, said the organisation approached the unemployment problem in several ways.

'We act as an informal employment agency where we try to place people in positions. Unfortunately this is not often successful, so we also create employment, like car-washing or shoe-shining schemes.

'Our most successful ven-

ture to date was a craft market held in Johannesburg last weekend where unemployed people were given stalls at no cost and could sell their home-made goods.

'We have also tried to promote job training where we ask companies to employ people at a nominal salary for a short time so they can gain experience in a certain field.'

Mrs Scafo said the organisation also provided venture capital to anyone who wanted to start their own small business and offered counselling services for those unemployed.

'We are hoping to be established in Durban by April next year, but we plan to hold a similar craft market in December,' she said.

2000 September 22/986 335

Pending retrenchments

SABC, UNION CLASH

A DISPUTE is looming between the Media Workers' Association of SA and the SABC over the pending retrenchment of some of the corporation's employees.

Mwasa has demanded the application of correct retrenchment procedures and withdrawal of letters informing its members of their retrenchment.

The SABC is still to respond to the union's demands, said a Mwasa spokesman after the two parties' meeting last Friday.

The spokesman said the corporation only informed the union of its plans on September 5, two days after workers had been informed of their retrenchment.

By LEN MASEKO

The SABC is reported to be losing R60-million a year.

The United Workers' Union of SA (Uwusa) has announced a reshuffle in the union's national executive council.

Uwusa president Mr Petrus Ndlovu has been appointed full-time deputy secretary-general and will now be responsible for administration and training. He will be replaced by shop steward Mr John Moya, elected to the position by the union's executive council recently.

Meanwhile, Uwusa has opened new offices in Johannesburg and Welkom. This was due to a growing demand for the union's services, an

Uwusa spokesman said.

Mr Issy Moto, national secretary of the General Workers' Union of SA, has been detained by Bophuthatswana police in Garankuwa, according to the union.

N Talk 32 9/8
335A
**today on
lay-offs**

Labour Reporter

A ROW over the proposed retrenchment of 17 workers at the Umgeni Iron Works which led to a brief work stoppage at the foundry on Friday is to be the subject of talks between the management and workers today.

Mr Bheki Khumalo, general secretary of the Black Allied Workers' Union, said the union had called for an urgent meeting with the management to discuss the proposed staff cuts.

'We believe the company can still avoid the retrenchments by introducing short time,' he said.

About 500 workers at the iron works downed tools on Friday morning.

NATIONAL

Escom meets unions over retrenchments

The Argus Correspondent

JOHANNESBURG. — Escom yesterday met nine unions representing its employees to discuss retrenchments.

In a joint statement, the parties said an offer covering various aspects of redundancy was tabled and negotiations would continue on September 29.

The issues discussed included criteria to be used to determine redundant jobs and staff, how the retrenchment process would be implemented and a possible separation package.

Unions present included the Mineworkers' Union, Boilermakers' Society, Amalgamated Engineering Union and Escom Employees' Association.

Staff had had to be cut because of the poor growth of the economy and reduced demand for electricity, said Escom general manager Mr Ian McRae.

He said a programme to reduce staff through natural attrition and early retirement began early this year and was running well.

However, circumstances had changed recently. Escom was expected to have excess generating capacity for some time to come. Some power facilities would either be put in reserve storage or closed down.

"There will not be enough jobs available to accommodate all," Mr McRae said.

Job cuts: Escom talks to unions

E Cape chief outlines retrenchment policy

Dispatch Reporter

EAST LONDON — Escom was engaged in retrenchment policy talks with trade unions, but would only retrench workers when their jobs became redundant, Escom's regional manager (Eastern Cape), Mr Ken Garman, said yesterday.

He was commenting on an announcement by Escom's senior general manager, Mr Ian McRae, that Escom had been forced into staff redundancies and possible power station closures by the country's poor economic growth and the reduced demand for electricity.

