MANUFACTURING.

RUBBER PRODUCTS.

MAY & AUG. 75.

JUNE & JULY 76.

MAY & NOV. 77.

FEB. & NOV. 78.

US joins SA rubber venture

RDM 9/5/75

Industrial Editor

SOUTH AFRICA has taken another step in achieving self-sufficiency, this time in the manufacture of rubber and elastometric roll coverings which are used in paper, textile, printing and other manufacturing processes.

BTR South Africa, the industrial rubber manufacturing conglomerate, has embarked on a R1-million venture with the American industrial group, Stowe-Woodward Industries, to make the rolls at a factory near Durban.

The factory came on stream this month, although some smaller rolls came off the production line in February.

BTR has been making smaller rubber rollers for some time, but was not prepared to expand its activity until Stowe-Woodward began taking an interest in the South African market.

BTR was involved with Stowe-Woodward through its parent company in Britain where at least three manufacturing facilities are operating.

Stowe-Woodward is a leader in rubber rollers. It believes it holds well over half the world market

Chairman, president and chief executive of Stowe-Woodward, Mr Thomas Leonard, said at the opening of the Durban factory that his company, through its connection in joint ventures and licensing arrangements, had an annual turnover of about $50-million.

Apart from rubber rollers, the 90-year-old company is concerned with the manufacture of web-guiding controls.

He considers his company's venture in South Africa, in which SW Industries is contributing R500 000 to the initial investment, is a calculated risk whose success depends on the large proportion of the paper manufacturing and other industries using these rollers.

A market survey two years ago indicated the market was still too small to support a roller factory of the size that has now been built. But the growth in the market looked promising, so the decision was taken to go ahead.

Mr Leonard expects it will be at least three years before the joint company will start to receive a break-even return.

Thereafter it is hoped to achieve a 25 per cent return on capital.

The Durban factory should provide considerable benefits in turnaround times. Instead of having to wait six months or more for an order to be filled, maximum turnaround should be three weeks for the more complex rollers.

But Mr Leonard says the company has no intention of cutting prices in an attempt to buy into the domestic market. Prices will remain high, but customers will get on-the-spot servicing and technical assistance.

He expects the Durban factory to meet demands of the domestic market for the next 10 years.

196

2. 196

Dunlop company sacks 86 workers

RDM 29/8/75

Financial Reporter

A LEADING producer of foam rubber products, Dunlopillo, is retrenching 86 workers at ts Port Elizabeth factory.

The total work force at the factory is 308, and the managing director of Dunlop South Africa, the holding company, Mr H. Archibald, said the cutback was necessary because the company was discarding its unprofitable lines.

In future Dunlopillo would concentrate on the production and supply of car seats and mattresses.

He said Dunlop would try to help all retrenched workers to find employment, either with Dunlop, or eleswhere.

196

30/7/76

y 30, 1976. 15

nm

SHORTER WEEK IN TYRE FACTORY

PORT ELIZABETH. — The Firestone SA (Pty.) Ltd. factory here has started working a four-day week as a result of the present depressed state of the motor industry.

"The four - day week, which started this week, is from Sunday night to Friday morning," said Mr. Peter Morum, managing director of the company. "We do not know how long this situation will last, though we regard it as being of a temporary nature.

"We have no plans for retrenchment. Some inventories have been building up, and we are making adjustments."

Mr. Al Dunn, managing director of the Goodyear Tyre and Rubber Co. (S.A.) (Pty.) Ltd., said his company had no plans at this stage for short-time working. — (Sapa.)

197

Frame's new game?

F.M. 30/7/76

The textile industry is buzzing with rumours that the giant Frame Group is about to build a polyester plant in Jacobs, Natal, estimated cost around R20m.

Main reason for the buzz is that the plant could well upset the delicate apple-cart in polyester yarn production and raw material supply, which the recent AE&CI, SANS rationalisation has supposedly brought about. Three years ago AE&CI embarked upon a grand design to streamline the nylon processing industry. This included a R26m plant at Bellville which would make SA self-sufficient in polyester polymer.

Details of Frame's plans are scarce. A spokesman for Frame-controlled Consolidated Textile Mills told the *FM* this week: "No comment".

Yet it is known that both German chemical giant Hoechst and AE&CI are concerned about the Frame group's scheme.

Apparently machinery has already been ordered from Italian suppliers Lurgi.

Observers in the industry point out that rationalisation in the textile industry has never been given official government approval, as it has in, say, the basic chemicals industry. They also suggest, however, that "permission" for the Frame group to go ahead with its development has been granted by the Department of Industries — without asking the views of the Board of Trade, which normally advises government on the advisability of major industrial projects.

Philip Frame . . . what's the group's new yarn?

Financial Mail July 30 1976

Tyre bosses force store to stop sales

198

26/5/71

Mercury Reporter

THE POWERFUL Tyre Manufacturers' Conference has forced Game to stop selling discount tyres.

So the Court battle that loomed yesterday will not take place.

Asked why TMC had moved in to halt discount-tyre selling by large stores, TMC director Mr. W. D. R. Brownlee told the Mercury: "It will not be in the public interest."

Game's tyre supplier, Day Tyre Company, was yesterday given an ultimatum by the TMC: Stop supplying Game or TMC cuts off supplies.

"What could Mr. Day do? He has his business to protect. I have 17 000 other items to sell," Game's managing director Mr. Jack Schaffer said.

"But I don't intend to give up," he added.

Refusal

"We have been told we will have no success if we go to Court because the Government is right behind the TMC, so we will no longer take them to Court."

Mr. Schaffer said he had "begged" TMC's chairman, Mr. Al Dunn, for time to put Game's case to a TMC meeting at 10.30 this morning.

Mr. Dunn refused.

"He suggested I apply to become a member of the Tyre Trade Register but I told him I don't want to be a member — I want to sell tyres at a discount using the services of a recognised and reliable TTR member.

"This would make tyres cheaper for our customers."

Giving reasons for the refusal to allow Game to put its case at today's meeting, Mr. Brownlee said: "It will be a normal routine meeting with a long agenda. Mr. Schaffer's name is not on the agenda and it will not be convenient to hear him at the meeting."

Mr. Schaffer said: "I now intend preparing a case as to why our method of selling tyres is in the public interest, which I will present to Dr. D. J. Mouton, chairman of the Board of Trade."

Abolition

Mr. Schaffer said he spoke to Dr. Mouton yesterday and now believed Dr. Mouton would recommend that Re-sale Price Maintenance for tyres be abolished.

Game sold its last tyre at 5 p.m. yesterday. During its three days of tyre selling the store sold 379 tyres.

"With so many people needing tyres I don't think I want to be on the road any more," Mr. Schaffer said.

"It's a shame that there is such a demand for tyres yet the public pays grossly inflated prices all thetime."

3. Write briefly on the causes of urbanisation.

(10 marks)

30/8/77 N/MERCURY

Discount on tyres possible in Cape

Mercury Correspondent

CAPE TOWN — The discount tyre war which started with a Johannesburg multi-market selling tyres at 27½ percent discount may soon spread to Cape Town, following a R500 000 order for tyres placed with the discount store's secret supplier this week.

Efforts to stop the supply to Checkers in Johannesburg had failed, the secretary of the South African Tyre Manufacturers' Conference, Mr. Stan Krik, said yesterday.

"At the moment we have managed to curb the supply to a trickle," he said.

Tyre dealers have also been warned that they will be removed from the register if they are caught supplying the supermarket.

But in Cape Town this week the supplier said supplies were still being channelled to the multi-market and that he expected to step up supplies considerably.

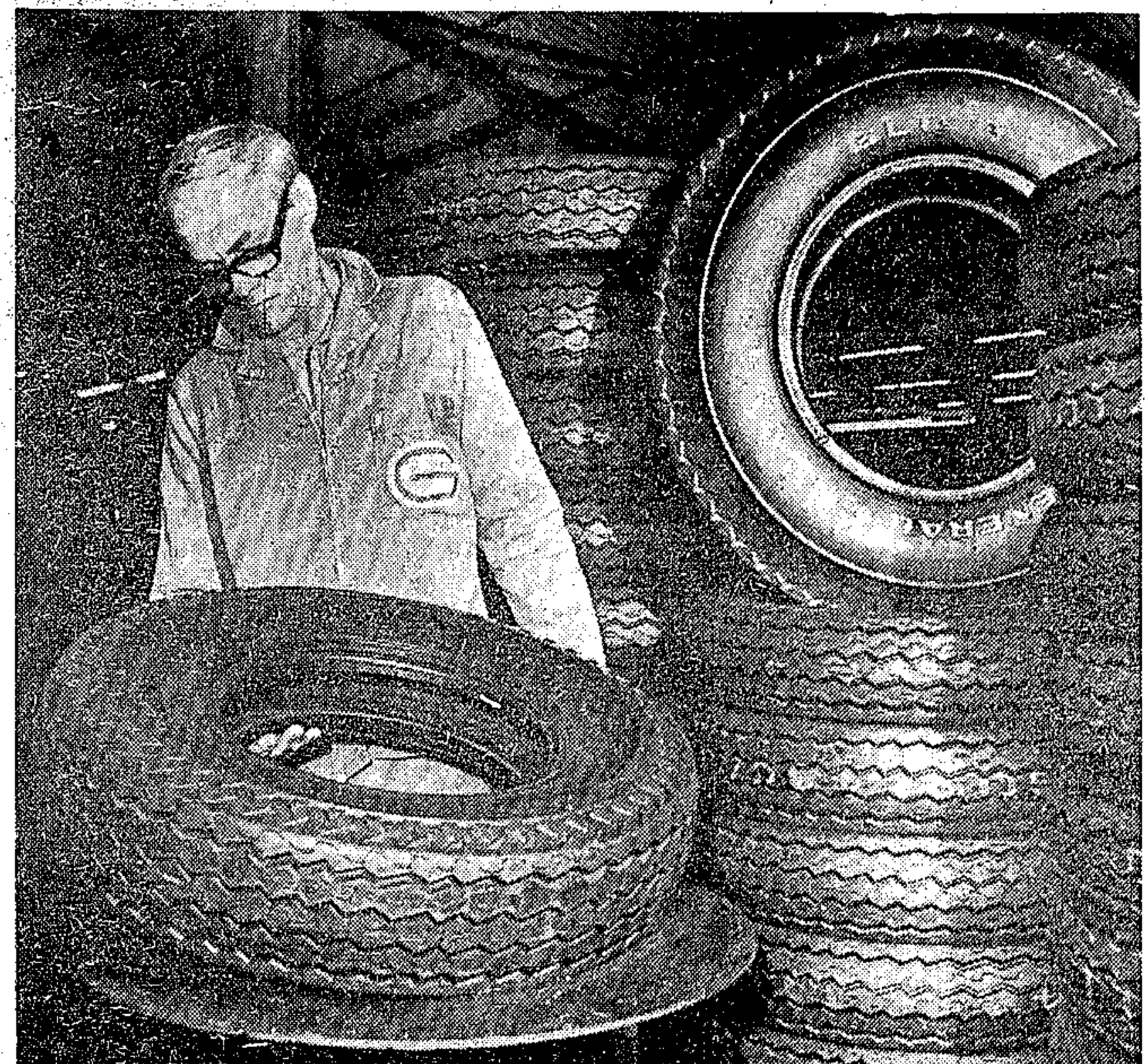
So far, supplies have barely managed to keep up with the enormous demand for the discount stock.

"They are sold as fast as we can deliver them," he said.

196

Business

196



• General Tire's latest tyre being inspected by a veteran of the tyre industry, Piet van Rooyen.

Tyres for Africa

ONE of South Africa's top tyre manufacturers has made a major breakthrough in the field of exports to Africa.

General Tires has launched an all-out export drive aiming at a target of over R1-m this year.

Already General Tires has obtained export orders of R214 000 from Zaire, Maputo and Mauritius and are negotiating enquiries from other African territories, Tony Versfeld, marketing manager said this week.

Further very substantial orders are in the pipeline awaiting payment guarantees.

"Suddenly there is a demand for South African made tyres which are competitive, particularly in the

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departed the Pretoria
company "to consid
complete change in
business life."

Economy tyre

D.D. 2/8/77

(196)

Goodyear unveiled a new tyre in the United States, which, the company claims, will improve fuel economy, putting "up to 20 more miles (32 km) in every tankful of petrol."

The Goodyear chairman, Mr Charles Pilliod, told a news conference the new concept in tyre design could reduce petrol consumption by three to six per cent from radials. He said the new concept was based on a special design that permitted much higher inflation pressures without causing an uncomfortable ride.

N. Mercury 9/9/77

Tyre Power

TYRES FINDING A WAY TO BEAT INFLATION

196

ONE Durban tyre retreading firm has found a successful way to turn the current depressed economic market to its best advantage.

"But that does not mean we are exploiting the public," insisted Mr. Roger Robinson, managing director of Mr. X-haust in Durban.

"We offer a very good price deal combined with a guarantee you can only give in writing if you back it up with a quality product," he said.

Up until recently, the public were not buying retreads because they were afraid of the product and the bad publicity about regrooving: "And that's why the retreading business was in ruins less than two years ago."

Mr. Robinson said inflationary pressures on motorists since had been "fantastic" and this had led to a reversal of the situation.

Realising the potential he approached an advertising agency. "We hit the marked with a retread called Mach 20 with a 20 000 km guarantee," he said. "We were the first in the field to stand by our word."

Mr. Robinson said the results of the R100 000 advertising campaign were "phenomenal." His retread sales had "rocketed by up to 500 percent since last November, he said.

He attributed the campaign's success partly to Mr. Hugh Flack, the firm's marketing director.

"Hugh later suggested we market a one-price tyre for all cars and that was our coup de grace," he said, "the new tyre market took a pounding."

"We watched our sales climbing for six months before other retreading firms became competitive."

But Mr. X-haust volleyed with a six-months-to-pay scheme, "Now we are not only offering a customer a good deal but we gave him the means to pay," he said.

Tyre Power

MR. ROGER ROBINSON (right) – mastermind behind a massive sales campaign which altered the face of Durban's retread tyre market in less than a year.

Bad treads can mean death on roads

Low failure rate is the top priority

A FAILURE rate of less than half the national average for the retreading industry is what the Day Tyre Company are claiming for their revolutionary Pressurtread method of retreading truck tyres.

"The average claims rate for failed retreads throughout the industry is roughly between 4,6 and 5 percent," says Mr. Keith Day, director of the firm.

"In the United Kingdom, where the Pressurtread process originated they have reduced their claims rate to about 1,2 percent," he said.

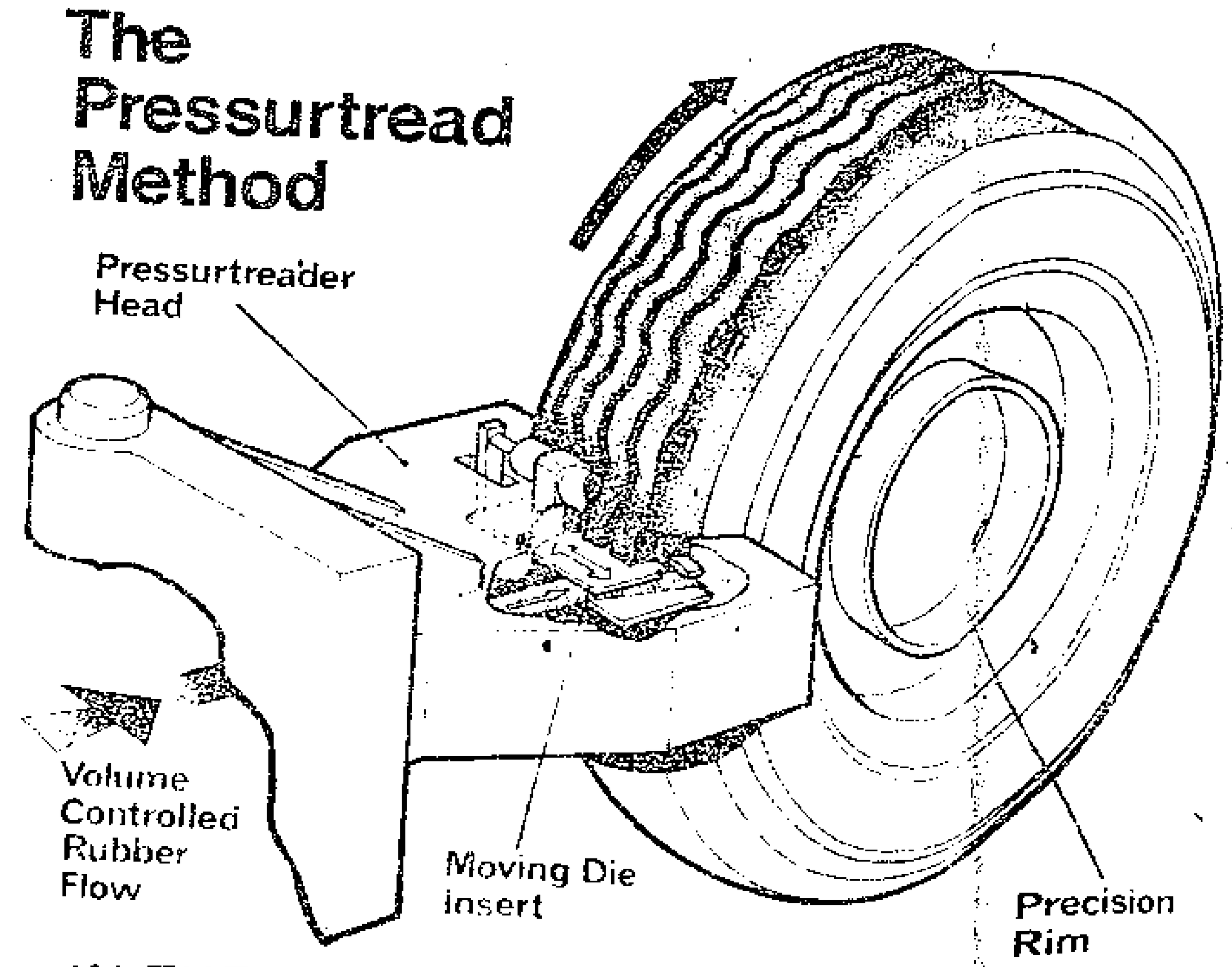
The Pressurtread method of retreading tyres depends, as the name suggests, on now captured one-third of the American retreading market, and has become the biggest private retreader in the world.

"Goodyear have one factory set aside wholly for this production," said Mr. Day.

Day Tyre company hold the sole franchise for Pressurtread for South Africa.

A very expensive machine, the investment for one is more than R150 000, Day Tyres have installed three in South Africa, while a fourth is on its way to South Africa.

The Pressurtread Method



IN THE Pressurtread method of retreading, the peeled tyre is rotated while the new tread is rolled at great pressure onto the carcass. The new tread pattern is formed in the tread by a moving die plate simultaneously.

Cont.

THE balance between life and death on the roads is swung too often by ignorant motorists who persist in driving on poor tyres, says Mr. Gerald Franken of Stadium Tyres in Durban.

"Taking chances with smooth tyres is all very well until one is faced with an emergency," he added.

Mr. Franken said he was "shocked" by the apathy motorists displayed over the condition of their tyres.

"So many people seem unable to grasp the fact that they are involved with a daily dice with death."

Oil

He said men were more to blame than women. "When a woman drives into a service station she usually checks tyre pressures but a man is only concerned with the oil level," he said.

Without knowing the limitations of a tyre, it was too easy to underestimate the potential dangers, he said. "But I make it my duty to enlighten my customers."

Some of the hazards he warned about were:

- An underinflated tyre — which caused distortion and generated excessive heat. This also resulted in loss of tyre life.
- Mating crossply and radial tyres on the same axle — a practice considered lethal.
- Riding on retreads not fitted with tubes.

Mr. Franken said tyre wear, "paints a clear picture of the steering geometrics of a vehicle, especially if the castor and camber is out of alignment or the suspension is worn," he said.

Money

Speaking about retreads, Mr. Franken said he was "amazed" how few motorists knew that refunds were available for old tyre casings.

"The man-in-the-street doesn't know that a retreadable tyre is worth money, that is, if the tyre is not beyond redemption," he said.

pressure. The new tread is applied to the peeled (no buffing or scorching takes place) casing at a pressure up to 14 000 kPa (2 000 psi).

As the tread is applied under pressure a moving die plate forms the tread pattern in the warm rubber.

"One of the advantages of this method is that no mould is required;" explains Mr. Day. "The tyre is placed on a precision rim and the pressure head moved up to the tyre."

This makes the Pressurtread method ideal for retreading steel radial tyres.

Steel radials do not shrink or stretch so they must therefore be a perfect fit in the mould and this is a major problem in the retreading industry.

"With the Pressurtread process there is no mould as such and so the problem is eliminated."

Developed by the Barwell group of companies in Britain, the Pressurtread process made its first appearance in the late sixties. It won the Queen's Award for Industry in 1969 and 1973.

In the United States such has been its success that the franchise holder there has

Specifically for bakkies

GENERAL Tyres have developed a tyre specifically for light trucks and bakkies, designed to give optimum performance on these vehicles.

Known as the GLT, the new General has modern tread design and a flat tread radius to give good roadholding in all weathers. It can also be used on surfaces where previously only heavy duty tyres could travel.

Our picture shows final finish supervisor Mr. P. Van Rooyen inspecting the new GLT General as they come off the production line.

9/9/77 (196)

Tyre Power

'wenty years ınd still ɔn the road

ANDAG tyre etreaders are ʼelebrating their 20th nniversary world-ʼide this year.

The international firm – hich has five branches in outh Africa – was founded y American tycoon, Mr. oy Carver, in Muscatine, hio in 1957.

"Bandag now commands ,out 90 percent of the orld's retread tyre arket," said Mr. Ronald .arding, managing director f Bandag S.A. (Pty.) Ltd. in ıcobs, Durban.

Although it was not the ıeapest retread on the arket its "claim to fame" as that it gave more than ʼvice the mileage of an or-'nary retread, he said.

"We specialise in truck res and have it on record at one tyre travelled 50 000 km before it had to replaced," he said.

Bandag's success had emmed from the com-.ny's development of a .bber pre-curing process. The tread is pre-cured before it is adhered to the original tyre and therefore it enables us to retread tyres at a far lower temperature than the conventional method," he said.

The most outstanding advantage of the "cold" process was that tyres could be retreaded while fully inflated.

Mr. Harding said the company had enjoyed a "phenomenal" growth rate throughout the world. The "cold" process had become the dominant retreading system.

It had also been developed for aircraft tyres – "Bandag has qualified their retreads for all commercial aircraft, including Boeing 747's," he said.

The process had also won the confidence of racing and rally drivers – many Roof of Africa winners had ridden on retreads produced by the company.

Mr. Harding was among 48 South African members of the company who flew to Rio De Janeiro for the firm's 20th anniversary celebrations.

A WORKER demonstrates the simplicity of the Bandag retreading process. A pre-cured rubber strip is wrapped around the fully-inflated tyre before it is adhered by a "cold" process.

Watch out for second liners

WATCH OUT for second line tyres – that's the warning to local retreaders from a Durban tyre dealer.

"It's unwise for retreaders to chisel into the new tyre market too deeply because it may result in a chain reaction," says Mr. Tony Jones of Jones Car Tyre and Retreaders in Pine Street, Durban.

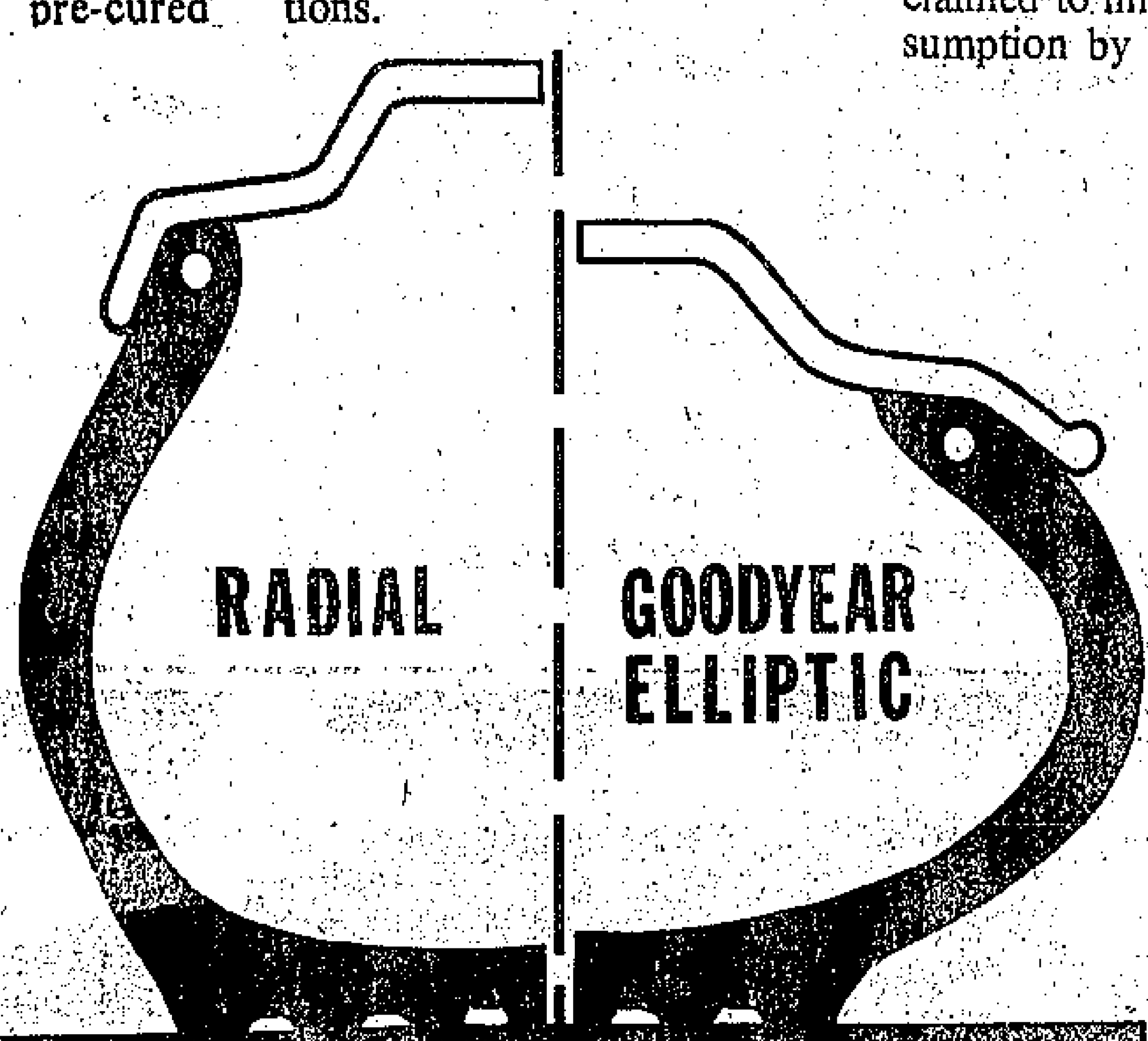
He was referring to retreaders who are currently discounting retreads to a level "which could easily aggravate the new tyre market," he said.

"If the trend continues, the situation could deteriorate to the point where tyre manufacturers may be forced to counteract for their own survival," he said.

He said this could be achieved if tyre manufacturers decided to market a second line tyre – a new tyre with a lower speed rating – "Which could force many retreaders to close down overnight," said Mr. Jones.

This situation had already been forced on manufacturers in Britain, Europe and the America's, "where there are few independent retreaders left today," he said.

Treading on petrol prices



GOODYEAR has developed a tyre which is claimed to improve fuel consumption by between 3 and 6 percent by comparison with present radial tyres.

According to Goodyear technicians the ability of the tyre to save fuel is based on its special elliptic design which permits much higher inflation pressures, without causing an uncomfortable ride.

The tyre runs at pressures between 60 and 85 kPa higher than conventional tyres, or up to 50 percent above normal pressures.

The new tyre has a polyester cord body with steel belts and resembles a conventional radial tyre.

"Its unique features include the strategic placement of materials and an elliptically-shaped sidewall which forms a curve right down to the point where the tyre meets the wheel rim.

This feature, the curved sidewall, prevents the harsh ride in spite of the higher pressures. The normal straight sidewall would not flex at the higher pressures used by the new tyre.

The construction of the new tyre allows for more design variations in tread, with corresponding improvements in wet traction and resistance to hydroplaning.

In tests at the launching of the new tyre in Detroit, it was shown that the tyre cut fuel consumption by 3 to 4 percent at 80 km/h while data presented by Goodyear showed savings of 6 percent at 48 km/h.

Cont.

MIGHTY MAZDA

THE Mazda 323 in mid-test, with the consumption tester dangling from the rearview mirror. The half-litre tester is graduated in millilitres and can be filled on the move direct from the fuel pump of the car.

Steel yourself to save on petrol

THROW away those old crossply tyres, fit steel-belted radials in their place — and get every eighth litre of petrol free.

Incredible, it may seem, but it's true and we proved it ourselves. Using Motoring Mercury's fuel consumption tester, accurate to a millilitre, we showed that by using steel-belted radials in preference to crossplies it is possible to reduce a fuel bill by 12,5 percent at 90 km/h.

McCarthy Sigma also assisted with a spare set of wheels for the car to save turnaround time.

The tyres used for the test were Firestone's Pacer 671 cross ply and Firestone's new Steelbelt radial. Mr. Bob Price, manager for Natal of Firestone SA, personally assisted in the test.

"The tyres are the 155SR-13 Steelbelt and the 6.15-13 crossply Pacer," said Mr. Price, pointing out that the diameter of the two tyres is identical to within a millimetre.

In the test, to achieve maximum accuracy, we timed the consumption of a given quantity of fuel at a set speed, rather than attempting to measure the distance covered on the speedo.

From the stopwatch readings, the distance covered could then be calculated far more accurately than on the car's odometer.

Two-way runs were made to eliminate the effects of wind (it was a windless day anyway), between four and six runs being made on each set of tyres, at 60 and 90 km/h.

At 60 km/h we found that on crossply tyres the Mazda used 5,88 litres per 100 km, while on changing to the radial Steelbelt consumption fell to 5,41 litres per 100 km, a saving of 8,31 percent.

At 90 km/h the 323 consumed fuel at the rate of 7,09 litres/100 km on crossplies, but at only 6,29 litres/100 on the Steelbelts, a credit-side gain of 12,62 percent.

At the same time it was quite obvious that the Steelbelts gave the Mazda a better ride and much improved handling and roadholding by comparison with the crossply Pacers. The steering felt much more precise and direct and control was improved greatly.

"The reason for the reduced fuel consumption on the Steel belts is the reduced rolling resistance of the radial tyre, which is even more marked on the Steel-belted tyre," explained Mr. Price.

Firestone manager for Natal Mr. Bob Price and the new Steelbelt tyre which saves fuel at the rate of one litre in eight at 90 km/h by comparison with the Pacer crossply.

196

9/9/77

Local tyre company feels loss

(196)

N M Financial Editor 2/11/77

DUNLOP South Africa, a Durban tyre manufacturing company, will close its local factory a week early at the end of the year and may retrench workers because it was not awarded the Durban City Council's tyre contract.

At a Council meeting on Monday it was decided that Durban manufacturers would not be given preference when considering tenders even when all things were equal.

Also on Monday the Council approved a Municipal Tender Board recommendation awarding a R239 000 contract to Goodyear Tyre and Rubber Co. (S.A.) (Pty.) Ltd., Port Elizabeth. The contract covers the Council's tyre requirements over a year for vehicles other than buses.

The contract was awarded by drawing lots. There were five equal tenders received from Goodyear, Dunlop, India Tyres, General Tyres and Firestone.

A spokesman for Dunlop said that with one exception the company had enjoyed the Durban municipal contract for the past 20 years.

"Since June, 1976, our Durban factory has reduced its payroll by 30 due to the economic downturn. This will be further aggravated by the Council's decision."

Preference

Councillor Ken Shepstone, a member of the Municipal Tender Board, said he had nothing against Dunlop. However, he could not see how preference could be given.

About 20 years ago a recommendation had been made that preference be given to local firms by the Council. He could not agree with this policy.

"There are many Durban companies which do business in Johannesburg. If we gave preference to Durban firms the Johannesburg City Council could retaliate and only deal with companies on the Rand."

He felt a Durban firm should be able to provide tyres at a lower price than a Port Elizabeth manufacturer because of lower transport costs.

Distinction

Mr. Roland Freakes, executive director of the Natal Chamber of Industries, said his chamber drew a distinction between a "home-town" preference and "provincial" preference.

The chamber favoured preference being given to Natal manufacturers when all tenders were equal.

Mr. Shepstone said the City Council could only deal with matters in the Durban area.

It was a matter of free enterprise and the Council had to obtain the best deal possible, taking into consideration bids from all parts of the country.

TENDER 'LOTTERY' ASTONISHES DIRECTOR OF TYRE FIRM

Financial Editor

MR. CLIVE HOOPER, managing director of Dunlop South Africa Ltd., has expressed his astonishment that the Durban City Council's Tender Board should award tenders by "drawing lots behind closed doors."

Mr. Hooper was away overseas when the Tender Board recommended, earlier this month, that a R239 000 contract should be awarded to Goodyear Tyre and Rubber Co. (S.A.) Pty.) Ltd., Port Elizabeth.

As five equal tenders were received, the contract was awarded by drawing lots.

In a letter to Durban's Town Clerk, Mr. Hooper says that he is surprised that this practice was condoned by the City Council.

"I do not think that the supplier of tyres should be chosen in this haphazard way. There are too many variables such as quality, after sales service and reliability.

"If this is to be the method of allocating certain contracts, I believe that the parties concerned should be given the opportunity to attend the lottery, in the same way that tenderers attend the opening of tenders."

Mr. Hooper said that his company had supplied the Corporation's entire tyre and tube requirements for many years to the Council's complete satisfaction.

In nine months Dunlop's service and sales staff had conducted 87 fleet inspections and examined 6 234 tyres on 1 039 of the Corporation's buses.

"I believe that the Council has a duty to give some degree of preference to local manufacturers," he added.

NM 11/11/77 196

NM 24/2/78

(196)

Dunlop's chief hopeful

Financial Editor

DUNLOP South Africa, the Durban tyre manufacturing company, hopes to make steady improvement during the current year providing the South African economy has passed through the worst of the recession and prospects are not unduly dampened by political developments.

This is the view of Mr. H. W. Archibald, chairman of the company, who says in his annual statement, that in 1978 Dunlop should at least maintain the levels of profitability and dividend it achieved during 1977.

Last year was the fifth consecutive year in which the group improved its profits and liquidity.

Expense control

This was done in spite of a stagnant economy. The method was to improve operating efficiency and the control of expenses.

Figures for employees, given in the company's annual statement, bear out the extent of the efficiency drive.

Dunlop employed 5 346 in 1973. Today, the company has 4 365 on the pay roll. Fewer people are producing more but, on the other hand, the cost of hiring the work force has almost doubled in the five-year period.

In 1977, attributable profit of R5 million was R1 million higher than in the previous year.

The company has declared an increased final of 11c a share. This makes a total distribution of 17c (1976: 15c).

Star 28/2/78

196

Garagemen complain over tyres

Owners of small garages complained bitterly today that they have been unable to get supplies of tyres from the big companies.

Their complaints follow newspaper reports — and general agreement within the tyre industry — that the price of tyres will soon rise by from 10 to 16 per cent.

Retailers were still waiting today for official confirmation of hte increase they have been expecting for some time now.

A local garage spokesman complained that his garage had tried to get tyres from several big firms today, but had been told that there were no stocks.

A Dunlop spokesman said "the industry itself, including his firm, has a tremendous shoreage at the moment because all of the large retail outlets have purchased in excess," he said.

10,7% rise in tyre prices soon

3 Star 1/3/78

(19b)

Motorists have about two weeks' grace before the price of tyres rises by about 10,7 percent — and already the rush is on.

Mr W D R Brownie, director of the South African Tyre Manufacturers Conference, said the Price Controller had authorised an increase of 10,7 percent in the prices of all tyres, tubes and retreading materials with effect from Monday, March 13.

"Continuing increases in the costs of imported and local raw materials and transportation, power and other service and supply charges, together with the fact that return on investment in the new tyre industry is well below accepted levels, have necessitated the present increases in prices," he said.

The price increase which has been expected within the industry for a long time now, has led to a rush on tyres by both dealers and consumers.

NM 1/3/78 196

TYRES UP 10 PERCENT

JOHANNESBURG — The price of all tyres, tubes and treading materials would be increased by 10,7 percent from Monday, March 13, Mr. W. D. R. Brownie of the South African Tyre Manufacturers' Conference announced here yesterday.

He said the Price Controller had authorised these increases because of the continuing rise in the cost of imported and local raw materials, transport, power and other service and supply charges.

These factors, together with the fact that the return on investment in the new tyre industry was well below accepted levels, necessitated the price increase. — (Sapa.)

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Tyre prices drop in secret battle

SUN TIMES 19/3/78

(100)

By MARTIN CREAMER

MOTORISTS will save up to R14 on the price of a tyre when the supermarket chain Checkers launches a new discounting campaign tomorrow.

The move, which comes after a recent 10 per cent increase in tyre prices, is described by the company as a cloak-and-dagger operation which defies the SA Tyre Manufacturers' Conference.

This organisation prohibits tyre marketing by sellers who do not have fitting, aligning and balancing facilities.

2 000 on the shelves

Checkers will charge R28,82 for a popular brand of radial-ply tyre, which is selling for R43 at three dealers approached by the Sunday Times.

About 2 000 cut-price tyres will be put on the shelves of Checkers' South Hills multimarket tomorrow.

Mr Neville Robinson, the chain stores merchandising manager, said the tyres had been obtained "under the counter".

"We have had to resort to cloak-and-dagger methods of obtaining supplies," said Mr Robinson.

"All negotiations have to be done in secret. We have had people outside our offices keeping watch on those with whom we have been dealing.

"But we are determined to win this battle. We are determined to have a free and open market in South Africa as exists in the United States where tyres and petrol are discounted in supermarkets."

Satisfying profits

Although discounts had risen from 25 per cent to 33,3 per cent, satisfying profits were still being made on tyre sales, he said.

All popular makes and sizes of radial and crossply tyres were available, and agreement had been reached with 20 service stations to fit the tyres.

Checkers have been refused listing on the tyre trade register on the grounds that the Tyre Manufacturers' Conference authorised tyre sales only through organisations with facilities to fit and balance tyres and do wheel alignment.

The conference has warned that any dealer found supplying Checkers will be struck off the register.

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-1974.

-1974.

costs keep rising. Imported natural rubber, especially, has gone up and for the half year ahead we do not have the benefit of old stock. In addition, certain operations outside the tyre division are not performing well — Flexible Tubing, the Port Elizabeth conveyor belt factory and the Rhodesian and Zambian operations, for instance."

Gentire has published the tyre division's profits separately to show the divergent trends of the tyre and non-tyre interests. While the tyre division pushed up pre-tax profits 54% to R2,8m, group pre-tax profit rose only 14% to R3,7m. This means the subsidiaries' profits have plummeted 63% from R2,4m to R900 000. Apart from the problems mentioned above, industrial rubber producer Pigott Maskew had a "difficult" first quarter but is now trading "favourably." So the non-tyre decline has been at least partially arrested.

Pre-tax margins have declined from 13% to 10,5%. They were nearly 14% in the first half two years ago. Sales and pre-tax profits benefited slightly this half year by a change in the method of pricing in the offtake agreement.

Second half busier

Gentire traditionally does by far the bulk of its business in the second half and last year made 65% of pre-tax profits and 70% of earnings in the second half. To equal last year's final attributable profits of R6,4m, Gentire must earn R4,3m in the second half, compared to the R4,6m achieved last year.

With tyre sales still buoyant and Pigott Maskew apparently turned around, this looks easy running. Gentire forcasts have been conservative in the past. It would not be surprising if earnings of R4,9m were achieved in the second half and R7m for the year.

The dividend will probably be raised from 35c to 40c — also 14% — even if this rise is not achieved. Gentire is liquid and has an unblemished dividend record.

In addition its capital expenditure programme is behind it and the need to conserve cash is no longer so great. The interim hike from 15c to 20c suggests confidence.

The share is on a prospective yield of 6,4%, compared to Dunlop's prospective 7,7%. Dunlop's recovery prospects look brighter and although both stocks should be firm at current levels, Dunlop looks more attractive at current prices. Incidentally, Khazam says he is buying now.

David Carte

GENTIRE
196

Deflated earnings?

FM 22/9/78

Tyre sales rose 53%, group sales 43%, and earnings 17,5%, in the half year to June 25 but chairman Dr Heskel Khazam forecasts year-end earnings only equal to last year's.

He explains: "At the moment there is no prospect of a tyre price increase but

1973	996
1974	1 112

)epartment of Bantu Education, Annual Reports.

:able shows that the number of African matriculants has
every five years over the last 10 years. Should this
a trickle of potential trainee technicians could swell
relative flood, assuming that Black education ever returns
:er the explosion of unrest triggered off in Soweto on

·iculation and Senior Certificate passes in the R.S.A.
S.W.A., 1965-1974.

Year	Full time students	Supplementary exam. & part-time candidates	Total passes	Index 1965 = 100
1965	827	318	1 145	100
1966	871	418	1 289	113
1967	967	616	1 583	138
1968	1 266	354	1 620	141
1969	1 742	766	2 508	219
1970	1 856	871	2 727	238
1971	2 388	893	3 281	287
1972	2 911	1 416	4 327	378
1973	3 226	1 042	4 308	376
1974	3 441	..	..	..

Source: Department of Bantu Education, Annual Reports.

RDM 15/11/77

Tyre price war looms

Staff Reporter (196)

A TYRE price war seems inevitable following the Government's decision to abolish resale price maintenance in the industry from December 29 this year.

This is the view of tyre manufacturers and supermarkets, which have conducted a tug-of-war on prices for the past two years.

A notice in yesterday's Government Gazette ended the system whereby manufacturers agreed on and set prices for retailers.

It also ended a two-year battle by the giant Checkers group to reduce the price of tyres. About 50 000 tyres worth R1 500 000 have been sold through "pirate" market channels to Checkers in the past two years.

Tyre dealers 'will weather price war'

Star 17/11/78

196

Tyre distributors today forecast a price-cutting war following the Government's decision to lift price maintenance on tyres from December 29.

The Minister of Economic Affairs, Mr Chris Heunis, announced yesterday that the decision was taken after consultations with tyre manufacturers.

"There is no reason why tyres and tubes should not be treated like all commodities in the trade," he said in a statement. "Healthy competition in these days of inflation is in the public interest."

Supermarket chains have already forecast a massive price war with cuts of up to 27,5 percent but regular tyre retailers see discounts levelling out at 12,5 and 15 percent.

IN THE OPEN

"There'll be a big price war to start with but I'm sure it will peter out after a while," said a spokesman for a leading Johannesburg tyre company.

"There's always been a bit of a price war — the only difference is that we were doing it under the counter. Now it'll be out in the open.

"The supermarkets will climb in at first but people in the trade reckon we'll weather the storm.

"People still want personal service, knowledge and equipment and they'll just shop around for the best deal as they've done in the past."

In a statement today the Automobile Association welcomed the freeing of tyre prices.

Manufacturing – Rubber Products

196

6- 1- 79

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7- 12- 79

Reduced discount kills tyre price war

196

Star 6/1/79.

By Mignonne Crozier

Predictions that tyre prices would drop at hyperstores with the scrapping of retail price maintenance have not materialised.

Stores say it has been impossible to lower prices because manufacturers have put up their prices by reducing discounts.

When the Government announced its decision to lift retail price maintenance on tyres from December 29 last year, tyre distributors predicted there would be a price war in the retail tyre trade — with the supermarket and hyperstore chains in the lead.

It was some of these chains which pioneered discount tyre prices when retail price maintenance was still allowed. But spokesmen for two major hyperstore chains said yesterday that tyre manufacturers had made it impossible for them to cut prices further since the abolition of retail price maintenance.

Mr R T Frieslich, national hardware buyer for the Pick 'n Pay hypermarkets and head of their service stations, said that on December 22 last year tyre manufacturers introduced a new discount structure which, in effect, lowered discounts to most retailers.

Under the new structure, to qualify for an 8 percent discount a retailer had to buy more than R3-million worth of tyres a year; for a 7 percent discount, R1-million to R3 million; 6 percent, R500 000 to R1-million; 5 percent, R100 000 to R500 000; 3 percent, R25 000 to R100 000. A dealer with a turnover of less than R25 000 had to buy at the net dealer price.

Mr Frieslich complained that:

- These discounts were considerably lower than those offered before.
- In terms of the new structure, service stations such as at his hypermarkets, which sold only passenger-car tyres, were graded against companies that dealt with far more expensive tyres such as earth-moving tyres, which sold at about R10 000 each, or truck tyres, which could sell between R200 and R300 each. Such companies would qualify far more easily for the higher discounts.
- Tyre dealers in country areas would not qualify for the higher discounts even though they might be selling as many tyres as possible.

For example, a country dealer with a potential market for R100 000 worth of tyres who managed to sell that amount would be doing a good job yet would not be able to obtain a higher discount.

Mr Frieslich said his hyperstores cut prices immediately the Government announced the lifting of retail price maintenance. When the free fitting and balancing which these stores offerd were taken into account, their price cuts amounted to savings of between 20 and 25 percent, he said.

But the stores could not retain these prices after the introduction of the new discount structure and had to start charging for balancing.

Mr Neville Robinson, national merchandising manager of Checkers, agreed that there had been no significant price war among tyre dealers since the lifting of retail price maintenance because manufacturers were giving retailers lower discounts.

He said his stores were still selling tyres at about 25 percent below what used to be the maximum controlled retail price, but had not been able to drop prices further because of the manufacturers' higher prices.

Mr W D Brownie, director of the SA Tyre Manufacturers' Conference, declined to comment on the retailers' statements.

GRAPH 11 : MINING EMPLOYMENT AND OUTPUT

TIN

Tyre men sneaked through increase

196

27/1/79

St

By Karin Ireton

Retailers claim tyre manufacturers "sneaked through" a price increase soon after the Government abolished resale price maintenance.

Most merchandisers had hoped the abolition of the resale price maintenance would bring about a price war which would bring down the cost of tyres. But as reported in The Star recently this did not occur.

Stores said it had been impossible to lower prices because manufacturers had put their prices up by reducing discounts.

Discount

Mr Neville Robinson, Checkers' national merchandise manager for tyres, said from January 1 tyre manufacturers had restructured their discount scales — cutting discounts to retailers from a maximum 15 percent down to eight percent.

Although the official tyre trade price had not changed, he said, most dealers were paying up to 8,2 percent more for their supplies — and the increase was being passed on to the consumer.

"In other words, the price of tyres went up on January 1. And we want to know the reason for their increase," Mr Robinson said. The unofficial increase may mean, he said, an extra R2 on the retail cost of some car tyres.

Mr Dave Brownie of the South African Tyre Manufacturers Conference said there was no discount scale. "It is a rebate scale payable to dealers at the discretion of manufacturers."

He said the new rebates had brought stability to a highly strategic industry. He said it would not have been necessary "if the tyre trade had been carrying on as it had in the old days — with price maintenance."

Mr Robinson predicted that consumers would begin to notice the unofficial price increase about March or April "when retailers begin replenishing their stocks."

He said another effect of the restructured discounts would be that small tyre dealers would be forced out of business.

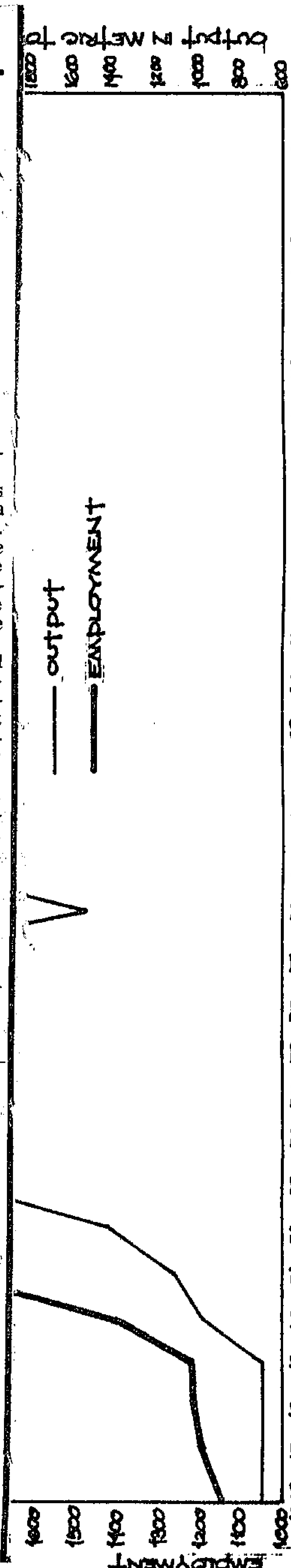
Mr Brownie (TMC) said: "That might well be the case." Many small dealers might find it more beneficial to stop supplying tyres — except for emergencies — and concentrate on the other sides of their business.

Call for SA technicians

The Star's Africa News Service

GABORONE — A Botswana chief has called for South African technicians to be used to improve the country's telephone service — because he says they are more efficient than those brought in from overseas.

Chief Seepapitso IV told the House of Chiefs that technicians from England, India and Mauritius needed more time to study and identify the problems. Their contracts often expired before they had time to solve them.



improved last year but residential building starts remain slow and are unlikely to show more than a slight improvement this year. Improvements of sales of sports goods can only be expected if consumer expenditure is boosted.

Management expects 1979 to be a year of limited growth, with the possibility of some decline in the motor industry. The emphasis will be on a further improvement of productivity and efficiency. Profits could be little more than maintained, as a number of the group's trading companies will become taxable, boosting the tax rate from its present level of 31%.

The current price of 310c looks fair.

Gail Pemberton

DUNLOP

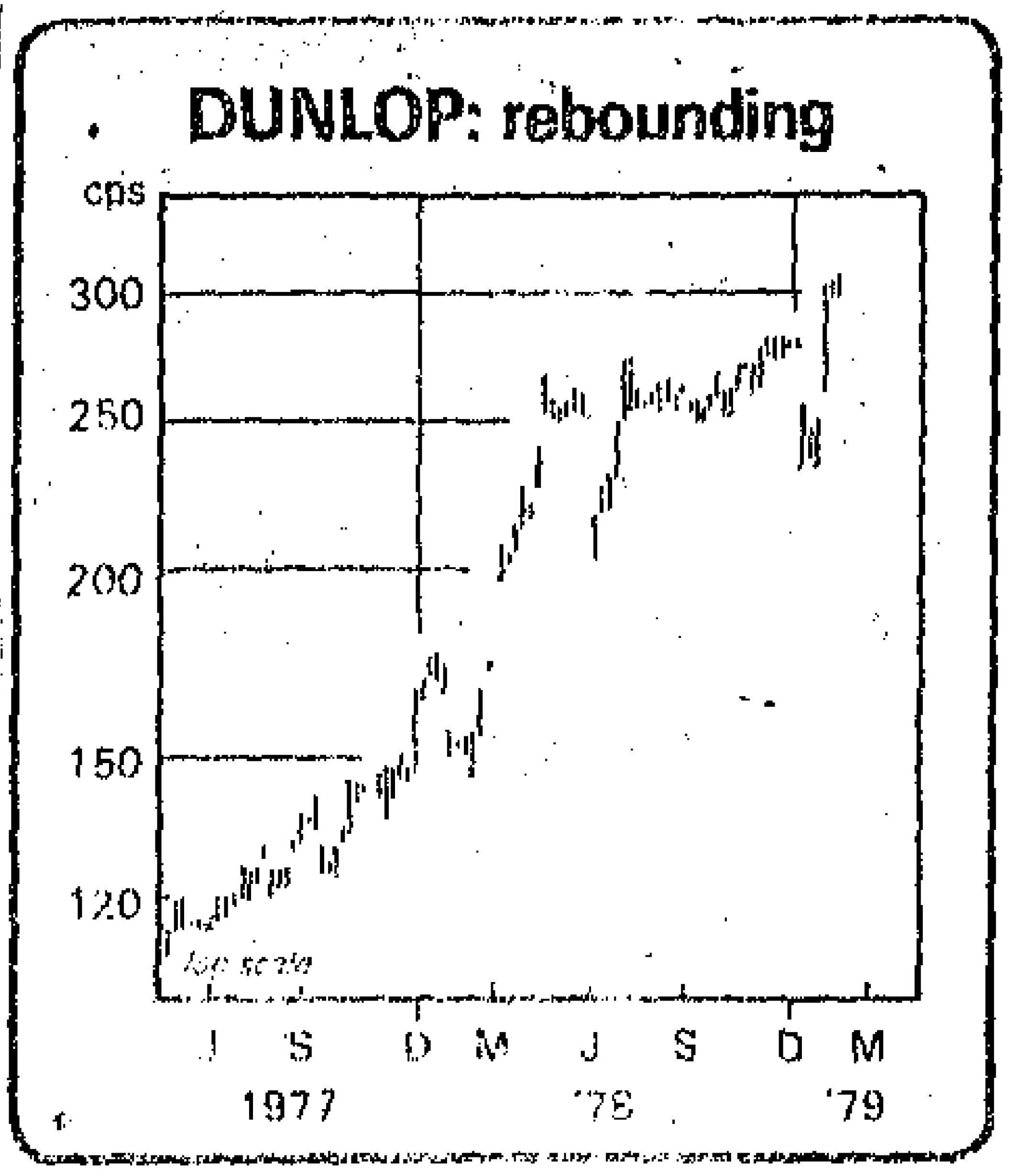
(61) FM 16/2/79

Vulcanising profits

(196)

Activities: *Manufactures tyres and other automotive products, as well as belting, hose, hard and soft flooring, mattresses, and sports goods. Ultimate holding company Dunlop Holdings (UK), through its 60% subsidiary Dunlop International (UK), holds 70% of Dunlop SA.*

Rolling a tyre . . . but how many will go on cars?



Chairman: *H W Archibald; managing director: C R Hooper.*

Capital structure: *15m ordinaries of 50c; 750 000 6% cum prefs of R2. Market capitalisation: R47,3m.*

Financial: *Year to December 31 1978. Borrowings: long and medium term R6,9m; net cash: R855 000. Debt:equity ratio: 32,1%. Current ratio: 1,6. Net cash flow: R8,2m. Capital commitments: R2,9m.*

Share market: *Price: 315c (1978 79: high, 315c; low, 140c; trading volume last quarter, 90 000 shares). Yields: 16,7% on earnings; 8,3% on dividend. Cover: 2,0. PE ratio: 6,0.*

Dunlop's 39% jump in trading profit from R9m to R12,6m was largely due to improved operating efficiency, with greater control and better management of resources. But the most notable achievement of the year was the reduction of borrowings. Net debt dropped from R12,8m to R6m, and the debt:equity ratio is now a low 32,1% (78,1%). Finance charges are down from R1,2m to R832 000.

	'75	'76	'77	'78
Return on cap %	15,1	14,2	16,2	25,6
Turnover (Rm)	85,2	83,3	89,4	106,2
Gross profit (Rm)	7,8	8,2	9,7	13,6
Gross margin %	9,1	9,9	10,9	12,1
Earnings (c)	23,5	26,6	33,0	52,6
Dividends (c)	13	15	17	26
Net asset value (c)	161	183	194	225

Dunlop aims to achieve a 20% earnings yield on equity and would be prepared to borrow up to 30% of capital employed to achieve this figure. It is currently using only 20%, to give a 25,6% (16,2%) return on capital.

The group's accounting methods have been brought more into line with the parent company. Investment allowances for new plant and equipment are now matched in the income statement to the period used for depreciation, instead of writing the allowances off in the first year.

Dunlop is also taking into reserves any currency gains or losses. Previously these were included in an exchange fluctuation account. Last year Dunlop made a small gain compared with the R549 000 currency loss it provided for in 1977. The effect of both changes was to reduce earnings by 5c to the reported 53c.

Moving towards inflation accounting, Dunlop has published a supplementary current cost statement. On this basis trading profit was reduced by R4,3m to R8,3m compared with the reported R12,6m. The R4.3m is made up of R1,9m additional depreciation based on a consumer price index, and R2,4m as cost of sales adjustment to current prices. Instead of financing charges being a drain on profits, Dunlop has shown a positive gearing factor of R300 000. It has calculated the proportion of the current cost adjustment attributed to the average level of finance provided by outside sources of capital during the year.

Targeted capex is about R15,6m over the next three years, in line with depreciation in that period. Although Dunlop will take advantage of opportunities to increase its profitable investment in manufacturing and marketing, it is not seeking any sizeable diversification or acquisitions. So cash reservation becomes less important. Dividends will remain twice covered on an increasing earnings base. The 53% increase to 26c last year was the largest ever.

The supply of components to the motor industry made up 59% (58%) of Dunlop's trading profit, while sales to the mining and building industries contributed 29% (29%). The remainder, flooring, sports equipment, and Dunlopillo made up 12% (13%). National vehicle sales rose by 18% last year, but the sale of tyres could be affected by heavy petrol price increases this year. But supply of conveyor belting to the mining industry should assure maintained profits in the mining division.

The floor contracting business

DATES TO REMEMBER

The last day to register for dividends:
February Friday 23: Ass Engineering 18,5c; Dunlop 17c; Fintec 2c; Highveld 6c; Metal Closures 12c; Palamin 27,5c; Protea 5c; Tavistock 100c; UCI 28c; W&A 9c; World 4c.

Meetings:
February Tuesday 20: Empisal (S).
February Wednesday 21: Dorbyl.
February Thursday 22: Busaf (Port Elizabeth).
February Friday 23: Adonis; Amal Ind (S); Premier Ind (S); Stewarts & Lloyds.

All meetings are in Johannesburg unless otherwise stated.
S—Special Meetings.

BTR

Bouncing along

Activities: *Holding company with subsidiaries making industrial rubber, rubber and plastic sheeting and mouldings, rail fasteners, electrical components, diesel generators, block-making machines and rolls for the paper, printing and steel industries and others selling general engineering products. BTR Ltd of the UK holds 62% of the equity and GFSA 17%.*

Chairman: *A M D Gnodde; deputy chairman: O Green; managing director: L Dean.*

Capital structure: *14,7m ordinaries of 25c. Market capitalisation: R32,3m.*

Financial: *Year to December 1 1978. Borrowings: long and medium term, R439 000; net short term, R7,3m. Debt:equity ratio: 35%. Current ratio: 1,4. Net cash flow: R3,2m. Capital commitments: R1,2m.*

Share market: *Price: 220c (1978-79: high, 220c; low, 125c; trading volume last quarter, 23 000 shares). Yields: 13,9% on earnings; 8,2% on dividend. Cover: 1,7. PE ratio: 7,2.*

	*'75	†'76	'77	'78
Return on cap %	35	28	23	30
Turnover (Rm)	62,9	64,4	62,1	69,1
Gross profit (Rm)	9,2	8,8	7,1	9,2
Gross margin %	14,7	13,7	11,4	13,3
Earnings (c)	33,1	30,8	23,7	30,6
Dividends (c)	10,5	16,0	17,5	18,0
Net asset value (c)	110	126	135	149

** Per share figures adjusted for 1 for 1 share split in 1976*

† 400 000 additional shares issued

Crude oil derivatives are a basic raw material in rubber and plastics manufacture, the group's major profit source, and diesel engines are the second biggest profit contributor, so BTR is petroleum-sensitive.

But despite adverse developments on the petroleum front, chairman Dru Gnodde forecasts higher earnings next year. BTR's products he points out, are not price controlled, so raw material price increases can be passed on. Diesel engines remain essential in off-road mining trucks and as alternative power plants. Gnodde says there is no concern yet about the availability of raw materials. He also does not expect the fledgling recovery, upon which his forecast is based, to abort because of inflationary pressure brought about by higher oil prices.

BTR was listed at the worst possible time — in May 1976. The effects of riot and recession were felt early and BTR failed to meet its prospectus forecast. The rating has suffered ever since and only recently has the share price recovered to above the 190c opening price.

Considering the length and depth of the recession and BTR's wide exposure to SA industry, the four-year record is far from bad. The group's low gearing, tight management and a buoyant mining industry through the darkest days prevented a big slump.

Last year sales rose 11%, gross profit increased 30% and gross margin improved from 11,4% to 13,3%. Return on capital at 30% is sharply up on 1978's 23%. Do these figures presage a takeoff?

On the major assumption that the oil situation can be controlled and with improving conditions in local mining and industry, growth should be solid if unspectacular. The improvements mentioned were off a relatively low base and are partly the result of the capital expenditure of two to three years ago. While there is some unutilised spare capacity and room for organic growth in the group's traditional spheres of operation, several factors militate against a steep takeoff.

The group is conservative in outlook. Gearing is low and it is more labour-intensive than capital-intensive. It has few attractive investment projects in prospect and has little interest in growth by acquisition. With dividend cover in 1977 down to 1,3 and now only 1,7, the level of retentions also does not signify exciting growth ahead. Prospects are therefore basically in line with mining and industrial expansion.

The balance sheet is strong. While total net borrowings fell only 3% to R7,8m, cash flow could repay them in 2,4 (3,6) years and pre-lease gross profits cover the interest and leasing bill an unchanged but comfortable 4,4 times. Some 77% (72%) of gross capital employed is in stocks and debtors, while increasing use is being made of creditor finance to carry debtors. Stocks rose 8% to R23,3m, debtors 20% to R16m, and creditors 13% to R20,2m. The current ratio improved slightly from 1,32 to 1,36.

While conceding that everything has a price, Gnodde says the UK parent is "a strong and positive holder" not interested in selling. Some may interpret the high level of dividends as a sign of parental concern about the future in SA, however.

In summary, profits are unlikely to continue rising at the pace they did in 1978. At the same time, unless there is a true oil crunch, they are unlikely to plummet even in bad times, and the stock has definite defensive attractions. *David Carte*

DATES TO REMEMBER

Last day to register for dividends:
Friday March 9: Abercom 10c; Aberdare 20c; AT Colls 33c; Aurochs 4c; Calan 9c; Chemical Hlds 8c; EP News 14c; Edgars 110c; Grinaker 12c; Implats 6c; Lonrho 4,25c; McCarthy 3,5c; Natal Anthracite 30c; Rennies 11c; Reunert & Lenz 12c; Sappi 22c; Sentrachem 7c; Vierfontein 5c; Zuinguin 22c.

Meetings:
Thursday March 8: Blue Circle; Lonrho (London).
Friday March 9: Massey-Ferguson (Vereeniging); Rhodesian Brick & Pot (Bulawayo).

STAR 9/3/79 (1) 196

SINESS

Energy: Goodyear saved R850 000!

Humphries (left) has been appointed com- lirector of British Steel Corporation of South with effect from April 7. He will succeed Mr ence-Thomas (right). Mr Humphries was re- for the sales of special steel products in and south-east England before joining head 1971. Mr Spence-Thomas, who is well known ern African steel circles, will return to the will join Distington Engineering Contracting, international steel plant contracting division of British Steel Corporation.

By Anne Colley

With an energy crisis threatening to loom up out of the mists of Iranian politics, world attention is increasingly turning to energy conservation — a subject Goodyear has been exploring with great success in South Africa.

Mr Jerry Putt, the man who launched Goodyear South Africa's conservation programme, is recognised as an expert in the field.

A firm protagonist of this exercise, he cites the R850 000 a year the company's Uitenhage operation is saving through implementing a simple programme, as encouragement to others.

"Start with total management commitment or forget it" he warns however. "Lip service never saved energy or money."

"The first step in a committed firm is to appoint a committee headed by a full-time conservation co-ordinator, to survey facilities, set savings goals, develop a programme to achieve those goals and monitor the progress," he advises.

"Interestingly, it's not a good idea to make the most senior engineering man head of the committee, as all too often he will take it as an affront if you suggest his department is wasting energy.

"There are attitudinal problems all over.

"When we tell people of the success we've had, and the 21 percent by which we have cut energy consumption, the reply is so often 'well you must have been damned bad to start with.'

"But we weren't. In fact I haven't been into a factory where savings couldn't be made.

"Our committee started by surveying our facilities and looking for housekeeping items which could be improved to save fuel. They looked at piping, lighting, insulation, air pressure, steam charts and the like. And they found plenty of areas for saving:

- we cut out 9 km redundant piping which was generating wasted heat
- we cut out 9 km of valve traps which cut the steam bill by 15 percent
- we reorganised the lighting — dimming in storerooms and improving in some working areas.
- we improved insulation and
- banned the use of compressed air for cleaning to name but a few items.

TOTAL MANAGEMENT COMMITMENT — OR JUST FORGET THE WHOLE THING...

"These housekeeping areas provided substantial savings at negligible costs. Then the committee looked at low cost items that offered tremendous conservation opportunities."

"For instance we improved our boiler controls with equipment costing R1 400. Within a week that equipment had saved us its cost by cutting out excess air in the boilers which had been unnecessarily heated.

"When all that was done our water consumption was down 45 percent, the heavy fuel oil use was 22 percent lower and the electricity used had been cut by nearly 19 percent. That alone saved us over R600 000 a year — despite a 101 percent increase in electricity since the programme started.

"And the actual energy conservation savings were not the only benefits. We then found that we needed only four of our 11 compressors and two of our five boilers, cutting us back to less than 50 percent of our available capacity on both scores.

"Not only did this cut back further on energy usage when the equipment was isolated, but it means

- we have stand-by capacity in case of breakdowns
- we have no need to invest in capital here when we expand
- we can do maintenance at our leisure, which means more efficient maintenance which again saves energy in the long run — and cuts down overtime pay.

"Our initial target when the programme was started in 1975 was to cut our energy consumption by 15 percent by 1978. We in fact achieved a 21 percent saving by the end of last year, are heading for 30 percent by the end of this, and there is still a hell of a way to go.

With an R850 000 annual saving to point to, Mr Putt has little difficulty in persuading people of the benefits of the principle. He believes that South Africa is only now awakening to the need for conservation — with Iran driving the point home.

GENERAL TIRE

146 FM 20/4/79

Oil sensitive

Activities: *Tyre and rubber manufacturer wholly owning Pigott Moskew Industrial (rubber products) and Paragon Rubber (rubber industry raw materials). Holds 918 750 shares in Sentrachem. Major shareholders are General Tire International (USA) and Williams Hunt, which each hold 26,7% of the voting A shares.*

Chairman: *Dr H Khazam; managing director: R G Nicholson.*

Capital structure: *1,9m A ordinaries and 1,1m B ordinaries of 50c. 250 000 5,5% cum prefs of R2. Market capitalisation: R18,0m.*

Financial: *Year to December 31 1978. Borrowings: long and medium term, R6,2m. Net cash: R709 000. Debt;equity ratio: 23%. Current ratio: 1,7. Net cash flow: R8,3m. Capital commitments: R3,1m.*

Share market: *Price 600c (1978-79: high, 740c; low, 410c; trading volume last quarter, 111 000 shares). Yields: 36,1% on earnings; 7,1% on dividend. Cover: 5,1. PE ratio: 2,8.*

At the halfway stage, chairman Heskel Khazam conservatively forecast maintained earnings. As it turned out, earnings advanced by 13% to 216,8c a share and shareholders were rewarded with a 21% dividend hike to 42,5c.

However, the year was not without its pressures, as the figures illustrate. Turnover moved up sharply, by 46% to R73,5m. But rising costs pared margins, resulting in an increase of only 23% in trading profit. Lower down, this increase was further whittled away to a 6% rise at the net profit level. This was mainly due to a higher tax rate — 40% against 31% previously — because of lower capital expenditure allowances.

	'75	'76	'77	'78
Return on cap %	24,9	20,7	22,4	19,4
Turnover (Rm)	41,6	42,7	50,2	73,5
Trading profit (Rm)	8,7	8,4	9,8	12,1
Gross margin %	21,4	20,1	20,5	16,9
Earnings (c)	166,5	157,5	191,2	216,8
Dividends (c)	30	30	35	42,5
Nat asset value (c)	797	922	1 064	1 560

The tyre division, which generates the lion's share of profit, 67% (60%), had a good year, with record throughput enabling improved factory efficiencies. Prospects for the current year are "a little obscure", says Khazam. Clouding the issue is the possibility of motoring restrictions arising from oil supply problems, and also the effect of higher oil prices on tyre production as most raw materials are oil-based.

The industrial rubber division, which earned 40% (33%) of group profit, had a more difficult year. The market for industrial rubber was depressed during most of 1978, only showing signs of recovery towards the end of the year. Customers reduced stocks, comments Khazam, while pressure was put on prices. Significantly, import replacement by local products is gaining, which augurs well for the current year.

Also on the plus side, the recent takeover of flexible Tube Holdings has widened the product range. Considerably improved sales of hydraulic hose are expected.

Overall, Khazam's outlook is tempered by possible changing patterns in demand caused by the oil situation: "We therefore approach 1979 with caution."

The company has a good record, a strong balance sheet and pays a five-times covered dividend. Given this and Khazam's traditional conservatism, the share remains a worthwhile hold.

Gillian Counihan

SUNDAY TIMES, BUSINESS TIMES JUNE 3 1979 196

Rubber prices go bouncing up

By NEIL BEHRMANN: London

SOUTH African tyre manufacturers, and industry generally, will be burdened by higher rubber prices, following the huge oil price increases over the past few months.

Synthetic rubber is manufactured from oil products, and with synthetics shooting up, the price of natural rubber has been indirectly affected, too.

In fact, rubber could turn out to be an excellent barometer of the South African and world economy over the next few months. It is a commodity directly affected by oil prices and is acutely sensitive to an economic downturn because the major consumer is the tyre industry.

Slump

For instance, natural rubber was 20 pence a kilo in the early Seventies and rose to 58 pence at the beginning of 1974. By the end of that year, ahead of the slump in the the world economy, the price was back to 20p.

The price picked up again when the economies recovered from their jittery state and currently, prices are in the region of 65p, compared with 56p at the beginning of the year.

According to dealers, South Africa imports about 16 000 tonnes of natural rubber. Tyres and other products are normally manufactured from synthetic rubber, but natural rubber is needed as a mix for some items.

The higher oil prices have had their impact on the natural rubber market, but to make matters worse, there has been a shortage of physical rubber because the output of Malaysia, the major producer was much lower this year.

Natural rubber is made from the coagulated milky juice, latex. This substance is tapped from rubber trees, coagulated and then smoked into sheets of the commodity.

Dealers say that peak production is in November and January when leaves drop off the trees. With less nutrition needed for the leaves, there is more latex available for tapping.

The opposite occurs during late February to early April. This is the traditional "wintering period", where rubber production is seasonally lower in the tropical plantations of Malaysia and producing areas such as Indonesia, Thailand, Sri Lanka and West Africa.

This year, however, the situation was aggravated by a drought in Malaysia which was followed by heavy rains.

Surprised

Simultaneously, the Soviet Union surprised many dealers and, for the first time in several years, bought rubber on the Western markets.

China was a heavy buyer, too. In Singapore rubber soared from 2,35 Singapore dollars at the beginning of January, to well over three dollars a kilo. And in London, the spot price increased by 16 percent.

Dealers said that the shortage was the main factor causing the price increase, but expectations of higher synthetic prices certainly added fuel to the market.

Feared

For instance, Japanese tyre makers have been going flat out to beat the feared increases arising from high petro-product prices.

Mr Geoffrey Bean of commodity consultants, Bean Bower and Co, estimates that the swing from synthetic to natural rubber, and vice versa, is only three to five percent.

Because many products are geared to synthetics, however, he reckons that the oil price rise will tend to increase demand for natural rubber.

Reacted

Fortunately, rubber prices reacted this week, because the physical shortage abated.

It is also estimated that there will be lower demand if the motor industry shifts into decline in the United States.

But rubber dealers predict that there will be a rubber squeeze again, especially in the Eighties, because rubber plantation growth is slackening in Malaysia and elsewhere. Farmers are favouring palm oil and cocoa because of the more attractive yields.

The higher price of this important raw material, will increase costs in industry and is inflationary.

Productivity drive can have staggering results


Mr D S Le GRICE ... 48 per cent up

AT LEAST R1500-million a year in savings, or extra income, can be achieved by South African organisations in the next three years, just through improvements in productivity.

All that's necessary is for the country's major private and public sector corporations to do half as well as the 50-odd entrants in the first National Productivity Institute Awards programme, the winners of which were announced on Friday.

It can also be calculated that if all the organisations contributing wealth in the country were to match the improvements in productivity achieved by 1979's NPI Award and Certificate of Merit winners, the economy would benefit to the tune of a staggering extra R600-million, and possibly more.

This is 15 per cent of the country's gross national product.

No-one is pretending that such targets will be achieved, or even that they are achievable across the full corporate spectrum.

But they highlight the enormous importance of higher productivity as a way to raise standards of living.

Minister of Economic Affairs, Chris Heunis, was quite right in his address at the NPI dinner to bracket productivity among the most important sources of hope for the country, beleaguered as it is with energy, unemployment and growth problems.

One may argue about the short and medium-term benefits of higher productivity in terms of lower unemployment and direct benefits to employees and consumers.

But there is no denying the simple truth that national wealth and standards of living can only go up if there are increases in output per unit of input, which is what efforts to raise productivity are all about.

The six Award winners on Friday were:

● Bonwit, a Cape fashion clothing manufacturer. The company began a planned productivity improvement scheme in 1975 and in three years lifted after-tax profit by 258 per cent, with an overall productivity improvement in its eight factories of 59 per cent.

Labour turnover was reduced from 64 to 39 per cent and the increase in the overall cost per garment produced was held to 6 per cent, despite an increase in raw material costs of 21 per cent and a rise in wage costs of 39 per cent. Fabric savings alone, from better cutting room practices, saved R450 000 in 1978.

Harvesting

● Sabie north tree harvesting team of Sappi Forests (Pty). In 1977, Sappi Forest's Sabie division adapted a tree harvesting method originally developed in Sweden. An overall improvement of 17 per cent in productivity was achieved and later an additional 31 per cent in the thinning of the forests and a cost improvement of 24 per cent.

● Mr D S Le Grice, Manager of Field Operations for the East London pineapple growing sector of the Langeberg Co-operative. His efforts led to an increase of 48 per cent in the yield per hectare.

BUSINESS Times Industrial Editor, STEPHEN ORPEN, looks at the prospects of improving productivity in South Africa during the next three years with the kind of determination shown by entrants in the NPI awards programme.

In 1974, some 85 farmers in the area were producing 39 500 tons of pineapples at a yield of 12,8 tons per hectare, yearly. By 1978, 60 growers were producing 40 000 tons with a yield of 20,73 tons per hectare.

Regulation

Before 1974, 70 per cent of production was harvested in the summer and 30 per cent in the spring, with 54 per cent of the total in March and April, causing an uneven spread in the cannery. Mr Le Grice introduced new crop regulation methods which evened out the spread.

● Unicorn Lines of Durban. The company raised the productivity of its ships by 38 per cent and was thus able to hold down the upward push in freight rates. Increased berth occupancy and other progress gave Durban an estimated additional 347 ship-days last year.

The financial benefit to other shipping lines is estimated at close to R1-million a year, assuming a charter rate of R3 000 a day.

● Mr A R Berrange, a Johannesburg civil engineer. He designed an impact roller which compacts soil more effectively in thick layers with fewer passes to produce savings in compaction costs of up to 50 per cent.

● National Occupational Safety Association. The organisation has saved the country huge sums in reduced downtime and by the elimination of wastage through manhours lost.

It has also generated a far greater awareness of other opportunities for savings and greater efficiencies among companies, examining their processes and procedures in looking for ways to increase safety.

Certificate of Merit winners were:

● Goodyear Tyre and Rubber Company. A productivity improvement programme resulted in energy conservation, improved output per manhour and reduced waste.

Savings

Savings were R1,3-million last year, alone. Energy savings of near 35 per cent have been achieved and output per manhour upped 90 per cent in four years.

● Dr E Raats, manager of the Metallurgical Division of Iscor at Newcastle. He devised a method of reclaiming coke from dumps previously considered of no economic value. Expected value of coke to be reclaimed in this way in 1979 is well over R15-million.

● Motor Assemblies, with a programme that led to savings of R9-million in three years. Average manhours worked per vehicle was reduced by 19 per cent, consumable materials usage came down 29 per cent and scrap and re-work costs on components were brought down 62 per cent per vehicle.

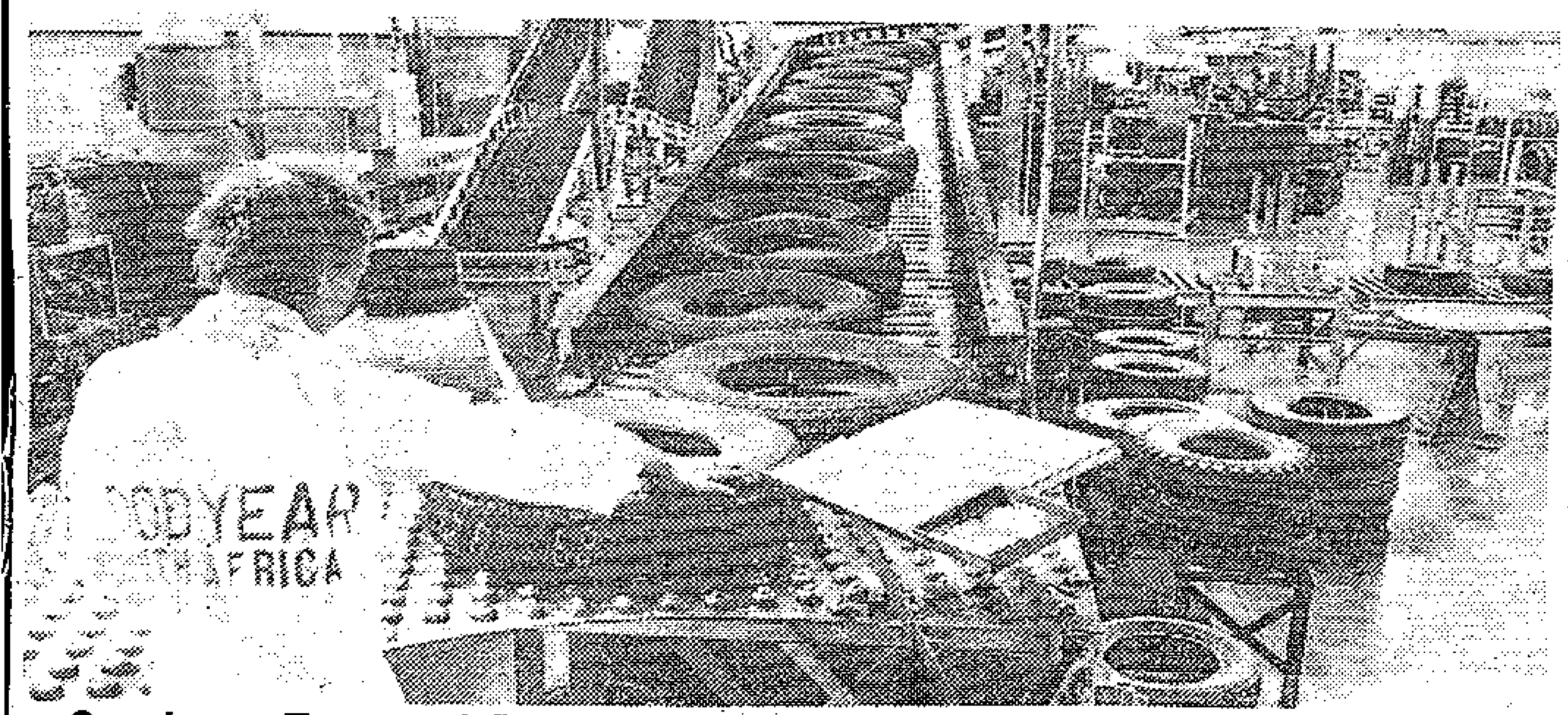
Maximum demand for electricity was pared by 12 per cent and average demand by 57 per cent. Consumption of liquid petroleum gas was reduced by 32 per cent per production hour.

● Mr B St C Moor of the Tongaat Group, with a cane shredder which improved sugar extraction efficiency and raised throughput.

● Cement Marketing Organisation, which improved the cement distribution system to save some R500 000 a year.

● Mr Roger Gibson of Tubatse Ferrochrome, with a system for separating ferrochrome from slag using magnets. Before the introduction of the magnetic separators, some 15 per cent of total production had to be re-cycled as it could not be sorted by hand.

● Zinc Corporation of SA (Zincor). The company developed a new technique whereby zinc could be reclaimed more effectively from residue. In 10 months the increased yield was 2 548 tons of zinc on a total production of 64 364 tons.



Goodyear Tyre and Rubber Company saved R1,3-million last year

Benefits shared with workers

DRAMATIC evidence of the pressing need for higher productivity in South Africa, and of the huge rewards it can bring, is set out in an important new report from the Bureau for Economic Policy and Analysis at Pretoria University.

Compiled by leading researchers Professors J A Lombard, J J Stadler and E J du Toit, the report provides powerful support for the work of the National Productivity Institute, and its new Awards programme.

The productivity message is just one of many revelations in the new study. The first in a "Special Focus" series, it is entitled "Government Participation in the South African Economy".

Main reservations about higher productivity centre on its short and medium term impact on the rate of job creation and its ability to produce benefits which will cascade down as far as the individual consumer and worker.

It is also argued that much of the wave motion in productivity as a result of economic cycles has nothing to do with management effort.

Further, it is said that incremental productivity improvements can only be achieved at an ever higher price in terms of job satisfaction and quality of working life.

There is some truth in such doubts in specific cases, particularly in highly developed economies. But the new Pretoria report and NPI chief, Dr Jan Visser, make a convincing case for the glittering net benefits of wide-ranging, if still selective, efforts to improve productivity in a country like South Africa.

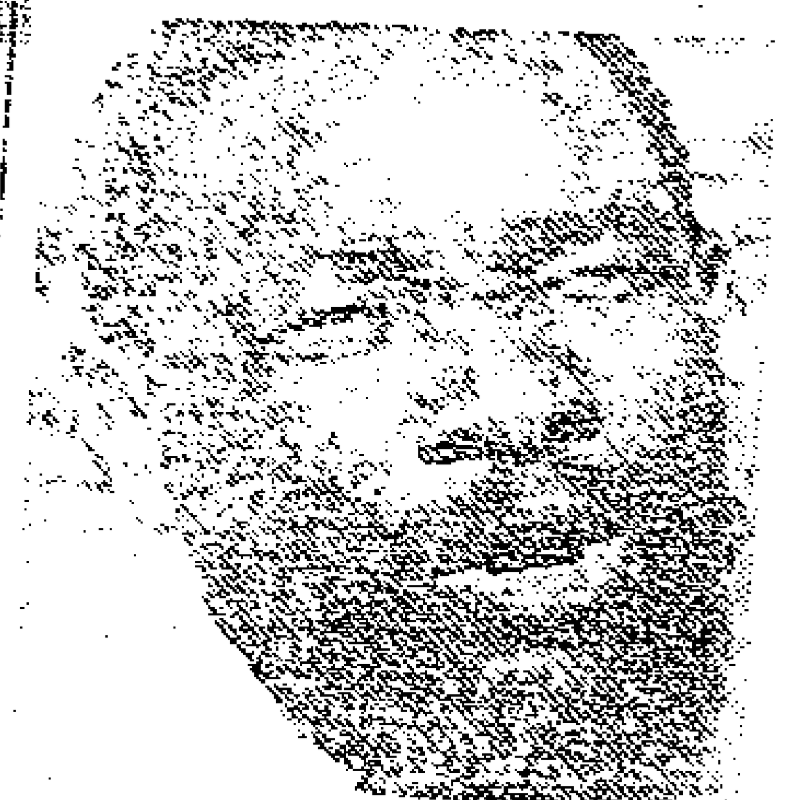
The Pretoria report notes that, on the supply side, productivity improvements in this country have traditionally played a relatively minor role in growth.

"Available data appear to allow the conclusion that the South African economy has been, and still is, growing largely by using increasing quantities of labour and capital with rather less emphasis on quality elements, especially as regards labour," says the report.

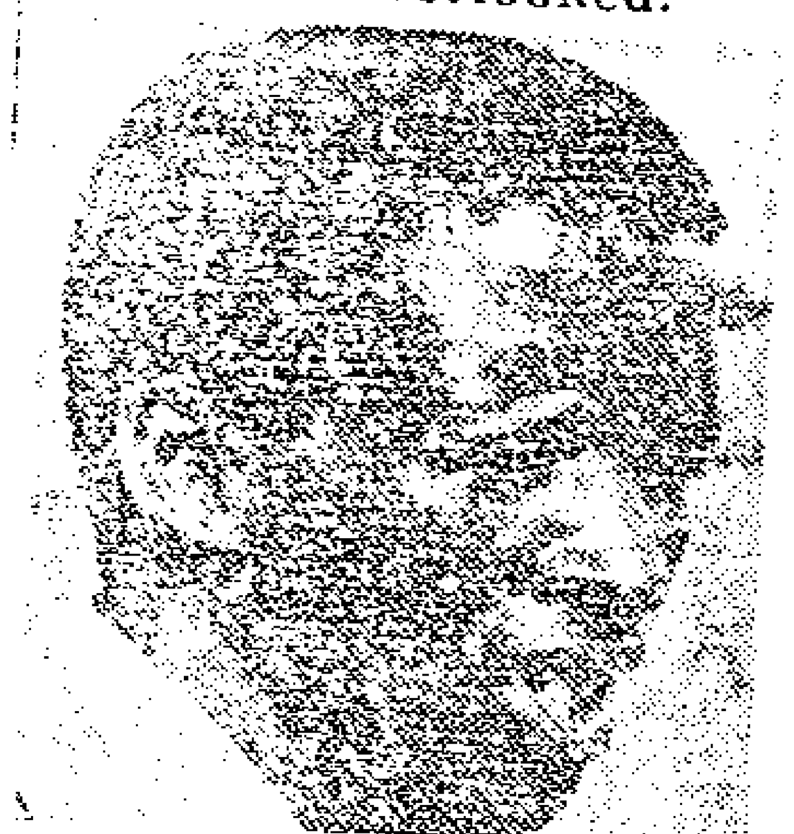
● To Page 7

196 13/6/79 DD

Factory job-seekers complain



MR MAHLANGENI . . . we're overlooked.



MR KLEINBOOI . . . can't get past gate.

EAST LONDON — Work-seekers at Dunlop's Wilsonia plant have hit at the firm's recruiting methods claiming too much power has been given to the personnel officer, Mr M Mdingi.

But the firm's works manager, Mr D. Graham, says they are quite happy with their employment methods.

Mr Eddie Mahlangeni, 40, a father of six who had been looking for a job for 30 months, said: "We are starving and I don't think we should have an added burden with an employment practice that gives us a slim chance of getting a job."

Mr Mahlangeni said Mr Mdingi appeared at the firm's gates where work-seekers were standing and had a paper in his hand with names.

"He just shouts out names and some of them are people who come late in the day while we who have been standing there since the early hours of the morning are overlooked.

"Where does he get this list of names and how does he know who is who among the scores of people at the gate?"

Mr Graham explained: "The list Mr Mdingi carries has the names of people who have been retrenched. We prefer these people to newcomers for obvious reasons."

He said the plant was always trying to upgrade the workers and Mr Mdingi brought in people who qualified for possible screening and further selection tests inside the plant.

"We are happy with this method," Mr Graham said.

Mr Mahlangeni said at several East London plants work-seekers found difficulty in getting past black personnel officers.

"I just wish firms could recruit like the SATV factory in Wilsonia," Mr Mahlageni said. "The women form a queue and they are all screened outside to see if they qualify to work.

"Then a further screening is done by presumably the heads of departments so that everybody who has been waiting there gets a fair chance of getting a job.

"I think in this way it is beneficial to the firm as well as they have a wider choice."

Two other workers who were dismissed at Dunlop claimed they had been told to return by their foreman but could not get past the personnel officer.

Mr Zolile Kleinbooi, 29, an Mdantsane father of three who was dismissed two months ago because he made an error, claimed he had been told by his foreman to return.

"But I can't get past the gate and now my children are starving and I'm battling to get money for my rent." Mr Kleinbooi said.

Mr Mataman Nobavu, 28, also claimed he was told to return but that he could not get past the personnel officer. He was a machine operator and was dismissed for an error.

"People who have been sacked for real crimes have been taken back but we are not," Mr Nobavu said.

But Mr Graham said it was company policy not to re-employ any person who had been dismissed.

He could not comment on a promise by a foreman to take a worker back. — DDR

1/8/79

Tyre factories lay off men

196

~~192~~

~~330~~

THE SITUATION has become stable again at the two Port Elizabeth motor manufacturing companies which last month laid off masses of workers and worked short-time, but tyre manufacturers have in the past month retrenched workers to adjust to the slump in the market.

All three local tyre manufacturers are working short-time in sections of their plants and two have retrenched altogether 78 hourly-paid workers in the past month.

Like the two Port Elizabeth motor companies, General Motors and Ford, the tyre manufacturing companies do not intend laying off more workers unless there is a drastic change in the market, forcing them to cut back their production again.

General Motors laid off altogether 220 workers last month, of which 40 were salaried staff. Ford retrenched 297, all hourly paid.

Both companies returned to a full week in their plants at the beginning of the month after last month's reduced work hours.

A spokesman for Volkswagen at Uitenhage said that the company had not found a need to cut back its production.

The works director of General Tyres in Port Elizabeth, Mr Dave le Roux, said yesterday that about 38 hourly-paid workers had been retrenched in July. That was the total for this year. If a further need arose to cut back production, it would be done by reducing the plant's working hours. The company already worked two four-day weeks a month.