Mr Garman explained that in the Eastern Cape Escom was divided into generation and distribution divisions.

The head of the generation division, Mr Hans Pennells, was in charge of the West Bank and Port Rex power stations, as well as the hydro stations on the Orange River.

Mr Pennells was visiting the hydro stations yesterday and could not be reached for comment.

"Therefore I am qualified to comment on behalf of the distribution division. But as far as the power stations are concerned, I can only give a broad overview," Mr Garman said.

He said that as far as distribution in the Eastern Cape was concerned, Escom had little to worry about. The only cause of redundancy it could encounter in this area would be the sale of reticulation networks.

"Escom prefers to be a bulk supplier and then the local authority reticulates to the consumers.



MR GARMAN

"In some cases Escom is negotiating the sale of reticulation networks to local authorities. This could mean that as far as Escom is concerned, some jobs could become redundant. But very often the local authority who is taking over the reticulation network will need staff, and they are quite prepared to take the Escom staff over."

He said the result was that there would be no loss of jobs in the Eastern Cape.

Mr Pennells would experience a different problem with the West Bank power station though.

Mr Garman said some background was needed to understand the issue.

"It takes 10 years to build a power station. So, when the economy was going well in the early 1980s, the load growth was high and we planned and committed ourselves to building new power stations to meet the anticipated load in the late 1980s.

"The load growth has dropped from eight per cent in 1983 to an anticipated four per cent this year. This may not look like a big difference but if we compound the growth over 10 years it is quite alarming," he said.

In 1980 Escom sold

87 000 million units. If the growth over the next 10 years were four per cent, the units sold in 1990 would be 128 000 million. At an eight per cent growth rate, the figure would be 187 000 million units, Mr Garman said.

"This illustrates that a small error in load growth prediction has a large effect over the 10 year period needed to plan a power station.

"Now that the economy has slowed down, we have too much generating capacity. We have done all we can to delay, or even cancel power station projects."

It was expensive to run the West Bank power station because of the high cost of transporting coal to East London. Therefore Escom generated power at the pithead stations, and the result was that very little power was generated at West Bank.

"Because of this situation we now have too much staff at the West Bank power station. As many as possible of the surplus staff will be transferred or absorbed in other segments, but unfortunately some people will become redundant," he said.

"I can't give any figures — and at this stage I doubt whether Mr Pennells can because negotiations with trade unions are still on the go."

He said that by the early 1990s Escom would no longer have surplus generation. Escom was concerned about the high cost of purchasing new generators though, and the high cost of transporting coal to West Bank could be offset by the high capital cost of replacing the generating plant.

"Thus we keep stations like West Bank in cold storage, so to speak, and we may decide to use them again in the 1990s," he said.

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Escom to hold more talks on proposed retrenchments

ESCOM management and unions are to hold further talks on Escom's retrenchment plans.

Yesterday's talks ended with representatives of 12 unions and staff organisations agreeing to put Escom's proposals to their members. The two sides will meet again on September 29.

Neither side would give details of the proposals last night, nor would Escom say how many jobs it wanted to lose nor in which areas. A joint statement said simply that "an offer covering various aspects" was made to the unions.

DAVID FURLONGER
Industrial Editor

However, it is known the talks centred on three issues — how to decide which jobs are redundant, deciding which staff are redundant to needs, and how to carry out any retrenchment programme.

Escom says retrenchments are necessary because of low national economic growth and reduced electricity demand. Earlier plans to reduce staff through natural attrition and early retirement proved inadequate.

Ex-Tramways employee accepts R5 000 settlement

11R6us 17/9/86
Labour Reporter

A FORMER City Tramways employee with nearly 16 years' service has accepted about R5 000 severance pay in an out-of-court settlement.

This follows an action in the Industrial Court by the Legal Resources Centre in July in which Mr Ronald Manchest and three other former employees, who were retrenched in May, claimed unfair dismissal and sought reinstatement.