A Goodyear Tyres executive said 40 hourly-paid workers had been retrenched and that most sections of the plant were working short-time.

The managing director of Firestone, Mr Peter Morum, said the company had not yet found it necessary to retrench workers, but some sections of its plant were working shorter hours. No workers who left the company were replaced.

- Wage agreement improvements affecting about 8 000 motor industry workers in Port Elizabeth and Uitenhage were completed this week, but the parties have remained silent about the details. The agreements were negotiated by the industrial council for several weeks. They will now be sent to the Minister of Manpower Utilisation for approval.

About 2 000 motor industry workers recently rejected wage policies made by the Eastern Cape's three big motor firms and threatened to down tools unless demands for better wages and job security were met.

The workers — all members of the National Union of Motor Assembly and Rubber Workers of South Africa — took their stand at a mass meeting.

Star 30/8/79

196

Sentrachem plans R125m rubber plant

By Pieter de Vos

Sentrachem, South Africa's rapidly expanding chemical group, is going to build a R125m rubber plant at Newcastle which will make the country virtually independent of imported rubber.

Manufacturing rubber from coal, it will be the biggest project yet undertaken by the group without any outside shareholding. The plant — a multi-purpose polymerisation plant — will be the only one of its kind in the world, according to Sentrachem.

Once the plant is fully operational Sentrachem will provide more than 90 percent of the South African market's rubber needs. Some 85 000 tons of rubber was consumed in South Africa last year, of which Sentrachem subsidiary Karbochem provided about 35 percent. The rest had to be imported.

Because they will no longer be subject to the vagaries of the international commodity markets any longer, South African rubber prices will show a welcome stabilisation, says Mr Dave Marlow, Sentrachem's managing director.

South Africa is the second country to become self-sufficient in rubber. Russia was the first.

About R100m in foreign exchange will be saved annually on imported rubber, mainly used for tyres, while substantial amounts in foreign exchange will also be earned, the company says.

Construction is due to start in 1980, and should be completed by mid 1982. The plant's capacity will cater for growth on the local market until 1990.

Sentrachem has announced an improvement of 10,4 percent in taxed profit in the year ended June 30, despite carrying a loss of R18m through its involvement in the R100m Coalplex project.

Group profit before taxation, which rose by 12,5 percent from R34,13m to R38,41m, would have risen by 50 percent had it not been for this loss, said Mr Marlow.

The final dividend was raised to 23c (20c), making a total of 30c (26c) on improved earnings of 40,9c (37,4c) a share. Taxed profit was R23,03m (R20,86m).

Because of the financing arrangements, the new project will start showing a profit within the first year of operation.

A consortium of banks — Nedbank, Senbank and Stannic — will provide the finance and be the contractors. Sentrachem, through Karbochem, will in effect become the owner only upon commissioning of the plant.

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... planners
... which concentrate on the
community. Mortality data is one such measurement.

Information about the mortality experience of the community is routinely collected in most countries, the reliability and detail of this data showing considerable variation depending on a number of factors, not the least of which are the resources available for its collection. There are further problems associated with reliability (See Pt. II).

espite the problems of using mortality data as a means of assessing a mmunity's health status, it is a measurement which has stood the test time and, to date, is usually the only method of evaluating the health pulations, albeit indirectly, since it is frequently the only data ich is available. The standard analyses of routinely collected morlity data undoubtedly provide an important indication of the unhealthy oblems in the community and, if their limitations are appreciated, they ovide an invaluable input into the overall health profile of the comity, high-lighting the predominant problems and identifying major ends.

ce is is often instructive to examine the past in order to place the sent in perspective, this study was undertaken as a preliminary inve... tion to a more detailed analysis of the ... e various ...

... reports covered ... since which time a regular series has been published.[5] The figures for whites cover the entire period 1921-1970,

* For details of sources of deaths before 1926, see reference 3, volume for 1938, page XVIII.

FM 31/8/79 (136)

GENTIRE

A rubber bounce

General Tire is not elaborating on its purchase of the remains of Conti-Calan bought from West Germany's Continental Gummiwerke (CG) at a R2,7m discount to net asset value.

General Tire's Fred Wilde says that the purchase agreement with CG includes an industrial rubber product technical know-how agreement. But he cannot confirm or deny that Gentire recently swapped its tyre technology agreement with its US parent for a similar agreement with CG.

The announcement, however, does not name CG as the vendor of Conti-Calan minus D I Fram and SOS Footwear which were retained by Calan last week when it sold its 50% stake in Conti-Calan to joint shareholder CG.

Tyre sales are sticky . . . but there are other openings

But the announcement from Gentire does say that the acquisition of Conti-Calan will result in an injection of Gentire's capital "and technical and management expertise, supplemented by overseas know-how."

Calan sold its stake at net asset value and received in payment industrial footwear manufacturer D I Fram, property-holding company SOS Footwear and R600 000 cash.

"Fram never really fitted into the Conti-Calan picture anyway and once we have consolidated Fram's results we will show an increase in earnings," Calan financial director Ronnie Tollemache tells me.

The operations taken over by Gentire — Ferroplastic & Rubber Industries, Tensile Rubber, Corrosive Resistant Coatings and Triple A Rubber — are believed to be loss-making and are to be integrated into existing Gentire operations as a step to restoring profitability. The purchase will not immediately materially affect group profitability, Gentire says.

It appears the deal was negotiated on the basis of an existing technical agreement. However, as I understand it, Calan was surprised to learn of CG's plans to sell the remains of Conti-Calan on the day it agreed to take out the footwear interests.

As Calan had, I understand, made an earlier offer to buy out partner CG which was rejected some time ago, it appears as if CG was prepared to negotiate the latest deal at net asset value knowing a ready buyer already existed in Gentire.

While the paucity of information from Gentire on the deal is not wholly satisfactory, the deal appears favourable for shareholders of both Calan and Gentire.

Calan, left with the profit centre of Conti-Calan, has moved marginally higher to 325 this week to yield 10.2% on a PE of 4.2. Gentire, obviously strengthening its overseas connections at the same time as buying at discount, has moved 50c higher to 650c for a yield of 6.5% on a PE of 3. On the face of it Calan still has near-term growth potential.

Ian Mail

FM 14/9/79 (196)

RUBBER

Up and down

Thanks especially to import replacement, SA's industrial rubber industry (which also incorporates plastics in certain products) is currently enjoying a growth rate of around 6% over 1978, well above the growth rate of the economy, says Tony Hesp, Sarmcol MD and Chairman of the Industrial Rubber Manufacturers's Association of SA. Main key to this success story is the booming coal mining industry, which as recently as three years ago imported the bulk of its PVC conveyor belts. Now, the attraction of reducing large inventories (previously needed to allow for lengthy order times from overseas) has motivated the switch to local sources. Superimposed on import substitution is the strong growth in coal mining, which has greatly enlarged the total size of that market.

Speedy delivery is the main advantage enjoyed by local manufacturers, as SA products are a match for their overseas equivalents in quality and price. Other industrial products enjoying improved sales are hose, V belts and automotive products. Meanwhile, exports remain a modest 5% of total turnover.

The industry, says Hesp, welcomes Sentrachem's new synthetic rubber plant (*FM* August 31), which will greatly improve the availability of locally-produced raw materials (from 65% to 90%).

Industrial rubber products comprise around 30% of local output, with tyres, rather unsurprisingly, making up the remaining 70%. SA tyre manufacturers are, very predictably, suffering badly from the effects of the oil crisis on the motor industry. R G Nicholson, General Tire MD and chairman of the Tyre Manufacturers' Conference, relates that his own company is down to a four-day week, with no improvement in sight. He hopes, though, that motorists will eventually come to accept higher fuel prices, and drift back towards earlier consumption habits, at the cost of other items in their living patterns.

This melancholy tale is confirmed by Dunlop MD Clive Hooper, who terms June 7 (when fuel prices were hoisted) the industry's "D-Day". As tyres still continue to wear out, he considers that there is a strong psychological element in the current drop in replacement demand, which should improve as motorists presently deferring purchases get over the shock of the fuel price increases. Although new car sales have remained fairly reasonable, the switch to smaller vehicles has had an impact on Dunlop's turnover through requiring smaller tyres too. There is some hope, though, that the approach to the holiday season could bring a surge in replacement demand as motorists render their cars roadworthy for long trips. But for the present, the industry is not yet in sight of a new base in demand from which to start growing again.

Hooper also complains of pressure from imports (mainly from Japan), which are running at a level of R10m-R12m per year fob (equivalent to R20-R24m at trade prices). The main category of imports comprises tyres and casings at the heavy end of the market, for big trucks and earth-moving equipment.

The stature of the SA rubber processing industry is evidenced, relates Hesp, in a total value of output of around R350m per year and national employment of around 18 000 (all races), comprising 4 500 whites, 2 500 coloureds and Indians and 11 000 blacks. Estimated imports of rubber products and raw materials for 1979 are around R120m fob, with exports on a comparable price basis about R16m. The trend in growth for exports is roughly double that for imports.

Financial Mail September 14 1979

RDM 25/9/79 (196)

Gentire tyre sales fall

By ELIZABETH ROUSE

GENERAL Tires diversification into the industrial rubber products market has been a wise move as prospects in the tyre market are expected to remain poor in the foreseeable future.

Gentire's interim results show that for the first time in many years unit sales in the tyre division declined. There is no immediate prospect of any improvement in demand for tyres and it is expected that manufacturing capacity will not be fully utilised in the foreseeable future, say the directors.

Raw materials prices and operating costs have risen so fast that the May tyre price increase was insufficient to cover advancing costs.

Expansion in the economy, apart from the transport sector, proved beneficial to the industrial rubber products division and all subsidiaries have shown steady progess.

The reason for the acquisition of Conti-Calan and certain of its subsidiaries becomes clear in the current market setup. The acquisition is not expected to have any material effect on earnings in the near future, but has given the Gentire group a wider spread of the market.

Conti-Calan and Flexible Tubing (now making a worthwhile contribution to profits) should in the medium term improve earning capacity, and the properties will provide security of tenure and provide room for expansion.

Sine June last Gentire has spent R5 496 000 on acquisitions. Its capital commitments are down to R1 278 834 from R3 051 000 at the end of December 1978.

Gentire raised its interim dividend by 5c to 25c (a surprise to the market as its dividend policy is conservative) in spite of a marginal decline in interim earnings to 64,2c a share for the six months to June last from the 1978 half-year's 65,7c.

Forecast is that as overall profit margins continue to narrow, profits for the yearend will be less than those of last year.

The proposed buying out of the American company's share of Gentire makes the company a subsidiary of Dr H Khazam's top company, Aurochs. Gentire will change its yearend to February 25, 1980, so the accounts will cover 14 months.

processes is essential; and the division will have to be more fine the more discriminating public decisions can be.[10]

The results of programme budgeting may be valuable in themselves, although the mere procedure does not necessarily ensure that better decisions will be made. Their potential is realised only if there follows an assessment of the value of expenditure in each programme.

2.2 Programme Evaluation

Methods of evaluation range from simple procedures for looking at costs, where the conclusions are left largely to intuition, to highly complicated processes which present more or less clear-cut solutions. For these more precise methods, most of the value judgements have to be made explicitly in advance. Some points on the spectrum between these two extremes are analysed below.

2.3 Looking at Expenditure

Basically, one is looking for inconsistencies. It was noted that a logical axiom, basic to economics, is that a rand should yield approximately the same value in whichever programme it is spent. If the net social benefit from the marginal expenditure on one programme much exceeds that on another, one can do better by withdrawing funds from the second programme and increasing expenditure on the first. By simply looking at a breakdown of the budget between programmes, the amounts spent on each may be compared with our intuitive notions of how much 'ought' to be spent on these things. Our judgement will depend on what we consider the benefits of expenditure under each programme to be, a process which cost-benefit analysis seeks to formalise (see below). For example, if it can be shown that expenditure on preventive medicine constitutes approximately 2% of all expenditure on health,[11] it may be felt that the benefits from this kind of provision warrant an increase in the share of the budget allocated to it.

Unfortunately, such intuitive processes can pick out only the grossest incongruities which are recognised by all, whatever criteria of 'value' are used. The optimum level of expenditure on a particular objective is, from the point of view of intuitive judgement, highly uncertain, because of the wide variation in benefits attributable to a particular type of spend-

ing. This is partly due to a deficiency i
the programmes which can be resolved by rec
Nevertheless, there will also be differenc
be resolved without prior agreement on the
benefits which have to be fed into the ana
process, these two factors may not be diffe

PE tyre strike: 900 may get sack

21/10/79

Own Correspondent

PORT ELIZABETH. — About 900 black workers at General Tire here would be replaced unless they returned to work soon, the managing director, Mr R G Nicholson, said from Johannesburg yesterday.

Production at the Port Elizabeth plant came to a halt again yesterday when about 900 black workers staged a walkout at 12.30 pm. It was their second consecutive walkout this week.

Mr Nicholson said the company viewed the walkouts as illegal strikes and could not negotiate with workers unless they returned to their jobs.

He said a member of the company's Port Elizabeth staff would fly to Johannesburg today to give him a personal briefing on the situation.

Workers interviewed said they handed a list of 24 grievances to plant management at a meeting yesterday morning. They demanded the re-instatement of two recently laid-off workers.

Other grievances included a demand for union representation, claims of discriminatory pay and employment practices, inferior segregated facilities and strained relations with white workers.

They said they have been boycotting their canteen because they were regularly searched to prevent theft of cutlery.

Asked to comment about the workers' complaint of inadequate representation, Mr Nicholson said: "I don't believe there is a union which represents our workers. I believe we need one.

"Our problem now is we don't even know who we are supposed to be negotiating with."

● Worker unrest continued at Ford motor company's Struandale assembly plant yesterday where about 60 paint shop workers walked out after a disagreement with management over overtime.

Large & poorly spaced families	++++	++++	+++	++	96
Inadequate ante-natal & obstetric care	++++	++	++	+++	48
Malnutrition	+++	+++	++	++	36
Need for medical care	++	++	++++	++	32
Specific diseases:					
V.D.	++	++	++	++	16
Dental problems	++++	+	++	++	16
TB	+++	+++	+++	++	54
Common cold*	++++	+	+	-	0
Yaws*	-	++	+++	++++	0

* Added to test scoring method

2/11/79

(196) 2/11

Firestone puts more blacks in higher jobs

JOE THLOLOE ON JOB WATCH

Pictures by SIPHIWO RALO

FIRESTONE, the tyre manufacturer, had only 17 salaried blacks as against 239 whites at their Port Elizabeth headquarters last June.

The 17 were three Africans, four coloureds and two Indians on clerical; one African and one coloured on the supervision level; and two Africans on the professional level.

By September the figure had gone up to 32.

Mr G P Morum, the managing director, said the blacks preferred to be paid weekly.

"It all depends on how one looks at the division between salaried and hourly-paid workers," Mr Morum said. "We have white clerks earning less than people paid on a weekly basis."

In June there were 1 449 weekly-paid employees. The whites here were 282, ranging from lower semi-skilled to higher skilled.

There were only three Africans and eight coloureds in the higher skilled category.

"One of the major problems is education, but we are moving in that direction," Mr Morum said.

"What is needed is a broad basis of education, initially to raise the standard up to matric, and then later, tertiary education.

"This is the only way the country can have access to its complete pool of talent."

Firestone is one of the three companies that initiated a technical high school for Africans in Port Elizabeth. The others are Ford and General Motors.

The R2,3-million school opens next year.

"We have coloured apprentices, but up to now it has been against the law to have black apprentices," Mr Morum said.

Between January and June this year, the company had training programmes for 183 Africans, 82 whites, and 61 coloureds.

Among the courses were:

Safety, stock control, forklift driving, greasers, tyre building, electricians phase one (for assistants to artisans), decision-making, quality control, job instruction, job relations, supervisory skills, advanced English and Afrikaans and Xhosa.

The clock-card canteen at Firestone in Port Elizabeth.

The company pays school fees for workers' children and is putting five would-be engineers through university, three at Witwatersrand and two at Fort Hare.

"We have done more than our fair share as far as education iss concerned," Mr Morum said.

The company pays a minimum of R1,10 an hour, which works out at R200,18 a month.

The minimum laid down in the current agreement between the Tyre and Rubber Manufacturing Industry, Eastern Cape, and the SA Yster, Staal en Verwante Nywerhede-Unie, is 70c an hour.

This Iron and Steel Union is the only one with which the company has dealings, Mr Morum said.

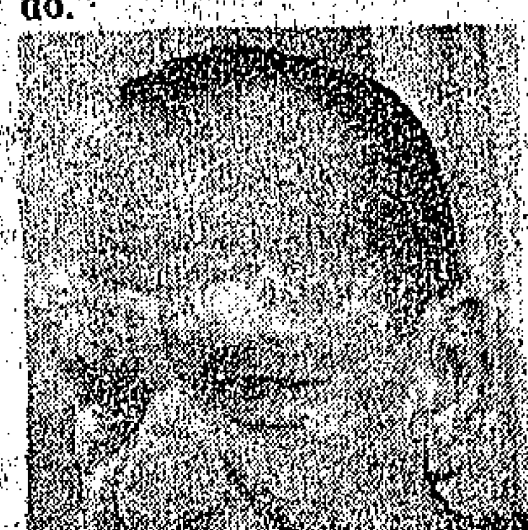
Otherwise the company has just started a consultative committee for all the workers.

"We had and still have a liaison committee. But when the other groups saw the success of that committee, they asked for a committee to cover all workers."

The liaison committee has eight workers' representatives and four management representatives. The consultative committee has six workers and five management representatives.

Mr Morum said the company would recognise a black union if it represented more than 50 percent of the workers.

"But what the company does will indicate to the workers that there is nothing a union can offer for their money. We are enlightened enough and are prepared to listen and do."



Mr G P Morum, Firestone managing director.

'We're ready to listen and do'

Mr Morum said there was no segregation in facilities in the company.

"There are no racial signs on the toilets or on any other facilities, but *different people still use different facilities. This is because of the long tradition of segregation in this country.*

"In November last year, we opened a new cafeteria. The whites stayed out, but now they are trickling back. Remember we are talking about traditional issues."

Mr Roger Webb, the salaried personnel manager, told us integration was an academic issue: "It is of minor importance to the workers, money is important to them."

There are now three canteens at the factory in *Port Elizabeth: one for* clock-card workers, another for clerical staff and a management diningroom.

"At the request of the black supervisors, we have a separate area for supervisors. They are separated from the labourers."

Besides the donation for the technical high school, the company had not made any other "major contributions."

"We don't make window-dressing donations," Mr Morum said, "we spend money on our workers, internally."

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Striking workers meet tyre managers

Argus 20/11/79

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Argus Bureau

PORT ELIZABETH. — Black workers of the General Tire and Rubber Company plant in Port Elizabeth were met by the management today to discuss their grievances after about 600 walked out yesterday.

The walkout brought production to a standstill.

It followed three weeks of unprecedented, and still unresolved worker unrest at two Ford Motor Company plants in this city.

Yesterday's General Tire walkout is believed to have been sparked by the laying off of three black workers — one yesterday.

GRIEVANCES

According to an informed source the dissatisfied workers have drawn up a list of 24 grievances which they insisted on discussing with the management.

Spokesmen for the black workers said the demand that the three workers be reinstated was included in the list of grievances drawn up by the workers.

Many of the grievances appear to concern bad relations between blacks and whites at the plant.

Reportedly the day shift downed tools at 11.30 am yesterday. They spent most of the day in a cloakroom at the plant and held talks with labour relations staff.

They went home at 4.30 pm and agreed they would return to work at 7 am today. It was reported that the night shift did not arrive at work.

GATHERED OUTSIDE

The workers, however, gathered outside the plant today and refused to work, while their representatives met management. The managing director, Mr R G Nicholson, is believed to have arrived from Johannesburg to attend the meeting.

Neither the factory manager, Mr M Colling, nor any other senior representatives of the company were available for comment today.

Production at the factory is at a standstill.

Meanwhile, production at Ford is back to normal. However, black workers said unless their grievances were settled by noon tomorrow, they would down tools again.

Workers at PE tyre factory down tools

20/11/79

PORT ELIZABETH — Industry in Port Elizabeth took another knock yesterday when about 600 black workers at the General Tyre and Rubber Company downed tools, bringing production to a halt.

The walkout follows on the heels of three weeks of unprecedented, and still unresolved, worker unrest at two Ford Motor Company plants in Struandale, Port Elizabeth, where production was hit by sporadic walkouts and meetings, involving more than 1 000 black workers.

Yesterday's General Tyre walkout is believed to have been sparked by the laying off of two black workers — one yesterday and one a few weeks ago.

An informed source said the day shift downed tools at 11.30 am yesterday. They spent most of the day in a cloakroom at the plant and held talks with labour relations officials.

They went home at 4.30 pm, after it was agreed that they would return at 7 am today. The source said the night shift did not turn up at all. About 600 workers were involved.

Port Elizabeth factory manager, Mr M. Colling, last night said he would prefer not to comment at the moment.

Production at Ford was back to normal yesterday. But it could be the calm before the storm as workers are saying that unless their grievances are settled by noon tomorrow they will walk out again.

Ford management has agreed to report back to black workers tomorrow on their grievances. The deal was made at meetings with workers last week.

In an interview yesterday, Ford's public affairs director, Mr Dunbar Bucknall, said the workers would get replies to most of their complaints before noon tomorrow, but it was possible more time would be needed to finalise certain matters.

Black workers' grievances centre round bad relations with white foremen. A boycott of company canteens by black workers entered its second week yesterday. Black workers say they will not buy food at the plant until certain foremen withdraw insulting remarks they made at a union meeting a fortnight ago.

The Progressive Federal Party MP for Pinetown, Dr Alex Boraine, said in Port Elizabeth yesterday that the trouble at the Ford plants should be a warning to the government and industry. — DDC.

Boraine plea, page 15.

Some of the 900 workers who staged a walkout at the General Tyre plant in Port Elizabeth yesterday.

21/11/79 (196)

You'll lose jobs strikers warned

PORT ELIZABETH — Black workers at General Tyre here, would be replaced unless they returned to work soon, the managing director, Mr R. G. Nicholson, said in an interview from Johannesburg yesterday.

Production at the plant came to a halt again yesterday when about 900 black workers walked out at 12.30 pm. It was their second walkout this week.

Mr Nicholson said the company viewed the walkouts as illegal strikes and could not negotiate with workers unless they returned to their jobs.

He said a member of the company's Port Elizabeth staff would fly to Johannesburg today to brief him on the situation.

Workers said they handed a list of 24 grievances to plant management at a meeting yesterday morning. They demanded the reinstatement of two recently laid-off workers.

Other grievances included a demand for union representation, claims of discriminatory pay and employment practices, inferior segregated facilities and strained relations with white workers.

They said they had been boycotting their canteen for some time because they were searched regularly to prevent theft of cutlery.

Both day shift and night shift workers turned up at the factory yesterday morning. They walked out after unsuccessful meetings with management. Before leaving they elected a committee of five to represent them. They said their official liaison committee was not effective.

Asked to comment about the workers' complaint of inadequate representation, Mr Nicholson said: "I don't believe there is a union which represents our workers. I believe we need one. Our problem now is we don't even know who we are supposed to be negotiating with."

Worker unrest continued at Ford Motor Company's Struandale assembly plant yesterday where about 60 paint shop workers walked out after a disagreement with management over overtime.

A Ford spokesman said because of an imbalance in production, the paint shop was asked to keep working yesterday afternoon while other sections went home. The call was rejected and the workers left with the others.

Noon today is the deadline agreed on by Ford and its workers for management to report back on the grievances by more than a thousand Ford black workers in Struandale.

The workers have threatened to walk out again if their grievances, mostly over-strained relations with white supervisors, are not met. — DDC.

1 000 go on strike

Walk-out after dispute at Ford

POST CORRESPONDENT

THE labour unrest in Port Elizabeth took another turn yesterday when 60 workers at tension-filled Ford walked off their jobs while more than 1 000 workers were on strike at General Tire.

And yesterday the first reports of police activity were that a number of hotel employees who walked off their jobs on Saturday were arrested when they turned up to fetch their salaries.

They were employed by the Red Lion Hotel and comprised the kitchen, bar and chamber staff. The manager of the hotel, Mr S Wasserug, confirmed they had been arrested, but would not given any details.

Colonel L K Knox, Port Elizabeth District Commandant, was not available for comment.

The Ford employees walked off after a dispute with management over overtime. The workers are from the paint shop at the Cortina plant and they left at about 12.30 pm just

This ...

ment the workers presented a 24-point list of grievances covering a range of issues. Among the more important were a rejection of the plants' existing liaison committee system and a demand for union representation.

The workers claim that factory manager Colling had been threatening in his negotiations with them saying he would fire them or they would lose their bonuses through their actions.

Trouble at the plant began when workers boycotted the canteen because of an alleged insistence by management that black workers be searched when leaving to prevent the theft of cutlery. The boycott of the canteen entered its second week.

General Tire officials at the Port Elizabeth district office and head office in Johannesburg were unavailable for comment yesterday. Mr Colling said he was not prepared to talk to the Press. Only head office could do so, he said.

WILD & CRAZY

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This walk-out comes when management is due to hold crucial talks with staff. The staff is demanding reinstatement of a black worker retrenched with a reinstated white.

Production at General Tire in the Port Elizabeth plant came to a standstill yesterday as black workers continued their protest walk-out in support of a demand that three retrenched black workers be reinstated. By midday yesterday about 1 000 workers walked out of the plants after holding a series of meetings with plant manager Mr Norman Colling.

This was after they had issued an ultimatum to management to reinstate the three retrenched workers or face a continued work boycott.

The workers comprising those of night and day shifts will report at work today but to hold a meeting with officials of the Trade Union at 7 am.

At an early morning meeting with manage-

Financial Mail

192 1160A 151 152 196 203

F.M. 23/11/79

LABOUR UNREST

A Ford in your future?

"There's a Ford In Your Future," runs the old slogan. As labour unrest boiled over again in the Eastern Cape, many an employer might be pondering its ironic truth.

As the *FM* went to press, workers at Ford's Cortina plant had walked out for the fourth time in a fortnight or so — despite a management warning that anyone who walked out or refused to work "reasonable overtime" would be regarded as having resigned. Ford has closed the plant until Monday — for a "cooling off period," says industrial relations manager Fred Ferreira. He says he expects no problems in re-employing most of the workers.

At nearby General Tire, an estimated 1 200 workers had been out since Monday. Membership of the (African) United Auto Workers had risen from 50% of the work-force to 80% in the week since the dispute at General Tire began. Rumours that other employers could be hit by strikes were rife, but most sources believe the unrest will not "spread wildly."

But, whatever the outcome of the last fortnight's unrest, it may well have marked a turning point in SA labour relations — just as the Durban strikes did in 1973. The most important trends in SA's labour — and, perhaps, political scene — have come together in one factory, and then spread to another. Ford's present could well be other employers' future.

Most whites don't regard the Eastern Cape as the centre of SA. But it has always been a focal point of black politics and the importance of the issues raised by the events which began at Ford about a fortnight ago overshadow the supposed obscurity of their setting.

The increasing politicisation of African workers; management's need to negotiate with strong, democratic trade unions as a bulwark against conflict; the growing fears of white workers and the pressure on their unions as a result; and the clash between white fears and black aspirations are all at issue. So are the demands this places on multinationals in particular and SA employers in general. These have always been issues. But they will increase in importance in the 1980s.

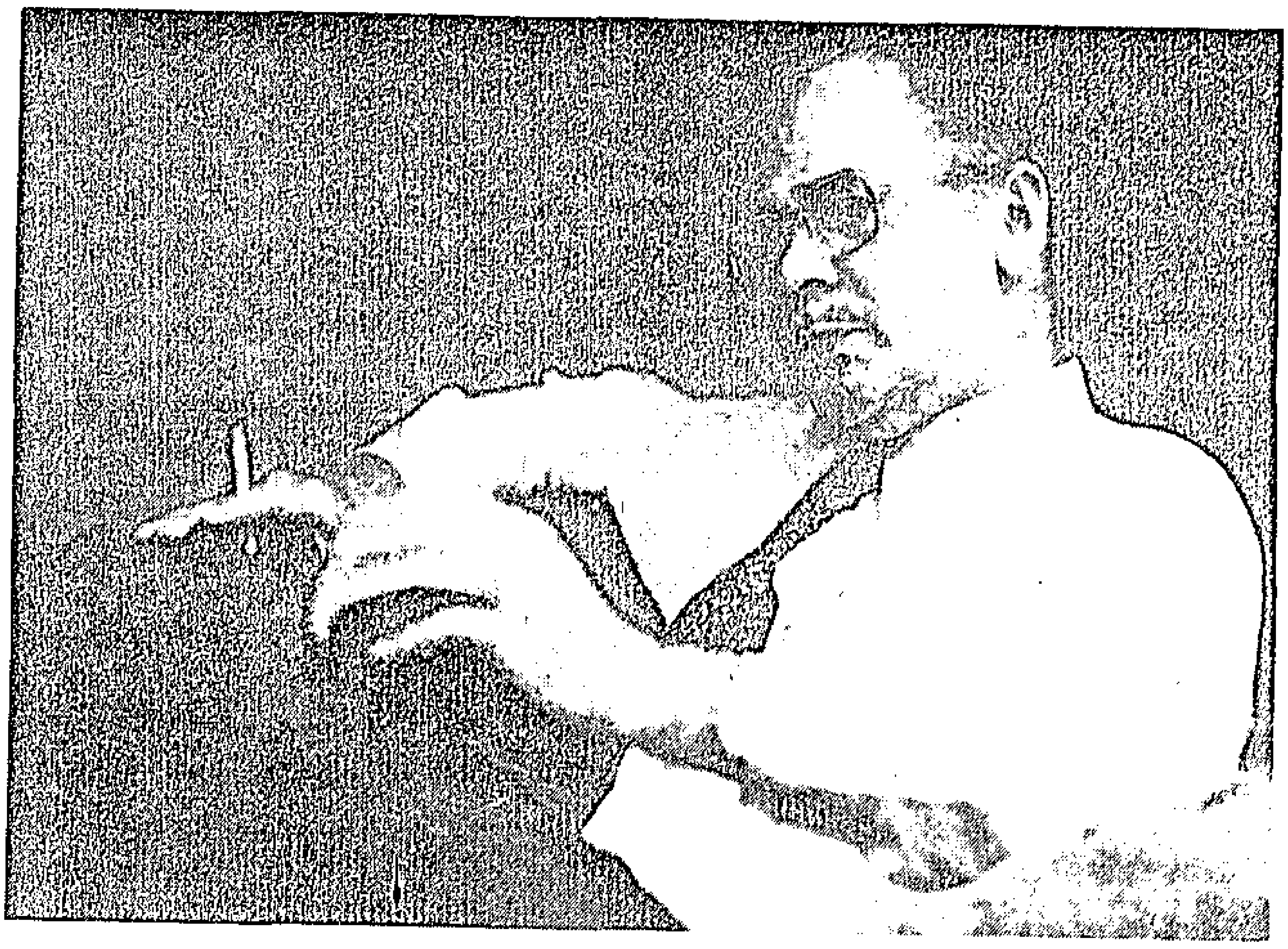
To be sure, the General Tire dispute has many of the hallmarks of past disputes. The recognition of the United Auto Workers has increasingly become an issue there — although the dispute was sparked off by the dismissal of two workers and followed a week long canteen boycott by African workers. According to UAW's George Manase, personnel officers have indirectly urged workers not to join the union and this week management rejected a worker demand that union officials be involved in negotiations (although the *FM* understands that a union-management meeting was due as it went to press).

General Tire MD Nic Nicholson claims he doesn't know what the worker demands are (they had been read to him, but he didn't remember them) and says he is not prepared to reinstate the two workers because "I don't want to lose authority in the plant."

Workers insist that they are not involved in a sympathy strike with Ford workers. But some sources point out that the grievances there are virtually indentical to those at Ford. This obviously fuels talk of "agitators" — that hoary claim whenever unrest occurs. But, as unionist Fred Sauls argues, even if there were agitators "they wouldn't succeed unless there were real grievances."

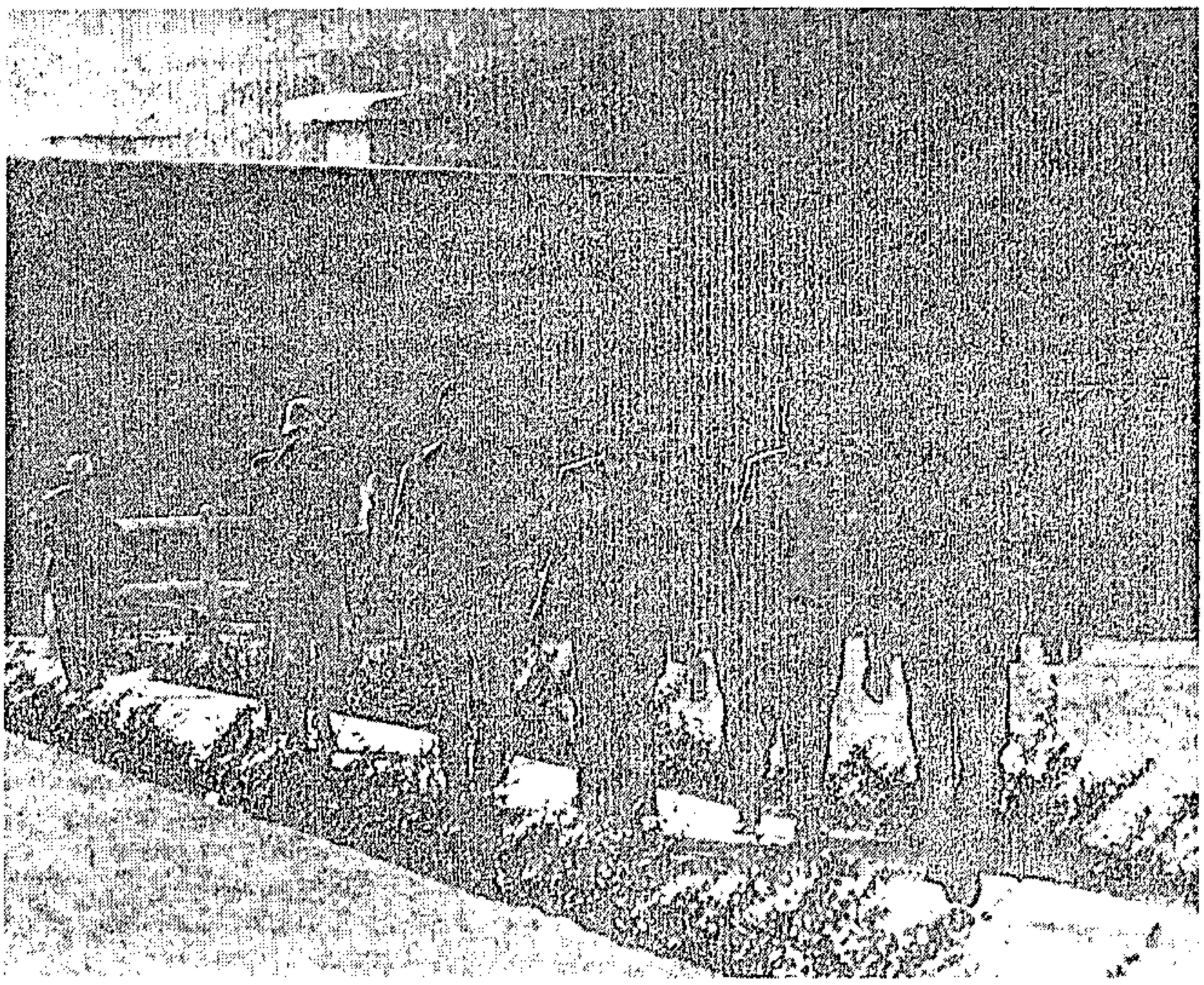
It is the Ford dispute, however, which is so different from the well-worn story of workers who feel management is not prepared to tolerate worker representation in the plant. Indeed, Ford has recognised the UAW for some time. The dispute began over the alleged victimisation of Thozamile Botha, who happens also to be the leader of the Port Elizabeth Black Civic Organisation (Pebco). This organisation is the PE equivalent of Nthatho Motlana's Soweto Civic Association and has at least informal links with Azapo, the black consciousness organisation formed recently.

African workers in the area are becoming increasingly politicised and Pebco enjoys wide support among them — many Ford workers have been manning the



Ford's Ferreira . . . time for cooling off in a tricky situation production line with Pebco insignia openly slung round their necks and the insignia were in evidence outside Gentire as well. Pebco regularly draws crowds in excess of 10 000 to its meetings — more than its Soweto counterpart.

Whatever the truth behind Botha's resignation from Ford, workers say they saw it as an attack on a community leader who is also a staunch critic of apartheid. (Management has stressed it was not interested in Botha's political affiliations and made no attempt to victimise him for them.) The workers downed tools, and tensions were then increased by the entry into the fray of white workers who are members of the SA Yster-en-Staal Unie, a power in the Confederation of Labour.



Ford workers . . . leaving the factory now but, hopefully, they'll be back next week

In a backlash obviously sparked off by the strike over Botha, white workers also threatened to strike. They presented a list of grievances, many complaining that the company was more interested in meeting black aspirations than white ones. A foreman (and Yster-en-Staal member) allegedly complained that the company's integrated canteen facilities were dirty because Africans were "abusing them."

Yster-en-Staal assistant general secretary Henry Ferreira denies the man said it, but the allegation was enough to spark off the tinderbox. African workers demanded an apology from Yster-en-Staal and asked management to transfer the foreman. Yster-en-Staal, says Henry Ferreira, won't do that and Ford refused to transfer the man. Says Fred Ferreira: "The company can't be dictated to in its appointment of supervisors. Anyway, to transfer him could mean a white backlash."

It was this issue which sparked off Wednesday's events, although, as inevitably happens in an emotion-charged situation, other demands have come to the fore. African workers have complained they are not paid equally for equal work, they want an African foreman who was retrenched to be reinstated and they have problems with Ford's medical aid scheme.

Ford consistently attempted to deal with the situation by channelling these demands through the union. Fred Ferreira says he hoped to defuse the situation by bringing the demands to the negotiating table through the grievance procedure negotiated with the union. That failed, but Ford is obviously hoping that the "cooling off period" will enable it to happen.

Ironically, while many managements are reluctant to deal with a union like UAW (it is affiliated to Fosatu and regarded as too radical by many employers), Ford's Ferreira would like nothing better than to return to a situation in which worker demands are channeled through UAW. "It's a serious situation when the recognised spokesmen become impotent." And he insists "a wildcat strike doesn't detract from the union's role."

Indeed, the issue at Ford is that the union is under pressure from the left. Men like Botha obviously find it too moderate for their liking and Sauls concedes: "Some workers believe we are a puppet organisation controlled by management and government." For his part, Botha says the union is "trying to solve the problem but management has the final say. Under normal conditions the union is all right but it is not forceful enough in putting demands to management."

The union is dealing with a workforce which is becoming more militant — some years ago a remark like the one the white foreman is supposed to have made would probably have passed without more than a raised eyebrow — and some workers have lost patience with the very unions some managements seek to exclude.

Ferreira remarks that Ford is facing a political problem and there is truth in this. Says Brian Matthews, director of the Midland Chamber of Industries: "Black workers' political frustrations will be vented on the factory floor until their political aspirations are satisfied." This is inevitable, he says, and employers will just have to deal with the problem.

Certainly the days when racial remarks on the factory floor passed unnoticed are disappearing rapidly. And it is inevitable that people who are denied political expression will seek to make their point at the workplace.

It's a problem that won't be solved by strong-arm tactics and Matthews rejects suggestions that Ford have capitulated to worker demands: "You've got to realise we are going through a new phase and it's important to keep calm. Management is pretty good around here and they realise that."

But there's another problem at Ford. Attempts by employers to elbow out "militant" unions and replace them with tame ones are growing. Ford's experience shows the folly of this approach. If workers do not believe that trade unions are solving their problems at work, they will turn to more militant alternatives. Ford's Ferreira obviously believes — from experience —that the only alternative to unrest is a strong union in his plant. Employers who are favouring some of the more milk and water variety of parallel union might ask whether such a union would provide the slightest insurance against unrest.

The chances of UAW getting back to a working relationship with Ford are good. Sauls points out that a group like Botha's cannot represent workers at the workplace. Botha himself says he doesn't want to be the leader of Ford workers because "I am not the compromising type." Botha's is a political organisation which is ill-suited to the task of negotiating with management —after all, it was not intended to play a trade union role and there's a difference between some community problems and their labour equivalents —and, significantly, many workers tell the *FM* that they believe the union's role lies in the factory, Pebco's outside it.

Employers should ask themselves whether a union regarded by its workers as little more than an arm of management could enjoy the same support in an emotion-charged situation. It is significant that Sauls is now saying that UAW must

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(SRC Stamp)

have a new look at its grievance procedure and beef up its lines of communication with members. The union will attempt to organise those Ford workers who are not union members and "we will have to have a strong shop floor structure," says Sauls. Fred Ferreira welcomes this development: "We have got to find more effective lines of communication."

The Ford dispute has also highlighted important developments on the white labour scene. White workers are obviously jittery about the future in the wake of the Wiehahn report. As black factory floor militancy grows, white reaction to this will certainly also grow. It is also significant that many of the demands made by Yster-en-Staal members have nothing to do with race relations. For example, white workers wanted company assistance in purchasing overalls.

All this seems to indicate that, as the legal protection white workers have enjoyed over the years begins to disappear, they will make new demands on their unions. The white union movement has not been called upon to push its members' cause on the factory floor in recent years — legislation has done it for them. Those days may be on the way out. Says Yster-en-Staal's Henry Ferreira: "Before Wiehahn there tended to be a lack of interest in the union on the part of white workers. Now they are more interested and more are joining up."

White workers are worried about their job security, he says, and are now turning to their unions. This is forcing the unions to become more vigorous in pushing their members' claims than before.

So employers will inevitably be faced with a white union movement waking up after years of slumber. This will make it extremely difficult for employers to meet black demands without encountering white resistance. And, change or no change, white workers still have the political cards stacked in their favour. It is significant that Yster-en-Staal threatened at one stage to take its grievances at Ford to the Industrial Court and some employers are likely to be wary of offending white workers if they have the threat of a court appearance hanging over their heads.

Indeed, it is perhaps significant that Yster-en-Staal's Ferreira pronounces himself reasonably satisfied with the resolution of his members' grievances. And Ford did, after all, take a hard line on the transfer of the allegedly errant foreman partly because it feared a white backlash. White worker demands will probably always be easier to meet than black demands and many a manager may favour whites.

Time will tell how employers walk these tightropes. But they would do well to study the Ford experience carefully and learn from its lessons.

PHONE NUMBERS

Classified Ads 32330
All other E.L.
Depts 26141
King William's
Town 23282
New Brighton 46359
Queenstown 2431
Umtata 2500

DAILY D

Friday, November 23, 1979

196 152 DD 23/11/79

Tyre workers paid off

PORT ELIZABETH — More than 1 000 workers involved in the industrial unrest at two companies here will return to their firms this morning — but only to collect their severance pay.

General Tire sacked its entire black labour force yesterday following three days of wild cat strikes by black workers demanding that the company recognise their union.

And Ford announced yesterday they would start recruiting on Monday to replace the 700 workers who walked off their Struandale plant over demands to have two retrenched workers taken back.

After collecting their pay, the workers will meet in the St Stephens Hall in New Brighton this afternoon to plan their strategy in the battle which one worker said "we cannot lose."

The combined axed labour force met yesterday under the chairmanship of Mr Thomazile Botha chairman of the PE Black Civic Organisation, and expressed the hope other black work seekers would not opt for these vacancies created by a dispute.

Mr Botha urged workers to be at the plant at 7.30 am and to be orderly.

"We must give nobody the excuse to cause unnecessary violence," he said.

Various speakers expressed divergent views, but the theme at the meeting was unity and refusal to surrender.

At Ford the director of industrial relations, Mr Fred Ferreira, said all applicants for jobs on Monday would be considered and an in-depth investigation into the employees grievances was continuing.

"We have learnt a lot of lessons from the dispute, but now we hope our troubles are behind us," he said.

The managing director, Mr Brian Pitt, said the men had not been fired.

"A notice on Tuesday to all employees made our policy clear."

It stated that anyone who left his post during hours or who refused to work reasonable overtime, would be considered to have terminated his service.

Asked if the tougher policy introduced on Tuesday had been on instructions from the American parent company, Mr Pitt said: "We naturally keep them informed, but we have to handle our own problems."

He said the situation at the company's other three plants was normal and all workers were again using the canteen facilities.

Mr Pitt estimated the dispute had resulted in a loss of production of 1 000 units, but said it was still too early to estimate the loss in revenue and sales to the company.

If Monday's recruiting campaign went according to plan, he hoped to have the line back to full capacity by the end of next week.

In Pretoria, the managing director of General Tire, Mr R. G. Nicholson, said he had laid off the men, but would pay them for all work completed.
— DDC

LONDON — The Zimbabwe Rhodesia talks, now in their eleventh week, hit rock bottom last night when the Patriotic Front leaders, Mr Robert Mugabe and Mr Joshua Nkomo, addressing a press conference, angrily rejected two deadlines suggested to them by the Foreign Secretary, Lord Carrington, and Mr Mugabe twice told Lord Carrington to "go to hell".

Mr Mugabe and Mr Nkomo bluntly accused the British Government of conspiring secretly with the Muzorewa regime and of helping Zimbabwe Rhodesia to try to "blackmail" Zambia.

Mr Mugabe claimed yesterday's conference session had ended in "pandemonium". At the session, Lord Carrington put forward a three-point plan designed to scale down the conflict between Zimbabwe Rhodesia and Zambia. The three elements of the plan are:

The Muzorewa regime must cease all cross-border operations into Zambia; the PF must halt the crossing of Zapu guerillas from Zambia into Zimbabwe Rhodesia; and the co-operation with the Zambian authorities must be secured as an essential factor.

23/11/79 DD 272

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TABLE II

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Rheumatic Heart Diseases (390-398)	115 1.2%							
Hypertensive Diseases (400-404)	212 2.2%							
Ischaemic Heart Diseases (410-414)	5737 58.8%							
Cerebrovascular Diseases (430-438)	1587 16.3%							
Total Circulatory Diseases (390-458)	9752 100%	7926 100%	1135 100%	804 100%	3114 100%	[illegible] 100%	2390 100%	1921 100%
Motor Vehicle Accidents (E810-E819)	750 38.0%	287 42.4%	122 36.6%	28 26.9%	572 26.3%	161 24.7%	282 15.1%	59 18.2%
Suicide (E950-E959, E979) *	485 24.6%	104 15.4%	42 12.6%	13 12.5%	84 3.9%	18 2.8%	76 4.1%	11 3.4%
Homicide (E960-E969)	59 3.0%	41 6.1%	41 12.3%	2 1.9%	680 31.3%	167 25.6%	806 43.1%	89 27.5%
Total Accidents, Poisoning and Violence (E800-E999)	1973 100%	677 100%	333 100%	104 100%	2175 100%	652 100%	1868 100%	324 100%

* E979 "Suicide and self inflicted poisoning by motor vehicle exhaust gas" is a code used in South Africa which does not appear in I.C.D. (8th revision) See Ref. 12

Post 23/11/79 (P16) (152) (1979)

Sacked 1 300 adamant

MORE THAN 1 300 black workers who were sacked from their jobs at Ford Motor Company and General Tire decided at a mass meeting yesterday that as an expression of solidarity they would not seek re-employment at either of the companies next week.

The chairman and leader of the Port Elizabeth Black Civic Association, Mr Thozamile Botha — one of the sacked workers — charged Ford management with causing the mass walkout which deprived the Struandale Cortina plant of its entire black staff bringing production to a standstill.

He said had management given him a chance to address his people the situation could have been averted.

Both groups of workers — the 700 sacked from Ford and 625 from General Tire — were in favour of not seeking re-employment at their factory.

Isolated

They also passed a motion discouraging isolated workers and liaison committee from negotiating with the company's management.

At the one and a half hour meeting the Ford workers decided to convene outside the assembly plant today to assess their situation and collect monies due to them.

Scores of General Tire workers will approach management for outstanding pay and attempt to secure holiday and end-of-year bonuses they claim they are owned.

The meeting also deplored the presence of armed riot squad policemen at the Ford plant on Wednesday saying this had contributed to the walkout.

As the meeting became more heated radical elements began calling for trade boycotts.

● Both Ford Motor Company and General Tire yesterday expressed their willingness to consider applications for employment from sacked workers.

● To Page 2

XVI SYMPTOMS AND ILL-DEFINED CONDITIONS

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,51	0,54	2,10	1,24	7,00	6,86	19,69	19,83
1-4	0,04	0,04	0,21	0,35	0,75	0,77	2,58	2,48
5-24	0,01	0,01	0,09	0,06	0,08	0,03	0,21	0,23
25-44	0,05	0,05	0,28	0,17	0,42	0,31	0,72	0,78
45-64	0,44	0,18	1,73	1,04	1,73	1,02	3,80	3,64
65+	1,84	1,95	8,32	6,56	8,55	5,71	14,69	14,84
ALL	0,22	0,23	0,56	0,38	0,83	0,65	1,80	1,96
NO.	463	485	199	134	943	761	3765	3145

XVII ACCIDENTS, POISONINGS AND VIOLENCE (EXTERNAL CAUSE)

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,85	0,69	0,70	0,31	1,18	1,24	0,32	0,19
1-4	0,49	0,21	0,31	0,27	0,63	0,61	0,21	0,20
5-24	0,71	0,22	0,68	0,20	1,40	0,38	0,68	0,12
25-44	1,18	0,30	1,43	0,37	3,32	0,70	1,22	0,26
45-64	1,25	0,42	1,55	0,40	2,89	0,76	1,10	0,31
65+	1,26	0,71	1,34	0,91	2,19	0,90	1,02	0,53
ALL	0,95	0,33	0,95	0,29	1,91	0,56	0,89	0,20
NO.	1973	677	333	104	2175	652	1868	324

● From Page 1

Tire workers

Meanwhile the national organiser of the United Automobile and Rubber Workers Union in Port Elizabeth, Mr George Manase, said membership of his union at Genera Tire increased from about 50 percent to almost 100 percent on Wednesday.

Of 625 workers striking at the plant, 600 had joined the union by yesterday.

ALL CAUSES

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	21,76	16,18	40,44	27,11	133,70	119,02	91,30	88,18
1-4	1,17	0,94	2,42	2,39	17,22	16,21	10,23	9,93
5-24	1,05	0,46	1,31	0,74	2,26	1,25	1.64	1,12
25-44	3,02	1,47	4,33	2,48	8,80	4,96	4,78	3,70
45-64	17,46	9,49	26,27	18,72	24,27	17,87	18,06	15,57
65+	73,62	54,55	92,20	82,93	96,90	71,79	53,38	45,89
ALL	9,44	7,40	8,03	5,51	14,62	11,00	8,77	8,13
NO.	19600	15374	2828	1967	16632	12847	18348	13062

29/11/79 196

Recruitment at PE continues

PORT ELIZABETH — Recruitment campaigns continued at Ford and General Tire here yesterday where about 1 300 black workers lost their jobs last week.

Ford's director of public relations, Mr Dunbar Bucknall, said a total of 105 workers were taken into service on Tuesday and on Monday, of whom half were workers who had walked out on their jobs at the Cortina plant last Wednesday.

It was expected that another 60 employees would be taken into service yesterday.

About 250 job-seekers of all population groups gathered in front of the gates of the recruitment offices early yesterday.

Mr Bucknall said preference was being given to former workers at the Cortina plant.

It was reported that enough workers were accepted at the General Tire plant to fill one shift. A large number of those being taken into service were of the 625 who were dismissed last week.

At the Adamas Paper Mill, where some 150 workers had been dismissed, the managing director, Mr A. C. N. Malkin, said full production had not yet been resumed.

Workers were being threatened and told not to return to their jobs.

The liaison officer at General Motors, Mr Bob Ford, said yesterday all workers — those who received a fixed salary and who were paid by the hour — were to receive 18 months' bonus pay in December.

Reports here said the move by GM followed the announcement by Ford recently that it would change its bonus system to cover the period January to December, resulting in workers receiving 18 months' bonus pay this year.

This decision had been taken to meet demands of the workers. — SAPA.

TABLE II

	WHITE		ASIAN		COLOURED		BLACK	
	Male	Female	Male	Female	Male	Female	Male	Female
Rheumatic Heart Diseases (390-398)	115 1.2%	121 1.5%	28 2.5%	15 1.9%	120 3.9%	139 4.4%	49 2.1%	56 2.9%
Hypertensive Diseases (400-404)	212 2.2%	389 4.9%	115 10.1%	127 15.8%	190 6.1%	276 8.8%	273 11.4%	212 11.0%
Ischaemic Heart Diseases (410-414)	5737 58.8%	3118 39.3%	537 47.3%	246 30.6%	[illegible]	[illegible]	[illegible]	[illegible]
Cerebrovascular Diseases (430-438)	1587 16.3%	2181 27.5%	273 24.1%	239 29.7%	[illegible]	[illegible]	[illegible]	[illegible]
Total Circulatory Diseases (390-458)	9752 100%	7926 100%	1135 100%	804 100%	100%	100%	100%	100%
Motor Vehicle Accidents (E810-E819)	750 38.0%	287 42.4%	122 36.6%	28 26.9%	572 26.3%	161 24.7%	282 15.1%	59 18.2%
Suicide (E950-E959, E979) *	485 24.6%	104 15.4%	42 12.6%	13 12.5%	84 3.9%	18 2.8%	76 4.1%	11 3.4%
Homicide (E960-E969)	59 3.0%	41 6.1%	41 12.3%	2 1.9%	680 31.3%	167 25.6%	806 43.1%	89 27.5%
Total Accidents, Poisoning and Violence (E800-E999)	1973 100%	677 100%	333 100%	104 100%	2175 100%	652 100%	1868 100%	324 100%

* E979 "Suicide and self inflicted poisoning by motor vehicle exhaust gas" is a code used in South Africa which does not appear in I.C.D. (8th revision). See Ref. 13.

CT 5/12/79

Strike workers back to shift

JOHANNESBURG. — The Port Elizabeth plant of the General Tire and Rubber Company is now operating two shifts normally and is back in full production, the company's managing director, Mr R G Nicholson, said in a statement here yesterday.

More than 600 black employees had been re-employed after the labour unrest at the factory, he said.

It was reported at the time that about 625 black employees had been dismissed. — Sapa

196

Post 5/12/79

Normal work returns to strike-hit firms

AFTER three weeks of labour unrest in Port Elizabeth, work at the three unrest beset plants is returning to normal, largely owing to many dismissed workers returning to seek re-employment.

Adamas Paper Mill has been back to full production since the weekend while Ford's Cortina plant is on low level production.

General Tires plant is believed to be back in production though no one at the plant or at head office was either available for or prepared to comment.

The public affairs director of Ford, Mr Dunbar Bucknall said yesterday that since the recent walk-out of 700 Cortina plant workers 263 workers had been employed there. Of them 177 had been former employees.

The recruiting programme was continuing. Production would be in full swing again once enough people had been recruited. Applications were still flowing in, and preference was given to former employees.

He said the United Automobile and Allied Workers Union would report back to the black workers at 12 noon after meeting yesterday and on Monday with Ford.

He said he believed the response to what the unions reported back would probably influence the number of former employees still to return for re-employment.

One of the issues negotiated by the union is re-instatement of all dismissed workers without forfeiture of benefits.

Mr Backnall said white workers union and other representatives were also present at meetings with management to resolve grievances.

DISMISSED

He said about 600 workers would be employed to replace the 700 dismissed workers. The smaller number would enable the plant to return to a five instead of a four day working week.

The managing director of Adamas Paper Mill, Mr Clive Malkin, said in an interview yesterday that at least 200 of about 250 workers dismissed had been re-employed. No new people were taken on.

Although more former employees were being taken on, the number would eventually be less than 250 because of rationalisation.

No grievances had formerly been presented to the company and he believed the walkouts were politically motivated and largely caused by intimidation. However, the company was meeting the liaison committee with a view to resolving possible grievances.

He said a new wage agreement of which negotiations started before the unrest was coming into effect at the end of the month and had probably contributed to workers' return to the company.

No spokesman was available at General Tires plant in Port Elizabeth where 625 workers were dismissed after a walkout. The managing director, Mr R G Nicholson, was not available for comment at the Johannesburg head office.

When the secretary treasurer, Mr F Wilde, was approached, he said he did not know what was going on at Port Elizabeth plant and nobody else at head office did.

It is believed, however, that the plant is in full production and that most of the 625 dismissed workers were re-employed.

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DISCUSSION

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Tyre prices set to increase by 10pc

Mercury Reporter 7/12/79 196

AN INCREASE of nearly 10 percent in the cost of all tyres and inner tubes has been approved by the Price Controller, Mr. M. J. Waterson of the South African Tyre Manufacturers' Conference said yesterday.

The 9,6 percent increase will take effect from January 1. Mr. Waterson said the increase was necessary because of the escalating costs of raw materials.

"The tyre manufacturing industry is particularly dependent on oil-based raw materials which have risen in cost in line with the increases in the price of oil," he said.

The increase would mean a rise in the cost of retreads, Mr. Des Leather, the managing director of a local retread company, said yesterday.

"To the man in the street it will mean paying an extra R15 for a complete set of tyres — but the people who will really feel it will be the hauliers."

The Price Controller, Mr. E. J. de Beer, said last night he was unable to comment on the increase without access to the relevant files.

"Our department is responsible only for processing the applications," he said. "The final decider is the Cabinet committee dealing with these matters."

The Automobile Association said yesterday the increase in tyre prices was not only bad news for the motorist but would also adversely affect the economy.

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rural areas or cause of deaths' according to the Bantu *Reference* Bureau (Personal Communication). At least 50 000 deaths among Africans were not registered. These occur mainly in the rural areas. It is estimated that about 10% of the deaths in the main urban districts are not registered for Africans.

METHODS

The following indices were calculated:

1. Crude Mortality Rates.
2. Standardised Mortality Rates. Two standard populations were used: England and Wales representing a developed population and Mexico 1960 for a developing one.
3. Age and Cause Specific Death Rates. Calculated mainly in five year age groups for the seventeen major divisions of the eighth revision of the International Classification of Diseases (ICD).
4. Proportions of Causes of Death.
5. Infant Mortality Rates.
6. Expectation of Life. Calculated for 1970, the last census year.
7. Competing Mortality Risks.[8] This is the mortality experience of a population under the hypothetical conditions which would exist if a particular cause of death were eliminated. It gives an indication of the relative effect of that cause on the expectation of life.

The calculation of rates involves a knowledge of the base population age specific population. No official estimates of this are available for inter-censual years. For whites, Asians and 'coloureds, the 1970 population has been projected forward using the age specific survival rates from 1970 and taking into account the actual births and deaths in the 0-4 age group. Allowance was made for migration.

For Africans, a different procedure was adopted as a population figure for only part of the country was required. The 1970 age distribution[10] by magisterial district was used, the numbers being adjusted by the 1974 gross population estimates by economic region.[11]

MANUFACTURING — Rubber PRODUCTS

27 JAN. 1981 — 30 DEC. 1981

FINE ART & ARCHITECTURE

ARCHITECTURE

Cape Provincial Institute of Architects' Prize
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P F Dunckley

Helen Gardner Travel Prize
For a student who has satisfactorily completed 1st, 2nd and 3rd major courses.

P A Rappoport

Molly Gohl Memorial Prize
For the best woman student in third year.

Miss C Tredgold

David Haddon Prize
For the best student of Architecture (or Quantity Surveying) in the subject of Professional Practice.

D H Pryce Lewis

General J B M Hertzog Prize
For the best final year student.

S A Read

Osbourn Prize
For the best work in fourth year.

D H Pryce Lewis

John Perry Prize
For the best work in third year.

R A van Rosenveld.

139 / 154 / 166 / 196

STAR 27/1/81

Talks to end strike deadlock

The Star Bureau

PORT ELIZABETH — Negotiations started today between 20 labour representatives and the management of the Firestone plant here to bring an end to a deadlock between these two parties since 1 500 black workers there went on strike yesterday.

The negotiations could avert an impending clash between management and the black labour force later today when hundreds of workers could lose their jobs if they do not meet a deadline to be back at work.

The workers on strike initially refused to negotiate with management unless the managing director, Mr Peter Morum, addressed them en masse.

A gathering of about 300 workers outside the plant gates this morning chose 13 black and 10 coloured men to represent them.

1000 PE blacks strike over new pension plan

STAR 26/1/81

139 152 62 300 196

Own Correspondent

PORT ELIZABETH — The entire black work force at the Firestone plant here has downed tools in protest against the Government's proposed legislation to stop employees withdrawing pension contributions when they change jobs.

Almost 500 night shift workers refused to man their posts last night, many deciding to stay away while others were turned away by management.

The workers were today joined by another 500 day shift workers who gathered in the factory grounds demanding that management pay out all accumulated benefits to date.

They were to be joined by another 500 workers on the afternoon shift, bringing the total number of striking workers to 1 500.

Several workers called for the release of fellow workers who they alleged were detained by security police on Saturday afternoon.

This has been denied.

Firestone workers have rejected the in-company liaison committee and are demanding that management convene a meeting to address the entire work force at the plant.

Management today called on workers to elect three representatives from each shift to open communications with the firm.

The managing director, Mr G P Morum, said today the strike could be attributed to a "communication problem."

Under the proposed pension legislation employees will not be able to withdraw pension contributions until retirement.

Many workers feared they would lose their contributions to date, but this was not the case, said Mr Morum.

He was strongly opposed to workers pulling out of the pension scheme. "If they do withdraw, their losses will be incalculable. But if they are adamant about it, we will pay them out," he said.

However, workers would have to resign in order to claim their pension contributions and would lose the firms contribution.

Workers would then have to seek re-employment and would have to work for another year before they could rejoin the pension scheme.

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Molly Gohl Memorial Prize

For the best woman student in third year.

RDM 27/1/81 ~~152~~ 196 ~~300~~

Entire work force on strike over planned pension move

PORT ELIZABETH. — The entire black work force at the Firestone tyre factory has downed tools in protest against the Government's proposed legislation to stop employees withdrawing pension contributions when they change jobs.

Almost 500 night workers were not at their posts on Sunday. Some did not report for duty, others were turned away by the management.

Yesterday they were joined by 500 day workers who gathered in the factory grounds, demanding that management pay out all accumulated pension benefits.

They are expected to be joined by another 500 workers on today's 2-10pm shift, bringing the total on strike to 1 500.

About 200 night-shift workers remained outside the factory gates early yesterday to watch developments inside the gates.

Several shouted for the release of fellow worker Mr Harry Krige who, they allege, was detained by Security Police on Saturday afternoon.

This was denied yesterday by the head of the Security Police in the Eastern Cape, Colonel Gerrit Erasmus.

Firestone workers have rejected the in-company liaison committee and are demanding that management convene a meeting and address the entire work force.

A labour source said that last year workers had several meetings registering their opposition to the new pension regulations.

Yesterday the management called on them to elect three represjentives from each shift to open communications with the firm.

The managing director, Mr G P Morum, said yesteday the strike could be attributed to a "communications problem".

Under the proposed legislation employees will not be able to withdraw pension contributions until retirement.

Many feared they would "lose" their contributions to date, but this was not the case, Mr Morum said.

He said he was strongly opposed to workers pulling out of the pension scheme. "If they do withdraw, their losses will be incalculable. But if they are adamant about it we will pay them out."

However, workers would have to resign in order to claim their pension contributions and would lose the firm's contributions.

Workers would then have to seek re-employment and would have to work for another year before they could rejoin the pension scheme, in accordance with the Government's pension regulations.

"We are the ham in the sandwich — it's not really a company thing," said Mr Morum. — Sapa.

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D H Pryce Lewis

General J B M Hertzog Prize
For the best final year student.
S A Read

Osbourn Prize

Tyre men elect 20 for talks with company

Evening Post 27-1-81

(196) (139) (140A) (152) (200)

By BILL GARDINER

NEGOTIATIONS between Firestone workers and management began today at the strike-hit tyre factory after a decision by workers to elect a 20-man committee to negotiate a settlement to the pensions dispute.

Earlier this afternoon management and worker representatives were locked in talks.

Management is hoping on a settlement later today.

About 1 500 workers are on strike in protest against proposed Government legislation to stop employees withdrawing pension contributions if they change jobs.

Workers earlier refused to elect a committee as requested by management and demanded that management address the entire workforce.

This was rejected by Firestone, who set a deadline of 2pm today for workers to elect representatives for talks with management.

The non-racial National Union of Motor Assembly and Rubber Workers of South Africa, an affiliate of the Federation of South African Trade Unions (Fosatu), cancelled a proposed mass meeting of workers last night to discuss the dispute when workers refused to board buses to take them to the meeting.

Firestone's managing director, Mr Peter Morum, said today he anticipated no difficulties with the talks which would be easy to handle if the firm "abdicated its duty as a responsible employer" and allowed workers to withdraw from the pension scheme.

Death threat to union official

Post Reporter

THE general secretary of the non-racial National Union of Motor Assembly and Rubber Workers of South Africa (Numarwosa), Mr Fred Sauls, was today threatened with death by an anonymous telephone caller.

The threat came after the walkout yesterday by 1 500 Firestone workers who are protesting against the Government's proposed amendments to pension regulations.

He said his secretary had received the call in which the caller warned Mr Sauls to "stop interfering with Firestone otherwise I will come in and get you".

"I have received many threatening pamphlets in the post before," Mr Sauls said, "but this is the first time I have received a call like this."

Strikers asked to choose spokesmen

By BEN MACLENNAN EP Herald 27-1-81 ~~152~~ 196 ~~300~~ ~~1404~~ ~~139~~

THE 1 500 striking workers who brought production to a halt yesterday at the Firestone factory in Port Elizabeth have until 2pm today to elect representatives to talk with management.

FIRESTONE HEAD READY FOR TALKS

The workers downed tools in protest against proposed Government legislation to stop employees withdrawing pension contributions when they change jobs.

Firestone's managing director, Mr Peter Morum, said that after two successive shifts had refused) work yesterday, they ere told to go home. The 'rd shift, which was to ve begun at 2pm, was admitted to the plant.

'They wanted me to talk ıll 1 500 of them at a s meeting but I didn't ve that would achieve ning."

Morum said workers asked to appoint up spokesmen before oday. "I would be o happy to speak to

aid the reason for ke was a "commus problem".

Proposed legislation provided that employees would not be allowed to withdraw their pension contributions until retirement.

Some workers believed that their money would "go to the Government and they would never see it again". This was despite repeated meetings between management, the liaison and consultative committees and groups of workers, to explain the scheme.

Mr Morum said that if workers wanted the pension money they had accumulated so far, they would have to resign and then they would get only the money they had contributed, plus interest — not the company's contribution.

Those employees for whom the company paid back-dated pension contributions when the pension scheme was introduced in 1971, would lose those contributions — "and Firestone has a record of long service. I think we would allow them to resign and rejoin, but it's morally indefensible to allow innocent people to lose all their benefits like that. They don't understand what they're going to forfeit".

The general secretary of the National Union of Motor Assembly and Rubber workers of South Africa, Mr Freddie Sauls, said Firestone workers were deeply suspicious of the new pension plan.

His union planned to discuss the proposed legislation at Industrial Council level so that recommendations could be made to the Government.

"We anticipate that the new law will create serious problems, not only at Firestone, but all over South Africa," he said.

A man who left a job at 30 could have completely lost track of his pension by the time he turned 65, he said.

"Every couple of months the Government puts out the names of hundreds of people, entitled to workmen's compensation, who cannot be traced. We ask whether this scheme would be any better."

Mr Sauls said that the proposed law might be acceptable if it was combined with a compulsory national pension scheme and adequate pensions.

He expected workers to meet outside the factory this morning, when his union would recommend that they elect representatives.

EP Herald 29.1.81

~~HOA~~ ~~139~~ ~~200~~ 196 ~~152~~

Strikers demand a payout of pensions

By BEN MACLENNAN

NEGOTIATIONS at the strike-hit Firestone factory ended in deadlock yesterday afternoon when, at a meeting punctuated by clenched fist salutes, workers rejected management's three compromise proposals on the pension dispute.

They said they would only return to work once pensions were paid out.

About 1 500 workers — Firestone's entire production staff — are involved in the two-day-old strike in protest against proposed legislation which will prevent employees from withdrawing pension contributions until they are 65.

One worker said: "Some people don't think they will live until they're 65."

Yesterday morning, the strikers, who were shut out of the factory, elected a 20-man committee. It spent seven hours in closed-door negotiations with Firestone's management team.

At an emotional report-back meeting late in the afternoon on a soccer field near the factory, committee members told the workers that Firestone had offered three choices.

- Workers would get their money in seven weeks if they resigned from the company altogether. This meant they would take a chance on being re-employed, and that if they were, they would lose service bonuses and holiday pay benefits, and have to re-qualify for medical aid and pension.

- They could have their money on April 30 if they resigned only from the pension scheme, but would again have to wait for a year before re-qualifying.

Mr Welcome Vimbi (left) and another member of the Firestone strikers' negotiating committee address workers yesterday afternoon.

- The third option was for workers to remain in the pension scheme while Firestone applied for exemption from the proposed legislation.

The workers rejected all three proposals.

They decided not to go back to work until they were paid, and that they would meet this morning to hear management's reaction to their decision.

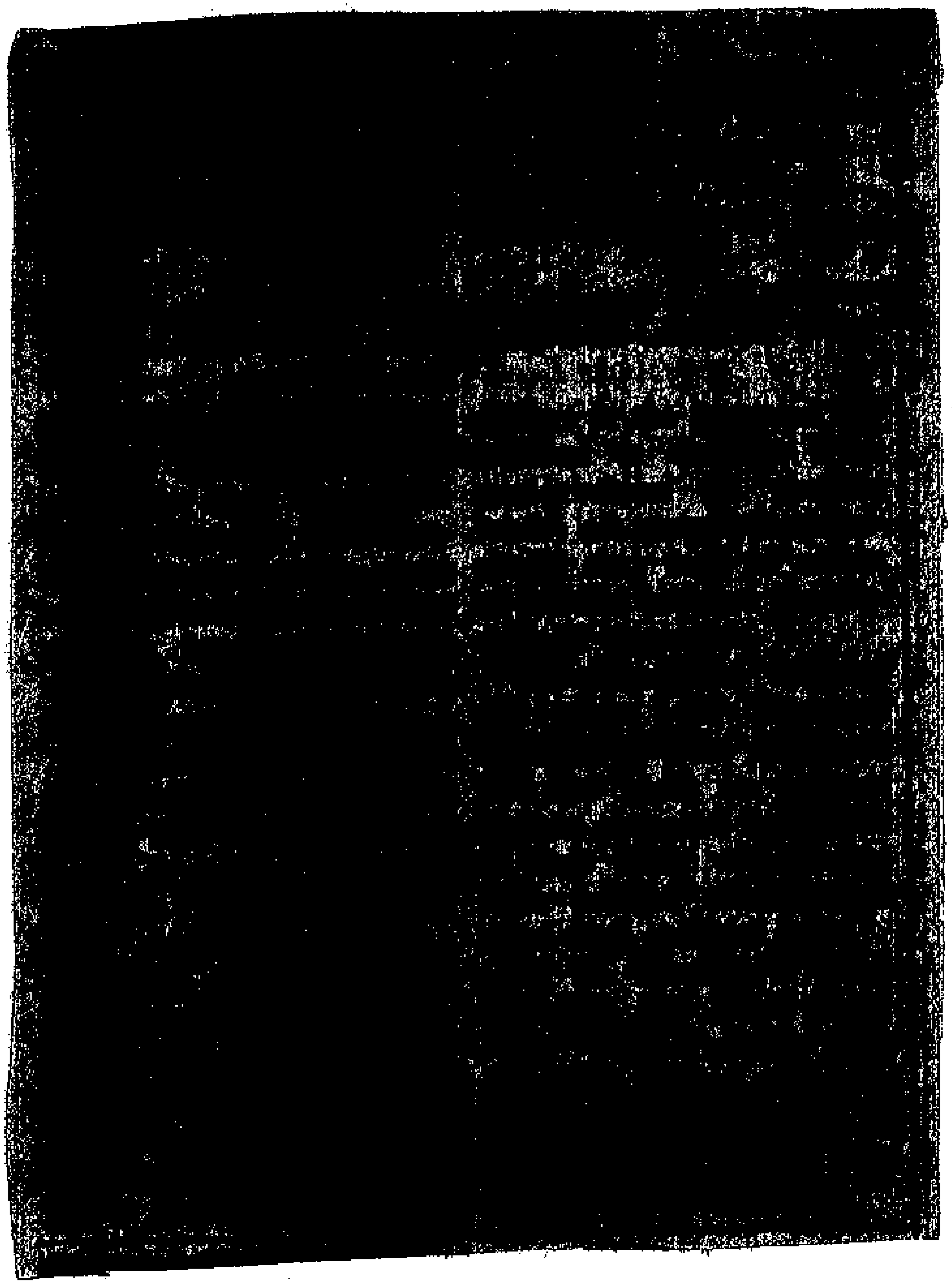
One member of the workers' committee told the Eastern Province Herald that he thought the exemption option would have been the most logical choice for the workers, but that a great feeling of distrust had developed.

Firestone's managing director, Mr Peter Morum, said the company would await developments.

"This is a totally illogical situation," he said. "I'm not sure that the workers really know what they want." He said there was no way that anyone could get pension subscriptions back immediately. "The sheer administration involved takes time."

He said it was disappointing that there seemed to be a lack of appreciation of the good the company had done for its workers, including back-payment of pension benefits. This had involved an outlay of more than R[illegible] million.

See also page 11.



'Companies can be exempted from pension legislation'

EP Herald 28/1/81 300 ~~152~~ ~~140A~~ 139 196

A SENIOR Department of Finance official yesterday gave his firm assurance that companies experiencing labour unrest as a result of pending reforms to pension fund regulations would be exempted from the proposed legislation.

The Registrar of Financial Institutions, Mr J W Louw, said in a statement from Pretoria yesterday that the proposed legislation provided for the exemption of companies hit by industrial unrest.

The statement says the Registrar of Financial Institutions has already given firm assurances to companies that he will use the powers in the proposed legislation to exempt from preservation (of pension funds) all cases where proposals may lead to unrest or friction between employers and employees.

The statement came a day after 1 500 Firestone workers in Port Elizabeth downed tools in protest against proposed legislation to stop them withdrawing their pension contributions when they changed jobs.

In an interview from Pretoria, Mr Louw said: "We will exempt any company whose workers are shortsighted enough to ask for their pension contributions to be paid out."

Firestone strike

The Herald's MICHEL DESMIDT looks at the problems surrounding the deadlock between workers and management at the Port Elizabeth tyre company

Monday's move 'hasty'

EP Herald 28/1/81

(300) (152) (196) (1401) (1391)

PENSION fund experts have described as premature Monday's strike by 1 500 Firestone workers who walked out in protest against proposed Government legislation for the compulsory preservation of pension funds.

The strike was sparked off by recommendations in June last year by the Committee of Inquiry into pension matters to the effect that employees who changed jobs would not be able to withdraw their pension contributions.

These would be frozen in interest-bearing accounts to be recovered intact on retirement.

Pensions manager for a large Port Elizabeth life assurance company said he saw the proposals as a "meaningful exercise" to preserve an employee's pension for old age.

"It would preclude employees who changed jobs from unwisely spending their pension contributions accumulated over the years."

In terms of the proposals, a person who resigned would receive his contributions, accrued interest and a portion of the employer's contribution, he said.

"At present employees leaving their jobs can either have their own contributions refunded with interest, or choose to retain paid-up pension benefits for a set future date," he said.

The fear among workers that frozen pensions would be paid to the Government were unfounded, he said.

"The Government is not getting involved. Although the money is out of the individual's hands, control over the investment of the frozen pension contributions would remain with him."

A leading spokesman on pension matters and managing director of a Johannesburg group of pension brokers, Mr Fiachra O'Hanrahan, said the committee's recommendations did not apply to black workers.

"The committee heard representations to the effect that blacks regarded pension funds as a form of compulsory saving and that they might not understand or accept the concept of compulsory preservation."

"The committee heard representations to the effect that blacks regarded pension funds as a form of compulsory saving and that they might not understand or accept the concept of compulsory preservation."

Mr O'Hanrahan predicted in October that the proposals could precipitate industrial unrest — some four months after the recommendations were made public.

He said the strike was unnecessary as there was sufficient time to press for changes to the proposals.

Pension exemption, but workers firm

152 196 300 440A 139 Evening Post 28-1-81

By BILL GARDINER

AN angry meeting of about 500 striking Firestone workers today rejected a move by the management to exempt employees from proposed legislation which would prevent people withdrawing pension contributions if they resigned.

At the Port Elizabeth plant earlier this week 1 500 workers downed tools in protest against the proposed law.

They have demanded that the management pay out all accumulated pension contributions before they return to work.

They were given until 2pm today to return to work, failing which they will be presumed by the management to have resigned.

Last night the management received an assurance from the Registrar of Financial Institutions, Mr J W Louw, that the firm's pension scheme would be exempted from the proposed legislation, after a last-minute request by the managing director of Firestone, Mr Peter Morum.

Mr Louw, who is chairman of the Committee of Inquiry into Pensions, told the Evening Post today that the proposed Bill, which was still in its draft stages, would provide for the exemption of company pension schemes hit by industrial unrest.

"I have given an assurance to Firestone that the exemption will be granted," he said.

But today workers rejected the exemption move and demanded that Mr Morum address a meeting.

In a letter to all employees, distributed at a meeting of workers on a soccer field near the factory, Mr Morum told them the Firestone pension scheme would be unchanged.

He gave a guarantee that the scheme would not come under the proposed Pensions Act, and said:

"As in the past you will be free to resign and get your contributions within a reasonable time, as has always been the case."

He called on workers to return in time for the second shift at 2pm today, otherwise "we will accept that you have resigned", and this would apply for the two other shifts.

At the report back meeting today, convened by the 20-man negotiating committee elected by the workers, the move to exempt them from the scheme was rejected and they demanded they be allowed to opt out of the scheme.

The meeting ended with a call for Mr Morum to address the workers.

FINE ART & ARCHITECTURE

ARCHITECTURE

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Miss C Tredgold

David Haddon Prize
For the best student of Architecture (or Quantity Surveying) in the subject of Professional Practice.

D H Pryce Lewis

General J B M Hertzog Prize
For the best final year student.

S A Read

Osbourn Prize
For the best work in fourth year.

D H Pryce Lewis

John Perry Prize
For the best work in third year.

R A van Rosenveld.

DD. 28/1/81 (196)

Pension strike still on

PORT ELIZABETH — Negotiations at the strike-hit Firestone factory ended in deadlock yesterday afternoon when, at a meeting punctuated by clenched fist salutes, workers rejected management's three compromise proposals on the pension dispute.

They said they would only return to work once their pensions were paid out.

About 1 500 workers — Firestone's entire production staff — are involved in the two-day-old strike in protest against proposed government legislation which will prevent employees from withdrawing pensions contributions until they are 65. — DDC.

DD 29/1/81

196

Offer to strikers in PE ignored

PORT ELIZABETH — About 1 000 striking Firestone workers were effectively fired when they failed to report for the 2 p.m. and 10 p.m. shifts yesterday.

It was expected that the 500 men on the third shift, starting at 6 a.m. today, would not report for work.

In an ultimatum delivered before noon yesterday, the company offered to pay workers their pension money on February 11 if they reported for the 2 p.m. shift, and said that those who did not report would be considered to have resigned.

But at a meeting which ended three hours after the deadline, workers said they would pick up their tools only when they got the money.

They said they would keep a watch on the factory until February 11 to prevent Firestone from recruiting scab labour.

Firestone's managing director, Mr Peter Morum, said last night that the business had to keep going. If shifts did not pitch up for work, "we must find other people".

The three-day-old strike was sparked off by opposition to the proposed pension legislation which provides that employees may not withdraw their pension contributions until they turn 65.

The government yesterday gave Firestone exemption from the proposed legislation, but when workers learnt of this in a circular from Mr Morum, they said they "could not trust a white man. The thing he's talking about today, he wasn't talking about yesterday. We want our money, that's all."

They said that Firestone could "turn around any time on the thing they've written on this piece of paper" and that the company had "killed us and now it wants to bury us."

They handed the circulars back to their negotiating committee, saying they should be returned to management.

Members of the strikers' negotiating committee told workers that Mr Morum entered negotiations directly for the first time yesterday.

They said he told them of one employee who was due to retire this Sunday. Normally, he would be able to take R1 638 of his pension in cash and still be assured of R45,90 a month for the rest of his life.

But if he resigned from the pension fund before Sunday and was paid out as the strikers demanded, he would get only R700 — his contribution plus interest, and not the company's contribution.

But the strikers rejected what they saw as a "management ruse" to get some people to stay in the pension scheme while others opted out.

They urged one another to "stick together and act together".

Mr Morum said last night that the man would be paid out in the normal way, but there were others in a similar position who would be "penalised to an unbelievable degree".

"This situation is morally wrong," he said.

A member of the strikers' negotiating committee, Mr Welcome Vimbi, said the situation was being compounded by ignorance and distrust. He was worried about elderly workers who stood to lose a great deal if they withdrew from the scheme. — DDC.

Argus 29/1/81

Firestone sacks ~~1500~~ 196 ~~300~~ 1500 strikers

Argus Bureau

PORT ELIZABETH — About 1 500 striking Firestone workers — almost the factory's entire black labour force — has effectively been fired for not reporting for work on their various shifts today and yesterday.

Two days of negotiations between the management and workers' representatives could not bring an agreement on the demand by workers to be paid out their pension contributions immediately.

Workers' representatives were to attempt continuing negotiations with the workers massed outside the premises and with management again today.

In an ultimatum before noon yesterday, the company offered to pay workers their pension money on February 11 if they reported back on their various following shifts — the first one being at 2 pm.

But a meeting of black workers rejected the call and said they would pick up their tools only when they got the money. The meeting ended with shouts for the managing director, Mr Peter Morum, to address the workers personally.

No workers reported for the 2 pm shift, the 10 pm shift or the 6 am shift today.

FINE ART & ARCHITECTURE

ARCHITECTURE

Cape Provincial Institute of Architects' Prize
For the best student in :-

Sixth Year
P F Dunckley

Helen Gardner Travel Prize
For a student who has satisfactorily completed 1st, 2nd and 3rd major courses.
P A Rappoport

Molly Gohl Memorial Prize
For the best woman student in third year.
Miss C Tredgold

David Haddon Prize
For the best student of Architecture (or Quantity Surve...
of Pr...
D H P...

Gener... ...ize
For t... ...student.
S A R... ...th

Walkout hits PE firm's production

STAR 29/1/81

Labour Reporter

Production at the Firestone Tyre plant in Port Elizabeth has been seriously affected following this week's walkout of about 1 200 workers.

Managing director Mr Peter Morum, said the workers had effectively "dismissed themselves" by not turning up for yesterday's two shifts and today's early morning shift.

He described the reason for the walkouts as "totally illogical."

Management had met with worker representatives over the last two days and told them their major grievance — pension pay-outs — had been resolved.

Workers had expressed fears over proposed legislation which would freeze pensions until the age of 65.

But Mr Morum said they had an exemption from the proposed ruling and Firestone employees had been informed of this, but they had still walked out.

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General J B M Hertzog Prize
For the best final year student.
S A Read

We want our money now, mistrustful workers say

152 196 300 140A' 139'

Evening Post 29-1-81

By ROBERT GREIG

Firestone strike

"THEY want us to wait until infinity for our money," one of the Firestone strikers said.

There were appreciative nods and laughter from those gathered round him on the Firestone football pitch, where strikers waited for the outcome of negotiations between the management and the workers' committee.

The young man, who'd been with Firestone for four years, decided to improve on the remark.

"Like waiting for God to come," he said. But the reaction was stony. Bitter humour was acceptable, impiety not.

All round the football pitch were strikers sitting against the fence. Some played football. A group of three sheltered from drizzle under one umbrella. When the sun came out, they sheltered from the sun.

But that was all that resembled a picnic. Earlier, when spokesmen had read out the management's statement, the crowd listened attentively.

The statement was handed out and read. Speakers discussed it: the feeling of the meeting was it was money now, not promises, that counted.

A flutter of papers in the air, some jeers and the odd cry of "Tell Morum to come" (referring to the Firestone managing director) was heard. The statements were tidily collected again for return to the management.

"We're not asking for money from Firestone," explained a striker patiently. "We just want our own money. This isn't political. There is no violence. We're not against the management or the Government: we just want our money."

Money — that is, the money paid in the savings scheme which, under the present situation is to be transferred to pension — is one issue.

Another entangled issue is distrust.

"How can you trust a man who tells you the price of bread is 10c one day and 15c the next?" asks one striker. "Every day, they say something different," another says.

"This new pension scheme — what happens if I leave and join a company without a pension scheme? Do I get my money? And what happens if I need my pension to start my own business. Many of us want to be self-employed, but you cannot begin without money."

Another tells me: "We think this new pension law is only for blacks because why are the white workers not angry? Why do the white workers not join us?"

Clearly, no one has troubled to explain, if the details are there to explain, the new Bill about pensions.

And to many of the black workers, a savings scheme, with readily available money, is preferable to a pension scheme in which the money is out of reach.

A coloured worker, with deep lines, explained: "In three years' time, how much will my money in the pension fund buy me? Then it may cost me a rand for a loaf of bread — I need the money now, not later."

So inflation is also a factor.

Another asked: "Must I work until I am 65 to get my money? Tomorrow I may die."

A slow-speaking Xhosa man looked at me directly. "In English you say: 'Why bite the hand that feeds you?' But I say, a man can't get fat on promises. We're getting promises: we need our money."

Firestone planning for new workforce

152 196 300 140A 139

Evening Post 29.1.91

By BILL GARDINER

FIRESTONE workers today refused to accept that they had resigned from the strike-hit tyre company.

At a meeting today workers said they would collect their weekly pay tomorrow but would not collect their severance pay on Monday as requested by management. This would be tantamount to accepting they were no longer Firestone employees.

But, according to a company spokesman, another 500 striking workers lost their jobs today when the early morning shift failed to respond to the management's ultimatum to return to work. This brought to 1 500 the number of workers effectively dismissed.

The managing director of Firestone, Mr Peter Morum, stressed today that workers had resigned of their own accord. The company started recruiting a new work force today.

The strike was the result of opposition to the proposed Government's pension legislation which provides that employees may not withdraw their contributions until they retire.

However, Firestone received an assurance from the Registrar of Financial Institutions, Mr J W Louw, that their pension fund would be exempted.

The company yesterday acceded to workers' demands to allow them to opt out of the pension scheme, but stressed the earliest date pension contributions could be paid out was February 11.

The management gave workers an ultimatun that those who failed to report for work yesterday on the 2pm and 10pm shifts and today on the 6am shift would be presumed to have resigned.

About 20 workers responded to the ultimatum and returned to work this morning.

Workers will be paid their week's wages tomnorrow and can claim their severence pay on Monday. Pension contributions will be paid out on February 11 as promised.

Mr Morum said Firestone had been willing to respond to the demands for pension contributions, but a considerable amount of paper work would have to be processed before the money could be withdrawn from the pension fund.

He said the firm was not prepared to keep production idle until the workers returned on February 11. He added that it was a tragedy, as workers did not realise the effect of their decision.

"We pay the best rates in industry," Mr Morum said. "At yesterday's meeting I was talking as if I was on the other side of the table."

At a meeting yesterday workers were firm that they would stay out until they received their money. They said they had no confidence in the Government's promise that the pension scheme would be exempted from the legislation.

They added that they had no faith in the company's promise to pay out on February 11, and would therefore return to work only when they got the money.

Workers would remain outside the factory gates to prevent the management from recruiting scab labour and "sell-outs" who chose to return.

"Everyone must come here every day until February 11," one worker said.

o Background to the strike — Pages 6 and 7

Confusion over proposed law on pensions

(152) (196) (300) (140A) (139)

Evening Post 29.1.81

By BILL GARDINER

WHEN 1 500 Firestone employees — the entire black workforce — downed tools this week, their action highlighted growing confusion about proposed legislation to stop employees' withdrawing their pension contributions when they change jobs.

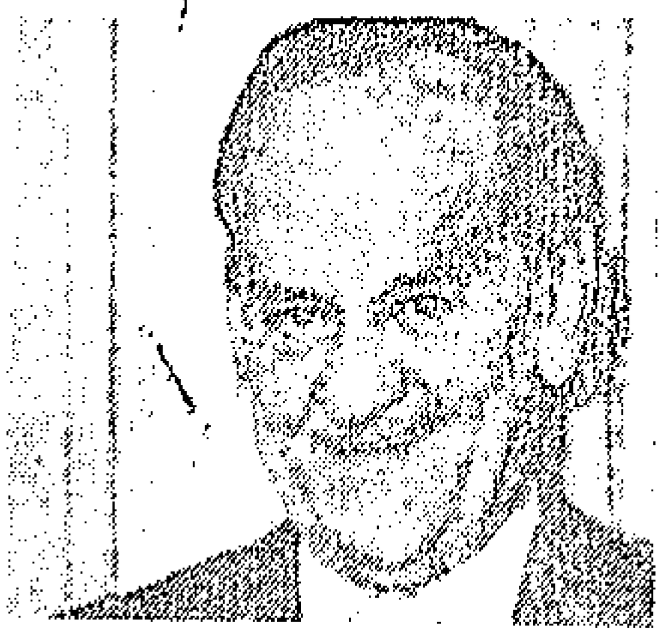
And concern about the new legislation has not been eased by the continuing doubts about the new regulations and their implications.

At present the legislation is only in its draft stages and, according to the chief Registrar of Financial Institutions, Mr J W Louw, will be published in the Government Gazette in about two weeks' time.

The legislation, which flows from the report of the Interdepartmental Committee of Inquiry into Pensions, is in accordance with the committee's terms of reference: to improve pension schemes and encourage more of them to avoid the need for a national compulsory pension scheme.

The new legislation does not make it compulsory for every firm to provide a pension scheme for employees. Those having schemes, however, could apply for exemption of their funds from the new regulations if they were hit by industrial unrest.

He stressed, however, that the draft Bill would be modified to accommodate "constructive criticism" and there would be time for a "full debate" on the proposals.



Mr PETER MORUM

Firestone strike

What are the new regulations and their implications for employees?

One of the key recommendations of the committee is to devise a new system to stop employees from withdrawing their contributions in cash when they change jobs.

Until now an employee, on leaving his job, could choose to withdraw from the firm's pension fund and would receive a refund of his own contributions, with a nominal amount of interest.

In most cases these funds would not be re-invested in retirement benefits and would be put to some other use.

By opting out of the scheme he would, however, lose the employer's contributions to the pension fund.

Most hourly paid black employees have traditionally regarded the pension funds as a form of compulsory savings and appear opposed to the concept of compulsory preservation of contributions till retirement.

But the new legislation envisages that cash withdrawal benefits would not be available any more. Members would, however, secure the right to the pension benefits paid in by employers.

Pension experts have in fact pointed out that under the new legislation the value of an employee's pension interest could easily be as much as three or four times as great as the old withdrawal benefit.

This would apply regardless of the size of the pension benefit or the length of service the member had with the particular employer.

But the dispute at Firestone this week goes deeper than workers wanting to stick with the old system for fear of the new.

Workers have essentially rejected the concept of "pensions at retirement" completely. They would rather have the money today

They have demanded that management pay out all their pension benefits completely and will not return until February 11 — the earliest date management has said it can reasonably be expected to get the money out of the pension fund to be handed over to each and every employee.

One worker said it was more important for him to get his pension money immmediately to pay this month's rent than to worry about cash in 30 years' time.

Management first introduced a pension scheme for black workers 10 years ago and paid out a considerable amount of money to get it on its feet — an outlay of more than R1.8 million in backdated pension contributions.

So from 1971 all employees had their pension contributions backdated to a year after they joined the firm and the company paid in both the employer's contribution and the member's contribution until 1971.

The managing director, Mr Peter Morum, stressed that in cash terms that meant that a worker who retired two years ago would receive only about R25 a month as the pension fund began only in [illegible]

But as the company had back-paid the workers' and the company's contributions to a year after the worker joined Firestone, employees could gain the benefits of a full 20 years of employment and would receive about R180 a month.

Firestone has made the options clear — but their employees have opted to have their own contributions plus interest now rather than the company's contributions and back payment benefits later.

~~152~~ 196 ~~300~~ ~~140A~~ ~~139~~

1 000 lose jobs for not going on shift

E.P. Herald 29-1-81

By BEN MACLENNAN

ABOUT 1 000 striking Firestone workers were effectively fired when they failed to report for the 2pm and 10pm shifts yesterday.

It was expected that the 500 men on the third shift, starting at 6am today, would not report for work.

In an ultimatum delivered before noon yesterday, the company offered to pay workers their pension money on February 11 if they reported for the 2pm shift, and said that those who did not report would be considered to have resigned.

But at a meeting which ended three hours after the deadline, workers said they would pick up their tools only when they got the money.

They said they would keep a watch on the factory until February 11 to prevent Firestone from recruiting scab labour.

Firestone's managing director, Mr Peter Morum said last night that the business had to keep going. If shifts did not pitch up for work, "we must find other people".

The three-day-old strike was sparked off by opposition to the proposed pension legislation which provides that employees may not withdraw their pension contributions until they turn 65.

The Government yesterday gave Firestone exemption from the proposed legislation, but when workers learnt of this in a circular from Mr Morum, they said they "could not trust a white man. The thing he's talking about today, he wasn't talking about yesterday. We want our money, that's all".

They said that Firestone could "turn around any time on the thing they've written on this piece of paper" and that the company had "killed us and now it wants to bury us".

They handed the circulars back to their negotiating committee, saying they should be returned to management.

Members of the strikers' negotiating committee told workers that Mr Morum entered negotiations directly for the first time yesterday.

They said he told them of one employee who was due to retire this Sunday normally, he would be able to take R1 638 of his pension in cash and still be assured of R45,90 a month for the rest of his life.

But if he resigned from the pension fund before Sunday and was paid out as the strikers demanded, he would get only R700 — his contribution plus interest, and not the company's contribution.

Mr Morum told the Herald last night that the man would be paid out in the normal way, but there were others in a similar position who would be "penalised to an unbelievable degree".

"This situation is morally wrong," he said.

Did not know he was due for pension

139 140A 152 196 300

El Herald 21.8.81

By BEN MACLENNAN

A 65-YEAR-OLD Firestone worker who was to retire on Sunday after 23 years' service, claims he did not know that he was due to leave the company. He says that he will refuse to accept his pension until his fellow-strikers' demands are met.

His case was described to the strikers' spokesmen on Wednesday, by Firestone's Managing Director, Mr Peter Morum, to illustrate how much money long-standing employees stood to lose, if they were allowed to withdraw their contributions from the company's pension scheme, as demanded by the strikers.

Mr Morum said that if Mr Edward Ntengu withdrew from the scheme, he would get about R700 — his contribution plus interest — but not the company's contribution.

If he retired normally on Sunday, he could get a third of his pension in

Mr Edward Ntengu

cash — which would amount to R1 638 — and still be paid R45,90 a month for the rest of his life.

He said that despite his participation in the strike, Mr Ntengu would be paid out his normal pension.

But Mr Ntengu told the Herald yesterday that even if Mr Morum came out to him with his full pension, he would not take it.

"It wouldn't be good if I got my pension while the other strikers are still suffering," he said.

Mr Ntengu said the first time he heard that he was due to retire was at a strikers' meeting on Wednesday. "I just worked," he said. "I didn't know when I was going to retire."

He said he had worked in the same job at Firestone for 23 years, and earned about R40 a week.

Strikers damage cars of workers who return

(752) (196) ~~(300)~~ ~~(1464)~~ (189)

EP Herald 30.1.81

By BEN MACLENNAN

ANGRY Firestone strikers yesterday damaged the cars of four men who went back to work and threatened violence to others who had returned.

The Eastern Cape police liaison officer, Major Gerrie van Rooyen, said police were monitoring the situation and would step in if necessary.

The threats to returning workers came after about 1 500 strikers lost their jobs for not returning to work since Wednesday.

Firestone management had said that if the men did not report for their shifts, it would be regarded that they had resigned.

At a mass meeting on a soccer field near the factory yesterday morning, some men refused to accept this.

"If we have resigned, what are we doing here?" asked one.

Strikers said about 30 men had broken the strike and were working.

They decided to keep a watch on the factory gates to ensure that no work-seekers applied for what they regarded as their jobs.

One said that the men who had resumed their jobs would "have a hard time when they come out".

The tyres of four cars belonging to men who had gone back were slashed and their exteriors damaged.

Firestone's managing director, Mr Peter Morum, said that instances of intimidation had been reported at the factory's main gate, where earlier in the day, a notice was put up advertising vacancies.

Mr Morum told the strikers' negotiating committee that in filling vacancies the company would give preference to people who had resigned from the company, but that no commitments could be made on the re-instatement of benefits.

The strikers, representing almost all of Firestone's production staff, [illegible] on Monday over the proposed [illegible] Act, which will make it impossible for an employee to withdraw his pension contributions until the age of 65.

They rejected a guarantee from Mr Morum that the company would be exempt from the new law and that the reason for the strike no longer existed.

See also Pages 3 and 5.

Strikers will not go back till payout

Evening Post 30-1-81

139
~~V464~~
~~162~~
196
~~308~~

By BILL GARDINER

A MEETING of about 500 Firestone workers today decided not to return to work until February 11 — the date management has promised to pay out workers' pension contributions.

The decision came after about 1 500 workers — the entire production work force — lost their jobs yesterday for failing to respond to a management ultimatum for a return to work.

The strikers downed tools on Monday over the proposed new pensions legislation which will stop employees withdrawing their contributions before they retire.

Firestone has, however, received a Government assurance that it will be exempted from the new regulations and has promised to pay out workers' contributions on February 11.

As the pensions dispute at the Port Elizabeth tyre company entered its fifth day today, a member of the strikers' negotiating committee, Mr Lawrence Vimbi, urged workers to return to work until February 11.

He said that if management failed to honour its promise to pay out all pension contributions on that date, workers could elect to take further action against the company.

A number of workers at the meeting today supported Mr Vimbi's call for a return.

But the majority of workers elected to stay out until February 11 and return to the factory gates every morning to ensure that no workseekers applied for their jobs.

Strikers yesterday damaged the cars of four men who went back to work.

Firestone's managing director, Mr Peter Morum, confirmed today that a number of Firestone workers had returned to work today, but refused to disclose figures. He believed the information would encourage intimidation.

LACK OF COMMUNICATION WAS

AT THE ROOT OF THE TROUBLE

The facts of the strike at Firestone

EP Herald 30-1-81 196 137

Special report by BEN MACLENNAN

THE Firestone strike need never have happened.

When, at the beginning, the company's managing director, Mr Peter Morum, blamed it on a communications problem, he was right.

For if there had been better communication between workers and management, their grievances might have been dealt with before they escalated into strike action.

And had there been better communication, it would almost certainly not have ended with 1 500 strikers out of work and bitterly angry.

The strike was sparked by dissatisfaction over proposed Government legislation that would not allow employees to withdraw pension contributions until they were 65.

It began on Sunday night and climaxed on Wednesday when workers ignored a management deadline to return to work — and lost their jobs.

At the start of the strike, formal communications between management and the strikers were non-existent.

They had no spokesmen, and it was only on Tuesday that, at management's request, they chose a negotiating committee.

But even when the committee had been chosen, the problems continued.

When management officials retired to their offices after a round of talks, the negotiating committee held its report-back meetings in the open air, with up to 600 workers straining against a blustery wind and the constant interruption of passing vehicles and trains to hear what was being said.

On Tuesday afternoon, management suggested to the workers that they stay in the pension scheme and that Firestone apply for exemption from the proposed law — a proposal which one member of the committee said appeared to be the logical step for the strikers to take.

But another committee member was under the impression that Firestone had suggested that workers simply remain in the scheme and that the company would not apply for exemption.

When Mr Morum told the workers in black and white that the Government had, in fact, granted exemption, they rejected his guarantee.

Firestone relies on the Government-initiated liaison committee system as a device for solving labour disputes.

Firestone's committee consists of eight workers and four management representatives.

Mr Morum says the committee has worked "reasonably well in resolving issues on the shop floor before they escalate".

Workers, however, believe people are scared to speak out at the committee and say it is ridiculed.

The committee, they claim, does not help them at all. "They just help Firestone. When the company fires you, it fires you," said one worker.

They say they told committee members many times last year about their dissatisfaction over the pension issue, but that nothing was done.

"The committee members don't report back," one said. "You have to go and ask them what happened."

Mr Morum says the eight workers are nominated and elected by their fellows and that the "80 per cent poll in the election indicates that there is some support for the committee system".

But many workers don't believe they have free choice.

"Firestone puts up a list of names (which Mr Morum says is the list of nominees) and says we must choose from them. They're all sellouts," said one worker.

Another said that at election time anyone who wanted, could go to the personnel office to have his name put on the list.

Voting

Asked about the 80 per cent poll, he said workers were forced to vote. "When you come in for your shift, there's a voting table at the gate. If you don't vote, they don't let you in to work."

Said Mr Morum: "If the liaison committee is as bad as they make out, why was it that in 1976, when so many other factories were having labour problems, were we unaffected?"

A well-represented union might have provided an alternative mouthpiece for the Firestone workers.

But the union with most support among Firestone's black production workers, the National Union of Motor and Rubber Workers of South Africa (Numarwosa), has only about 250 members — far short of the more than 750 required before it will be recognised by the company.

Workers' attitudes to Numarwosa vary.

Said one: "We don't want anything to do with any union. We've been paying dues (to Numarwosa) since 1973 and it has done nothing for us. Now it wants to come in on the strike. They had better stay away."

When Numarwosa supplied buses to take workers to a mass meeting at the ... strikers chased away a man who they believed was a union official.

Some workers said that although they were keen to join the union if it could improve things for them, they feared victimisation by the company.

One worker said that when membership forms for Numarwosa were circulating in the factory, "the bosses said the forms were not allowed in there because we don't need a union".

Said Mr Morum: "We don't like people wandering around with all kinds of forms in there."

One of the members of the strikers' negotiating committee, Mr Welcome Vimbi, said he did not like to discredit the liaison committee system completely, because it had done a lot for the workers, even though they might not realise it.

Before the committee came into operation, there was no recognised avenue of communication at all between management and the workers.

He said that management had possibly never taken the committtee seriously enough over the pension issue.

Ignorance

"Firestone should sound out workers and see if there is any means of either improving the liaison committee system or setting up a better means of communicating with workers," he said.

Mr Vimbi also said that workers' ignorance of the issues at stake had aggravated the situation during the strike, and he suggested that some sort of educational programme — perhaps in the form of illustrated booklets "rather than the rulebooks with their subsections 1.2(b) as amended" — would have helped a great deal

Firestone strikers spli[t] over return to work

Argus 30/1/81 196

Argus Bureau

PORT ELIZABETH.—A rift is developing between the black and coloured workers dismissed by Firestone in Port Elizabeth because of their strike action. Some coloured workers today returned to work and there were reports of intimidation outside the factory gates.

Some of the coloured workers, particularly the older ones, said they feared for their lives if they returned. They are outnumbered at least two to one by blacks at the factory.

This morning hundreds of black workers again gathered outside the plant's gates, but unlike the previous occasions they did not congregate in a large mixed group.

The coloured people were mostly at the main gate, the blacks round a nearby corner.

Payout

From interviews with coloured workers it became apparent that most wanted to seek re-employment at the company and return to work on Monday. Blacks were emphatic that they should stay away until their pension money is paid out.

The date set by the company for this payout is February 11.

Factory spokesmen said threats had been made.

The police liaison officer for the Eastern Cape, Major Gerrie van Rooyen, discounted allegations that angry workers yesterday damaged the cars of four men who went back to work.

He said police had received reports of cars being damaged in the vicinity of Firestone, but on investigation found only slight damage, such as broken mirrors.

Resigned

These incidents did not have any connection with the strike, however.

Close on 1 500 workers are regarded as having resigned after not returning to their shifts by the deadlines set by the company on Wednesday.

The strike started on Sunday night over dissatisfaction over proposed legislation intended to prevent workers from receiving their pension money on leaving a company before retirement age.

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Helen Gardner Travel Prize

For a student who has satisfactorily completed 1st, 2nd and 3rd major courses.

P A Rappoport

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D H Pryce Lewis

D H Pryce Lewis

John Perry Prize

For the best work in third year.

R A van Rosenveld.

RDH 31/1/81.

Some Firestone strikers go back to work

152 196 ~~300~~

Own Correspondent

PORT ELIZABETH. — Some Firestone workers began returning to work yesterday, and it is anticipated that many more will go back on Monday.

The managing-director of the tyre factory, Mr Peter Morum, said yesterday afternoon that workers had been returning "in the hundreds".

A coloured worker claimed that 95% wanted to return to work.

"The coloured workers are all going to work on Monday," he said. "There will be a blood-bath if anyone tries to stop us."

But he added that they would resign if the company did not meet a February 11 deadline to repay pension contributions.

Others workers, however, said it was not true that coloureds would go back, and threatened violence against "strike-breakers".

One black worker — most are black — said the coloureds would be able to do little if they returned.

"The production process starts with us," he said. "They just do the light jobs."

The 1 500 workers downed tools on Monday over the proposed Pensions Act, which will prevent an employee withdrawing his pension contributions until he is 65.

Despite a guarantee from Mr Morum that Firestone would be exempted from the legislation, they demanded that their contributions be paid out now.

When they did not meet a management deadline to return to work, they were fired.

A member of the strikers' negotiating committee, Mr Welcome Vimbi, suggested to them at a meeting yesterday that they go back to work. He was worried that they would not find jobs with Firestone again.

Some workers were in favour of this, and others against it.

Mr Morum said strikers who applied to be re-employed were being treated as new employees.

"I feel sick when I think of the benefits some of them have lost," he said.

A resolution to the, by now, historical dilemma is offered by a variant of the grazing scheme above. It is derived from a 'Community Forestry' scheme the author designed in Bihar and Madhya Pradesh States of India. It also derives its logic from the conception of the CIC. All forest, woodlot or other tree crop land could be vested in the CIC and managed, on an equal share basis, as a forest company. Two formats for management follow. The simpler is that the members set aside a part of the forest land for individual woodlots, seri-culture or other tree use. (The forest land is presumably not suited to arable crops.) As with gardens, each member or family may enjoy a right to a plot. Those who wish for more land for tree planting, can bid for the remainder or pay

PE strikers split on return to work

DD 31/1/81

(196) (1~~2~~)

PORT ELIZABETH — Firestone strikers began returning to work yesterday — and a substantial number are expected to go back on Monday.

Managing director of the tyre factory, Mr Peter Morum, said yesterday that workers had come by "the hundreds".

One coloured worker claimed 95 per cent of the strikers wanted to return.

"The coloured workers are all going to work on Monday," he said.

They intended to resign if the company did not meet the February 11 deadline for repayment of pension contributions.

Others, however, have threatened violence against "impimpis" — strike breakers.

One black worker — the majority of the strikers are blacks — said the coloureds would be able to do little if they returned. "The production process starts with us."

The 1 500 strikers downed tools on Monday over the proposed Pensions Act, which will prevent withdrawal of pension contributions until the employee is 65.

They did not clearly understand what a pension scheme was, Mr Morum said, and blamed their suspicion on newspaper reports.

Despite a guarantee that Firestone would be exempted from the Act, they demanded their contributions be paid out.

A number of the strikers' negotiating committee, Mr Welcome Vimbi, suggested at a mass meeting yesterday that the men go back.

He was concerned they would not regain jobs with Firestone and about money lost by not working.

"We've all seen the guarantee that the money will be paid", he said, holding up a letter signed by Mr Morum.

Some workers agreed with Mr Vimbi, while others were sceptical.

Mr Vimbi suggested they take a vote, but this was rejected.

"There won't be any more negotiations. It seems we'll have to apply for re-employment on February 11, he said.

Strikers who applied to be re-employed were being treated as new employees. "I feel sick when I think of the benefits some have lost," Mr Morum said. — DDC.

FINE ART & ARCHITECTURE

ARCHITECTURE

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For the best student in :-

Sixth Year

P F Dunckley

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For a student who has satisfactorily completed 1st, 2nd and 3rd major courses.

P A Rappoport

Molly Gohl Memorial Prize
For the best woman student ...rd year.

...C Tredgold

...Haddon Prize
...e best student of ...tecture (or Quantity ...ing) in the subject ...fessional Practice.

...yce Lewis

...l J B M Hertzog Prize
...e best final year student.

...ead

...n Prize
...e best work in fourth

...yce Lewis

...erry Prize
...e best work in ...year.

...n Rosenveld.

And in Port Elizabeth

Mistrust is the stumbling block . . .

S. Tribune 1/2/81

196

By CASSIE du PLESSIS

MISTRUST of management by the 1 500 workers sacked this week by the giant Firestone tyre plant in Port Elizabeth is the biggest stumbling block in the way of a settlement.

Workers just don't believe statements made by management negotiators in the pension dispute.

And gnawing mistrust over their future is now also causing an ominous rift between black and coloured workers which could lead to clashes tomorrow if more coloureds step through the factory gates.

Some coloureds — particularly the older ones — say they are being steamrolled by intimidating blacks, who outnumber them. They fear for their lives. There is talk of a faction fight looming tomorrow if more coloureds step through the factory gates.

Tyres cut

Four of the more than 300 coloureds who had slipped back to work had reportedly already had their car tyres slashed by angry workers.

Unlike previous days, coloureds grouped together at the main gate on Friday, while the Africans eyed them from around the corner where they congregated. Both groups spent the previous four days enjoying free-for-all football on an adjacent field while their representatives fought around the negotiation tables.

The uniting factors had been visions of a lot of cash in the pocket and common mistrust and lack of understanding of white thinking — right from the factory floor to the Government.

The 10 coloured and 10 African representatives obviously did not all agree with the workers relentless stand for a pension payout before they would take up tools. But they had to convey the workers' views.

After one of many rowdy report-back meetings to the mass of workers one representative threw up his arms in despair saying "how can you reason with such people?"

The leader of the black representative, Welcome Vimbi, said in an interview he actually felt the company's promise to pay the workers their pension money by February 11 was "good enough"

Mr Vimbi and his coloured counterpart, Gilbert Peterson, stood side by side translating Afrikaans and Xhosa for each other as they addressed workers at mass meetings.

Observers — including the managing director Peter Morum — have blamed the deadlock on lack of communication. And it appeared that this started long ago. By the time workers' representatives were chosen this week at management's insistence, the damage had been done.

Every time management offered a new option, workers saw it as "another answer."

When Mr Morum gave a guarantee that the company would be exempt from proposed pension laws, workers said it was "another answer — tomorrow they will have a new one."

The strikers downed tools on Sunday night, claiming they feared the Government would take their money through the new Pensions Act. This legislation will make it impossible for an employee to withdraw his pension contributions on leaving a company before retirement age.

When being told of benefits they will lose on being sacked, workers shouted: "We don't want their money. Give us our money now."

Among them was 65-year-old Mr Edward Ntengu, who was to retire on Sunday after 23 years service at Firestone.

Suffering

Managment said that if he withdrew from the pension scheme now he would get about R700 — his contribution plus interest — but not the company's contribution.

But if he retired normally he could get R1 638 plus R45,90 a month for the rest of his life.

Mr Ntengu says however, even if Mr Morum came to him with his full pension, he would not take it.

"What good would it be if I get my pension while the other strikers are still suffering," he said.

An African worker of 57, who would not be named, said he had been with the company 26 years. He wanted his money now to put in the bank. He would use "only a little bit"... he did not trust the white people with his money.

Not safe

A coloured man of 49 said his wife and eight children were "very sad" about him losing his job. But he did not go back to work because he feared the blacks. "I do not trust this nation. My life is not safe."

A young coloured worker had the opposite view. "I want my money now. Never mind what I lose later. If I have it in my own hands I know I have got it. I can do a lot with it now. We are standing united."

Mr Morum said he was "bitterly disappointed" that the workers would not "see reason". "Their irresponsibility is criminal . . . dreadful."

132/140A/124/17/2.300 EV Post 2.2.81

Strike at Firestone called off

By BILL GARDINER

THE eight-day strike at Firestone, Port Elizabeth, ended at the weekend as strikers decided to return to work — amid fears that they would not get their jobs back.

Firestone's managing director, Mr Peter Morum, said today the company had signed up about 400 workers, but the company was not obliged to re-employ former employees.

About 1 500 workers downed tools last week over the proposed amendment to the Pension Act which will stop employees withdrawing their pension contributions before they retire.

Firestone, however, received Government assurance that the pension fund would be exempt from the new regulations and promised to pay out pension contributions on Februaury 11.

Workers lost their jobs on Thursday when they rejected a management ultimatum for a return to work because they were not convinced management would honour its promise.

Mr Morum said late on Friday afternoon workers had been returning "in their hundreds" and it was reported that coloured workers were the first to opt for a return to work.

Today, however, he said only 400 had been signed up by the company to date because of the paper work involved.

He stressed that Firestone had made no obligation to re-employ workers. "There is no re-employment. They elected to resign and the company has chosen to employ anybody."

He could not stipulate how long the employment process would take to complete, but predicted it would be over "in the near future" and the factory would be back to full production "during the course of the week".

About 400 people gathered outside the factory gates today waiting to be signed up again.

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

J H Rens

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

L Menegaldo

A E & C I Prize
For the first year student obtaining the highest average mark.

G L Cragg

S TIMES 2/2/81

Firestone queue to sign on

Own Correspondent

PORT ELIZABETH — The week-long strike at the Firestone tyre plant in Port Elizabeth has been broken.

Managing director Mr Peter Morum said more than 300 workers reported for work early today and many more workers who had "resigned" were crowding outside the plant gate, waiting to be signed on.

"I expect the full complement of workers, both blacks and coloureds, to be signed on by the end of today," Mr Morum said.

PENSION CHANGE

The 1 500 strikers downed tools last Monday over proposals which would make it impossible for an employee to withdraw his pension contributions until he is 65.

Despite a guarantee from Mr Morum that Firestone would be exempted from the proposed legislation, they demanded that their contributions be paid out before they resumed work.

When they did not meet a management deadline to return to work, they lost their jobs.

The strike that need never have happened

RDM 3/2/81 152 196

Last week about 1 500 workers at Firestone in Port Elizabeth lost their jobs when they ignored a management ultimatum to return to work after a four-day strike. BEN MACLENNAN examines the underlying issues.

THE Firestone strike need never have happened.

At the beginning, the company's managing director, Mr Peter Morum, blamed it on a communications problem.

And he was right. If there had been better communications between workers and management their grievances might have been dealt with before they escalated into strike action.

And had there been better communication, it would almost certainly not have ended with 1 500 strikers out of work and bitterly angry.

The strike was sparked by dissatisfaction over proposed Government legislation that would prevent workers from withdrawing pension contributions until they are 65.

It began on Sunday night and climaxed on Wednesday when workers ignored a management deadline to return to work, and lost their jobs.

At the start of the strike, formal communications between management and the strikers were non-existent.

They had no spokesmen, and it was only on Tuesday that, at management's request, they chose a negotiating committee.

But even when the committee had been chosen, the problems continued.

When management officials retired to their offices after a round of talks, the negotiating committee held its report-back meetings in the open air, with up to 600 workers straining against a blustery wind and the constant interruptions of passing vehicles and trains to hear what was being said.

On Tuesday afternoon management suggested to the workers that they stay in the pension scheme and that Firestone apply for exemption from the proposed law — a proposal which one member of the committee said appeared to be the logical step for the strikers to take.

But another committee member was under the impression that Firestone had suggested that workers simply remain in the scheme and that the company would not apply for exemption.

When Mr Morum told the workers in black and white that the Government had in fact granted exemption, they rejected his guarantee.

Firestone relies on the Government-initiated liaison committee system as a device for solving labour disputes.

Firestone's committee consists of eight workers and four management representatives.

Mr Morum says the committee has worked "reasonably well in resolving issues on the shop floor before they escalate".

Workers, however, believe people are scared to speak out at the committee and say it is ridiculed.

The committee, they claim, does not help them at all. "They just help Firestone. When the company fires you, it fires you," said one worker.

They say they told committee members many times last year about their dissatisfaction over the pension issue, but that nothing was done.

"The committee members don't report back," one said. "You have to go and ask them what happened."

Mr Morum says the eight workers are nominated and elected by their fellows, and that the "80% poll in the election indicates that there is some support for the committee system".

But many workers don't believe they have free choice.

"Firestone puts up a list of names (which Mr Morum says is the list of nominees) and says we must choose from them. They're all sellouts," said one worker.

Another said that at election time anyone who wanted could go to the personnel office to have their name put on the list.

Asked about the 80%, he said workers were forced to vote. "When you come in for your shift there's a voting table at the gate. If you don't vote, they don't let you in to work."

Said Mr Morum: "If the liaison committee is as bad as they make out, why was it that in 1978, when so many other factories were having labour problems, were we unaffected?

A well-represented union might have provided an alternative mouthpiece for the Firestone workers.

But the union with most support among Firestone's black production workers, the National Union of Motor and Rubber Workers of South Africa, has only about 250 members — far short of the more than 750 required before it will be recognised by the company.

Workers' attitudes to Numarwosa vary. Said one: "We don't want anything to do with any union. We've been paying dues (to Numarwosa) since 1973 and it has done nothing for us. Now it wants to come in on the strike. They had better stay away."

When Numarwosa supplied buses to take workers to a mass meeting at the end of the first day of the strike, workers ignored them.

On the second day, Numarwosa's general secretary, Mr Freddie Sauls, received an anonymous death threat telling him to "stop interfering with Firestone". And later angry strikers chased away a man they believed was a union official.

Some workers said that although they were keen to join the union if it could improve things for them, they feared victimisation by the company.

One worker said that when membership forms for Numarwosa were circulating in the factory, "the bosses said the forms were not allowed in there because we don't need a union".

Said Mr Morum: "We don't like people wandering around with all kinds of forms in there."

One of the members of the strikers' negotiating committee, Mr Welcome Vimbi, said he did not like to discredit the liaison committee system completely, because it had done a lot for the workers, even though they might not realise it.

Before the committee came into operation, there was no recognised avenue of communication at all between management and the workers.

He said management had possibly never taken the committee seriously enough over the pension issue.

"Firestone should sound out workers and see if there is any means of either improving the liaison committee system, or setting up a better means of communicating with workers" he said.

Mr Vimbi also said that workers' ignorance of the issues at stake had aggravated the situation during the strike, and suggested that some sort of educational programme — perhaps in the form of illustrated booklets "rather than the rule books with their subsections 1.2(b) as amended" would have helped a great deal.

Said Mr Morum: "We did everthing possible to clarify the pension scheme by talking to workers repeatedly, getting experts in to explain it to them. What else could we do? Ultimately, this issue was over a grievance not of our making."

Wiehahn on board

STAR 3/2/81

Professor Nic Wiehahn, the leading authority on labour and industrial relations in South Africa and former chairman of the Wiehahn Commission, has been appointed to the board of directors of Goodyear South Africa.

His appointment was announced in Port Elizabeth by the company's chairman and managing director, Mr Wally Life.

Workers oppose new pension Bill

EAST LONDON — Legislation on pensions is causing concern among black workers in the Border and Eastern Cape.

Workers in a tyre manufacturing factory in Uitenhage have downed tools in protest against the proposed Bill.

There have been threats of resignations by factory workers in East London and the Eastern Cape.

In terms of the proposed Bill, cash withdrawals of benefits from pension funds would be stopped when people changed jobs or were fired.

Pensions would be transferred to their new employers to be paid at retirement age.

A number of factories in the Border have told workers about the new scheme to be introduced during the current Parliamentary session.

The majority of the opponents are factory workers — those most insecure in their jobs.

The workers' main reason for opposing the scheme is that blacks have trouble finding new jobs.

A man sacked might be without work, living on pension money accumulated.

Under the new scheme an unemployed man might starve while his accumulated pension contributions are being kept, waiting to be transferred.

A black personnel officer said the scheme was good in a normal society because it assured a comfortable retirement. "Unfortunately ours is not a normal one," he said.

"There is a general consensus that certain categories of black workers, if not all, should be excluded because of the high rate of unemployment and various reasons like the influx control regulations.

"Blacks are not like whites, coloureds and Indians who lose a job today in one centre and can move to another tomorrow to look for work, because of the pass laws," he said.

Blacks use cash pension withdrawals to buy cars, as deposits to buy houses when they get new jobs and other personal benefits.

Some workers resign from their jobs if assured of another, after accumulating a certain amount of pension at work in order to pay the deposit for a house. — DDR

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T J Cumming

D P Weeks

J H Rens

B F McClelland

Professor George Menzies Prize

CHEMICAL

Dunlop asks for import protection

RDM 5/2/81

(196)

Deputy Financial Editor

DUNLOP South Africa has applied for import protection, says the managing director, Mr Clive Hooper, in his annual report published today.

He says Dunlop is compelled to support "single source raw material suppliers in the rubber, chemicals and plastics industries, whose viability depends on considerable premiums over world prices".

At the same time, imports of finished products, such as new tyres and used-tyre casings, are permitted on a full and reasonable demand basis. This represents unfair competition.

Mr Hooper maintains new-tyre imports rose 30% in the year to August and smooth casings 65%. Together these imports represent 25% of the SA replacement market in truck and earthmover tyres.

Dunlop is prevented from importing seven raw materials which account for the attainment of 75% local content.

Sentrachem's new synthetic rubber plant could lift tyre costs by 10%, Mr Hooper warns. This would increase the tyre industry's uncompetitiveness unless protection was granted.

The Price Controller granted Dunlop a 10,6% price increase in January, but this did not fully recover cost increases. Tyre prospects depend largely on Dunlop's application for protection being granted.

The motor industry, which accounts for half of group sales, is expected to reflect limited growth, resulting in a modest improvement in tyre profits.

Mr Hooper expects the authorities to take steps to contain demand to protect the balance of payments and to slow inflation. This, he warns, usually has an impact on consumer durables and the motor industry first.

He expects growth in most of Dunlop's markets to start slowing early this year. This forecast includes the mining industry, although some original equipment orders involving long-term expansion are unlikely to be affected.

Industrial products fared well in 1980, with demand buoyant for hoses, fan belts and conveyor belts.

The high level of building activity bodes well for the flooring division, but this, too, is being hurt by competitive imports because of the premium being paid for raw materials.

Steady growth is expected in sports goods. Dunlopillo did well supplying foam for vehicle seats, mattresses and furniture in the past year, and will continue to make progress in 1981.

The chairman, Dr Tom Muller, says 1981 is expected to be "a year of consolidation with limited growth over 1980".

With the motor, industrial and consumer sectors all booming, Dunlop last year increased sales 24% to R157 493 000, pretax profit 41% to R22 437 000 and taxed attributable profit 43% to R14 103 000. Earnings rose 43% to 93,4c (65c) and the dividend 50% to 51c (34c).

CHE

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D P Weeks
J H Rens
B F McCleland

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

RDM 6/2/81 (196)

Review of tyre price controls

(245)

CAPE TOWN. — The Competition Board has been ordered to investigate whether or not the existing "informal" price control on vehicle tyres and tubes should be retained.

This was announced yesterday by the Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers.

He said in a statement that the board had been instructed to investigate whether conditions existed in the manufacture and marketing of tyres and tubes which made the retention of "the existing informal price control on the manufacturers' price of these articles desirable or not".

A notice to this effect would be gazetted today.

Representations in connection with the inquiry may be submitted to the Competition Board, Private Bag X84, Pretoria 0001, until March 6. — Sapa.

Dunlop seeks import protection

CT 9/2/81

~~74~~ 196

Own Correspondent

JOHANNESBURG. — Dunlop South Africa has applied for import protection, says the managing director, Mr Clive Hooper, in his annual report.

According to Mr Hooper, Dunlop is compelled to support "single source raw material suppliers in the rubber, chemicals and plastics industries, whose viability is dependent on considerable premiums over world prices".

At the same time, he complains, imports of finished products such as new tyres and used tyre casings are permitted on a full and reasonable demand basis. This represented "unfair competition".

Mr Hooper maintains new tyre imports rose 30% in the year to August and smooth casings 65%. Together, these imports represent 25% of the SA replacement market in truck and earthmover tyres.

At the same time Dunlop is prevented from importing seven raw materials which accounted for the attainment of 75% local content.

Sentrachem's new synthetic rubber plant could lift tyre costs by 10%, Mr Hooper warns. This would increase the local tyre industry's uncompetitiveness unless protection applied for was granted.

The price controller granted Dunlop a 10,6% price increase in January but this did not fully recover cost increases.

Tyre prospects in future depended largely on Dunlop's appplication for protection being granted. The motor industry, which accounts for half of group sales, is expected to reflect limited growth, resulting in a modest improvement in tyre profits.

Mr Hooper expects the authorities to take steps to contain demand in order to protect the balance of payments and to slow inflation. This, he warns, usually impacts on consumer durables and the motor industry first.

He expects growth in most of Dunlop's markets to start slowing early this year. This forecast included the mining industry, although some original equipment orders involving long-term expansion are unlikely to be affected.

Industrial products fared well in 1980 with demand buoyant for hoses, fan belts, and conveyor belts buoyant.

The high level of building activity boded well for the flooring division but this too was being hurt by competitive imports due to the premium being paid for raw materials.

Steady growth was expected in sports goods. Dunlopillo did well supplying foam for vehicle seats, mattresses and furniture and would continue past progress in 1981.

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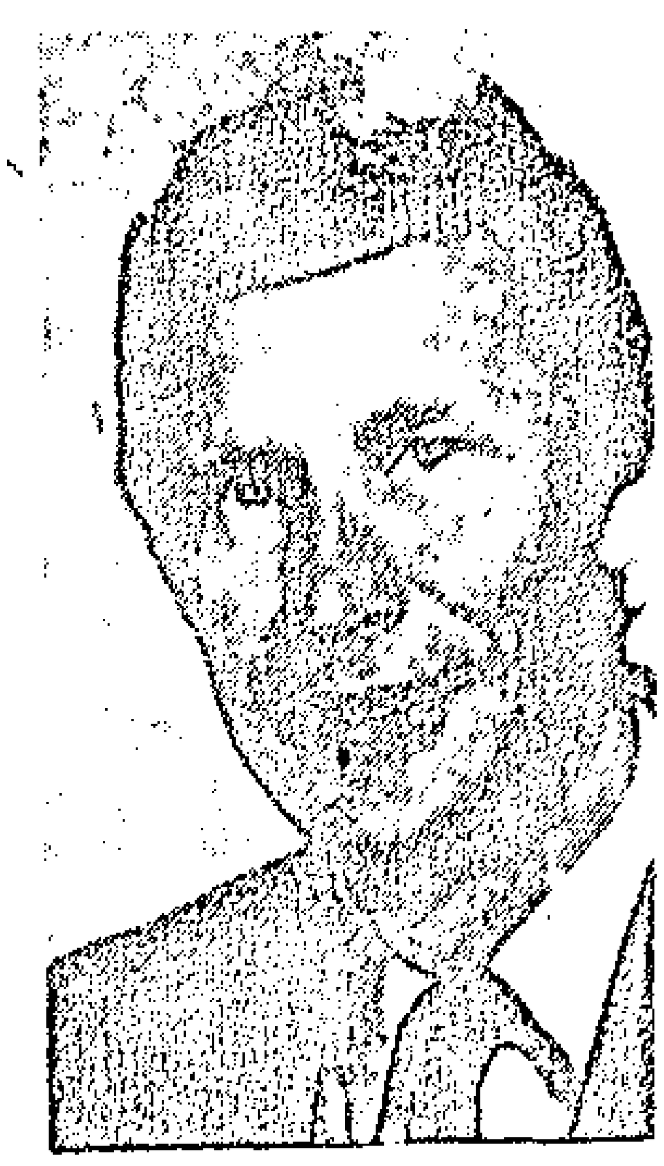
With the motor, industrial and consumer sectors all booming, Dunlop last year increased sales 24% to R157 493 000, pretax profit 41% to R22 437 000 and taxed attributable profit 43% to R14 103 000. Earnings rose 43% to 93,4c (65c) and the dividend 50% to 51c (34c).

business and personal

Mr Bat Tromp has be appointed manager of t Harrington Street branch Barclays National Bank Cape Town.



Mr Karl Ritschewald I been appointed gene manager at the Ambas dor by the Sea Hotel, B try bay, Cape Town.

Leland

D P Meeks

T J Cumming

P M Salmon

Fourth Year (Gold Medal)

Miss N C Davidson

Third Year (Silver Medal)

Miss G C Littlewort

Second Year (Bronze Medal)

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Sammy Sacks Memorial Prize

Awarded to the student with the best classwork in Engineering Drawing.

L Menegaldo

A E & C I Prize

For the first year student obtaining the highest average mark.

G L Cragg

Tyre kills man

100 196 11/2/81

JOHANNESBURG. — An exploding bulldozer tyre yesterday flung a tyre company worker here more than 20m through the air, killing him instantly.

Police said Mr Simon Morundedu, 40, was inflating the tyre at the time.

They are investigating reports that the pump Mr Morendedu was using did not have a gauge on it.

The explosion, which occurred yesterday morning, was allegedly so severe that it ripped off Mr Morendedu's clothes.

The managing director of the company refused to comment. — DDC.

Cl

Exploding tyre kills worker

11/1/81 NM 196

JOHANNESBURG—An exploding bulldozer tyre yesterday flung a Johannesburg tyre company worker more than 20 m, killing him instantly.

Police said that Mr Simon Morundedu, 40, was inflating the tyre at the time of the accident.

The explosion was so severe that it ripped Mr Morendu's clothes from his body. — (Sapa)

RDM 12/2/81 (300) (152) (196)

Strikers collect pension cheques

Own Correspondent

PORT ELIZABETH. — In a sequel to last month's weeklong Firestone strike, a number of the company's workers yesterday collected their pension cheques.

The workers, who walked out in a dispute over the proposed new Pensions Act, were promised by management that their contributions to date would be paid out on February 11.

Firestone's managing director, Mr Peter Morum, said yesterday that all the cheques were ready and had been paid out to those who wanted them.

If a worker did not collect his cheque the company would make "certain arrangements" with him.

Asked what the arrangements were, Mr Morum said it was a matter between the worker and the company.

Employees who were paid out would requaiify for the company's pension scheme in a year.

DUNLOP

FM 13/2/81

Freewheeling

196

Activities: *Manufactures tyres and automotive products as well as belting, hose, flooring, mattresses, rubber components and sports goods. Dunlop International holds 51% — previously 70% — and in turn is held as to 60% by Dunlop Holdings (UK).*

Chairman: *T F Muller; managing director: C R Hooper.*

Capital structure: *15m ordinaries of 50c; 750 000 6% cum prefs of R2. Market capitalisation: R85,5m.*

Financial: *Year to December 31 1980. Borrowings: long- and medium-term, R1,8m; net short-term, R10,1m. Debt: equity ratio: 26,2%. Current ratio: 1,6. Net cash flow: R10,9m. Capital commitments: R3,1m.*

Share market: *Price: 570c. (1980-81): high, 665c; low, 370c; trading volume last quarter, 119 000 shares). Yields: 16,4% on earnings; 9% on dividend. Cover: 1,8. PE ratio: 6,1.*

	'77	'78	'79	'80
Return on cap %	16,2	25,6	36,9	37,8
Turnover (Rm)	89,4	106,2	127,1	157,5
Pre-tax profit (Rm)	7,8	11,8	15,3	22,8
Gross margin %	10,9	13,1	13,1	14,8
Earnings (c)	33,0	52,6	64,6	93,4
Dividends (c)	17	26	34	51
Net asset value (c)	194	225	257	317

Dunlop's performance over the past four years has seen earnings grow at an annual compound rate of 37,8%, dividends by just under 37% and sales by 17,4%. Though motor sales are expected to grow somewhat more slowly during the current year than over the last 12 months, it seems unlikely that this steady record will be curtailed to any great extent.

Perhaps the most significant event for the group during 1980 was the reduction in the stake of its UK parent, Dunlop Holdings, from 70% to 51% (*Fox*, February 6). This, of course, will lessen the restrictions on the company in terms of its borrowings capacity, although MD Clive Hooper points out that the additional finance now theoretically available amounts to only R7m. In any case, at present, the company is significantly undergeared, with a debt: equity ratio of just over 26%.

The reduction in the overseas stake could in time also improve marketability, though with the shares apparently sold to local financial institutions, they are likely to continue to be held on an investment basis without being readily available on the stock market.

On a longer-term basis, it is possible to speculate that technical ties between the UK parent and the local operation could be put in jeopardy, along the lines of the General Tire situation where US connections were almost completely broken and the SA company had to form new links with an as yet unnamed European group.

Hooper says, however, that the technical base will be completely unchanged and that "we still have a solid line to the overseas company." Certainly, all forecasts are being made on the basis that there will be no change, but long-term political pressures are always difficult to foresee.

One of the features of the group's performance over the last few years has been a steady improvement in operating margins and efficiencies. Hooper believes there is scope for further improvements in these areas as the motor side of the business still has sufficient spare capacity for the 4% or so real growth expected in the car and truck market this year.

Though bottlenecks will, of course, appear from time to time and technological developments will require new capex, demands for outside funds will be limited, he adds.

There has been a further small shift in the contributions from the group's three major operating areas over the past year, with the motor industry providing just 50% of trading profit against 53% the previous year and comprising 53% (55%) of sales. Profits and sales related to the mining and consumer-orientated divisions have increased commensurately.

Hooper says, however, that this is not a policy move, and is more a result of greater efforts to expand newer sectors of the group, especially industrial products.

Hooper makes considerable play in the annual report of the need for greater protection for the local industry against cheap imports of truck and earthmover replacement tyres, both new and for retread, which now have around 25% of the market. The real problem, Hooper says, lies in the fact that the local industry is not permitted to buy many of its raw materials abroad.

At the same time, he says, local polyisoprene production programmes, which will replace some imported raw rubber, are expected to come on stream in about mid-1982 and will probably increase local tyre prices by around 10% without similar steps being taken against importers.

The share price has fallen about 15% since the date of the preliminary results and now stands at 570c. Given a hike in dividend to about 60c this year, which may still be conservative in the light of the group's non-motor operations, the prospective 10,5% dividend yield is attractive.

Scott Hawker

TYRES (196) FM 20/2/81

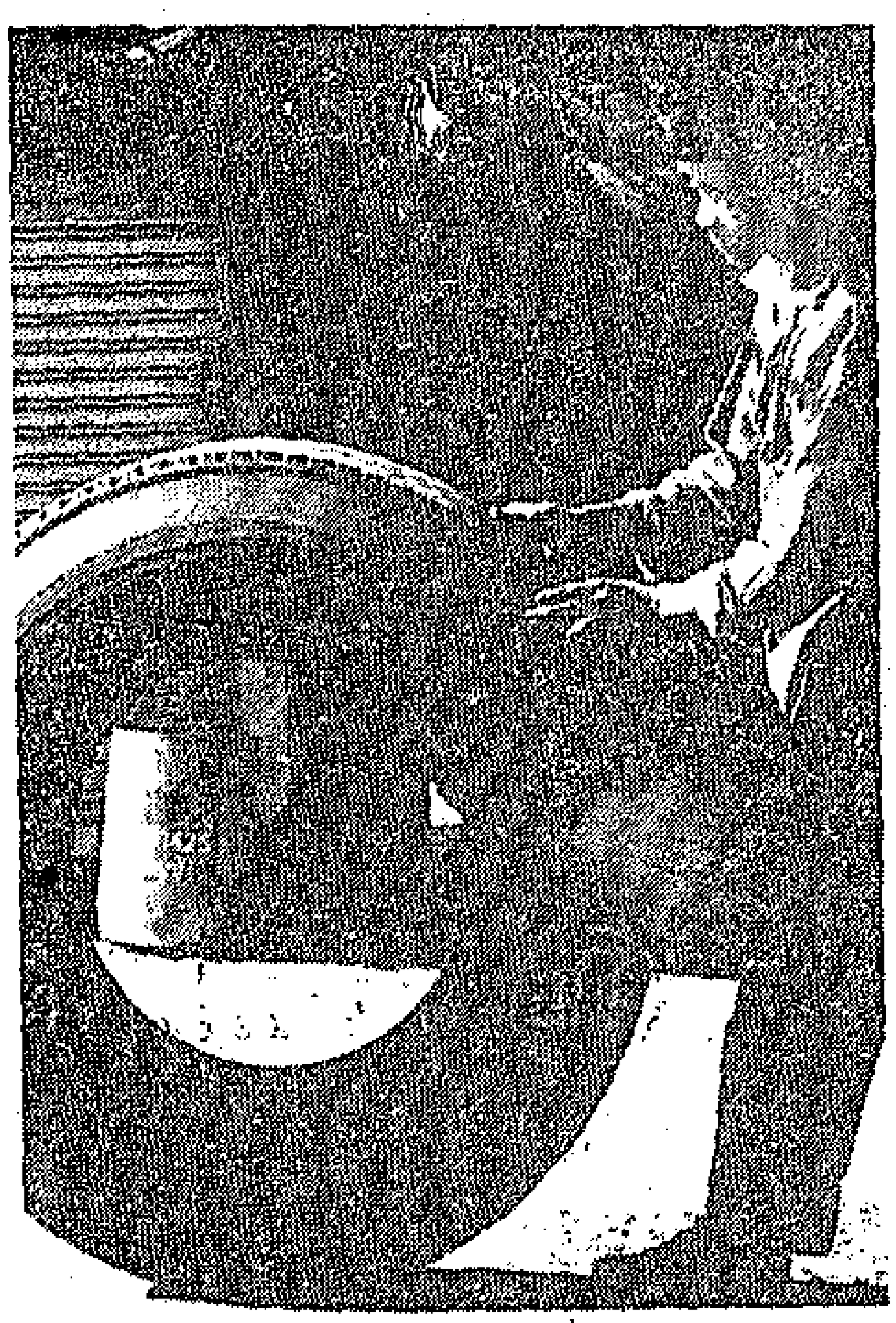
Small relief

The Competition Board's recently announced investigation into price control on tyres will not bring the industry much relief. For it is not prices, but competition from cheap imports, which is the local manufacturers' main headache.

Government's local content programme for tyres compels manufacturers to use expensive locally-made materials. This puts the price of some local truck and earthmover tyres about 15% above imports, in spite of tariff protection of up to 20%.

According to Dunlop MD Clive Hooper, the free availability of import permits has enabled imported tyres to take about 25% of the truck and earthmover tyre replacement market. The imports include the Japanese brands Bridgestone, Yokohama and Toyo, in the most popular sizes as well as used tyre casings which are retreaded locally.

Although the industry pays through the nose for its materials, government rebates allow the export of locally-made, semi-processed rubber at world prices.



Tyre industry . . . pushing for protection

This rubber could well be returning to SA in the imported tyres.

The industry applied for added tariff protection on tyre imports in May 1979, but this has so far not been granted.

SA's four tyre manufacturers, Dunlop, Firestone, General and Goodyear, produce tyres with a local content of about 75% derived from seven locally-made materials. They include carbon black from Phillips in Port Elizabeth, bead wire from National Standard, nylon from SA Nylon Spinners and styrene butadiene, a Sasol-derived synthetic rubber, from Sentrachem.

At present tyres are made of a mixture of imported natural rubber and styrene butadiene which costs about double the price of natural rubber. When Sentrachem's new polyisoprene synthetic rubber factory comes on stream soon, the proportion of natural rubber used in tyres will fall further and manufacturing costs should go up by 10%.

The industry has a pricing agreement with the Price Controller, which is meant to allow it a 15% return on investment. But Hooper says that the price rises allowed in the last few years have been on a rand for rand basis, which has meant that percentage margins have declined.

BUSINESS

US top two stay on tyre board

Federale takes 75 percent of Firestone

4/3/81

196

By Ann Crotty

Federale Volksbeleggings, one of South Africa's 10 biggest private enterprises, is to buy a 75 percent interest in Firestone South Africa, subject to Government approval.

The managing director of Firestone, Mr Peter Morum, said that the price paid by FVB for its 75 percent stake could not be disclosed at this stage because the terms were still subject to approval by the State.

The US company will retain the balance of the share capital of Firestone South Africa which was founded in 1936 and produces car, truck, bus and heavy-equipment vehicle tyres. It has two plants, the main one in Port Elizabeth and another at Brits, seven branches, and employs about 2 700 people.

Mr Morum said that there would be no change in policy or management after the takeover.

Second-quarter earnings are not expected to be significantly affected by the takeover.

Mr Morum felt that the main advantage of the proposed takeover by FVB would be the access the company would have to capital for expansion. It was intended to increase the size of the Brits plant and to modernise the Port Elizabeth plant in the near future.

FVB acquired a 75,1 percent stake in Massey Ferguson South Africa in February, 1980, from the parent Canadian company which was said to be suffering from liquidity problems.

PROBLEMS

The Firestone parent company has also been running into problems lately and it has been selling off subsidiary companies in the US, England and Sweden to improve its liquidity. In Japan, Mexico and Spain it has sold majority holdings to local investors.

An indication that the US company will retain strong ties with the South African operation can be seen from the presence on the new board of the US company's president and vice-president.

Mr Morum said that he did not foresee that the US company's partial withdrawal would affect export sales and said that there were no plans for the new company to go public.

It would continue to trade as before under the Firestone brand name.

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although their cash wages may amount to as little ...
R5,00 per week. He sees about 1 000 to 1 200 pat...
district surgeon per month, which includes visits ...
prison at Kirkwood (about 600 prisoners and 100 w...
their families) and 700 employees of the railways ...
of whom the district surgeons are obliged to see ...
The Sunland doctor also runs a surgery on three ...
a week at the Citrus packing co-operative at Addo ...
may be seen on the same terms by the employees, ...
patients from the Addo clinic can easily be refe...
to 9 - 9.30 a.m.
The fees charged to private patients vary from ...
of the R4,40 for a consultation listed in the Go...
Gazette for whites; for blacks they tend to be ...
ized for each doctor and to be inclusive of medi...
R2,50 - R3,00 being the usual range. This may a...
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3.1.2. The Valley Clinics

There are three permanent clinics in Kirkwood, and one each in Sunland and Addo. Two of those in Kirkwood - one in the town for 'coloured' patients and one in the African location of Bontrug - are run by the municipality for residents of the municipal area. Bontrug clinic is run

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... by two African nurses and supervised by the sister who ... many patients were visited daily by the clinic nurse to have their treatment. The Divisional Council at first ran separate TB clinics and paid part of the nurses' salary. By now an African sister had been added to the team, which made twice weekly visits to run the Addo clinic as well as making daily stops at other villages:

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Why them stones sold out to SA

S. Tul Time 8/3/81

Special Finance Correspondent

(62) (232) (196)

FIRESTONE this week became the third international tyre company in 18 months to sell a large slice of its South African assets.

It joins a band of well-known multinationals — among them, ITT, Caravans International, Fiat, Bridon, Asea and Reed — which have recently decided to reduce their exposure south of the Limpopo.

Political fears have prompted the move in a few, but not most, cases.

Most of the disinvestments appear to result from the parent company's financial plight.

The injection of substantial funds from sales of foreign subsidiaries is one way of improving cash flows crippled by recession in the home market. Dunlop and Bridon apparently needed a chunk of cash at home more than extra dividends from South Africa.

What about Firestone, which is to sell 75 percent of its local subsidiary to Federale Volksbeleggings? The company has implied that it was prompted by financial motives.

General Tire's withdrawal in 1979 is believed to have been prompted by its inability to comply with the Carter administration's regulation prohibiting sales of US-origin products or technology to the South African Defence Force and other strategic agencies.

Since that regulation was promulgated almost three years ago, Firestone has insisted that none of its products is imported from the US. It has also claimed that the technology used by its South African subsidiary comes from Italy.

Moreover, the company apparently needs the money in the US despite a recent profit turnaround. Firestone has already sold off parts of its Spanish, Mexican and Japanese subsidiaries.

R12,2-m profit for GT

STAR 1/5/81

(196)

By Ann Crotty

General Tyre increased turnover for the 12 months to February 1981 to R129,8-million from R105,5-million for the 14 months ended February 1980.

After-tax profit was R12,2-million, up from R8,5-million. Total dividends were 15c a share higher, with a payment of 65c from earnings of 389,5c a share.

The results reflect a 14 month period for 1979/-80 for some companies but turnover and earnings for only eight months for the more recently acquired companies therefore comparisons would be misleading.

As a substantial supplier to the automotive, mining and mechanical and civil-engineering industries the group was able to share in the buoyant trading conditions of this sector.

Wm Hunt in big league after 166% surge to R8,1m

RDM 2/5/81

By DAVID CARTE
Deputy Financial Editor

THE increased stake in booming General Tire and better profits in motors and farm machinery enabled Williams, Hunt to treble pre-tax profit in the year to February.

The company reached the big league among pre-tax profit makers with a 223% pre-tax surge in profit to R24 250 000. Taxed attributable profit soared by 166% to R8 172 000.

Earnings a share improved in line to 91c (1980: 34,1c). A final dividend of 10c has been declared, making 19c for the year, and a 73% improvement on 1980's 11c.

Although its earnings were only 46% better than last year's, General Tire's contribution to earnings surged 129% from R2 047 000 to about R4 685 000, or 60% of the group total, thanks to the increased stake in this 40% held subsidiary.

It is a subsidiary and is consolidated because Williams, Hunt has 50% of the voting shares.

Because Gentire retains most of its earnings — the dividend is covered roughly six times — dividends from this source were a less impressive R780 000 odd.

This and the need to retain earnings to finance increased motor, farm machinery, textiles and EW Tarry business explain why Williams, Hunt's cover is so high at more than 5.

The tax rate fell from 45% to 36%, but because Gentire is a subsidiary and no longer an associate, associate earnings fell 66% to R519 000. Minorities roughly trebled to R8 254 000, leaving an attributable R7 862 000.

The group reports an extraordinary profit of R310 000 on the sale of property.

The chairman, Dr H Khazam, told me all divisions, except the fledgling textiles division which was "just getting started", did well last year.

He defended dividend cover, saying roughly R5-million had been spent on machinery and a like amount on properties in General Tire. Tyre stocks at the yearend were low and it would require a few more millions to bring these up to required levels.

He expected farm-machinery trading to slow after an exceptional 1981.

"Farmers had an excellent season and many bought additional units ahead of the opening of Atlantis Diesel Engines and for tax reasons."

The motor companies had done well in a generally buoyant climate and on the strength of General Motors revival. Restricted supplies of vehicles had been a problem. Dr Khazam said this could improve, but this was not entirely favourable as it could make the industry more competitive.

Tarry continued to prosper in industry, civil engineering and at Sasol.

COMMENT: At 280c, the share yields 6,8%, which sounds thin because of generally dimmer prospects in Gentire, motors and farm machinery. But the cover, the strong balance sheet and the track record more than justify the thin yield.

Ford strike goes into second day

STAR 19/5/81

Labour Reporter

The Ford Cortina plant strike in Port Elizabeth went into its second day today with workers refusing to handle Firestone products.

Yesterday about 1 000 workers were sent home after employees at the Cortina plant refused to handle the Firestone tyres in support of their colleagues involved in a dispute at the other Port Elizabeth firm.

Production at the plant was halted.

Workers returned to the plant early today and resumed their stand against Firestone products. They were again sent home.

The strike has now spread to the Ford engine plant.

The strikers are represented by the Motor Assembly and Component Workers Union (Macwusa) and talks between the union and Ford management are expected later today.

Macwusa had called on Firestone to rehire dismissed workers after a dispute over pension payouts earlier this year.

Ford's industrial relations officer, Mr Fred Ferreira, said domestic matters between another company and its workers should not be permitted to interfere with Ford prodution.

Any employees who refused to handle goods from suppiers would be subject to disciplinary action, he said.

Macwusa's chairman, Mr Dumile Makanda, said today that the Firestone product boycott could spread to other Port Elizabeth firms and the union had warned Ford earlier about the boycott.

"Firestone must re-employ our colleagues," Mr Makanda said.

He added that Ford had already given workers a written warning about the boycott.

● At the Leyland Blackheath and Elsies River plants near Cape Town workers once again streamed back to work although management has stuck to its decision not to start up the plants again until tomorrow.

1 000 stay away at Firestone

STAR 21/5/81

PORT ELIZABETH — The strike-beset Port Elizabeth motor industry received another shock today with the news that about 1 000 black workers have now gone on strike at Firestone Tyre Company.

The Firestone strike started at 10 pm last night when the bulk of black workers did not turn up at the start of their shift. Workers on today's 6 am shift followed suit.

The managing director of Firestone, Mr Peter Morum, confirmed this morning that the black workers on last night's and this morning's shifts had not turned up for work. He attributed their absence to intimidation.

He said he was informed that black workers trying to board buses to come to work were ordered by others to get off.

"If we employ the 160 we would have to release 160 other workers."

Mr Morum reiterated that the company would give priority to the hiring of workers who walked out in January as vacancies arose.

As groups of workers left the Ford Cortina plant this morning, they jeered and gave black power salutes at white and coloured workers looking at them from inside the premises. Ford workers walked out on Monday in sympathy.

A spokesman for General Motors said the number of workers absent today was just below 200.

Talks scheduled on the Ford 'solidarity' walkout

STAR 21/5/81

Labour Reporter

Ford management was scheduled to meet union officials today for the first time since Monday's mass walkout by workers.

About 1 500 workers from three of the four Port Elizabeth Ford plants are still on strike in "solidarity" with colleagues who were dismissed from the nearby Firestone plant earlier this year.

Workers have refused to handle Firestone tyres and are being represented by the Motor Assembly Component Workers Union (Macwusa).

The chairman of Macwusa, Dr Dumile Makanda, said today the union would tell Ford that workers were willing to return to work — but they were still not prepared to handle Firestone tyres.

Tyre firm's tail now wags dog

Sowetan 22/5/81

THE world's largest tyre and rubber company has just reached a critical milestone in its 83-year history —for the first time its sales in the United States have been overtaken by its foreign operations.

Goodyear shareholders were told by the company's chairman, Mr Charles J. Pilliod, at this year's annual meeting that "geographical diversification" had served the company as effectively as product diversification.

126

The company's first overseas plant had been established in England in 1927, "and since then we have expanded constantly on an international basis," Mr Pilliod said.

"Due to the developing nature of many of the foreign countries in which we are involved, the rate of growth in this area has been more rapid than that in the United States.

"By the fourth quarter of 1980, our sales were relatively evenly split between our U.S. and foreign operations. If that trend continues unabated, we will reach a point where our international business could represent from 60 to 65 percent of total Goodyear sales by 1985.

Mr Pilliod said the company's results last year provided "an excellent example" of the benefit of geographical diversification.

"We were able to offset the downturn in the U.S. to some extent by increased foreign earnings which, by year's end, represented more than 70 percent of our worldwide corporate profits."

Goodyear South Africa established a factory in Uitenhage in 1947 which is today one of the company's largest outside the United States.

Motor workers meet to decide on action

STAR 26/5/81 196

Labour Reporter

The two unions involved in the motor industry strikes in Port Elizabeth and Cape Town are holding meetings this week to decide what course of action to take in the deadlocked disputes.

The Motor Assembly and Component Workers' Union (Macwusa) met striking workers yesterday in New Brighton's Centenary Hall near Port Elizabeth to discuss their solidarity strike.

Macwusa has stated that workers will refuse to handle Firestone tyres in the Ford plants and workers have been suspended from work.

Firestone's managing director, Mr Peter Morum, met Macwusa representatives yesterday to discuss the union's aims as well as the issue of the dismissal of about 160 workers at Firestone earlier this year.

The Firestone solidarity strike has spread to other Port Elizabeth firms.

In the Cape, the National Union of Motor Assembly and Rubber Workers is conducting meetings in the Peninsula with striking Leyland workers.

Call to protect SA rubber

By HAROLD FRIDJHON

COMPLAINTS against the lack of protection for the South African rubber products manufacturing industry are made by Dr H Khazam in his General Tire chairman's statement.

He says that although South Africa as a whole experienced boom conditions in 1980, a disturbing feature for the rubber industry is the increasing volume of finished rubber products which are imported into the country.

The rubber industry's local raw materials suppliers are given substantial tariff protection against overseas suppliers, but similar levels of protection are not granted to the South African rubber products manufacturing industry which is faced with cheap imports based on low-priced overseas raw materials.

Referring to the group's results which showed turnover up from R105 519 000 to R129 848 000 and taxed profit for the year to February 1981 at R11 713 000 from R7 992 000, Dr Khazam says that percentage comparisons could be misleading.

The figures for the previous year reflect a fourteen-month period for some companies but turnover and earnings for only eight months for the more recently acquired companies.

Distributable profits are relatively higher than in the previous year because a number of companies taken over in 1980 with a past history of unprofitable trading were transformed into profitable enterprises.

Profitability was also helped to a great extent by reduced tax charges arising from certain tax losses brought forward and from incentive allowances on capital expenditure.

Gentire chief complains of high rubber imports

By Ann Crotty

The year ending in February was one of unprecedented growth and Gentire, a substantial supplier to the automotive, mining and mechanical and civil-engineering industries, shared in the increased demand.

The group's profit was also helped by reduced tax charges arising from tax losses brought forward, said Mr H Khazam in his chairman's statement.

In the tyre division, new vehicle sales attained record levels and the group's market position was maintained.

Despite the continued growth of imports, which inhibited the group's expansion in the important replacement sector of the market, new heights in turnover were achieved.

In the industrial products division, sales increased substantially compared with the previous financial period.

Mr Khazam expressed concern over the increasing volume of finished rubber products being imported.

He said the rubber industry's local raw materials suppliers were given substantial tariff protection but similar protection was not granted to the rubber products manufacturing industry.

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GENTIRE FM 5/6/81

Fair prospects

196

Activities: *Manufactures tyres, tubes and retreading materials, adhesives, waxes, rubber-based paints and industrial rubber products.*
Chairman: *H Khazam; managing director: R G Nicholson.*
Capital structure: *1,9m "A" ordinaries of 50c; 1,1m "B" ordinaries of 50c and 250 000 5.5% cum prefs of R2. Market capitalisation: R24,6m.*
Financial: *Year to February 25 1981. Borrowings: long- and medium-term, R10,6m; net short-term, R12,2m. Debt:equity ratio: 45,2%. Current ratio: 1,4. Group cash flow: R17,3m. Capital commitments: R2,5m.*
Share market: *Price: "A" 775c; "B" 900c. Yields: "A" 50,3%; "B" 43,3% on earnings; "A" 8,4%; "B" 7,2% on dividend. Cover: 6,0. PE ratio: "A" 2,1; "B" 2,3.*

	'77	'78	★'80	'81
Return on cap %	22,4	19,4	17,5	22,5
Turnover (Rm)	50,2	73,5	105,5	129,8
Pre-tax profit (Rm)	9,6	11,7	14,6	19,5
Gross margin %	20,5	16,9	15,3	16,4
Earnings (c)	191	217	257	390
Dividends (c)	35	42,5	50	65
Net asset value (c)	1 064	1 560	1 811	1 908

★ 14 months.

Gentire has maintained a steady profit advance despite the loss of technical assistance from its erstwhile US parent. This commendable performance has been due in part to the alternative agreement with a European tyre producer, plus a contribution from new acquisitions.

But the most important factors were booming conditions in the motor, mining and engineering sectors where the group reaped full benefits. Pre-tax profit rose 56% to R19,5m (R12,5m annualised), while turnover increased 44% to R129,8m (R90,4m).

However, a slowdown in growth is a virtual certainty this year with the expected second-half downturn in the motor industry. The additional problem of increased imports of finished rubber products will also have to be solved. Finance director John Lardner-Burke says that applications have been made to the Board of Trade in the hope of getting increased protection.

The improvement in net attributable income of 72% to R11,7m (R6,8m) partly reflected the first full contribution from a number of companies acquired during 1980. Some had assessed losses, resulting in a reduced group tax charge of 37% (41%). However, Lardner-Burke says these losses have now been almost completely absorbed, so tax will probably be higher this year.

Nevertheless, management is still hoping for a further increase in the contribution from new group members as rationalisation of their activities continues.

Balance sheet structure has remained virtually unchanged, although the debt: equity ratio dropped to 45,2% (48,1%). It is group policy to keep this ratio as low as possible, according to Lardner-Burke, to avoid any problems should the need for further borrowings occur unexpectedly. The liquidity position is strong with cash flow at R17,3m.

Expansion this year will be largely internal, with improvements in research and development. Efforts are being made to improve management, production, technical and engineering skills to keep abreast of technological developments.

Lardner-Burke could not explain the rather interesting anomaly in the prices of the voting "A" and the supposedly less attractive non-voting "B" shares. Neither class of shares is heavily traded, but the isolated JSE transactions have pushed the "B" share to 900c while the "A" share trades at 775c.

Despite this year's uncertainties, growth is likely to at least match the group's five-year compound rate of 20%. On this basis, earnings could reach 470c (390c).

Lardner-Burke adds that a change in the six-times dividend cover is unlikely. Therefore, a payout of about 78c can be expected, giving a fairly attractive prospective yield of 10,1% on the "A" shares, and a much more modest 8,7% on the "Bs."

Cathi Warren

Wheels within wheels

196

3/6/81

Rom

Firestone

RACE-BRED FOR SAFETY AND MILEAGE

8/6/81 196

The real message of Firestone's big strike

THE two-week strike in the Port Elizabeth motor industry ends today as workers begin returning to their jobs. The strike has been seen as a test for the new, community-linked, brand of black unionism which has emerged recently. Labour Reporter STEVEN FRIEDMAN reports.

"THERE'S an old Chinese curse which says, 'May you live in interesting times'. Well, I'm thinking of taking out Chinese citizenship," a Port Elizabeth motor employer said last week.

For the third time in less than two years, the Eastern Cape motor industry has been hit by a strike with wide-ranging significance for workers and employers throughout the country.

And, while there is relief that the two-week sympathy strike at Ford, General Motors and Firestone is over, the trends it highlighted will remain. There is already talk of yet another strike.

Besides being the biggest "sympathy" strike in recent labour history, the PE stoppage highlighted several key trends in labour relations.

In many ways, it was the first key test of the new "militant", community-linked trade unionism which has begun to emerge among black workers.

It also confirmed suggestions that the days in which black worker action was limited to disputes about purely factory issues with one employer are over.

The bare facts of the dispute are worth repeating.

In January, an estimated 1 500 black workers at the Firestone tyre company struck over a hitherto unheard-of issue.

Alarmed at reports that the Government was planning legislation to "freeze" workers' pension fund contributions until they retired, they, in common with many other black workers, demanded their contributions back so that they could avoid the effect of the new law.

This led to a strike after which an estimated 160 workers were fired.

The dismissed workers approached the recently formed Motor Assembly and Components Workers Union of South Africa (Macwusa) for support.

Macwusa approached Firestone which promised, after negotiations, to give the fired strikers priority when vacancies arose.

The union rejected this and decided to broaden its campaign.

A worker meeting mandated the union to approach Ford and GM to say that workers would not handle Firestone tyres until the workers were reinstated.

Two workers who began the boycott at Ford were suspended and before long about 3 000 workers at Ford, GM and Firestone were on strike.

Ford and GM insisted that the dispute concerned Firestone only and should be settled between Macwusa and Firestone.

After two weeks of bargaining, either involving all three companies or Firestone alone, a worker meeting last week agreed to accept an offer by Firestone, ending the strike.

The strike had a significance beyond the confines of the three companies.

● Firstly, both the original Firestone strike and the "sympathy" strike involved issues which went beyond an individual factory floor.

The January Firestone strike illustrated a point which labour observers have been stressing of late — that, because black workers have the right to organise and bargain in industry but have no similar political rights, they will use their industrial organising power to make "political" demands.

Fearing legislation which affected them directly, black workers had no avenues to exert influence on the authorities. They therefore used the only avenue they had — the power they could bring to bear on their employers.

The "sympathy" strike was, of course, clearly a case in which Ford and GM were asked to react to a situation not directly of their own making.

● It was also the first major strike by Macwusa members and thus a test for its brand of unionism.

The union originated in the 1979 Ford strike, when workers at the company's Cortina plant became disenchanted with the Fosatu-affiliated National Union of Motor Assembly and Rubber Workers recognised by Ford.

They claimed that union officials had been too "pro-management" and eventually broke away to form Macwusa.

Macwusa rejects registration. Unlike the black unions formed in the early 1970's, it also believes union involvement does not stop on the factory-floor.

Its officials argue that the union movement must also be involved in broader community issues which affect their members outside the factory. Macwusa's entire executive belong to the PE Black Civic Organisation, which is firmly rooted in the Eastern Cape's tradition of black protest.

It was not surprising, therefore, that Macwusa insisted throughout the strike that it was forced to involve Ford and GM in the dispute because it was a "community issue" and workers at these plants had a duty to stand by other members of the community.

They insisted they were not seeking confrontation with Ford and GM and that the two companies could have accommodated the trend towards community-based unionism by simply ordering their tyres from another company.

Employers accept that there is a real community base to Macwusa's activity. But Ford and GM insist that they could never have agreed to the demands because that would have meant intervening in an internal dispute in another company.

Management sources also suggest strongly that there was another important aspect to the strike — growing inter-union rivalry.

They argue that Macwusa wanted to demonstrate that its brand of unionism could offer workers something the more orthodox Fosatu union could not.

The strike was as much an attempt to win support from the rival union as it was an attempt to demonstrate community solidarity, they argue.

Certainly, the intense inter-union rivalry which the growth of black unionism has brought in its wake is an important source of factory conflict.

But it would be unwise to underplay worker support in the Eastern Cape for community-orientated "sympathy" actions.

In Uitenhage, NUMARW shop stewards have been telling employers that workers are unhappy because a components company, Hella, is the only one which refuses to deal with the union and have been asking them to help bring it into line.

Interestingly, the NUMARW has close links with Ubco, Uitenhage's equivalent of Pebco.

Johannesburg labour experts say that, while the "sympathy" action may remain an Eastern Cape trend for a while, unions in other parts of the country are watching developments and are increasingly interested in similar action.

There is little doubt, then, that the strike was something of a watershed. What are its effects likely to be? That depends largely on whether workers see it as a "victory" which shows that action of this sort can work.

Macwusa certainly sees the settlement as a victory and workers reacted to it with jubilation. But some management sources insist the settlement was a relative defeat for the union.

The problem about assessing these claims is that there was no written settlement and the two sides have different accounts of what was agreed.

Macwusa says — and has told workers — that all the dismissed workers will be rehired, probably by the end of the year.

It says Firestone agreed to take back 21 of the older workers immediately (Macwusa had insisted that middle-aged workers get first priority) and that at least 15 workers a month will be rehired.

It says it is making arrangements to support workers who have to wait to get their jobs back.

This would be a substantial advance on the company's original offer because Firestone had insisted that not all workers would be taken back.

It had also been unwilling to give undertakings about the number who would be rehired each month because it said it could not predict the number of vacancies.

According to Firestone, however, not all workers will be taken back and there is no set quota for how many will be taken back each month.

This would mean that Firestone had succeeded in sticking to its original pre-strike position — with the exception of the 21 workers, whose employment would then be the strike's only concrete gain.

If Firestone is right, sometime later this year an unspecified number of workers are going to find out they are under an illusion.

Some management sources suggest they will then be very angry with Macwusa and that there is already tension in the union because it is seen as having "failed". They predict an attempt to unseat the union's existing leadership — or even get another break-away.

Macwusa officials and black sources in PE insist worker support for Macwusa is at an all-time high and say several worker speakers at the meeting which accepted the settlement last week described it as a union victory.

That could change, however, if the settlement turns out to be not as favourable as it appears now.

The truth will only be known in a few months time.

If not all workers are taken back, workers may well be angry with Macwusa. But they may well be even more angry with Firestone — rightly or wrongly — and employer sources are not prepared to rule out another strike as a result.

Then, even if tensions do emerge in Macwusa, there is no guarantee for employers that that will herald a shift towards less militant unionism.

Says one employer source: "Workers could decide to go back to more conventional unionism. But they are more likely to move the other way, to yet another, more militant, organisation.

So Macwusa could either emerge from the strike strengthened — and it did show surprising areas of support in the early days of the unrest — or give way to something more militant.

Besides which, the Firestone settlement was at most a relative worker setback.

Firestone may have offered to rehire the 21 as a "sop" to the union to help it not to lose face. But workers might ask whether, a short time ago, employers would have even considered offering a "sop" in a similar situation.

So, the more militant brand of unionism is here to stay. How will employers respond?

The three companies made a start by not firing any of the strikers.

Unlike Leyland in Cape Town — and Firestone the first time around — they took the view of West European and American employers that strikes are a test of power in which the company loses production but workers lose money.

The settlement is dictated by, among other things, which side thinks it is losing more and firing workers creates more problems than it solves.

Whether the companies could have fired skilled workers and replaced them is unclear. The fact that they haven't will help future shopfloor relations.

Some sources suggest employers might be less willing to recognise Macwusa now, because they are angered at its "confrontationist" tactics and inexperience in handling conflict.

The union is obviously inexperienced. One of the ironies of labour in the Eastern Cape is that unions like Macwusa who seem best at mobilising workers have had little experience at negotiating and therefore lack technique.

But then some observers argue that the inexperience is not restricted to Macwusa. After all, not committing a sensitive agreement to writing is a pretty inexperienced thing for both sides to do.

There is an increasing view among top employers that the only issue to consider before recognising a union is its representativeness — however "militant" and inexperienced it may appear to be.

They argue that it is only by entering into a permanent bargaining relationship that management and worker leaders learn to deal with each other.

After all, they argue, how are both sides going to acquire bargaining techniques unless they actually bargain with each other?

If PE employers adopt that view — and there are signs that Firestone may well do so — the prospects for at least containing conflict are fairly good.

Business

Steelmen lagging hints Dawie

21/6/81

196

By BARRY BAXTER

STEEL-CORD belting produced at a new R3,75-million plant at Howick, Natal, is unlikely to achieve the level of local content the Government is hoping for.

The South African Rubber Manufacturing Company (Sarmcol) plant was opened this week by Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers.

It is being geared up to satisfy an initial market estimated at R10-million to R15-million a year, which will all be import substitution.

But the steel cords which account for at almost 50% of the cost of the product will have to imported for the forseeable future.

"The local manufacture of the cords is surely within the capabilities of our industries, and I trust you will soon be able to purchase cable at competitive prices from local sources," Dr De Villiers told Sarmcol executives.

Within 18 months, Sarmcol technicians will be substituting all other imported components of the belting for locally-produced items, to take the local content of the belting to just over the 50% mark.

But they think it unlikely that the South African steel industry will be able to come up with suitable cords to make the belting a 100% local product.

"The strength of South African-made steel cords cannot meet the rigid specifications necessary for heavy duty belting," they claim.

"The steel is not strong enough. The strength of the imported cords is such that belts with 15km between centres can be produced."

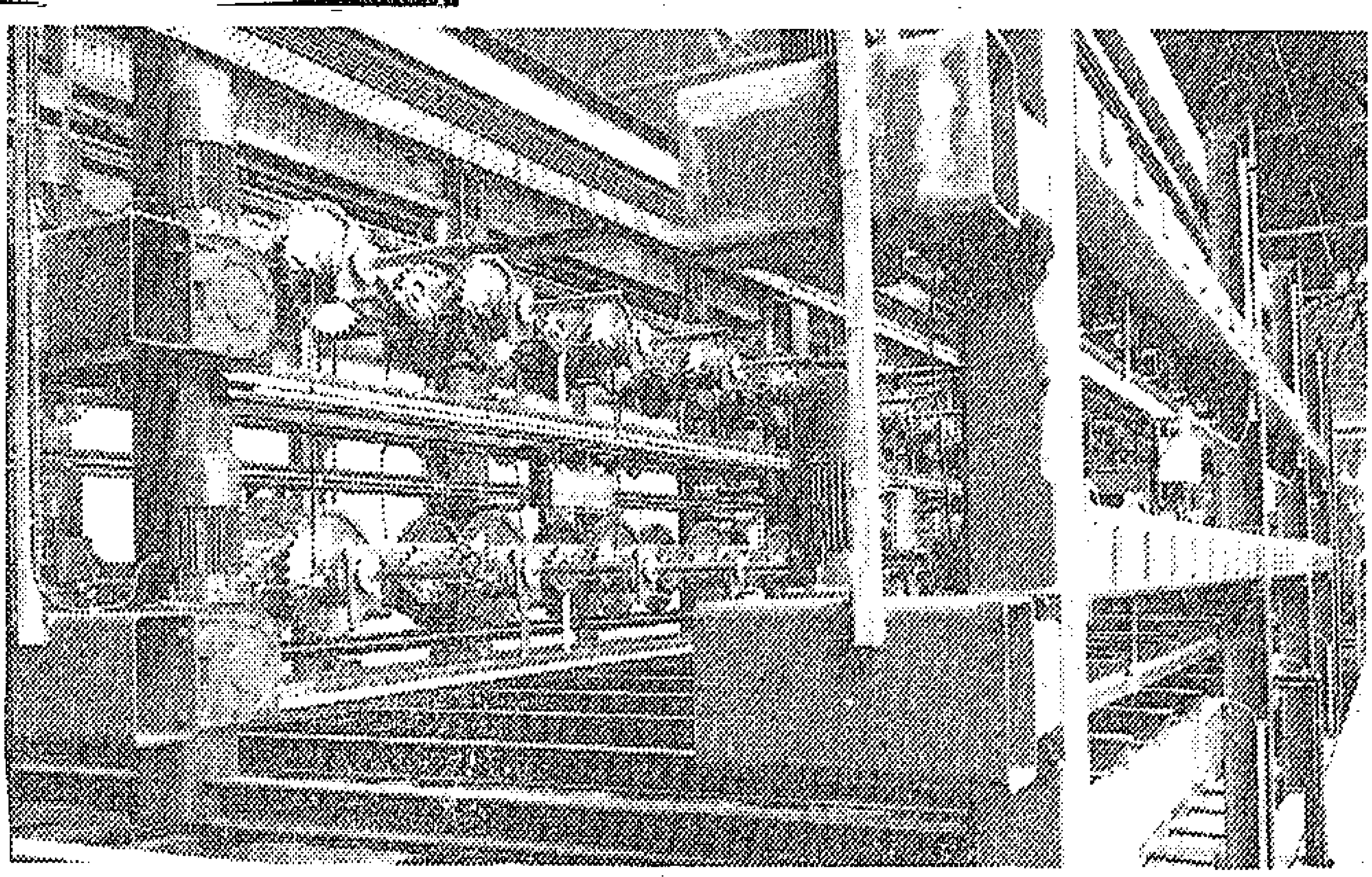
Also, the cords have to be zinc-dipped to ensure that they bind to the top and bottom covers, a process jealously guarded by Sarmcol's supplier and parent company, British Tyre and Rubber Company.

The rubber covers are imported at the moment, but will be replaced with a locally-produced synthetic rubber, polyisoprene, when the synthetic rubber plant at Newcastle is commissioned.

The Sarmcol belting will be marketed under the trade name 'Powacord'.

Maximum specifications will be 40mm thick, 2,5m wide, 196 cords which can range from 5,2mm to 12,9mm in diameter, with the 9mm cord registering a breaking strain of 68,4kN.

Biggest buyers are expected to be the mining houses, who plan to use the belting to replace expensive and fuel-hungry dump trucks as the major movers of ores above ground.



The steel-cord belting plant opened by Minister of Industries, Dr Dawie de Villiers.

Huge extensions by Firestone

8/7/81

By Mervyn Harris

Firestone South Africa is to spend R22,5-million in the first phase of a R55-million expansion programme to meet tyre demands for the 1980s.

Nearly half the R38-million to be spent locally will be devoted to enlarging the capacity of the Port Elizabeth plant to make the country independent of imported tyres for various industrial purposes, Mr Peter Morum, chief executive of Firestone SA, said at a Press conference yesterday.

He said it was also Firestone policy to use raw materials produced by the local chemical industry to the greatest possible extent. This would save foreign exchange.

Mr Peter Morum, chief executive of Firestone SA.

UNHEALTHY

"We believe this programme will enable us to have access to the total local market and get back business which has been lost to imports.

"This country needs employment opportunities and, as a manufacturer, we hope to provide this instead of providing more employment offshore," he said.

Mr Morum said that it was an unhealthy situation for a high percentage of tyres used in South Africa to be imported, particularly as the wages forming part of their cost structure could have been paid to local workers and thus be reinjected into the economy.

Firestone currently produces more than 500 sizes and styles of tyres, ranging in diameter from 28 cm minityres to giant 3,3 m high earthmover tyres weighing 2 700 kg each.

ACQUISITION

Mr Morum said the company's balance sheet was clean and it would finance the programme itself.

The investment follows the recent acquisition of a majority interest in Firestone SA by the Federal group.

URBAN & REGIONAL PLANNING

LTA Prizes

P R Swift

The Committee of the Western Cape Chapter of Quantity Surveyors' Prize
For the student obtaining the highest marks in Professional Practice.

P C Key

QUANTITY SURVEYING (Continued)

Bell-John Prize
For the best all-round student in any year of study.

QUANTITY SURVEYING

(Continued)

Bell-John Prize
For the best all-round student in any year of study.

P C Key

The Committee of the Western Cape Chapter of Quantity Surveyors' Prize
For the student obtaining the highest marks in Professional Practice.

P R Swift

LTA Prizes
For the best student in each of the courses of Building Economics I, II and III in the third, fourth & fifth years respectively.

I : N D G Sessions

II : A R Low Keen

III: No award

S A Brick Association Prizes
For the best student in the subject of [...]truction.

[...]nt in the [...]truction.

URBAN & REGIONAL PLANNING

[...] own [...]

Firestone to raise overall capacity

Finance Reporter

THE BIGGEST single expansion in the South African tyre industry has been announced by Firestone, which recently came under South African control. The company will invest R22,5m in the next 15 months to increase its overall local capacity by a third.

Firestone has approved this first stage of a R55m expansion programme, the major proportion of which is to be spent locally.

Mr Peter Morum, chief executive of Firestone S A, said the investment was being made to meet the growing needs of Southern Africa as a developing region. Of the investment of R22,5m, R17,5m will be for the company's Port Elizabeth plant, which will be extended to an area of 500 000 m2 and modernised. Construction will start next month.

The balance of R5m will be for advanced tyre-building equipment to be installed at Firestone's new Brits tyre factory.

Mr Morum said he did not believe the high incidence of imported tyres in South Africa was in the interests of the country, and the investment was planned to meet the current shortages in major sectors of the economy.

The expansion programme would materially increase the company's production capacity of tyres, tubes and related products for industry.

With these capacities designed to make South Africa self-sufficient, Mr Morum said it was also policy to use raw materials produced by the local chemical industry to the greatest possible extent.

The new programme will bring Firestone's investment in quality-testing equipment to R2,5m.

Firestone to spend R55m expanding tyre plant

RDM 9/7/81

196

Financial Reporter

FIRESTONE South Africa will spend R22 500 000 in the next 15 months to increase its tyre-production capacity by 35% in the first stage of a R55-million expansion programme.

Mr Peter Morum, chief executive of the company, announcing the programme in Johannesburg this week, said it would be the biggest single expansion in South Africa's R400-million a year tyre industry.

It follows the recent acquisition by Federale Volkskas of a majority shareholding in Firestone South Africa.

Mr Morum said the total programme, designed over two years, would result in a material increase of the company's production capacity of tyres, tubes and related products for the industry and would mean increasing the company's staff complement by 500 people.

Increased production would help to meet current shortages, and rising demand in Southern Africa while helping to make the South African tyre industry more self-sufficient.

It would also reduce the presently high incidence of imported tyres in South Africa, now 15% of the total market.

The company would adopt a policy of using locally-produced raw materials to the greatest possible extent.

Most of the R22-million is to modernise and expand the company's plant in Port Elizabeth to cover an area of 500 000m². Construction will start next month.

While a total of about R38-million of the budget is to spent locally on expanding the plants at Port Elizabeth and Brits, the rest of the R55-million is to buy and import machinery and equipment.

The money for the expansion is to be borrowed both locally and overseas. Mr Morum said the ratio of funds from either source would depend on which offered the lowest interest rates.

URBAN & REGIONAL PLANNING

QUANTITY SURVEYING (Continued)

Bell-John Prize

For the best all-round student in any year of study.

P C Key

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For the student obtaining the highest marks in Professional Practice.

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I : N D G Sessions

II : A R Low Keen

III :

Optimism in Dunlop report

STAR 20/7/81

Own Correspondent

DURBAN — Dunlop South Africa has boosted first-half earnings by 41 percent and remains optimistic for the second half of 1981.

The interim report says that although consumer demand is not expected to increase at the same rate, July to December earnings should at least equal the first-half's 55,1c. First-half earnings in 1980 were 39,2c.

During the first half Dunlop boosted before-tax profit by 36 percent to R13,5-million on the basis of a 33 percent lift in sales (to R97,1-million).

Tax took slightly less proportionately — 38,5 percent instead of last year's 40,4 percent of profit, leaving attrivutable profit 41 percent ahead at R8,3-million.

The as-yet-unaudited results led to declaration of a 26c (18c) interim dividend at a slightly lower cover of 2,1 (2,2). The board says it is further reducing the disparity between interim and final dividends.

310/28/9/81

Workers strike in Brakpan

Fresh labour unrest has flared on the East Rand with a strike at Plant Protection, a small Brakpan rubber company.

Demanding pay increases and the reinstatement of two colleagues, 68 workers refused to man their posts yesterday morning. The strike continued after management yielded on the second demand but said there would be no review of wages.

At a meeting outside the factory premises with officials of Fosatu's Chemical Workers Industrial Union, workers decided to return to work today on the understanding that the wage issue would be discussed.

Management had agreed to talk to workers in groups of five, a union spokesman said, but would not deal with the union.

The company's managing director, Mr Phil Myburgh, said about 40 strikers earned between R1 and R1,90 a nhour, and almost all employees had been granted increases in March.

INKOMO

Name		Sources of Income	Current income from milk		Income when sold to hospital		Change to present	Where milk now	which camp now
			Summer	Winter	Summer	Winter			
D. Gunundu	(1	Café owner	R15,50	-	R18,50	-	R3 less		DAIRY
A. Magahla	(2	Husband sends R40 per mon	R4	R20	R57	R2,50	R17 less in summer	Home	Home
N.M.'s brother	(3	Husband a teacher locally. Lot of stock	R4-10		R20		R14 less	DAIRY	DAIRY
G. Homendlini	(4	Headman. Children migrant They send R72 per month. Farms field and stock	R36	-	R40		R4 less	DAIRY	DAIRY
A. Bukula	15	One field. Dairy only inc	R60	R30	R60	R30	same	DAIRY	DAIRY
J. Guda	(6	One field and stock. Migr son sends R17. 11 people i family	R30	-	R30	-	same	DAIRY	DAIRY
J. Sidzamba	(7	Small field lives by odd j Very poor woman	R8	-	R6	-	R2 more	Home	Home
IDA. M-	(8	Pensioner R12,33 per month 1 field	-	-	R10	little	All income gone	Home	Home
F. Mvimbi	(9	1 field but no other income	-	-	R6		No income now	Home	DAIRY
O. Mabusela	(10	R12,33 pension but 7 people family - 1 field	-	-	R5	little	No income now		-

Note: 1. The distinction between nc ... most do have some income, those in 1-4 are substantially better off than 5-10.