A settlement was reached for Mr Charles Hendricks, Mr Tim Martin and Mr Ebrahim Wasserfall in which severance pay offered by the company was increased.

Mr Hendricks and Mr Martin, who had been employed for five years,

each received seven weeks' pay in addition to three weeks' pay they received at retrenchment.

Mr Wasserfall, who had two years' service, received four weeks' pay.

Mr Manchest rejected the company's offer, claiming he was entitled to 31 weeks' severance pay — two weeks for each of 15½ years' service — and proceeded with the application for reinstatement. This was unsuccessful as the court found the company did not have a job for him to return to.

He was to apply to the Industrial Court for resolution of the dispute and the company offered him a settlement almost equal to his claim. He had already received about R8 000 and a monthly pension of R114.

He said the money for all three projects would have to be raised by the government.

17/9/86
BUS DAY

Govt must generate economic growth

Summit gets a warm welcome

THE economic summit planned for November 7 in Pretoria has been welcomed by businessmen, organised commerce and industry and the Progressive Federal Party.

Among items identified as requiring discussion at the "Forward with Confidence" conference, announced by President P W Botha at a conference in Johannesburg this week, were the impact of sanctions, government's long-term political programme and its plans to stimulate growth and cope with unemployment.

But the agenda has not yet been finalised and a spokesman for the office of the President said details would probably be announced next week.

PFP finance spokesman Harry Schwarz was enthusiastic about the conference but said it would have to be non-party political and specifically address itself to the restoration of business confidence and the impact of sanctions on the economy.

He said for business confidence to be restored it was essential that the National Party should outline its long-term political objectives.

Barclays National Bank senior GM Jimmy McKenzie agreed, adding that government plans to generate economic

GERALD REILLY
and LINDA ENSOR

growth and deal with the enormous problem of unemployment would also have to be on the agenda.

Schwarz also emphasised the need for follow-up action.

He said: "It is not enough for government to state its case. Working groups must be constituted to continue discussing and dealing with the problems after the conference and to continue the liaison between government and the private sector."

The attendance by trade union representatives was also crucial.

Federated Chamber of Industries CE Johan van Zyl said the conference could be of great importance "at this crucial stage in the economy" but this would depend on the way it was structured.

However, it should be something more than just short speeches as happened at the Carlton conference. There would have to be an interchange of ideas and two-way communication.

Afrikaanse Handelsinstituut CE Fred Stockenstrom and Assocom president Rocky Ridgway also welcomed the opportunity for the public and private sectors to enter into dialogue.

Judgment reserved on roads rezoning appeal

JUDGMENT has been reserved by the Appeal Court in Bloemfontein in the appeal by Johannesburg City Council against a decision that set aside its interim town planning scheme for the extension of roads in the vicinity of the Hypermarket at Cheltondale.

The scheme provided for the rezoning of certain public open spaces and residential and business sites to "public road". It was intended to extend certain roads to give a freer flow of traffic to Louis Botha Avenue. — Sapa.

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Judgment reserved on roads rezoning appeal

Escom power station in EL is being 'phased out'

By BARBARA ORPEN

A POWER station in East London is being put in "cold storage" and a number of employees will lose their jobs as a result.

The West Bank station, one of the oldest in the East Cape, is being taken out of service — a process which could take up to two years.

This was revealed today by the East Cape

Regional Manager of Escom, Mr K L Garman.

Yesterday Escom's senior general manager, Mr Ian McRae, said that the country's poor economic growth and reduced demand for electricity was forcing Escom into staff reductions and possible power station closures.

Port Elizabeth will not be affected, as the Escom

distribution plant based at Uitenhage had experienced no reduced demand for electricity.

The station feeds PE as well as areas such as Grahamstown, Kirkwood, Patensie, the Langkloof and the Gamtoos River Valley.