2. A. Bukula & N.M.'s brother ... ith N.M. N.M.'s brother's income has gone down since July 1977. He says that N.M. ta ... oney. There is no paper accounting.

3. O. Mabusela (no.10) had to ... y. 4. IDA M- & F. Mvimbi say that they tried to sell locally but there is no ma ... money.

5. Most people do not give i ... hey 6. Note that even when N.M. did take the milk 4 out get nothing or very little ... 10 people got R10 or less per month

3.32 VIABILITY OF CO-OPERATIVES

1. For people earning under R5,00 and R10,00 a month one must consider the inputs they have to pay to cover the costs of the co-operatives services. In some cases - particularly Amathole the profits do not cover the payments. This leads to the poorest members leaving or to the services being scrapped; often both happen.

In early 1977 the members at Inkomo hired a person to herd and milk the cows and a woman to wash the dairy. Their combined salaries came to R20,00. There were 12 participants at that time so each had to pay R1,70 towards the salary. They also had to pay R1,00 a month for transport costs and R4,00 a year subscription. Thus a person earning R5,00 a month would take more than 5½ years of all his milk income going to the dairy to pay off his share in the dairy building (R136,60). Only after this would he be able to start realising his monthly profit of R2,00.

At Amathole 10% of the cheque from the Bloemfontein co-op is deducted each month to cover transport costs and pay the salary of the woman who cleans the equipment. These two overheads come to R7,50 a month but an average of the 10% figure taken over a year is only R3,19. Thus one sees why the woman's salary has not been paid for more than three months.

At Amathole too, members decided to club together to pay a herder, but like Inkomo they dropped the system because the overheads were too high. In both places they reverted to individual herding and milking with all the waste of labour time this involves. For people getting a very small amount of milk the labour time is not justified and lack of labour is the most common reason cited for leaving the dairy.

2. At both Inkomo and Amathole there is a pattern of people just stopping using the dairy although they still consider themselves members. As members leave the low and uneven production becomes even worse and so marketing problems increase. It is interesting to note that at Amathole many people have started to sell their milk locally after seeing dairy members do this, but only 2 people have joined the dairy since 1952. It seems from the above evidence that the others are making a logical decision in not joining.

./...

Early gifts anyone?

Mail Reporter

THE Wildlife Society of South Africa is thinking well ahead — with five months to go before Christmas they have issued a catalogue of 175 gifts and cards to "avoid last minute rush and possible disappointments".

The mail-order catalogue, which is valid until May 31, 1982, offers the public a new range of gifts such as candles, coasters and calendars.

The catalogue, which is available now, can be ordered from PO Box 1373, Maritzburg, 3200.

as saying.

Dispute

It is understood that the agreement provides for full negotiations between the company and the union on wages and working conditions — a stipulation which has been the subject of intense dispute at some plants.

CWIU representatives were unwilling to comment on the agreement yesterday as the union agreed not to expand on the company's statement.

● The first General Tire subsidiary to recognise a predominanly black union was Tensile Rubber, which recognised the Fosatu-affiliated Metal and Allied Workers Union at its plant in Wynberg, Johannesburg.

Firm leads the way with nod to union

RDM 30/7/81

196 ~~183~~ ~~62~~ ~~1401~~ ~~737~~

By STEVEN FRIEDMAN

THE first in an expected spate of union recognition agreements on the unrest-hit East Rand was announced yesterday when a General Tire subsidiary — Piggot, Maskew and Company — revealed that it recognised the Fosatu-affiliated Chemical Workers Industrial Union (CWIU).

Piggot Maskew — which employs about 500 workers at its Boksburg plant — is General Tire's largest industrial rubber manufacturing company and the second of the company's subsidiaries to recognise a predominantly black union.

Reliable sources say the agreement is expected to be followed shortly by several more involving Fosatu unions.

A formal agreement between CWIU and Colgate-Palmolive, the scene of a bitter union recognition dispute which attracted widespread employer and union interest, is expected soon.

A number of other companies have been negotiating with Fosatu unions on wages and other issues. Although the talks have not yet resulted in formal recognition agreements, these are expected shortly.

Upsurge

Three formal recognition agreements between employers and Fosatu unions have been signed on the East Rand — at Kellogg, Putco and Fargesta — but yesterday's was the first to be signed since the recent upsurge of union activity in the area.

It is also CWIU's first East Rand agreement and the first in Boksburg — the scene of much of the recent East Rand labour unrest.

A statement issued yesterday by General Tire says the agreement was concluded last week and would be signed by a union representative and the company's managing director, Mr V T Pretorius.

"The negotiations between the two parties have been amicably conducted and both hope the relationship between them will be of mutual benefit," the statement quotes Mr Pretorius as saying.

Dispute

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- The first General Tire subsidiary to recognise a predominantly black union was Tensile Rubber, which recognised the Fosatu-affiliated Metal and Allied Workers Union at its plant in Wynberg, Johannesburg.

Top chess champions check in today

Mail Reporter

FOUR of the world's top chess players arrive in South Africa today for the Oude Meester Grand Prix in the SABC auditorium at Aukland Park, Johannesburg.

They are Viktor Korchnoi, John Nunn, Robert Hübner and Ulf Andersson.

A spokesman for the sponsor said participation of the four — regarded as the world's most accomplished players — was finalised without any adverse political pressure.

The players are all within 100 rating points of each other — the equivalent to one stroke in golf.

Korchnoi, the world's number two player, is well known to chess fans in South Africa. He won the Oude Meester tournament in 1979.

John Nunn, 26, is Britain's number one player and became an international master in 1974 and an international grandmaster in 1978.

Ulf Andersson, from Sweden, and Robert Hübner, from German, both have impressive international chess victories to their credit.

Early gifts anyone?

Mall Reporter

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RDM 30/7/81 (196) (151)

Union recognised

(1904)

BOKSBURG—Pigott, Maskew and Company Ltd, the largest industrial rubber-manufacturing company in the General Tyre and Rubber Company group, has agreed to recognise the Chemical Workers' Industrial Union. The company is the second in the group to recognise a black trade union. — (Sapa)

Prescribed Books:

Yeats : Selected Poetry, ed.A.N.Jeffares (Pan)
Eliot : Collected Poems 1919-1962 (Faber)
: Men Who March Away: Poems of World War I. (Chatto/Windus)
Lucie-Smith,E(ed): British Poetry Since 1945 (Penguin)
Eastman : Norton Anthology of Poetry (Norton)

Recommended Reading:

Unterecker,J : A Reader's Guide to W.B. Yeats(Thames/Hudson)

Williamson,G : A Reader's Guide to T.S. Eliot (Thames/Hudson)

Skelton,R(ed): Poetry of the Thirties (Penguin)

Lawrence,D.H : Selected Poems, ed.K.Sagar (Penguin)
Press,John[illegible] ... English Verse (OUP)p/b

Note: St[illegible] ma[illegible] an[illegible]

26. CONTEMPORAR[illegible]

Lecturer : [illegible]

An introduction to contemporary British Poetry, with special emphasis on the work of Seamus Heaney, Ted Hughes, and Philip Larkin.

Prescribed Books:

Lucie-Smith, E.D.(ed) : British Poetry Since 1945 (Penguin)

Heaney,Seamus : Selected Poems 1945-1975 (Faber)

Hughes, Ted : Selected Poems 1957-1967 (Faber)

Larkin, Philip : High Windows (Faber) p/b
: North Ship (Faber) p/b

B. LANGUAGE AND MEDIEVAL OPTIONS

10.* LANGUAGE AND ATTITUDES 10A: Thurs.11.15 a.m.
10B: Thurs. 2.15 p.m.

Lecturer: Ms. K. McCormick

In this course we shall be examining attitudes to language in terms of (i) the perceived status and range of functions of the languages and dialects of a country relative to one another; (ii) the way speakers are perceived as a result of their choice of dialect, register, jargon, form of address.

We shall look at studies done abroad and try to relate those findings to what is observable in South Africa, especially with regard to the use of English.

Prescribed Books:

Mwasa agreement 'triumph'

Sowetan 7/8/81

By CHRIS MORE

THE management of the Argus Printing and Publishing Company and South African Associated Newspapers (SAAN) yesterday signed an agreement with the Media Workers' Association of South Africa (Mwasa) in which they officially recognise the organisation.

This is the first of a three-part agreement. Negotiations will continue on a grievance procedure and an affirmative action programme. Wage and salary negotiations have been set to begin on August 20.

Negotiations for Mwasa's recognition began in January after the organisation called off its two-month strike at various newspapers.

A Mwasa statement stated the agreement signified a triumph for black media workers after a 10-year battle for recognition starting with the now banned Union of Black Journalists (UBJ).

ABHORRENCE

The statement continued: "However, we note black media workers have suffered many casualties on the way, with 13 of our members banned and others forced into exile.

We see this agreement as a continuation of the tremendous sacrifices that have been made on our behalf of black workers in general and media workers in particular."

At the end of the brief signing occasion the managements expressed their abhorrence at the banning of Mwasa leaders all involved at some stage in the negotiations.

tradition of courtly love. Key aspects which may come under consideration include the portrayal of King Arthur, the relationship between Lancelot and Guinevere, and between Tristan and Isolde, and the significance of the supernatural elements of the legend. The course concludes with examination of more recent treatments of the legend (those of Tennyson, Twain and White, for example), seen particularly as a reflection of contemporary social and moral attitudes.

Prescribed Books:

Vinaver, E (ed): The Works of Sir Thomas Malory,(OUP) p/b
Tennyson : Idylls of the King (Signet)

Recommended Reading:

White, T.H : The Once and Future King (Fontana)
White, T.H : The Book of Merlyn (Fontana)
Twain, Mark : A Connecticut Yankee in King Arthur's Court (Penguin or Signet)

EVENING POST, FRIDAY, AUGUST 7, 1981

Productivity award for Uitenhage tyre plant

Ev Post 7/8/81

JOHANNESBURG — The Goodyear Tyre Company of South Africa in Uitenhage is one of five companies to receive National Productivity Awards for outstanding improvements in productivity.

The awards were presented in Johannesburg last night by Dr A J Wessels, chairman of Toyota South Africa, on behalf of the National Productivity Institute.

The award to Goodyear was made for "exceptional overall productivity improvement".

Goodyear's citation said the company had saved more than a million rands in the first five months of 1980 through improved productivity. About a quarter of the saving was achieved through increased labour productivity, and the rest through increased productivity of materials, energy and capital.

From 1977 to 1979 Goodyear's output per man-hour had increased by 15,7%, while energy consumption dropped by 19%. By September, 1980, output per man-hour had risen by another 8,4% and energy use had decreased by another 2,3%. At the same time quality improved by 7,3% from 1977 to 1980.

The NPI singled out the Goodyear management's approach as an important part of the company's achievement.

The four other productivity awards went to:

- The Veterinary Research Institute at Onderstepoort for "productivity in rabies vaccine production".
- The South African Sugar Association experimental station at Mount Edgecombe for "training of agricultural workers".
- Consolidated Metallurgical Industries, Lydenburg, for "energy innovation".
- The Phosphate Development Corporation (Foskor) at Phalaborwa for "innovation in phosphate recovery".

Four NPI certificates of merit were also awarded.

One went to Rennies Shipping Company of Port Elizabeth. The NPI said it was "for improved productivity resulting from its innovative efforts in the revolutionising the handling and transporting of asbestos, a development which is expected to have world-wide benefits".

Rennies' new method had almost halved the 11 697 railways trucks previously needed to transport the annual export

SYNTHETIC RUBBER FM 14/8/81 (196)

Stretching for protection

Stand by for price increases on rubber goods such as tyres, conveyor belts, hosing and V-belts.

Karbochem, the country's sole manufacturer of synthetic rubber, has applied for higher tariffs on the imported natural product. According to the formula it has requested, the effective tariff could be as high as 75% in some cases.

The industry is divided over the effect on prices. But one manufacturer foresees an average price increase of 12% over and above inflation. With the total rubber goods market currently valued at an annual R700m, this could cost the country an extra R84m a year.

Karbochem's application arises from its decision to put up a new synthetic rubber plant, scheduled to open next year, in Newcastle. Using the Sasol-produced feedstocks, styrene, acetone and butadiene, its main product will be 45 000 t a year of polyisoprene, the nearest synthetic equivalent to natural rubber.

Even Karbochem acknowledges that polyisoprene is not a complete substitute for natural rubber. Nevertheless manufacturers will have to pay the tariffs on the natural rubber they need to maintain performance specifications of their products.

They claim that 100% synthetic tyres are not suitable where heat build-up is a problem, as with aircraft and rough road tyres.

Sarmcol MD Tony Hesp says industrial rubber goods, such as conveyor belts, will still have to contain a minimum of 25% natural rubber in three years time, and the figure is unlikely to drop below 10% in the foreseeable future.

Dunlop MD Clive Hooper says there is little hope of ever reducing the average content of natural rubber in tyres to below 30%.

But whatever their natural content, rubber goods will cost more because Karbochem's expected price of around R1 600/t for polyisoprene is way above the current natural rubber price (without the tariff) of R950/t.

This low natural rubber price is unlikely to last for ever. World markets are now depressed but when demand picks up again there may not be enough to go around. Lately, there has been relatively little planting of rubber trees in South East Asia, the main supply area.

The high tariffs sought by Karbochem come as a surprise, because previous indications were that it would be asking for tariffs of only about 25%.

One reason for the higher protection bid is believed to be the horrendous cost overruns at Karbochem's Newcastle plant. Latest estimates put the cost of the plant at between R300m and R350m, but as recently as February last year Karbochem was quoted as putting it at R163m. Part of this is no doubt due to inflation and a recent decision to increase the plant's production capacity.

Another twist in the wrangle is that local rubber goods manufacturers may be undersold by imports if tariff protection for their own products is not put up to take account of their increased material costs.

They are fighting against cheaper imports even now. At present tariffs oblige them to use about 40 000 t a year of styrene butadiene rubber, which is another rubber-type synthetic produced by Karbochem's other plant, in Sasolburg. This puts them at a disadvantage to foreign manufacturers with access to cheaper materials.

Present tariffs on imported rubbers can protect Karbochem's product, but they are not high enough to protect all the rubber products made by its customers.

Imports of tyres last year alone amounted to 12 000 t. Most of these could have been locally made and Hooper says that, this year, imports will rob his industry of at least R37m in sales.

And it is rumoured that even Iscor has placed at least one large order overseas for conveyor belts which could have been made here at higher cost.

"We have no axe to grind with Karbochem," says Hesp, "but if government has decided to protect the local industry, it must do it in a systematic way."

Applications to correct this anomaly, which has existed for some time, are now being made to the Board of Trade and Industries.

If they are approved, tariffs of up to 40% could be imposed on imported rubber products. If not, tyre and other rubber product manufacturers may be tempted to import end products from their parent companies overseas and drastically curtail their local manufacturing operations.

This would not be in Karbochem's interest, as its market would dry up. So it is supporting the applications.

Another threat to Karbochem's market is LTA Mitec's R100m project to produce natural rubber from the guayule plant, a Mexican shrub which grows in semi-arid areas.

It could take up to ten years before local natural rubber is produced in significant quantities. If the project is successful, the country's reliance on imported natural rubber would end. But that could be bad news for Karbochem because manufacturers would probably prefer natural rubber to Karbochem's polyisoprene.

Sacked men were 'robbed'

Sowetan 20/8/81 (196)

THREE Kagiso men alleged yesterday that they were sacked by their employer after they had asked for a wage increase.

By NKOPANE MAKOBANE

The three, all employees of Viets Rubber Product company in Krugersdorp, are Mr Justice Diatshwana and Mr Ephraim Mokoma general office workers and Mr Samuel Mangena a machine operator.

The men said they were furious with their former employer who they alleged "robbed them" of a lot of money due.

Mr Diatshwana said that on Monday morning he went to see Mr Herbert Viets, the owner of the company, to ask for an increase on behalf of the company's staff of 17, eight of them night shift workers.

Viets told him he was not going to offer anyone an increase and added that those who wanted to leave could take their jackets and leave.

QUERIED

He went back to relay the message to his day shift colleagues — six men and three women — who all decided to leave. Later they went to the Labour Department officials in Krugersdorp who phoned and summoned Viets to come immediately and see them.

On his arrival Viets had told the officials he no longer needed their services because he had better people to employ. He also said those who wanted to collect their money the following day they could do so.

"When the three of us arrived at work Viets made us sign the pay sheet and handed us wage envelopes. After we opened them and queried the money, he told us to go and complain where ever we like.

DISMISSAL

"We were made to leave the premises immediately without our reference books even being signed off. To our dismay we found the three women and one man were on duty but the other two, we do not know what they decided," Diatshwana said.

The three men told SOWETAN that to their knowledge, the company had no clear procedure on increment. In the past the staff members approached Viets individually and if one was successful he would be told not to inform the others.

The money received by Diatshwana and Mokoma on their dismissal was R84.26. Both have been with the company for 19 months and their weekly earnings were R54. Mangena received R64.73 and has worked for Viets for more than three years for R48 a week.

Asked to comment on the dismissal of the three men, Viets said they had sacked themselves. He said the amount he gave them was in fact above what they were supposed to receive.

Mr Justice Diatshwana . .

...ills' child ...i shop

Sowetan 20/8/81 (3/2)

successfully applied for the committal of Mrs Audrey Thembu (48) and Mrs Peatrice Thembi Nxumalo (31) as accomplices in the murder of the child.

The child's father, Mr Peter Mabaso, has told the court he had given his daughter to Mrs Mdluli, who "needed human flesh

70 fired after stoppage

Sowetan 24/8/81

196

ABOUT 70 workers at Plant Protection in Brakpan were dismissed on Monday after the third work stoppage at the rubber factory in less than a month.

The workers, employed in the company's rubber lining plant, sat down on the job in protest against the dismissal of two colleagues last Friday.

In subsequent discussions with management and Department of Manpower officials, they demanded wage increases and the recognition of the Fosatu-affiliated Chemical Workers' Industrial Union.

After failing to meet a management deadline for return to work, they were paid off on Monday afternoon.

Last month the same workers struck in support of wage demands. About 30 colleagues from the rubber rolling plant followed suit a few days later.

According to a union spokesman, some dismissed workers were not given their leave pay, which management had said they should "collect from their union."

Management was not available for comment.

Star 25/8/81

196

Brakpan stoppage: 70 fired

About 70 workers at Plant Protection in Brakpan were fired yesterday after the third work stoppage at the rubber factory in less than a month.

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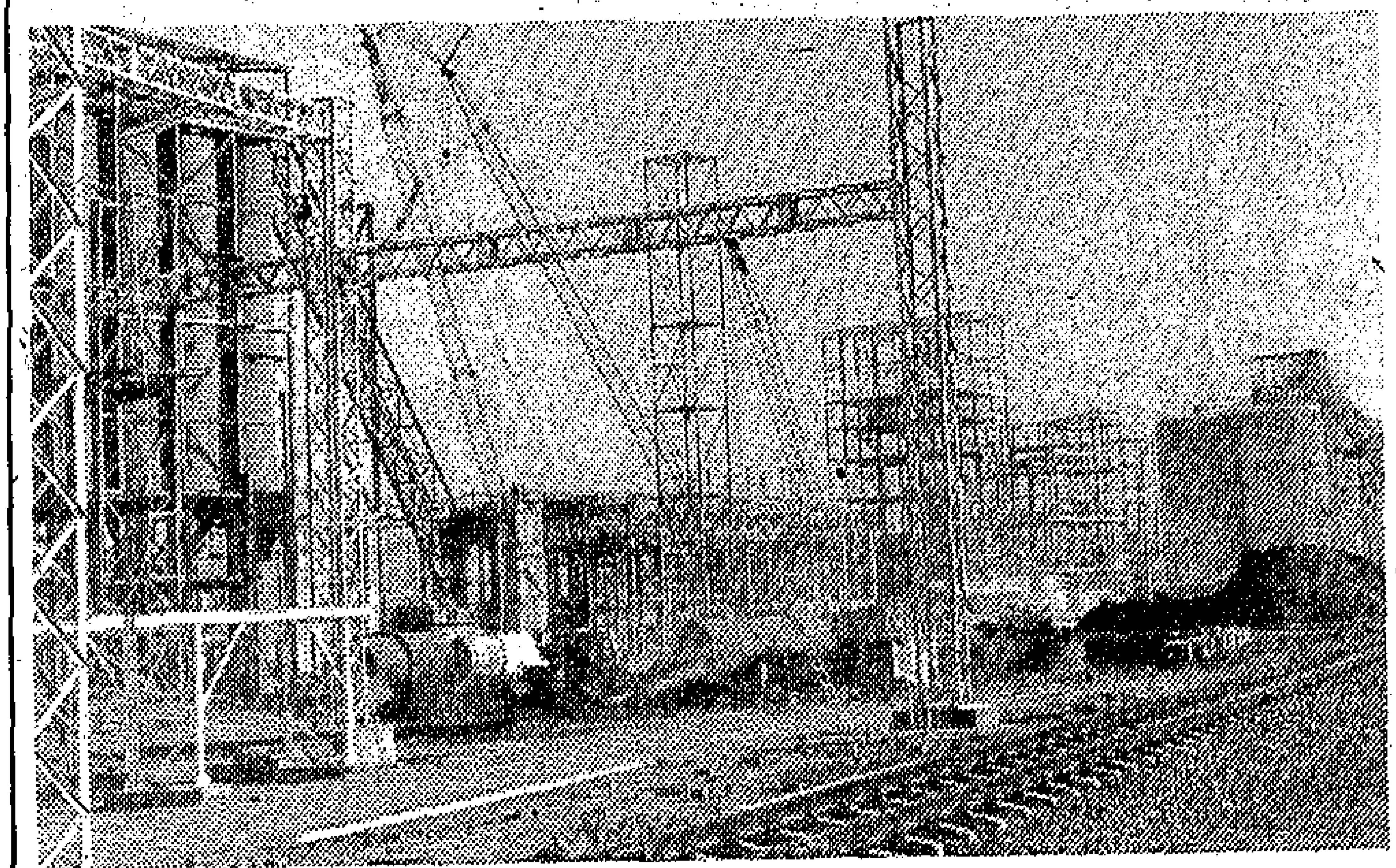

The site of the new factory complex in Newcastle

R350-m rubber complex

S. Times 30/8/81 (196)

By Andrew McNulty

SAVINGS in foreign exchange estimated at R60-million by 1984 are projected to result from Karbochem's new R350-million Afprene synthetic rubber complex in Newcastle, Natal.

The figure could be as high as R150-million by 1988.

Dave Marlow, managing director of Sentrachem, Karbochem's holding company, says that the plant will make South Africa virtually self-sufficient in rubber products.

The combined capacity of Karbochem's plants at Sasolburg and Newcastle will be about 125 000 tons compared with the estimated total rubber consumption in South Africa of 106 000 tons.

Mr Marlow forecasts that the Newcastle plant, which is to be commissioned before the middle of 1982, will be the first step in the development of a far larger chemical industry at Newcastle.

The establishment of the plant could result in other projects being integrated backward or forward to produce raw materials or to process its intermediate products into end products.

A total 2 500 job opportunities are being created during the building of the plant, which is being carried out by Fluor SA as the main contractors.

It is the first plant of its kind in the world where all three products, polyisoprene rubber (PIR), solution styrene butadiene rubber (S-SBR) and polybutadiene rubber (PBR), are produced in combination in the same complex.

A fundamental aspect of the project is that major raw materials are already produced and obtainable in South Africa, either from Sasol or from own production.

10 men accused of assaulting a non-striker

Ev Post 4/9/81

(231) (196) ~~(152)~~ (~~454~~)

ZWELITSHA. — Ten men appeared in the Zwelitsha Magistrate's Court charged with assault with intent to do grievous bodily harm to a man who had refused to go on strike in a local factory.

Mr Goodman Mazayiyana, 20, Mr Nimrod Makholwa, 26, Mr Davidson Makholwa, 27, Mr Wiseman Nogcaula, 32, Mr Feesman Nongcaula, 27, Mr Mbodlongo Nongwandla, 44, Mr Watson Shwayimba, 27, Mr Wellington Mzima, 36, Mr Goodman Tomson, 20, and Mr Sizabulela Mdudi, 22, appeared before Mr T Mnqaba.

They all pleaded not guilty to charges of assault with intent to do grievous bodily harm and a second charge of being in possession of dangerous weapons.

Mr Paulos Tafenia, no age given, told the court that during the Good Hope Textile strike on July 27, the accused had approached the group moving from the factory.

They asked them why they had gone to work while the rest of the employees had decided the strike should continue. They had assaulted him with an iron rod.

The other three in his company had run away and reported the matter to the police.

The second and the last witness to be called by the State, Meadman Qoboka, said that when he ran away, he looked back and saw all the men surrounding Mr Tafeni in "an assaulting position and sticks were going up and down".

Under cross-examination by the defence, Mr V Mankahla, Mr Qoboka agreed that 10 people could not surround one person who was lying down and assault him with sticks without injuring one another.

He also agreed that Mr Tafeni had carried a stick on that day, although Mr Tafeni had denied it.

When the State closed its case, Mr Mankahla asked that Mr Makholwa, Mr Nongwadla, Mr Shwayimba, Mr Nzima, Mr Tomson and Mr Mdudi be discharged as there had been no evidence to show they had taken part in the assault.

The magistrate agreed and discharged all the accused on the second count, saying it was a common way of life for men to carry sticks.

The other four men were warned to appear in court today. — Sapa

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of 1982.
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394 million).

Since independence in April, 1980, the railways have had mounting problems caused by an exodus of white maintenance staff and shortages of locomotives and rolling stock. Borrowed locomotives were returned to South Africa.

Diesel fuel, which is imported by rail from South Africa, is now in short supply, hampering farmers preparing land for the growing season.

Some filling stations have placed limits on the amount of petrol customers can buy amid rumours that fuel rationing may be introduced.

SUNDAY TRIBUNE, SEPTEMBER 6, 1981

196 7838 6/9/81

S. Tribune 6/9/81

R350m start to 'vast' new industry

Finance Reporter

SENTRACHEM's new R350 million plan to produce general purpose rubbers, being built by its Karbochem Division at Newcastle, will enable Sentrachem to produce more rubber than South Africa currently uses.

It will, together with the rubber being produced by Karbochem at Sasolburg, give Sentrachem 125 000 tons of marketable rubber. The total rubber consumption in South Africa is between 106 000 and 110 000 tons.

Dave Marlow, managing director of Sentrachem, says that Karbochem's Newcastle plant, which has been code-named Afprene while it is being built, is the only plant of its kind in the world.

Construction is going ahead according to schedule and commissioning should start before the middle of next year.

Once fully operational, it will be able to produce 45 000 tons of PIR rubber and 36 000 tons of S-SBR and PBR rubber a year.

It will also produce 45 000 tons of Isoprene a year, which is a raw material for PIR and for which there is a vast export market.

S-SBR is similar to the emulsion styrene butadiene rubber produced by Karbochem at Sasolburg which is already running at more than 90 percent capacity.

The PBR to be produced is a direct replacement for the PBR at present being imported into South Africa at a cost of about R15 million a year

The PIR will be able to replace natural rubber in most applications. However, since the properties of a natural product and its synthetic equivalent are never quite the same, it is not anticipated that Karbochem's production of PIR will fully substitute imported natural rubber.

Marlow says that a 75 percent replacement is envisaged for the medium term. At present, about 50 000 tons of natural rubber a year is imported.

Marlow says that in a case of real emergency, Karbochem's production of rubber could make South Africa self sufficient.

PIR he says, is one of the most sought-after rubbers and it is expected that the first outputs from Newcastle will be earmarked for export.

Karbochem (Newcastle) will be able to produce PIR at below the world price because "we take coal and go through specific steps to make Isoprene.

"Elsewhere they have to have a high concentration of petrol-chemical plants close to each other before they can make Isoprene commercially."

Marlow, who sees the Afprene project as the start of a vast chemical industry for Newcastle, says that an application has already been made for tariff protection for the PIR to be produced.

He has applied for a 25 percent ad valorem increase in duty on imported natural rubber, or the application of a minimum level FOB price of R1 430 plus 25 percent.

The effect of this would be to raise the price of tyres by between 5 and 10 percent.

There would be litle or no justification to raise the price of ordinary car tyres, because 80 percent of their composition is already synthetic.

The big increases would come about in the large tyres — truck tyres and heavy tyres for earthmoving equipment — in which large quantities of natural rubber are used.

Marlow said Sentrachem was now in the second of the three phases normally experienced when establishing an import-substitution operation.

The first phase was the criticism phase, when many advocated continued import of the substance and criticised plans to make it locally.

"The second phase is one where everyone is lobbying for position, where they (the users) are objecting to our trying to get tariff protection and are trying to get any duty that may be applied as low as possible," Marlow said.

NM 11/9/81

Paid-off workers return

(196)

Mercury Reporter

ABOUT half of the workers who downed tools at the Dunlop plant in Ladysmith following a dispute with management over wages on Monday morning, returned to work yesterday, according to Mr John Lowe, works director for Dunlop SA Ltd.

Mr Lowe said between 30 and 40 workers refused to work on Monday and elected to be paid out.

But since then they had been returning in 'dribs and drabs', and only about 20 men had not returned by yesterday afternoon.

According to Mr Lowe, the company had refused the wage increase demanded by the workers on Monday.

TYRES (196)

Highly inflated

FM 11/9/81

Natyre, one of the big three tyre dealers in SA, is accusing local manufacturers of collusion. It claims they are out to control tyre and tube prices by setting the level of discounts to the trade.

This will prevent tyre dealers from negotiating with individual manufacturers for higher discounts, and the ensuing margin loss will be passed on to consumers in the form of higher prices. In world terms, SA tyres are already highly priced.

Natyre's complaint does not lie with the formal rebate system operated by manufacturers, but with the additional discounts dealers have been able to negotiate.

The rebate system was introduced in January 1979, when resale price maintenance (RPM) was abandoned. But under RPM, larger dealers could get discounts of between 15%-20% in total.

According to Ronny Tollemache, Natyre's MD, manufacturers made it clear at the time that the difference between old and new rebates would have to be made up by price increases.

After absorbing an average 10% margin loss (amounting to R1,2m a year) for most of the year, Natyre decided to import Bridgestone tyres from Japan on a large scale. It could land these at dealer prices less 23%.

The immediate effect, according to Tollemache, was that Natyre's old discount of 20% was reinstated, plus a 2,5% cash settlement discount. In some instances, manufacturers went up to 25%.

But in June, import duties on truck tyres — Natyre's main import line — were increased. And in July, Tollemache says, manufacturers mutually agreed to limit discounts to a maximum of 16,5% (9% on the formal grid, and 7,5% negotiated) on the dealer price.

This 7,5% average margin loss, Tollemache says, must eventually be passed on to consumers.

Trentyre and Mastertread — the other two big dealers — flatly refuse to support Tollemache, or comment.

Tollemache says that the SA Tyre Manufacturers Conference (SATMC) told him that the new system resulted partly from a campaign Natyre undertook in Natal where tyres were sold below cost. SATMC thought this would settle the industry.

The only other possibility for the strange silence of Trentyre and Mastertread is that they do not want to push the SATMC too far, for fear of more discount cuts, or, at worst, that producers will take over distribution themselves.

Manufacturers are reluctant to discuss their discount structures, but Dunlop's MD, Clive Hooper, says his company negotiates deals individually and that the rate varies according to circumstances. This was supported by other manufacturers.

Says Hooper: "We are price-controlled as an industry to a pre-tax and interest return of 15% on historical assets, when overdraft rates are 16%. At the moment, we are under extreme cost pressure through price increases from our local raw materials suppliers."

Spokesmen from Firestone and Goodyear concur. Peter Morum, Firestone's MD, says: "We have cut back on discounts because of raw material and labour cost increases. "Discounts are always negotiable, but I am not prepared to discuss our structure."

Natyre's argument is that production cost increases. Discounts are always necount when prices are set with the controller, and this need not affect the discount structure.

Manufacturers are seeking still more protection against tyre imports, and the industry is subject to a manufacturer's price control. Less competition from imports and all the inefficiencies that go along with price control will certainly not alleviate the situation.

Even worse, consumers will have to bear the brunt of protecting local industry when Karbochem's new plant comes on stream towards the end of 1982.

Its synthetic rubber — presently more expensive then imported natural rubber — will be receiving protection.

Manufacturers will therefore pay more for synthetic rubber and more for imported natural rubber.

Consumers, as usual, will be expected to smile and pay.

financial statements a … idating a subsidiary company that is less t… It can occur that a subsidiary incurs an i… hich may be capitalised upon consolidatio… n of the fact that the holding company ha… set. Should the effect of capitalising … nsolidation be considered when calculati… nterest, i.e. should a portion be allocated … interest. Ernst & Whinney contend that the calculation of the minority interest should be based on the net income shown in the separate financial statements of the subsidiaries.[56] It is submitted that this is the best treatment of the minority interests.

No accord at Dunlop

Mail Correspondent

NEGOTIATIONS with management have broken down at Dunlop's Ladysmith factory after last week's work stoppage by half the workforce.

Mr Makhosini Khumalo, the president of the Black Allied Workers' Union, said 200 workers had been told by management to collect their wages, and that 150 replacements had been hired at a higher wage than experienced workers earned.

Mr John Lowe, works director, denied the workers were hired at anything above the fixed wage scale and said all but 30 workers who elected to be paid off were back at work.

4.8.3 Unconsolidated Subsidiaries

A parent company and its unconsolidated subsidiary may be viewed as a single entity for financing purposes. For this reason, I feel the entire amount of profit resulting from inter-company financing should be eliminated, and therefore not be eligible for capitalisation, when reports are drawn up in conformity with the Companies Act of 1973, or when the subsidiary is accounted for on the equity method.

4.8.4 Associated Companies

When accounting for associate companies on the Cost Method, there is no problem because the investor company only recognizes profits as they accrue in the form of dividends.

Natyre hits out at trade 'cartel'

Star 15/9/81 (196)

Natyre is considering the large scale importation of tyres to counter the agreement by local manufacturers to regulate the price of tyres and the discount at which they may be purchased by dealers.

Mr P Grobbelaar, chairman of holding company Calan, says in his annual report that this is one of the steps Natyre may take as the agreement eliminates, to a great extent, competition among manufacturers.

"This is not in the interests of the motorist or the transport operator and will make its contribution to the rising cost of transport."

He says tyre distribution is a fragmented trade, normally fiercely competitive and which largely performs an admirable job of servicing the motorist and transport operator.

"For many years Resale Price Maintenance was permitted in the trade on new tyres. Even during this period the trade was competitive, often operating beneath the price levels set by the authorities.

"With the abolition of resale price maintenance in 1979, the trade went through a disruptive period and yet maintained its competitive nature.

AGREEMENT

"Lately, however, the SA Tyre Manufacturers Conference, an association whose members are local tyre manufacturers, has formulated an agreement among themselves to regulate the price of tyres and the discounts at which they may be purchased by Natyre and other large dealers.

"In other words, one member may not sell his product to Natyre at a larger discount than any other manufacturer.

"This obviously eliminates competition among manufacturers and Natyre must counter this arrangement."

Natyre is expected to make steady progress after its return to profitability towards the end of the financial year.

The number of retail outlets almost doubled over the past year and the company is now looking at an annual sales growth of 33 percent for the 1981 and 1982 financial years.

The Transvaal, an area which adversely affected the overall financial results of the company in 1979, increased the number of outlets from seven to 21 and showed a large turnaround in sales.

A leader in the retreading and retail tyre market, Natyre is to enter the earth mover and underground tyre market.

It hopes to gain a large slice of this which is estimated to be worth between R35-million and R90-million a year.

force, although this would involve decreasing real wages over time. The necessary downward flexibility of wages may not be present in the economy, though it is true that real African wages in the modern sector stagnated between late 1976 and late 1978 and may have declined a little in 1979.

Some insight into this may be gained from comparing employment in February 1978, Feb ... ember 1979 according to the Quarterly Bulleti... d according to the Current Population Su...

TABLE 12: EMPLOYMENT ... OYMENT, 1978 & 1979

Employment Sector	Feb ' QBS	Nov '79 QBS	Nov '79 CPS
1 Agriculture			1 034
2 Mining	584	617	617
3 Manufacturing	714	748	778
4 Electricity	23	[illegible]	[illegible]
5 Construction	292		
6 Commerce	[illegible]		
7 Tr			
8 Fi			
9 Se			
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TOTAL			
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TOTAL			
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% Pop			
Unemp			
Unemp rate			

Iscor workers fired after strike action

196 184 157 140

SOWETAN 18/9/81

AN undisclosed number of workers at Iscor's Newcastle plant were yesterday paid off following industrial unrest which had recently swept at least two major Northern Natal industries.

The publicity secretary of the unregistered Black Allied Workers Union (BA W U), Mr B E Khumalo, who put the figure at 150, said the workers were paid off because of their strike action in protest over the introduction of new working hours.

The issue that sparked the walkout this week was said to be the rationalisation of shifts which were reduced from 18 to 12 a week resulting in a number of redundancies.

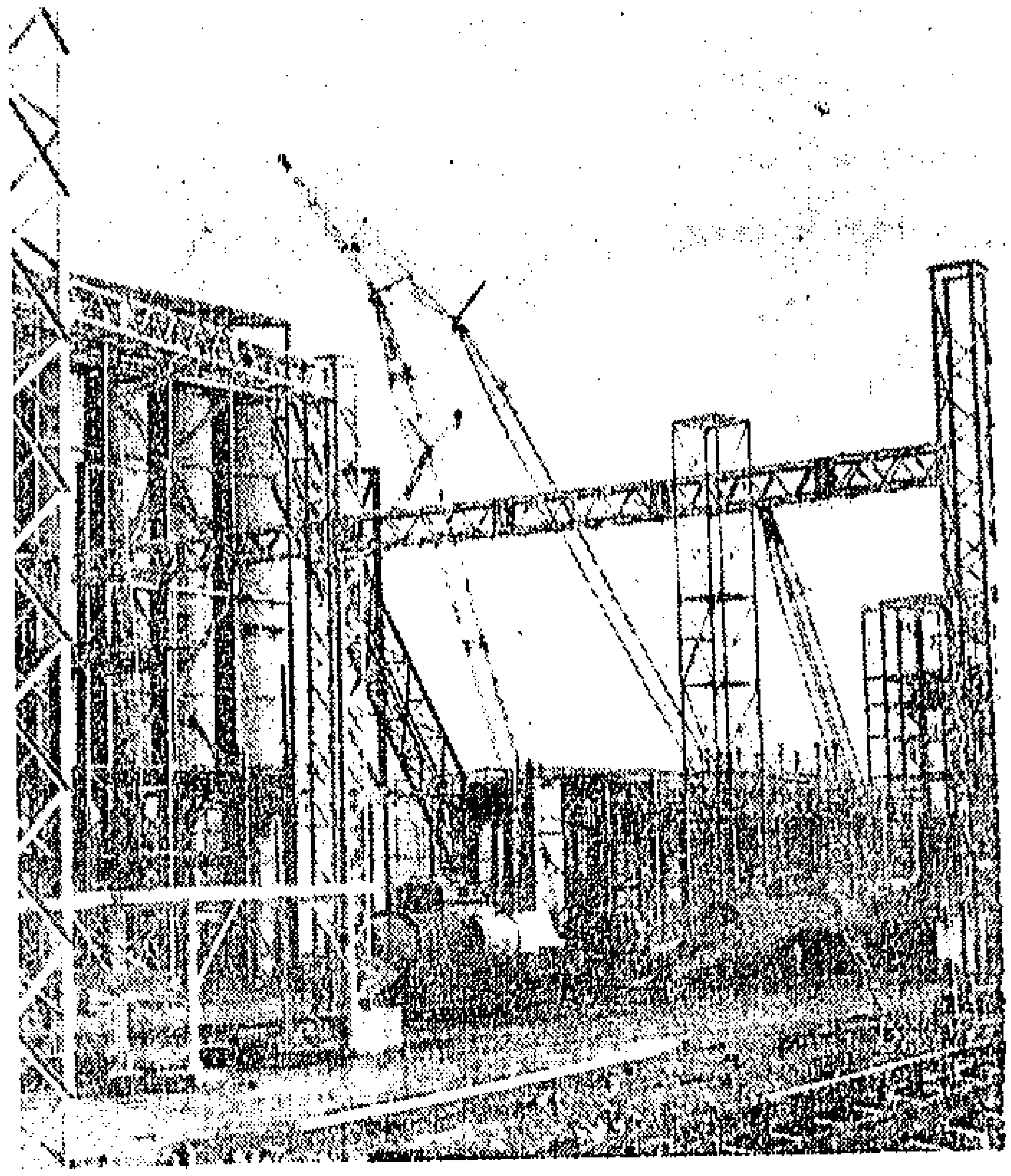
The works manager at Iscor Mr C J van Vuuren who disputed the number of workers who walked out, describing it as "an exaggeration", said the steps taken by his corporation were necessitated because of the prevailing "economic conditions".

The reason for their going was that working hours on the rod mill had been changed from 18 shifts a week to 12 shifts a week. These were being worked on the basis of two 12-hour shifts a day four days a week, he said.

"We tried to reallocate labour to other departments but the people have been fed contradictory and misleading statements which led to discontent with the result that the 98 took their discharge".

Mr Khumalo said he was not aware of the new arrangement being negotiated with the workers of the Industrial Council, as Iscor claims.

Meanwhile at Dunlop's Ladysmith plant where, according to Bawu's president Mr M K Khumalo, about 200 workers had downed tools in a little more than a week over a pay demands, the dispute remains unresolved.



New growth centre at Newcastle

C.T. 25/9/81

A GIANT new growth centre for the chemical industry in South Africa is being established at Newcastle in Natal.

The managing director of Sentrachem, Mr D J Marlow, said that the new facility of Karbochem, a division of Sentrachem, will make South Africa virtually independent of rubber imports.

The saving in foreign currency could amount to as much as R60m a year in 1984 while a further contribution in foreign currency can be earned on the export market. The saving in foreign currency could even reach R150m a year in 1988.

According to Mr Marlow, the erection of Karbochem's Afprene complex is the first step of a much larger chemical industry for Newcastle.

He said it was a feature of the chemical industry that the erection of one plant results in other projects being integrated backward or forward to produce raw materials for such a plant or to process its intermediate products into end products.

The Afprene complex is a case in point. It consists of a chain of plants, the first of which is the acetylene plant which will produce one of the major raw materials from coal.

A second plant will produce isoprene, the basic building block for the production of synthetic rubber, from acetylene and acetone.

A third unit will produce solution styrene butadiene rubber, polybutadiene rubber and polyisoprene rubber.

A fourth unit will prepare the necessary catalysts for the process.

Mr Marlow said that the erection of the complex was progressing well and that it would be commissioned in phases next year.

The solution styrene butadiene rubber and the polybutadiene rubber section will be in production before the middle of 1982 and the polyisoprene rubber section within the following few months.

According to Mr Marlow it was decided to erect the Afprene project at Newcastle for various reasons, one of the reasons being the availability of anthracite.

Second, Newcastle is located midway between the Witwatersrand, Durban and Richards Bay which is strategic in view of further development.

A third reason is the positive attitude of the local authority and fourth, the development of the Afprene complex is in line with the government's policy for industrial development in the border areas.

Sasolburg was an alternative, but since Sentrachem's involvement there almost exceeds that of Sasol, it became desirable to establish a new growth centre.

Sentrachem's interests at Sasolburg are two Fedmis factories, Karbochem (Sasolburg) division, Safripol and the group's Coalplex interest.

The complex will consume 50 percent more electricity than East London.

Altogether 500 000 m³ of earth had to be moved and compacted. Eleven thousand tons of steel will be used and more than 800 job opportunities will be provided — 50 percent black and 50 percent white.

R4m additional disposable income will become available in Newcastle and 2 500 job opportunities are provided during the erection of the complex.

This month's toll in a small corner of SA:

☆ 11 strikes
☆ 83 arrested
☆ Businesses lose millions

(196) (30)

By BEVIS FAIRBROTHER

THE Eastern Cape has been hit by 11 strikes so far this month, involving more than 5 000 black workers.

Millions of rands have been lost in production time.

By the weekend Dunlop Flooring in East London was the only firm still suffering with "a handful" of its workers on strike over pension demands.

The strike at Johnson & Johnson, East London, ended on Friday with 650 workers going back.

They had downed tools over the dismissal of another worker after the alleged theft of two toilet rolls.

Johnson & Johnson is still negotiating with the workers.

About 320 workers in the stores at Car Distributors Assembly also returned to work on Friday.

It was the company's second strike this month.

A man's dismissal was also the cause of the strike. Negotiations are continuing.

Employees at the other firms had either returned to work, been dismissed or arrested.

Altogether 83 workers were arrested by Security Branch in connection with the strikes.

Delegates attending a meeting of the executive council of the Federated Chamber of Industries in East London this week called for a tough line towards workers striking over pensions.

Wielding power

The FCI vice-president, Mr Tony Hesp, accused certain trade unions of "irresponsibly" using the pensions issue with the aim of "wielding power for political gain".

He said he saw a danger in the relatively unsophisticated labour force seeing what concerted action by workers would achieve.

"Where will it stop if we back down on the pensions issue?"

He was backed by Mr Alex Hamilton of the Natal Chamber of Industries, who called for employers to stand together in resisting strikes over pensions.

Mr E L Klopper, of the Transvaal Chamber of Industries, said that when people got into the habit of striking they would strike again and again.

He held up the sacking of air controllers in the US as an example of how to deal with a strike.

Mr Bill Hamilton, also of the Natal chamber, said that apart from the role of activists, there was a genuine feeling among workers that their pension contributions were savings to be used to tide them over during periods of unemployment more than money to draw on when they retired.

He said the real problem was that the issue had been insensitively handled by the Government.

Committed to talks

Mr Brian Matthew, of the Midland Chamber, said the Government had started halfway up the ladder in introducing the proposed legislation.

He distanced himself from hardline attitudes on the issue, saying the MCI remained totally committed to negotiation.

In a statement, the general manager of Dunlop Flooring, Mr N Yeadon, said members of the workers' liaison committee approached management on Thursday and asked for employees' pension contributions to be paid out.

After the company's policy was explained to the workers — the number could not be established — they left the factory, "thereby terminating their employment with us", said Mr Yeadon.

Recruitment, including selective re-employment, would begin on Wednesday.

Some of the other firms hit by strikes this month were:

- October 1: About 1 600 workers at Car Distributors Assembly in East London walked out over the dismissal of a fellow worker who had been involved in a scuffle with a white worker.
- October 6: About 250 workers at the SA Bottling Plant in Port Elizabeth walked out for the second time in eight days over a dispute about pay.
- October 7: About 280 workers at the Epol plant in East London downed tools demanding their pension contributions be paid out to them.
- October 13: About 180 workers at Motorvia in Uitenhage stopped work and refused to return unless their union, the Transport and Workers' Union was recognised.
- October 13: About 300 workers at Imperial Cold Storage polony factory at Aloes walked out over a wage dispute.

Gentire SA wants UK firm

RDM 7/10/8

(196) By DAVID CARTE

GENERAL Tire SA has made a bid for Hallite Holdings, a British manufacturer of liquid seals which is listed on the London Stock Exchange.

Gentire SA is bidding 200p a share for Hallite, which has 2 400 000 shares in issue. It already has 20% of the company, so its maximum outlay, if it gets all the outstanding shares, will be about £4-million in cash.

The chairman of Gentire, Dr Heskel Khazam, told me last night Gentire was buying Hallite "because it is a good investment for us". He said the company already had exchange control approval for the purchase.

He said the company was making profits under today's stringent economic conditions in the UK and had great potential. The acquisition would not immediately benefit Gentire's earnings.

Dr Khazam had no idea how much of Hallite his company would eventually own or whether its listing on the London Stock Exchange would continue. This depended on shareholder acceptance of the offer.

Dr Khazam said Gentire's buying had lifted the price of Hallite recently, but a month ago the price was 145p, so the offer price was a premium of 55p on the price a month ago.

Eureka rescued

RDM 7/10/87 (196) 24/91

Financial Reporter

EUREKA Rubber, now a cash shell, suffered a big profit reverse in the year to June, but the sale of its main asset Eureka Rubber (North) to Bandag compensated for this.

Pre-tax profit for the year was R500 000 (R1 208 000) and tax was R257 000 (R520 000), leaving taxed profit of R243 000 (R688 000). The sale of Eureka Rubber (North) yielded an extraordinary profit of R1 009 000, making attributable income R1 252 000 (R650 000).

Earnings a share excluding the extraordinary item were 91c (262c) and the dividene 35c (30c).

DUNLOP FM 9|10|81 (196)

Coping with protectionism

Although a wide range of products now bears its label, the name Dunlop has long been synonymous with tyres. It is therefore ironic, if not disturbing, that the backbone of the company's business should now be threatened by what amounts to excessive government interference in the local tyre industry.

Government regulation is not new to tyre manufacturers. It began in the Forties when tyres were regarded as strategic. Profit control was implemented, limiting returns on historical assets to a maximum allowable level of 15%. MD Clive Hooper says the impact of this control on the industry during the Fifties and Sixties was limited since tyre manufacturers were operating from smaller asset bases and utilising old plant. Since then, however, Dunlop's asset base has grown considerably — notably with the establishment of the company's Ladysmith plant — and the upper limit on returns has begun to squeeze the financial structure.

On the one hand, Dunlop and other tyre manufacturers are required to use high-cost local raw materials, while on the other the prices of their products are effectively controlled at industry level. At the same time, local manufacturers are expected to compete with imports whose overseas manufacturers have access to cheaper raw materials and are not subject to the same profit constraints.

As if this situation were not sufficiently convoluted, a further anomaly is the fact that government has so far failed to control the flood of low-priced imported casings which Dunlop and others claim takes a major bite out of the lucrative replacement market.

Hooper says car and truck tyres each comprise 30% of the company's turnover in the tyre market. In addition, the replacement market accounts for some 66% of Dunlop's business in this area. Government argues that imports currently make up only 12% of total tyre sales. Imports are relatively insignificant in the car tyre manufacture market but, Hooper says, when the total figure is broken down, they represent 33%-38% of the truck tyre replacement market and 20%-25% of earthmoving tyres.

To make matters worse, Karbochem — a subsidiary of Sentrachem and SA's only manufacturer of synthetic rubber — recently applied for heavy tariff increases on the imported natural product. In some cases the additional duty could be as high as an effective 75%. Hooper says if Karbochem's application succeeds, as seems likely, it will hit Dunlop hard, placing further pressure on the company's cost structure. SA is one of the few countries besides Russia which will use polyisoprene (a rubber synthetic) in tyres to any appreciable degree.

Dunlop's Hooper . . . discounts, protection and other troubles

In this complex situation, it is hard to see precisely who to blame. Dunlop and others recently came under severe criticism for their failure to offer satisfactory discounts to some of the country's larger tyre dealers. Tyre manufacturers have been accused of banding together in an informal cartel which allegedly sets tough minimum discounts to the trade.

Hooper's argument, however, is that even the top price hurts and tyre manufacturers would be eating into their own already tight margins if the range of discounts were to be extended. "Dealers give up to 60% discount on retreads and most of them would like to see the same offered by manufacturers," he says. "The real debate is about the range of discounts being offered, but we simply do not have the room to be flexible."

Hooper says it is significant that there has been no new entry into tyre manufacturing in SA since 1948. That, he claims, is probably due to the fact that launching such an operation would prove extremely costly, while returns are limited. In calendar 1980 the average return on historical assets in the tyre industry was 9% — and that was a bumper year for motors.

Before Karbochem's expected tariff increases are passed, the hard-pressed consumer can probably expect a short breathing space. Karbochem's application is believed to have been prompted by staggering cost overruns at the company's Newcastle plant. The total cost of the plant is now

DD 20/10/81 (196)

Dunlop floors the nation

Just over 10 years ago, Dunlop Flooring was formed when the Dunlop group of companies in South Africa decided to situate their resilient flooring manufacturing facility in the Border area and a plant was established on a 13,3ha site at Wilsonia.

The resilient flooring factory was erected first and the first Vinyl tiles came off the production line in March 1971. This was soon followed by expansions catering for the manufacture of both printed and plain Vinyl sheeting.

At about the same time, a separate factory was being constructed on the same site to manufacture carpet products and in May 1971 the first Dunlop Ozite Needlepunch products came off the line.

From these beginnings, plant capacity was expanded and by August 1971, a carpet printing machine had been installed, printing a single design.

Today the Dunlop range has more than 10 original designs in a wide variety of colourways. However, they now make use of the tufted carpeting capacity, installed in 1974.

By then the division had also branched out into a 'cut and sew' operation, supplying carpeting for the interior of motor cars.

In 1976 moulding facilities were purchased so that interior carpeting 'shaped' for each individual car model could be produced.

Dunlop Flooring has progressed and has now developed into the largest single flooring factory in Southern Africa.

Today the factories cover a floor area of nearly 50 000 sq m and manufacture an extremely diverse range of products in both soft and hard flooring, ranging from economy needlepunch sheeting to plush, shaggy broadloom carpeting.

The division is a large employer of labour (most of whom live in Mdantsane) and is proud of its record of service in the Border area.

The distribution of products country-wide is achieved through branches in all the major centres.

The product range uses a large percentage of locally produced raw materials and the division has subscribed to the 'Buy South African' campaign launched last year.

In addition, the resilient flooring products are manufactured according to SABS standards, ensuring quality products.

Development and innovation, particularly in the tufted carpet field, is continuous, and additional equipment is continually being installed to meet the demand for new products.

Several sucessful new ranges of domestic wall-to-wall carpeting have been launched within the past 18 months, including Soft Sensation, Oliver Twist, Irish Tweed, Nevada, Inspiration and Arizona.

The general manager, Nigel Yeadon, says: "I came to East London two and a half years ago for the first time. What impressed me then, and continues to impress me every day, is the co-operation and team spirit that is evident among our employees of all races.

f1h818.5

"They understand the enormous challenges that face them, both in the local sense and in the broader national economic sphere, and I am sure they have the capability and willingness to overcome them.

"In the main areas of employment, quality and product innovation, Dunlop Flooring is a name you can trust."

Strikers go back pending new round of meetings

Ev Post 21/10/81

By MOKONE MOLETE

THE 400 workers at Feltex rubber factory in Korsten, Port Elizabeth, who went on strike yesterday after demanding that they be paid their pension fund contributions, have resumed work pending the outcome of a meeting between management and one of the trade unions, a union spokesman said.

Workers at the factory said they wanted to withdraw from the pension fund but were told by management that they had to resign before the money would be paid out.

At about 1pm yesterday workers downed tools after refusing an ultimatum from management to resume work or leave.

The company public relations manager, Mr S Thompson, described talks held between the National Union of Motor Assembly and Rubber Workers of South Africa (Numarwosa) as "fruitful".

A spokesman for Numarwosa, which is affiliated to Fosatum, said there would be further talks between the union and management as "nothing final has been decided yet".

Mr Thompson said according to clock card records 97% of workers who struck yesterday were at work today.

Meanwhile, the Transport and General Workers' Union at the Motorvia plant in Uitenhage will hold a meeting with management today to discuss demands that led to a strike last week.

The managing director at the SA Bottling Company, Mr P R Gutsche, said that re-employment of the 250 who went on strike three weeks ago and were deemed to have "dismissed" themselves, was continuing "on merit and subject to the availability of vacancies".

Ev Post 22/10/81

'Pension strike: many not members

Post Reporter

ABOUT 100 of the 300 workers who went on strike at Port Elizabeth's Feltex plant on Tuesday over pension fund contributions do not pay any fees to the fund, according to the firm's public relations chief, Mr Seton Thompson.

The workers, who all returned yesterday, had demanded that their pension fund contributions be paid out.

He said any possible action against workers would first be discussed with representatives of the Motor and Component Workers Union of South Africa (Macwusa) and with the National Union of Motor and Rubber Workers of South Africa.

In a statement the firm's general manager, Mr S Dicks, said employees would receive their pension fund contributions only when they resigned from their jobs. This policy would continue until any new legislation was enacted.

Mr Dicks said Macwusa had agreed to report back to its members the new position with regard to the delay in the introduction of legislation on pensions.

EL Post 23/10/81

New EL strike as 2 plants go back to work

By SANDRA SMITH

EAST LONDON — A strike broke out at Dunlop Flooring here today but workers at the toiletry factory of Johnson & Johnson and at the dispute-ridden Car Distributors Assembly (CDA) returned today.

In a statement, the general manager of Dunlop Flooring, Mr N Yeadon, said members of the workers' liaison committee approached the firm's management yesterday and asked for employees' pension contributions to be paid out.

After the company's policy was explained to the workers, they left the factory, "thereby terminating their employment with us", Mr Yeadon said.

Recruitment, including selective re-employment, would begin next Wednesday, he said.

At the troubled CDA plant, which builds the range of Mercedes-Benz vehicles marketed in South Africa, 321 workers in the stores returned to work after being addressed by shop stewards of the National Union of Motor and Rubber Workers of South Africa (Numarwosa).

It is the second time this month a work stoppage has occurred at the factory.

A company spokesman, Mr Richard Wagner, said 250 workers stopped work yesterday afternoon after demanding the re-instatement of a man who was dismissed.

The workers clocked in this morning, but only agreed to start work after it was decided that union representatives would discuss the issue with members of management.

Striking Johnson & Johnson workers decided this morning to return to work today.

The company's managing director, Mr Richard Cox, yesterday gave the workers an ultimatum to return to work today, or lose their jobs.

After a meeting, between management representatives and officials of the South African Allied Workers Union (Saawu) yesterday, the union said it would recommend that the workers return to their jobs today.

196 ~~143~~ 152 192 145A 140A

750 lose jobs in E London

CT 24/10/81

196

EAST LONDON. — About 750 workers have lost their jobs following strikes at two East London companies.

At Dunlop Flooring about 500 workers went on strike yesterday demanding their pension contributions back, and at Car Distributors Assembly 258 workers walked out over the dismissal of a fellow-employee.

In both cases management has regarded the workers as having dismissed themselves and will be recruiting to fill their places.

Dunlop workers approached their management yesterday with the request that their pension monies be paid back to them.

The general manager of the company, Mr N Yeadon, said the company's policy was explained to the workers.

"The employees then elected to leave the factory, thereby terminating their employment with us." Sapa

EL firms to start filling vacant jobs

EP Post 24/10/81

Weekend Post Reporter

RECRUITING will begin next week to fill 750 jobs vacated by strikers at two East London plants.

At Car Distributors Assembly (CDA) 258 workers who walked out yesterday afternoon for the second time this week were declared by the company to have dismissed themselves.

A further 500 workers who downed tools at Dunlop Flooring on Thursday were being treated the same way.

The workers at Dunlop wanted their pension contributions back.

At CDA the workers walked out after the management refused to promote a probationer to the permanent staff. The man's work was not up to standard, the management said.

DD 24/10/81 196

and 750 lose jobs

EAST LONDON — About 750 workers have lost their jobs following strikes at two local companies.

At Dunlop Flooring about 500 workers went out on strike on Thursday demanding their pension contributions back and at Car Distributors Assembly (CDA) 258 workers walked out of their jobs yesterday over the dismissal of a fellow-employee.

In both cases management has regarded the workers as having dismissed themselves and will be recruiting to fill their places.

Dunlop workers approached their management on Thursday with the request that their pension monies be paid back to them.

Mr N. Yeadon, the general manager of the company, said the company's policy was explained to the workers.

"The employees then elected to leave the factory, thereby terminating their employment with us," he said. "Recruitment, including selective re-employment, will commence on Wednesday next week."

At a mass meeting yesterday workers resolved to send a delegation of officials from the South African Allied Workers Union (Saawu), which claims to represent roughly half of the workforce, and five Dunlop workers to meet with management.

258 workers from two departments at CDA — stores and cut and sew — walked off their jobs yesterday afternoon and a spokesman for the company said recruitment to replace them would start immediately.

Problems in these departments began on Thursday after a sorter in the stores department, who had been on probation, was not confirmed to the permanent staff and was paid off.

The management spokesman said these departments had downed tools on Thursday in protest over his dismissal. They again downed tools yesterday morning but returned to work after the tea break at 10 am.

Following a meeting between the union and management it was agreed by both parties that the man's work performance had not measured up to standard and that the decision should remain.

The union informed the workers of the decision at lunch time and the 258 workers did not return to their jobs after the break.

The management spokesman said all other sections at the plant appeared to be working normally yesterday.

DD 27/10/81

196 182 203 207 122 189 114

Fired strikers get jobs back

EAST LONDON — CDA workers regarded as dismissed on Friday for participating in a wildcat strike clocked in for work yesterday morning.

A management spokesman said that in the interests of industrial peace the company had made no move to bar the 258 workers from their places of work or to recruit new workers to fill their places. The workers, who were from the stores and cut and sew departments, downed tools on Thursday and again on Friday last week demanding the reinstatement of a probationary worker who was not confirmed to the permanent staff and was paid off.

Meanwhile, about 450 Dunlop Flooring workers elected yesterday morning not to collect their pay following their dismissal from the company on Thursday after a dispute over the pensions issue.

At the meeting the workers resolved that they would not apply for re-employment on Wednesday, the date set by management for recruitment.

The workers are to forward a letter to the company works manager demanding their unconditional reinstatement, the return of their pension contributions and the right to be represented by the union of their choice, in this case the South African Allied Workers Union (Saawu).

About 800 members of Saawu, the African Food and Canning Workers Union and the General Workers Union pledged solidarity support for the Dunlop workers at a mass meeting on Sunday.

Production was back to normal at Johnson and Johnson yesterday and discussions between Saawu and management were continuing.

However, it is understood that the dispute which first sparked the week-long strike — the dismissal of a cleaner for alleged theft — has not been resolved yet. — DDR.

Cable factory deadlock goes on

Argus 28/10/81

300 145 183 158 196 1650 189

Argus Bureau

PORT ELIZABETH. — The deadlock between management and workers at the Aberdare Cable Factory, where about 150 workers have been on strike, is continuing.

The workers, who downed tools late on Monday, are refusing to work because of the dismissal of a colleague, it is believed.

A spokesman for the General Workers' Union, to which workers are affiliated said they would meet today to discuss the issue.

A spokesman for Aberdare Cables said management would not comment on the strike.

PENSIONS

In East London, Dunlop Flooring today began recruiting staff to replace 500 workers who dismissed themselves last week when they struck after demanding that their pensions contributions be paid out.

The dismissed workers, who are represented by the South Africa Allied Workers' Union, met today to discuss the issue, but there was no decision on what action they would take.

The general manager of the company, Mr N Yeadon, had told the workers it was company policy that all workers belong to the pension scheme.

WELL KNOWN

'The only way an employee can obtain a refund is to resign. This our employees know,' he said.

A spokesman for the company confirmed that new labour was being hired.

Meanwhile, negotiations are continuing between SAAWU and Johnson and Johnson management over the dismissal of a cleaner who allegedly stole toilet rolls.

RE-EXAMINED

Mr Wayne Munro, personnel director of the company, said negotiations were continuing.

About 650 workers went on strike last week in sympathy with the cleaner. They suspended the strike on Friday after an agreement with management that the cleaner's case would be re-examined.

DD 29/10/81 (186) (152) (145A) (183) (196) (308)

Milling workers end go-slow

EAST LONDON — A go-slow strike over wages at the KSM milling plant here came to an end yesterday with partial agreement between management and workers.

There were no further developments in the two disputes between South African Allied Workers' Union (Saawu) members and Dunlop Flooring and Johnson and Johnson.

The Managing Director of KSM, Mr Gordon Minkley, said yesterday that work at the plant was back to normal after two days of a go-slow strike.

He said the company had negotiated with Saawu and the striking workers over a "number of issues" and that although some of the issues still had to be resolved, the workers had agreed to resume normal production.

He did not reveal what was discussed, but said that the dispute had nothing to do with the transferability of pensions.

However, Mr Sisa Njikelana of Saawu, who confirmed that the workers had "suspended their action", said the dispute was mainly over wages.

Mr Njikelana also said there was no change in the dispute between Saawu and Johnson and Johnson, where about 650 workers went on strike following the dismissal of a cleaner who allegedly stole toilet rolls.

The workers returned to work, but negotiations between Saawu and J and J management continued.

"We are still talking," Mr Njikelana said.

At Dunlop Flooring, where about 500 workers, most of them Saawu members, struck over the transferability of pensions, demanding the return of their pension contributions, and were dismissed, new workers were still being recruited yesterday.

The management at the factory would not issue a statement yesterday, saying they would telex the Daily Dispatch if there were any further developments.

Mr Njikelana said that as far as he knew the factory was still recruiting labour to replace the workers who had been fired. — DDR

DD 30/10/81 ~~30/10~~ ~~145A~~ 196 ~~152~~

Strike: Saawu talks continue

EAST LONDON — Negotiations between the South African Allied Workers Union (Saawu) and the management of Johnson and Johnson continued yesterday following the week-long strike of workers over the dismissal of a cleaner.

Neither Saawu nor the company were prepared to issue a statement yesterday other than to say the issue which led to the strike had not yet been resolved.

At Dunlop Flooring, where about 500 workers were fired last week after striking in demand for the return of their pension contributions, attempts to establish from management how the recruitment of new workers was progressing proved unsuccessful. — DDR

DD 31/10/81

176 152 1445A 306

Full production soon — Dunlop

EAST LONDON — The Dunlop Flooring factory, at which about 500 workers are regarded as having "resigned" after downing tools in a demand for the return of their pension contributions, would be back to full production on Wednesday, the general manager of the company, Mr N. Yeadon, said yesterday.

Mr Yeadon said the response to the recruitment of new workers, which began on Wednesday, had been good and that production in certain sections had begun in the meantime.

Meanwhile the workers held a mass meeting yesterday and have decided to send a letter to the head office of the company in Durban as well as to other trade unions setting out what happened at the factory.

The workers, who numbered about 450, said they would not be applying for reinstatement at Dunlop but wanted their jobs back unconditionally as well as the return of their pension contributions.

Mr Yeadon said of the recruitment: "We realise that a number of our employees did not join the walkout willingly and although we sympathise with them and would consider their re-employment, it will be extremely difficult to do this after the new replacements, who are looking forward to joining the company, have started on Wednesday."

The workers yesterday said they could not understand why they had not been allowed to withdraw their pension money because this had been allowed at several other firms in the area without the workers losing their jobs.

They also condemned the Dunlop management decision to recruit labour through the Ciskei Manpower Centre in Mdantsane which they said was an agency for the sale of labour.

The company explained it was decided to conduct the recruitment at Mdantsane because of the large number of work seekers involved who could be saved the inconvenience of travelling costs and waiting time. — DDR

Dunlop strike: 500 await reply on pensions

196

~~152~~

~~14/11~~

Argus 2/11/81

Argus Bureau

EAST LONDON. — The 500 workers at Dunlop Flooring here who dismissed themselves nearly 10 days ago when they struck after demanding that their pensions be paid, are still awaiting a reply to a letter they sent to Dunlop management.

In the letter the workers demanded that their pension contributions be paid and that they be unconditionally re-employed.

Management, however, has been recruiting new labour and the general manager, Mr N Yeadon, said production would be back to normal by Wednesday.

STILL WAITING

A spokesman for the South African Allied Workers' Union, which represents the workers, said they would not offer themselves for re-employment until their pensions had been paid out.

The workers were still awaiting a reply to their letter and would hold a meeting on Wednesday to discuss further action, the spokesman said.

Referring to the recruitment Mr Yeadon said: 'We realise that a number of our employees did not join the walkout willingly.

SYMPATHISE

'And although we sympathise with them and would consider their re-employment, it will be extremely difficult to do this after the new replacements have started on Wednesday.

At Johnson and Johnson, where 650 workers suspended a strike after they received an ultimatum from management to return to work or be regarded as having resigned, negotiations between SAAWU and management continued today.

Workers struck after a cleaner was dismissed for allegedly stealing toilet rolls. They agreed to suspend the strike while the cleaner's case was being re-examined.

Dunlop says worker return building up

DD 5/11/81 (196)

EAST LONDON — The number of people returning to work at the Dunlop Flooring factory here was "building up", the general manager, Mr N. Yeadon, said yesterday.

About 500 workers at the factory downed tools on October 22 in demand for the return of their pension money. Management at the factory said the workers were regarded as having terminated their employment because they had elected to leave the factory after company policy had been explained to them.

In a statement yesterday Mr Yeadon said: "The number of people coming back to work is building up and recruitment of new employees is proceeding to replace people who have resigned to get a refund of their pension fund contribution."

Mr Yeadon said Dunlop Flooring had operated a pension fund for black workers for 15 years and had no intention of abandoning the fund.

"There was no need for this strike in the first place", Mr Yeadon said.

"The Preservation of Pensions Bill will not become operative until 1985 and even then the registrar may exempt a pension fund from this and other provisions of the Act for those members of the fund who are citizens of a foreign country, if they return to the country of which they are citizens.

"This will apply after December 4 this year to all Ciskeians working for us and living at Mdantsane — almost our entire labour force", he said.

Mr Yeadon referred to a Daily Dispatch report earlier this week on a Ciskeian denial that the Ciskei Government would interfere with the pension accumulation of its citizens.

He said the report had indicated that the Ciskeian Government felt strongly that the provision of these benefits was vital, and interference by outside elements had misled workers to the extent that many of them were losing their means of support.

Mr Yeadon said Dunlop Flooring believed in the provision of the pension fund for its workers. "Workers who do not want this are at liberty not to work for us. New employees will be required to join the company's pension fund," he said.

In line with the rules of the pension fund, Dunlop Flooring would refund contributions of any employee who had resigned six months after the employee had left the company's service, he said. — DDR

250 jobs offered to Mdantsane workers

DD 9/11/81 (196)

EAST LONDON — The Ciskei Minister of Agriculture and Forestry, the Reverend W. M. Xaba, has invited Mdantsane residents to apply for jobs at the Dunlop Flooring factory here by reporting to the Ciskei Central Intelligence Service (CCIS) offices in Zwelitsha this morning.

Mr Xaba announced that there were 250 job opportunities at the factory after delivering his main address at the Mdantsane regional independence celebrations on Saturday.

About 500 workers at the factory lost their jobs two weeks ago after striking in demand of the return of their pension contributions. The general manager of the company, Mr N. Yeadon, said last week that recruitment to replace the fired workers was goinell.

Mr Xaba congratulated the management of Dunlop for its stand against what he called "evil righteousness."

He said applicants for the jobs should be able to read and write English and should have passed standard three. The jobs were for Mdantsane residents, he said, adding that they should report at the Zwelitsha offices of the Ciskei Central Intelligence in zone six to be "guided about these job opportunities."

Mr Xaba said he sympathised with those who had lost t their jobs after being misled by irresponsible people. "These hungry stomachs are the responsibility of the Ciskeian government," he said.

He appealed to Ciskeians not to accept anything that came before them without finding out what the government thought about it and said they should always seek the government's guidance.

"Do not listen to self-styled leaders. They will lead you to nowhere because their time is doomed," he said.

Mr Yeadon was unavailable for comment — DDR

Employees misled says Dunlop chief

EAST LONDON — Mr N. Yeadon, the general manager of Dunlop Flooring, said in a telex statement yesterday that the government's decision to drop the controversial Bill to preserve pension contributions until retirement should resolve once and for all the problems, which have arisen over the issue.

Commenting on the strike at his factory which has been over the pensions issue, Mr Yeadon said it was extremely unfortunate that the workers had been completely misguided by some irresponsible elements who, it was obvious, by having incited them to an illegal strike, did not have the existing and long-term welfare of the workers at heart but some other motive.

"We sent telegrams to our employees, as any responsible employer would do, to inform previous members of our workforce, who had much to lose, to make up their minds quickly or suffer the consequences of not having jobs to come back to." — DDR.

PO 10/11/81 (19)

146

Sebe: 150 screened for Dunlop

EAST LONDON — More than 150 workseekers had been screened by the Ciskei Central Intelligence Services staff and sent to the Dunlop factory here yesterday, the Director General of the CCIS, Major General Charles Sebe, said yesterday.

He said the workseekers had been responding to a call by the Ciskei Minister of Agriculture and Forestry, the Reverend W. M. Xaba, who urged unemployed people to apply at CCIS offices to fill 250 vacancies at the factory.

The vacancies had been created following a strike over pensions at the factory two weeks ago.

Asked why the Ciskei Government had involved itself in "sorting out" workers, he said they had learnt that after the strike at Wilson-Rowntree many workers who lost their jobs there had been employed at Card Distributors Assembly (CDA).

"This employment of these people had been done by management who were not aware that these people had lost their jobs over a strike," he said.

"What followed this was another strike at CDA and some industrialists have come to realise the need for screening in this volatile situation."

His department was committed to "eliminating this element" by working with industrialists in ensuring a healthy atmosphere in local factories.

Asked whether this would not have negative reaction from other countries when it was known that workers had to go through an intelligence office to get jobs in factories, he said: "This is not what we are pressing for but in cases where there have been disturbances and work stoppages we are using this system as a short term solution.

"It depends on the willingness of industrialists to co-operate with us in stamping out this evil."

Mr Sisa Njikelana, the vice-president of Saawu, yesterday described the statements by Mr Xaba and General Sebe as "remarkable."

He asked: "What happened to the Ciskei Manpower Development Centre through which management was trying to recruit workers? Has it failed dismally?

"Moreover, how does the intelligence service of a country function as an employment bureau?"

He said that those workers who had applied for jobs through the CCIS only indicated to other workers that they still had a great task to educate those who were still in the dark — those who did not realise that the "so-called Ciskei government is hopelessly trying to implement a strike breaking strategy for Dunlop Flooring workers.

"How can a government which serves and protects the interests of the employers be able to serve and protect the interests of the workers as well?" — DDR

Strikers drop demands

Argus 11/1/83 ~~300~~ 152 176 ~~166~~

Argus Bureau

EAST LONDON. — Striking Dunlop Flooring workers here have dropped their demand that their pension contributions be paid out before they return to their jobs.

But they are still insisting on the unconditional re-employment of all 500 workers who downed tools more than two weeks ago after their pension demands were refused by management.

A South African Allied Workers' Union spokesman said workers had agreed to withdraw their pension demand as the Pension Preservation Bill had been scrapped.

Mr N Yeadon, general manager of Dunlop, said applications for re-employment would be considered for vacancies which existed when the applications were received.

Yesterday Mr Yeadon met a four-man delegation of the ex-employees to explain the position to them.

Ex-Dunlop employees told hiring conditions

DD 11/11/81 (196) ~~[illegible]~~ 1459

EAST LONDON — The general manager of Dunlop Flooring, Mr N. Yeadon, told ex-employees of the company yesterday that the company could only consider applications for re-employment for vacancies that still existed when the applications were made.

Mr Yeadon said in a press statement released to the Daily Dispatch yesterday afternoon that, on the request of ex-employees who had terminated their services and had not yet applied for re-engagement, he agreed to see a delegation of four of the ex-employees.

It was made clear, said Mr Yeadon, that he was seeing them as representatives of ex-employees.

Although they had indicated that they were prepared to withdraw the demand for the refund of pension contributions, they had included in their demands the unconditional re-employment of all those involved.

As a large number of the workers who were involved had already been re-employed and a number of new people had been engaged, Mr Yeadon said he had made it quite clear that the company could only consider applications for re-employment for vacancies that still existed when the applications were made.

Mr Yeadon said the delegation agreed that the conditions of employment had been fully explained to the ex-workers on numerous occasions prior to their termination of employment. With the scrapping of pension preservation, the company pension fund, which had already been in operation for 15 years, would continue as before, and the company conditions of employment would remain unchanged.

Mr Yeadon again expressed his regret for those people who he said had been misled by irresponsible elements and who would now, together with their families, have to suffer hardship.

He wondered whether those who supported the action, which he described as shortsighted and irresponsible, were now prepared to support in other ways, those who remained jobless. — DDR

Ex-Dunlop workers back reinstatement

DD 12/11/81 (196)

EAST LONDON — About 350 former employees of the Dunlop Flooring factory here are to call for their unconditional reinstatement at the plant.

The workers, who lost their jobs following a dispute at the factory three weeks ago, held a mass meeting yesterday at which they resolved to send a delegation to meet the management at the firm over the issue.

In a statement issued by the workers' committee yesterday, they said they had decided to withdraw the demand that their pension contributions be paid back in the light of the government's decision to drop the Preservation of Pensions Bill.

However they resolved not to return unless management agreed to reinstate the entire workforce, pay for the time they were out of work — "because it was not our choice to be out of work" — and involve the South African Allied Workers Union, which they claim represents the majority of the workers.

The workers rejected a management claim that they had resigned.

They resolved that if management did not accede to their demands they would call upon workers at other factories to refuse to handle raw materials for the Dunlop factory. — DDR

Former workers told situation unchanged

DD 14/11/81 ~~(105)~~ (96) ~~(152)~~

EAST LONDON — Management at the Dunlop Flooring factory here again met with representatives of ex-employees of the factory yesterday.

The general manager, Mr N. Yeadon, said that, at the request of a group of ex-employees, management had once again agreed to meet their representatives to discuss two matters raised by them — "reinstatement of all workers unconditionally and no Ciskei Government involvement at Dunlop."

Mr Yeadon said management had reiterated that the situation remained unchanged as it was technically impossible to re-employ all the ex-workers as the company was employing new workers to fill the vacancies created through resignations by members of this group of ex-workers.

He said management was surprised that uncertainty still existed in regard to the re-employment issue as it had been made quite clear three days ago to the ex-employees' delegation received then that ex-employees could only be considered for vacancies that might exist at the time they applied and which were diminishing each day as new employees were taken on.

It was also explained to the delegation, said Mr Yeadon, that as the factory was situated in the Republic of South Africa, no Ciskeian Government department had any involvement at the factory.

He said it was obvious that further discussions with delegations from those ex-employees who had not yet returned would serve little purpose as the company had displayed a good deal of patience and had made its position quite clear to them. Any dealings from now on would only be with individuals who might wish to be considered for any of the remaining vacancies.

Mr Yeadon said arrangements were being made for any wages due to ex-employees which were not collected at the factory within the next couple of days to be sent to the Department of Co-operation and Development for disbursement to the individuals concerned. — DDR

Deal with union is cancelled

STAR 17/11/81

By Drew Forrest

In an unprecedented move, an important East Rand rubber company — Pigott Maskew and Company — has withdrawn recognition from a pderominantly black trade union.

The Fosatu-affiliated Chemical Workers Industrial Union (CWIU) concluded a recognition agreement with the Boksburg-based General Tyre subsidiary in August this year.

It was a major breakthrough for the union, whose only other full agreement in the Transvaal was reached with Colgate Palmolive after the much publicised dispute.

The agreement with Pigott Maskew has now been cancelled following two recent strikes over wages by the company's 450 black workers.

The company's managing director, Mr Vic Pretorius, would not comment yesterday beyond saying "the union had displayed its inability to operate in terms of the agreement."

He added, however, that a new accord could be negotiated.

Management apparently holds that by striking instead of using the negotiated disputes procedure — which lays down arbitration as the final step — the union members themselves cancelled the agreement.

However, a CWIU spokesman claimed the agreement remained in force after the strikes.

"We had every intention of using the arbitration procedure," she said. "But the strike intervened."

She said the union would follow the agreement by appointing an arbitrator to rule on both the wage issue and the dismissal of about 20 strikers.

OPTIONS: The options field may contain any number or sequence of the following common options. Each language processor uses other options, not listed here, to perform specific functions related only to that processor. Please refer to the specific manuals for further details.

A - Accept the results of the processor even if errors are detected.

X - Abort the run if errors are detected.

NOTE

If neither X or A are given, the run will continue but execution of the program in error may result in error termination.

U - Update (correction runs only). Produce a new cycle of the source element.

I - Insert an element into a program file. The source statements are read from the control stream immediately following the processor call statement or are implied by @ADD statement (2.11.6). Absence of I implies U option.

L - Produce a complete listing (source and object code).

N - Suppress all printing of processor output (overrides any other print option). Absence of L or S option implies N option.

S - Produce a partial listing.

W - List correction lines in a separate listing.

ELTNAME-1: If a new symbolic element is being introduced (I option) from the run stream, this parameter specifies the program file into which the new source element is placed and the name which it is given. If an update (U option) is being performed, this parameter specifies the program file, element name and cycle of the source element being up... run stream.

ELTNAME-2: Th... ...d program ...is placed. ...elements. ...r RB or ABS

DD 25/11/81

196

Ex-workers end Dunlop strike

EAST LONDON — Several hundred former employees of the Dunlop Flooring factory here have collected their pay, effectively ending their month-long strike.

The workers, who went on strike in October over the pensions issue, collected their cheques from the Department of Co-operation and Development.

In a statement, the workers' committee said they had made a last attempt on Friday to send a delegation to management with the aim of gaining re-instatement for the workers, but this had failed.

The statement said that management had refused to meet the delegation and had informed them that they could collect their money from the Department of Co-operation and Development.

"When it became clear to us that management was not interested in taking us back we decided to end the strike. But we have not ended the fight," the statement said. — DDR

Recession poses import threat to rubber industry

Evening Post 29/12/81 (196)

Business Editor

THE Phillips Carbon Black Company of Port Elizabeth warns that the South African rubber industry is threatened by manufactured rubber goods imported from industrialised countries where the industry is in recession and desperate to find overseas markets.

The company is South Africa's only manufacturer of carbon black — an essential ingredient in tyres and most manufactured rubber goods.

It points out that imports have been steadily increasing over the last five years, from R33,8 million in 1976 to R67,3 million (*fob*) last year.

These imports are expected to rise again this year to R84 million, an increase of 25% over last year.

In tyre and tyre-related products alone, imports are expected to rise by 3 430 tons this year

The marketing manager of Phillips Carbon Black, Mr R H Stopford, said the company's sales this year could be affected by imports to the extent of 4 500 tons of carbon black, or nearly 10% of its annual output.

He was concerned about the situation, and he pointed out that until the establishment of a local carbon black facility in 1960, followed some four years later by Carbochem's synthetic rubber plant, South Africa had to import all its raw materials.

"Since that time, the South African rubber industry has worked hard to being close to self-sufficiency in both raw material supplies and in manufactured products.

"It will be a pity to see progress retarded because of economic situations in other countries," said Mr Stopford.

The South African rubber industry employs about 18 500 workers, mainly on the East Rand, in the East Cape and in Natal, and produces about R600 million a year in tyres and industrial rubber products.

Rubber industry threatened by cheap imports

196

Star 30/12/81

Own Correspondent

DURBAN — Hard on the heels of this month's 12,7 percent rise in tyre prices, a warning has been sounded that the rubber industry may need even higher protective tariffs on rubber.

The warning comes as Karbochem's R350-million synthetic-rubber plant at Newcastle is approaching completion, with its commissioning due in the third quarter of 1982. When the plant is in full production, South Africa should be self-sufficient in rubber.

However, among industrialised countries, South Africa is a prime target for exports now that the world is in recession and the R600-million-a-year national rubber industry is reportedly threatened by cheap imports.

The warning comes from Mr R H Stopford, marketing manager of Phillips Carbon Black Company of Port Elizabeth, the only national producer of carbon black, an essential ingredient of tyres and other rubber products.

REBATED

From 1976 to 1980 imports of rubber products grew from R33,8-million to R67,3-million, keeping a bit ahead of inflation, but this year are expected to jump to R84-million.

The mass of tyres and related products imported this year could be up by 27 percent.

Mr Stopford believes that Sentrachem, which controls Karbochem, applied for extra tariff protection — extra duty that would be rebated on natural rubber imports until South Africa became self-sufficient in synthetics.

His own product, he said, got no protection, because the 15 percent duty on imports was rebated. Nor dit it need protection — this year Phillips Carbon Black has exported about 6 000 tons of the 52 000 tons it produced, running at 87 percent capacity.

Protective import tariffs on rubber products now range up to 30 percent but, even so, imports seem able to compete, threatening jobs in an industry which employs 18 500 people.

196

MANUF. – Rubber

1-1-80 – 31-12-80

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

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

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

RESULTS

The infant mortality rates (IMR) and standardised mortality rates (SMR) for whites and 'coloureds' are provided in Fig. 2 and Fig. 3. Whilst the whites have experienced a steady decline in both of these indices since 1929, the 'coloureds' after an initial decrease, show a comparatively static IMR since 1950 and an increase in their SMR since 1960.

From 1941 to 1970, the white IMR has fallen from 50,9/1 000 to 21/1 000, an improvement of 57,6%. During this period, the 'coloured' IMR has decreased from 164,8/1 000 to 132,6/1 000, a change of only 19,7%. This is of particular concern when it is appreciated that the greater the IMR, the more easily should improvements be accomplished. The decrease in SMRs between 1941 and 1970 were 28,4% and 25,7% for whites and 'coloureds' respectively.

The age specific mortality rates are summarised in Fig. 4. Since death is inevitable, it is to be expected that decreases in the mortality experience of younger age groups will give rise to a corresponding increase in mortality amongst elderly persons. Thus, although it is to be expected that for both whites and 'coloureds' the mortality rates for persons over the age of 65 years have shown a rising trend, it is of some concern that the mortality rates have also increased between 1960 and 1970 for 'coloureds' in the 25-44 and 45-64 years age groups.

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

NM 24/1/80

196

Dunlop chief expects 'modest' profits rise

Deputy Financial Editor

PROFITS at Dunlop continue to bounce ahead, but chairman Mr T F Muller thinks that 1980 will show only a 'modest' rise.

Sales increased by over 20 percent and trading profit by 26 percent last year, the preliminary profit statement shows.

The final dividend has been raised to 22 cents, giving 34 cents for the full year — an eight cent improvement.

The statement says that taking into account the expected limited growth in the motor industry, which last year accounted for just over half of the profits, and the effect of the improvement in the economy on other sectors of the business, earnings are expected to increase modestly this year.

This will consolidate the rapid earnings growth of 35 percent a year from the low base three years ago.

Sales last year rose to R127 million from R106 million, and pre-tax profit was R15,2 million against R11,7 million.

Apart from the motor industry, which has seen little growth in the past decade, Dunlop expects that the mining industry will continue to be a source of growth — particularly coal.

The group has invested substantially in factory and equipment to produce solid woven PVC conveyer belting.

Mr Muller considers that the higher rate of profits has been reached only by significant improvements in productivity and efficiency, plus product developments and improving industrial and consumer sales.

Earnings per share have risen to 65 cents from 53 cents in 1978, and dividend cover has been reduced slightly to 1,9.

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Table II. It will be noted that the mortality experiences of the 'coloureds'

Though diamond prospects appear favourable, especially with initial capex tax offsets, the 85c share price discounts any predictable earnings. This year's total payout could perhaps be as high as 4c (2c), but this only gives a 4,7% prospective yield. At that level the share is best suited to investors who want to gamble on possible capital gains. *Des Kilalea*

DUNLOP (196) 11/2/80

Loping along

Despite a gloomy outlook for the second half, precipitated by last June's petrol crisis, Dunlop appears to have weathered the storm most successfully. For the year to end-December, trading profit was 26% ahead at R15,9m (R12,6m) with a 20% rise in turnover to R127m (R106m). A higher tax charge of 36% (31%) kept attributable profit growth down to 22%, but at R9,8m (R8,1m) this still reflects a satisfactory 25% return on shareholders' funds.

With 55% of its sales currently to the motor industry, Dunlop is looking to its industrial and consumer goods operations to provide the group's biggest growth area. MD Clive Hooper holds conservative views on the motor industry, which has experienced "a decade of little growth" and which, for Dunlop, has seen "rapidly escalating costs of oil-based raw materials, which have not been fully recovered in selling prices."

Clearly, efforts will have to be made to increase the proportion of group sales from the higher-margin industrial and consumer divisions. And capex in the motor divisions will continue to be kept on a tight reign, as funds are channelled into better growth areas.

Even though Hooper feels that gearing should be higher, Dunlop will continue with its relatively low retentions policy. This is good news for shareholders. Last year's 34c (26c) dividend was covered 1,9 times, a level which will probably be maintained.

This is attractive, considering that earnings projections have been conservative in the past, while actual earnings have grown by "35% per annum from the low base three years ago." If earnings of around 80c (65c) can be achieved this year, a 40c payout is well within reach, putting the share, at 415c, on a prospective 9,6% yield. With the added incentive of good medium-term growth potential, the share rates a buy. *Jonathan Bader*

6/3/80 Post ~~1400~~ ~~347~~ 196

Rubber wage hike plea

By JOE THLOLOE

THE unregistered Metal and Allied Workers Union yesterday asked the Wage Board to increase the minimum wage in the rubber industry from R35 to R47 a week by December this year.

The Wage Board determines minimum wages in industries where there are no industrial councils. After collecting written and oral evidence it makes recommendations to the Minister of Manpower Utilisation.

The chairman of the board, Mr I J Klaasens, was sitting with three other members.

Mawu, which has a membership of 10 000 with about 500 in the rubber industry, asked for a minimum increase of R6 a week for each grade in July and another R6 a week in December to bring the minimum wage to R47 a week by December 1980.

"Mawu also proposed those workers already getting more than the minimum wages should get an increase of 20 percent.

The union argued: "Recently published data indicate that a minimum required wage a month for an average household is about R211 a month at June 1980.

"It has been argued that these figures cannot be applied to individual wages, as they reflected total household incomes.