PE's Electrical Engineer, Mr C Adams, said today municipal employees at the Swart-

kops sub-station were not facing retrenchments.

"We are an entirely different organisation from Escom and as such do not face the same problems," he said.

Mr Garman said Escom had been forced to take active steps to reduce its staff and is discussing the matter with the trade unions.

Mr Garman said he was

not in a position to reveal how many employees from West Bank were facing retrenchment.

Negotiations with trade unions were still in progress. Until conditions were agreed upon, figures could not be disclosed. The West Bank station had become economically unviable as it was one of the oldest in the region, and because of the high

costs of transporting coal to the station.

It would be cheaper to generate electricity from power stations in the Transvaal, which at present had an excess generating capacity.

Mr Garman stressed, however, that West Bank was merely being put into "cold storage" and could well be utilised again in the next decade.

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POOR growth in the economy and reduced demand for electricity is forcing Escom to resolve the problem of redundancies.

Discussions with 12 trade unions are due to start today to decide on criteria for cutting staff.

Escom senior GM Ian McRae says the effects of a prolonged recession have had a marked influence on Escom, and the resultant slow-down in some activities has led to a redundancy in some jobs and staff.

Escom and unions to hold discussions on reducing staff

Escom has been forced to take steps to reduce staff, and is discussing the matter with the unions. The main issues are: what criteria will be used to determine redundant jobs, what criteria will be used to determine redundant staff, and

how the process will be implemented.

The establishment of criteria for determining redundant jobs and people will determine how many people are affected by the move.

The reduction is independent of steps taken by the organisation early this year to reduce Escom's staff complement through natural attrition and early retirements.

McRae says this process is running well and will be concluded by the end of the year. — Sapa.

R4 daily isn't much but it's better than nothing

FOUR RANDS a day for four hours labour isn't much, but it keeps jobless men out of trouble, off the streets, and in the black. Almost.

The Evening Post spoke to some whites clearing bush for the municipality under the Gov-

ernment job-creation scheme.

"It's not much but it keeps me occupied and out of mischief. I've worked with the job-creation scheme for about nine months now. Before that I was unemployed for a couple of months," said

Mr Barry McLagan of Greenshields park.

"Before that I worked at the harbour as a casual labourer," he added.

Another man, who asked not to be identified, said he wished the pay was better, but said he was satisfied.

"It keeps me off the streets. It keeps me alive. Sometimes you are forced to work for R4."

Mr Johann Wolmarans, of North End, said he received a disability grant which he supplemented by working for R4. "I'm quite satisfied

Another man said the money was not much, but allowed the workers to buy at least a loaf of bread and a packet of cigarettes every day. They worked four hours a day from 9am to 1pm.

Twenty-six white men yesterday cleared Port

Jackson Willow in Mount Pleasant, cutting the wood into neat bundles of firewood. Asked what happened to the wood, one said the municipality removed it.

A municipal worker said it was used at municipal braais.



Workers (from the left) Mr JOHAN WOLMARANS, Mr BARRY McLAGAN, and a third worker, who wished to remain unidentified, clear bush near Mount Pleasant — at R4 a day, an amount they say at least keeps them off the streets. Picture by JACK COOPER

Cape Times 15/9/86

Seifsa says sanctions will harm 500 000

By DAVID FURLONGER

JOHANNESBURG. — International embargoes on SA steel and coal exports would cost the country's metal industries over 90 000 jobs — and force over 500 000 people into starvation.

The warning, from Seifsa — the Steel and Engineering Industries Federation — is the latest shot in a last-minute battle by the country's steel and coal industries to stave off sanctions.

European foreign ministers meet in Brussels today, when they are expected to endorse a provisional sanctions package which includes an embargo on imports of SA steel, iron, coal and gold coins.

Delegations from the steel and coal industries were in London last week to meet politicians and other decision-makers, while a R250 000 series of newspaper advertisements warned the British public of the effect sanctions would have on SA's blacks.

'Total sanctions assumed'

Seifsa's latest warning estimates a direct loss of 47 500 jobs if steel export routes dry up, and a further 46 000 from the effect on metal industries of the collapse of coal export markets.

Seifsa director Sam van Coller said yesterday the estimates were based on the assumption of total sanctions against South Africa.

The survey was conducted by Seifsa's economic division among the 4 000 employer bodies linked to the federation.

A full-page Seifsa advertisement appeared in British national newspapers on Friday.

The advertisement depicts a smiling black girl with telescopic gun-sights centred on her heart. It is headed "You can be sure, sanctions against South Africa will find their mark".

Survey calls for bold action on East Cape

Dispatch Correspondent

PORT ELIZABETH — Imagination and bold action were required to break the "vicious circle of economic stagnation and violence" in the Eastern Cape, a survey of black unemployment in the Port Elizabeth/Uitenhage area has found.

The report was compiled by two academics at the Port Elizabeth campus of Vista University, Professor M. Levin, professor of economics, and Professor A. P. du Plessis, professor of business economics.

It shows the comparison between two surveys of blacks in the residential areas of Port Elizabeth and Uitenhage, one conducted in July 1985 and the second in August this year.

While the unemployment rate has dropped slightly from 56 per cent last year to 54,3 per cent, the survey emphasises that, considering the proportions that unemployment reached in the black community in the areas, this drop might be "regarded as trivial".

What was significant, however, was that there had been no increase in the unemployment rate.

"It may appear ironic to emphasise the importance of employment creation at a time when unemployment in the Eastern Cape is as high as it has been during the past two years.

"However, it seems that this area, and South Africa at large, is caught in a vicious circle of economic stagnation and violence.

"As long as unemployment is as high as it is, there is very little chance that political unrest will disappear.

"On the other hand, it is highly unlikely that there will be an economic recovery as long as political unrest prevails because political unrest undermines confidence, and confidence is needed for investment and an increase in economic activity," the report said.

Imagination and bold action were required to break the cycle and this was the "challenge facing the Eastern Cape and its people".

The survey did not exclude from the unemployment rates people who had not tried to find a job over the preceding month and found that "there is very little use for blacks registering as unemployed and many of them have given up looking for a job".

Included in the employed group, which lowered the unemployment rate, were people with temporary jobs — such as the R4,00 per day schemes — and those "underemployed" such as domestics or gardeners who work only a few days a week on a regular basis.

The survey estimates the group of "underemployed" constitutes anything up to a quarter of the economically active black population.

While there was a decrease from 7,9 to 6,8 in the average number of people living on a site, the number of children increased on average from 31 per cent to 33 per cent and old people from 4,9 per cent to 5,8 per cent of the site population.

"This suggests that the people who have left were younger people who were not tied down by the responsibilities of family life."

Unemployment was probably higher among the younger generation and, as they do manage to find employment, they marry and start their own households. More tolerance of squatting has helped them to become independent and the organised resettlements in Kwanobuhle and Motherwell "might well have contributed in this respect."

The fact that there was virtually no change in the ratio of males to females per site, supported this argument, the survey found.

A spot check on sites used in the July 1985 survey showed some of the unemployed had left for the Transkei, Ciskei and Border areas.

Young feel worst bite — survey

Soweto hard hit by unemployment

MASSIVE unemployment in Soweto is revealed in a Unisa Bureau for Market Research survey released in Pretoria at the weekend.

Frustration, the survey found, was greatest among the 20-24 male age group, where 40% were mainly unemployed. The youngest group was unable to find work despite being better qualified than their parents.

The economic circumstances of some Sowetans was causing frustration, while another group was enjoying relative prosperity.

In the 25-34 age group, the unemployment level was 41%.

In 1970, two-thirds of all Sowetans between the ages of 20 and 64 earned a salary. Last year this declined to 46%.