"We argue that sole breadwinners of households should not be prejudiced because some employees support only themselves and in our experience, a majority of workers in the industry are sole breadwinners of households of at least the size used by the Johannesburg Chamber of Commerce in its study."

Mawu said that for at least five years the largest employers in the industry have reported increases in profits.

"The tremendous rise in the gold price has further fuelled the growth of manufacturing production." Mawu said.

The wage determination does not cover Dunlop in Durban and the Tyre industry in the Eastern Cape. The two areas have industrial councils.

Butshingi burial Saturday

MOURNERS from as far as the Eastern Cape and the Transkei are expected to

Cops gas strikers

Post 26/5/80

196

POLICE YESTERDAY used a sneeze machine and dogs to disperse more than 1 000 Goodyear workers gathered in front of the company's Uitenhage plant on the eighth consecutive day of industrial unrest in the town.

The incident follows an Industrial Council decision on Tuesday to reject workers demands for minimum pay of R3 an hour.

Conflicting accounts of yesterday's incident have arisen with police and management claiming some workers tried to prevent others from returning to collect severance pay and others claiming they were unfairly dispersed while awaiting a report back from their representatives.

The Eastern Cape Divisional Police Commissioner, Brig P van Rensburg, said workers outside the company's gates were told the gathering was illegal. However, police warnings were ignored and a sneeze machine was used to scatter the workers who drifted off towards their homes.

Mr Peter Selley, public relations officer for the company, said some of the workers attempted to stop others from collecting severance pay owing as a result of the four-day strike that has paralysed the plant.

Workers left at the gates of the factory said they had been waiting for a report from their representatives about the course of the negotiations on Tuesday on the pay issue.

Workers disappointed

One worker said he had been told by a management official to wait at the gate so as he could collect his severance pay.

"The next minute police gave us two minutes to disperse and then used their machine."

The workers expressed disappointment that the management had not conceded a wage increase especially in the light of the increases gained by the motor workers through their Industrial Council.

Yesterday morning workers were given pamphlets from management telling them of the rejection of their pay demands and advising they could re-apply for employment from today.

The notice said re-employment would be on the basis of merit.

Elsewhere in Uitenhage the situation was reported to be calm yesterday after nearly a week of strikes, street processions and stoning incidents in the townships.

A SKF Bearings spokesman said all workers were back at the plant yesterday and they expected a pay agreement to be reached within the next few weeks.

Dorbyl employed new workers on Tuesday after 46 were considered to to have dismissed themselves by refusing to work.

Link construction reported 50 percent of their staff had returned to work at the Kwanobuhle Site and 15 percent at Rosedale.

Gentire ups its final

[illegible] 25/4/80

By ELIZABETH ROUSE

GENERAL Tire geared up in the second half of the past year after being down at the halfway stage and the dividend has been raised.

The company's results for the 14 months to February 25, 1980 (year-end changed because Gentire became a subsidiary of Aurochs after General Tire International pulled out of South Africa) are pleasing but distribution remains conservative and might disappoint shareholders.

Earnings for the 14 months are [illegible] a share against 2[illegible] in the previous 12 months.

The final dividend is up at 25c from 22,5c, making a total of [illegible]c (covered [illegible] times by earnings) compared with 42,5c paid out for a year.

Gentire's sales climbed to R105 [illegible] from the previous year's [illegible] and taxed profit rose to R[illegible] from [illegible].

Prospects are brighter this year because of the [illegible] in the motor trade.

Competition is expected to increase on the industrial rubber products side, but Gentire is in a position to take advantage of export sales in the market, say the directors.

C Times 29/5/80 176 55

Radioactive device missing from factory

PORT ELIZABETH. — A Uitenhage tyre company has been using geiger counters in its search for a piece of equipment which disappeared 10 days ago. A reward has been offered for its recovery.

The missing item is a sensing device which uses radioactive cobalt 60 to activate the electronic controls on one of Goodyear South Africa's rubber-mixing machines.

Mr Mike Selley, the company's public relations manager, said it was thought that the sensor had been removed from the premises.

"Fortunately, the level of radiation from this device is very low. A person would have to hold the sensor against his body for a period before suffering skin burns. At a distance of a metre or more it is virtually harmless," he said.

It resembles a dull grey cylinder, about 15 cm high with a radius of about 10 cm with a handle at one end. It weighs 20 kg.

The device and the equipment it activates is worth about R7 000, Mr Selley said. He appealed to anyone with information to contact Mr L Dodd at Uitenhage ☎29717. A substantial reward will be paid for information leading to its recovery. — Sapa

Gentire supports SA — at a cost

(196)

RDM 5/6/80.

Financial Reporter

THE SOUTH African tyre industry has undertaken to support domestic suppliers of raw materials at prices well above overseas levels for valid strategic reasons, but at the cost of squeezed profit margins.

The chairman of General Tire, Dr H Khazam, says in the annual report that the industry finds it increasingly difficult to accept that it should absorb, without the right of immediate price adjustments on its own products, price increases announced by suppliers.

"With the rising costs of the petrochemical products already being manufactured here or to be manufactured in the near future, a better scheme of protection for the rubber industry from lower-priced importations must be devised for it to remain viable."

The tyre price increases of May 1979 and January 1980 were not sufficient to compensate for unavoidable cost rises. This lowered profit margins, already under pressure as a result of decreased throughput in 1979 after higher petrol prices and lower speed limits.

Dr Khazam is optimistic about prospects. Demand for tyres is particularly good from carmakers.

Gentire's industrial rubber division had an excellent run in the past year, mainly because of buoyant demand from the mining industry. Competition is expected to increase, but Gentire is able to take advantage of any market opportunities.

The group's four acquisitions — Ferroplastic & Rubber Industries, Tensile Rubber, Triple A Rubber Company and Corrosive Resistant Coatings — should boost profitability.

Manufacturing facilities at the belting division will be expanded shortly. A light engineering company has been acquired since the yearend.

General Tire International relinquished its financial and technological interests in the South African group last year and Gentire is now a subsidiary of Aurochs Investment Company (SA).

Group sales showed an increase of over 23% to R105 519 000 in the 14 months to last February and taxed profits advanced to R7 992 000 from the previous year's R6 761 000. Net asset value rose to 1 656c from 1 492c.

The dividend total was raised to 50c, retaining cover at 5,3 times, from 42,5c and chances of another increase appear good on Dr Khazam's optimistic forecast.

(7)

196 13/6/80

GENTIRE (96)

Rolling ahead FM 13/6/80

Activities: *Manufactures tyres, tubes, retreading materials, adhesives, waxes and rubber-based paints. Subsidiaries manufacture rubber linings, hose and belting. Equity is 28,6% held by Williams, Hunt, and 26,4% by E W Tarry, a Williams, Hunt associate. The group is, as a result, a subsidiary of Aurochs Investments.*

Chairman: *H Khazam; managing director: R G Nicholson.*

Capital structure: *1,9m 'A' ordinaries of 50c and 1,1m 'B' ordinaries of 50c. 250 000 5,5% cum prefs of R2. Market capitalisation: R21,3m.*

Financial: *14 months to February 25 1980. Borrowings: long- and medium-term, R10,3m; net short-term, R13,1m. Debt:equity ratio: 48,1%. Current ratio: 1,5. Group cash flow: R13,1m. Capital commitments: R4,4m.*

Share market: *Price: 710c. (1979-80: high, 750c; low, 530c; trading volume last quarter, 15 800 shares). Yields: 31,0%* on earnings; 6,0%* on dividend. Cover: 5,2. PE ratio: 3,2.*

*Annualised.

In the 14 months to February 25, the group had to face up to the problems caused by the loss of technical assistance from its former US parent. In response, it set up a new agreement with a European producer (probably Continental Gummiwerke), and was taken over by the Aurochs group. It also bought a 100% stake in a number of subsidiaries in the Conti-Calan group, thus diversifying strongly into new industrial rubber production areas.

Then, towards the end of the period, production was halted briefly by strike action.

The US parent's stake was bought by the Aurochs group through E W Tarry in June, at a time when earnings were unexciting. During the second period — the eight months to February 25 — there was a marked improvement, helped by the upsurge in motor sales. Prospects are brighter now than they have been for some time

	*'76	*'77	*'78	'80
Return on cap %	20,7	22,4	19,4	15,0
Turnover (Rm)	42,7	50,2	73,5	105,5
Trading profit (Rm) ..	8,4	9,8	12,1	15,6
Gross margin %	20,1	20,5	16,9	15,3
Earnings (c)	157,5	191,2	216,8	256,8
Dividends (c)	30	35	42,5	50
Net asset value (c) .	922	1 064	1 560	1 811

* = Year to December 31.

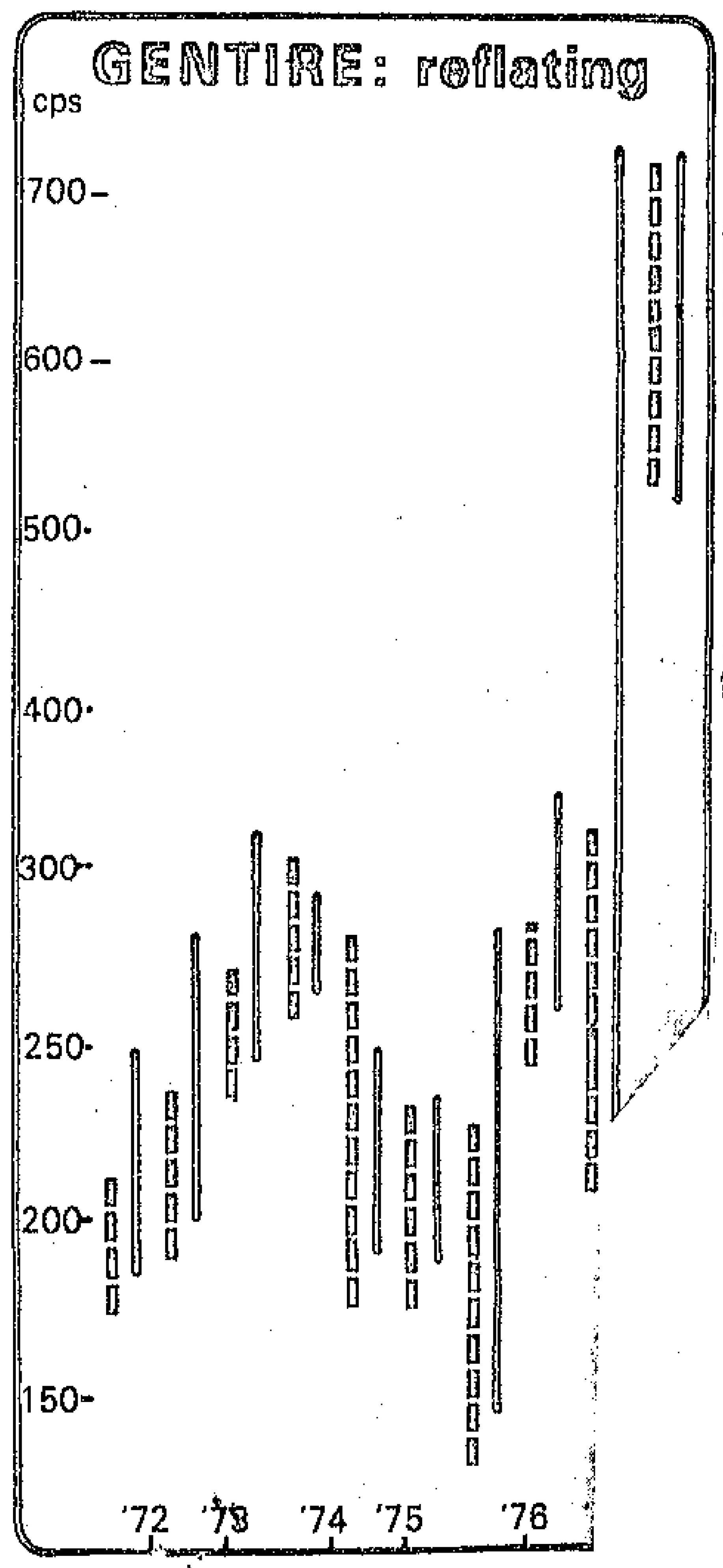
The industrial rubber division had "an excellent run," last year, according to chairman Heskel Khazam. Its sales were buoyed by rising mining industry capex and by the contribution from the newly-acquired subsidiaries in the Conti-Calan group which were purchased last August for around R4,7m. The belting division also seems set for a good contribution this year and manufacturing facilities are soon to be expanded, with an initial outlay of some R250 000.

The tyre division now contributes less than half of the group's pre-tax profit — compared with almost 70% previously — largely as a result of the good performance of the industrial rubber sector despite rising tyre sales. This year, things should be looking better as new car demand rises. But Khazam warns that the local rubber industry requires some form of protection because of its commitment to strategic production.

The balance sheet is solid with stocks increasing more slowly than sales from R18,7m to R25,7m, and creditors dropping from R12,1m to R10m. Short-term borrowings, on the other hand, are sharply higher at R15,5m (R4,2m), while long-term loans are up from R6,2m to R10,3m. Nevertheless, with a debt:equity ratio at 48,1% the group is not strained.

Dividend cover is traditionally high and the drawback of the low payout is reflected in the share's 60,8% discount to net worth. However, the counter yields an historic 7,0% with a prospective 8,5% on a 60c total not unlikely. With new operations and new structure being consolidated for a full year, the share is worth holding on a medium-term view.

Scott Hoocker



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Strike now involves 10 firms, 7 500 men

STAR 20/6/80

15.. 192 196

By Harvey Thomas

Strikes in the Uitenhage area today spread to 10 companies and affected 7 500 workers. But at the large Goodyear tyre-manufacturing plant more than 1 000 black workers peacefully dispersed after the management had given them until mid-morning to leave.

Earlier the workers had massed outside the factory's main gate with police standing by.

"They collected their pay and most of them left," a Goodyear spokesman said. "We are not yet negotiating with the strikers as they have refused to appoint representatives."

The workers are demanding an increase in their hourly wage from R1,10c to R3. The company said it would resume its attempts to start negotiations on Monday.

At the neighbouring Volkswagen assembly plant the management reported it was "making progress in negotiations" with the 3 500 workers who walked out on Monday in support of their demands for an increase from R1,15 an hour to R2 an hour.

Shortage

But VW — South Africa's biggest car manufacturer — is still closed until further notice.

There was a continuation of yesterday's stone-throwing in Uitenhage today, and police, reinforced from other areas, clashed with black workers. Twelve men were arrested.

In Port Elizabeth, Ford, which was forced to close its Cortina assembly plant yesterday because of a shortage of components from striking supplier companies, said today it would reopen the plant on Monday as it had made arrangements to airfreight wiring looms from Britain.

Ford shut down the Cortina assembly line when the Hella automotive lighting company in Uitenhage closed on Tuesday, but it is believed Hella has reached agreement with its 700 workers although it proved impossible to confirm this today.

Curtailed

At VW workers were streaming into the plant, but not to return to their jobs.

They were due to receive their pay packets for the fortnight ending June 13, and a company spokesman said the payout appeared to be quiet and orderly.

But at other Uitenhage companies strikes have either brought production to a halt or severely curtailed it.

The trouble started on Monday, when the giant VW factory was crippled when its black labour force downed tools.

The Star's Correspondent in Bonn quotes a Volkswagen spokesman as saying the company had no choice but to close its Uitenhage factory after all its non-white employees had walked out on "an illegal strike."

An Evening Post photographer, Mr Mike Holmes, was arrested in the centre of Uitenhage today and latetr released. The whole of Uitenhage had been declared a "trouble spot."

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WARNING

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the amination.

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Police disperse marchers

UITENHAGE — Police fired birdshot and used teargas to disperse 1 000 marching workers yesterday as industrial unrest entered its fifth day here.

The incident followed a march through the centre of town by 4 700 strikers who were going home after collecting wages from the Goodyear Tyre and Volkswagen factories.

Riot police fired birdshot and used teargas bombs when a crowd of workers began stoning police vehicles and homes on the outskirts of Kabah township.

A police spokesman said one man received slight injuries to his leg and was taken to hospital. Another man was arrested and both would be charged with public violence.

Large window panes in two shops were smashed and display stands swept aside by the wave of workers.

Earlier, police cordoned off a section of the road leading to the Volkswagen and Goodyear factories as workers gathered at the factory gates to collect their wages.

In a four-hour operation, 3 500 Volkswagen workers were allowed onto the company grounds to receive their pay.

There was a new turn in the unrest when three companies and the municipality said workers had expressed fears of intimidation and were sent home early for their own safety.

The deputy mayor of Uitenhage, Mr C. Fourie, said the municipality's 400 workers were paid early in the morning and given a day's leave.

Spokesmen at Bosal Afrika Motor Components, Veldspun Spinners and Union Cotton Mills — three companies where it was work as usual during the week-long strikes — said they closed their plants early yesterday in response to workers' fears.

The strike was joined yesterday by 185 workers at the Bata Group's tannery who said they were dissatisfied with the Leather Workers' new agreement which gives them a 12 per cent pay increase from July 1.

At Borg Warner and Hella Automotive Lighting plant work returned to normal after stoppages earlier this week.

Press photographers were barred from taking cameras into town.

A blanket ban on photographers came with an announcement by the Divisional Commissioner of Police in the Eastern Cape, Brigadier F. S. van Rensburg, that the entire Uitenhage district had been declared an "operational area."

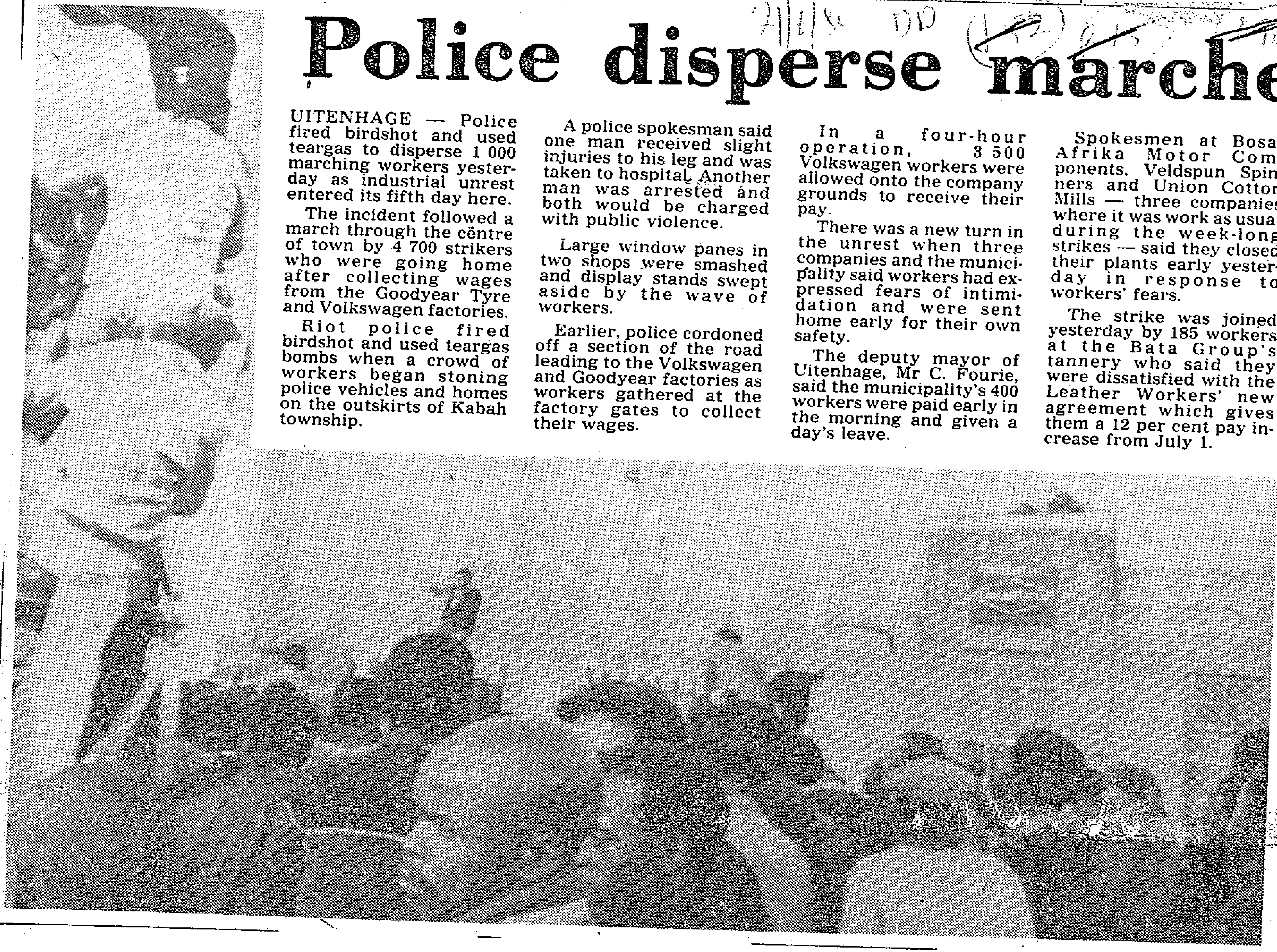
Photographer Basil Hall had to leave his cameras at the brigadier's office before being allowed to take a reporter into town.

Senior police officials took members of the press on a tour of the Kabah and Kwanobuhle townships yesterday afternoon.

The township appeared to be calm.

In Durban, the entire staff of 80 workers at the WKBW valve factory in Prospect on — part of the Associated Engineering group — were paid off yesterday after a two-day strike over a wage dispute. — DDC.

Editorial opinion, Page 6.



Strikers, some of them on a power pylon, listen to a loudspeaker address by one of their spokesmen at Goodyear's Uitenhage plant yesterday. Two policemen are perched on the building at right.

Crucial pay talks today

Cape Times 24/6/80

194A 192 196

From RIAAN DE VILLIERS

JOHANNESBURG. — The three giant Eastern Cape motor manufacturers meet union representatives of thousands of striking workers today in crucial wage talks which could have far-reaching effects on labour unrest in the area.

A settlement could end the strike at Volkswagen which triggered off further unrest in Uitenhage last week, seriously disrupting the motor and motor-components industry.

However, as employers and unions yesterday prepared for today's talks in Port Elizabeth, informed sources expressed fears of a continued deadlock which could lead to black and coloured workers at Ford and General Motors joining the strike.

Union committees at Ford and GM have expressed "complete solidarity" with fellow union members on strike at VW and have reiterated union demands for a minimum wage of R2 an hour.

A mass meeting of Ford and GM workers is to be held tomorrow night, and union officials have described the atmosphere at the two plants as "very tense".

The three firms will meet the coloured National Union of Motor Assembly and Rubber Workers' Union and the black United Auto and Rubber Workers' Union at a motor-assembly industrial council meeting. The right-wing white Yster-en Staalwerkersunie will also be involved.

An employer source said yesterday that the black and coloured union demand would mean a "massive" 90 percent increase from the present minimum wage of R1,15. Describing the demand as "unrealistic", he expressed fears of a deadlock which could lead to further strike action.

A union spokesman said the demand was reasonable, but added: "We will try to compromise if need be. We don't like the idea of further strikes. We are hoping to reach agreement but everything will depend on what the employees will offer."

In other developments yesterday:

- More than 1 000 workers at the Goodyear tyre factory in Uitenhage lost their jobs when they continued to strike after negotiations with management broke down.
- Workers at several smaller Uitenhage firms returned to work after talks with union men and officials of the Federation of South African Trade Unions (Fosatu) at the weekend, and more workers have agreed to return today.
- About 180 black workers went on strike at the Natal Thread Company at Hammarsdale in protest against a new shift system.

Police yesterday directed the dispersal of striking workers from Uitenhage's industrial area.

Foreign aid for strikers, page 2

DD 24/6/80

196

Police usher strikers home

UITENHAGE. — Police ushered striking workers from factories here yesterday.

Riot police were stationed at main intersections and barbed wire was strewn across two minor intersections to prevent Goodyear Tyre workers from passing through the centre of town.

The main body of Goodyear workers were allowed through the gates in small groups at regular intervals and were warned by a senior police official to walk slowly in groups of not more than 10.

Workers gathered on the factory premises early yesterday morning and after a series of meetings among themselves and with management until 1 pm, they massed at the gates waiting to be allowed home.

At the Guestro factory gates, a tense situation developed when police barred striking workers from entering town. Traffic was stopped and police with dogs formed a cordon across the road.

Workers dispersed calmly towards Kwanobuhle township after a senior police officer warned the crowd they constituted an illegal gathering and gave them five minutes to disperse.

A police spokesman said there had been no incidents of violence yesterday.

Meanwhile, it is reported from London that the International Metalworkers Federation is sending 50 000 Swiss francs (R25 000) to help support striking Volkswagen workers.

The funds are being directed to the United Automobile Workers of South Africa and the National Union of Motor Assembly and Rubber Workers. Both these unions are affiliated to the federation and the general secretary, Mr H. Rebhan, said the money was being sent "to ensure the workers are not starved back to work."

At Hammarsdale, near Durban, several hundred black workers at the Natal Thread Company factory reportedly refused to work yesterday in support of demands for higher pay.

Management representatives were not available for comment but reports said the workers left the factory yesterday morning and dispersed without incidents. Riot police are patrolling the area.

From Cape Town it is reported that according to City Tramways, the bus boycott is weakening.

"We have observed that more people are using the buses," a spokesman for the company said yesterday. He could not quantify the increase at this stage nor comment on where the improvement had been most noticeable.

MR LE GRANGE . . . lifts curbs on media.

In Johannesburg, Mr Louis le Grange, the Minister of Police, has announced that restrictions on television crews and journalists on assignment to black areas are lifted from today.

The Minister made it clear restrictions would be reconsidered immediately should circumstances warrant it. — DDC-SAPA.

Crucial labour talks

PORT ELIZABETH — Two vital meetings being held today could settle the outcome of labour - management pay disputes affecting thousands of black workers in strike-ridden Uitenhage.

The talks with industrial councils for the motor industry affect the pay packets of almost 5 000 workers — 3 500 of them at Volkswagen who are sticking to their demand for R2 an hour minimum wage and 1 400 at Goodyear where the demand is for a minimum R3 an hour.

The current rate at Goodyear is R1,10.

A pamphlet to all Volkswagen workers at the weekend from the branch executive committee of the United Automobile Rubber and Allied Workers of South African said Friday's management offer was unacceptable.

At Goodyear, where the deadline for strikers to report for their normal shifts was yesterday, the number regarded as having dismissed themselves by late yesterday afternoon was 1 050, said the public relations manager, Mr Mike Selley.

Mr Selley said about 800 workers arrived for the first shift yesterday morning and immediately downed tools. After talks between seven worker representatives and management [illegible] the proposals were put forward.

A special meeting of the industrial council for the tyre and rubber manufacturing industry today will discuss the demands. — DDC.

Post 24/6/80 ~~16~~ 192 192 196

PE strikes still on

STRIKES WERE still reported to be continuing at nine Uitenhage factories yesterday. The strikes started last week and involved thousands of workers.

And in Port Elizabeth there was still unrest at some major concerns but the situation last night could not be confirmed.

At one of the biggest local industries, Goodyear Tyre and Rubber Company, about 600 workers who arrived yesterday in the face of a work or be dismissed ultimatum refused to go back to work.

The public relations manager, Mr Mike Selley, said while the mass of workers waited outside a committee of seven worker's representatives met management and presented a wages demand and list of domestic grievances.

The company said it would only negotiate through the Industrial Council which would meet at lunch-time today.

After the workers were told of this decision they went to lunch in the company's cafeteria and it was clear they would return to work.

A spokesman for Ford Motor Company in Port Elizabeth said its Struandale, Port Elizabeth, assembly plant reopened yesterday morning after a forced closure last week through Uitenhage's labour unrest.

The following companies in Uitenhage were reported to still have worker's unrest, Volkswagen, Volkswagen Goodyear SKF Bearing Manufacturers, Link Construction, National Standard Wire Gubb and Ings Cape of Good Hope Woolcombers Civic Construction and Guestro Industries.

At Volkswagen the 3 000 black workers who downed tools a week ago in support of their dem-

• To Page 4

'Ford plant re-opened'

Post 24/6/80

From Page 1

and for an 80 percent wage increase were still out.

A meeting of the Eastern Cape branch of the Motor Industrial Council, scheduled for July 4, has been brought forward to today to allow industry representatives their first formal opportunity to negotiate with the strikers.

On the one side of the table will be management executives from Volkswagen, General Motors and Ford while on the other will be white workers represented by the Iron, Steel and Allied Industries Union, the coloured workers represented by the national Union of Coloured Automobile and Rubber Workers.

The black workers in the motor industry do not have a registered trade union but will be assisted at the meeting by a member of the Department of Manpower Utilisation.

The strike, initially aimed at VW, spread late last week to 10 companies and involved 7 500 workers. If the men are successful in their demands it will add millions of rands to the motor industry wage bill and is bound to result in an increase in the cost of motor vehicles.

Yesterday Ford reported that it had re-opened its Cortina plant at Struandale.

Increases offered to striking workers

Cape Times 25/6/80

(422) (122) (196)

From RIAAN DE VILLIERS

JOHANNESBURG. — Three Eastern Cape motor employers yesterday offered substantial wage increases to thousands of workers in an attempt to end the spate of strikes in the area and ward off further labour unrest.

Full details of the offer were released in a statement after yesterday's crucial wage talks between employers and trade unionists in Port Elizabeth.

Attention has now shifted to mass meetings to be held today at which black and coloured motor workers will decide whether to accept the offer.

Trade unionists will meet striking Volkswagen workers today and will address a mass meeting of Ford and General Motors workers tonight.

The wage offer was described as "massive" by an employer source yesterday.

However, it does not immediately meet worker demands for a minimum wage of R2 an hour, and fears persisted yesterday that Ford and GM workers could join VW workers on strike.

Unionists would not comment on the offer before today's report-back meetings. Employer sources emphasized that the wage offer was "final".

Meanwhile, workers at all the strike-hit firms in Uitenhage except Volkswagen and Goodyear were believed to have returned to work yesterday. Some firms have been selectively re-employing workers after paying them off.

Details of the motor employers' offer was released in a statement issued after yesterday's meeting of the industrial council for the motor manufacturing industry in the Eastern Cape.

The offer entails a series of four six-monthly minimum and across-the-board increases over the next 1½ years.

Average wages will increase by almost 20 percent next month, about 15 percent in January, 12 percent to 14 percent in July next year, and 10 percent to 12 percent in January 1982, employer sources said.

Minimum wages will increase to R1,40 next month and will reach the union demand of R2 an hour in January 1982.

Workers are to receive either the across-the-board increase or new minimum rates, whichever is the greater.

Increases in shift premiums, short-time pay and end-of-year gratuities have also been offered.

The immediate increase of the lowest minimum rate to R1,40 will boost the lowest wages at the motor plants to about R263 — higher than the Household Effective Level for the area, which in turn is 50 percent higher than the Household Subsistence Level (or Poverty Datum Line).

'Does not differ'

The current minimum rate of R1,15 amounts to a monthly wage of about R216, which already exceeds the PDL of R168.

According to the statement, it was agreed that the proposal would be taken back to union members and the council would meet again next Friday.

The council unanimously called on strikers at Volkswagen to return to work "as soon as possible".

Unionists would not comment on whether workers were likely to accept the offer yesterday, but it is believed that it does not differ substantially from that made to unions at an informal meeting last Friday. That offer was rejected by a union committee of Volkswagen workers.

In another development, a meeting of the industrial council for the tyre and rubber industry yesterday unanimously rejected a wage demand by striking Goodyear workers for a minimum of R3 an hour.

Goodyear will begin re-employing workers tomorrow after paying off all workers who failed to return on Monday.

Uitenhage workers back at work

Post 25/6/80

146

HUNDREDS of black workers who have been on strike in Uitenhage returned to work yesterday while hundreds of others were paid off.

Two emergency meetings which were held yesterday were to decide the future of thousands of other workers.

Work at Hella, Borg-Warner and Bata, has returned to normal, and the situation at Guestro Industries was also back to normal yesterday, according to the managing director, Mr J H Fehrsen.

At Goodyear Tyre factory, white women helped to get production going again. Administrative and supervisory personnel voluntarily helped produce tyres in a factory which had been paralysed by a strike of about 1 200 black workers.

Black workers at Goodyear, who were given an ultimatum to be at work by 7 am on Monday, turned up at the factory but immediately went on strike again. After negotiations with management most of them left in spite of a call to resume work in expectation of a decision by the industrial council meeting yesterday.

Goodyear expects most of its black workers will turn up today to collect their pay, and is planning to employ new workers tomorrow. Applications from workers who have gone on strike would be considered, a factory spokesman said.

The decision of the two industrial council meetings held yesterday in which Volkswagen and Goodyear were involved, is not yet known. — Sapa.

196

No union fighting for strikers at Goodyear

UITENHAGE — Unlike Volkswagen where two trade unions are involved, no union is party to the pay dispute at Goodyear Tyre, which has fired strikers and began rehiring workers yesterday.

But both strikes are illegal, according to labour experts.

A demand for a minimum wage of R3 an hour by 1 361 striking workers at Goodyear was rejected unanimously at a special hearing of the Industrial Council for the Tyre and Rubber Manufacturing Industry on Tuesday.

Mr Mike Selley, public relations manager for Goodyear, said 1 141 workers had collected their severance pay by yesterday.

The company had re-employed 131 workers and another 200 had applied for their jobs. Others would be asked to return at 6 am today.

He said priority was being given to the rehiring of workers involved in production.

Production was running at 50 per cent on tyres and 100 per cent on industrial products.

Most workers who had collected their severance pay had indicated they would apply to be rehired, he said.

Some of the workers at Goodyear are members of the National Union of Motor Assembly and Rubber Workers (NUMARW) or the United Automobile Rubber and Allied Workers (UAW).

But neither union has applied to the industrial council for recognition, Mr Brian Fredericks, the NUMARW national organiser, said yesterday.

He said the two unions, which worked closely together, had tried to assist the Goodyear workers but had been unable to give them their full assistance because they were busy with Volkswagen and SKF.

Mr Selley said Goodyear workers did not go through other channels open to them — the liaison committee comprising black members which negotiated with management, and the non-racial factory representative committee, which consisted of eight workers and eight management members.

At the request of management, workers elected a committee of seven to represent them in the wage negotiations, he said.

These representatives were not a party to industrial council proceedings, but had been specially invited to Tuesday's council meeting. — DDC

Goodyear rehires sacked workers

N Mercury 27/6/80

196

Mercury Correspondent

PORT ELIZABETH—Unlike Volkswagen in Uitenhage, where two trade unions are invloved, no union is party to the pay dispute at Goodyear Tyre, which has fired black strikers and yesterday began rehiring.

But both strikes are illegal, according to labour experts.

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Mr Mike Selley, public relations manager for Goodyear, said 1 141 workers had collected their severance pay by early yesterday afternoon.

Worked late

The company had re-employed 131 workers and the labour office worked late last night to process applications from another 200 workers. Others would be asked to return at 6 a m today.

He said priority was being given to the rehiring of workers involved in production.

He said production was running at 50 percent on tyres and 100 percent on industrial products.

Most workers who had collected their severance pay had indicated they would apply to be rehired, he said.

Some workers

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But neither union has applied to the industrial council for recognition, Brian Federicks, the NUMARW national organiser said yesterday.

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At the request of management, workers elected a committee of seven to represent them in the wage negotiations, he said.

2 The Cape Times, Saturday, June 28, 1980

Workers return to Goodyear

/86

Own Correspondent

PORT ELIZABETH. — While more than half of the 1 350 former workers streamed back to the Goodyear tyre factory yesterday, only about 100 of the 3 500 strikers at Volkswagen returned to work.

"We are producing a few units," said Mr Ruben Els, public affairs manager of the Uitenhage motor plant where production ground to a halt on June 16 when the black labour force downed tools in support of a minimum wage demand of R2 an hour. "None of our workers were fired. Those who return will simply take up their old jobs." The secretary of the National Union of Motor Assembly and Rubber Workers of South Africa, Mr Fred Sauls, said negotiations on the Volkswagen workers' demand would continue at Friday's Industrial Council meeting.

He said the union had mandates from its branch executive committees at Volkswagen, General Motors and Ford to continue to press for minimum pay of R2 an hour. The workers had rejected a compromise offer of R1,40.

Mr Sauls said the union rejected allegations by Volkswagen that workers were being intimidated.

The Goodyear public relations manager, Mr Mike Selley, said almost 500 former workers who were paid off on Wednesday were rehired yesterday.

12-hour shifts

"From Monday we will be working two 12-hour shifts a day. The overtime will help rehired workers to regain lost pay."

Workers were being taken back at their same pay rates since the walkouts on June 19 and June 23 after demands for a minimum hourly rate of R3.

Mr Selley said present hourly pay was between R1,23 and more than R3, depending on grade. No wage increases were due till March 31 next year.

"But that does not stop us from making adjustments when necessary," he added.

o Delivery vehicles in New Brighton, Port Elizabeth, were given police escort yesterday after four trucks were set alight in 90 minutes within a half-kilometre radius in the township. A police spokesman said the motive for the attacks was believed to be robbery. It was non-political, he said.

UNIVER
EXAMIN

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NOTE CAREFULLY

1. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
4. Do not write in the left hand margin.

WARNING

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

Few return to VW

196

28/6/80

UITENHAGE — While more than half of the 1 350 former workers had streamed back to the Goodyear Tyre factory yesterday, there was a slow drift back by only about 100 of the 3 500 strikers at Volkswagen.

Mr R. Els, Volkswagen's public affairs manager, said: "None of our workers were fired. Those who return will take up their old jobs."

The secretary of the National Union of Motor Assembly and Rubber Workers of South Africa, Mr Fred Sauls, said negotiations on the Volkswagen workers' R2 an hour demand would continue at Friday's Industrial Council meeting.

Goodyear's public relations manager, Mr Mike Selley, said almost 500 former workers who were paid off had been rehired. — DDC.

...human

CAPE TIMES 1/7/80 (1002) (96)

Tyre workers return

PORT ELIZABETH. — A large number of workers turned up at the Goodyear Tyre factory in Uitenhage yesterday for duty after about 1 300 of them were paid off during last week's strike.

A spokesman for management said about 1 000 workers were expected to be back on duty by last night.

He said the factory started working two 12-hour shifts yesterday to catch up with the production backlog, and with the 400 applications being processed daily it hoped to be on full stream by tomorrow.

Administrative personnel who helped to keep production going during the strike, had already returned to their posts on Friday, the spokesman said.

○ Many more workers reported for duty at Volkswagen's factory, where 3 500 workers have been on strike for the past fortnight.

A spokesman said the number was considerably more than the 100 who turned up on Friday.

He said production was continuing on a limited scale and a number of units was being completed daily. — Sapa

STAR 2/7/80 (ASA) (196)

Goodyear back to normal after strike

By Harvey Thomas

The giant Goodyear Tyre and Rubber Company in Uitenhage has re-employed 1 100 of its striking labour force and from today expects production levels to return to normal.

At neighbouring Volkswagen, a spokesman reported that there was an "encouraging increase" today in the number of assembly-line workers who had reported for duty.

The numbers working at VW has improved from 200 yesterday to about 300 today but the company is still crippled by the more than 3 000 workers who are staying away.

They are waiting for Friday's crucial meeting between the Eastern Cape branch of the Industrial Council and the unions when their demand for a minimum hourly wage of R2 will be discussed.

VW was unable to say today whether the big three motor companies in the Eastern Cape — Ford, General Motors and Volkswagen — would increase their earlier and rejected offer of R1,40 an hour.

But at Goodyear the factory appeared to have returned to normal with about 90 percent of the workers back at their posts. The company will "plug any gaps" next week with new hirings.

One of the world's top industrial trade union officials has arrived in Port Elizabeth to help resolve the wage dispute.

He is Mr Karl Casserini, assistant general secretary of the 14-million-strong International Metalworkers Federation.

Calan earnings up 30%

14/8/80

By DAVID CARTE
Deputy Financial Editor

WITH SUBSIDIARIES Omega-Barfel and Litecor, turning in "sparkling" performances, Calan, the plastics, rubber and electrical conglomerate, pushed up earnings 30% in the year to end June.

Turnover rose 24% to R183 360 000, pre-tax profit 53% to R11 331 000 and, with the tax rate up from 24% to 28,5%, taxed profit 44% to R8 092 000.

The minorities slice more than doubled to R951 000, but, with last year's loss-making Conti-Calan now sold, the associated companies' contribution rose 94% to more than make up. Taxed attributable profit was 45% ahead at R8 210 000.

With the number of shares in issue up 11% following the takeover of Dick Whittington Shoes, earnings per share rose 30% to 100c (77c). The final dividend was raised 5c to 29c a share, making a total of 40c for the year, a 21% increase on 1979's 33c.

Managing director, Mr LR Tollemache, told me that excellent results from plastic crate and container maker, Omega-Barfell and electrical subsidiary, Litecor, offset a sluggish performance by tyre and rubber maker, Natyre, once the group's biggest profit maker.

Mr Tollemache said Natyre did not benefit by the upturn in the motor sector as it supplied the replacement and not the original equipment market. It would take a year for today's boom in motoring to start benefiting Natyre.

The company was profitable, however, and improving.

All other subsidiaries were trading at record levels and, although he expected the tax rate to move up to roughly 30%, Mr Tollemache said there was "no reason to be pessimistic" about the immediate future.

Balance sheet ratios, had improved, he said, with debt:equity down from 100% to 94% and taxed return on equity up from 17,5% to 19%.

Calan had its eye open for acquisitions but was concentrating expansionary effort within existing operations. Capital expenditure of R10-million was planned, R1 500 000 of which was earmarked for a PVC compounding plant at Omega.

COMMENT: With Viannini and Conti-Calan sold and Dick Whittington bought, the group has changed, apparently for the better. Calan is unashamedly a conglomerate and although it is mainly in plastics and rubber, it has such unrelated businesses as Encyclopaedia Brittanica.

Its interests are so diversified, prospects cannot be judged by reference to one or two markets or industries. This and troublesome subsidiaries in the past, have hurt the rating. At 525c the share yields 7,6%, well above its conglomerate rivals, Rennies, Protea and Abercom.

Calan has the gearing to run with them in earnings growth over the next year or two but lacking an identifiable, exciting profit centre, will continue to trade at a discount to the others.

DD 14/8/80 146

Bandag tyres taken over

EAST LONDON — The Queens Tyre group has acquired the Bandag franchise in East London.

Queens Tyre signed a contract yesterday to buy the entire share capital of KEK (Pty), trading as Bandag Tyres in East London and Umtata. The Umtata branch is responsible for the distribution of Bandag tyres in Transkei.

Queens Tyre trades as Supertread Bandag in Queenstown and as Border Tyres in East London and is a subsidiary of Malbak Motor Holdings, parent company of Malcomess Toyota and Malcomess Sigma Peugeot.

Malbak Motor Holdings is a subsidiary of the quoted company, Malbak.

Announcing the takeover yesterday, Mr Tom Chalmers, managing director of Malbak Motor Holdings, said the company saw the new investment as a fulfilment of its commitment in the area.

"We believe we can carve ourselves a niche in this market and through this acquisition we will be in a strong position in the East London retread market," he added.

Signing the contract yesterday whereby Queens Tyre have acquired the Bandag franchise in East London is Mr Terry Chapman, newly-appointed group managing director of Queens Tyre. Watching him clinch the deal are Mr Errol Spring (left), managing director of Bandag Tyres in East London, and Mr Tom Chalmers, managing director of Malbak Motor Holdings.

The company had embarked on a considerable rationalisation programme recently, especially in the motor division, and the present expansion followed the Border area recording the highest Bandag growth — 72 per cent — in South Africa last year.

Mr Chalmers said he saw the Transkei and Ciskei as important market areas.

In the past the company supplied their retread market in the Border, Transkei and Ciskei from the Queenstown operation, but purchasing the Bandag factory in East London would boost the group's daily production capacity to 500 retreaded tyres, Mr Chalmers said.

The Queenstown factory was running at near full capacity and the new expansion would enable the company to look aggressively at the government and semi-government markets now.

The Queens Tyre group now control the Bandag franchise for the largest geographical area of any Bandag dealer in South Africa and are forecasting an annual turnover of R6 million.

Mr Chalmers also announced that Mr Terry Chapman, previously joint managing director of Queens Tyre in Queenstown with his brother, Roy, has been appointed group managing director for the enlarged Queens Tyre operation. Mr Roy Chapman will become MD of Supertread Bandag in Queenstown.

The marketing operation of Border Tyres and Bandag Tyres will now merge into one marketing team and trade as Border Bandag Tyres.

The head office of Queens Tyre will be transferred from Queenstown to East London. — DDR

Govt 'condones manufacturers' prices' fixed tyre

Mercury Reporter

SOUTH African tyre companies operate under a Government-condoned monopoly system that fixes tyre prices for delivery anywhere in the country, according to Mr Michael Waterson, director of the South African Tyre Manufacturers' Conference.

'Tyre manufacturing is a strategic industry and we have unofficial price control with Government approval,' he said.

He was reacting to a statement by Mr Marshall Cuthbert, general manager of the Durban Transport Management Board, that it was obvious that some form of tyre price maintenance was being applied by tyre manufacturers.

Mr Cuthbert said that in a recent tender inquiry tyre prices submitted by manufacturers were identical.

'I do not question the legality of the situation,' he said yesterday, 'but it is immoral.'

He said he was trying to cut costs and did not see how a Durban tyre manufacturer could tender the same price as a Port Elizabeth manufacturer who had railage costs.

A spokesman for the Competitions Board in Pretoria said vertical price maintenance had been outlawed by the Government and a manufacturer could not dictate prices to a retailer. There was nothing preventing manufacturers agreeing on their selling prices.

The DMTB was not acting as a retailer so there was nothing wrong with manufacturers submitting the same price for tender.

Consumers

According to Mr Waterson prices were fixed by manufacturers so consumers in outlying districts were not discriminated against. He said tyres were considered a strategic commodity and the Government price controller was consulted before prices were altered.

'A retailer in Poffadder will pay the same as a retailer in Durban for his tyres. But we cannot dictate the selling price,' he said.

He said he could not comment on Mr Cuthbert's opinion that the practice was immoral.

STAR 12/9/80

Michelin may quit SA

196

Michelin, one of the world's largest manufacturers of radial tyres and a sponsor of world champion racing driver Jody Scheckter, may withdraw from the South African market.

It is reported that Leyland, the Michelin distributors in South Africa for the past 22 years, have been told their agreement will be terminated in December.

increases, as the particle penetrates deeper into the medium . The density of energy deposited ($-dE/dx$) is therefore highest at the end of the range (fig. 25).

Relatively heavy particles such as the p or α are not significantly deflected in their collisions with the much lighter electrons in matter and the maximum energy lost per collision is only a tiny fraction of the p or α energy. These heavy particles therefore retain their original directions throughout the slowing down process and [illegible] not vary much from one [illegible]rgy (fig. 24(a)). [illegible]atter through large [illegible]omic electrons (of [illegible] fraction of their energy [illegible]eir detailed trajectories [illegible] to another and their [illegible]24 (b)).

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Michelin may quit SA market

Rom 2/9/80

Own Correspondent

CAPE TOWN. — Michelin of France, one of the world's largest manufacturers of radial ply tyres and sponsors of Formula One motor-racing champion, Jody Sheckter, may withdraw from the South African market.

The company sells about R9-million of car, truck and earth-moving equipment tyres in South Africa a year.

Sources say that Leyland South Africa, which has been Michelin's distributor for the past 22 years, may soon be told that its distribution agreement will not be renewed in December.

Michelin's apparent reason for withdrawing is that it does not have the production capacity in France to supply world demand for car and truck radial ply tyres and has decided to concentrate on the United States market.

It is believed, however, that Michelin could revise the decision by retaining representation in the earthmoving market, but this is unlikely to affect the expected termination of Leyland's distribution agreement as Michelin could deal directly with users.

Neither Leyland nor Michelin was prepared to confirm or deny the speculation.

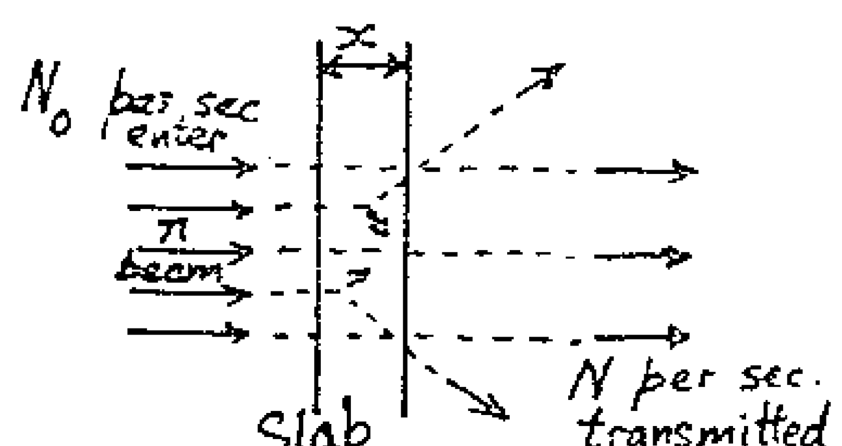


Fig. 26

[illegible] 33)

where α is the neutron interaction coefficient of the slab and depends on neutron energy and on the species and density of nuclei in the slab.

The neutron-nucleus interaction is either a nuclear scattering process, in which the neutron transfers some of its energy to the resulting (charged) recoil nucleus, or a nuclear reaction which usually leads to the emission of charged particles or gamma rays. Thus the secondary particles resulting from neutron interactions in matter are often charged particles and these particles then interact with the matter as described in (a). Hydrogenous media such as wax, water or plastic are of particular interest because a neutron can lose any fraction (0-100%) of its kinetic energy in a

single elastic collision with a proton. The maximum nuclear recoil energy E_{max} resulting from elastic scattering of neutrons (of mass m_n and energy E) on a nucleus of mass m_N is given by

$$E_{max} = 4m_n m_N E/(m_n+m_N)^2 \qquad \ldots\ldots (34)$$

Thus E_{max}/E is much smaller for heavy nuclei than for hydrogen.

(c) *Gamma rays*

The three most important effects in the interaction of gamma rays with matter are the photoelectric effect (described in section 2.1), the Compton effect (section 2.1,p.5) and pair production (section 2.3,p.8). Energy is transferred from the incident gamma photon to a photoelectron, a Compton electron or an electron-positron pair respectively. These charged secondary particles then interact with the medium as described in (a). As in the case of neutrons, the interaction of gammas with matter is a statistical process and is governed by an exponential absorption law of the form given by eq.(33) but with α representing the gamma ray absorption coefficient. This coefficient can, in turn be considered as the sum of components α_{PE}, α_C and α_{PP}, corresponding to the photo-, Compton and pair effects. Thus

$$\alpha = \alpha_{PE} + \alpha_C + \alpha_{PP} \qquad \ldots\ldots (35)$$

The absorption coefficients are largest for the heaviest elements (e.g. lead) and α_{PE} usually dominates for gamma energies below 0.5 MeV, α_{PP} for energies above $\sim$ 10 MeV and α_C for energies around 1 MeV.

A convenient measure for gamma interaction calculations is the half-thickness, analogous to the half-life in radioactivity. This is defined as the thickness $x_{\frac{1}{2}}$ of the particular medium required to reduce the fraction N/N_o (eq.(33)) to one half for a particular gamma energy.

$$\text{Thus} \quad N/N_o = \tfrac{1}{2} = \exp(-\alpha x_{\frac{1}{2}}) \qquad \ldots\ldots (36)$$

Some values of $x_{\frac{1}{2}}$ are given below (in mm)

Energy	Lead	Concrete
1 MeV	9.0	47.0
5 MeV	14.5	100.0

RDM 16/9/80 196

BTR interim doubled

By HAROLD FRIDJHON

IN the six months to June 27, 1980, BTR South Africa surpassed the annual profits earned each year by the group since incorporation with the exception of those produced during the last accounting period.

In the first half-year taxed profit was R6-million.

This must be compared with R2 478 000 for the period to June last year, R7 319 000 earned in the 13-month period to December 1979 and R4 758 000 for the year to December 1978 which was the average level of profit previously earned.

The interim dividend has been doubled to 22c a share from earnings of 40,5c. Total dividends last year were 30c from earnings of 49,7c.

The increased dividend does not only reflect the better results but also represents a move towards equalising the interim and final payments.

From the published figures it is apparent that the acceleration in the pace of the business started in the second half of last year.

In the first half of 1979 earnings were an average 16,5c, but 'in the second half earnings shot up to 33,2c and this year,' according to Mr Dru Gnodde, the chairman, turnover has taken off right across the board.

Every operation in the group has shown considerable improvement and Mr Gnodde expects this pace to carry through the remainder of the year.

Sarmcol, the rubber-processing company has been exceptionally busy supplying belting to the mining industry.

Conveyor belting is an important element in every mine and with the tremendous expansion in the mining industry, Sarmcol will no doubt continue to achieve full plant utilisation.

COMMENT: Assuming that the seconmd half of this year produces results just equal to those released this week, the annual dividend would be 22c, 1,8 times covered.

On last night's share price of 650c this would mean a yield of 6,7% which is high for an operation which is well managed, well spread and which should derive considerable benefit from this stage of the business upturn.

But, judging from Mr Gnodde's comments about prospects for the second half, BTR looks distinctly underpriced because earnings in the current half year should surpass those of the first half.

This means that shareholders can look to better earnings and a higher dividend because the average cover is lower than the 1,8 of the last six months.

STAR 9/10/80 (196) (316)

Unregistered union breaks new ground

One of the most extensive recognition agreements in recent labour history has been negotiated by an independent trade union.

It is the Metal and Allied Worker's Union (Mawu), an unregistered affiliate of the Federation of South African Trade Unions (Fosatu).

The agreement has been reached with the Tensile Rubber Company, Wynberg, Johannesburg, which is a subsidiary of the powerful General Tire Industrial Rubber Products group.

The managing director of the company, Mr H Schultz, announced today that negotiations were completed and the agreement would be signed in the near future.

The agreement went "far beyond" those negotiated at house and industrial council level by registered unions, a Mawu spokesman said today.

Its unusual features include:

- Full recognition of a shop stewards' committee, which will have negotiating rights on "all aspects of working conditions," including wages.
- The right to hold shop stewards committee meetings in company time.
- Report-back facilities for shop-stewards in the factory itself.
- Guaranteed consultation with the union on retrenchments.
- A health and safety shop-steward, who will liaise with management on factory conditions.

The union spokesman praised the company for its willingness to negotiate with Mawu in 1979, before the latter had applied for registration.

Other sources say negotiations were given added impetus in August this year by a two-hour stoppage over wages by the 200-strong Tensile Rubber workforce. A satisfactory wage-agreement has since been reached, the sources said.

TYRES FM 17/10/80

Raw deal (196)

SA's tyre industry, suffering what one trade leader calls a "penalty of local content," continues to press for increased tariffs to restrict imports in the crucial replacement market.

"We must have protection across the board. If the raw materials are protected, then the finished product must be protected," insists Michael Waterson, director of the SA Tyre Manufacturers Conference (SATMC), who is waiting for a decision on an 18-month-old application with the Board of Trade and Industries. "Local people are being put at a disadvantage."

While sales of new tyres have surged as a result of higher demand for automobiles and expanded activity in the mining industry, manufacturers complain that the government's programme of limiting imports of raw materials has hurt their ability to compete in the replacement market, which represents about 66% of the total trade.

The percentage of locally produced materials used in manufacturing varies greatly within the product ranges. Except for imported natural rubber and certain types of chemical additives and stranded wire, passenger car and small delivery van tyres are made with virtually 100% SA materials. In the heavy truck and earthmoving equipment range, however, about 65% of the production components are locally produced. Overall, the entire tyre industry uses about 75% SA-produced materials in replacement tyre manufacturing.

But that figure is expected to increase to about 90% as a Newcastle plant to produce synthetic rubber begins operation in mid-1982. Dunlop MD Clive Hooper estimates that the cost of the synthetic rubber will be about 50% higher than natural rubber, resulting in a potential 10% price rise to consumers.

Dunlop, a 30% SA owned subsidiary of the British-based multinational, does 53% of its turnover and earns 55% of its profits in the motor vehicle trade. Its earnings are up 44% in the first six months of 1980, reflecting the company's 19% growth rate this year. "The boom has been spectacular in the original equipment orders, which are 97% locally produced, but not in the replacement market," Hooper says. "And that's where we have excessive imports."

Import growth is particularly heavy in the medium range of 20 to 1 200 kilo tyres. Last year, importers, largely Japanese and Taiwanese, shipped 2 873 302 kilos of tyres in SA, while in the first four months of this year, 1 050 107 were brought into the country. If that trend continues, it would represent an astonishing growth rate of 165% in one year. In the over 1 200 kilo tyre range, however, imports are dropping at an annual rate of 28%.

The surge in original product sales does not necessarily mean that in the future replacement sales will increase as today's new tyres become obsolete. SATMC's Waterson explains that "it is difficult to tell when that factor will hit. People are driving more slowly, which reduces wear and tear, and new tyres are retreadable several times. So you can't say that it will have a substantial effect in a few years."

And those replacement tyres are certain to cost more as producers are denied permits to import cheaper raw materials. Understandably, then, SA manufacturers want higher tariffs on foreign products. Explains Peter Morum, MD of the 100% American owned Firestone concern: "Down the road, we'll have to be made competitive."

BTR SA

A new multinational

FM 14/11/80 (196)

Since gaining a JSE listing in the depths of the bear market in 1976, and that year failing to meet its pre-listing profit forecast, rubber products group BTR has come a long way. Not only are profits now fully entrenched on a growth path, but the local group is fast becoming a multinational in its own right.

BTR SA is 62%-owned by the UK's largest rubber group BTR, and, outside Europe, the SA operation is second only to the US subsidiary. The company has been in SA in a small way since around 1895, but the nucleus of SA's largest industrial rubber products manufacturer was only formed in 1970, when SA Rubber Manufacturing was merged with Rubber & Wheel. Since then, growth has been surprisingly good, despite the deep recession in the Seventies and the fact that BTR's products are not related to the fast-growing consumer market.

When BTR SA was listed, the five-year pre-listing profit record made good reading. Earnings had advanced from 10,5c to 33,4c, though dividend growth was somewhat pedestrian with the payout rising only 3c to 13,5c in that period. On listing, management forecast earnings for the year to end-November 1976 would be 40c with a 17,5c dividend. But with SA slipping further into recession, the cancellation and deferral of public and private sector contracts pushed earnings down to 30,8c, while a 16c dividend was declared.

Pulling earnings off the recessionary base took until 1978, when attributable profit amounted to 30,6c. Since then, growth has resumed. In the 13 months to end-December 1979, earnings were 49,2c, and this included two normally slack December periods, when some manufacturing operations run into losses. The first six months of the current financial year confirmed the strong recovery with earnings doubled to 22c, though, here again, the inclusion of December in the 1979 period does hinder comparison.

One of BTR SA's greatest strengths, and a factor which should keep earnings on a growing path, is management's determination that its sphere of activities will not become fuzzy. MD Len Dean maintains that consumer and industrial activities do not mix. So BTR SA is holding steady to a programme of expanding its diverse industrial rubber and industrial products.

Biggest in rubber

Currently, BTR SA manufactures or markets more than 2 000 products and is SA's largest industrial rubber products group. Products include rubber and plastic hoses and conveyors, rail fasteners, lubricants, electrical insulation materials, fork lifts, and a franchise for Detroit Diesel Allison equipment, which has the lion's share of the heavy diesel market.

Though this product range excludes potentially fast-growing consumer markets, it gives BTR SA strength through its close links with some of the more stable industrial sectors in SA, particularly mining and the SAR, where subsidiary Lesteel supplies 50% of all rail fasteners.

Dean says BTR SA plans to expand both locally and abroad, which promises to keep the firm foremost on the JSE list of profit gainers in the near future and to maintain its position in the international BTR group.

In 1970, the SA operation contributed some 33% of international group turnover and around 35% of profit. Since then, the percentage share of the international profit has fallen to around 10% of turnover and 9% of profit. This year, says Dean, BTR SA could kick in with about 12% of turnover and 13% of profit to an international group, which has been described as one of the most aggressive multinationals in the UK. With this contribution, SA ranks second behind the US operation, which contributed 25% of direct turnover last year.

Being part of a multinational corporation with turnover in excess of £433m, there are obvious advantages the SA operation can derive in both export markets and the field of technology. But Dean insists that the SA subsidiary gives as much as it gets and, in the near future, could well end up being the most dynamic foreign subsidiary of the multinational.

One field where the SA operation's expertise is notable, outside rubber, is rail fasteners. BTR SA has 50% of the local market and Dean has high hopes that the group's experience and this country's advanced rail system will see exports grow strongly. The UK parent has a fully fledged operation in Australia, yet Lesteel, in conjunction with Roberts Construction, has recently acquired some A$8m in export orders for rail fasteners from that country.

Lesteel contributes about 5% of group turnover. In the past three years, acceptance of the locally developed product has produced the Australian order, as well as a Brazilian joint manufacturing venture. And even more is hoped for a similar operation in the US. Dean says US rail accident experience is high and steps being taken to improve this situation promise an "astronomical market running into billions of dollars." And once an improving trend in rail safety becomes established, Lesteel's rail fasteners could become the market leader in view of their acceptance by the US authorities.

Thus, while rubber is set to remain the cornerstone of BTR SA's product range in view of SA's growing mining industry and the commitment of the international group to its expertise in rubber, spectacular growth is, perhaps, more likely in diversified activities. Dean says BTR SA should soon be joining with the parent's Singapore subsidiary to establish joint manufacturing ventures in Malaysia and Thailand, while the recently developed Ferret fault detector for underground cables is gaining international recognition. Other developments which will enable non-rubber operations to contribute more than one third of the total group turnover include plans to establish a security subsidiary and the recent acquisition of Laursens, which is a large exporter of container locking mechanisms to the Far East.

BTR's Dean . . . expanding at home and overseas

Sarmcol, the BTR SA rubber subsidiary, will, however, continue growing. Currently it is the largest single producer of industrial rubber products in SA, a dominance which should grow in view of Dean's plans to invest a further R9m in capacity during the next 18 months.

The recent international board meeting held in SA provided a further pointer to where BTR SA is going. The parent company has firmly committed itself to increase its current investment in SA, while the whole eastern region, including SA, is to benefit from large-scale investment which could increase the UK group's stake in these areas by 40%. And, if necessary, BTR will invest cash in order to keep its control on the SA operation while it expands.

Financially, BTR SA presents a healthy picture. Being foreign controlled imposes restrictions on local borrowing ability, but with the commitment of the UK parent, overseas finance would obviously present no problem should the need arise. Not that any real need is probable in the near future. Retentions in fiscal 1979 amounted to R4m, while group cash flow increased to R9,8m (R6,2m). And the debt: equity ratio is still low at 19% which, even allowing for the foreign control limitation, offers sufficient scope for near-term expansion.

A great deal of the kudos for this financial health obviously attaches to Dean's appointment as local MD in 1976. He agrees that his previous experience in his own international management consultancy practice has paid off in BTR SA, where stress is placed on tight money management and clear and precise reporting procedures. The recent rationalisation of the group into three basic divisions not only saves funds, but also the time of the executives. Dean's contribution is also apparent in the low staff turnover, which includes the loss of only one MD from a total of 16 since he arrived in SA.

Institutional stock

With so promising a future, it is not surprising to find BTR SA popular with the local institutions. So much so, that outside the parent's stake, the 17% held by GFSA and the institutions' investment, there is less than 5% of the 14,7m ordinaries available on the market. The expansion plans may not increase the number of issued shares in view of Dean's dedication to putting the group's funds to profitable use. Near-term acquisitions or expansions will be funded from cash flow rather than paper, while Dean points out that the company is using only about 10% of its debt capacity. But, equally, it should not hinder dividend prospects. Dean's attitude is one of "if we cannot use the cash, then dividend cover is low."

The coming few years are "the time of reckoning" for BTR SA. Forward planning and close ties with a technologically advanced parent should begin to pay off, but more exciting longer-term is the growing trend for BTR SA to become a multinational within a multinational. *Des Kilalea*

MANUF. RUBBER PRODUCTS

1982 - JAN ——— NOV. AND

1983 - JAN — DEC.

Sunday Tribune 17/1/82

74

TYRES IMPORT ROW

196

Finance Reporter

WHILE South African manufacturers are forced to pay up to 75 percent more than the average world price for some of their raw materials, the market is being swamped with imported new tyres and second-hand casings, says Dunlop's marketing manager, Lloyd Zaayman.

"It makes a mockery of the country's local industry," he says. "By buying these imported tyres we are providing jobs for people in foreign countries.

"South African tyre manufacturers have repeatedly called for a coherent tariff system which will promote equal protection against imported raw materials, as well as new and second-hand tyres," says Zaayman.

Tyre manufacturers see red

S. Dispatch 19/1/81 /196

EAST LONDON — A Russian made tyre casing discovered in Durban has encouraged new efforts by local tyre manufacturers to lobby for increased import tariffs on new tyres and tyre casings.

For the past five years the country's tyre manufacturers, through the South African Tyre Manufacturers' Conference (SATMC) have petitioned the Board of Trade and Industries to give increased tariff protection to locally made tyres.

The marketing manager of a major Durban-based company, Mr Lloyd Zaayman, said he saw red when he heard of the "Made in Russia" tyre casing on a Durban car.

He called for equal tariff protection against imported raw materials as well as new and second hand imported tyres.

But increased import tariffs on tyre casings may result in price hikes on retreads.

A spokesman for the Border branch of a major national retreading company said yesterday the need for retreads outstripped the supply of local casings and the company had to import casings to meet demand.

"We don't differentiate in price. The cost of a retread on an imported casing is the same as the cost of a retread on a local casing.

"At present we carry the loss on imported casings, which is marginal and which is influenced by fluctuations in the exchange rate between the rand and the dollar," he said.

Mr Zaayman said yesterday that tyre manufacturers were bound by the local content programme and that local raw materials cost an average of 75 per cent more than the average world price for some of the raw materials.

"It's making a mockery of the country's local industry. By buying these imported tyres, the South African public are providing jobs for people in foreign countries.

"It sickens me to think that our young men are being maimed and killed by Russian-made weapons on our borders while people at home run the risk of supporting Russian industry every time they buy a tyre.

"During the month of August last year alone, R5,3 million worth of new tyres were imported into this country, bringing the total for the period January to August to R23,2 million at FOB (free-on-board) value.

"The situation is likely to worsen now that local manufacturers have been forced to increase the price of their tyres because of the high cost of local raw materials," said Mr Zaayman.

Local retreaders say it is rare for a casing made in Russia to be imported into South Africa.

Many imported casings are bought from Europe and Japan, where there is considerable trade with the Soviet Union, and it is possible for a casing bought in Europe from Russia to be resold to South African retreaders.

The most recent application from the SATMC to the Board of Trade was in October last year. — DDR

RUBBER THREAT LOOMS

(196) Industrial Week 19/1/82

By Simon Cashmore

THE South African rubber industry, which has an annual turnover of R600-million and employs some 18 500 workers, is being threatened by an influx of cheap goods from abroad — and a dramatic rise in raw materials cost.

Alan Roberts, MD of General Tires tells Industrial Week: "I can't believe that the Government will allow such increases to take place, if they do we will be crippled — we may as well pack up shop".

Over the last five years imports of manufactured rubber goods have risen from R33,8-million to R67,3-million and this figure is expected to reach R84-million before 1983. Despite protective tariffs of up to 30% on some goods, imported items are still cheaper than locally produced goods.

About 110 000 tons of rubber is used annually, half of which is natural rubber.

All natural rubber is presently imported and not subjected to tariffs, but within a few months the cost of natural rubber may increase dramatically.

In August last year Karbochem applied for a 25% ad valorem duty on imported natural rubber. The Board of Trade has yet to make a decision.

Karbochem have applied for the tariff increase in order to protect their R350-million investment in a "synthetic natural rubber" plant in Newcastle.

The plant which would be on stream by the end of the year will convert isoprene into polyisoprene.

Rubber manufacturers have been horrified not only at the size of the proposed tariff but also at the expected price of Karbochem substitute.

The polyisoprene is expected to sell at between R1 600 and R1 800 a ton; the current natural rubber price without tariff is R950 a ton.

Karbochem justify the price by saying they want a return on their investment.

MANY South African manufacturers may have to cut the prices of their products by up to 40% if an expected change in the Government's tariff protection policy comes about.

But an official spokesman for the Department of Industries, Commerce and Tourism has denied any plans to change. He told Industrial Week: "I don't know how they can make such a statement, tariff protection is the only substitute for import control."

"We need some form of protection, we cannot let our industry go to the wolves."

196

Star 21/1/82

SA faces grave tyre shortage

South Africa is facing a shortage of new tyres and retreads, the worst in recent years.

This warning to the already hard-hit motorist and fleet-owner was given yesterday by Mr Alex Hawes, chairman of the National Retreaders' and Tyre Dealers' Association.

The warning comes after a call by major tyre manufacturers to have the duty on imported casings raised from R18.35 a 100 kg to R108 a 100 kg — an increase of about 600 percent.

"If we are unable to supply retreads it will mean there will be a bigger demand for new tyres. These are just not available off the shelf and the existing shortage will be aggravated.

"Some motorists have been waiting weeks for new tyres," he said.

Mr Hawes said the move, if successful, could lead to large-scale retrenchment in the retreading industry which employed about 6 000 people, mostly in the decentralised areas.

"Retreaders are totally dependent on imported casings from Europe.

"Manufacturers are unable to cope with the demand because of the growth in the car population and increasing consumer affluence," he said.

Tyre makers' tariff plea upsets retreaders

(96 RDM 1/2/82

By PENNY CUMMINS

TYRE manufacturers are the unhappy men in the middle, awaiting the result of a tariff applications which will affect the rubber industry.

They have applied for the import duty on used casings to be raised from R18,35 a 100 kg to R108.

"The duty on casings hasn't been changed for 30 years," says Mr M J Waterson, director of the SA Tyre Manufacturers Federation.

"Most of the casings are for truck and other heavy-duty tyres. They and new heavy-duty imports account for a substantial slice of the big-tyre market, easily 30%.

"This is a strategically important sector, yet we import casings dumped on the South African market rather than encourage SA production."

Mr Alex Hawes, chairman of the National Retreaders and Tyre Dealers Association, says retreaders depend entirely on casings from Europe and the Far East. It is essential that this supply should not be disrupted — if it is there would be widespread worker lay-offs in the retreading industry, as well as a shortage of tyres.

The Motor Industries Federation has also lodged objections to the tyre manufacturers' application.

The raw materials used in SA tyres are almost all protected, and the cost of producing tyres here is generally higher than in Europe or the Far East.

Mr Waterson says: "The consumer pays the full price, except for tractor tyres, which are subsidised.

"If we export tyres we are able to do so at a competitive price thanks to Government help."

The latest import substitution will occur when Karbochem's Newcastle plant comes on stream in the second half of this year.

Karbochem has put in for a big tariff increase on natural rubber to protect its synthetic product.

"But there must always be some natural rubber in a tyre, especially in heavy-duty tyres," says Mr Waterson.

"Polyisoprene tears sooner, has less grip, and a lower green strength than natural rubber. It cannot completely substitute for natural rubber.

"So the real effect of this increase will be to raise the price of an essential raw material for tyres, and the price will be higher."

The technology Karbochem has bought is not in use anywhere else in the world. The Pirelli plant in Italy used the same process and is now closed. Most other countries use the American process, Natsyn 2 000.

Karbochem is aware of the criticism. It has set up a marketing department under Mr Alex Olivier, who hopes to achieve a better understanding with the rubber and tyre companies.

"We hope that with co-operation we will smooth out any differences," he says.

Rubber technology research at UPE

(196) E. Post 2/7/82

By FRED ROFFEY
Business Editor

RESEARCH which could have a far-reaching effect on the tyre industry is being undertaken by the General Tire and Rubber Company in conjunction with the University of Port Elizabeth.

The research centres around the vulcanisation of a synthetic rubber derived from coal.

Some of the results might be available towards the end of this year.

The General Tire and Rubber Company, which sponsors the only chair of polymer and elastomer science in South Africa, is providing the University of Port Elizabeth with both technical expertise and testing facilities for research into the vulcanisation of polyisoprene.

This is a synthetic rubber made by Karbochem in Newcastle, Natal, and is derived from coal — as opposed to oil, which is most frequently used for synthetic rubber production.

Synthetic rubbers have been produced from the Karbochem plant at Sasolburg since 1970.

The new polyisoprene is said to be similar but not identical to natural rubber, and the compounding formulation has to be adjusted to use the material successfully.

"What we are doing is taking a fundamental look at the compounding recipes to achieve similarity in properties," said Prof William McGill, General Tire Professor of Polymer and Elastomer Science, who is leading the research.

"This is an intricate and time-consuming task, but research is well on the way to achieving the required formulation."

On the subject of whether the synthetic product would be cheaper on the South African market, he said the market prices for synthetic rubber did not fluctuate as widely as natural rubber.

Natural rubber prices were currently low.

In the short term, the synthetic product would be more expensive, but this was the case with most local content programmes which were in their early stages.

"General Tire is very much involved in the polyisoprene research and I am very closely associated with the company in the work, especially with its development compounder, Mr P J Swart."

He pointed out that as far as rubber research was concerned, this was the first time at the University of Port Elizabeth that fundamental work was being carried out.

If everything went according to plan, some definite answers could be expected towards the end of 1982 on whether a formula could be compounded which could be successfully adapted.

"Details will be published as far as possible, but formulations will naturally remain confidential to General Tire," said Prof McGill.

Dunlop's fear

196

75% rise in imported rubber price

POST 6/2/82

Financial Reporter

PLANS to make synthetic rubber at Newcastle and the Government's desire to encourage the project by applying heavy protective duties on rubber imports could mean that the price of imported rubber will rise by 75%, says Mr Clive Hooper, managing director of Dunlop.

He says in the company's annual report that most Dunlop products will be affected by the increased price of raw materials and cheap imports.

While the government plans to discourage rubber imports in favour of home-made synthetic rubber it is not helping SA rubber manufacturers to cope with the increased costs of synthetic rubber and is allowing imports of highly competitive finished rubber products.

Mr Hooper says that unless import restrictions are applied, SA manufacturers will be heavily undercut by imports.

He questions whether one of the synthetic products — polyisoprene — will be able to substitute for more than 50% or 60% of natural rubber uses. This rubber is made in large quantities in Russia, but not elsewhere as it does not meet the demands imposed by world competition.

Mr Hooper forecasts that car and truck sales will decline by about 10% this year from the 1981 peak of 453 000. Furniture and carpet sales should decline more than general consumer demand.

"The building industry with an uncompleted plan backlog should sustain demand for flooring products.

Imports of new and used tyres last year were double the level of 1979.

"Imports of cycle tyres and tubes from Taiwan in 1981 were double the 1979 level and represent one-third of the South African market."

Mr Hooper says the lifting of price control on tyres has resulted in freeing of investment. Normal market forces should encourage investment in the industry "unless imports based on cheap raw materials continue to flood in".

Dunlop's chairman, Dr T F Muller, forecasts that overall economic growth is likely to be between 1% and 2% this year "with a lower rate of increase in consumer demand, high interest rates and further steps to reduce inflation".

"This year will be a year of consolidation and limited growth. Earnings and dividends will increase in line with inflation and modest growth in the economy.

Tyre firm sees red

By Vera Beljakova

DUNLOP Tyres was wild when it heard that a Durban woman had found the stamp "Made in Russia" on the casing of a locally bought retread.

Managing director Lloyd Zaayman lashed out that "this incident typifies the situation that exists in this country".

"While South African manufacturers are forced to pay up to 75% more than the average world price for some of their raw materials, the market is swamped with imported new tyres and second-hand casings."

Last August alone R5,3-million worth of new tyres were imported, bringing the total for the period January-August to R23,2-million at FOB value.

"The situation is likely to worsen now that local manufacturers have been forced to increase the price of their tyres because of the high cost of local raw materials," says Mr Zaayman.

"South African tyre manufacturers have repeatedly called for a coherent tariff system which will promote equal protection.

BUSINESS 3 TRANSPO

Profits with efficiency at Dunlop

196

Star 9/2/82

Own Correspondent

DURBAN — In nine years Dunlop South Africa has more than quadrupled sales, and increased trading profit more than sevenfold while adding only eight workers to its labour force. This raises the number of workers from 4 958 in 1972 to 4 966 last year.

The directors' report for the year ended December spells out in statistical detail what the Durban-based group has achieved in operating efficiency and profit.

UNCHANGED

Equally remarkable was that the gains were not the result of changing a labour-intensive industry to a capital-intensive one for equity capital has remained unchanged and loan funds have dwindled since 1972 from R20,4-million to only R1,6-million.

Reinvested profits have slightly exceeded capital repayments, raising total capital employed by half from R44,7-million to R67,3-million.

Dunlop's labour policies must have had a lot to do with it. Regarding itself as a responsible employer, Dunlop provides common conditions of employment for all workers of the same status, creates job-advancement opportunities for all and emphasises good labour relations.

"These policies and practices," the directors said, "contributed to a large extent in minimising the effect on the group of the widespread labour unrest caused by nationwide opposition to the Government's proposed legislation on the preservation of pension contributions."

SYNTHETIC

However, problems lie ahead. Dunlop's managing director, Mr Clive Hooper, expresses concern about tariff-protection expected to be given this year to locally made synthetic rubbers.

"If the duty is granted, imported natural rubber will rise 75 percent on landed cost, reflecting the cost premium for the local product," he said.

(196) (~~79~~) Mercury 11/2/82

Tyre retreaders oppose rise in casings tariffs

Financial Editor

TYRE retreaders are to oppose strongly the application by tyre manufacturers for a substantial 600 percent rise in import tariffs for tyre casings.

Mr Stan Spinks, managing director of the retail division of Quinton Hazell Superite in Durban, said retreaders were forced to import about 500 000 casings a year because they could not get enough locally.

'We would be only too happy to get our casings in South Africa but there are not enough for our purposes. We think the price of retreads will double if this application goes through.'

Import duty

The tyre manufacturers have asked the Board of Trade to increase the import duty on casings from R18,35 per 100 kg to R108 per 100 kg.

The Motor Industries Federation is also opposing the move which was made, and failed, in 1975, 1977 and 1979.

Mr Spinks said that while import duties on new tyres that could be made in South Africa was acceptable, the new tariffs on casings were not.

He said that only about one in four of every tyre bought to them for retreading could be used and the demand was far greater than this.

All major retreaders had written to the Board of Trade opposing the application.

Accidents

Mr Spinks said that even a lesser rate of import duty would threaten their existence and could lead to unemployment and an increase in the accident rate.

'We think that people tend to use their tires to the very last and that the one mm tread requirement is not enforced very strongly.

'A substantial retail price increase — possibly a doubling of the price — would mean that people would use their tires even longer and be a danger on the roads.'

Mr Spinks said the recent decline of the rand against the dollar had meant that imported tyre casings were becoming more costly and that they were hardly profitable. As it was, there were always a fair number of rejects in their casing imports.

196

Sunday Tribune 14/2/82

OPPOSITION TO PLANNED KARBOCHEM PROTECTION

By MIKE PEIRSON
Finance Editor

OPPOSITION is growing daily to the suggested massive protective tariff system designed to give synthetic rubber manufacturers Karbochem a healthy send-off when their R350-million Newcastle plant comes on stream later this year.

Latest among the users to join the furore this week was John Allison, managing director of Natyre, who was adamant that any industrial venture which had to hide behind a 75 percent (and in some cases 100 percent) protective tariff was ill-conceived.

"Rubber is at its lowest price ever," said Allison. "Surely it would have been more in the Government's interests to have stockpiled rubber (which has inherently good storage characteristics) for a couple of years than embarked upon Karbochem.

"The cost of that project is equal to the projected cost of eight years rubber useage in this country. Just think how much could have been stockpiled."

He claimed the exercise was going to be highly inflationary and that the cost of tyres could go up as much as 40 or 50 percent as a result. The product might not be as good as the imported raw material and there would be many adaptation problems.

Clive Hooper . . . "policy a real cause for concern"

Accepting that there was no stopping the project at this stage Allison did suggest a logical compromise.

"With the pressure being brought to bear by users, maybe the people at Karbochem should take another look at their schedules of profitability and be prepared to accept lower profits or even a loss factor in the initial stages in the interests of the consumer."

Dunlop's managing director Clive Hooper said in his latest annual report: "A real cause for concern is the Government's policy of establishing monopolistic single source suppliers of raw materials which would not be economically viable without heavy duty protection or import permit control.

"This level of protection is not extended to manufacturers using these raw materials and new, and even used finished products are freely imported under the guise of free trade.

"This reduces demand on the local raw material suppliers who then have to increase prices further to restore their position."

Nowhere were the distortions created in the market place better illustrated tan the application for duty on all rubbers imported to protect the Newcastle project, making polybutadiene and polyisoprene.

"If the duty is granted," said Hooper, "imported natural rubber will rise 75 percent on landed cost, reflecting the cost premium for the local product.

"Unless adequate tariff protection is afforded, all products using natural rubber (or polyisoprene) will be heavily undercut by imports of new or used finished products, or substitute products not based on natural rubber.

"A further serious question is whether polyisoprene can substitute more than say 50-60 percent for natural rubber even after further development and technical testing.

"Polyisoprene is uncompetitive overseas and made in very limited quantities, except in Russia, where the market does not demand world competitive products."

David Marlow chairman of Karbochem is on record as saying that 80 percent of car tyre composition was synthetics and only a minor percentage natural rubber, which should not, therefore, affect the price of car tyres too much.

He told Pressmen on a visit to the Newcastle plant last year that the consumption was 110 000 tons a year. The country was importing 50 000 tons of natural rubber annually. Karbochem could produce 45 000 tons. While they were not aiming at 100 percent substitution, in the event of trade boycotts, production could be stepped up to fulfil total demands.

He claimed that the effect on the cost of tyres by utilisation of their substitute PIR would be between 5 and 10 percent.

The highest increase would be in the area of large truck tyres which used more natural rubber.

He talked then of a 25 percent ad valorum tariff. This seems to have escalated somewhat, although as a result of what the Minister of Industries Dawie De Villiers said this week it will be interesting to see what the Government will do with Karbochems request.

De Villiers speaking at the opening of Salcast's Benoni factory said there was no way the Government would provide protective tariffs for industry as a substitute for inefficiency on their part. It was essential as local industry manufactured a product that would be competitive with overseas competitors.

On the question of imported tyres, which made up only 10 percent of the market, Allison said it was necessary to retain imports for two reasons:

- It forces local manufacturers to maintain a certain quality in their products;
- Imported tyres tend to influence pricing policies of local tyre manufacturers —all part of a cartel.

Local tyre manufacturers did in fact import tyres themselves and formed part of the 10 percent.

Natyre, said Allison, had achieved a large growth in the first six months of their trading year. Sales are 69,8 percent up on the figures for the same period last year and the company has recorded a 7 percent increase against budget.

This year they are set to achieve more than R50-million in turnover. Less than two years ago they had 23 branches and four retreading factories. Today those figures are 43 and eight respectively.

You may soon pay a lot more for tyres because of protection of the local industry.

DUNLOP (196) FM 19/2/82

Flattening out

Activities: *Manufactures tyres and automotive products, as well as belting, hose, floorings, mattresses, rubber components and sports goods. 51% of the equity is held by Dunlop Holdings (UK).*
Chairman: *T F Muller; managing director: C R Hooper.*
Capital structure: *15m ordinaries of 50c; 750 000 6% cum prefs of R2. Market capitalisation: R105m.*
Financial: *Year to December 31 1981. Borrowings: long- and medium-term, R1,6m; Net cash: R459 000. Debt:equity ratio: 11,0%. Current ratio: 1,5. Group cash flow: R24,3m. Capital commitments: R7,4m.*
Share market: *Price: 700c (1981-82; high, 780c; low, 560c; trading volume last quarter, 103 000 shares). Yields: 18,3% on earnings; 10,3% on dividend. Cover: 1,8. PE ratio: 5,6.*

	'78	'79	'80	'81
Return on cap (%)	25,6	36,9	32,6	44,4
Turnover (Rm)	106,2	127,1	157,5	211,4
Pre-tax profit (Rm)	11,8	15,3	22,8	31,5
Gross margin (%)	13,1	13,1	14,8	15,2
Earnings (c)	52,6	64,6	93,4	128,3
Dividends (c)	26	34	51	72
Net asset value (c) ...	225	257	317	373

After better than expected results in 1981, this year is expected to be one of consolidation for Dunlop. MD Clive Hooper believes sales and profits will keep up with inflation and the limited real growth anticipated in the economy, as will earnings and dividends.

On the basis of past performance, it seems likely that the company will at least meet these modest predictions this year. But it is most unlikely to match the 40% compound growth in earnings and the 44% compound growth in dividends of the past four years. Management is budgeting for economic growth of 1%-2% and is assuming inflation still way up in double figures.

Last year turnover rose 34% to R211,4m which, on wider profit margins, helped the group increase pre-tax profits by 38% to R31,5m. Real growth accounted for 20% of the sales increase, with second-half growth being sustained by a spate of tyre buying ahead of December's 12,7% price hike. Although products sold to the retail sector showed a softening in demand towards the year-end, all of the group's divisions benefited from the economic advance.

Last year sales to the motor industry sales went up 11,3% to 59% of the group's total, and provided 60% of total trading profit. In the coming year, motor vehicle sales are expected to reduce by 10% from last year's high of 453 000 vehicles. Sales falls could be offset as price control on tyres — a "voluntary" matter for 40 years or so — has now been abolished. The return to normal market forces should lead to better returns and encourage further investment in the local tyre industry which, says Hooper, should lead to a "modest improvement" in sales and profits.

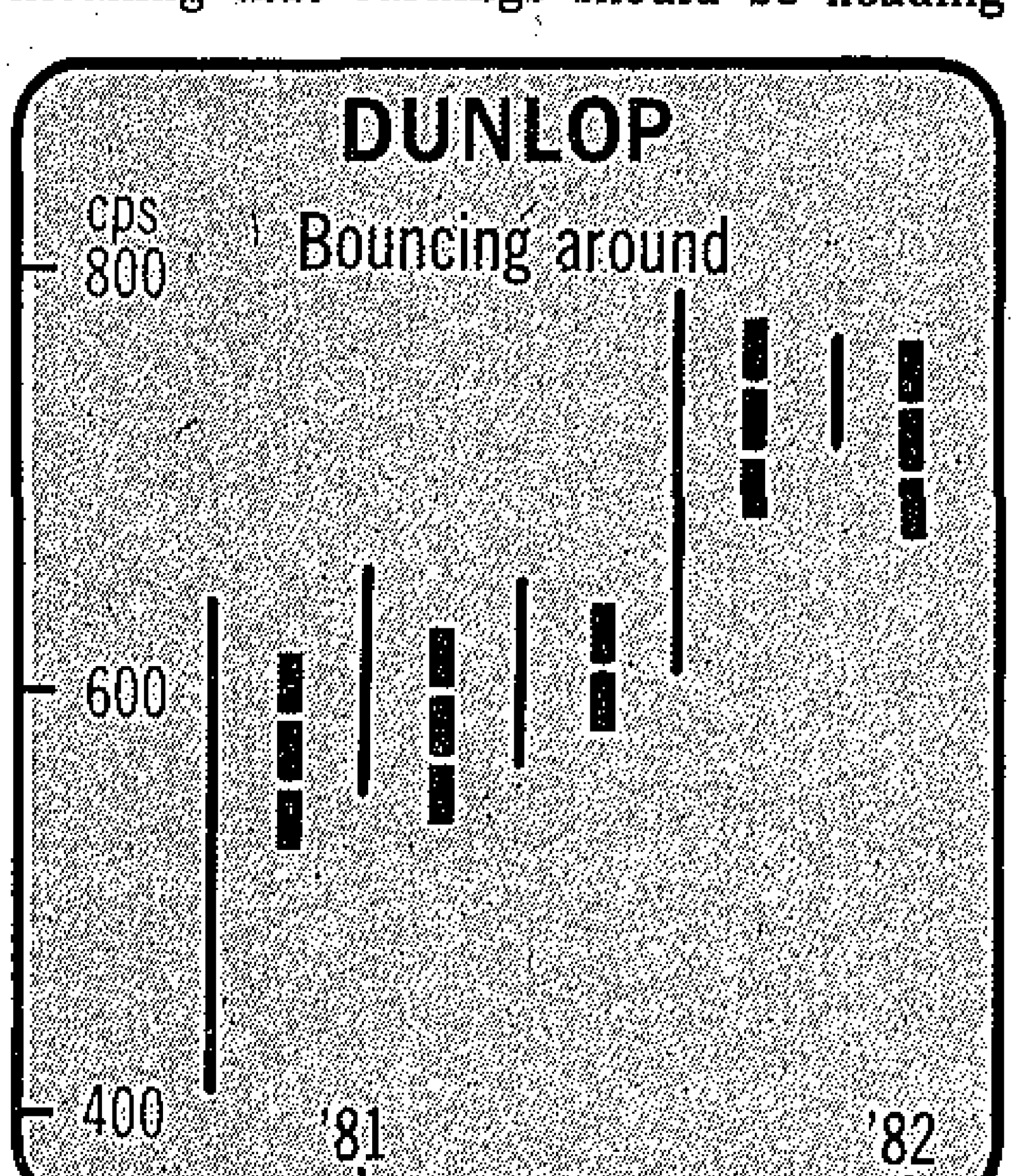
However, this, he says, presumes a coherent tariff policy protecting raw materials and finished goods from imports based on cheap raw materials. He argues that his company is at a disadvantage as it buys expensive raw materials from local monopolists who are granted duty protection and import control while finished products can be imported freely.