About 30% of all males in the 20-64 age group were not gainfully employed, 58% were earning salaries, and 3% were pensioners.

GERALD REILLY

The survey found average household income more than doubled in real terms between 1962 and last year, when it amounted to R9 756. Men's earnings averaged R6 512 and women's R4 292.

The average salary of professionals was roughly three times higher than the R3 879 earned by unskilled workers last year. "One part of the population is becoming richer while another is getting poorer."

The percentage of households in the lower-income groups rose from a low of 14% in 1975 to 23% in 1985.

The percentage of households in the higher-income groups — R12 000 plus — rose from 15% in 1975 to 25% last year.

Soweto households, the survey found, spent about a third of their budget on food. Next to food, 15% was spent on housing and electricity.

SUNDAY 15/9/86.

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SA's jobless could be 6-m — academics

Weekend Argus Correspondent

JOHANNESBURG. — Unemployment in South Africa could be as high as six million, according to leading academic researchers.

This is almost 12 times as high as the most recent official Government unemployment figure — for March — of 533 000.

Professor Jeremy Keenan of the Social Anthropology Department and Mr Mike Sarakinsky of Development Studies at the University of the Witwatersrand yesterday released detailed computations of the jobless situation in a memorandum compiled on behalf of the Transvaal Rural Aid Development Programme.

W/6/86 13/9/86

Best data

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They have arrived at this figure — the higher of two figures — using the "best available data", stressed Professor Keenan.

He said that, in arriving at the estimations, they had erred on the side of conservatism.

He was also confident, "despite massive generalisations", the figures had validity because they matched the results of micro surveys he had carried out in urban and rural areas.

The numbers, updated from original research done by Professor Charles Simkins, give an estimated overall range of black unemployment of between 4 838 510 and 5 995 541.

Even allowing for a possible double counting of homeland blacks, who have lost jobs in other areas and returned to their homelands to be counted in again, the range is still high: 4,2 million to 5,3 million.

Verified figures

"This may seem excessive," the memorandum said, "in relation to hitherto published surveys and Government figures of unemployment.

However, a verification of this figure and a possibly more-accurate calculation of black unemployment can be got by applying the aggregate results of several local, rural and urban surveys to the total national data.

"The aggregated results of these local surveys show on average that just over 25 of the total population or 48 of the economically-active population is unemployed.

"If we take the total black population of South Africa ... as 26 082 000 we get a figure of 6 500 000 for the number of blacks who are unemployed."

GM 'yes' on detainees' pay issue

Weekend Argus Reporter
GENERAL Motors has agreed to union demands that detained employees receive their full wages.

A National Automobile and Allied Workers' Union spokesman said yesterday GM's undertaking ended "many weeks of negotiation".

He said: "GM accepted conditions relating to detained employees in a letter to the union yesterday."

The letter said no employee detained without trial will lose his job.

Half of a detainee's wages — less tax and benefit deductions — will be paid to his dependants for up to six months.

Nightmare ends — illegal city migrant freed

Weekend Argus Reporter

A CONVICTED illegal immigrant has been reunited with his common-law wife and their three children in Woodstock after his attorney convinced immigration authorities he should be freed.

Portuguese Fernando Motto spent three nights in jail this week before a court found him

guilty of entering South Africa illegally.

After being convicted he should, according to the law, have remained in jail until the Department of Immigration decided whether to grant him permanent residence or deport him — which may have taken months.

Motto's attorney, Mr Keith Hamblin, had earlier managed to have the case — originally

due to be heard in two weeks — heard this week, shortening the time the accused would have to spend in custody.

Mr Hamblin said after Motto's release he was "extremely grateful" to the immigration authorities.

"They were very helpful," he said.

Motto's freedom means he can bring forward his marriage to the mother of his children. For nine years marriage was denied the couple because of the provisions of the recently scrapped Mixed Marriages Act.

Marriage now will also help to speed his permanent residence permit.