Compared with the tyre and motorparts division's turnover and profit advances, those of the mining equipment and consumer goods divisions were pedestrian last year. However, management is counting on the mining and consumer sectors to provide sufficient growth to more than compensate for lower demand by the motor industry in 1982.

Dunlop is engaged in a three-year R25m capital spending programme aimed largely at removing bottlenecks at its production facilities. This should present no financial stress, though it may result in some dividend restraint. Until the rate of inflation drops, it is planned to maintain dividends twice covered compared with last year's 1,8 times.

With a debt:equity ratio of only 11%, the balance sheet is well able to support additional debt capital, though that is unlikely to be resorted to unless a major capital programme is undertaken. At this stage of the economic cycle maintenance of operating ratios is probably as important as continuing growth.

On management's estimates, the total dividend should rise to about 80c this year, meaning that earnings should be heading towards 160c if cover is increased to finance the capex programme. At 700c the share is on a minimum prospective yield of 11,4%.



In view of the group's record and the probability that it will maintain a pattern of soundly-based growth even while the economy's growth rate slows, the share seems to be good value. However, the market itself is likely to move lower in the first half of this year and there may well be better buying opportunities in the near future.

Dirk Hartford

RUBBER DUTY 'IS TO PROTECT LOCALS'

196

Sunday Tribune 28/2/82

Finance Reporter

SENTRACHEM'S controversial application to the Board of Trade for a protective duty of up to 75 percent on imported rubbers is "designed as a protection against foreign manufacturers dumping rubber on the South African market" according to Alex Olivier, a Sentrachem director.

It will be applied only to rubbers imported at "disruptively low prices", and then on a variable scale — the lower the price, the higher the duty.

Sentrachem's application for a 25 percent duty to be imposed on rubbers imported at normal Western prices, to bring them into line with its domestic prices, still stands.

All these applications for duties are designed to protect Sentrachem's massive investment in its new Karbochem rubber-producing plant, at Newcastle, which is due on stream this year.

Although the plant is one of the most modern plants in the world, Olivier says: "We have a 25 percent cost disadvantage against other manufacturers, normal Western competition and can prove it."

The main reason for the punitive duties Sentrachem is applying for is that the imposition of a straight 25 percent duty on dumped rubber would still enable importers to land it at substantially less than its domestic prices.

He mentioned natural rubber - polysioprene for which the current domestic price is R1 430 a ton as an example.

If an exporter who was prepared to sell it at R1 000 a ton could be found, the imposition of a 25 percent duty would enable the importer to land it at R1 250 a ton — well below the current domestic price.

Direct

1982 —Supplement to Mining Week 10 March 1982

Treading too lightly

By John van der Meer

196 ~~131~~ Industrial week 9/3/82

WITH the current tyre shortage reaching grave proportions, many fleet managers are taking dangerous and illegal steps to combat this.

According to Mr Alex Hawes, chairman of the National Retreaders and Tyre Dealers' Association, truck owners are allowing their vehicles to run on tyres with a minimum tread — or no tread at all — in an attempt to overcome the present shortage.

"With this irresponsible practice, safety factors are reaching dangerous levels.

"Tyres are being used longer than is safe and it is up to the operator to ensure that sufficient stocks are kept to avoid danger point," Mr Hawes said.

Inventories

Unfortunately, there is not sufficient law enforcement to keep regular checks on tyre wear due to the manpower shortage in the provincial and municipal traffic departments.

Mr Hawes, who is also MD of Quality tyres, said normal inventories of tyre stocks were down to one-third of a month while normal stocks should be of two months' duration.

He said that dealers had been "just managing" since October last year. Tyres were no longer an off-the-shelf item.

"Dealers have been avoiding panic buying and have been very sensible about this by limiting the number of tyres per customer."

While being interviewed Mr Hawes was faced with what is now a "daily occurrence".

Stuck

A customer's vehicle was stuck in Durban without a tyre desperately needed for the haul back to the Reef.

"We managed to find a tyre for him from another branch in Durban however and the matter was quickly resolved. But this is a typical situation in which we find ourselves.

Light

However there is light ahead. Mr Hawes predicted a slight downturn in the country's economy towards the latter half of this year but it would not be until the end of the year when dealers would once again be "really stocked up".

Coupled with that, the last two years had seen tremendous growth in the tyre manufacturing companies and the country would soon see a new generation in the tyre industry.

Tyres to go up again

196

RDM 12/3/82

By LIZ McGREGOR

IF YOUR car tyres are looking tired, replace them now — the price of tyres is expected to rise another 15% within the next year.

Commenting on yesterday's shock increase of 4,6%, the chairman of the Retreaders and Tyres Traders' Association, Mr Alex Hawes, said he was relieved the increase was not any higher.

Yesterday's price rise was the second in less than three months — and the worst is still to come.

The soaring cost of the raw materials that go into the manufacture of tyres will push the price of tyres up by another 15% in the next 12 months, according to Mr Hawes.

Mr Peter Morum, chairman of the Tyre Manufacturers' Conference and managing director of Firestone SA, said the drop in the value of the rand and the rising rate of inflation also contributed to the increase.

Mr Morum said the tyre manufacturing industry was only passing on the increasing costs of making tyres.

The cost of producing tyres had already risen beyond the 4,6% granted by the price controller.

The industry had had to absorb the extra costs, he said.

A new tyre for a luxury car such as a Mercedes Benz will now cost R57.50.

A tyre for a smaller car such as a Ford Escort will cost R42.

Dunlop plans to expand

196

E. Post 1/4/82

DURBAN — Dunlop South Africa plans substantial capital expenditure over the next three years on a programme to expand and modernise existing production facilities and to extend the range of its industrial and consumer products, Dr T F Müller, the group's chairman, announced here.

He said that to provide part of the funds required, Dunlop intended to raise about R15 million by way of a rights offer to its ordinary shareholders.

Dunlop International AG, the immediate holding company of Dunlop and holder of 51% of the group's share capital, would take up its rights in full, Dr Müller said.

Arrangements were being made for Dunlop Holdings PLC of UK, the ultimate holding company of Dunlop, to underwrite the balance of the rights issue.

The details of the rights offer will be announced shortly.

The new shares to be issued will rank for the interim dividend to be declared in July.

The board of Dunlop SA intends to maintain the current level of dividends on the increased capital. — Sapa

ARGUS 2/4/82 (196)

R2,5-m loss in tyre plant fire

FIREMEN wearing special breathing apparatus fought to bring a blaze in a tyre plant and service centre at Natyre, Voortrekker Road, Kensington under control today.

A pall of thick black smoke spewed from the building as thousands of workers streamed to work in the Factreton and Kensington industrial complex.

The fire, estimated to have caused damage running into more than R2½-million started at 5.30 am in the plant's rubber paint section. 'We managed to save the records but the whole plant has been extensively damaged,' said general manager Mr S Cohen.

A factory spokesman said a worker had retrieved the plant's safe and placed it in his station wagon — but the safe had reportedly been stolen from the vehicle. The theft has not been confirmed.

Eight fire engines, a mobile hydraulic platform and a service van with breathing apparatus went to the scene at the corner of 12th Avenue and Voortrekker Road.

The fire swept through the plant, storeroom and office administrative block. The cause of the fire was unknown, but believed to be because of an electrical fault.

Police dog handlers were called to disperse crowds as asbestos roofing sheets exploded from the heat, sending shattered fragments showering into the road.

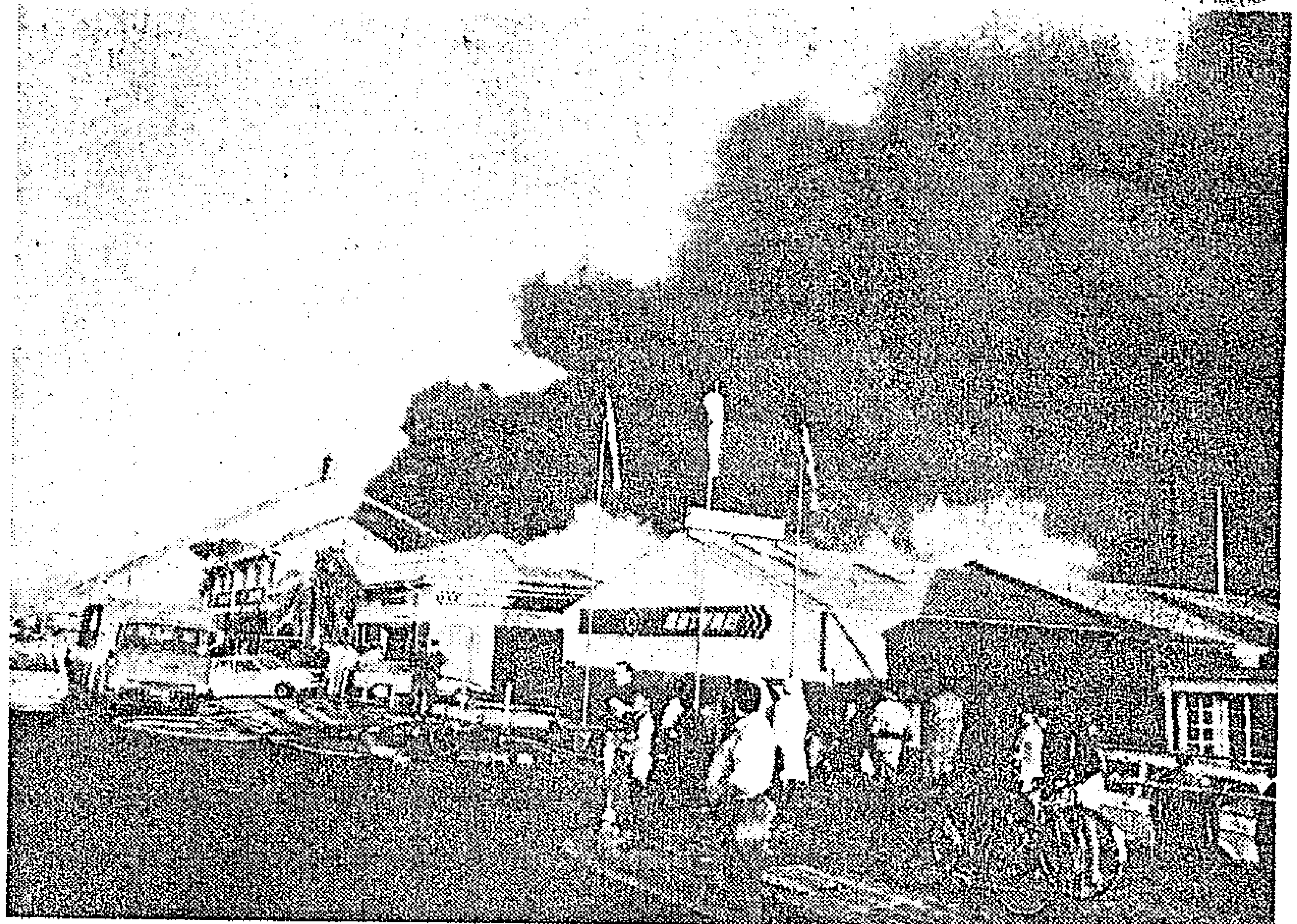
Mr Hoosain Sungay, manager of a nearby cafe at the corner of 12th Avenue, said: 'Somebody banged on my door at about 5.45 am and said there was a fire at the plant.

'At first I thought the man was joking but then I looked outside and saw the black smoke pouring out of the building.

'I telephoned the fire brigade at about 6 am and was told the fire had already been reported.

'I was afraid for my own cafe as I am a general dealer and have liquid petroleum gas stored here but then I saw my premises were safe as firemen had contained the fire at the building.

Mr Esau F Jones, a former member of the defunct Coloured Representative Council, who works nearby, said: 'This must be one of the biggest fires I have seen.'



BLACK smoke pours from the plant storeroom and administrative block of Natyre in Voortrekker Road Kensington, today.

Thieves lift R1 500 while factory burns

CAPE TIMES 3/4/82 (196)

Crime Reporter

WHILE firemen battled to bring a blaze at a tyre factory under control yesterday morning, thieves broke into the vehicle of a senior company executive and stole R1 500 in cash which only minutes earlier had been removed from the firm's safe.

Captain Jan Calitz, senior police liaison officer for the Western Cape, said police were investigating a case of theft following the disappearance of a briefcase containing the money.

The blaze at the Kensington plant of Natyre broke out about 5.30am in the painting section.

It is understood that a mixture of benzine and rubber chips was in the area.

Four men at the plant tried to put the fire out. Failing, they called the fire brigade.

The first call was received about 5.45am and within minutes two fire engines were at the scene.

Six fire engines

Eventually six engines, including two turntables, were in operation. Also in attendance were members of the ambulance service's Metro rescue team and police.

Thick clouds of acrid black smoke covered the area. Flames leapt 20 metres and firemen had to use breathing apparatus.

Police said later that a company executive had removed R1 500 in cash from the safe and put it in his briefcase. He then locked the briefcase in his vehicle. Later he found it had been broken into and the money was missing.

Damage

The fire was under control by 7.49am and by 10am only two fire tenders remained at the scene, with firemen conducting dousing operations.

Smoke still rose from the factory, which was severely damaged.

The roof of one section collapsed totally and the contents of the building appeared to have been ruined.

Mr Sydney Cohen, general manager of the firm, said the warehouse and main factory had been destroyed and it would cost R2,5-million to repair the damage.

The factory would be out of business for several months but the public would not be affected as the firm had branches and factories in other parts of the country.

The serious problem at the moment was the inability to retread as a result of the fire.

Mr Cohen said the firm's records had been salvaged as a result of the "tremendous spirit" of the company's staff.

"But I have difficulty understanding why the fire started," he said.

 196 D. Dispatch 28/4/82

East London to share in R56m Dunlop plans

BY TOM LOUW
Business Editor

EAST LONDON — Plans are being drawn up for modernisation and the introduction of new technology at the Dunlop factory in East London.

Dunlop's general manager here, Mr Nigel Yeadon, said yesterday provision was also being made to expand production.

These developments will form part of the R56 million Dunlop South Africa is to invest over the next three years in the expansion and modernisation of its production facilities, and in the extension of its range of industrial and consumer products.

Mr Yeadon was not able to indicate the amount that is likely to be spent in East London. He said it would be proportionate to the local operation's share of the total business done by the group.

In Durban the group managing director, Mr Clive Hooper, said the past five years had been characterised by increasing productivity in the company from both men and machines.

"If one looks back 10 years to 1972, Dunlop's turnover has quadrupled with only eight extra employees (from 4 958 to 4 966), while the cost per employee has more than trebled," he said.

"In addition, the motor industry has recovered from a recession which bottomed in 1977; asset management has led to investment in growth areas, such as consumer and industrial, with disinvestment from unprofitable areas and products; and efficient management of cash flow has seen debt-equity gearing drop from 53 per cent in 1976 to only three per cent last year."

Mr Hooper said the improvement in the fortunes of the motor industry meant that about 60 per cent of Dunlop's sales and profits now came from this source, which was supplied by four of the five product divisions.

"While motor vehicle sales are expected to decline from 453 000 to 405 000 this year, high vehicle sales in 1980 and 1981 will lead to strong growth in the replacement market, which is nearly double the size of original equipment sales in our product ranges.

"We believe the authorities cannot permit the situation to continue where the 1981 value of imports of new and second-hand tyres for retreading has doubled in the last two years and, in fact, now exceeds the value of natural rubber imports used in the tyre industry.

"This is especially so when a duty of about 75 per cent is under consideration to protect 1983 local manufacture of polyisoprene as an eventual 50 to 60 per cent substitute for natural rubber."

Mr Hooper said the substantial capital expenditure over the next three years would enable the group to meet its objective of real growth in sales and profits in line with the South African economy and maintain dividends on an almost twice covered basis.

To provide part of the capital required, Dunlop announced a rights offer last week of 2,7 million shares at a price of 575 cents per share which will raise R15,52 million.

They will be issued on the ~~bais~~ of 18 rights for every 100 shares held.

These shares will rank for the interim dividend to be declared in July. The Dunlop board intends to maintain a dividend of at least 72 cents on the increased capital.

Address: 2nd Floor
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GENERAL WORKERS UNION OF S.A. (GWUSA)

RUBBER (196) FM 30.4.82

Protection poser

Even the whopping 75% tariff protection on imported rubber applied for by Karbochem may be insufficient to protect it from foreign competition.

The Director of Import and Export recently told rubber importers that the directorate would like to ensure that maximum use is and will be made of locally manufactured raw materials and that imports are confined to only those products where, for technical reasons, the locally produced raw materials are unsuitable. This would naturally reduce to a minimum the dependence of local industry on overseas supplies."

At present Karbochem supplies roughly half the local rubber demand. But when its Newcastle plant, originally estimated to cost R150m and now expected to runout at about R400m, comes on stream later this year it will supply at least 90% of local needs.

Meanwhile manufacturers and merchants currently being granted import permits for natural and synthetic rubber have been asked to supply audited statements of stocks and consumption.

"All permits for rubber," they have been told, will be issued on the basis of both tonnage and value, as this system is more readily adaptable to the wildly fluctuating prices currently being experienced."

Reason given by the Director for the tightening of import control is "the need to conserve foreign exchange reserves for the importation of only such commodities as may be regarded as indispensable for the further development of the national economy."

However, importation of downstream products such as tyres, conveyor belts, hosing and V-belts appear to have escaped this protection. A Department of Commerce spokesman says: "We still allow the import of full and reasonable requirements of importers depending on factors like turnover and their position in the market place."

Reasonably free imports are causing manufacturers of rubber products to lose business to foreign competitors. And they say they will not survive unless government protects them with yet steeper import tariffs or more stringent import control.

What's needed says Dunlop MD Clive Hooper is not the "mixed system" of protection given to raw materials and finished products but a system which would afford the same protection to both.

Hooper says that growth on imported tyres over the last three years is unacceptably high. Last year new tyre imports totalled 11,7m kgs worth R36m, up from 1980's 7m kgs at R17m and 1979's 5m at R12m. Second-hand tyres and used casings totalled another 5,4m kgs worth R3,6m, up from R1,3m in 1979.

Hooper says the value of natural rubber imports used in the industry is only R30m. "Imported tyres and casings are worth R10m more." Obviously the level at which the industry is forced to use local raw materials means local finished goods are heavily undercut by competitively priced imported finished rubber products. In the present worldwide slump the price of rubber and synthetic rubber internationally is 50% less than the local produced synthetic.

Manufacturers say they are losing out on tenders in competition with imports. For example conveyor belting is priced 20%-25% below the locally manufactured equivalent.

Says Tony Hesp, BTR/Sarmcol MD: "If government concedes the 75% duty on raw materials, the finished products industry won't survive unless there's corresponding protection for conveyor belts, hoses, V-belts and general rubber goods. These will cost 50% more than imports which at present are 20%-30% cheaper."

JEWELLERS AND GOLDSMITHS UNION

Year	Membership				
	African	Asian and Coloured	White	Total	
1970					
1971					
1972					
1973		98	320	418	x
1974		28	294	322	x
1975		26	305	331	x
1976		21	201	222	x
1977		30	347	377	x
1978				..	
1979				445	$
1980				460	Fosatu Annual Report 1980/81

Address: 201/4 City Centre
Corporation Street
Cape Town
80

Telephone: (021) 433658

Officials:

Area of Oper

Founded: 1

Registration

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other unions

What artisans' take-home pay will now be

E. Post 11/5/82

196

Post Reporter

A NEW wage and lay-off agreement will mean that artisans in the tyre and rubber industry will take home a minimum of R195,75 for a 45-hour week.

Last week the Evening Post reported that artisans at Firestone, General Tire and Goodyear would receive a minimum weekly wage of R171,50 in terms of a new Industrial Council Agreement. This was incorrect.

According to a spokesman for the industry, workers will take home a minimum of R62,10 a week, and not R141 as was reported.

The agreement increases the minimum wage of artisans after nine months by 35c from R4,35 to R4,70 an hour. The minimum wage for some of the other eight categories of worker is increased from 40c to 50c an hour, from 90c to 138c and from 145c to 195c an hour — increases of 53,3% and 34%, respectively.

Based on information supplied by the SA Iron Steel and Allied Industries Union, the report stated the largest increase would go to workers in the artisan category, who would receive up to 54c more an hour. This applies to only one of the three companies — as does an increase of between 8c and 52c more an hour for the other worker categories.

Sentrachem waits for import decision

196 5. Express 16/5/82

By DAVID PINCUS

THE Board of Trade is expected to announce soon what level, if any, of import protection it has granted Sentrachem for the products of its new R350-million Karbochem rubber-from-coal plant in Newcastle.

The plant is said to be the biggest of its type in the world.

According to Alex Olivier, a Sentrachem director, there is a gut feeling in his organisation that this information could be announced in a few days.

When Sentrachem applied for protection it was not needed as desperately as it is now because natural rubber can be bought for between R1 100 and R1 200 a ton "which is rock bottom".

Sentrachem applied to the Board of Trade for a two-element protective duty on imported natural rubber composed of a straight 25% ad valorem duty on two rubbers, plus a reference price duty.

This second element is designed to make it impossible for foreign exporters to dump natural rubber on the South African market.

If the full 25% duty were added to the upper price of R1 200 it would add R300 a ton to the imported price. If the estimated R110 a ton handling charge were added, imported rubber would still cost R190 a ton less than the R1 800 a ton Karbochem says it will have to charge for its poly-isoprene rubber to remain viable.

This price difference must be making it extremely difficult for Sentrachem to persuade tyre manufacturers to swing away from using natural rubbers to its synthetic alternatives.

Sentrachem's problem is that the Karbochem plant, built at a cost of R350-million, is due to come on stream next month. Commissioning of vital systems started at the beginning of the year and there can be no turning back or mothballing.

The plant will have a yearly capacity of 45 000 tons of PIR, 36 000 tons of styrene-butadene rubber (SBR) and poly-butadyne rubber (PBR), and 45 000 tons of isoprene.

very different.

SA Breweries for the year to the end of March boosted its turnover by 28,7% to just over R3 000-million with beer sales volumes rising by 21%.

While beer volume growth has slowed in recent months it still helped Breweries send its attributable profits up 38% to R167-million.

This allowed the dividend to be raised 3,5c to 24c a share to give a total for the year of 34c compared to 27c last year.

Barlows pushed its six months sales forward by 19% from R2 100-million to R2 500-million but at the attributable profit level the rise was a miniscule 1,8% to R110,4-million.

For the first time in years South Africa's industrial giant is not raising the dividend — it stays at 21c.

With both companies the common denominator was rising interest charges.

Protea throws the switch on two of its electronics subsidiaries

Business Reporter

THE Protea group is to wind up two of its electronic subsidiaries, L Electron and Desselss, which employ a total of 100 workers.

Protea executive director Tony Alty said on Friday: "We are negotiating to take out the profitable agencies and distribute them to other companies in the group such as Deevers, Protea PNI and Globe Electrical".

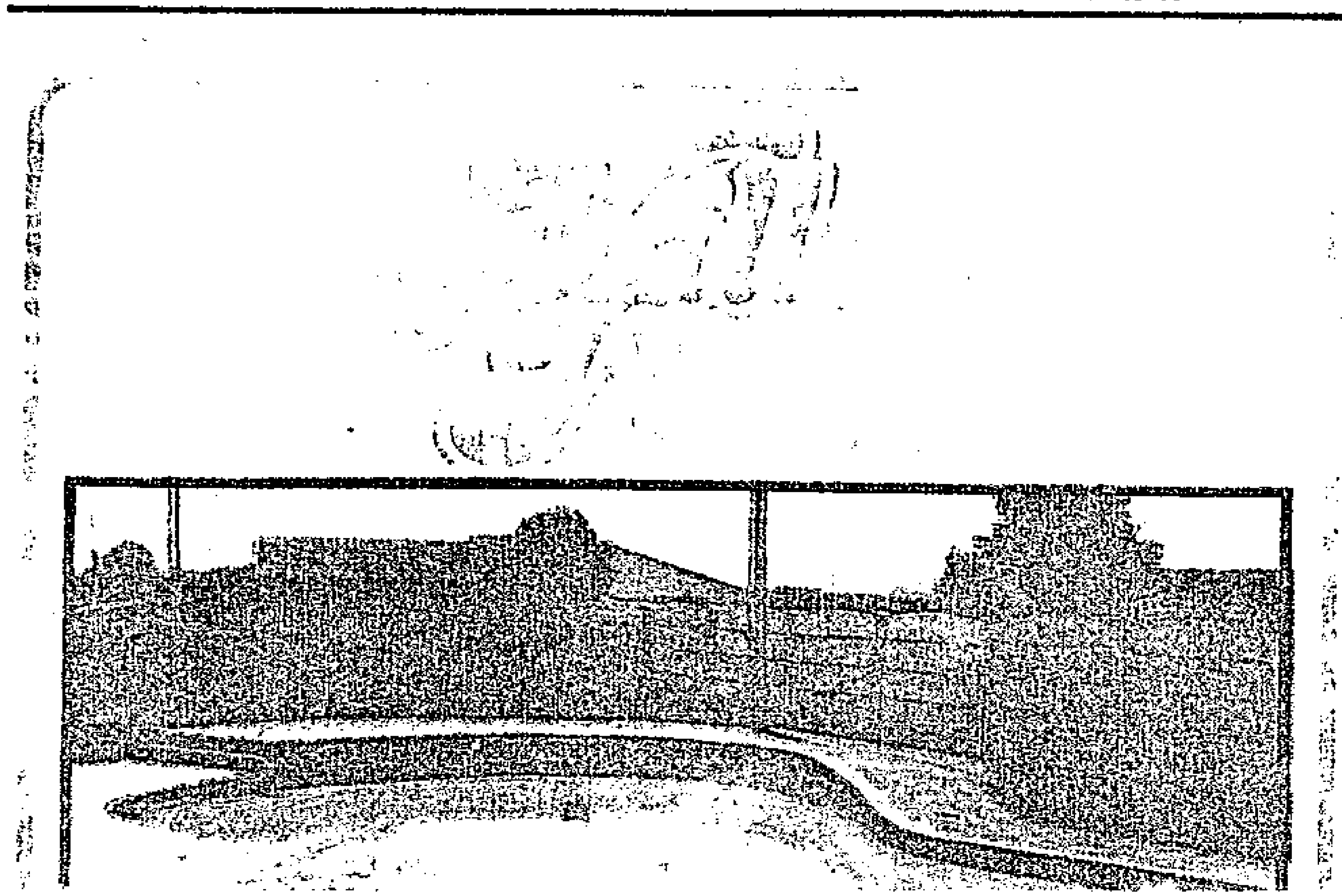
"Basically Deselss is not our type of business," said Alty. "Closure of Deselss with a turnover of around R2-million makes sense as the bulk of its business is small, over-the-counter sales where a 30c item can cost R5 to invoice.

"L'Electron, with a R5-million turnover, was a slightly different matter and we persisted with it for a long time. But even our potential recovery plans did not look attractive. We feel the profitable agencies will will grow far more satisfactorily in our other electronic and electrical subsidiaries," he said.

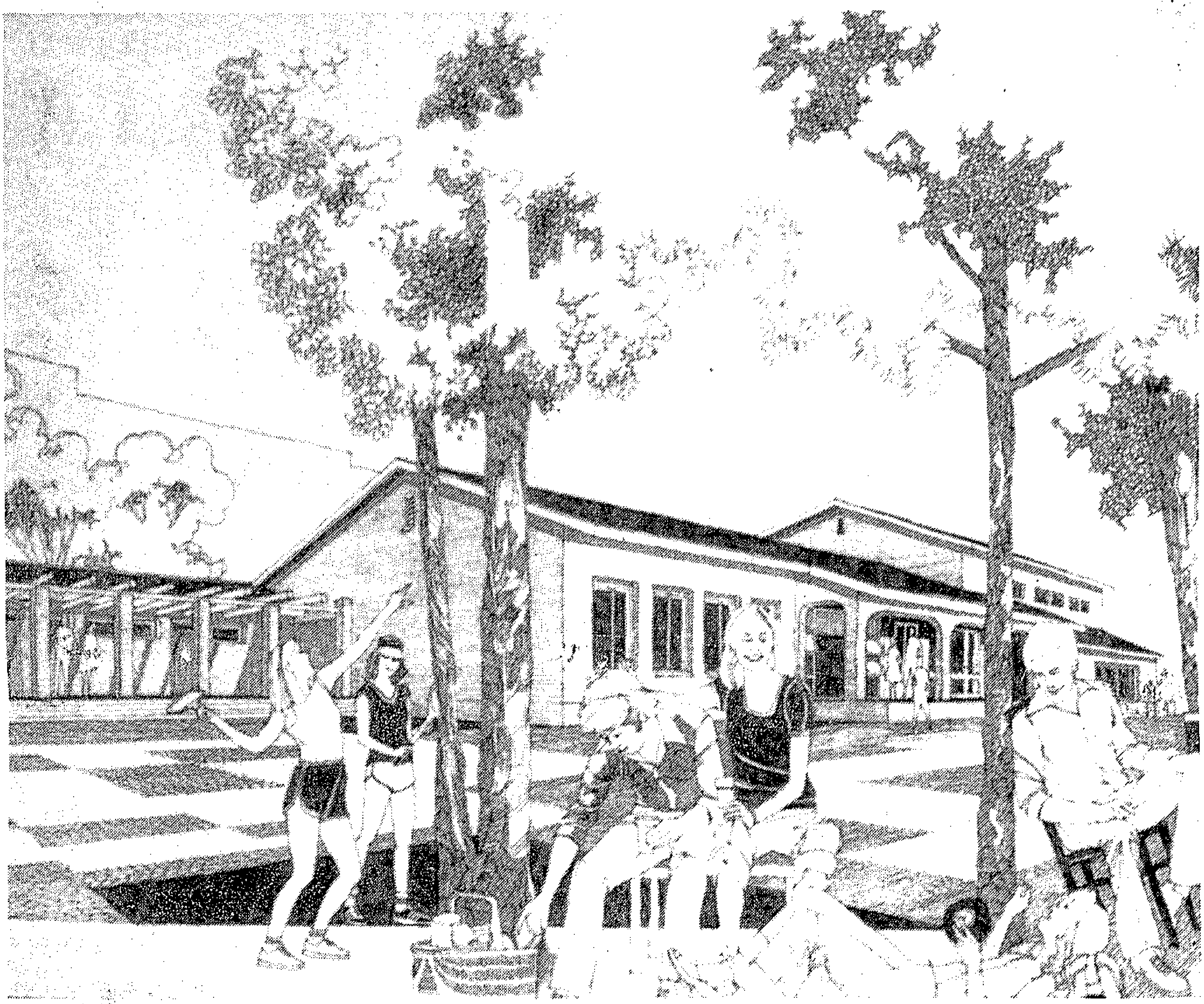
It is hoped that the staff will be absorbed into other divisions of the Protea group."Forty-five people are closely linked to agencies we will move to other companies," said Alty. "While we are likely to dismiss 60 others many of them will be offered jobs within the group. We hope to place most of them, including present managing director Keith Brighton."

In the fiercely competitive electronics business, Protea is likely to lose some of its agencies to other electronics companies.

Protea's closure of the two companies looks to be the of an overall rationalisation in the electronics industry which, during the next 18 months, is likely to see an increasing number of closures and mergers.



Company's new home for sports



An artist's impression of the clubhouse of the new R650 000 sports complex to be built at the Goodyear factory in Uitenhage this year.

196 E. Post 22/5/81

U'hage tyre firm sets up R650 000 sports complex

By WAYNE ASHER

THE 2 000 employees of the Goodyear tyre manufacturing company in Uitenhage, as well as their family and friends, will be able to enjoy the facilities of a new R650 000 sports complex by the end of the year.

What until now has been open ground in front of the factory will now become the site of a complex providing indoor and outdoor sports facilities at night and at weekends.

Already employees are forming teams for various sports which will mean new entries in the local and open sports leagues.

Mr Mike Selley, director of public affairs for the company, said the plans were completed this week and building would begin "about mid-year".

He said many of the company's overseas factories had similar sports facilities and one of the main reasons for opening them was for "social integration" of the employees on the sportsfields.

"An employee recreation officer has also been appointed to establish a compete sports programme and enable the company to develop inter-departmental sports activities.

"These are still early days, but the response throughout the factory has been positive.

"A wrestling and a boxing club have already been formed."

Relatives and friends of the company empoyees will also be able to take advantage of the complex, which will mean many members of the general public will have access to the new facilities.

The plan of the site shows allocations for a multi-purpose field which will be used mainy for football, two all-weather tennis courts which will be lit at night, and a bowling green, all of which will surround a large clubhouse.

Mr Selley said there would be squash courts, two badminton courts indoors as well as snooker tables and dart boards.

Strike forces union in

Sowetan

9/6/82

196

By MZIKAYISE EDOM

MORE than 700 workers at the Dunlop factory near Benoni yesterday morning refused to begin working after the management had allegedly refused to recognise their union.

Day shift workers refused to start work at 7am and were later joined by the night shift staff in the company's canteen, where they had grouped. The workers said they would only go back to work on condition that management agreed to recognise their union, the Chemical Workers Industrial Union, which is affiliated to Fosatu.

Two months ago the union had applied to the company's management for recognition and, after the management had failed to recognise the union yesterday, workers decided to go on strike.

The workers claimed that they had contacted the management many times over this issue, but every time they had received no positive answer.

Late yesterday, union representatives met with management and the workers only decided to go back to work at about 11am, after management had promised to recognise their union, on condition that the union had at least 50 percent membership of the workers employed by the company.

A spokesman for the union said yesterday they had applied to Dunlop management about two months ago for recognition but they were only informed last week that their application for recognition had been rejected on the ground that the union did not have majority membership in the firm.

The spokesman said: "Management's stand not to recognise the union later resulted in yesterday's strike. The management had demanded that at least we should have a membership of 375 workers at the firm before our union could be recognised. This, the union has done, and after yesterday's meeting management agreed to recognise the union."

RUBBER (196) FM 2/7/82

New crop to tap

Researchers are working on a plan to make SA partly self-sufficient in natural rubber. Experiments with the high rubber-content guayule shrub have been completed and, according to Dr Barratt Easter, who has been closely involved with the study, guayule plantations could be a viable proposition.

Guayule (pronounced wy-oo-lee) is native to Mexico and southern Texas and has the highest rubber content after the natural rubber tree, *Hevea basiliensis*.

Easter, who is employed by the research division of Agtec, an LTA company, says the high rubber producing properties of the shrub have been known for many years. Some rubber was produced from guayule during the Second World War when the Japanese cut off Europe and America from sources in the East.

Interest in the shrub died down after the war, however, when inexpensive crude oil made it cheaper to use synthetic rubber in many products. Interest revived after the first steep increases in oil prices in the Seventies. A number of countries, including Zimbabwe and Australia, are looking closely at the shrub and experiments in the US are well advanced. Indeed, the Americans are now testing guayule-based rubber tyres on their Phantom F-4 fighter bombers.

Agtec has allocated R30 000 for the initial study, but others are also showing interest. The CSIR, the Department of Agriculture and Fisheries and Stellenbosh University have each undertaken studies of their own. All the findings are assessed by a steering committee and information is freely exchanged. Agtec also stays in touch with overseas developments, including a study supported by the California Department of Agriculture.

The advantages of setting up local guayule plantations are obvious, says Easter. SA, which is now totally dependent on natural rubber imports of about 50 000 t/year, would have access to an assured supply. A single, well-run plantation of about 30 000 ha could produce 20 000 t-30 000 t/year.

The shrub grows naturally in a wide variety of climates and soils and would not compete with existing food crops. But one requirement is that it undergo a period of stress to enhance rubber content. Easter says the plant must produce more rubber than it does naturally if it is to be viable commercially. This could be achieved through irrigation.

Guayule could also be used to improve the economy of marginal areas, he says, and would be a good source of employment for unskilled and semi-skilled labourers. Eventually, if sufficient rubber was produced locally, small export markets could be developed.

Guayule plantations would not necessarily compete with SA's developing synthetic rubber industry, but would complement it, says Easter. Natural rubber must be used in certain products such as conveyor belts and aircraft tyres where its heat-resistant properties are essential.

By-products, particularly vegetable oils and bagasse, would also have useful industrial applications. In fact, about half the value of the crop could come from by-products like guayule oil, which is similar to soya bean or groundnut oil, and bagasse.

The main problem is to get the scheme rolling. A viable plantation would cost in the neighbourhood of R45m, but, thereafter, good profits should be assured.

(196) Industrial Week 6/7/82

Firestone takes the brake off

MAJOR extensions at two Firestone factories are going ahead with the signing of new contracts which will result in expenditure of R55-million for improvements at the Brits and Port Elizabeth plants.

By Lynn Carlisle

Disclosing to Industrial Week that Murray & Roberts is being awarded the R13-million construction of the "shell" to house about R20-million worth of new plant, Firestone spokesman Tony Newman says when the additional plant comes on stream in 1984, it will more than double production at Brits.

"This will make the Brits plant, which will concentrate on steel reinforced tyres for trucks and passenger vehicles, one of the best in the world," says Newman.

With the modernisation of the Port Elizabeth plant to cost R17,5-million, a contract has been signed for LTA Building (Eastern Cape) to embark on the building of a R2-million office block by mid-1983.

Newman says that the additional equipment for both new plants will have to be purchased all over the world.

"But everything which can be sourced locally will be ordered if it meets Firestone's requirements and standards.

"While a considerable amount will be spent on machinery, it must be pointed out that employment opportunities will be created for many people who are needed to put tyres together. Their training does not form part of the R55-million estimates for both plant extensions," Newman adds.

Firestone SA recognises national union

E. Post 2/8/82 196

Post Reporter

A RECOGNITION agreement between Firestone South Africa and the National Automobile and Allied Workers Union (Naawu) signed at the weekend is a step towards the establishing by the union of industry-wide bargaining in the tyre industry.

This was said in a statement by the union announcing the agreement, which provides for an interim relationship until a more comprehensive agreement is negotiated.

In Firestone plants where Naawu has reached 30% membership, the agreement provides for the recognition of the union, the election of shop stewards and the provision of stop-order facilities.

The union does not have 30% membership at Firestone's Port Elizabeth plant but expects to have soon, a Naawu official said today.

"The union is satisfied the agreement provides an important first step in establishing a mutually acceptable framework of collective bargaining at Firestone," the statement said.

Together with a recognition agreement at Goodyear, it was a step towards establishing majority representation in the tyre industry, and initiating "a new era of industry-wide bargaining in this industry".

down by Zanu (PF) spokesmen.

Both Zapu and Zanu (PF) sources predicted last week that a meeting between the two leaders was in the offing in spite of Mr Mugabe's shrill threats against the Zapu leadership.

Mr Mugabe claimed the Zapu leadership was secretly behind widespread dissidence and banditry and the kidnapping of the six foreign tourists in the Lupane area, adding he held them responsible for the fate of the hostages.

Mr Nkomo would not elaborate on the contents of the peace programme hammered out at yesterday's talks.

"We met and agreed to follow a certain course which would be made known to the country as we go along," he said.

The talks, which included the Deputy Prime Minister, Mr Simon Muzenda, and the Minister of State (Security), Mr Emmerson Mnangagwa, had been "frank" and "a good sign for the future," said Mr Nkomo.

Though security forces still appear no closer to finding the kidnapped tourists, intensive military operations in western Matabeleland are resulting in numbers of suspected dissidents and national army deserters being captured.

Intense air and ground activity continued yesterday but apparently over a wider area than in the past 10 days of the follow-up operation.

Though it is now almost certain the three bodies found in the Eastern Highlands are those of three missing British tourists, police have not yet "positively" identified the bodies.

A post-mortem was expected to be held today.

ARGUS 3/8/82

196

Major tyre firm recognises union

Labour Reporter

A MAJOR tyre firm has signed a recognition agreement with the National Automobile and Allied Workers' Union (Naawu), bringing the union a step closer to establishing industry-wide bargaining in tyre manufacture.

Firestone SA has agreed to recognise Naawu in their Brits plant, where the union has about 80 percent membership.

The agreement provides for the recognition of the union, the election of shop-stewards and the provision of stop-order facilities in plants where the union has over 30 percent membership.

Naawu's membership at the Port Elizabeth plant is just under 30 percent, according to the union's regional secretary in PE, Mr Les Ketteldas.

However Naawu is hoping to be in a position to elect shop-stewards at the PE plant "soon", the union said in a statement.

The union already had majority membership in the Good Year Tyre plant in Uitenhage, where it was recognised by management, and was organising at the General Tyre plant in PE, said Mr Ketteldas.

Workers in the tyre industry in the Eastern Cape presently have their wages and working conditions determined by an Industrial Council (IC) covering the industry in the region.

Mr Ketteldas said the union did not yet know whether it would sit on the IC.

"When we become sufficiently representative we'll consider what form collective bargaining will take," he said.

A management spokesman for Firestone confirmed that an "interim" recognition agreement had been negotiated for the Brits plant, but said it would not apply to PE until the union had over 30 percent membership there.

Naawu already represents more than 10 000 automobile workers in Port Elizabeth and Uitenhage.

R170 000 mailbag theft — mar

Argus Correspondent

PRETORIA. — A post office official has been arrested over the alleged theft of R170 000 from mailbags.

The money disappeared from mailbags between November last year and July this year. The man was arrested by Railway Police detectives here last week.

The chief of the Railway Police in Northern Transvaal, Colonel Danie Malan, said R14 000 went missing from a mailbag which was transported between Delmas and Pretoria in November last.

The man allegedly struck for the second time two weeks ago when R156 000 disappeared from a mailbag being transported from Bethal to Pretoria.

Police believe the money, meant for several banks here, was removed from the mailbags. The bags were then sealed and handed in at the main post office here.

Colonel Malan said the official was arrested last week after nine months' investigation. Detectives found R59 000 in the man's possession.

Colonel Malan said his men were also investigating the disappearance of

(196) RDM 4/8/82

Another Fosatu union gains recognition in tyre industry

Labour Correspondent

FOSATU'S National Automobile and Allied Workers' Union has been recognised by the Firestone tyre company, which means Fosatu unions now have bargaining rights at four tyre firms and are negotiating these at a fifth.

The unions are now to co-ordinate efforts in the industry as a probable prelude to setting up industry-wide bargaining.

Three Fosatu unions are recognised in the industry and, in a statement yesterday, the federation said its unions would now work together to create a uniform and "acceptable" pay structure in the industry.

Fosatu says Naawu is now recognised at Firestone and Goodyear, its Chemical Industrial Workers' Union (CIWU) at General Tire subsidiary Piggot and Maskew, and its Metal and Allied Workers' Union at Tensile Rubber, another GT company. CIWU is also negotiating an agreement with Dunlop Tyres.

A Naawu statement says the Firestone agreement grants the union preliminary recognition pending a fuller agreement.

It grants Naawu shop steward rights and other facilities in Firestone plants where the union has more than 30% membership.

A full agreement is likely to follow within a few months.

Firestone's managing director Mr Peter Morum confirmed the agreement and said another granting Naawu full wage bargaining rights was likely soon.

He said the company was still negotiating with the Motor Assembly and Components Workers' Union of SA, which claims majority membership at the plant. The Naawu agreement would not affect these talks, Mr Morum said.

ARGUS 17/8/82

Union in bid to prevent layoffs

196

Argus Bureau

PORT ELIZABETH. — The National Automobile and Allied Workers' Union (NAAWU) has been negotiating with the Goodyear Tyre and Rubber Company in Uitenhage in an attempt to prevent the layoff of 75 employees.

The local secretary of the Federation of South African Trade Unions (Fosatu), of which NAAWU is an affiliate, Mr M Sam, said today Goodyear had told shop stewards it planned retrenchments soon.

The number of workers who would be affected had not been specified, but the union had been told by Goodyear the company had about 75 surprlus employees.

Four employees have already been laid off this month.

Some departments in the Uitenhage plant had been working a four-day week since July ad some had changed from a "swing shift" to a five-day week in an attempt to avoid retrenchments.

"We have met company representatives and suggest Goodyear should freeze employment, eliminate overtime work and not replace employees whose services have been terminated or who have resigned," Mr Sam said.

The company had accepted these proposals.

Goodyear's personnel manager could not be contacted for comment.

Strikes have (196) ~~152~~ ~~(2A)~~ ~~140A~~ mild effect on tyre firms

E. Post 26/8/82

By JERRY McCABE

THE wage dispute which has crippled the Eastern Cape motor industry for more than a month has so far had a mild effect on motor tyre manufacturers.

"The local strikes have had an effect on our production and we are cutting back, but of more significance is the general slowdown in the economy," said Mr Mike Selley, public affairs director of Goodyear.

The overall slowdown in the new car market had also had an effect.

Mr Selley said Goodyear was trying to avoid staff cutbacks and there had been no retrenchments.

"Certain departments are working shorter shifts and we have reached an agreement with the unions about this and also that, where it can be avoided, there will be no cutback of staff."

Mr Bill Taylor, marketing director of Firestone, said his company had to make "certain adjustments to the production of certain sizes of tyre" but otherwise the wage dispute at the motor firms had not really affected them.

Firestone was not stockpiling tyres at present because of the present adverse financial position, Mr Taylor said.

Mr A A Versfeld, director of General Tire Sales and Distributers, said from Johannesburg, that the work stoppage had an effect on the sales of tyres but this was also due to "what was happening on the market".

Mr Versfeld said that when the motor industry was in full production, General had a problem with a stock shortage. The demand for tyres has been lower since the stoppage and this had given them an opportunity to build up stocks.

Mr Lloyd Zaayman, marketing manager for Dunlop SA, said his company had not had to make production cutbacks although they did not "sell tyres when the motor firms are closed".

He said Dunlop's stocks were "pretty low" at present and sales to Eastern Cape motor plants had dropped.

RUBBER (196)

Controls stretched

FM 27/8/82

Despite its commitment to abolish import controls in accordance with Gatt requirements, government is determined to maintain these measures to protect the local rubber industry for the time being.

Dave Marlow, MD of Sentrachem, Karbochem's holding company, says this assurance has come from the Director General of Industries.

"We are told that government will use the tools at its disposal during the time lag until import tariffs are available to protect all sectors of the industry," he says. The existing permit system — rarely used — will be invoked during this period.

Government has told the industry that it will produce a package of import tariffs designed to protect both raw material and downstream manufacturers.

As Karbochem's R353m synthetic rubber plant at Newcastle approaches completion, producers of rubber goods have submitted new tariff applications which take account of the higher costs of using the raw materials it produces.

Last year tariffs averaging 40% were granted to industrial rubber manufacturers, but the industry now wants a further 10%-22% protection. This would bring tariffs on these products to about 60%.

Comments Sarmcol deputy MD Stewart Blackstock: "One can hardly imagine an import tariff as high as this. Our fear is that many industrial rubber products will be priced out of the market. Rubber hoses have already been substituted with plastics in many areas."

Michael Waterson, director of the Tyre Manufacturers Conference (TMC), says the TMC is preparing its own application for tariff protection related to Karbochem. He adds that Department of Customs and Excise statistics show that imports of tyres have been rising steadily in the past few years — even before the new plant increases the cost of locally-made rubber.

Karbochem's Newcastle plant is physically complete. The first phase, producing styrene-butadiene rubber (SBR) and polybutadiene rubber (BR), was commissioned in June. The section to produce the natural rubber substitute, poly-isoprene rubber (IR) will come on stream next year.

Nominal capacities are a total 36 000 t/year of SBR and BR (the two products can be produced in various grades and ratios) and 45 000 t/year of IR.

Marlow says Karbochem expects to achieve about 70% substitution of imported natural rubber in time, with full substitution feasible in an emergency. No significant problems have emerged in tests on the products produced so far, he adds.

Import tariffs which could be as high as 70% on SBR and BR were gazetted last month. But as Karbochem cannot supply the full demand for these products at present, rubber manufacturers are being given full tariff rebates on unavoidable imports.

The tariff on natural rubber should be announced when the IR section is producing. It could be significantly higher than that applying to other rubbers.

Says Marlow: "Prices of natural rubber dropped to such low levels in the recession that governments of producing countries had to support the price of natural rubber to sustain the industry.

"Even a moderate recovery in the world economy would cause a short supply of natural rubber, which could make prices rocket in the mid-Eighties."

Recession leads to worker retrenchment

E.Post

8/9/82

Post Reporter

THE recession which has hit the Eastern Cape motor and associated industries has led to a tyre company retrenching 39 workers and going on short time, and another going on a four-day week.

For the past month the Firestone company has been working a four-day week because of a slackening in the demand for tyres for heavy duty vehicles.

And at Goodyear 39 workers have been laid off. More might still have to go.

The company has introduced a four-day week in its truck and tractor tyre division, and changed from a six to a five-day week in its passenger vehicle tyre section.

General Tire has not laid off any workers and does not expect a shortening of its five-day week this year.

Last month 507 workers were laid off at the Ford motor company, and in April Volkswagen retrenched 315 workers.

Tyre imports soar

12/9/82 S. Times 196

GOODYEAR South Africa, one of the country's largest tyre manufacturers, has expressed concern at the rapid increase in new-tyre imports.

By Don Robertson

These imports rose by a substantial 57% in monetary terms in the first three months of this year to a record R10-million.

Sales director Jack Stapleton says that in one particular tyre category — those ranging between 20kg and 1 200kg, which are mainly truck tyres and small earthmover tyres — imported tyres now represent more than 20% of all the new tyres sold in the replacement market.

"Tyre companies whose products have a 75% to 80% local content support various South African component plants for items such as carbon black, synthetic rubber and nylon cord, and these people are losing more than a 20% share of this business.

"Obviously this will affect the labour market.

"With such a high percentage of the market lost, especially during a recession such as we are now experiencing, some companies might have to cut back on production, and this could mean a reduction in the number of jobs available," he said.

Quoting statistics, Mr Stapleton said that the total mass of imported tyres rose from 2,485-million kg in the first three months of 1981 to 3,123-million kg during the first quarter of this year.

An average passenger car tyre has a mass of about 10kg, and an average truck tyre a mass of about 50kg.

"Speaking in rands and cents, this means that new tyres with an overseas export value of R10,392-million were imported from January to March this year, against a value of R6,620-million for the same period in 1981.

"Compared with 1980, the increase was 264,3%, or R7,540-million," said Mr Stapleton.

He added that it was extremely difficult for South African manufacturers to compete with overseas producers, largely because the price of local raw materials was considerably higher than current world market prices.

These raw materials include synthetic rubber, fabrics and carbon black.

At present, the cost of the locally produced synthetic

● To Page 3

Tyre-import concern

12/9/82 S. Times 196

● From Page 1

rubber — styrene butadiene rubber — is about 50% higher than the cost of imported natural rubber.

"Obviously this puts us at a severe disadvantage, and overseas manufacturers, especially in the Far East, can make tyres far more cheaply than we can.

"When one considers the high local content of South African-made tyres, and the fact that the tyre industry provides employment for thousands of workers, we should enjoy a greater degree of protection through import regulations as long as we have to pay premium prices for local raw materials," he said.

It is expected that the tyre-manufacturing industry will soon make representations to the Government for some form of protection against imported tyres.

"We have little cause to object to the import of tyres in reasonable quantities, but the increase which has taken place in recent times is well beyond the realms of reasonableness, more particularly so when the jobs of fellow South Africans are in jeopardy," Mr Stapleton added.

Goodyear pay error

14/9/87

Post Reporter

THE Goodyear Tyre and Rubber company has appealed to about 40 workers who were retrenched recently to return to the factory in Uitenhage to collect a R15 attendance bonus owed to them.

The area secretary of the National Automobile and Allied Workers Union, Mr M Sam, said today he had met Goodyear representatives on Friday after it was realised some of the retrenched workers had not received their full attendance allowances.

Mr Mike Selley, director of public affairs at Goodyear, said retrenched workers were entitled to collect a R15 attendance bonus.

Mercury 21/9/82

Workers retrenched

(335) (1961)

Labour Reporter

THE downturn in South Africa's economy has hit major rubber manufacturer, Sarmcol, forcing it to retrench 260 employees.

In a statement released yesterday, Mr A W F Bird, Sarmcol's managing director, said the company had 'regrettably' laid off 200 weekly and monthly paid staff at its Howick plant and a further 60 at other branches because of 'a lower production demand'.

Sarmcol had attempted to avoid retrenchment by introducing a four-day week and shift pattern changes, but the hoped for 'upturn in trading' had not materialised, he said.

Mr Bird said: 'When the economic recovery occurs, priority will be given to employees with prior service in any recruitment that takes place.'

Rush for protection

S-Times (196) 3/1982

THE multi-million-rand South African tyre industry has made application to the Government for additional protection against the import of tyres, which rocketed in value to more than R10-million in the first quarter of this year.

First, tyres

By Don Robertson

Mr G P Morum, chairman of the South African Tyre Manufacturers Conference and managing director of Firestone, confirmed this week that the R600-million-a-year industry had presented its case to the Board of Trade and Industry for an increase in the import duty on all categories of imported tyres.

However, as the application has not yet been officially gazetted, Mr Morum was not prepared to discuss the details of the industry's requirements.

In force at present is a small import duty equivalent to 300c a kg less 80% of the fob value of the tyre or 20% of the fob value, whichever is the higher.

On a standard truck tyre which would retail at R320, this duty represents R48 a tyre.

Because of the current economic malaise, the tyre industry, like many others, has experienced the effects of the reduction in spending and is in most cases at present operating on a four-day week.

The threat of imports is therefore taken in a serious light as it could, according to industry sources, mean a further cutback in production, with a resultant reduction in jobs.

In the first three months of this year, the mass of imported tyres rose substantially to 3,123-million kg, worth R10,392-million, compared with 2,485-million kg, worth R6,620-million, in the first quarter of 1981.

But the handful of tyre importers have reacted strongly to the industry move.

Dick Naude, managing director of Speddick Industrial Tyres, one of the country's largest importers, says that the reason for the sharp increase in the import of tyres results from the inability of local manufacturers to produce certain categories of tyre in sufficient quantities, and the fact that the locally produced item does not meet the quality standards of those manufactured overseas — accusations which are disputed by Mr Morum.

Mr Naude claims that the major tyre import is the newly developed, steel radial ply tyre, which is far superior to the locally manufactured product and which is preferred by the bulk of South African users.

He adds that a large proportion of the increase in the mass of imported tyres is for motorcycles, which none of the four major producers can supply, and suggests that the rise in the value of imports can be partly explained by the depreciation of the rand.

In addition, solid tyres for forklift trucks are manufactured by only one company locally.

Mr Naude also claims that the largest importers of tyres, which make up about 20% of total sales, are the manufacturers themselves.

Dunlop imports from Japan, Goodyear from Luxembourg, Firestone from Spain and General from Germany.

The tyre industry's complaint also covers the import of casings for retreading, which, it is claimed, are superior to the locally produced item.

The furore, in what is a competitive industry, is likely to increase after the full details of the industry's claims are made known.

2 hurt as tyre bursts

D.Dispatch 16/10/72

196

EAST LONDON — Two workers were taken to Frere Hospital after they were injured at a tyre factory in Buffalo Street yesterday

They were Mr Michael Velile Mbengo, who fractured his left arm, and Mr Enock Mqadara, who has stomach injuries

Both men were pumping a tyre when it burst and the apparatus they were using was flung into the air, a spokesman for the company said.

The condition of the men was described as satisfactory yesterday. — DDR

100 join rubber strike

Star 28/10/82

196.

Labour Reporter

Workers at a Wadeville rubber firm went on strike yesterday over their working conditions.

About 100 workers at Tensile Rubber, a subsidiary of General Tire, downed tools.

The strike started on Monday evening when nightshift workers made demands of management.

Worker grievances are:

- The loss of transport services from Alexandra township to Wadeville.
- No tea or lunch breaks for night staff.
- No overalls or safety shoes provided this year.

Fosatu's Metal and Allied Workers Union (Mawu) had a recognition agreement with the firm before it moved from Wynberg to Wadeville. However, the loss of members as a result of the move ended in the termination of the agreement this month.

Management spokesmen were unavailable for comment. A Mawu spokesman said the workers were unwilling to return to work or be selectively re-engaged.

10% of workers at Uitenhage firm laid off

E·Post 21/10/82

By SANDRA SMITH

ABOUT 85 workers, or 10% of the workforce at the Hella (SA) lighting equipment company in Uitenhage, were retrenched today.

Hella's marketing manager, Mr J Ryan, said the step was necessary because of the economic slowdown and because Hella had been affected by the short-time being worked by many of its major customers.

A three-day week had been considered, but Hella's varied manufacturing process made this impossible. The company was at present working a four-day week.

The local secretary of the Federation of SA Trade Unions (Fosatu) in Uitenhage, Mr M Sam, said that workers who had been retrenched had complained about severance pay.

They claimed to have been given only last and this week's wages. They were entitled to next week's pay as notice pay.

Mr Sam said Fosatu would try to discuss the matter with Hella.

Mr Ryan said the workers had been paid off in accordance with an industrial agreement, and none had complained.

● The Goodyear Tyre Company, which this year retrenched 109 workers, has given the National Automobile and Allied Workers Union (Naawu) an assurance that those who lost their jobs will be given a rehiring preference when vacancies arise.

Those workers who were interested should contact the company, a Naawu spokesman said.

85 workers retrenched

STAR 22/10/82

PORT ELIZABETH — About 85 workers — 10 percent of the workforce — at the Hella (SA) Lighting Equipment Company in Uitenhage, were retrenched today.

Hella's marketing manager, Mr J Ryan, said the step had been necessary because of the economic slowdown and because the company had been affected by the short-time worked by many of its major customers.

The local secretary of the Federation of South African Trade Unions in Uitenhage, Mr M. Sam, said that retrenched workers had complained about severance pay.

They claimed to have given only two weeks' wages and that they were entitled to three.

Mr Sam said Fosatu would try to discuss the matter with the company.

Mr Ryan said the workers had been paid off in accordance with an industrial agreement. None had complained.

● The Goodyear Tyre Company, which this year retrenched 109 workers, has given the National Automobile and Allied Workers' Union an assurance that those who lost their jobs would be given re-hiring preference when vacancies arose. — Sapa.

STAR 23/10/82

Wadeville strike collapses

Labour Reporter

A strike at a Wadeville rubber firm collapsed this week after workers decided to return to their jobs.

About 100 workers at Tensile Rubber downed tools in protest against working conditions.

Both the night and day shifts refused to meet a management return-to-work deadline and were dismissed.

Most of the workers were subsequently re-engaged on a selective basis on Wednesday.

The Fosatu-affiliated Metal and Allied Workers Union had a recognition agreement with the firm when it was previously located in Wynberg but management terminated the agreement this month as Mawu had lost many of its members in the move.

Officials of Tensile Rubber and its parent company, General Tire, were unavailable for comment on the dispute.

Worker grievances included complaints about the loss of a transport scheme and increased production.

Tyre makers seek tariff protection

196
27/10/82

By Stan Kennedy

Tyre manufacturers, concerned about the big increase in tyre imports in the past few years, have applied to the Board of Trade and Industries for tariff protection.

Since 1978, imports of all tyre categories have increased from 5,1 million kg, valued at R9,8 million, to 11,7 million kg, valued at R35,9 million last year.

In the first quarter of this year, imports at 4 million kg are worth R13,5 million.

On an annualised basis, tyre imports will cost the country R54 million in foreign exchange this year.

Mr Michael Wooderson, director of the SA tyre Manufacturers' Conference, which represents the interests of the four national manufacturers, Dunlop, General Tire, Firestone and Goodyear, says the bulk of the imports last year came from Japan, which sold 6,7 million kg, valued at R18,5 million.

The application for protection also takes into account the cost implications of the introduction of the substitute rubber, polyisoprene, later this year from the Karbochem plant in Natal.

Other factors which have driven manufacturers to seek tariff protection are that truck and earth-mover tyres now represent 35 percent and 25 percent respectively of the local replacement market. Cycle tyres and tubes, which come from Taiwan, represent about 35 percent of the local market.

Mr Wooderson said a big proportion of the materials used in tyre manufacture were locally produced, with prices, in many cases, being higher than the imported items.

"It is something we are stuck with. We cannot get import permits because we are obliged to support the local raw material suppliers," he added.

In his annual report for last year, Mr Clive Hopper, managing director of Dunlop, expressed concern over the Government's policy of establishing monopolistic single-source suppliers of raw materials which would not be economically viable without heavy duty protection or import permit control.

"This level of protection," he said, "is not extended to manufacturers using these raw materials and new, and even used, finished products are freely imported under the guise of free trade."

Nowhere was this better illustrated than in the application of duty on all rubbers imported, in order to protect the proposed local manufacture of polybutadiene and polyisoprene.

If the duty were granted, imported natural rubber would rise 75 percent on landed cost, reflecting the cost premium for the local product, he said.

A

UNIVERSITY OF CAPE TOWN
EXAMINATION ANSWER BOOK

EVERY CANDIDATE MUST enter in column (1) the number of each question ...hich it has ...ns (2) and

General Tire joins ranks of steel-belt radial tyre makers

(46)

B.Post 11/11/82

By LOUIS BECKERLING
Business Editor

GENERAL TIRE (Ltd) has joined the ranks of steel-belted radial tyre manufacturers with a R5 million plant which was formally opened by Minister of Transport, Mr Hendrik Schoeman today.

The entry by General Tire in the rapidly-expanding steel-radial market comes at a time when the projected growth in the radial market as a whole (steel and fabric-belted), is set to overwhelm sales of the conventional cross-ply tyres.

Director of the SA Tyre Manufacturers Conference, Mr Mike Waterson, told Business Post today the relative shares of two products in 1980 and 1981 were:

●1980	
Cross-ply	417 000
Radial-ply	3 315 000
●1981	
Cross-ply	333 000
Radial-ply	3 590 000

And Goodyear, which together with the other two tyre manufacturers in South Africa, Dunlop and Firestone, has been manufacturing steel-belted radials for several years, anticipates a dramatic new spurt to growth in this market.

In August Goodyear pointed out that sales of steel-belted radials had reached the point where one in every 15 new cars in South Africa was currently fitted with this product (compared with 1:21 in 1981, and 1:26 in 1980). And last week Goodyear projected that next year one in every three new passenger cars would soon be fitted with steel-belted radials as original equipment.

Goodyear are being cagey about their immediate plans for expansion in this sector.

All a spokesman would tell Business Post today was that though Goodyear manufactured its own steel-belted radials in the passenger vehicle market, it was currently importing truck tyres of this type "with a view to determining which was most suited to local manufacture".

Firestone, on the other hand, recently announced massive twin expansion programmes — managing director Mr Peter Morum revealed the company proposed spending R17,5 million at the company's Brits plant, and R37,5 million in Port Elizabeth.

A substantial proportion of this would be devoted to gearing up to meeting increased demand for steel-belted radials.

The final phase of General Tires' new plant, said Mr Richard Nicholson, would be commissioned this month, though experimental work had begun "three to four years ago".

The plant employs German expertise, particularly in steel cord calendering, from the Contintal Gummi-Werke, and covers an area of 4 700m².

In his welcoming address today, Mr Nicholson pointed out, however, that as technology might not "always be simple to obtain", General Tire had decided to establish research and development centres not only for the tyre division, but also for its industrial rubber products group.

"Superimposed upon these R&D centres, manned by highly skilled personnel, we have established a Chair of Elastomer Sciences at the University of Port Elizabeth, where we are also sponsoring students and post-graduates to serve this great industry of ours."

Mr Nicholson said General Tire had developed a capacity for local manufacture of steel-belted radial tyres "in the evolution of things.

"Steel, by the very nature of the layman's understanding, means strength. However, this new generation of our products will provide to the consumer not only strength of the component and its durability, but also saving in fuel.

"So much has been written through these years about the strength of the casing, its carrying capacity, but never until the last decade, when the fuel crisis made its impact on our lifestyle, did we consider it essential to improve the rolling resistance of a tyre to provide fuel economy.

"As the tyre being launched here today fulfils all these requirements, I am confident that it will become the product of tomorrow."

...xternal

(3)

...ther mate-
...tion room

2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book (s) are used.

2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

Any dishonesty will render the candidate liable, to disqualification and to possible exclusion from the University

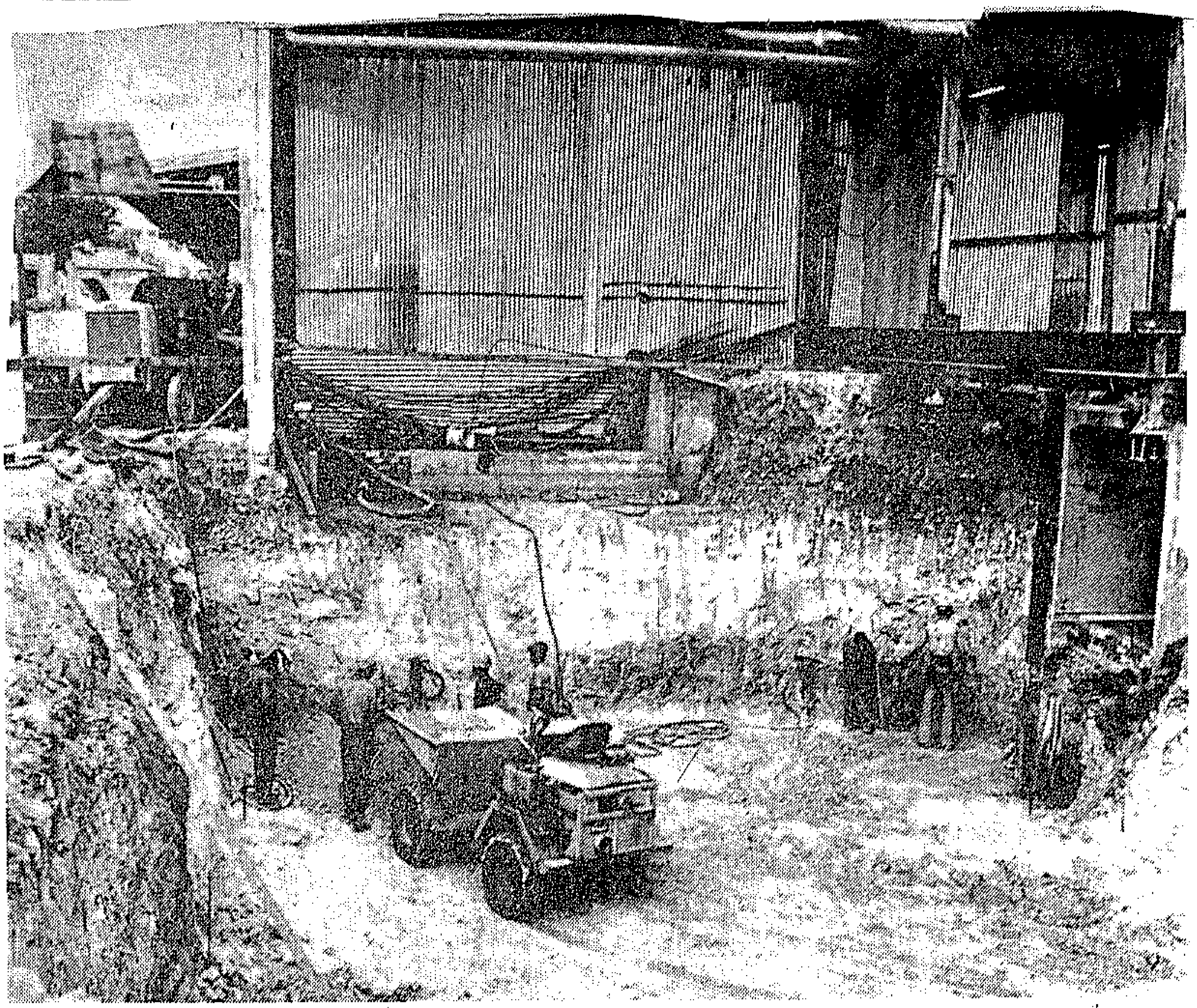
New tyre plant in PE

Star 12/11/82

A R5 million General Tire manufacturing plant has been opened by the Minister of Transport, Mr Hendrik Schoeman, in Port Elizabeth.

The plant will enable the company to produce steel-belted passenger car tyres and steel-belted truck tyres of international standards.

German expertise, particularly in steel-cord calendering systems, has been supplied by General Tire's European technology partner, Continental Gummi-Werke, one of the leading producers of high quality steel-belted tyres in Europe.



Excavating for an underground pump room — the "heart" of a tyre-manufacturing plant — at Port Elizabeth's Firestone factory. The transplant was completed with a minimum of dislocation thanks to a novel design method.

Expansion at tyre plant speeded up by novel method

(196) E. Post 25/1/83

WORK on the R17,5 million expansion programme at Port Elizabeth's Firestone tyre manufacturing plant is proceeding at "double-quick" time according to managing director Mr Peter Morum.

And credit for the speed with which an underground pump room was installed while the factory's normal working operations continued, said Mr Morum, was largely due to an innovative departure from usual construction methods by consulting engineers Lilicrap Wassenaar and Partners.

Responsible for a subcontract of some R6 million of the overall expansion programme, the consulting engineers hit upon a novel approach to installing a 25-metre cross trench to carry water and steam to and from the pump room. In order to decrease construction time pre-cast stormwater culverts were used to install the trench, and the job was completed in a single morning.

Another innovation was the use of specially galvanised sheet troughs as permanent propless slab shutters sitting on pre-cast concrete beams. This construction doubled up as a roof to the underground pump room and the factory slab and the design enabled Firestone to commence installing equipment in the pump room within hours of concreting.

The contractors responsible for the project frequently had to work within two or three metres of manufacturing operations, removing concrete and excavating to depths of 4,5 metres without interfering with daily production. On many occasions intrictate underpinning had to be employed to support stanchions and excavated surfaces gunited to render them temporarily stable.

The contract entailed the extension of an existing manufacturing building; the construction of large trenches and an underground pump room beneath the main factory floor; an in-plant toilet and locker room; and the complete revamping and enlargement of the main office building.

Mr Morum said today the new office block would be completed within days and staff expected to move into their new premises "at the beginning of next month". Once the existing building had been revamped and incorporated into the new development a formal opening ceremony would be held.

The remainder of the capital investment of R17,5 million was devoted to the modernisation of existing equipment and the introduction of the very latest equipment available to the tyre-manufacturing industry.

"The expansion will mean improved productivity and increased product output at all levels. It will generally ensure that the product coming out of our factory is the equivalent of the best the industry has to offer anywhere else in the world, said Mr Morum.

The second phase of Firestone's expansion programme involved the investment of R37,5 million at the company's Brits plant and this work was "now on the go".

"Once all the work has been completed we should be looking at 35% volume increases in production."

28/1/83

Firestone lays off 93 workers

PORT ELIZABETH. — The Firestone Tyre Company yesterday laid off 93 of its workers in across the board cut backs, and the Ford Motor Company announced that three of its plants would be working a four-day week.

Spokesmen for both companies blamed the lay offs and cut backs on the current economic climate, and said the situation was being closely watched to determine whether further action was warranted.

Mr Percy Watchurst, director of manufacturing at Firestone, said workers with the shortest service records had been retrenched first.

He said Firestone had been working a four-day week since last September and had done everything possible to avoid laying off workers.

There were no plans for further staff reductions "at the present time", but the long-term situation would depend on the economic situation.

The Ford plants affected are the Neave and Struandale engine and truck assembly plants.

Mr Dirk Pieterse, employee relations manager at Ford, said the implementation of the four-day week had been necessary to avoid retrenchments.

General Motors has been working a four-day week since last October and has laid off 380 workers in the past two months. — Sapa.

5/3/83

Union attempts to join another council

Labour Correspondent

THE Federation of SA Trade Unions' Metal and Allied Workers' Union has applied to join a second industrial council, it was learnt yesterday.

Last week, MAWU became the first Fosatu union to apply to join a council when it announced it had decided to join the metal industries' council, the biggest in the country.

This followed a three-year battle in which the union stayed off the council and employers resisted its attempts to bargain outside it.

A MAWU source confirmed yesterday that the union's Natal branch had applied to join a council which covers one Durban plant owned by the Dunlop tire group.

"There is no change of tactics or policy involved. As the council covers one plant only, there is no real difference between joining and bargaining wages and work conditions at an individual plant," he said.

The industrial council system was devised to provide a forum for bargaining across an entire industry and councils like that at Dunlop are extremely rare.

It not only applies to one company only, but to only one of the company's plants.

It is understood that until now, Dunlop have been negotiating on the council with an "in-house" union, started within the plant to represent workers at the plant only. Unionists allege that this is a "company" union.

The source said the council had thus far been a "cosy" forum for discussion between Dunlop and this union and added that MAWU believed its presence would change this.

□□□ (196)

SHORTLY after becoming the first Fosatu union to apply to join an industrial council since the new labour dispensation, the Metal and Allied Workers' Union has become the second as well.

It wants to join a council which not only covers one company only — tyre firm Dunlop — but one plant only, that in Durban.

Mawu has a majority at the plant and its decision, which apparently took management by surprise, came during recognition talks between the two sides.

The only other union on the council has no members outside Dunlop.

Mawu will demand changes to the council constitution — one clause forbids strikes by council members — and may also try to extend it to other Dunlop plants and rubber firms.

RDM 1/3/83

Variety ...

196 C. Times 18/3/83

Price of tyres goes up by 4½ percent

JOHANNESBURG. — The price of tyres, tubes and associated products goes up by 4½ percent on March 26.

This was announced yesterday by the director of the South African Tyre Manufacturers' Conference, Mr Michael Waterson.

In spite of this increase, the tyre industry would still be absorbing 37½ percent of all raw material and service cost increases experienced since July 1982, Mr Waterson said.

- The 4½ percent increase announced by South African tyre manufacturers was "unavoidable but extremely reasonable", the chairman of the National Tyre Dealers' and Retreaders' Association, Mr Alex Hawes, said in a press release yesterday.

Mr Hawes said escalating manufacturing costs and the drop in sales as a result of the recession had exerted tremendous cost pressures on manufacturers — and the plants were to be commended for passing on only a fraction of the costs to the consumer.

Because the move would result in an increase in the cost of their raw materials, South African retreaders would also have to raise the price of retreads, "but this increase will also be minimal", Mr Hawes said. — Sapa

Drought adds to pollution hazard

196 Industrial Week

17/5/87

By Geoff Craig

THE current drought in SA will affect quality of air in an adverse manner.

This will be due to two reasons - one being the ever increasing concentration of particulate and gaseous pollution suspended in the atmosphere, particularly in the Eastern and Southern Transvaal regions.

I am sure that many readers have marvelled at this summer's spectacular sunsets which have seemingly been more colourful and longer in duration than any I can remember in my 20 years in SA.

This is largely due to the ever increasing concentration of paticulate matter suspended in the upper atmosphere.

Pollutants excreted by factories, mines, power stations and steelworks are being held in suspension in the prolonged high pressure atmospheric zones which would normally have been relieved by pressure changes bringing the winds to disperse the pollution over far wider areas.

Also (and this is the most significant aspect), the "celestial scrubber" has not been working.

Normal rainy conditions are created by the effect of increasing the humidity of the atmosphere to saturation point at which time rain drops created will have encapsulated the polluting particulate matter depositing it back onto the ground.

Without the rainfall, the concentrations of pollution will result in compounding the already aggravated circumstances, and should an institution such as the CSIR be doing pollutant measuring at this point in time in the areas mentioned, I doubt if overall geographic concentrations over a total area would match the minimum standards set down by the World Health Organisation.

This obviously is not a very scientific statement, and I can rightly be accused of conjecture.

However, like many other caring SA residents, I believe we should be monitoring our environment to this degree, as the eye that observes our ever deteriorating situation does not have to be too discerning to know that in fact, things "ain't wot they used to be!"

I know the last measurements taken by the CSIR showed a drop in concentrations over a 10 year period, but these measurements were taken only at a single monitoring point - i.e. a city centre.

Had we been monitoring say 30 kilometres outside the city, I am sure our concentatration would have increased.

The policy of high chimney stacks has in other words worked to spread the "muck" around somewhat.

I believe that the Government Chief Air Pollution Control Officers' Department, has now acquired ambient air monitoring equipment and will be instituting a monitoring programme related to specific areas -which is good news!

The second area which directly affects the efficiency of our air pollution control sytems is of course the availability of water for dust collectors using the wet scrubbing method.

Many years ago, some of our mines had dry collectors on surface plants -this was particularly prevalent during the early 1960's (drought years).

Since then, and in more plentiful rainfall periods, these same mines have gone for wet collectors on replacement plant and on new capital equipment.

I have repeatedly warned against this trend and wonder now what the Government Mining Engineer will say to pollutors who are short of water!

The lower capital cost of wet collectors will suddenly be very expensive if the GME instructs offenders to replace inoperative wet collectors with dry.

But will he enforce the Air Pollution Control Act of 1965?

If he follows the lines of his previous track record, I very much doubt it.

The solution will be left to the conscience of the mining house concerned and with the awareness of the need to protect our working environment as witnessed by the large number of environmental engineers now employed in the mining industry.

Anglo American for instance, now employs approximately 250 people on environmental control -a huge increase in staff compared wtih 20 years ago!

Herein lies our best hope for the future - not with law enforcement, but with the desire to change and improve from within our own society.

Geoff Craig is on the committee of the Gas Cleaning Association and is a director of Brandt Engineering. This is the third article in a series of articles he is writing for Industrial Week.

Call to protect SA tyres

RDM 14/6/83 196

By JOHN MULCAHY

LITTLE improvement in the South African tyre industry is expected in the immediate future, but medium- to long-term prospects are undoubtedly good, says Dr H Khazam, chairman of the General Tire and Rubber Company (SA).

He says in his annual review for the year ended February 25 it is to be hoped that SA tyre industry's application for increased duty protection will soon be granted, making further investment to meet growing demands in future years a profitable proposition.

"This is particularly the case in view of the industry's increasing dependence on higher priced locally produced raw materials."

Local production of raw materials has been designed to guarantee supplies, says Dr Khazam, and to safeguard the industry against the possible imposition of international restrictions on the import of raw materials into SA.

"However, in the absence of adequate protection for locally manufactured rubber products, the concept of self-sufficiency in raw materials is likely to be thwarted by a corresponding contraction in the industry."

Dr Khazam says worsening economic conditions took their toll in the automotive market only after August, up to which time vehicle sales were running ahead of those for the same period in 1981.

Sales of Gentire's products were sustained during this period but, influenced by the recessionary climate, declined significantly later in the year to finish marginally behind 1981/82 in real terms.

Because of an interim price increase turnover rose slightly, but operating profit fell in spite of a continuing programme of manufacturing and operating cost reduction.

"Replacement demand for tyres, especially in the heavier end of the market, weakened considerably in very recent months and naturally the serious drought had a negative effect on agricultural tyre sales."

Demand for Gentire's industrial rubber products declined throughout the year, says Dr Khazam, because of the slowdown in economic activity and the continued import of finished products, which remained at the same volume as 1981.

196

Sowetan 14/6/83

400 employees down tools as management cuts working hours

By MZIKAYISE EDOM

THE ENTIRE workforce, about 400 workers, at Dunlop Industrial Products in Benoni downed tools yesterday after the company cut their working hours from 45 to 37 hours a week.

According to one of the workers the work manager, Mr Makhaya, informed the staff that as from yesterday three shifts, instead of the usual two, would be introduced, meaning working hours would be cut from 45 to 37 hours a week.

When the workers arrived at the plant yesterday they refused to work.

The workers said they were already feeling the pinch of the high cost of living and if the company "reduced our working hours it would mean that our wages and salaries are automatically reduced."

Workers' representatives met with management yesterday but the talks ended in a deadlock. Further talks will continue between the two parties today.

Yesterday the management of the company refused to comment on the strike.

23/6/83

RDM 23/6/83 (196)

Tyre price rolls up again

By DAVID CAPEL

TYRES, retreads, tubes and tyre repair material will go up in price by 7,85% from July 4, the Tyre Manufacturers' Association announced yesterday.

Its statement comes three days after the association's chairman, Mr Michael Waterson, denied to the Rand Daily Mail that a rise in the price of tyres was imminent.

The Mail reported the denial on Thursday, and quoted sources in the trade who said a hike was to be announced shortly.

The increase means the price of tyres has risen by 12% in the past three months — with an increase of 4% in March.

When asked on Tuesday to comment on the rumours that have been doing the rounds in the trade, Mr Waterson said rumours were frequently rife in the industry and often had no substance and no price hike was due.

Asked yesterday to clarify the situation, Mr Waterson said at the time of the query no agreement had been reached on a price hike. A meeting of the association was held on Thursday and it was then the decision was made.

He said it was "difficult to deal with every rumour in the market". Besides, the decision "could have gone the other way" and prices might not have been increased.

In yesterday's statement the association said the industry had been absorbing costs for some time. It had become essential to make the adjustment.

The increase was slammed by the Housewives League, the Automobile Association and one of Johannesburg's largest tyre dealers, who first broke the news that an increase was pending.

The President of the Housewives League, Mrs Joy Hurwitz, said the league intended investigatiing the tyre trade with a view to assisting consumers.

AA spokesman Mr Denzyl Vermooten said the association was dismayed that tyre manufacturers saw it necessary to increase prices at present.

Mercury 25/6/83

196

Up goes price of tyres

Mercury Reporter

TYRES, retreads, tubes and tyre repair materials are to be increased in price by 7,85 percent with effect from July 4.

The increase means the price of tyres has risen by 12 percent in the past three months — with an increase of 4 percent having been introduced in March this year.

The new price increases are still below the rate of inflation, according to Mr Michael Watterson, the director of the South African Tyre Manufacturer's Conference.

'The matter is a little out of control. We are in the hands of our local raw material suppliers and live in the hope that they don't squeeze us too often,' said Mr Watterson.

Truck and car tyres are to be increased by 7,8 percent, L3 shallow tread earth mover's tyres by 3 percent and L4 and L5 earth mover's tyres by 14 percent.

Motorcycle and bicycle tyres are not affected by the increases because these are imported.

Prices of tyres will differ from dealer to dealer and consumers are advised to shop around.

Mr Denzyl Vermooten, the AA's economic affairs executive, said another increase could be anticipated before the end of the year.

CAPE TIMES 25/6/83

Tyre prices to increase again

(196)

Own Correspondent

JOHANNESBURG. — Tyres, retreads, tubes and tyre repair material would rise in price by 7,85 percent from July 4, the Tyre Manufacturers' Association announced yesterday.

The increase means that the price of tyres has risen by 12 percent in the past three months — a four percent increase was instituted in March.

It is impossible to ascertain what consumers will pay, as prices differ from dealer to dealer.

In yesterday's statement the association said the industry had been absorbing costs for some time. The costs were "substantially in excess of recovery" and it had become essential to make the adjustment.

The president of the Housewives' League, Mrs Joy Hurwitz, said the league intended investigating the tyre trade.

She said rather than pass increases on to the consumer, the tyre trade should look towards more efficiency and productivity.

Mr Denzyl Vermooten, the AA's economic affairs executive, said the association was dismayed that tyre manufacturers had found it necessary to increase prices.

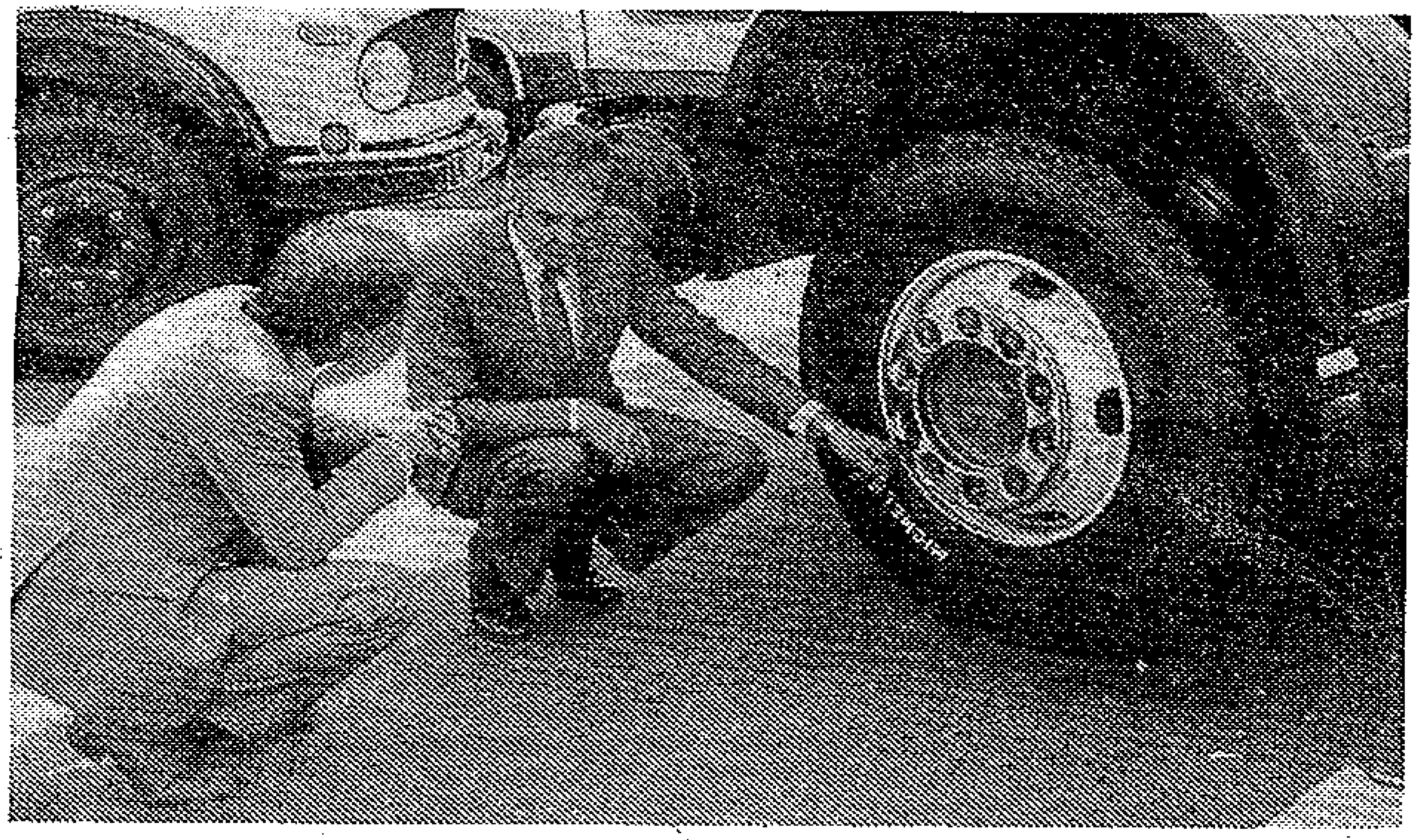
He anticipated another increase before the end of the year.

PLASTICS, RUBBER AND COATINGS

196 ~~245~~ Industrial Week

Tyre price lists stop competition

28/6/83



The tyre question - do buyers suffer from the trade's practices?

By Priscilla Whyte

PRICING has always been a controversial issue in the R500-million SA tyre market and with the downturn the saga continues of efforts to gain market share by discounts, wrestling for further tariff protection and claims of dumping.

Register

Denzil Vermooten, economic affairs executive of the Automobile Association said: "The operation of the tyre register should be investigated by the competition board because of its restrictive practices, which are not in the interest of the motorists."

The practice of issuing recommended retail price lists eliminated open and healthy competition, he said.

A minimum quality specification should be introduced with which both locally manufactured as well as imported tyres should comply.

Jack James, general sales manager of Michelin tyres, said that with the downturn in original equipment and new car sales huge discounts were being offered by local manufacturers to reduce inventories.

It is said that discounts are being offered of up to 30%.

James claimed that the situation in no way affected Michelin's price structure because "we always have been penalised for having a higher priced product."

Discounts

Michelin totally agreed with local manufacturers on the issue of "cheaper products being dumped on the SA market."

He claimed that dumped tyres were coming in from the Far East and their quality varied from very good to poor.

New tyre quality was not monitored by the SABS, whereas an outside authority did this in the US and Europe.

Benefit

He admitted that Michelin steel radial tyres were in some cases 60% to 70% more expensive and others 20% - 30% more than local products, and said that if local tyre manufacturers went more into the steel radial market "it can only be to our benefit."

90% of the passenger car market for tyres was for radials, that acceptance "speaks for itself".

James said the replacement market in this sector would be 2,4 million units for 1983 and he believed 1984 would be a more stable market.

Stable

"What I mean by a stable market is that we won't have the vicious marketing practices that the downturn has brought out, aggravated by low-priced imports."

The total tyre replacement market is worth R300-million a year out of a total of R500-million market. Original equipment tyre sales account for R200-million.

James admitted that resistance had been encountered in the SA truck market in the use of radials.

He said retreading of radials was one area of concern and acknowledged that it required more expertise.

Radials needed more preparation for repair but repairs were more localised.

The main advantage of the radial over the cross ply was the ability to divorce the functions of the tread and side walls.

He said radials gave up to two or three times longer life than cross plies.

Despite SA trying to achieve self sufficiency in synthetic rubber from Karbochem to the local tyre producers, it is a sobering thought that radial tyres require relatively more natural rubber (40%) than other tyres (20%) according to Vermooten.

Another UK group sells

RDM 28/6/83

196

Financial Reporter

ANOTHER overseas company is selling its investment in this country to a South African group.

A consortium headed by W & A Investments, controlled by Mr Mannie Simchowitz, has bought an 86,3% stake in the British investment group Anglo-African Finance (AAF) for just under R20-million.

AAF has effective control of five associated companies listed on the Johannesburg Stock Exchange — Williams Hunt, General Tire & Rubber, Aurochs Investments, Cap Auto Investments and Autolec.

The consortium apparently does not intend making an offer to minority shareholders in those companies.

● See Page 11

F96 ~~151 140A 192~~

PRESS STATEMENTS

July 1983

FOSATU

CANTEEN BOYCOTT ENDS IN RECOGNITION

A FOUR week boycott of the company canteen has eventually ended with the management of Dunlop S.A. Limited and the Metal and Allied Workers Union of S.A. concluding a full recognition agreement covering the union's members at the plant.

The Agreement gives the union full negotiating rights at plant level for its 900 members and covers shop steward recognition, grievance, dismissal and retrenchment procedures.

The Agreement took nearly 6 months to negotiate and involved the company withdrawing from and hence closing down the Durban Rubber Industrial Council which covered the Durban plant of Dunlop. The one union which was party to the Council, the Durban Rubber Industrial Union, will also probably be closed down as the Company is obliged in terms of its recognition agreement with the Metal and Allied Workers Union to cease giving facilities to minority bodies.

The MAWU Branch Secretary Mr. Geoff Schreiner hailed the agreement as a very important step forward for MAWU in the Durban area and said that while the negotiations had been tough the union was satisfied with the outcome and would test the agreement in its practical application at the shop floor.

15.7.83

ANOTHER MAJOR RECOGNITION AGREEMENT SIGNED

THE Metal and Allied Workers Union of S.A. signed another major recognition agreement on Friday with the C.I. Industries Group in Pinetown.

The Agreement follows two days after the Union's Recognition Agreement with Dunlop S.A. in Durban, and covers all five C.I. Industries plants in the Pinetown area where the Union has majority membership.

C.I. Industries is the biggest employer in the motor industry in Pinetown employing some 1 500 employees engaged in the manufacture of caravans, trailers and mobile housing units.

The Agreement gives the union plant based bargaining rights and covers the recognition of shop stewards.

The parties have immediately embarked on wage negotiations for minimum and across the board increases which will be back paid to the beginning of July.

'We proved two things at C.I. Industries' said Geoff Schreiner, MAWU Branch Secretary – 'firstly that it is quite possible that recognition agreements be negotiated and signed in less than a month and secondly that MAWU is one of the few unions in the industry which is seriously able to represent a proper multi-racial membership'.

18.7.83.

RDM 14/7/83 (196)

Dunlop and union agree

DURBAN. — Recognition negotiations between Dunlop South Africa's tyre factory and the Metal and Allied Worker's Union were concluded on Friday, July 8.

A procedural agreement, signed on Wednesday, July 13, provided for wage negotiating procedure, conditions of employment of shop stewards, disciplinary and grievance procedures, and retrenchment. — Sapa.

U'hage tyre firm to invest R23m

196

E.P. Post 18/7/83

By LOUIS BECKERLING
Business Editor

GOODYEAR (SA) has embarked on a R23 million programme to extend its tyre production and introduce the latest steel-belted truck tyres.

The predominantly capital-intensive expansion will involve importing R16 million worth of machinery and equipment from its parent company in the United States and a local investment in civil works and associated equipment of R7 million.

Making this announcement today, the chairman and managing director of Goodyear, Mr Wally Life, said the expansion would increase the capacity of the company's Uitenhage tyre manufacturing factory by between 28% and 30%.

The impact on employment, would, however, be marginal.

The investment would allow Goodyear to introduce — initially on a limited basis — an extensive range of steel-belted truck tyres by mid-1984.

The tyres, covering four separate size requirements and a number of different tread configurations, were extensively modified from the import proto-types with the help of a computerised monitoring system over the three-year evaluation period.

The major benefit would be a proven 3% to 5% fuel saving achieved with the use of the tyres.

Goodyear already produces steel-belted passenger radial tyres.

"Goodyear is now looking forward to supplying South Africa's sophisticated heavy duty truck market with premium quality locally manufactured truck tyres, which to date have only been available on an import basis," said Mr Life.

Retread tyre prices to rise

~~2??~~ 196

Mercury

26/7/83

Mercury Reporter

THE price of retread tyres is likely to go up over the next few weeks following the recent across-the-board increase on new tyres.

New tyre prices went up 7,85 percent from July 4.

A spokesman for one of the bigger retread companies said yesterday that had retreaders not already increased their prices, they would probably do so in the near future.

He added that since there was no controlling body for retreaders, the increases would be not be the same — probably between 5 and 10 percent — and retailers would put them up when they saw fit.

He gave the reason as an increase in raw material prices — the same reason that had pushed up new car tyre prices.

Retread ~~tyres~~ price likely to rise soon

26/7/83

Mail Reporter

THE price of retread tyres is likely to go up over the next few weeks following the recent across-the-board increase on new tyres.

New tyre prices went up by 7,85% from July 4.

A spokesman for one of the bigger retread companies said yesterday that if retreaders had not already increased their prices, they were likely to do so in the near future.

He said since there was no controlling body for retreaders, the increases would not be the same — probably between 5% and 10% — and retailers would put prices up when they saw fit.

The reason for the expected increase was the rise in raw material prices, he said.

Talks to be held after walkout

13/8/83 (196) RDM

Labour Correspondent

THE Firestone tyre company and the National Automobile and Allied Workers Union are to hold talks next week following a two-day work stoppage at the company's Brits plant this week.

It is understood that workers downed tools on Tuesday, and returned on Wednesday afternoon, in protest over a 5% wage increase granted by the company.

Both union and management confirmed yesterday that a stoppage took place and that talks would be held next week. It is understood they will meet on Tuesday.

Brits has not been regarded as a key centre of worker and union activity in the past. However, both NAAWU and the Metal and Allied Workers Union have been recruiting workers in the area for some time.

A union source said workers had stopped work on Tuesday because they rejected the increase which, he said, had been awarded without negotiation.

The company confirmed yesterday that it is holding talks with NAAWU on the dispute.

196 (195)

RAND DAILY MAIL, Saturday, August 13, 1983

Senchem project kicks off with a huge loss

By SIMON WILLSON
Industrial Editor

THE Afprene project will reduce Sentrachem's pre-tax profits by about R16-million in the 1982-83 financial year.

The reduction in pre-tax profits will be R50-million in 1983-84, it is estimated.

These figures were given to newspapermen this week during a tour of the R401-million synthetic rubber plant established at Newcastle by the Sentrachem subsidiary, Karbochem.

Marketing begins this month of polyisoprene, the Afprene product billed as South Africa's answer to the need to import natural rubber.

When fully on stream, Afprene will have a polyisoprene production capacity of 45 000 tons a year.

The dent in Sentrachem's earnings in the year to June 1983 would be about 6c a share, said Sentrachem's managing director, Mr David Marlow.

Losses in the current financial year were estimated at about 30c a share.

"Losses are expected to peak at a somewhat higher level during the financial year ending in June 1985, and to improve progressively thereafter.

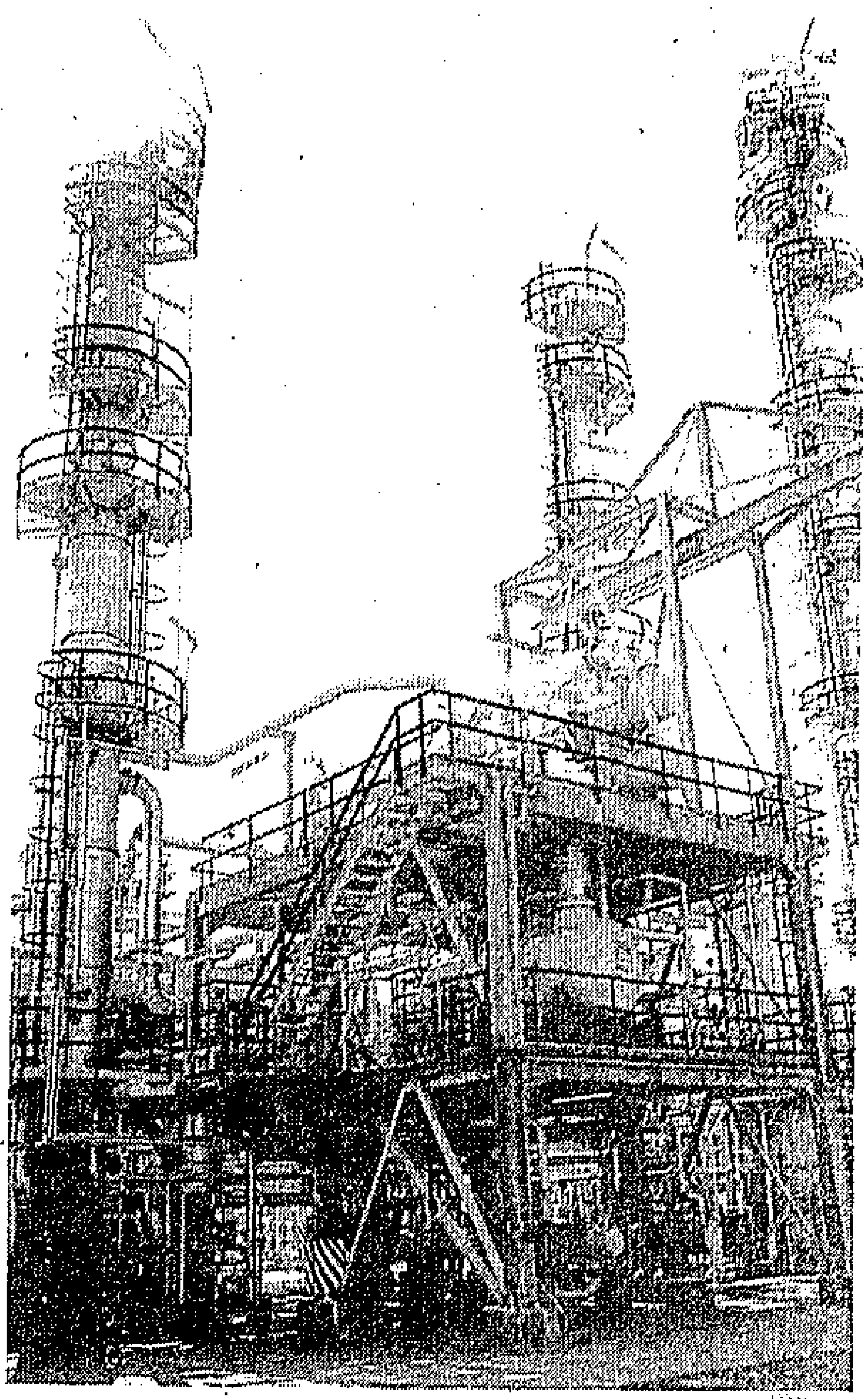
"Pre-tax break-even will, hopefully, occur before the end of the decade, depending on the level of international rubber prices and the Government support obtained."

Sentrachem has applied for 25% protection for Afprene products to be levied on natural rubber imports, and expects the Board of Trade's verdict in October.

"The expected performance of the project will be carefully monitored and action taken to ensure optimisation of group profitability at all times," Mr Marlow said.

More information about Afprene's effect on Sentrachem's earnings would be disclosed with the group's preliminary profit figures about August 31.

Additional comment from the board on the project would be given in the group's annual report, due next month.



The solvent recovery section of the polyisoprene plant at Karbochem's Apfrene project. The plant is to produce 45 000 tons of polyisoprene, a coal-based synthetic rubber intended to replace imports of natural rubber.

Six General Tyre & Rubber Co. firms merge

196 Mercury 21/7/83

JOHANNESBURG—The operations of six industrial companies owned by the General Tyre and Rubber Company (S A) have been amalgamated to form Mining and Industrial Rubber Company, the company said.

The companies are Pigott Maskew, Flexible Tubing Africa, Corroxive Resistant Coatings, Ferroplastic and Rubber Industries, Tensile Rubber and Hydraulic Component Supplies.

Mr P A Roberts, head of the industrial products division, said the move was a culmination of plans to achieve maximum utilisation of existing manufacturing resources, to rationalise production, and to improve profitability.

He said that by streamlining the operations while the market was generally depressed, they would improve their capabilities for coping with the upturn which they expected in 1984.

Most of the manufacturing activity will be centred at the company's complex in Boksburg, whilst certain operations will continue at Industria and Wadeville.

Mr Roberts has been appointed executive chairman and Mr V T Pretorius chief executive of the new company.

A marketing division will be set up to handle the various product groups.

The industrial companies in the General Tyre group, which are not affected by this development, are Paragon Rubber Company of Alrode, Triple 'A' Rubber Company of Durban and foreign companies. — (Sapa)

Dunlop SA to benefit from company's deal overseas

1,96 Mercury 23/9/83

Financial Editor

DUNLOP South Africa will benefit technically from a agreement which has been reached between Dunlop Holdings in England and Sumitomo Rubber Industries in Japan, according to Mr Clive Hooper, managing director of Dunlop South Africa.

Sumitomo will acquire Dunlop's tyre factories in the UK and West Germany over 15 months and the right to market Dunlop tyres in Western Europe.

Dunlop Holdings will sell its 40 percent shareholding in Sumitomo to the Sumitomo group.

'Dunlop SA is not included in the sale, but we will, from July 1984, receive considerable tyre technical aid from Sumitomo in terms of the agreement,' Mr Hooper said.

Reseach

'When the tyre research and development facilities in the UK and Europe are acquired by Sumitomo next year there will be a new technical aid and licensing agreement whereby Sumitomo provides tyre design, manufacturing technology assistance for use by Dunlop companies, its associates and licensees,' Mr Hooper said.

'Our consumer and industrial divisions, which make Dunlopillo foam products, sports goods, carpeting and resilient flooring, conveyor-belting and hoses, are not affected by the agreement and will continue to receive technical aid from the UK.'

Mr Hooper has returned from London after a weekend meeting at which the new agreement between Dunlop and Sumitomo was discussed.

Sumitomo Rubber Industries is the successor of Dunlop Japan, which built Japan's first rubber manufacturing plant in 1909.

Sumitomo, with its 48 percent stake in Ohtsu, is the second largest tyre company in Japan, with 1982 sales of nearly R1 000m.

It forms part of the giant Sumitomo trading group, whose sales are R102 000m and which employs 300 000 people.

Profit

Meanwhile, Dunlop Holdings Plc told Reuter in London that it made pre-tax profit of £2m (£4m) for the six months ended June 30. Turnover was £828m (previously £775m).

Loss per share was 15,4p (loss 13,2p). Tax took £15m (£17m), leaving the same loss, of £13m, as at the previous period and making attributable loss £22m (loss £19m).

Interim dividend nil (two pence). Operating profit was £27m (£29m) after depreciation £23m (£20m).

Income from associate companies and investments £2m (£4m) after financing charges was £27m (£29m).

Dunlop said it is unable to recommend an interim dividend because of the first-half results, prospects for the remainder of the year and the necessity for further heavy rationalisation costs.

Trading in the first half of 1982 but recovery is still fragile and there are no solid grounds for expecting further improvement in the second half of this year, it said.

In total, trading losses in Dunlop's Europe tyre business have continued, although the profits of the West German subsidiaries again increased.

Substantial losses were incurred in France and the European selling companies were also in loss. The US subsidiary increased its profits for the third year running. Profits in the Far East were maintained, Dunlop said.

Total profits of African subsidiaries were lower mainly due to difficult conditions in Zimbabwe.

Dunlop Nigerian Industries sustained a small loss after financing charges but improved significantly on the first half of 1982.

Dunlop India maintained profits but a reduction was reported from Japan by Sumitomo Rubber Industries.

Dunlop also said Sumitomo Rubber Industries agreed to acquire its tyre- making and supply business in most of Europe, excluding France.

Dunlop will also sell its 40 percent stake in Sumitomo Rubber to buyers nominated by Sumitomo.

It will receive about £82m for the tyre businesses and related licences sold to Sumitomo.

Sumitomo is also buying the tyre plant inventories for about £30m.

Of the £82m price, about £41m will be received by Dunlop later this year and the balance by January 2, 1985.

Dunlop will be selling assets and shares with a book value of £94m. This will results in net extraordinary charge of about £25m.

Dunlop said the agreement will mean it will be relieved of operating losses which for the year 1982 amounted to £9m and for the first half of 1983 £3m.

The share of Sumitomo's post-tax profits attributable to Dunlop was £1m in 1982 and a loss of £1m for the first half of 1983.

Dunlop SA to get aid from Sumitomo

(196) Times 23/9/83

DURBAN. — Dunlop South Africa will benefit technically from a new agreement which has been reached between Dunlop Holdings in England and Sumitomo Rubber Industries in Japan, according to Mr Clive Hooper, managing director of Dunlop South Africa.

As a result of the agreement, announced in London yesterday, and subject to final contract, Sumitomo will acquire Dunlop's tyre factories in the UK and West Germany over 15 months, and the right to market Dunlop tyres in Western Europe.

Dunlop Holdings will dispose of its 40 percent shareholding in Sumitomo to the Sumitomo group.

"Dunlop South Africa is obviously not included in the sale, but we will, from July 1, 1984, receive considerable tyre technical aid from Sumitomo in terms of the agreement," Mr Hooper said.

"When the tyre research and development facilities in the UK and Europe are acquired by Sumitomo next year, a new technical aid and licensing agreement will be effected, whereby Sumitomo will provide tyre design, manufacturing technology assistance to Dunlop, for use by Dunlop companies, its associates and licensees throughout the world."

"Our consumer and industrial divisions, which make Dunlopillo foam products, sports goods, carpeting and resilient flooring, conveyor belting and hoses, are not affected by the agreement and will continue to receive technical aid from the UK."

Sumitomo, together with its 48 per cent stake in Ohtsu, is now the second largest tyre company in Japan, with 1982 sales of nearly R1 billion.

It forms part of the giant Sumitomo trading group, whose sales are R102-billion and which employs over 300 000 people. — Sapa

Motorist in middle as Govt debates rubber industry

(196) RW

26/7/83

By BILL CAIN

MOTORISTS and commercial vehicle operators will be caught in the crossfire of *real politique* next month when the rubber industry's long-term future is decided in Pretoria.

How the Department of Trade and Industry rules on a tariff to protect Karbochem's output of synthetic substitutes will govern — probably for many years to come — the cost of private motoring and fleet budgets.

Estimates of the effect of granting the request for the full 25% surcharge on imported synthetic rubber, range significantly.

"Car tyre prices will rise 4% to 5% early next year if converters (manufacturers and retreaders) are forced to use only locally produced supplies," said Mr Alex Hawes, chairman of the 300-member National Retreaders' and Tyre Dealers' Association.

"I'd put the increase at nearer 7,5%," said Natyre's managing director, Mr Ronnie Tollemache.

Karbochem's Mr Tiens van Niekerk said that, whatever the Department of Trade and Industry decided, protection for the R401-million Newcastle Afprene plant would have little or no effect on tyre prices.

Mr Denzil Vermooten, the AA economic affairs executive, disagreed. He warned: "Motorists (and presumably fleet operators) will be lucky to get away with a 10% rise in the cost of tyres if the full 25% protection is granted."

These estimates exclude any of the routine rises by manufacturers in the price of tyres the motorist has come to expect.

Billions of rands are at stake, depending on which way the department falls, with tempers becoming shorter and allegations becoming wilder as the day of the scheduled decision draws near.

The only salient point of agreement among people concerned about the tyre industry is that South Africa needs Karbochem's synthetic rubber plant. Where they differ widely is on Karbochem's need of a tariff protection barrier to scare off competing imports.

A senior man in the rubber and synthetic rubber business, who prefers not to be identified, said he was not alone in believing that yet another sector of business was crying wolf and scurrying behind claims of supplying a strategic material to a strategic industry in order to bolster a plea for protection.

He added: "The world (synthetic rubber) market is hopelessly over capacity and we will be expected to pay 25% more than the highest price overseas. Everybody in the business knows that we cannot make rubber locally to justify its local price."

Karbochem stated: "If it is assumed that the tariff protection of 25% *ad valorem* on FOB prices will be granted, the current delivered cost (of the popular SMR-20 grade of synthetic rubber) will be increased from R1 325 to R1 625. This will be the price against which Karbochem has to compete.

"The price will have to be supported by a reference price in a formula duty to protect the local industry should natural rubber prices again collapse."

In other words, local converters and motorists are going to pay a premium on tyres whatever happs to rubber and synthetic rubber in world markets.

Mr Hawes said the industry was prepared, within reason, to pay that premium.

He said: "The countries *supplying rubber are not* over-friendly with us. Synthetic rubber is every bit as good as the real thing, there *is no argument about that*, and the retread industry is generally prepared to go along with a stable and steady supply. This will soon *be a R1-billion a year industry*."

Mr Vermooten agreed: "It is a *strategic material of* the highest quality. We mustn't lose sight, however, of what this is likely to cost the country.

"We're looking at 4-million new and retread tyres every year for cars alone. The amount of rubber used in trucks, tractors, earthmovers and industry is much more again. If the 25% tariff is granted, the motorist, for a start, is going to pay a lot more for his tyres."

How much more, nobody can say for sure until they hear the government decision.

The only sure thing is that, despite a world glut and volatile international prices overseas, the price of rubber and synthetic rubber goods locally will not fall.

There is also an overriding feeling in the industry that the government will not make a sudden and rigid decision one way or the other but might rather opt for an overview of the whole rubber industry and associated sectors — from imports of rubber and synthetic rubber to the import and local manufacture of tyres, distribution, retailing, retreading and competition generally.

Swanepoel, an announcer Pretoria. — (Sapa)

4/10/83 I/96 Mercury

Production back to normal

Mercury Reporter

PRODUCTION was back to normal at the Dunlop tyre factory in Durban yesterday following a 'go slow' by some workers last week, a spokesman for the company said yesterday.

A number of workers, mainly in the tube manufacturing division, staged a protest against the company's refusal to meet their demand for more pay by either walking out or engaging in a 'go slow'. They were later supported by workers in other sections of the factory.

Mr Geoff Schreiner, branch secretary of the Metal and Allied Workers' Union (Maawu), said yesterday that he preferred not to comment at this stage, except to confirm that there were 'lots of problems facing members at the factory'.

A spokesman for Dunlop told the Mercury that 'a very small minority of workers walked out of the Sydney Road plant on Tuesday and Saturday and some were going slow but the factory is still in production.'

He said the protest was 'fairly low-key at this stage'.

'We have been in negotiation with the union for more than a week. The package which they have submitted would mean a 50 percent increase on our present wage bill, which would be an increase of more than R3 000 000 a year,' he added.

Meanwhile, in a joint statement by Maawu and the Pietermaritzburg-based Scottish Cables Ltd, yesterday Mr C M Jaffray, personnel manager of the company, announced that a 'procedural recognition agreement' had been concluded between the two parties.

Star 18/10/83

Strike threat at Dunlop

After wage negotiations had "ended in deadlock" the Metal and Allied Workers' Union yesterday threatened legal strike action against the Dunlop Tyre Company at its Durban plant.

Some 300 union members endorsed strike action after the 30-day period required by law "to show the company that we are not animals, but human beings with serious and legitimate grievances".

The workers decided to "stand firm" in their demand for wage increases ranging from seven to 18 percent. Dunlop called the decison to declare a dispute "unnecessary" and appealed for further talks.

Union declares deadlock in Dunlop pay talks

Mercury

18/10/83

196

Mercury Reporter

THE Metal and Allied Worker's Union yesterday rejected a pay rise of 40 c an hour offered to about 1 100 workers at the Dunlop tyre factory in Durban and declared a deadlock in wage negotiations with the company.

Maawu branch secretary Geoff Schreiner said the union had asked for a rise of 31 c an hour — part to be be paid immediately and the balance by January. In terms of the company's offer only some of the employees would have had their wages increased by October next year, he said.

He said that a meeting of more than 300 Maawu members at the factory at the weekend decided to stand firm on their demand for a wage hike of between 7 and 18 percent.

The meeting also called for the abolition of the production bonus scheme.

A motion calling for a strike ballot to be held at the factory was passed unanimously and those present strongly endorsed 'legal strike action' after 30 days 'to show the company that we are human beings with serious and legitimate grievances'.

The meeting also unanimously supported an immediate boycott of the company's canteen and called for the managing director and works manager to become directly involved in resolving the workers' grievances.

But a spokesman for Dunlop told the Mercury yesterday that the company had offered 1 100 operatives at its Durban tyre factory 40 c an hour increases over a 15-month period compared with the union demand of 31 c an hour over 12 months.

'The company is at all times willing to negotiate but understands that the union has limited resources to meet extended negotiations and has therefore applied for a conciliation board hearing.

Bonuses

'The company believes this is unnecessary and negotiations should continue. The company cannot agree to the union demand to convert its production incentive bonus scheme into an annual bonus regardless of output.'

The production incentive bonus scheme had operated successfully for more than 25 years and rewarded more productive operatives in line with similar schemes overseas, even in socialist countries.

He said 75 percent of the operatives were eligible and received average bonuses of 22 percent of earnings.

The spokesman said that during the past three weeks of negotiations three instances of malicious damage to equipment had occurred which were subject to insurance claims and police investigations. The Durban tyre factory was currently operating normally.

Tyre workers threaten legal strike action

18/10/83

196

RDM

Labour Correspondent

FOSATU'S Metal and Allied Workers Union yesterday threatened legal strike action against tyre company Dunlop at its Durban plant, declaring that wage talks between the two sides were "deadlocked".

It said a meeting of 300 of its members had "unanimously" endorsed a decision to hold a strike ballot at the plant and had also "strongly endorsed" strike action after the 30-day period required by law.

But, in a statement yesterday, Dunlop said the union's decision to declare a dispute with it was "unnecessary" and talks should continue.

It charged that there had been three instances of malicious damage to property during the past three weeks' negotiations and that police were investigating.

Legal strikes have been comparatively rare in recent years, but the legal strike machinery is being used increasingly by FOSATU unions.

In its statement, MAWU said workers had decided to "stand firm" in their demand for increases ranging from 7% to 18%.

They also called for the abolition of the company's production bonus system which they claimed was "divisive and designed to ensure super exploitation for the giant multi-national firm".

It said workers had endorsed strike action "to show the company we are not animals but human beings with legitimate grievances".

MAWU said the meeting also called for a canteen boycott and for a joint meeting with shop stewards at other Dunlop plants to plan common strategy.

In its statement, Dunlop said it had offered the 1 100 operatives at the plant a 40c per hour rise over a 15-month period, whereas the union wanted 31c per hour over 12 months.

It said it was willing to negotiate "at all times" on this. It said it understood that the union had "limited resources to meet an extended negotiation" and implied this was why it had declared a dispute.

Dunlop said it could not agree to MAWU's demand that its production incentive bonus be changed to an annual bonus regardless of worker output.

The incentive scheme had "operated successfully for over 25 years" and was in line with similar schemes overseas "even in socialistic countries".

Strike threat at Natal firm

NDM 25/10/83 196

Labour Correspondent

THE Metal and Allied Workers' Union (MAWU) says it is to hold a legal strike ballot at BTR Sarmcol, in Howick, Natal, and is also considering industrial court action against the company as a result of its alleged refusal to negotiate severance pay for retrenched workers.

However, a company spokesman said yesterday that MAWU's statement was "surprising" because "we are still negotiating with them on this issue".

He said the company was not against severance pay, but did not believe this should be written into a union recognition agreement.

MAWU's move is seen as further confirmation of a recent trend among some emerging unions to make use of the legal strike machinery.

Meanwhile, MAWU also announced yesterday it has reached an out-of-court settlement with a Pinetown company Gedore Tools, after launching an industrial court action against it over the retrenchment of 10 workers.

MAWU, which claims the workers were retrenched "without due consultation", said in a statement yesterday that the settlement provided for reinstatement of some workers, severance pay for those retrenched and a guarantee of re-employment for some of them when vacancies become available.

The union said it would hold a secret strike ballot at BTR Sarmcol "to gauge employee support for legal industrial action".

It said it was also considering legal action, alleging that it was an unfair labour practice "for the company to refuse to negotiate any matter with a majority union".

"After blocking our recognition for 10 years they now expect us to accept that workers have not got the right to negotiate for improvements in their conditions of service," said MAWU's local organisor, Mr Dumisani Mbanjwa.

A spokesman for BTR Sarmcol said the company had been paying retrenched workers severance pay for some time.

"But the union wants severance pay provisions included in their recognition agreement with us. We are opposed to this because we believe these agreements should deal with procedures to be followed, not issues like severance pay, which is an ex gratia payment by an employer," he said.

Mercury 26/10/83 196

Severance pay dispute at Howick

Mercury Reporter

THE Metal and Allied Workers' Union yesterday declared a dispute with a Howick rubber company, BTR Sarmcol, over the company's alleged refusal to negotiate severance pay for retrenched workers.

Mawu local organiser Dumisani Mbanjwa said the union would hold a secret 'strike ballot' at the factory to determine employee support for legal industrial action against the company.

The union was also considering taking legal action 'alleging that it is an unfair labour practice for the company to refuse to negotiate any matter with a majority union'.

He added: 'We are very tired of this company. After blocking our recognition for 10 years they now expect us to accept that workers do not have the right to negotiate for improvements in their conditions of service. It is outrageous.'

The company's administration director, Mr John Sampson, said yesterday that the union had not been in negotiation with the company for 10 years. Negotiations began only this year when it achieved a 50 percent support among the work force.

There had been no refusal by the company to negotiate severance pay.

'We have a severance pay policy in terms of which it should not form part of a recognition agreement — which is a 'procedural agreement'.

Dunlop dispute spreads

(196)

RDM Labour Correspondent 26/10/83

THE dispute between Dunlop (SA) and the Metal and Allied Workers Union (MAWU), which could lead to a legal strike at the company's Durban tyre plant, has now spread to two other Dunlop plants in Durban and Ladysmith.

The union says it plans industrial court action against the company at the two plants over its alleged refusal to sign recognition agreements at them.

MAWU says negotiations for the two agreements ended in agreement in September, and that they have already been signed by the union. It charges that the company now refuses to sign them because it says it wants changes made to them.

It charges that the company has made an "about face" on recognition at the plants and says it is "appalled" by this.

In a statement yesterday, the company said it had "as yet" received no details of a recognition dispute at the two plants.

It added that recognition agreements for the two "have not yet been finalised".

MAWU recently announced it was to hold a legal strike ballot at Dunlop's Durban tyre factory after charging that the two sides were deadlocked over wages. Dunlop replied that it was still willing to bargain on wages.

Now the union says, in a statement, that the dispute "looks set" to extend to the two other plants where it claims to have majority membership.

MAWU said the two plants were refusing to sign the agreements, after first agreeing to do so, because they say their directors will be requiring changes.

The union says it regards the agreements as valid, and that it refuses "to accept any tampering with (them) by the Dunlop board of directors".

Its executive, it said, had approved of the dispute being taken to the industrial court "if necessary to enforce the agreements at the plant".

The union adds that it plans to hold a strike ballot at the Durban tyre factory "within the next week or so".

It charged that the company had lost "a tremendous amount of goodwill and trust from its employees in recent months".

200 stop work at PE plant

E. Post 27/10/83

196

Post Reporter

MORE than 200 workers stopped work today at the Carborundum Universal factory, in Kempston Road, Port Elizabeth, after seven security guards were retrenched.

Mr Vuyani Tu, branch secretary of the Metal and Allied Workers Union (Maawu), a Federation of South African Trade Unions (Fosatu) affiliate, said the entire work force downed tools at 10am.

He said the seven security guards had complained that they had been paid for 45 hours when they claimed they had worked 60 hours a week.

The matter was settled last Friday and the company paid workers the balance owing to them.

Mr Tu said shop stewards were called in by management yesterday and told the seven security guards were to be replaced by security guards hired from a private firm.

"But the workers were dissatisfied and this sparked the strike."

Management could not be contacted for comment.

ırope.

State

196 152 189

Labour dispute at PE factory resolved

E. Post 28/10/83

Post Reporter

TWO HUNDRED employees who staged a work stoppage yesterday were back at work at the Carborundum Universal factory in Port Elizabeth today after an agreement with management that seven retrenched security guards be absorbed into the production line.

The strike started at 10am yesterday after management informed shop stewards of the registered Metal and Allied Workers' Union that seven security guards were to be retrenched the next day and replaced by hired guards from a private security firm.

The union's branch secretary, Mr Vuyani Tu, said the workers had stopped work in sympathy with six of the guards, who were members of the union, and management had agreed to meet union officials and shop stewards at 1.30pm yesterday.

...ares 'easier

changed at 860c.

The all-gold index lost another 8,3 points to 858, while the lack of trading in the industrial sector served to keep that index up at 830,3 — a mere 0,8 points lower than Friday's level.

The shares of the new Clicks pyramid company, Clikdin, opened at 280c. No trading took place before noon.

GFSA, on its new two-for-one share split traded at the expected level of 2065c.

..., dividend yield. A = sellers; B = buyers.

R	335		5,8
OR PL	1		
R 13%CD	100,0	B	
RS	370		
/	40		
PROPERTY TRUST			
UND	175		7,9
OP	140		8,7
ND	195		10,4
ER	225		7,3
ND	75		9,6
PRO	120		8,0
NI	108	1+	9,3
JST	88		11,8
INDUSTRIAL			
IND. HOLDING			
NCE	125		6,4
SA	185		4,5
IND	210		4,8
USA	730		5,3
	2600		6,9
OPT	350		
	1000	A	4,6
CAN	30		
OWS	1230		5,7
OWS PORD	1300		8,1
RC	670		5,7
OR	102		
OLD	150		2,3
AIN	190		3,7
	420		10,1
ITH	2150		5,6
FIN	400		8,0
H	800		5,5
OND	70		
YAL	52		5,8
ATI	35		
VOLK	415		9,2
VOLKCP	450		10,6
COR	180		
	705		7,1
	1550		4,8
NV	4000		4,1
IO	158		8,4
M	49		
M OPT	10		
M CD	18,0	%	
ORP	22		
HAIL	28	1-	
BAK	455		7,0
BAK 15%CD	105,0	%	14,3
BK12,25CD	100,0	%	12,3
TRU	100		8,0
SINA	560		6,7
JE & Z	125		5,7
R	230		8,0
R	1075	25-	6,1
US	30		
EL	500		4,0
N	625		5,6
COR	530	A	6,7
E GL	1500		6,3
M IND	300	B 20+	7,8
TEA	330	5+	6,1
TEA 14%CD	105,0	%	13,3
NIES	1200		5,0
TM ELEG	.175		8,6
AR	42		
LANT	710		5,9
ER	110		8,2
ON	60	SUSP	EDED
F HLD	140		0,7
EC	560		6,1
A	730		8,2
COR	290		6,9
- BEVERAGES & HOTELS			
TRAM	65		
PWYN	240		6,6
BEL 7%PP	210		7,5
TEL	270		3,7
TEL 11%CP	240		9,2
REWS	740		4,7
HSUN	610		6,8
CRSH	1675		4,8
WYN	225		
- BUILDING & CONSTR.			
PHA	850		5,2
OHN	365		5,8
MAT	560		5,0
COR			
	130		4,6 22,5
RITE	865		5,8
OSTEIN	260		5,8
OPE	250		

IFM	110	B	4,5
IFM 14%CD	125		17,9
LANDLOK	340		11,2
S LANDLOK CD	120,0	%	12,5
METAIR	585		2,6
METKOR	143		5,1
ATL BOL	185		
ATL TRO	350		63 1
NEIAFR	1925		4,5
QUINCOR	115		
QUINCOR 10CP	150		6,7
REUNERT	1475		3,4
SOLARSH	258		
SALECT	15	SUSP	EDED
STD BRAS	510	A 10-	4,9
ST METAL	230		8,7
STEW LL	390		7,7
IND. - FISHING			
KAAPKUN	310		6,5
OCISH	410		11,7
OIL	62		5,6
OIL 8,5% PCP	64		13,3
SEASWA	450		11,6
S W A FISH	630		11,3
WILBARZ	105		6,0
IND. - FOOD			
BECKETS	600		7,0
CGS FOOD	715		4,9
CADSWEP	1000		5,3
CADSW13,5%CD	1100		10,8
FEDFOOD	350		7,7
EDFD14,5%CD	1200		21,8
I C S	370		5,9
ICS 32,3C CP	425		7,6
I& J	305	5+	5,6
JABULA	690		7,4
KANHYM	950		4,2
PICFOOD	690		3,2
PREM GRP	2550		2,6
TIG OATS	3125		3,4
IND. - FURN. & HOUSEHOLD			
AMREL	1300		5,5
AFCOL	880		6,7
B & S	350		4,1
BEARES	355		6,1
BRADLOW	400		4,0
DUROS	220		
ELERINE	1000		5,2
H PARKER	45	SUSP	ENDED
MONTAYS	145		9,0
OCMAN	106		
PICCAN	125	B 5+	8,8
PRESCAT	175		8,3
RUSSEL	350		6,6
RUSSL11,5%CD	140,0	%	8,2
SAMSTEL	140		7,5
TEDELEX	1050		5,1
WORLD	180		6,4
IND - MOTOR			
A & F	120		
ASSENG	75		
AUROCHS	550	A 10-	1,9
AUTOLEC	400		5,6
CAPAUTO	400		1,9
CURRIES	860		10,5
DANPERK	175		6,9
DANPERK CP	120		10,0
DULOP	1150		6,5
ERIKSE	425		
EUREKA	1700	B	2,9
GEN TIRE -A-	1265		4,0
GEN TIRE -B-	1225	25-	4,1
MCARTHY	370		6,1
NFS MTR	115		
PORT	205		3,4
QHSUPER	65		
SAFICON	585		5,1
SAKERS	580		5,5
SCHUS	95		4,7
TOYOTA	2975		4,7
WELFIT O	575		1,7
WESCOB	775		2,6
WM HUNT	335		
IND - PAPER & PACKAGING			
COPI	480		5,6
CARLCOR	480		6,7
COATES	230		7,8
CONSOL	2600	B 25+	5,2
HADDONS	750		8,0
HORTORS	140		8,0
HORTRIO	235		9,1
HORTRIO 6%PP			
	160		16,1
KOHLER	825		6,2
MET BOX	925		4,9

General Tyre lifts profit

Argus 31/10/83

(196)

GENERAL Tyre and Rubber Company (South Africa) has lifted pre-tax profit for the six months to August to R5,5-million (R4,4-million).

Sales rose to R95,9-million (R73,9-million).

The interim dividend was maintained at 25c, although there was an extraordinary cost of R2-million for re-organisation and profit attributable to shareholders dropped to R1,1-million (R1,9-million).

The directors say the replacement tyre market has held up surprisingly well except for agriculture.

But deliveries to vehicle manufacturers reflect the lower output and imports are making their mark.

"Overall, the tyre division has maintained and even improved its position with higher prices boosting sales value."

● Although Svenmill lifted turnover for the three months to August to R4,5-million (R3,4-million), pretax income fell to R265 000 (R350 000).

But tax was lower, at R45 000 (R140 000), leaving R220 000 attributable to shareholders (R210 000) and lifting earnings to 2,7c a share (2,6c).

● The pre-tax income of Trade and Industry Acceptance Corporation for the three months to September fell to R785 000 (R1,8-million) and earnings to 22,3c a share (48c).

● Malbak ended the six months to September with pre-tax income of R4,6-million (R7,8-million) on a marginally reduced turnover of R144,8-million.

The interim dividend will be declared in February.

Earnings fell to 20c a share (37c) but managing director Mr Grant Thomas said this was above the 18,4c a share recorded in the second half of last year and he expected this trend to continue.

Packaging, mining and construction supplies all reported satisfactory results and the farm machinery division made a small profit in spite of the effects of the drought.

Motor and allied interests performed well but electronics and engineering were worse than last year.

Audrey d'Angelo

A flat spot in union's talks with Dunlop

196

By STEVEN FRIEDMAN
Labour Correspondent

A MAJOR confrontation looms between the Metal and Allied Workers Union and Dunlop SA.

The union announced yesterday it is to hold a legal strike ballot at Dunlop's Durban tyre plant on Thursday.

MAWUhas also declared a dispute with Dunlop at its Ladysmith plant.

And a MAWU statement yesterday also hinted at action by the National Automobile and Allied Workers Union (NAAWU) — which operates in car assembly plants — in sympathy with Dunlop workers.

If MAWU members strike in Durban, it would be the second legal strike by black workers this year and the third in recent labour history.

However, the company yesterday implied that a strike at the plant would not be legal and would not protect workers.

It denied MAWU charges that it was unwilling to negotiate and repeated earlier statements that it was prepared to continue talks.

The union recently declared a dispute at the tyre plant over wages and other issues.

MAWU sources said yesterday that, if the Minister of Manpower did not appoint a conciliation board to settle the dispute by Monday, the union would be entitled to strike legally.

The wrangle at the Ladysmith plant centres on union allegations that Dunlop refused to sign recognition agreements after both sides had reached agreement.

In a statement yesterday, MAWU said it would hold a strike ballot on Thursday "to ascertain members' views on taking legal industrial action".

THe union alleged that "all efforts on the part of the union to resolve the dispute over wages, shift allowances and bonus schemes have been rejected by the company".

It said Dunlop had refused to put a final offer on the negotiating table and had also refused to have the dispute settled by mediation.

"This is the first time a company has ever refused an offer of mediation by MAWU and has been interpreted as a clear indication that the company intends to provoke industrial action at the plant," the statement said.

MAWU also said it had had "very constructive discussions" with NAAWU on the situation at Dunlop and added that they would call on the sister union's assistance "if need be".

A Dunlop statement yesterday denied the charges and said MAWU's statement "seems to confirm that MAWU is not interested in a negotiated settlement, but merely wishes to provoke strike action at the earliest opportunity".

Strike ballot for tyre plant

Hum 9/11/83

Workers at the Dunlop's Durban tyre plant will hold a legal strike ballot on Thursday as a four-week dispute with the company remains unresolved, their union announced yesterday.

A Metal and Allied Workers Union statement said the company refused to mediate in the dispute over wages, shift allowances and other issues.

Dunlop denied it had refused to negotiate, but charged that the union was "not interested in a negotiated settlement and wants to provoke strike action at the earliest opportunity".

The Mawu statement said the union had also declared a dispute at Dunlop's Ladysmith branch after the company allegedly refused to sign a recognition agreement.

Strike at tyre factory averted

11/11/83

196

Labour Reporter

A strike at the Dunlop Tyre Factory in Natal has been narrowly averted by the appointment of a conciliation board by the Minister of Manpower.

The board was appointed yesterday shortly before a secret ballot was held among members of the Metal and Allied Workers Union (Mawu) to determine support for industrial action at the factory.

The dispute, declared more than a month ago, concerned wages, allowances and bonus schemes.

BALLOT

A statement released by Mawu today said that a strike ballot was held at the factory yesterday despite management's claims that any action outside the conciliation board would be considered illegal.

The ballot had to be conducted on the pavement outside the factory gates as management allegedly refused to allow union officials access to the company's premises.

Legal industrial action was favoured by 825 members while six voted against.

The two parties now have a further 30 days in which to resolve the dispute.

If this fails, the way will again be open for a legal strike.

PRESS STATEMENTS

FOSATU

196

RESULT OF DUNLOP STRIKE BALLOT

The result of the strike ballot held amongst members of the Metal and Allied Workers Union at the Dunlop Tyre Factory were released last night by officials of MAWU who conducted the ballot yesterday.

In all 825 members voted in favour of legal industrial action, 6 voted against and there was one spoilt paper. The number of people who voted represents just over 90 per cent of MAWU's actual membership at the plant.

The ballot had to be conducted on the pavement outside the factory gates as management refused to allow union officials access to the company's premises because they allege that any possible industrial action would be illegal.

Meanwhile the company is continuing to interview and test numerous new employees who have been told after completing their tests that they should wait to be called out from their homes.

The Union believes that these people are being interviewed to build up a scab labour force on the sidelines which could be moved in to break any possible industrial action by MAWU members.

Members will now meet on Saturday to consider any further proposals from the management or failing such to examine the massive vote in favour of legal industrial action.

Natal Branch Secretary, MAWU 11.11.83

New turn in Dunlop dispute

(96.)
Mercury
11/11/83

Mercury Reporter

THE wage dispute at the Dunlop Tyre Company in Durban took a new turn yesterday with the announcement that the Minister of Manpower, Mr Fanie Botha, had approved an application for a conciliation board to settle it.

Mr S C Meyer, the company's group industrial relations manager, told the Mercury last night negotiations between Dunlop's Durban factory and the Metal and Allied Workers' Union resumed yesterday at the union's request.

'But the company has now been informed that the Minister of Manpower has approved the union's application for a conciliation board and therefore any further talks will now obviously be held within the board's terms of reference.

'This means that the union and its members will not be able to take any industrial action before the conciliation board has met for further negotiation.

'In the circumstances the company believes that the union's strike ballot is premature and any strike action will be unlawful,' he added.

Meanwhile, the Fosatu-affiliated union which held a 'strike ballot' at the factory yesterday would release the results today, according to a union spokesman.

The union spokesman said counting of votes would take place early today after workers on the 10 p m shift had cast their votes.

He confirmed that negotiations resumed yesterday.

825 vote for strike action

RDM 12/11/83 196

Mercury Reporter

A TOTAL of 825 workers at the Dunlop tyre factory in Durban voted for 'legal strike action' following a dispute over pay, a spokesman for the Metal and Allied Workers' Union said yesterday.

Releasing results of a strike ballot held by the union at the factory this week, Mr Geoff Schreiner, the union's general secretary, said the number of workers who voted represented more than 90 percent of the union's membership at the plant.

Six had voted against strike action and there was one spoilt paper. The ballot had to be conducted on the pavement outside the factory gates as the management had refused to allow union officials access to the company's premises.

Mr Schreiner said the workers would meet today to decide on a line of action following the disclosure by the company that the Minister of Manpower had approved a conciliation board to settle the wage dispute.

He also alleged that the company was interviewing new employees as a standby labour force to break any possible industrial action by Mawu members.

Mr S C Meyer, the company's group industrial relations manager, said yesterday that the union's allegation was 'irresponsible' and the result of the strike ballot was irrelevant because the union's conciliation board application had been approved by the Minister of Manpower — and therefore any industrial action would be unlawful.

Dunlop workers delay strike

1/9/6

Mercury Reporter

ABOUT 500 Dunlop tyre factory workers decided at a meeting at the weekend to postpone their proposed industrial action following the appointment of a conciliation board to resolve their wage dispute.

Mr Geoff Schreiner, general secretary of the Metal and Allied Workers' Union, told the Mercury yesterday the workers had decided to delay action until the conciliation board sat on November 25.

About 825 Mawu members at the factory voted for 'legal industrial action' against the company last week following the dispute.

But they decided to reconsider their proposed action until it was discussed at the weekend meeting.

The company came under fire for recruiting a new stand-by labour force' with a view to breaking any strike action by Mawu members.

The workers also decided to carry on with their 'strike fund', launched recently.

A spokesman for Dunlop said any strike would be illegal in view of the appointment of the conciliation board by the Minister of Manpower, Mr Fanie Botha.

(196) RDM 15/11/83

Dunlop workers defer action

Labour Correspondent

MEMBERS of the Metal and Allied Workers' Union at Dunlop's Durban tyre plant met at the weekend and decided against taking industrial action — at least until November 25, a union spokesman said yesterday.

Last week the workers voted overwhelmingly in a strike ballot held by the union to take legal industrial action at the plant. About 850 workers voted for action and only six against.

The union had earlier declared a formal dispute against Dunlop over wages and other issues.

However, late last week, the Minister of Manpower, Mr Fanie Botha, appointed a conciliation board to attempt to settle the dispute — which meant workers could not take legal industrial action for a further 30 days or until the board reported to Mr Botha that it could not settle the dispute.

MAWU's spokesman said yesterday workers had decided to wait until the conciliation board met on November 25 before deciding whether to take action.

"If the dispute is not settled at the board, then workers will meet again to consider their position. This will ensure that any action which is taken is legal," he added.

Negotiations between Dunlop and MAWU resumed briefly last week at the union's request. However, when Mr Botha appointed the conciliation board, the company suspended talks and said these would continue when the board met.

If Dunlop workers do take industrial action, it will be only the second legal strike by black workers since the Government's new labour dispensation was introduced.

The first occurred at a Natal textile plant earlier this year.

Company cites union over 'good faith'

196

Mercury 17/11/83

Mercury Reporter

IN WHAT is believed to be an unprecedented move, a company has laid the ground for an Industrial Court action against a trade union, alleging the union is guilty of an 'unfair labour practice'.

The Howick firm BTR Sarmcol has declared a dispute with the Metal and Allied Workers' Union, charging it has failed to 'bargain in good faith'. The union says it will fight the case.

Sarmcol has asked the Minister of Manpower to appoint a conciliation board to settle the dispute. A company spokesman said yesterday that, if the board failed to settle it, Sarmcol would take Industrial Court action.

Although unions have made frequent use of the Industrial Court to allege employers have been guilty of 'unfair labour practices', this is believed to be the first time an employer has taken such action against a union.

If the case goes to court, the result will have important implications for unions and employers throughout industry.

Spate of cases

Were the court to rule that a stance taken by an employer or union during negotiations could be 'unfair', this could open the way to a spate of cases brought by both employers and unions.

Sarmcol's action flows from a dispute between it and Mawu over severance pay, which follows an agreement by the company to negotiate a recognition agreement with the union.

Mawu has demanded that retrenched workers receive two weeks' severance pay for every year they have worked. It wants negotiation on this to take place at the same time as recognition talks.

The company argues that severance pay should not form part of recognition talks and that the issue should be negotiated after the union is recognised.

The company's spokesman said Mawu had adopted a 'rigid and inflexible stance during negotiations' by insisting that severance pay form part of recognition talks and by refusing to move from its demand.

Union policy

'They have told us it is union policy to demand two weeks' pay and they refuse to budge. We believe this means they are not prepared to bargain in good faith,' he said.

He confirmed a union statement that the two sides had agreed to negotiate a recognition agreement within three months of Mawu recruiting a majority at the plant, and that this had not been done.

'We believe the union is responsible for this. They have set conditions for the signing of an agreement — such as severance pay — because they do not want to be subject to the discipline of a formal agreement,' he said.

A Mawu spokesman said the union would fight the case in court.

'Their claim that we are inflexible is nonsense,' he said. 'We originally demanded that workers who were made redundant receive four weeks' severance pay for each year they had worked. We changed that to two weeks — so we have been prepared to adjust our demands.'

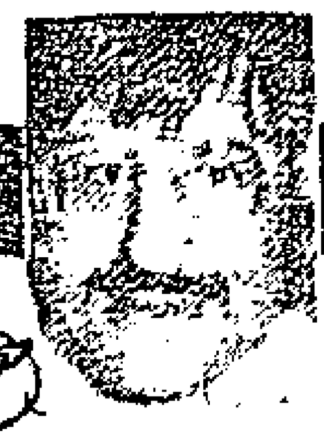
He claimed that the failure to conclude an agreement within three months was the company's fault.

Business Day

Employers may turn to using court action against unions

21/11/83

LABOUR WEEK



By STEVEN FRIEDMAN

196

FOR much of this year, unions have used industrial court action against employers with great effect. Now an employer is to use court action against a union.

Howick firm BTR Sarmcol has declared a dispute with the Metal and Allied Workers' Union, alleging it is guilty of an "unfair labour practice". If the dispute is not settled, it will go to the court.

Other employers may declare similar disputes soon.

The Sarmcol case has some major implications — which might worry employers as much as unions.

The company charges MAWU has been "inflexible" in negotiations by refusing to budge from a demand for two weeks' severance pay for retrenched workers.

MAWU denies it is inflexible and says it has modified one major demand.

Sarmcol is relying on a concept in US labour law which has not been fully tested here — that parties must bargain "in good faith".

In the US, a refusal to budge from a demand could be ruled unfair.

If Sarmcol goes to the court and is succesful, however, the precedent set could be used just as enthusiastically by unions.

An employer who refused to negotiate any issue with a union because it is a "management prerogative", could face court action if Sarmcol wins its case.

Meanwhile, increased employer use of the court may highlight more sharply the rule that, in most cases heard by the court, both parties must pay their own costs.

If employers are to use the court more, unions are going to have to find money to defend these actions. But, of course, major companies have access to far more money than unions.

If the law is not changed to allow the winning party to claim costs, some employers could use court action to deplete union finances and thus sharply weaken unions — win or lose.

□□□

LABOUR insiders believe Mr Fanie Botha's resignation will not have a major effect on Government labour policy and they are almost certainly right.

Many factors point in that direction but perhaps the most important is that labour relations action has moved increasingly outside the Department of Manpower's direct control.

Indeed, departmental initiatives have become less and less of a factor on the labour scene.

It would take a major effort by Mr Pietie du Plessis to reverse the trend and it seems unlikely he would try — particularly while senior Department officials, who have not sought to stop this trend, remain in place.

But one fear voiced by a senior employer source is that Mr Du Plessis, as a relatively junior Minister, may not have the clout to withstand demands from the security establishment for tough action against unions.

Dunlop strike still in balance

CWM 26/11/83. 196

Labour Correspondent

A LEGAL strike still threatens at Dunlop's Durban tyre plant after the company and the Metal and Allied Workers' Union failed to reach agreement on wages at a conciliation board this week.

However, a union statement yesterday announced that a second meeting of the board would be held on December 5, at which Dunlop will make further proposals in an attempt to settle the dispute.

If, however, this meeting also ends in deadlock, the union — whose members have already voted to strike legally at the plant — would be able to call a legal strike.

MAWU's statement yesterday said its shop stewards remained "sceptical" that an agreement would be reached at the December 5 meeting.

The dispute between the two sides centres on wages and related issues.

Dunlop argues that the two sides' proposals are relatively close to each other and that the union declared a dispute with it prematurely.

MAWU argues that the company has prevented a settlement by refusing to table a final offer on its demands.

MAWU's statement said the two sides had met at a conciliation board on Thursday under the chairmanship of a Department of Manpower official.

The union, which is demanding increases of between 8% and 18%, says it motivated its demands on the grounds of its claim that present wages at the factory were "well below" various poverty datum lines and the wages of other big tyre companies.

Dunlop replied that its wage policy was determined by the availability of labour and market forces.

Strike at tyre firm stayed off

1096

Labour Reporter

28/11/87

A legal strike at the Dunlop tyre factory in Durban has been staved off until mid-December when the Conciliation Board will meet for the second time to try to resolve the dispute between the company and the Metal and Allied Workers' Union.

However, after the first meeting last week, Mawu shop stewards were sceptical that agreement would be reached then.

Mawu claimed for increases ranging from eight to 18 percent on the basis of a living wage, salaries offered by competitors and the "huge profit" made by Dunlop.

Mawu said Dunlop did not deny its ability to afford the wage increases but said policy on wages was determined by the labour and market forces.

A Mawu spokesman said: "The ball is now in Dunlop's court."

A legal strike could still take place as most members voted in favour of industrial action in a strike ballot.

PRESS STATEMENTS

~~1409~~ ~~151~~ 196

5/12/83

FOSATU

DUNLOP DISPUTE

TODAY, Monday 5th December a further Conciliation Board meeting was held between representatives of Dunlop SA (Tyre Division) and of the Metal and Allied Workers Union (MAWU) under the chairmanship of the Department of Manpower.

The Company who had proposed this second C.B. meeting on the basis that the parties could still reach agreement tabled an offer which they said was absolutely final and they refused to consider any counter proposals from the union.

The Company's proposal however was not very different from what they had previously proposed and did not reflect any serious change of stance.

Accordingly MAWU rejected the offer but indicated that they would negotiate further and could table counter proposals – this offer was however rejected by the company and hence the presiding chairman from the Department of Manpower will now report to the Minister that the parties have failed to reach agreement at the Boards.

Further to such report being submitted the union will again be entitled to take legal strike action in support of its demands.

'All the time the company has been heading matters towards a confrontation – their attitude today leaves little doubt that this is what will occur. Our members will meet again early next year to decide on an appropriate response', a union spokesperson said.

MAWU, 5.12.83 Durban.

MAWU AND SMITH INDUSTRIES AGREEMENT

YESTERDAY Pinetown automotive component manufacturers, Smith Industries and the Metal and Allied Workers Union finally reached agreement on maternity and leave bonus provisions for the union's 350 members at the plant.

The agreement was concluded with the assistance of a mediator who had been agreed to by the parties after they had earlier ended in deadlock.

The Maternity Agreement is the first signed by MAWU and details the following:-

* Female employees shall have a right to maternity leave up to six months
* At the end of the six month period such employees shall be guaranteed their jobs back in the same or similar position at not less than their previous rates of pay plus any increases awarded during their leave
* During maternity leave the company will pay pension and medical aid contributions for such employees.

The leave bonus negotiated will guarantee all employees with one years service the equivalent of 3 weeks bonus in addition to their normal leave pay at the year end.

The parties have agreed to schedule their wage negotiations for April 1984.

A spokesperson for the union said 'We regard the maternity leave agreement as particularly important and trust that it will set a precedent for other companies in the industry who employ female workers'.

G. Schreiner, MAWU, Durban, 2.12.83

Dunlop dispute goes on

6/12/83 Mercury

Mercury Reporter

A WAGE dispute meeting between the Dunlop Tyre Company in Durban and the Metal and Allied Workers' Union ended in deadlock for the second time yesterday after nearly 10 weeks of on-off negotiations.

Now Mr J Schonken, chairman of the Department of Manpower, who chaired yesterday's Conciliation Board meeting — the second sitting of the board since the dispute was declared — will inform the Minister that the parties have still failed to reach agreement.

A spokesman for Mawu said after the meeting that the company, which proposed yesterday's meeting on the basis that the parties could still reach agreement, had tabled an offer which, it said, was absolutely final and had refused to consider any counter proposals from the union.

'The company's proposal, however, was not very different from what they had previously proposed and did not reflect any serious change of stance.

'Accordingly, Mawu rejected the offer but indicated that they would negotiate further and could table counter-proposals. This offer was, however, rejected by the company.'

Mr Steve Meyer, Dunlop's industrial relations manager, said the company's new offer of a 43 c an hour wage increase over 15 months and the introduction of a holiday bonus equal to two weeks' pay was rejected out of hand by the union.

'The company believes that the rejection of its final offer is a clear indication that it is not prepared to accept any offer which does not meet its ideologically-based criteria, irrespective of whether its members would suffer as a result.'

He said the company believed that the union was not 'bargaining in good faith' because the union had a strike ballot prior to the establishment of the conciliation board for which they had applied and had increased their demands from the date of the appointment of the board.

The Mawu spokesman added his members would meet early in the New Year to decide on appropriate action, including the possibility of 'legal strike action' in support of their demands.

Dunlop could face a legal strike

196

RUSM

6/12/83

Labour Correspondent

A LEGAL strike is threatened at Dunlop's Durban tyre plant after a conciliation board failed yesterday to settle the wage dispute between the company and the Metal and Allied Workers Union.

A union statement to this effect yesterday said, however, that Mawu members would not strike at the plant this year. They are to meet "early next year" to decide whether to take legal strike action.

If Dunlop workers strike their action will be only the second legal strike by black workers since the Government's labour reforms were introduced.

In terms of labour law, a legal strike can occur if a conciliation board fails to settle a dispute within 30 days and if workers vote to strike in a secret ballot.

Mawu has already held a strike ballot at Dunlop and says workers voted to strike by an overwhelming majority.

Yesterday's meeting was held after a first conciliation board meeting had failed to settle the dispute. Dunlop and Mawu agreed to a second meeting in an attempt to avert a strike.

According to Mawu, Dunlop tabled a new offer yesterday which it said was final, and refused to hear further proposals.

Mawu says the new offer was rejected because it was "not very different" from previous Dunlop offers". The union was willing to negotiate further, but this was rejected by the company, it said.

The chairman of the conciliation board, a Department of Manpower official, would therefore report to the Minister of Manpower that the parties had failed to reach agreement — thus opening the way to a legal strike.

Mawu predicted this would lead to a "confrontation".

Dunlop could not be reached for comment yesterday, but the company has alleged that its offer and the union's demands are relatively close, making the dispute unnecessary.

It has also accused Mawu of changing its demands during negotiations, thus "not bargaining in good faith".

The union has rejected this and says the two sides are far apart and that Dunlop has been unwilling to compromise.

Sarmcol, union settle out of court

176 Mercury 15/12/83

Mercury Reporter

A HOWICH rubber manufacturing company, BTR Sarmcol, and the Metal and Allied Workers' Union yesterday reached an out-of-court settlement of an application to the Industrial Court for an order compelling the union to resume negotiations over severance pay with the company.

The company had sought the application following a dispute over severance pay for retrenched workers.

In a joint statement yesterday, BTR Sarmcol and the union said both parties had agreed to meet again in the New Year to complete negotiations for an agreement detailing the 'procedural aspects of union recognition'.

Agreement had been reached on establishing a mutually acceptable severance pay policy and setting up wage negotiations in April for review of wages to be effective the first pay week in June, 1984.

25

Union court tussle settled

196

RDM

5/12/83

By STEVEN FRIEDMAN
Labour Correspondent

SOUTH AFRICA'S first-ever industrial court action brought by an employer against a trade union for an alleged "unfair labour practice" has been settled out of court, the Howick metal firm BTR Sarmcol said yesterday.

The settlement also appears to have ended a dispute declared by the Metal and Allied Workers Union (MAWU) — which Sarmcol sought to take to court — against the company.

Sarmcol said in a statement the settlement meant the two sides had agreed to negotiate on union recognition, severance pay, and wages in the new year.

The dispute between the two sides began after negotiations in which they deadlocked over MAWU demands that severance pay for retrenched workers be written into the recognition agreement between it and Sarmcol.

MAWU declared a dispute with the company — a first step towards taking it to the industrial court — arguing that it was an unfair labour practice for the company to refuse to negotiate severance pay with it.

Sarmcol, which said it was not against severance pay but wanted to negotiate this separately, later hit back by declaring its own dispute with MAWU.

The company alleged the union was guilty of an unfair labour practice because it "refused to bargain in good faith".

Yesterday the company's statement said the two sides agreed in an out-of-court settlement to meet again in the new year for negotiations.

The talks would be aimed at:

- Completing negotiations for an agreement detailing the procedural aspects of MAWU's recognition;
- Establishing a mutually acceptable severance pay policy;
- Setting up wage negotiations in April, 1984, for a review of wages.

Union wants court action

(196) Sowetan

By JOSHUA RABOROKO

THE emerging General and Allied Workers Union (Gawu) is to apply for an industrial court action for the reinstatement of 52 workers at General Tyre and Rubber Company sacked following a labour dispute at the plant. 30/12/83

This was confirmed to The SOWETAN yesterday by the union's national organiser, Mr Amos Masondo, who said that this will be the first time such action is taken since the union was formed in 1980.

The workers were sacked after they had demanded the reinstatement of two colleagues dismissed for allegedly stealing company property early this month.

The workers, members of Gawu, had earlier staged a demonstration on the company's premises following management's refusal to negotiate with them.

Mr Masondo said that police arrived at the scene and held discussions with their employers. Thereafter, the workers left the area after leaving the company's properties on the premises.

"We have tried to open discussions with management on the issue of the reinstatement of the workers, but this has been to no avail," Mr Masondo said.

The union has asked for legal advice on the issue and an industrial court action is to follow early in the new year, according to Mr Masondo.

The company's representative, Mrs L Bucker, said the matter was in the hands of their lawyers who are on leave. She declined to comment further on the matter.

MANUFACTURING — Rubber products

1984 – 1985

Rubber strike ends

192

Sten 18/1/84

Labour Reporter

The 250 workers who went on strike this week over a wage grievance at the Wayne Rubber company in Durban returned to work yesterday.

The company has disputed that the stoppage had anything to do with the new Income Tax Act, due to be implemented from March 1, although this was claimed by the South African Allied Workers' Union when it reported that about 400 of its members had staged a walkout at the factory.

300 return to work at Isipingo

196

Star 18/5/84

Own Correspondent

DURBAN — The workforce of about 300 who downed tools on Monday at Wayne Rubber Company at Isipingo were back at work today.

The personnel manager, Mr Roger Carey-Smith, said the workers had had a rethink on the position after a three-hour meeting he held with them yesterday.

Workers downed tools on Monday because management did not meet their 12 percent wage increase demand; management had offered them six percent.

Workers' representatives were not available for comment.

Karbochem wins battle for import protection

Immediate clamp on all rubber imports

196

R104

3/2/84

By SIMON WILLSON
Industrial Editor

THE synthetic rubber industry's application for duties on imported natural rubber has been approved.

Industries Minister Dr Dawie de Villiers said last night that the Government had accepted the principle of tariff protection but it would be substantially lower than requested.

Tariff details published in the Government Gazette today take immediate effect.

The original application was made nearly two years ago by Karbochem, a Sentrachem subsidiary, which last year commissioned its R400m Afprene rubber-from-coal plant at Newcastle.

Afprene is proving to be a severe drain on Sentrachem's profits and the level of protection it is given will be crucial to its future.

Karbochem asked for both a 25% duty on imported natural rubber and a floor price to protect its polyisoprene from dumping.

Dr De Villiers indicated last night that the company had won its case on both issues.

"The new tariff structure ... not only provides for *ad valorem* duties on normally-priced imports ... but also for formula duties to provide adequate shelter from disruptively-priced or dumped goods from overseas.

"It should be noted, however, that the tariffs approved by the Government ... are substantially lower than the level of protection originally requested," Dr De Villiers said.

Mr Johan van der Walt, Sentrachem senior general manager, said last night that he was confident the level of protection would be reasonable.

"My guess is that we will get the 25% *ad valorem* duty but that the floor price will be the variable. The Minister's statement on that score worries me a bit."

A 25% duty on the current natural rubber price of about R1 400 a ton would enable Karbochem to sell its polyisoprene at about R1 750 a ton.

Karbochem wants the floor price for imported rubber to be set at R1 200-R1 300 a ton.

"It does not look as though we will get quite what we wanted but I'm happy that we had a fair hearing and that the outcome will still be reasonable," Mr Van der Walt said.

Dr De Villiers said consumer interests had been taken into account. He wanted to prevent the import duty having an excessive cost-raising impact on the economy.

"Whatever is published in the Government Gazette, there will be no chasing up of rubber prices in South Africa," Mr Van der Walt said.

Quantitative import controls on rubber goods are being retained to protect secondary manufacturers, forced to use locally-manufactured synthetic rubber, but Dr de Villiers said this was only a temporary measure.

"The rubber-manufacturing industry represents a large and still-growing sector of secondary industry and it is important that this sector should continue to develop on a sound basis."

Blue Circle rumours abound

By JOHN MULCAHY

SPECULATION on a possible takeover of Blue Circle mounted yesterday as almost 3-million shares changed hands on the JSE, representing about 15% of the group's issued capital.

A bookover deal involving 1,8-million shares added to the 1,2-million shares traded in normal JSE transactions and the price rose to 850c from 800c. This followed a 75c rise on Wednesday to 800c.

The activity in Blue Circle has ...

Business Day sources said negotiations that had foundered late last year were again in progress. The volume of shares traded yesterday supports this contention.

Blue Circle Industries of the UK, which has about 54% of the South African subsidiary, denied in November that it had either been approached or that it was contemplating the sale of Blue Circle SA.

Approached for comment by Business Day's London correspondent NEIL BEHRMANN yesterday, Blue Circle Industries again re-... gic stake in the company at a price regarded as reasonable on a long-term view, as was the case with the recent flurry in the Prudential price.

But market sources insist that a deal is under discussion.

Efforts to confirm the speculation were complicated by the apparent non-involvement of two of the most likely suitors.

A Hunt, Leuchars & Hepburn spokesman said the group was definitely not involved in discussions with Blue Circle. Mr Warren Clewlow, the chief executive officer of

Gold moves up again

GOLD continued to advance in London yesterday, moving up firmly to \$383,25 at the afternoon fixing.

It was \$382,75 in the morning and \$378,15 at the second fixing on Wednesday.

In early New York dealings, gold futures extended their rally to a fourth session with help from a sharply lower dollar.

Floor brokers said the rally picked up support from speculators who believe the metal may have started a long-term uptrend.

'No decision' on loan

Financial Reporter

Mercury (196) 6/2/84

Rubber firm pleased with new tariffs

Financial Editor

Synthetic rubber manufacturer, Sentrachem, is quite satisfied with the level of protection that the Government has extended according to Mr Johaan van der Walt, senior general manager.

The company has spent over R400m on building a synthetic rubber factory at Newcastle known as the Afprene project. But it has been making losses and would continue to do so without protection from imports of cheap natural rubber.

Mr van der Walt said they had been granted a little less protection than they had applied for which was a 'floor price' of R1 300 a ton or 25 percent ad valorem.

The Board of Trade and Industries had set the 'floor price' to R1 200 a ton. He said the floor price was to prevent dumping when the price of natural rubber was at a low level.

Mr van der Walt said the Government had been quite fair in the matter. Users of rubber, such as tyre manufacturers, were given new import tariffs in line with those decided for the synthetic rubber manufacturer.

Dr Dawie de Villers, Minister of Industries and Commerce, said he would lift the quota system of rubber imports only gradually but essential imports of natural rubber for certain products would be allowed.

Up to now it has been difficult to get permits to import rubber although there have been no import tariff barriers. Setting of the protection for Afprene implies the plant will be able to supply most of South Africa's rubber needs.

Business Day /INDUSTRY

196

Tyre men feel let down

R10m 8/2/84

By PRISCILLA WHYTE

THE tyre industry, already hit by the recession, will be affected by the 25% tariff protection and R1 200 floor price granted to synthetic-rubber makers.

Manufacturers are considering the implications of the new duty structure gazetted last Friday.

"The duty on natural rubber will inevitably affect the price to the end-user and the competitiveness of the local tyre industry against imports," says Mr M J Waterson, the director of the South African Tyre Manufacturers' Conference.

"At this stage it appears that the South African tyre industry could be severely prejudiced."

The gazetted rebates in respect of natural rubber are only concerned with rubber adhesives, certain footwear, aircraft tyres and inner tubes.

They do not afford relief for passenger and industrial tyres.

Duties on tyres have been amended, but only marginally.

Duty on pneumatic tyres and cases of a mass of 20kg but under 1 200kg has been increased from 20% to 25%.

The formula has been changed to 300c a kg less 75% from 300c a kg less 80%.

The SA Tyre Conference last announced an increase in the price of tyres of 7,85% on July 4, 1983.

Mr Jack James, the general manager of Michelin says: "We do not feel the duty is going to affect us unduly as our price structure is calculated on price and is not affected by the increase in the weight tariff."

He says the rand/dollar exchange rate had acted as an adequate tariff protection "and we are sure it has been taken into account by the powers that be".

Mr James says imports represent 16% of the replacement tyre market and that there is an even split between replacement and original equipment tyres.

He says the South African tyre market is worth an annual R600m. He projects real growth of 5% this year because "we have noticed growth in the market for the last six months, despite a higher-priced product".

Mr Ronnie Tollemache, the managing director of Natyre, importer of the Japan's Bridgestone range, says: "The import duty on new tyres is not earth-shattering."

He says when stocks of local tyres are run down there will be some effect on the price to end-users.

He puts the replacement market at an annual R450m and the orignal equipment market at R225m.

He says the rand/dollar exchange rate has affected the price of imported tyres more than the duty.

The yen and dollar have maintained parity in the 12% slide of the rand in the last four to five months.

He says the role of the importer is to keep prices in check and maintain quality.

"The quality of locally produced tyres has improved by leaps and bounds in recent years."

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By LOUIS BECKERLING
Business Editor

GOLD surged through the $400 an ounce barrier on the London bullion market today amid increased fears that the Gulf war between Iran and Iraq could spill over into a wider conflict, jeopardising the West's oil supplies.

With the South African rand simultaneously showing strong gains against the dollar. the renewed interest in gold signals considerably boosted revenues for the gold mines and the State.

Coming on the eve of the 1984/85 Budget, and at a time when the country faces a massive additional bill for importing maize, the news is highly encouraging for the South African taxpayer.

Selected profit-taking in London saw the gold price sag slightly to $401 shortly after today's opening at $402,50. Although continued profit taking saw the price dip back to below $400 to a mid-morning fix of $399, dealers said the underlying trend was still towards gold and out of dollar-denominated investments.

Assuming this price remained constant throughout the year, together with the current rand/dollar exchange rate of R1:$0,8252 (up from Monday's 0,8138), and basing earnings on a gold output of some 660 kilograms, the foreign earnings for gold would be boosted some R300 million from Monday's levels.

This compares, for instance, with the additional amount sought by the Minister of Finance, Mr Owen Horwood, through the recent increase in GST.

Brokers said higher-priced "heavyweight" gold counters had been performing strongly since Monday under buying pressure from overseas investors who had reacted positively to news of the latest political accords between South Africa and her neighbours.

The latest events in the Middle East have accelerated this momentum, and counters such as Vaal Reefs were today trading at R158,50, up from Monday's R147,50, and South Vaal at R81. up from Monday's R76. Among the marginals, East Dagga was today changing hands at 700c, up from Monday's 590c.

On the money market yields on longer-dated stock began declining today.

The yield on RSA 1987s fell from yesterday's 14,10 to 13,75, while bidders seeking Escom Loan 154 drove prices up to bring the yield down from yesterday's 13,78 to 13,52.

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Tyre firm ~~workers~~ 196 workers on

E. Post

the job after

23/2/84

stoppage

By SHIRLEY PRESSLY

PRODUCTION at a Port Elizabeth tyre factory ground to a halt yesterday during a work stoppage when about 550 workers — mostly hourly-paid — downed tools as the afternoon shift joined the morning shift at 2pm yesterday.

The managing director of Firestone, Mr G P Morum, today confirmed the work stoppage.

He said the workers had returned to work yesterday and that discussions between the union representatives and management were continuing today.

At 10am today the workers again downed tools but an hour later were persuaded to return to the work floor while negotiations continued.

Mr Morum said management had ceased negotiations with the union concerned and had requested the union officials to ask the workers to resume work.

Mr Dennis Neer, general secretary of the Motor Assemblers' and Component Workers' Union of South Africa (Macwusa), said he had been called to the plant yesterday afternoon after the morning shift downed tools.

When the afternoon shift reported at 2pm they joined the morning shift.

Mr Neer and Uitenhage branch secretary Mr F Kobese and an organiser from Uitenhage, Mr M Mali, met management yesterday and again at 8.30am today.

Mr Neer confirmed that the dismissal of two drivers was the central issue in the work stoppage.

He said one of the driver's had been dismissed for allegedly "being ill and sleeping on the job" and the other for his involvement in an alleged assault.

Mr Neer said the drivers had allegedly been dismissed earlier in the week.

He said management claimed that the drivers had not been sacked but suspended pending an inquiry.

The workers had agreed to go back to work when they were given this explanation and pending the outcome of talks between Macwusa and management.

Mr Neer said that a few Naawu members who took part in the work stoppage had gone back to work early in the morning after they were addressed by Naawu officials.

Mr Neer said he had heard rumours that the workers were asking for increased wages. At this stage it was only a rumour and no formal demands had been drafted.

The main issue was the alleged dismissal of the two drivers, he said.

Grisly vengeance for woman's murder

MANILA — Three men who raped and chopped in half a 30-year-old woman were roasted alive by tribesmen and tossed into a well packed with writhing cobras, Tempo newspaper said today.

It said the three men were captured by a group of Mangyan warriors out to avenge the woman's death in the mountains of Mindoro Oriental province, about 160 kilometres south of Manila.

The three men were burned alive and their bodies hurled into a well full of cobras, said Tempo. It quoted a tribal chief as saying it was punishment "in accordance with our ancient customs and traditions".

RUBBER INDUSTRY

196

Basic problems

FM 24/2/84

Manufacturers of tyres and industrial rubber products are upset by the relatively low level of import tariff protection granted by government to their sector. An exception is Karbochem, which is "quite satisfied" with the 25% protection accorded its R400m Newcastle Afprene plant against "disruptive competition."

Industrial Rubber Manufacturers Association of SA (Irmasa) representative Freda Dowie says although it requested protection on a wide range of products about two years ago, "very little" was in fact forthcoming. Irmasa is waiting to see the Trade and Industries Council's official report on rubber tariffs, after which further representations will be made for greater assistance.

Rubber manufacturers face the uncomfortable prospect of having to pay about 25% more for Karbochem's base polymer synthetic rubber, without receiving adequate protection against cheaper imported rubber products. They are therefore in danger of losing market share against cheaper imports.

Granville Nicholson, Irmasa's chairman and MD of Gentire, says tariffs announced for the industry won't curb imports, which have increased by about 24% since February 1983.

Nicholson obviously disagrees with government's decision on protection for his industry. Irmasa is discussing, and taking the matter further, to obtain "the necessary clearance or relief" and will comment further "in due course."

Prices

Fortunately for Karbochem, the international price of natural rubber has risen dramatically in the past year — from about R900/t to the current level of about R1 500/t. Karbochem was granted a fixed floor price level of R1 200/t, together with a 25% *ad valorem* duty on imports. So its situation looks considerably better than a year ago, even though it asked for a R1 430/t floor price.

Karbochem has not yet published official price lists for its synthetic products, but a spokesman says these will be announced shortly.

Brian Beebee, Dunlop director and chairman of Irmasa's tariffs committee, claims SA mining houses have been "very loyal" in the past in buying SA-manufactured industrial rubber products. However, with the 25% added cost factor caused by Karbochem's synthetic product, he expects mines in future to import far more.

Beebee says that "at the end of the day, rubber manufacturers got virtually no protection." Tariff protection of between 20% and 25% was granted for products such as hydraulic hose and fanbelts which contain virtually no rubber or poly-isoprene.

A Sentrachem spokesman says the rubber and tyre manufacturers have largely themselves to blame for the situation. Sentrachem originally invited them to join it in making a single, comprehensive application to government for protection of its Karbochem plant as well as manufactured products.

However, the offer was declined, possibly because the manufacturers considered they could get a better deal from government by themselves. Now they have to start doing their homework again.

RDM 6/3/84 (196)

New agreement for tyre workers

Labour Correspondent

FOSATU'S National Automobile and Allied Workers Union and the Firestone tyre company have reached an agreement at the company's Brits plant which makes minimum wages there the highest in the industry, the union announced yesterday.

This is an unusual development because Brits is a "border area" where wages are generally much lower than in the cities.

The union now says it plans to press for wage increases in the Eastern Cape, Natal and Transvaal tyre industries.

It announced yesterday that it had joined the industrial council for the Eastern Cape rubber and tyre industry in an attempt to boost wages in the area.

This is the second official industrial council the union has joined. It also belongs to the council for the East Cape motor assembly industry.

According to a union statement yesterday, the Brits agreement will raise pay at the plant by 25c an hour, bringing the minimum to R2,37 an hour.

It said this "stands in sharp contrast" with the R1,38 minimum negotiated at the Eastern Cape industrial council before NAAWU became a member.

In one Natal plant, it added, the minimum was R1,31 an hour.

NAAWU said its decision to join the Eastern Cape industrial council meant that this council would now be representative of the majority of workers in the industry for the first time.

Firestone's managing director, Mr Peter Morum, was not available for comment on the wage agreement yesterday.

Tyre firm's wage hike

196

THE National Automobile and Allied Workers (Naawu) and Firestone South Africa have concluded wage negotiations covering the company's operation at Brits.

Mr T Adler, Naawu's Transvaal regional secretary, said the wage settlement gives workers an across the board increase of 25 cents an hour, bringing the minimum rate to R2,37 an hour.

"This is the highest minimum in the tyre manufacturing industry," he said.

Naawu, he said, has recently been admitted to the industrial council for the tyre and rubber industry for the Eastern Cape. This council will now be representative of the majority of workers in the industry for the first time.

Motor union in key wage deal at Brits plant

7/3/84 Star

By Jo-Anne Collinge

Workers at a Brits tyre factory will be paid the top minimum wage for the industry in terms of an agreement negotiated with Firestone South Africa, says the National Automobile and Allied Workers' Union (NAAWU).

"The settlement gives the workers an across-the-board increase of 25c an hour, bringing the minimum rate to R2,37 an hour. This is the highest minimum in the tyre manufacturing industry and stands in sharp contrast to the current minimum Eastern Cape rate of R1,38 and the minimum applicable in the Dunlop factory at Ladysmith — R1,31 an hour," Naawu stated this week.

The union pointed out it had not been party to setting the Eastern Cape wage as it was not at that stage a member of the Industrial Council for the Tyre and Rubber Industry in the Eastern Cape.

It announced it had recently been admitted to the council, saying: "The council will now be representative of workers in the industry for the first time. Naawu will now take steps to ensure that the council's agreement more fully represents the needs and aspirations of our members — something which was not the case when a minority union sat alone on the council."

The unrepresentative nature of industrial councils is a legacy of defunct labour law which permitted only registered unions to be party to councils and which excluded black unions from registration.

196

9/3/84

The Cape Times, Friday, March 9, 1984 13

General Tire raises profits — div same

Own Correspondent

JOHANNESBURG. — General Tire & Rubber made an attributable profit of R5,364m in the 10 months ended December 31, 1983, against R3,015m in the previous financial year.

The directors say, however, that the latest results "are not comparable with those of the previous year in that the operations of Uniroyal Tyre and Rubber (Pty), a company acquired at the beginning of the financial year, are now consolidated."

The company has declared an unchanged final dividend of 25c and the total payment for the accounting period is pegged at 50c.

Allowing for the fact that this is over 10 months there has, therefore, been a useful effective dividend increase.

The change in Gentire's year-end was to coincide it with that of W & A Investment Corporation, the new controlling company.

Gentire makes tyres, tubes and retreading materials, adhesives, waxes, rubber-based paints and industrial rubber products.

It is part of the Williams, Hunt group that W & A acquired through getting control of the British investment group Anglo African Finance.

Group sales of Gentire for the 10 months to December were R157m (R134m in the previous year).

Earnings a share on a lifo basis and excluding extraordinary items were 178c, or 214c annualized, against 100c in 1982-83.

The chairman, Mr Mannie Simchowitz, says: "The company no longer consolidates the earnings of subsidiaries in countries where the remittance of earnings is restricted by exchange control regulations but brings to account current income from these subsidiaries when it actually received."

Looking at prospects he says: "Low cost imports continue and the company views with some concern the government's new free market principles encouraging imports of finished products while primary producers have received effective protection."

Mr Coenie Brand has been appointed manager of Nedbank's Parow branch.

abroad.

196 E. Post 10/3/84

Dunlop SA instals sophisticated plant

DUNLOP South Africa's R546-million capital expenditure programme now under way is primarily concerned with the introduction of steel-belted car and truck radial tyres.

"Sophisticated computer-controlled tyremaking machines have already been installed at our car tyre factory at Ladysmith," said Mr John Lowe, works director of Dunlop.

"These machines, and other associated equipment, will lead to remarkably high standards of uniformity in our products.

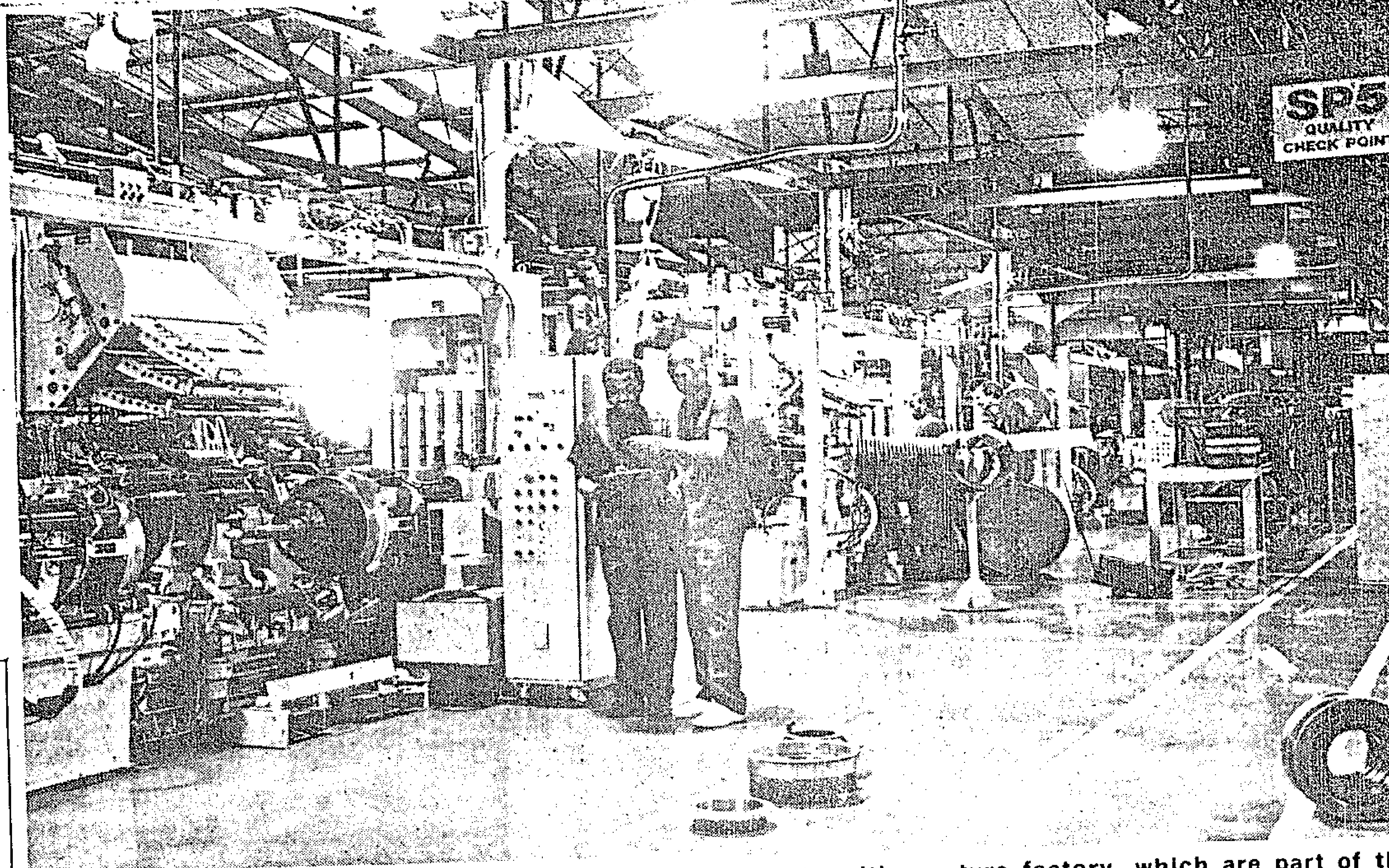
"The latest in uniformity-measuring equipment, currently being commissioned, will ensure that every tyre produced at the factory will meet the standards we have set.

"In addition, all steel-belted tyres are X-rayed before leaving the factory.

"At our Durban factory, where truck radial tyres are produced, the project involves the extension and modernisation of existing plant," Mr Lowe said.

"Extensive testing, using two 25-ton test trucks and rolling drum test machines, has been carried out on the latest designs of radial steel truck tyres.

"This will ensure that the new generation of truck tyres gives optimum performance under South African operating conditions and temperatures."



One of the banks of tyre-making machines at Dunlop's Ladysmith car tyre factory, which are part of the company's R56-million capital expenditure programme at present under way.

10/3/84 3/7A 105 184 E. Post

Taiwan clothing giant opens in T'kei

THE biggest industry to establish itself in Transkei in the past five years will start operations in Butterworth next month.

Taiwan's clothing giant, Lien Fu, and the Transkei Development Corporation (TDC) are investing R7,8-million to establish the new manufacturer, Bally (Pty) Ltd, at Butterworth's Ibeka Industrial Estate.

Announcing what must rank as a major negotiation coup, Mr G P "Sonny" Tarr, managing director of TDC, said that up to 2 000 Transkeians would be employed in the factory at a surprisingly low cost-per-job-opportunity

Lee, who owns Lien Fu of Taipei and other companies. Lien Fu is the biggest single clothing exporter to the US, achieving annual sales of $50 million (R62,5 million).

The Transkeian company will manufacture solely for the US market and will achieve sales of $15 million (R18,7 million) a year when the factory reaches full production.

Mr Tarr said the R4 million factory would be constructed in stages, the first of which is nearing completion.

He said the first contact with Mr Lee was made during one of the corporation's visits to Taiwan by Mr Pieter Bosch, development man-

"We are naturally very pleased with Bally's arrival in Transkei," said Mr Tarr.

"We are expecting more of this size of investment this year as the new incentives make Transkei virtually irresistible to foreign investors.

"The incentives offered in Transkei are such that TDC was able to deal within the top 100 companies of Taiwan."

Bally will enjoy the services of American designers and a large marketing organisation in the US already serving Mr Lee's other companies which produce garments under designer labels such as Christian Dior, Pierre Cardin, labels such as ... Valentea and London Fog.

RDM 5/4/84

Some risk seen in tariffs on rubber

(196)

By MIKE JENSEN

TARIFFS on imports of natural rubber and rubber products are unnecessary and harmful, says the director of a European manufacturer.

Mr Wilhelm Schaefer, a member of the executive board of West Germany's Continental Tyre & Rubber (R1,6bn annual sales last year), said in Johannesburg recently:

"Tariffs would virtually force manufacturers to use the synthetic rubber (poly-isoprene) produced by Karbochem.

"But we studied the substitution of synthetic rubber for the natural material in tyres years ago and abandoned the idea.

"We realised that the cost of developing the additives needed to produce tyres of adequate quality would cost far more than natural rubber.

"In addition, it has been estimated that it would take three to ten years of research to come up with the necessary products to be able to use synthetic rubber in tyres and there would have to be substantial economic incentives to make it worthwhile.

"Furthermore, with the recent peace moves in southern Africa, the strategic importance of the Karbochem plant has been diminished and South Africa should not have any problems buying rubber on world markets."

Mr Schaefer says the Government should not bow to the clamours of local rubber-product manufacturers for tariff control on imported products.

"Tariffs would cut South Africa off from important technological developments and product improvements in other parts of the world.