Motto, a fitter and turner, told Cape Town Magistrate's Court he came to South Africa from Mozambique in 1972 on contract to a Springs construction company.

On his way back to Mozambique he was given a speeding ticket and was issued with a temporary permit allowing him to return to pay the fine. He failed to renew this when it expired in 1975.

He applied for permanent residence but nothing happened.

Complaint

He moved to Cape Town to take up a job offer, met his wife-to-be and was "so happy here" he did not want to leave. He did not want to return to Mozambique because of the political troubles there.

He worked as a barman until last month, when he resigned.

His common-law wife, My-moena Karriem, said Motto's "nightmare" began when a police officer arrived at his home, acting on a complaint from his neighbours who suspected the house was a brothel.

A policeman started searching for an "Oriental man".

She told him she had never had Oriental men in her house but had her mother and young brother living with her. The policeman then arrested her husband.

Martin holds lead

By ARNOLD KIRKBY

IN spite of a burst water ballast tank, Springbok yachtsman John Martin in Tuna Marine Voortrekker II is holding on to the lead in the BOC Challenge

round-the-world race against stiff opposition from a pack of Frenchmen.

He said by radio he was happy with his yacht's performance.

Baboons kill in the Karoo

(Cont. from Page 1)

Another neighbour, Mr John Bell of the farm Bellrock, has reportedly lost more than 100 sheep to the carnivorous primates.

The secretary of the local hunt club, Mr Bennie van der Merwe, has been called in to try and figure out ways of shooting the baboons but has so far drawn a blank.

"You can't hunt these baboons, they disappear right in front of your eyes," he said.

"We've tried everything, even hunting them from helicopters with expert game cullers, without success. Even if you do manage to shoot one, the rest immediately just vanish."

Mr van der Merwe feels the only way to deal with the animals is by laying out poisoned baits for them. He is supported in this by the farmers, but the Department of Nature Conservation has so far refused to countenance this drastic step.

"We want to poison oranges and lay them out for the baboons, nothing else in the area will eat oranges, making the risk of killing innocent animals minimal," he says.

However, in the absence of this final solution for the problem baboons, he has come up with another plan to surprise the sheep killers when they are still half asleep.

"We plan to find out where



Possible 6m unemployed says survey

JOHANNESBURG — The total number of unemployed in South Africa could be as high as six million, according to academic researchers.

This is almost 12 times as high as the most recent official government unemployment figure — 533 000 for March.

Professor Jeremy Keenan, of the University of the Witwatersrand's social anthropology department, and Mr Mike Sarakinsky, of the development studies department, released detailed computations of South African unemployment yesterday in a memorandum compiled on behalf of the Transvaal Rural Aid Development Programme.

In arriving at the figure of six million, they had "erred on the side of conservatism", Prof Keenan said.

The memorandum gave an estimated overall range of black unemployment of between 4 838 510 and 5 995 541.

Allowing for a possible double counting of homeland blacks who had lost jobs and returned to their homelands, the range is still

high — 4,2 million to 5,3 million.

"The aggregate results of these local surveys show, on average, that more than 25 per cent of the total population, or 48 per cent of the economically active population, is unemployed.

Prof Keenan emphasised that criticism was not aimed at the Central Statistical Services for its data but at the uses to which it was put by politicians.

"Official government data is designed to minimise the level of black unemployment," the memorandum said.

Citing the government figure of 533 000, it added: "This figure would not be so ludicrous if the government did not claim that its method of calculation was in accordance with international definitional recommendations."

In international definitions of unemployment, the memorandum said, a person was unemployed if he sought work during the previous month.

"As a result, a very small number of black unemployed register as unemployed." — Sapa

W/C Post 15/1/86
6m could
be out (335)
of work
in SA

Weekend Post
Correspondent

JOHANNESBURG — The total number of unemployed in South Africa could be as high as six million, according to two Witwatersrand University researchers.

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