"Our international trading has proved to us time and time again that in the long term tariff barriers only work to the detriment of the country concerned.

"Being cut off from international trade militates against the development of the competitive industry, which is vital if South Africa wants to increase its exports.

"I agree that sudden and complete relaxation of all protection can cause substantial harm to industry.

"But if trade barriers are slowly and steadily lowered, the quality of the economy can only improve."

Benoni strike goes on

Labour Reporter 196

The strike by 400 workers at Dunlop Industrial Products in Benoni continued today after a deadlock in wage negotiations brought workers out at 3 pm yesterday.

Mr B H Beebee, director of Industrial Products, said the strike was illegal and "not authorised by the Chemical Workers' Industrial Union", which is negotiating on behalf of workers. Star 27/4/84

There have been five meetings between the union and management in an attempt to set wage increases. Management advanced its last offer yesterday, which was rejected by the union.

Mr Beebee said the strikers had been told that negotiations would not be resumed as long as strike action continued.

RAND DAILY MAIL, Wednesday, May 9, 1984

Pay offer averts legal strike threat at Dunlop

196

By STEVEN FRIEDMAN
Labour Correspondent

A FIVE month-old wage dispute between the Metal and Allied Workers Union and Dunlop's Durban tyre plant — which threatened to lead to a legal strike — has been settled, a company statement announced yesterday.

The statement said the union had accepted a wage offer which, it added, was "substantially the same" as an offer it made in December at an official conciliation board, and which MAWU rejected.

Comment from the union could not be obtained yesterday.

The dispute between MAWU and Dunlop at the plant began late last year and led to both sides accusing the other of refusing to bargain "in good faith".

Several meetings of an official conciliation board failed to break the deadlock and, in November, the union held a legal strike ballot at which workers voted overwhelmingly to down tools.

However, the union did not call a strike in the wake of the ballot.

During the dispute, MAWU also declared a dispute with Dunlop at its Ladysmith plant after the company allegedly did not sign a recognition agreement negotiated between it and the union.

The dispute was also marked by attempts by workers at the Durban plant to enlist the support of Ladysmith and Benoni Dunlop workers for joint action against the company.

In its statement yesterday, Dunlop said MAWU has accepted an employer offer "tabled at a meeting requested by the union last week".

It added that a formal wage agreement had been signed on Monday, which would come into effect from April 29.

The agreement meant there would be no further negotiations on wages and work conditions between the two sides for the next twelve months, the company added.

According to Dunlop, the wage agreement will grant workers average wage increases of 33c an hour in two stages.

The first increase, it said, ranged from 21c an hour for lowest-paid workers to 15c for the highest paid, while the second would raise the wages of all workers by 12c an hour.

"The company's wage offer is substantially the same as that made in December at the last meeting of the conciliation board which the Minister of Manpower appointed when the union declared a dispute during wage negotiations," Dunlop said.

Dunlop agrees to pay rises

Kom ~~Health~~ ~~152~~ 196 12/5/84

By PHILLIP VAN NIEKERK

A WAGE settlement has been reached between the Chemical Workers' Industrial Union (CWIU) and management at Dunlop Industrial Products in Benoni, scene of several recent work stoppages over wages.

In terms of the agreement, which was concluded yesterday, workers will receive two wage increases.

The first increase of 18c an hour across-the-board comes into effect from May 14 while the second increase of 8c an hour will come into effect on November 12.

A statement from the company said there would be no further negotiations on wages for the next 12 months.

The Dunlop Benoni settlement comes within days of a settlement to the five-month wage dispute between the Metal and Allied Workers' Union (Mawu) and Dunlop Tyres in Durban.

Both the CWIU and Mawu are affiliated to the Federation of South African Trade Unions (Fosatu).

● Mawu and Deutz Diesel Power of Maritzburg have reached an out of court settlement in connection with five workers who were retrenched without the union being consulted.

In terms of the settlement, Mawu is to be paid out an undisclosed amount for the workers who will be guaranteed re-employment if there are suitable vacancies.

The company is to recognise the union's shop steward committee.

Mercury 24/5/86 (196)

Union recognition talks stall

Labour Reporter

TALKS over union recognition between the Metal and Allied Workers' Union and a Howick rubber company, BTR Sarmcol, have broken down.

In a statement Mawu said it believed there was no prospect of the negotiations being resumed unless the company made 'some very serious counter offers' on reasonable procedures for dispute resolution and industrial peace.

'Whenever there are differences between the parties over what constitutes a fair labour practice Mawu will as and when necessary apply for conciliation board hearings and thereafter refer the matters to the industrial court.

'The union expects that there will be increasing conflict between its shop stewards and management on the shop floor because there are no procedures to govern such interaction at that level.'

The union believes that the main reason why agreement had not been reached was because the company management wished to use the recognition agreement to 'emasculate' the union.

'It took 10 years of very bitter struggle involving victimisation, harassment and intimidation to eventually secure recognition by the company. To expect Mawu to sink to the level of a liaison committee after what happened in the past is absurd and utterly naive,' said Mawu branch secretary Mr Geoff Schreiner.

The administrative director of BTR Sarmcol, Mr John Sampson, said in a statement last night:

'Some months ago the company took the union to the industrial court to compel them to negotiate a recognition agreement in good faith which they had failed to do.

'Subsequent negotiations came close to reaching agreement until Tuesday when the union introduced conditions which were unreasonable. The company has informed the union of its willingness and desire to continue negotiations.'

PE, Uitenhage tyre firms offer 55% increase

~~335~~ ~~138~~ ~~1400~~ 157 ~~546~~ 196

E. Post 2/6/84

By CLAIRE PICKARD-CAMBRIDGE

UNIONS representing about 7 000 workers in Port Elizabeth and Uitenhage's tyre and rubber industry are currently considering an offer of a 55% minimum wage increase from three giant employers.

This follows lengthy negotiations between the National Allied and Automobile Workers Union (Naawu), Yster en Staal Werkers Unie and three companies, General Tire and Rubber Company, Goodyear Tyre and Rubber Company and Firestone, who are all party to the Industrial Council.

According to Mr Les Kettledas, Naawu's regional secretary, the proposed minimum wage increases from a current R1,38 to R2,15 an hour will bring them into line with wages negotiated in the local automobile industry.

Mr Kettledas, who led the union negotiations, said they had encountered dismally low wages in the tyre and rubber industry when Naawu first became party to the Industrial Council covering the industry in March this year.

Industrial Council negotiations had begun on April 16, but up until the present proposal they had rejected all employers' offers.

Unions are now considering the employers' offer and will respond on Wednesday after they have had report-back meetings with their membership.

If this is accepted by the workers it will become a two-year agreement implemented from June 11.

Furthermore, this is the first time workers in the tyre and rubber industry have also been guaranteed minimum six-monthly increases for a two-year period, applying over and above the new minimum wage offers, he said.

These minimum six-monthly increases to keep abreast of the cost of living were previously given at management's discretion.

Long-service leave had also been agreed upon for the first time, as well as an additional paid public holiday over and above that provided in the Basic Conditions of Employment Act.

He said union demands had been for increased wages, minimum wage rates, shorter working hours, long-service leave, lay-off and retrenchment benefits and increased annual bonuses.

Naawu was committed to a struggle for a meaningful living wage and believed the manner in which new conditions of employment had been determined would set a pattern for negotiations in the future, he said.

Mr Fred Sauls, general secretary of Naawu, said the union had been struggling since 1971 to break into tyre and rubber wage negotiations as the Yster-en-Staal Unie only had been party to the Industrial Council.

However, management had become more open to talking with Naawu after legislative changes in the labour field and a breakthrough had been achieved after 10 years in the cold.

Now that there is direct representation for black workers concerning conditions affecting them, there has been a marked change in the attitude of employers who are looking at wages more realistically.

The employer bodies contacted by Weekend Post said they would rather not comment at this delicate stage of the negotiations.

Unionists attend company's AGM

(189) (196)

E. Post 7/6/84

JOHANNESBURG — Shareholders of the local subsidiary of a large British multinational firm, which has its headquarters in Randburg, were astonished yesterday when two representatives of the Metal and Allied Workers' Union (Mawu) attended their annual meeting after having bought 100 shares in the company.

The Mawu representatives — a union organiser and the union's lawyer — attended the annual meeting of BTR South Africa to protest against wages paid at a Howick plant, BTR Sarmcol.

This form of action is virtually unique in South Africa.

Mawu declared itself in dispute two weeks ago when wage talks broke down with the company offering a 10,8% increase from R1,43 an hour to R1,60 an hour.

Mawu said BTR pay rates were far below the accepted minimum standard of living levels though it was a British company covered by the EEC code.

Mr Peter Fatharly, the chairman and managing director of BTR South Africa and chairman of British Tyre and Rubber (Eastern Region), said Mawu's share purchase certificate and their proxy had not been registered. "But we invited them to stay as guests." — Sapa

Dunlop to open new tubeless tyre factory

(196) Star 8/8/84

Dunlop today announced plans for a big new Durban factory to make tubeless tyres for trucks.

The announcement from managing director Mr Clive Hooper came minutes after a Johannesburg property development consortium bid R1,65 million for 1,39 ha of the former abattoir site adjoining Dunlop's existing Sydney Road factory.

A spokeman for the consortium said it would develop the site to the tyre company's requirements on a lease-back basis.

The corporation-owned site was sold at a JH Isaacs Geshen (IG) auction against an upset price of R1,25 million.

Mr Hooper said: "Dunlop already has two large tyre factories in Natal - one in Sydney Road, Durban, which concentrates of truck, tractor, aero and earthmover tyres, and the other in Ladysmith which makes car tyres only.

"We are involved in a R65 million programme to improve and expand our tyre manufacturing production facilities.

Most of this expenditure so far has been devoted to improving and expanding the facilities for steel car tyre production at Ladysmith and the next phase of investment involves heavy expenditure on expanding our steel truck tyre facilities."

Pioneer Prop outlook bright

Financial Staff

Pioneer Property Fund forecasts a 20,7 percent rise in total dividends for 1984 to a record 21,84c a unit. Its rights offer of 16,1 million units will be on the basis of 30 new units for every 100 held, at 230c a unit.

Total net distributable income for 1984 is estimated to rise 40,2 percent to about R13,6 million, equivalent to total earnings and dividends per unit of 21,84c (1983: 18,10c).

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President Catering Supplies says that in terms of its proposed rights issue to raise about R4,2 million, 2,2 million shares will be offered at 190c each. Shareholders will be offered the new shares in the ratio 55 new shares for every 100 held.

□□□

First Union General Investment Trust's net income in the six months to June 30 totals R8,5 million (R8,8 million). Interim dividend is upped to 7c from 6,5c on EPS of 11,36c (11,83c). Earnings for the full year should not be less than 1983's.

□□□

Anglo Tramnsvaal Collieries net income in the six months to June 30 was unchanged at R2,6 million compared with the same year-ago period. EPS totalled 151,4c (150,9c).

Hundreds of unionists march on Natal firm

~~1151~~ 196 ~~1401~~

Star 8/6/84

By Sol Makgabutlane

Hundreds of Metal and Allied Workers' Union (Mawu) members yesterday marched to the offices of BTR Sarmcol in Howick, Natal, and handed in a petition calling for the reopening of wage talks.

A Mawu statement said BTR management's negotiating teams agreed to reopen wage talks if Mawu withdrew its dispute with the company on the wage deadlock.

The march by comes after two Mawu representatives attended a shareholders' meeting of BTR Holdings in Johannesburg to air complaints on Wednesday.

The representatives were not given a chance to address the meeting as their 100 shares had not been registered.

The list was handed to the chairman of the board of directors, who undertook to raise the matter with the relevant BTR managers.

The union said in the statement: "All efforts by the union to secure a fair and equitable recognition agreement with reasonable dispute settlement procedures and peace obligations have failed."

Mawu also claimed that more than 1 000 workers had been retrenched without compensation.

Tyre price increase 'uncalled for' — AA

Argus 15/6/84

196

Staff Reporter

THE Automobile Association has described the increase in tyre prices as "uncalled for" and says tyre manufacturers are "agreeing among themselves on wholesale tyre prices".

In a statement, the AA said this week's announcement by the SA Tyre Manufacturers' Conference of a price increase on tyres and tubes from June 26 had "come as a shock" to all road-users.

Tyres for passenger cars, light lorries, earthmovers and graders will increase by 8,33 percent, while giant lorries, tractor and agricultural implement equipment tyres will go up 6,66 percent.

"It would appear that the abolition of wholesale price maintenance on tyres by the Government a few years ago has not led to keener competition and that manufacturers are continuing to agree among themselves on increases in wholesale prices," the statement said.

Would like greater competition

"While the AA accepts that tyre manufacturers have to meet increased production costs, it would like to see greater competition among them."

The organisation appealed to retailers not to apply the increase to existing stocks.

It said tyre prices for passenger cars had increased by more than 40 percent since 1982, while the tyre production price index had gone up by about 22 percent and the consumer price index by 30 percent.

Mercury 26/6/84 (196)

Workers to take strike vote

Labour Reporter

WORKERS at a rubber company will decide in a factory ballot tomorrow whether to go on strike over a pay claim.

The clash is between the Howick firm BTR Sarmcol and the Metal and Allied Workers' Union.

A union spokesman said yesterday the company was threatening to effect increases which the workers had already rejected.

Wage talks broke down earlier this month. BTR Sarmcol had offered a 10,8 percent increase — from R1 43 an hour to R1 60.

Union members later marched to the factory offices with a petition calling for the talks to be reopened.

Two union representatives also attended the annual meeting of BTR South Africa after taking the unprecedented step of buying 100 shares in the company.

Waiting

They went to the meeting to protest about the wages at the Howick plant and to tell shareholders about the pay dispute.

An application has already been made to Minister of Manpower P T C du Plessis for a conciliation board to be appointed. But both the union and the company are still awaiting a decision.

Mr John Sampson, the firm's administrative director, said yesterday he knew the union was planning to hold a strike ballot.

He said that if the conciliation board was not established within 30 days, the company would implement its own increases.

The union wanted a rise of about 26 percent, said Mr Sampson.

911 vote to strike over wages

Labour Reporter

IN A 94 percent poll 911 workers at a Howick rubber company, BTR Sarmcol decided to take strike action to resolve a pay dispute with the company, while four voted against, a spokesman for the Metal and Allied Workers Union said.

Mr Geoff Schreiner, general secretary of the Fosatu-affiliated union, said no date had been set for the strike but members indicated that if the conciliation board was not appointed within two weeks then they would consider taking action.

He said the company was threatening to make effective the increases which workers had already rejected.

The union declared itself in dispute with the company earlier this month when wage talks broke down with the company offering a 10,8 percent increase from R1,43 an hour to R1,60 an hour.

An application has already been made to the Minister of Manpower, Mr P T C du Plessis, to appoint a conciliation board.

Mawu members later marched to the factory offices with a petition calling on the company to reopen wage talks with the union.

Mr John Sampson, the company's administrative director, was not available for comment yesterday but he told the Mercury last week that he was aware that the union was planning to hold a 'strike ballot'.

He said that if the conciliation board was not established within the statutory 30 days the company would implement the increases.

The union requested an increase of about 26 percent, he said.

KDM 3/7/84 (16) (M6)

Poll backs metal strike

DURBAN. — In a 94% poll, 911 workers at a Howick rubber company, BTR Sarmcol, decided to take strike action to resolve a pay dispute, a spokesman for the Metal and Allied Workers' Union (Mawu) said yesterday.

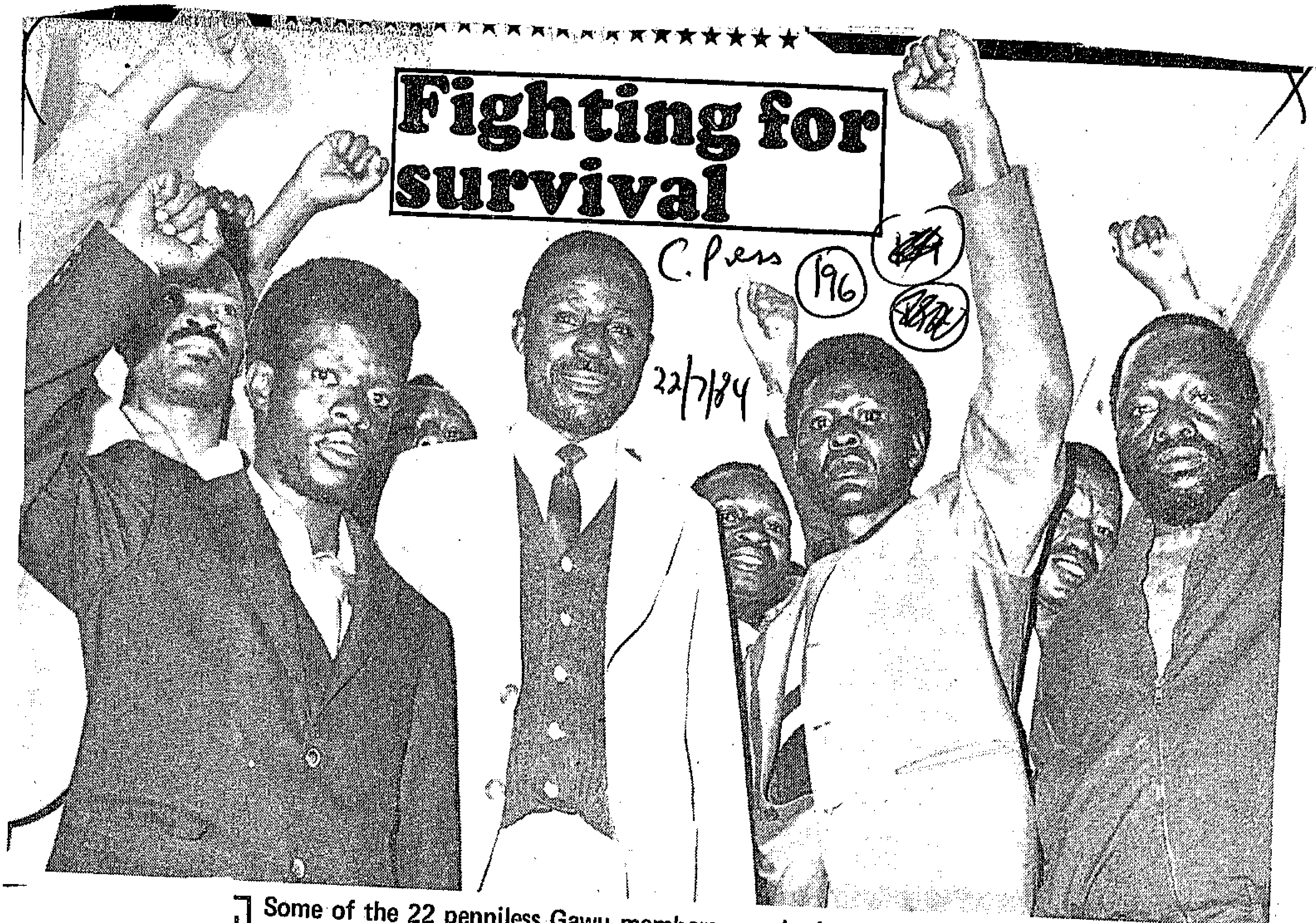
Mr Geoff Schreiner, general secretary of the Fosatu-affiliated union, said no date had been set for the strike but members indicated that if the conciliation board was not appointed within two weeks they would consider taking action.

He said the company was threatening to put into effect a 10,8% pay increase which workers had already rejected. They are demanding 26% increases. — Sapa.

Fighting for survival

C. Press 196

22/7/84



Some of the 22 penniless Gawu members — who have been on strike for seven months — in their union office this week during one of their bi-weekly solidarity meetings.

A STRIKE which has been painfully dragging on for seven months comes to a climax this morning when 22 penniless black workers meet to consider Supreme Court action against their employer.

The workers, members of the General and Allied Workers' Union, will consider the action against General Tyre and Rubber Company, which fired 59 of them during a strike at the company's Booysens plant.

Worker's spokesman Sam Mahlaule told City Press this week of the hardships they have endured since the strike, which was sparked off by the dismissal of two colleagues for alleged theft.

"It has been the hardest time of our lives," lamented Mr Mahlaule. Relatives and friends who have stood by us are beginning to lose their patience. Some of us are on the verge of losing our homes for failing to pay rent."

Mr Mahlaule also told of their "most painful day" — last Wednesday, when they had to walk more than 12 kilometres in the rain from their union's office in central Johannesburg to their homes in Soweto, after one of their bi-weekly solidarity meetings.

"We had used our union subsistence for small groceries and other provisions for our families. We were banking on lifts. In the end we had to walk," said Mr Mahlaule.

He also said that, after they were fired, they never received their weekly wages, leave pay or pension money.

Political comment in this issue by P Selwyn-Smith and P Qoboza, newsbills by P Selwyn-Smith, and headlines and sub-editing by D Niddrie, all of 62 Eloff St Ext, JHB.

Working

Firm says no to Labour Day deal

15/8/84

Labour Reporter

WORKERS at a Howick rubber firm would not get full pay if they took time off on Labour Day, a company official said yesterday.

Mr John Samson, administrative director of BTR Sarmcol, was commenting on a claim made by the Metal and Allied Workers' Union.

The union said that as part of a new wage agreement with the company, members should be given half a day off on May 1 each year for Labour Day, which is celebrated internationally.

Mr Samson said the demand for the extra day's paid leave had been rejected.

However, it was company policy to allow employees to clock off early to attend local celebrations or national religious gatherings.

So an employee would not be prevented from clocking out early on May 1, provided he did not do so before the lunch break.

Mr Samson said: 'He would be paid only for the hours worked on that day, and his release would, in any case, be subject to suitable prior arrangements being made to maintain essential and continuous services.'

Mr Samson said the wage dispute with the union had been settled.

He said: 'The new wage rates represent an increase of 15,8 percent, and will remain in force for 12 months.'

Witness

15/8/84

Firm says no to Labour Day deal

Labour Reporter

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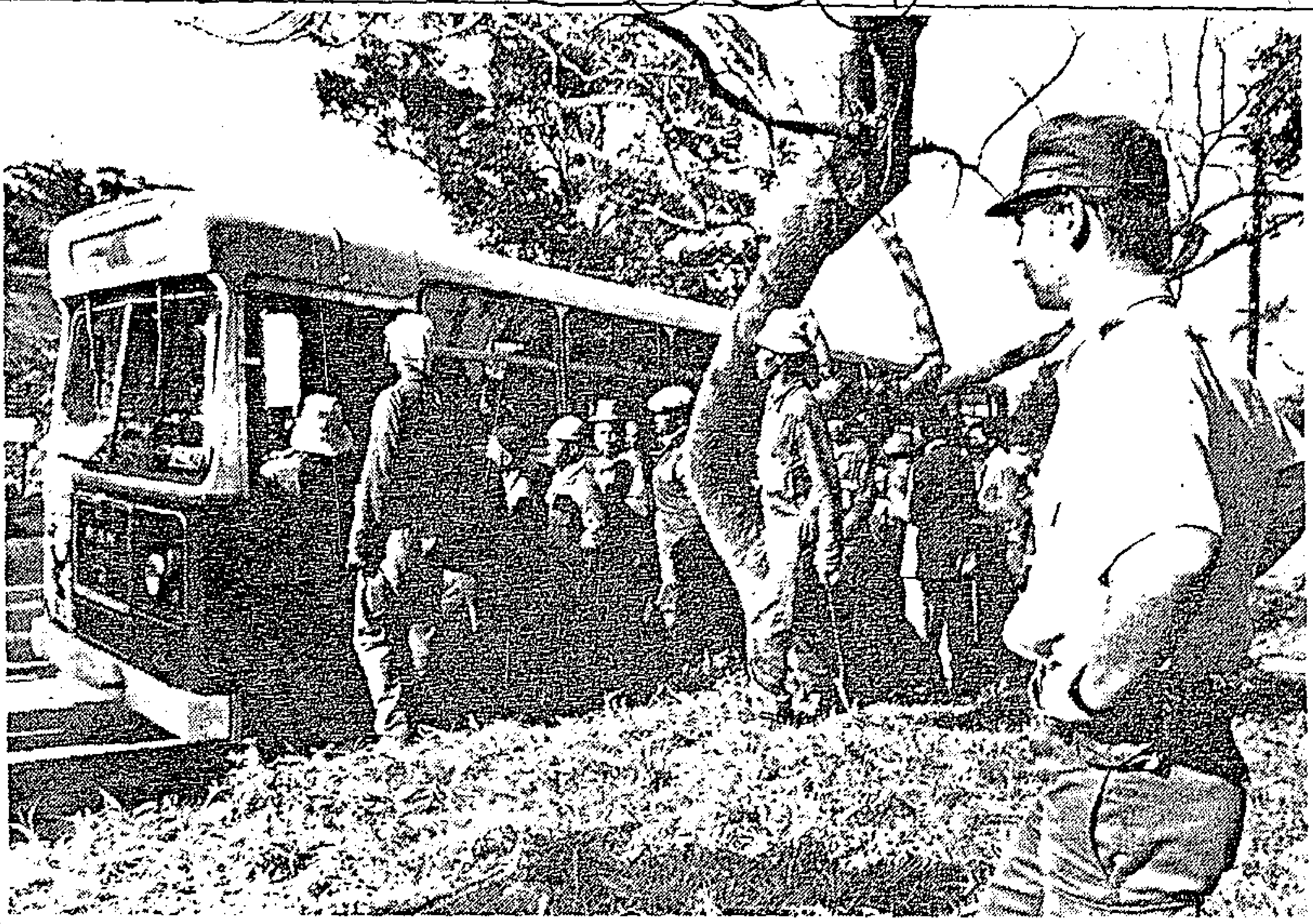
Mercury 16/8/84 ~~157 140A~~ 196 ~~184 ...~~



A policeman keeps a watchful eye as striking Durban Corporation workers board a bus after their protest march along North Coast Road was stopped by police yesterday morning.

Strikes hit council, two Durban companies

Labour Reporter

TWO major Durban companies were hit by work stoppages yesterday which seriously affected production and resulted in the shutdown of one of the factories.

About 150 striking Durban Corporation workers, some carrying sticks, were stopped by police while marching along North Coast Road yesterday morning.

The workers, from the Electricity Department's northern depot, had been on their way to the department's head office in Alice Street to put forward demands for more pay, when they were stopped by police.

Production ground to a halt at the Umbilo factory of Hart Limited when hundreds of workers downed tools in support of a demand for more pay and the Dunlop Tyre Company factory in Durban was forced to shut down when its workers went on strike.

Dissatisfied

Hart Limited's managing director, Mr E W Parret, yesterday confirmed there was a strike, but declined to comment.

A spokesman for Dunlop last night said: 'Certain of the shop stewards are not working to the terms of the recognition agreement the company has with the Metal and Allied Workers' Union. As a result the workers are dissatisfied with the union and have asked to talk to the management directly.

'The management had no option but to close the factory which will reopen today for normal shift operations. Discussions with the union are presently taking place,' he added.

Durban Corporation's electrical workers whose march was stopped were later transported in two Corporation buses to the department's offices where they put their grievances to the management.

Some of the workers claimed they were paid R48 a week, which they described, as 'starvation wages'. They were demanding a minimum wage of R95 a week.

Workers from the department's three other depots in Durban also downed tools yesterday.

Ultimatum

Although workers from two of the depots returned to work almost immediately, others from the northern and southwestern depots had not and they had been given an ultimatum to do so by this morning or face dismissal, he said.

Services had not been seriously affected.

Dunlop fires 500 strikers

Star 17/8/84

Own Correspondent

DURBAN — Three Durban companies have been hit by strikes. At Dunlop Tyre Company, 500 workers were dismissed today for not going on shift.

About 600 workers at Hart Limited, makers of aluminium pots and pans and plastic buckets and bowls, have entered their third day of a legal strike.

The Metal and Allied Workers' Union declared a dispute with the company two months ago because it refused to negotiate wages at plant level.

Last night Hart workers decided at a meeting to continue the strike until management agreed to discuss certain issues.

They said they were not prepared to accept the company's claim that it was "hamstrung" by its parent company (Metkor, which in turn is owned by Iscor) and its affiliation to the Steel and Engineering Industries Federation.

At Lever Brothers, about 500 workers were on strike yesterday over claims for a 20 percent pay rise next January.

This morning a "much larger group of workers gathered on the premises and refused to work", a Unilever spokesman said.

(196) RDM 18/8/84

Dunlop strikers dismissed, Hart strikers go on

ABOUT 500 striking workers at Dunlop Tyre Company in Durban were dismissed yesterday for not going back to their jobs and two other companies in the city were also hit by strikes.

At Dunlop, where workers went on strike on Wednesday and forced the factory to shut down, the 500 workers were dismissed this morning "for failing to return to work when their shifts started".

A spokesman for the Metal and Allied Workers Union, which has a recognition agreement with Dunlop, said they had met management on Thursday and were reporting back to members on the talks yesterday.

□□□

ABOUT 600 workers at Hart Limited in Durban, manufacturers of aluminium pots and pans and plastic buckets and bowls, have entered their third day of a legal strike after the MAWU declared a dispute with the company two months ago because it refuses to negotiate wages at plant level.

Last night, the striking Hart workers resolved at a meeting to continue their strike until management agreed to discuss substantive issues with their union.

They said they were not prepared to accept the company's claim that it was "hamstrung by its parent company (Metkor which is in turn owned by Iscor) and its affiliation to the Steel and Engineering Industries Federation of South Africa.

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AT LEVER Brothers in Durban about 500 were on strike yesterday in support of a 20% pay increase in January 1985.

This morning a "much larger group of workers gathhered on the premises and refused to work" according to a Unilever spokesman.

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VOLKSWAGEN and the United Automobile and Allied Workers Union (Naawu) agreed yesterday to refer their dispute over a shop-floor altercation to arbitration, spokesmen for both parties said yesterday in Port Elizabeth.

The agreement was reached at a meeting of the Industrial Council held yesterday morning.

In an statement issued after the meeting Mr Freddie Sauls, Naawu's national secretary said: "We support the decision to refer this grievance to arbitration as the quickest way to finalising this case which has already continued too long.

"During his period of suspension Mr Gaika (the affected employee) will be on full pay..."

The union said it had to defend a member who seemed to have been treated unjustly.

The dispute stems from a fracas in June involving an African employee and a white colleague. — Sapa.

Mercury 21/8/84

Sacked strikers to be replaced

Mercury Reporter

ABOUT 1 000 Dunlop Tyre Company employees who were dismissed for allegedly striking unlawfully, will be paid off and recruitment will commence with a view to restarting production, a Dunlop spokesman said yesterday.

At Lever Brothers' Maydon Wharf factory, 1 000 workers entered the sixth day of a strike after downing tools on Thursday.

And at Hart Ltd in Umbilo, 500 workers are continuing a strike which began on Wednesday for the right to negotiate wages directly with their employers.

Ballot

Mr Ron Smith, Dunlop's group personnel manager, said employees had been fired because of unlawful industrial action.

A proper strike ballot had not been made although the union had been entitled to hold a ballot at any time since May. Dismissed employees would be paid off and replacements recruited with a view to restarting factory production next week.

A spokesman for Lever Brothers said discussions were continuing with representatives of striking employees.

Unilever workers had asked for a guaranteed 20 percent pay increase next January, but the company was unwilling to commit itself before assessing the economic situation at the end of the year.

Mr E W Parrett, regional director of Hart Ltd, said the company had remained open for those who wished to work.

'The company continues to lead discussions with the two unions in an attempt to resolve the issues,' he said.

Strikers

Sowetan 21/8/84 196

nabbed

By JOSHUA RABOROKO

AT least 40 of more than 5 000 strikers have been arrested by police in countrywide industrial actions which have gripped most factories over wage demands.

The police used sjamboks and patrol dogs to disperse more than 400 workers at the Newcastle Carbochem Rubber Factory, according to the SAP's public relations division in Pretoria yesterday.

Forty workers were arrested, of whom 11 sustained dog bites and had to undergo medical treatment. Those arrested were expected to appear in the local magistrate's court yesterday on charges of holding a public meeting.

Col Heynes said the workers were warned after they had gathered outside the factory and started stopping motorists.

Meanwhile about 3 500 workers out of a total workforce of just over 4 000 voted yes to industrial action in support of wage demands at Highveld Steel in Witbank.

The votes were counted before management after the conclusion of the three-day ballot which was held jointly by the South African Boilermakers' Society and the Metal and Allied Workers' Union (Mawu).

In a separate incident, about 1 200 hourly-paid workers were dismissed for taking part in a legal strike at the Dunlop Tyre Company, a union official said yesterday.

More than 2 000 workers are still on strike at Lever Brothers and Hart Limited. A spokesman for the Chemical Workers' Industrial Union said the workers were demanding a 20 percent increase in wages.

About 2 000 workers at Siemens Cables Company in Pretoria have returned to work after going on strike over wage demands and other job-related issues.

A Mawu spokesman said that the workers returned after management had shown a willingness to discuss the issues involved.

In another labour unrest over 150 workers at Pin Printpak in Industria yesterday downed tools over wage demands. Late yesterday the workers' representative were making attempts to resolve the matter with management.

RDM 21/8/84 (196)

Mawu legal strike nearly over

Labour Correspondent

THE Metal and Allied Workers' Union's first legal strike — at a Durban company Hart Limited — may be settled today or tomorrow, according to the union.

But Mawu also announced it was launching court action against the tyre company Dunlop, which fired 1 200 union members for striking late last week.

Sapa reports that 1 500 workers at Lever Brothers in Durban continued their strike in support of a 20% pay rise yesterday, bringing the total number of workers on strike in Durban to more than 3 000.

Mawu disclosed in a statement that Dunlop workers had voted shortly before their firing to turn their strike into a legal stoppage and charged that the company's decision to fire them indicated that using the legal strike machinery offered workers little protection.

At Hart, about 500 workers struck in protest at the company's refusal to negotiate wages and work conditions outside an official industrial council.

But Hart representatives said they could not commit themselves to this before meeting their board of directors, as well as the Steel and Engineering Industries Federation, which is against wage bargaining outside councils.

At Dunlop, Mr Glenn Sutton, a company spokesman, told Sapa workers had continued a stoppage despite company warnings to both them and the union that this would lead to their dismissal.

They had ignored the warnings and were therefore fired, he added.

But Mawu said workers had voted to challenge their firing in court.

RDM 24/8/84 (P16)

Go slow tyre men have lost their jobs

PORT ELIZABETH. — Breaker-builder workers on a go slow for higher pay at Goodyear Tyre and Rubber Company, Uitenhage, since early this week, have lost their jobs.

The director of public affairs at Goodyear, Mr Mike Selley, said yesterday the workers had "voluntarily broken their contract" by not returning to work — and were to be replaced.

On Monday, 24 breaker-builders went on a go slow for increased pay.

Mr Selley said management had repeatedly asked them to stay on at work while negotiations between the National Automobile and Allied Workers' Union (NAAWU) and management were under way.

However, 23 of the 24 workers had continued to stay away, thereby severing their employment contract, he said. As a result, 23 new breaker-builder workers were being recruited.

On Tuesday, 200 workers in the radial tyre production unit had to be sent home because, as a result of the go slow strike, there were insufficient components.

The 200 were all present yesterday.

This dispute is to be referred to the industrial council.

The secretary of NAAWU, Mr Fred Sauls, refused to comment on the issue. — Sapa.

Mercury 25/8/84 (196)

Union shackled by Court order in tyre factory strike

Mercury Reporter

A STRIKE by hourly-paid workers at Dunlop Sports was declared unlawful yesterday after an order granted in the Supreme Court, Durban.

The Metal and Allied Workers' Union and its secretary, Mr W G Schreiner, were restrained from inciting any employee of Dunlop from taking part in, or continuing to take part in, the strike.

They were also restrained from inciting employees from taking part in any other unlawful strike, or in the continuation of such strikes.

Hundreds of workers at Dunlop's tyre factory were sacked last week after a strike in protest against the dismissal of five workers and the suspension of shop stewards.

Mr Justice Booysen, who heard the urgent application by Dunlop, postponed the matter until August 28.

In papers before Court, Mr Glen Richard Sutton, Dunlop's industrial-relations manager, said the present strike by workers at Dunlop was unlawful.

He said that since August 17 Dunlop's Sydney Road branch had been at a standstill. All production other than that of car tyres had ceased. The daily loss was R229 000.

Mr Sutton said that on August 20 the union had sent a telegram to a shop steward at Dunlop's Benoni branch. Only part of the telegram, outlining reasons for the stoppage at Sydney Road, had been shown to management.

He said that on August 23 a strike had begun at the Durban tyre branch after a document had been handed to the administration manager.

A similar document had been sent to Dunlop's biggest branch at Ladysmith. If a strike started there, it would end all Dunlop's tyre manufacturing activity, he said.

Mr Sutton said it was clear the Metal and Allied Workers' Union had embarked on a campaign to bring all of Dunlop's employees on strike to support the strike at Sydney Road.

He said the strikes were illegal. The reason for striking was not the dismissal of five workers in 1983, but other issues, including a dispute over interpretation of a recognition agreement between the union and Dunlop.

Meanwhile, workers who had been on strike at the company's Durban tyre branch returned to work yesterday.

1 000 more back strike

196 C. Press 26/8/84

ANOTHER 1000 workers at four Dunlop plants around the country have voted for a legal strike in the wake of management's sacking of 1 200 workers at their Durban tyre plant this week.

The 1 200 workers were dismissed only hours after they held a ballot to decide on legal strike action.

Two of the sister factories came out in support yesterday and workers at the other two plants will also meet soon to decide when to begin their action.

The tyre plant workers originally declared a dispute when management sacked several Metal and Allied Workers' Union members.

Sacked Dunlop workers have decided to approach Sacos for support because Dunlop has a section which makes sports goods.

MDM 28/8/84 (RDM)

Dunlop in court to halt strikes

By STEVEN FRIEDMAN
Labour Correspondent

IN A dramatic move, the Dunlop Rubber Company has asked the Supreme Court in Durban to prevent members of the Metal and Allied Workers' Union at two of its plants from striking in sympathy with strikers fired at its Durban tyre plant.

Its application is to be heard this morning.

It was launched on Friday, but Mr Justice Booysen postponed the case after Mawu said it had not had enough time to respond.

During Friday's hearing, Mawu officials undertook to ensure that workers did not engage in any illegal strike action before the case was resumed this morning.

Dunlop's action follows the firing of about 1 200 strikers at the Durban tyre plant who had downed tools in protest against disciplinary actions.

Mawu alleges the firings took place soon after workers had voted to embark on a legal strike and says it will challenge the dismissals in the industrial court.

The union also represents workers at a Dunlop plant in Ladysmith and at the Dunlop Sports plant in Durban, and the fired strikers called on workers at these plants to support them.

A second union, the Chemical Workers Industrial Union, represents workers at the Dunlop Industrial Products plant at Benoni. Workers at this plant were also urged to back the fired men.

In an apparent attempt to head off sympathy strike action at these plants, Dunlop launched a Supreme Court action in which it asked the court for an interdict preventing workers striking illegally.

A Mawu statement yesterday said the union had been served with papers by Dunlop on Friday, less than an hour before the court was scheduled to hear the company's application. The company's papers, setting out its case, ran to more than 100 pages, it added.

The union said it was unable to contact its lawyers before the hearing's scheduled start and two union officials had been forced to appear before Mr Justice Booysen to request a postponement of the case.

The case was postponed until this morning, but the judge had asked Mawu's representatives to confirm that they would act lawfully "at all times".

IVVerwrwr) 28/8/84 196

Strike hits tyre firm's biggest plant

Labour Reporter

WORKERS at the Ladysmith branch of the giant Dunlop Tyre factory downed tools yesterday in sympathy with their colleagues at the company's tyre factory in Durban who were recently fired.

Mr Glen Sutton, Dunlop's industrial relations manager, said the workers were given 24 hours to return to work and by late yesterday the position had not changed.

The strike comes in the face of an urgent Supreme Court order on Friday restraining the Metal and Allied Workers' Union from taking unlawful industrial action against the company, he said.

According to Mr Sutton, about 180 workers, at the Ladysmith plant downed tools yesterday morning, but a union spokesman claimed that the entire workforce of more than 500 went on strike.

Intimidation

Mr Sutton said: 'Intimidation of members of the National Leather Workers' Union at the company's sports factory has precluded them from returning to work although they have expressed the wish to do so.'

He also confirmed that police were called to investigate a bomb threat at Dunlop's Sydney Road factory yesterday morning after an anonymous telephone call.

The union spokesman last night maintained that the Ladysmith strike was legal as it met all provisions in terms of the Labour Relations Act. He said the workers voted for strike action in a ballot conducted at the factory last week.

In papers before Mr Justice Booysen in the Supreme Court, Durban, last week, Mr Sutton said the Ladysmith plant was Dunlop's biggest branch. If a strike started there it would end all Dunlop's tyre manufacturing activity.

Dunlop's Sydney Road branch had been at a standstill since August 17 and all production other than that of car tyres had ceased.

RDM 30/8/84 (152) (196) (illegible)

Strike ends, but more likely

By STEVEN FRIEDMAN
Labour Correspondent

THE third sympathy strike in two days at plants owned by Dunlop rubber company ended yesterday — but the Metal and Allied Workers' Union warned they could resume and there were fears yesterday that the continuing dispute at Dunlop could spread to plants which are not owned by the company.

In a surprise move yesterday, Mawu issued a statement claiming that all three sympathy stoppages — at plants in Durban, Ladysmith and Benoni — had been legal.

A court action brought by Dunlop, in which it is seeking an interdict barring the union from organising illegal sympathy strikes, is to be argued in the Durban Supreme Court today.

The sympathy strikes have been prompted by the recent firing of about 1 200 strikers at Dunlop's Durban tyre plant who stopped work in protest at disciplinary moves against Mawu members.

A further 120 strikers have been fired at Dunlop's Durban sports division, and Mawu claims that, in both cases, workers were fired while striking legally.

This week, Mawu members at Dunlop plants in Durban and Ladysmith struck in sympathy with the fired workers and, on Tuesday, members of the Chemical Workers' Industrial Union downed tools over the same issue.

Workers at the two Natal plants returned to work after being threatened with dismissal and Benoni workers returned yesterday, according to a CWIU spokesman.

Dunlop alleges that all three strikes were illegal, but Mawu said yesterday that all had been legal and added that workers had indicated "that unless matters are resolved they will again take lawful strike action".

Management sources reported yesterday that there were indications that the Dunlop dispute was being taken up by Mawu shop stewards at plants not owned by the company.

They said several employers had been approached by Mawu shop stewards who had asked what their stance on the dispute was. This, they added, had sparked fears that the dispute could spread beyond Dunlop plants.

Dunlop reacted to the threat of sympathy strike action by seeking an interdict against Mawu and its Natal secretary, Mr Geoff Schreiner, preventing them from organising illegal sympathy strikes.

At an earlier hearing, the court granted the company an interim order barring Mawu from organising illegal strikes, but this order has now lapsed.

In its statement yesterday, Mawu said it had "consistently maintained" that the sympathy actions taken by workers were legal.

W[illegible] 29/8/84

Dunlop strike has spread to Transvaal

196

Labour Reporter

WHILE striking workers at the Ladysmith branch of the Dunlop Tyre Company returned to work yesterday following an ultimatum by the management, workers at the company's industrial products in Benoni downed tools.

Mr Glen Sutton, Dunlop's Industrial Relations manager, said the workers and the Metal and Allied Workers' Union had refused to give any formal demands.

'This is now taken by the company to be an unlawful strike,' he said, adding that the Ladysmith workers returned to work yesterday morning after the management gave them a 24-hour deadline.

Recruitment

'Recruitment and selection of workers for both the Durban tyre factory and Dunlop Sports is continuing. All other factories continued to operate normally,' he said.

Workers at the Ladysmith factory downed tools on Monday in sympathy with their colleagues at the company's Durban tyre factory who were fired recently.

The strike comes in the face of an urgent Supreme Court order restraining the Metal and Allied Workers' Union from taking unlawful industrial action against the company.

Mr Geoff Schreiner, secretary of the Fosatu-affiliated Metal and Allied Workers' Union, said last night that Dunlop's management was fully aware of the demands of the workers.

Ridiculous

'These have been communicated to them numerous times. It's ridiculous for them to assert that they are not aware of the workers' demands.

'Until such time as they are prepared to sit down in a civilised fashion and discuss those demands with the workers, the problems are going to continue,' he said.

Production at the Durban tyre factory has been at a standstill since August 17 following the dismissal of more than 1 000 workers. Production at the the Dunlop Sports factory in Mobeni also ground to a halt about a week later.

LABOUR

What is illegal?

FM 31/8/84

Dunlop SA last week obtained a Supreme Court injunction restraining the Metal and Allied Workers' Union (Mawu) from organising "illegal" sympathy strikes around the country in support of industrial action at the company's Sydney Road plant in Durban. Strikes occurred, nonetheless, at Dunlop's Ladysmith factory and its industrial products plant at Benoni.

Did this place the union in contempt of court? Possibly not — although the whole issue is now embroiled in arguments over the legality of the strikes which the courts still have to decide.

Mawu argues that it is not in contempt, because the injunction specifically forbids "illegal" strike action. The strikes, says Mawu, were not "illegal."

Dunlop disagrees. The company's industrial relations spokesman, Glenn Sutton, is adamant that the strikes were not legal.

The company has asked the court to extend the order, even though the judge observed that an extension would serve little purpose if Mawu persists with the view that its action is legal. In opposing the extension, on which judgment has been reserved, Mawu did, indeed, persist in its view.

Union compliance

Mawu's Natal branch secretary, Geoff Schreiner, says the union complied with all the necessary legal steps for a strike, both in the initial dispute, which arose from the allegedly improper dismissal of four union members, and in subsequent actions.

Evidence on the legality of the strikes was due to be heard in the Natal Supreme Court on Thursday. Both sides had reason to hope for an unequivocal ruling — otherwise the scene could be set for another costly and drawn-out legal wrangle.

RDM 3/9/84 (196)

A SERIES of strikes at plants owned by rubber company Dunlop are unusually important.

A strike over dismissals at its Durban tyre plant led to the firing of 1 200 strikers. Last week, workers at its plants in Durban, Ladysmith and Benoni struck in support of the fired strikers.

This showed an unusual degree of worker organisation — particularly as Dunlop workers belong to two unions — Metal and Allied Workers in Natal and Chemical Industrial Workers at Benoni.

But it was not entirely surprising: the groundwork was laid by frequent meetings between tyre plant workers and those at other plants during a previous dispute.

And the fact that both unions belong to Fosatu obviously increased the scope for co-operation between them.

The dispute may escalate. Mawu has threatened further sympathy action and a public campaign against Dunlop. Employers say Mawu shop stewards at plants not owned by Dunlop are raising the issue.

The strike has also raised key legal issues. Dunlop says all the strikes were illegal and has sought a Natal Supreme Court order barring Mawu from organising illegal sympathy strikes.

Mawu said the strikes were legal and a judgment is due this week. It could set precedents.

And Mawu still plans to challenge the firings in the industrial court — which could test the court's attitude to the firing of strikers.

Sept. 1984

LABOUR DISPUTES

What is legal?

96

About 2 000 workers at several Dunlop plants in Natal have decided to continue their three-week-old strike, despite a court order restraining the Metal and Allied Workers' Union (Mawu) from organising illegal strike action. The workers' decision is the latest move in the dispute between them and the company which has developed into a complicated legal wrangle.

Last month 1 200 workers at Dunlop's Durban tyre plant were fired after striking over the dismissal of five colleagues. This was followed by sympathy strikes by Mawu members at two other Dunlop plants.

Dunlop responded by applying to the Natal Supreme Court for an interdict restraining the union from organising illegal strikes at its plants. Mr Justice Booysen granted a temporary interdict. It subsequently expired, but last week he granted a second injunction against the union.

Mawu's Geoff Schreiner maintains that the strikes it has organised are "legal." Consequently, he says, the industrial action will continue. Mawu has also announced that it is seeking to broaden support for the workers by appealing for a show of solidarity by overseas trade unions, other Federation of SA Trade Unions (Fosatu) affiliates and the SA Council on Sport.

The issue underlying the legal aspect of the dispute is whether the strike is, in fact, legal. This is still to be tested in court. Judge Booysen, who has so far refused to make a definitive ruling on the matter, has called on both parties to file papers outlining their positions.

Schreiner is not optimistic that an early judgment will be delivered. He says Mawu's legal counsel has told him the union must be prepared for a protracted battle and it could take up to a year to settle the case.

Schreiner says the union followed the procedures laid down in the Labour Relations Act — including applying for a conciliation board, allowing a 30-day grace period and conducting a strike ballot over its demand for the reinstatement of the five workers — before deciding to opt for a legal strike.

On the other hand, Dunlop says a multiplicity of factors influenced the strike decision and that the issue of the reinstatement of the five workers was not the sole motive for the workers' actions. Hence, it argues all the strikes were illegal.

Mawu rejects this contention. It says there are always a number of extraneous grievances tied up in a strike situation.

Last week Judge Booysen argued that because the union had earlier shown a willingness to compromise by having the dismissals referred to arbitration, it had changed the nature of the dispute. In his view, the union's strike action was consequently "unlawful," but he conceded that he may change his mind on hearing further evidence.

If Judge Booysen decides to maintain his view and the strikes are found to be unlawful, it could have ominous consequences for trade unions. It could mean, for example, that they would be unwise to compromise in dispute situations and would have to stick rigidly to their original demands.

According to Schreiner, the Dunlop dispute has raised a whole new set of questions. If companies can successfully seek injunctions against unions, it could severely curtail strike activity, since the majority of strikes in SA are by definition "illegal."

So far, the union has been able to avoid capitulation by strenuously defending the legality of its strike action. In so doing, it has frustrated Dunlop's legal moves, which were expressly designed to bring the matter to a speedy conclusion.

But whether Mawu can establish the legality of its action in a court of law remains to be seen. One thing is certain: either way, the outcome will have far-reaching ramifications for labour relations.

Mercury 8/9/84

(196)

Interdict on union over tyre-firm strikes

Mercury Reporter

THE Metal and Allied Workers' Union was interdicted by the Supreme Court, Durban, yesterday from instigating or inciting any unlawful strike or the continuation of strikes by hourly-paid workers at the Durban, Ladysmith, Benoni, East London and Port Elizabeth branches of Dunlop South Africa.

Mr Justice Booysen granted the order pending the determination of an action to be instituted by Dunlop against Mawu and its secretary, Mr W G Schreiner, for a final order declaring the strikes illegal.

The union was also interdicted from inciting or continuing the strike by any of the employees where the matter causing the strike had or had not been the subject matter of an application for the establishment of a conciliation board, until:

The conciliation board has reported on the matter to the Minister of Manpower;

Refused

The expiry of a 30-day period from which the minister has approved the establishment of the board.

The minister has refused to approve the establishment of a conciliation board within 30 days.

According to papers, Dunlop asked the Court to have the strikes by the hourly-paid workers at their Durban, Ladysmith, Benoni, East London and Port Elizabeth branches, and the inciting of the workers of Dunlop to be declared illegal.

Dunlop alleged that Mawu and Mr Shreiner incited and procured the strike, which they knew to be unlawful under a claim to legality.

Mr Justice Booysen said it seemed to him to be prima facie that Mr Shreiner did reach and sought to influence the minds of the employees to take strike action on August 17.

Even assuming that Mr Shreiner might have thought that the strikes would be lawful, it still remained that he knew at the time that the employees were 'in the mood to strike' and he advised them that it would be lawful to do so.

Mr Shreiner's reading of a pre-prepared letter was concluded to advise workers to strike. Also it was clear at prima facie level that it reached and sought to influence the minds of the employees at other Dunlop factories to strike unlawfully in sympathy with those at Sydney Road.

Mr Justice Booysen said he was satisfied that Dunlop had established a clear right to an interdict because the union would incite further strikes.

But he added that he was not prepared to grant any final relief because he could not find that oral evidence might not disturb the balance of probabilities.

Mercury 15/9/84 (196)

Dunlop strikers to be rehired

Mercury Reporter

MORE than 1 000 Dunlop Tyre Company employees, who were fired following a strike last month, have been offered full reinstatement, the company said yesterday.

The Dunlop group industrial relations manager, Mr Glen Sutton, said negotiations with the Metal and Allied Workers Union had broken down this week when union officials had walked out of a meeting.

But in the interests of the workers, their families and the company, full reinstatement was being offered to all employees dismissed because of the strike, Mr Sutton said.

Some of the workers had already been rehired and more were returning.

The rehired workers would retain full pension and leave benefits, holiday bonuses and long service awards, and new engagement forms would not have to be signed.

'As before workers will be paid for hours worked,' Mr Sutton said.

All outstanding money would be available on Monday and the reinstatement would begin at 7 a m.

'We hope production will be back to normal as soon as possible,' he said.

Striking workers at the Mobeni branch of a building materials manufacturer have agreed to return to work on Monday, according to a spokesman for the South African Allied Workers' Union.

The strike by the entire work force of more than 400 at the Blaikie-Johnstone factory entered its fourth day yesterday, but the South African Allied Workers' Union managed to persuade the employees to return to work following talks with the company.

The workers went on strike on Tuesday after hearing they would not be paid for a period during which they had downed tools on Monday over a union recognition disagreement.

The general secretary of the union, Mr Isaac Ngcobo, said the workers agreed to return to work on condition the union make an appeal to higher management for full pay.

But a statement issued by the company earlier yesterday made no mention of the agreement.

'Management has continued to urge workers to return to work and to submit their grievances through representatives of their choice,' it said.

Meetings had been held with the union in an attempt to resolve the issue but the workers have not returned to work.

RDM 18/9/84

1 400 return to work

DURBAN. — About 1 400 Dunlop workers returned to work yesterday, ending the month-long strike that brought the company's tyre production to a standstill.

The four-week dispute between Dunlop and the Federation of South African Trade Unions-affiliated Metal and Allied Workers Union (Mawu) took a dramatic and unexpected turn at the weekend when the company offered the workers unconditional reinstatement without any loss of service benefits.

The workers, who were all fired for taking strike action a month ago, met at St Anthony's Church, Greyville, yesterday morning to consider the new offer.

After discussing the offer for three hours they decided to return to work. They then began their march from the church to the factory in Sydney Road.

When they crossed Berea Road on their way to the factory, a contingent of police from the riot squad arrived and stopped them.

After a union official explained that they were returning to work the police allowed them to continue marching and assisted them by stopping traffic.

Mr Geoff Schreiner, spokesman for Mawu, said the company had decided to change its initial offer and was now offering a more reasonable deal. — Sapa.

Short-time workers to forfeit leave

D. Dispatch 29/9/84

196

PORT ELIZABETH — Firestone South Africa employees affected by the company's decision to cut production to a four-day week until the end of the year will forefeit leave for the days of lost production.

Mr Peter Morum, managing director of Firestone, which introduced a four-day production week this week, said salaries would remain unchanged but workers concerned would have to take a day's leave each week.

The position will be reviewed at the end of the year.

He said the company had decided to shorten the working week rather than retrench staff. Going onto short-time was felt to be the least disruptive way of dealing with the present economy and the fall in the new vehicle market in particular.

Mr Morum said the import of tyres, particularly from the Far East, had also hampered demand.

Other tyre industries — while affected by the motor industry slump and monitoring developments — are continuing to produce under normal conditions.

The Goodyear Tyre and Rubber Company's director of public affairs, Mr Mike Selley, said the rubber department would continue producing on a full five-day week, and the steel department would operate on a seven-day week.

He expected that normal production would continue until the end of the year at least.

Mr Dennis Neer, national secretary of the Motor Assemblers and Component Workers' Union, said the union was investigating the situation in the motor industry and allied industries in the Eastern Cape and would release a statement next week. — DDC.

RDM 29/9/94 (196)

Tyre workers forfeit leave as four-day week is introduced

Mail Correspondent

PORT ELIZABETH. — Firestone employees affected by the company's decision to cut production to a four-day week until the end of the year, will forfeit leave for the days of lost production.

Mr Peter Morum, managing director of Firestone which introduced a four-day production week this week, said salaries would remain unchanged but workers concerned would have to take a day's leave each week.

The position will be reviewed at the end of the year.

He said the company had decided to shorten the working week rather than retrench staff. Going on to short-time was felt to be the least disruptive way of dealing with the present economy and the fall in the new vehicle market in particular.

Mr Morum said the import of tyres, particularly from the Far East, had also hampered demand. "Conditions necessitated our taking action while we could still do it in a planned way," he said.

Firestone's short-time announcement comes days after General Motors decided to shut down for a week on Monday, following their retrenchment of 129 hourly paid workers. 425 hourly and salaried personnel have also been retrenched at Ford Motor Company.

Other tyre industries — while affected by the motor industry slump and monitoring developments — are continuing to produce under normal conditions.

The Goodyear Tyre and Rubber Company's director of public affairs, Mr Mike Selley, said the rubber department would continue producing on a full five-day week, while the steel department would operate on a seven-day week.

He anticipated that normal production would continue until the end of the year at least.

Mr Clive Tutton, director of manufacturing at the General Tyre and Rubber Company, said the firm was watching the situation, but had taken no decision on measures to reduce production.

● Mr Dennis Neer, national secretary of the Motor Assemblers and Component Workers Union (Macwusa), said the union was investigating the situation in the motor industry and allied industries in the Eastern Cape and would release a statement next week.

PROGRESS AT DUNLOP

196

FM October 1984

An end to the bitter seven-week-old dispute between Dunlop and the Metal and Allied Workers' Union (Mawu) may be in sight. Last week the company and the union agreed in principle to appoint a mediator who, it is hoped, will help produce a settlement of the wrangle over the dismissal of five union members.

This follows the return to work three weeks ago of 2 000 Dunlop workers at the company's three Natal plants. They had been on strike for almost a month. Dunlop's industrial relations manager, Glen Sutton, says the terms of reference and the identity of the mediator are still to be decided. The *FM* understands that discussions on these issues are fairly far advanced and the mediation is likely to occur towards the end of October.

Attempts to settle the dispute through the Labour Relations Act machinery failed when the Minister of Manpower, in appointing a conciliation board, decided to amend its terms of reference so as to preclude the possibility of the dismissals being declared an unfair labour practice.

The union decided not to participate in the board's deliberations for this reason.

A union spokesman expects the mediator initially to try to bring the two sides together. If this fails, the mediator is likely to make his own recommendations, which, although they will not be binding on either party, are likely to carry substantial weight.

Mercury 19/12/84

Factory engages white pupils after dispute

196

Pietermaritzburg Bureau

ABOUT 50 white schoolboys have been employed temporarily by a Howick factory, following a refusal by 111 employees to work during the company's annual Christmas shut-down.

This follows recent unrest at the BTR Sarmcol Rubber factory when about 800 workers downed tools as a result of a dispute with the management.

The Industrial Conciliation Board has been asked to resolve the dispute between the workers, represented by the Metal and Allied Workers' Union and the management.

In the meantime, it was confirmed in a statement issued by Sarmcol that 111 union members working in the engineering department had advised last week that they would not work during the annual close-down in 'an attempt to disrupt operations further'.

The factory is closed from December 14 to January 9 next year.

During this period the engineering department is responsible for an intensive programme of maintenance, repair and servicing of plant and equipment in preparation for the new year.

As a result of the refusal of the workers to work, the management has made alternative arrangements including temporarily employing schoolboys to assist them.

A spokesman said the factory had advertised by word of mouth and soon had more applications than they could handle.

'The response has been very good. We had to turn many boys away, since this is an ideal opportunity for them to earn some money,' he said.

About 50 boys, most of them pupils at the Howick High School, were employed.

He said the work required of the boys was that of untrained and unskilled labour.

RDM 17/1/85

De Villiers promises tough action

Industry warned on price-fixing

Financial Reporter

A SHARP warning about price-fixing was given to the tyre, cement and fertiliser industries yesterday by Dr Dawie de Villiers, Minister of Trade and Industry.

He said that the Competition Board was preparing to deal severely with this sort of arrangement.

Dr De Villiers said in Cape Town: "Joint statements by competitors announcing uniform price increases have recently attracted wide attention.

"Conspicuous examples of such price increases were those in respect of tyres, fertilisers and cement.

"These announcements are often made by associations representing many, if not all, manufacturers of particular products.

"Such joint price increases give rise to a good deal of justified objections.

"The question is quite rightly asked how such an apparent elimination by competitors of price competition could be tolerated within the context of a policy of effective competition."

The big three producers in the fertiliser industry, apart from Sasol, are Fedmis, Triomf and Kynoch.

They recently-announced identical 20% price rises with a similar pattern of rebates.

The Consumer Council referred to an "unhealthy monopoly" in the industry and called for a major investigation.

Price control in the industry was abolished in January 1984.

The South African Tyre Manufacturers' Conference, an effective cartel, announced an 8,1% rise in the prices of tyres and tubes from December 27.

The cement industry is facing major competition in Natal from imports but there have been allegations that the big three domestic producers, PPC, Blue Circle and Anglo Alpha, have been combining through Natal Portland Cement to combat imports by making price cuts aimed at eliminating competition.

Dr De Villiers said: "The Government views this development in a very serious light.

"I, therefore, deem it necessary to again invite attention to the Competition Board's announcement in the Government Gazette of November 30, 1984, that it was to embark upon a new and important investigation.

"Basically this investigation embraces agreements or arrangements establishing any form of:

- Fixing prices (or other conditions of sale) horizontally (that is, between competitors) or vertically (for example, between manufacturers and retailers);
- Market sharing;
- Collusion on tender practices.

Dr De Villiers said: "The purpose of this investigation is to determine whether these agreements or arrangements, with or without exceptions, should summarily be prohibited.

"Should such a prohibition be recommended by the board and be accepted by the government, any prohibited price-fixing, market sharing or tender practice collusion would constitute a serious offence.

"I have instructed the board to give very high priority to this investigation.

"The board is currently awaiting comments from interested parties and I, therefore, urgently appeal to all concerned to give their full cooperation to the board.

"When the board's report and recommendations have been received, appropriate action could be expected soon thereafter."

Cement, tyre majors admit price pacts

By Don Robertson

198 S. Times 27.1.85

INDUSTRIES threatened with legal action for alleged price fixing are not worried.

The warning, first given in November by the Competition Board, has been repeated by the Minister of Trade and Industry, Dawie de Villiers.

The Competition Board is investigating alleged price agreements or arrangements, market sharing and collusion in tendering.

If the board's findings are accepted, company managers could be charged. The penalties are a maximum fine of R100 000, or five years' imprisonment, or both.

Examples

Dr de Villiers singled out the tyres, fertilisers and cement as conspicuous examples of industries which have announced uniform price increases.

The tyre industry concedes that it operates a price cartel, and the largest cement producers agree that they collude on prices. Fertiliser manufacturers deny the allegations.

Mike Waterson, executive director of the South African Tyre Manufacturers Conference, says: "Dr de Villiers' statement that we are a price cartel is true — we do fix list prices."

Tyre and tube prices were increased by all manufacturers by 8,1% on December 27.

Mr Waterson says the tyre industry has for many years fixed a common list price, but the practice has been accepted by the Government.

Monopoly

He says that raw-material prices increase for all producers at the same time. "There's a monopoly on the supply of raw materials, from rubber to nylon.

"Retail price maintenance was abolished in 1978, but manufacturers' price maintenance was left alone."

The tyre industry will make representations to the Competition Board before March 29.

Charles Hollmann, commercial director of Pretoria Portland Cement (PPC), concedes that the three major producers — PPC, Blue Circle and Anglo-Alpha — fix prices, but says they are usually announced individually.

The price of a pocket of cement on the Reef was increased by 12,6% this month to R4,24 from R3,74. Prices in other centres, however, differ because of varying transport costs from the factories.

The majors have also conspired to cut prices in some Natal areas to beat the threat of imported cement.

Mr Hollman says: "Our main motivation for price collusion is to provide a climate suitable for us to recover costs in what is a capital intensive industry."

It takes up to four years to establish a cement manufacturing plant, which can cost over R300-million.

Price war

The cement industry will also present its case to the Competitions Board soon.

The fertiliser industry denies that it gets together to fix prices. Both Fedmis and AECI's Kynoch say that the accusation is unfair, with Kynoch pointing to a price war in the Cape.

On January 1 all the major producers, with the exception of Sasol, increased prices by an average of 20% and all offered a similar early delivery rebate system. Sasol's prices are, however, expected to follow those of other producers.

Johan van der Walt, chairman of Fedmis, says there is a "sameness" in SA's production of fertiliser, the price of raw materials increasing simultaneously for each producer. In some cases, raw materials are imported collectively to save freight charges. Each company uses similar plant, so price differences are minimal.

For about 40 years, the industry operated under a fixed pricing policy and was only freed in January last year.

Mr van der Walt says: "The rebate system is part of tradition and has always been offered to take into account the effects of interest rates."

John Skeen, managing director of Kynoch, says: "Obviously our sales representatives walk around with a price list which is used as a reference and is the same as all the others. But what happens in the market place is a totally different story.

Ridiculous

"Prices in the Cape are ridiculous. There is a bit of a price war there and competition is a little too much."

Another fertiliser producer says he welcomes an investigation by the Competition Board as the industry is undergoing a structural change.

He says: "I question the need for the early delivery rebate system."

Mercury 30/1/85

196

Union heads for new clash with tyre firm

Labour Reporter

THE Metal and Allied Workers' Union is heading for a new clash with the Dunlop Tyre Company in Durban over what it terms 'unfair dismissal' of five workers.

The British-owned company refused to reinstate the workers and plans to refer the dispute to the Industrial Court for settlement, in spite of an independent mediator's finding that 'four of the sacked employees have been in one way or another subjected to unfair treatment'.

Mr Glen Sutton, Dunlop's group industrial relations manager, said yesterday that the mediator, Prof Blackie Swart of Stellenbosch University, had recommended that relief should be sought through independent arbitration, failing a negotiated settlement.

The mediator did not recommend that the company reinstate the workers and that was why it believed that the Industrial Court would be an appropriate forum to settle the matter 'due to the complexity of the situation and the matters involved in these cases,' he said.

'Dunlop accepted an independent mediator because we thought that the mediation process was a means of speeding up and obtaining solutions to the problems.

'There are a whole lot of issues involved, most important of which is disciplinary action and production standards which have been set by the company and this is where the dispute began.

'Employees were not performing to the required levels of production,' he added.

Mr Geoff Schreiner, Mawu's branch secretary, said yesterday that union members at the factory would meet on February 9 to decide on 'appropriate steps'.

The company had refused to accept the recommendations of an independent advisory mediator.

'Ironically, Dunlop now claims that it wishes the matter to be placed before the Industrial Court, a step which they firmly rejected for most of 1984 and a decision which lead to the largest and most protracted strike in the company's entire history in South Africa,' he said.

Mawu Dunlop set to clash

Sowetan 4/2/85

By JOSHUA RABOROKO

DUNLOP, a British tyre manufacturing subsidiary, is heading for a confrontation with the powerful Fosatu-affiliate Metal and Allied Workers Union (Mawu) over its dispute concerning its workforce of 2 000.

The company has refused to accept the findings of an advisory mediation, jointly agreed to, that four of the five workers whose dismissal sparked-off last year's dispute, were "unfairly sacked and therefore should be reinstated or compensated."

The workers were involved in a month-long conflict last year, which ended with the company backing down and reinstating more than 1 000 workers it had fired.

Mawu has accepted the findings of the advisor, Professor Blackie Swart of Stellenbosch University and says it will "give full support to any further industrial action by union members", in the light of the Dunlop refusal to comply.

Dunlop wants the matter to be referred to the Industrial Court, but Mawu has rejected this, saying the union does not have the time and resources for "these sort of games."

FM 8/4/85

(196)

MEDIATION

Dunlop's rejection

Attempts to settle the long-running dispute between Dunlop and the Metal and Allied Workers' Union (Mawu) through mediation have failed. The company has rejected the mediator's findings, and a further battle of wills is expected.

The dispute began with the dismissal of five employees at Dunlop's tyre plant in Durban in late 1983. Inconclusive talks between the company and the union led to a month-long sympathy strike by 2 000 workers at three plants in August last year. An agreement was then reached to attempt to settle the dispute through "advisory mediation."

The mediator was asked to help in bringing the two sides together and, if unsuccessful, to make a non-binding finding on the validity of the dismissals. He found last month that four of the employees had been unfairly dismissed; while the dismissal of the fifth was justified.

Union bitter

Mawu's Natal branch secretary Geoff Schreiner tells the *FM* the union is prepared to accept the mediator's findings, and is bitter that Dunlop is not. Mawu believes the company is under a moral obligation to do so and rejects Dunlop's call for the case to be taken to the Industrial Court.

However, Dunlop's group industrial relations manager Glen Sutton says because the mediator had only one day to hear evidence on the very complex circumstances surrounding the dismissals, "the basis for his findings was incorrect." In addition, he finds Mawu's objection to the Industrial Court "strange" as the union had previously supported the idea.

Dunlop workers are due to meet on Saturday to discuss the developments. Says Schreiner: "The ball is now in the company's court. We are prepared to talk about a settlement, but if that fails we will back whatever action our members suggest."

In the present economic climate it is unlikely that the union will again opt for strike action or could hope to win a strike if it did so.

It may explore the possibility of taking the matter to the industrial court, alleging that the dismissals were unfair in an effort to obtain reinstatement.

DUNLOP

Spinning wheels

(196)

Activities: *Manufactures tyres and automotive products, as well as belting, hose, flooring, mattresses, rubber components and sports goods.*
Control: Dunlop Holdings (UK) owns 51% of equity.
Chairman: *T F Muller; managing director: C R Hooper.*
Capital structure: *17,7m ords of 50c. Market capitalisation: R161,1m.*
Share market: *Price: 910c. Yields: 8,2% on dividend; 10,5% on earnings; PE ratio, 9,5; cover, 1,3. 1983-1984 high, 1 400c; low, 910c. Trading volume last quarter, 470 000 shares.*
Financial: *Year to December 31.*

	'81	'82	'83	'84
Debt:				
Short-term (Rm)	0,5	0,7	0,7	0,4
Long-term (Rm)	1,6	2,6	1,6	1,6
Debt:equity ratio	0,04	0,04	0,02	0,02
Shareholders' interest	0,46	0,58	0,59	0,63
Int & leasing cover	59	90	60	80
Debt cover	10,7	9,2	14,7	13,1

Performance:

	'81	'82	'83	'84
Return on cap (%)	25,4	24,3	21,2	17,6
Turnover (Rm)	211	200	201	217
Pre-int profit (Rm)	32,0	38,6	36,2	29,5
Pre-int margin (%)	15,1	19,3	18,0	13,6
Taxed profit (Rm)	19,1	22,3	22,1	17,0
Earnings (c)	128,3	134,9	125,1	95,5
Dividends (c)	72	75	75	75
Net worth (c)	373	513	563	583

Dunlop's Hooper . . . feeling the competitive pressures

Dunlop's earnings withered after the government launched its austerity package in August, and tyre sales followed the rest of the car industry into the doldrums.

Even though earnings have declined for three consecutive years, the group has maintained its dividend at 75c, while reducing dividend cover to 1,3 (1,7). Nonetheless, the current ratio strengthened to 2,4 from the previous year's 2,2 and the group remains liquid, with surplus cash of some R4m at the year-end.

The generous payout may have more to do with the debt problems of its cash-strapped UK parent than the strong balance sheet. Indeed, the group seems to be going the same way as Otis, another foreign-controlled company with loose purse-strings. However, according to MD Clive Hooper, the group will increase cover when earnings rebound.

Tyre costs soared last year, says Hooper, because of the weaker rand and after a 25% *ad valorem* duty was slapped on all imported rubber. "But competitive pressures made it difficult," says Hooper, "to fully recover cost escalations from customers."

At the same time, restrictions on tyre imports were relaxed, resulting in record quantities of both new tyres and used casings flooding the market, says Hooper. This resulted in the motor division's contribution to overall group trading profits declining to 58% (65%).

The industrial products division, however, hoisted its contribution to 33% (27%). With much of its business coming from the gold mines, this division benefited from the increased capital expenditure of the mines.

Although 1985 promises to be a difficult year for the entire motor industry, "the challenge will be to maintain present levels of profitability," says Hooper.

However, if earnings deteriorate further this year, Dunlop could be forced to cut its dividend for the first time. Clearly, with dividend cover already reduced to a thin 1,3, the group has little room for manoeuvre.

But the outlook for this year is not altogether one of gloom, despite shrinking new car and truck sales. Hooper tells me "the falling rand is expected to cut tyre imports by half this year, and we expect our sales volume to increase by about 10%."

The boardroom battle being waged between Dunlop UK and BTR UK has had little effect on Dunlop SA's share market rating. In line with others in the motor sector, the share has slipped to a one-year low of 910c, to yield an historic 8,2% on dividends. Even if BTR is successful in its takeover bid, there seems limited scope to rationalise the two local groups. *Neville Glaser*

DUNLOP'S MIX

	Sales % 1983	Sales % 1984	Trading Profit % 1983	Trading Profit % 1984
Motor Industry	54	51	65	58
Mining and Industry	31	35	27	33
Consumers	15	14	8	9
	100	100	100	100

DATES TO REMEMBER

Last day to register for dividends:
Friday Mar 1: A Alpha 30c; Chemsve 30c; Genbel 65c; Genrec 3c; Ind & Com 20c; Ind Inv 115c; Ind Sel 20c; Kersaf 16c; L Match 24c; Marshalls 5c; Natsel 21c; Palamin 50c; Stanbic 44c; Wit GM 5c.
Meetings:
Monday Feb 25: Dorbyl (S) (Bedfordview); Stew & Lloyds (3S) (Bedfordview) Tig Oats (S).
Tuesday Feb 26: Dunlop (Durban).
Wednesday Feb 27: Boymans (S); McAlpine (Sandton).
Thursday Feb 28: GFSA (S); Lyd Plat (Ord&S) (Pinelands).
All meetings are in Johannesburg unless otherwise stated.
S = Special meeting.

US firm to support black education

22/2/85

AKRON (Ohio) — An American company is to spend about R1 million annually for the next three years to support programmes enhancing economic opportunities for blacks in South Africa.

Announcing this here yesterday, the Firestone Tire and Rubber Company said Firestone South Africa (Pty), in which the American firm had a 25 per cent equity interest, and other manufacturers in South Africa had frequently been confronted by serious shortages of skilled labour, despite the high level of black unemployment.

It also concluded that the South African company's future marketing opportunities would largely be determined by the ability of blacks to earn incomes sufficiently high to permit them to become active consumers of tyres and other automotive products.

"As a result of its deliberations, the board decided that Firestone could respond more effectively to its ethical and social responsibilities as a United States investor in South Africa, and to the long-term economic interests of its shareholders, if it dedicated approximately 25 per cent of the dividend income and trademark fees that the company receives from Firestone South Africa to support educational and training programmes that were responsive to the needs of blacks in South Africa.

"Firestone will begin immediately to channel funds to the South African Council for Higher Education (Sached) trust and the Institute of International Education," and also intended to increase its support of the Iqhayiya Technical College, the company said.

Sached is a multiracial, black-led organisation which addresses a wide variety of educational needs in South Africa.

The New York-based Institute of International Education sponsors students from South Africa who attend American Colleges and universities on the understanding that they will return to South Africa on completion of their studies.

Iqhayiya Technical College, which has about 1 000 students, is the first privately-funded technical college in South Africa, according to Firestone. — SAPA

D. Dispatch 23/2/85

196

US company pledges R3m to train blacks

PORT ELIZABETH — The Firestone Tire and Rubber Company has announced that it will spend about R1 million during each of the next three years to support programmes to enhance economic opportunities available to blacks in South Africa.

A statement issued on behalf of the company said the US board had decided Firestone should dedicate about 25 per cent of the dividend income and trademark fees that the company received from Firestone South Africa to support educational and training programmes that were responsive to the needs of blocks in South Africa. — DDC.

985 Mercury 15/3/85 (189)

Deadlock in strike enters its third day

Pietermaritzburg Bureau

THE deadlock between BTR Sarmcol and more than 1 000 striking workers entered its third day yesterday with no sign of a breakthrough.

The strike at the rubber manufacturing plant in Howick started on Tuesday following a 'go slow' last week over Sarmcol management's alleged delay in signing an agreement with the Metal and Allied Workers' Union.

The agreement, which had taken nearly two years to negotiate, concerned the company's formal recognition of the trade union.

Workers became disgruntled when the planned signing of the settlement on March 8 was postponed until this week when management said a new draft proposal would be drawn up.

Mr John Sampson, Sarmcol's administrative director, said the workers had arrived at the plant yesterday but were not working and would therefore not be paid.

He said he was not in a position to elaborate on the 'sensitive details' of the proposed agreement until the matter had been resolved with the trade union.

The Metal and Allied Workers' Union was not available for comment.

BTR UK will control Dunlop operations in South Africa

(196) Star 1/4/85

By Duncan Collings

Dunlop Holdings is to become a subsidiary of BTR plc and Dunlop South Africa will become an indirect subsidiary through 51 percent of its shares being controlled by BTR.

After the announcement in London on March 27 that BTR is to take over Dunlop, Mr Peter Fatharly, deputy managing director of BTR plc and chairman of its eastern region incorporating South Africa, met the Dunlop South Africa managing director, Dr Tom Muller and the managing director, Mr C R Hooper.

BTR South Africa said: "During the course of their meeting, all parties were pleased to find total compatibility of their views, aims and objectives for the future of Dunlop SA's operations, and to note that a major proportion of the activities of Dunlop and BTR in SA are complementary rather than competitive."

BTR first operated in South Africa when it invested in the SA Rubber Manufacturing Company (Sarmcol) in 1972, since when it has expanded its interests into other polymer-based product companies and engineering activities in South Africa.

Sales for calender 1984 exceeded R120 million, while Dunlop South Africa in the same period achieved sales of about R217 million. The related trading profits for the two companies were R17,3 million and R27,2 million respectively.

S. Times 196 28/4/85

Shock price rise lifts raw-rubber by 45%

By Don Robertson

KARBOCHEM, Sentrachem's monopolistic raw-rubber manufacturer, is to hoist its synthetic rubber prices 14%, making it 45% more expensive than a year ago.

The latest increase has stunned tyre and other manufacturers of rubber goods. They are incensed and demanded a meeting with Karbochem management. An industry spokesman said after the meeting in Johannesburg. "We weren't able to change their minds."

Languishing

Many rubber goods will cost more.

In May 1984, the price of styrene butdadiene rubber (SBR) was R1 800 a ton, but from mid-May this year it will rocket to R2 610. Previous increases were 11,9% in September and 13,6% in January. The price of polybutadiene rubber has risen 38,3% in the same time.

White elephant

The May increase will push the price of polybutadiene rubber from R1 970 a ton last year to R2 725 a ton.

The international price is languishing at near its lowest for years at about $725 a ton, equivalent to R1 450. This means Karbochem is chargin double the world price.

Rubber converters can't win. Clive Hooper, managing director of Dunlop, says: "Permits for rubber imports are not available, but are there for the asking for imports of tyres."

Although customers of Karbochem predict that their margins will have to be cut because of consumer resistance, Roy Pithey, managing director of Karbochem, insists that the latest increase was necessary.

He says higher prices only recoup increased import costs of raw materials caused by the weak rand and will not enhance profitability of the R400-million plant, which lost R76-million pretax in the half-year to December. About half of cost of producing synthetic rubber is made up of imported raw materials.

The Newcastle plant, which has been a white elephant since capital costs quadripled from an initial estimate of R123-million, is operating at about 40% capacity.

Retreaders

In an attempt to raise production and reduce costs, Karbochem is to start exporting. A bulk isoprene plant is being installed and it is hoped that exports of between 10 000 and 20 000 tons a year will begin in August.

To be competitive Karbochem will have to emulate Iscor and export at well below the South African price.

Tyre manufacturers, one of the largest users of rubber, will suffer most from the latest price rise.

Tyre and tube prices were raised by 8,1% in December, but Mr Hooper says: "This increase was merely to recover our rise in costs to September. Since then, there have been a further two rubber-price increases, so we have a backlog of lost margins from October."

Mr Hooper believes that tyre prices will have to be raised by about 5%.

Shrinking

Ron Harding, managing director of Bandag, the largest tyre retreaders, says: "We won't be able to pass all the increase on, so our margins will suffer. A large part of our sales are to truckers on contract and last time they were not sympathetic about the increase. The mood out there is angry."

Industrial rubber producers, whose market has shrunk by more than 25% and who until recently had to fight competion from imports, will not be able to absorb the increase.

Alan Roberts, director of industrial products at General Tyre, says: "We will have to pass the increase on. It's a big setback for us."

The possibility of import substitution has not escaped Karbochem's notice.

Mr Pithey says: "We are certain that customers will look for cheaper supplies."

Argus 3/5/85

(196)

Tyre, tube price rise 'a shock' —AA

JOHANNESBURG. — An increase of almost 10 percent in the prices of tyres and tubes — the second rise in four months — came as a shock to all road users, an AA spokesman said today.

Mr R Nicholson, chairman of SA Tyre Manufacturers, today announced an increase of 9,25 percent in the price of all tyres and tubes from May 27, saying the severe cost pressures left tyre manufacturers with no alternative.

A spokesman for the Automobile Association, Mr Gideon van Oudtshoorn, said today the increase had come as a shock.

He appealed to retailers not to apply the increase to existing stocks and said that since 1982 the price of tyres for passenger cars had increased by more than 60 percent.

UNCALLED FOR

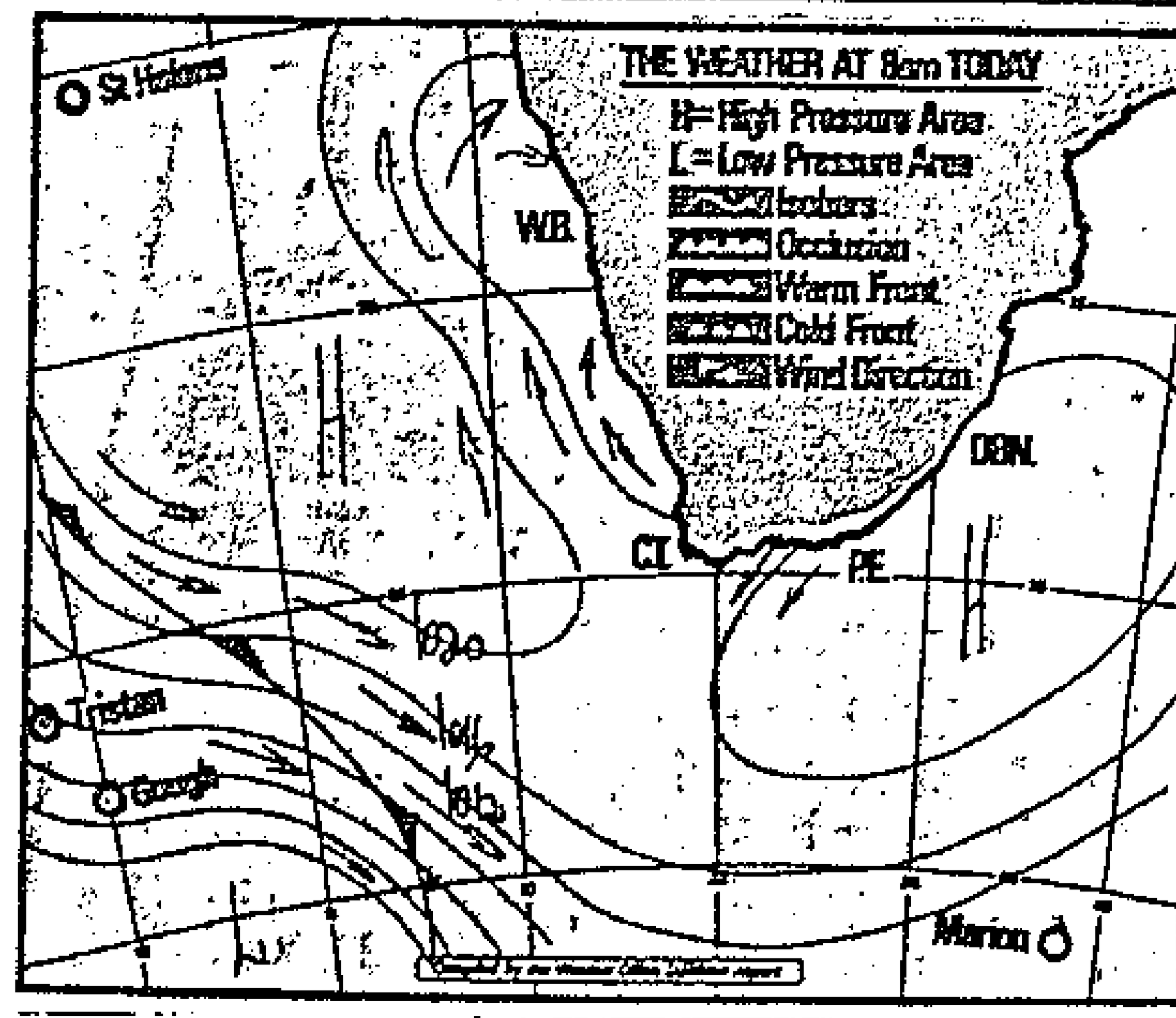
Mr van Oudtshoorn said the increase was uncalled for, especially if one took into consideration the other increases motorists had been subjected to recently, such as the increase in the fuel price, the customs and excise duty on cars and the increase in General Sales Tax.

Mr Jan Cronje, the director of the Consumer Council, said the announcement proved that no competition existed between the manufacturers in the country.

"These people should realise that if their manufacturing costs increase, the cost of living for the consumer also increases.

"This will only plunge the consumer deeper into the red," Mr Cronje said. — Sapa.

WEATHER TODAY



Slack gradients, thus fog patches will occur along the coasts tonight.

Mild, partly cloudy

WEATHER forecast for the Peninsula, Boland and Overberg for the period ending 6 pm tomorrow:

- Fine to partly cloudy and mild apart from fog overnight.
- Wind: Moderate south-easterly but strong to gale-force between Cape Point and Hermanus.
- Minimum temperature at D F Malan Airport will be between 11 and 13 deg C.

THE MOON

Full moon	May 04
Last quarter	May 11
New moon	May 19
First quarter	May 27

THE SUN

Sets today	1804
Rises tomorrow	0723

THE TIDES

High water:

Today: 0156; 1428
Tomorrow: 0238; 1511

Low water

Today: 0818; 2026
Tomorrow: 0900; 2108

WATER TEMPERATURES:

Sea Point:	
Sea	14 deg C
Pool	18 deg C
Muizenberg:	
Sea	14 deg C
Pool	16 deg C
Newlands	15 deg C

8am TEMPERATURES

Johannesburg	13 deg C
Kimberley	14 deg C
Durban	19 deg C
East London	14 deg C
Port Elizabeth	14 deg C
Upington	21 deg C
Bloemfontein	9 deg C
Windhoek	15 deg C
Pretoria	14 deg C
Cape Town (yesterday 2pm)	19,5 deg C
Cape Town (today 9am)	16,4 deg C

D F MALAN climatological data for yesterday May 2
(The figure in brackets shows the average for the month)

Maximum temperature	21 (19,8) deg C
Minimum temperature	12,9 (9,2) deg C
Mean temperature	16,8 (14,2) deg C
Maximum humidity	98 (98) %
Minimum humidity	57 (57) %
Mean humidity	78 (80) %
Mean atmospheric pressure	1017,9mb(1017,8)

Couple's only child, 2, shot dead at family dinner table

Argus Correspondent

MARITZBURG. — A farming couple's two-year-old daughter, Stephanie, an only child, was tragically shot dead at the family's supper table.

Skw 3/5/85

Tyres to go up by 9,25%

196

Prices of tyres and tubes are to go up by 9,25 percent on May 27, the SA Tyre Manufacturers' Conference announced yesterday.

The chairman of the conference, Mr R G Nicholson, said manufacturers had no alternative.

The country's tyre manufacturers were facing increased costs, particularly of local raw materials, he said.

"The local materials include synthetic rubbers, nylon and rayon fabric, bead wire, carbon black and other chemicals which the manufacturers are precluded from importing at better prices.

"These higher costs were not recovered by the last price increase and tyre manufacturers are now facing a second substantial increase." — Sapa.

Strike brings work at Howick factory to a halt

NM 3/5/85

196

Pietermaritzburg Bureau

A STRIKE at the BTR Sarmcol rubber factory in Howick has brought production at the plant to a halt and management and trade union officials have been locked in discussions for the past three days.

Nearly 1 000 workers downed tools on Tuesday and have refused to return to work.

They are demanding the company signs a recognition agreement with the Metal and Allied Workers' Union.

The dispute is over an agreement based on a draft proposal submitted by the company at a conciliation board meeting and amended by Mawu.

It is understood the striking workers — 750 day-shift and 200 night-shift employees — have refused to return to work until the company signs the agreement.

Sarmcol's administration manager, Mr J Sampson, told the Mercury yesterday the strike was continuing but management was in touch with trade union officials and the workers.

He said there had been a total shutdown at the plant.

4 SUNDAY TIMES, Business Times. May 5, 1985

Critics counter strategic rubber claim

Karbochem fails the test

(196) (229)

A QUESTION mark has been placed over the validity of Sentrachem's claim that its Karbochem artificial rubber plant is strategic.

By Don Robertson

The plant was supposed to make rubber out of coal and save large amounts of foreign currency. This justified the R430-million capital cost and led the Government to give the plant 25% import protection.

But in the wake of Karbochem price increases of 45% in the past year, tyre manufacturers have had to raise prices by 9,25% from May 27.

Industrial rubber goods manufacturers say Karbochem is not coal based and is not saving the foreign currency originally envisaged.

Still losing

Karbochem imports 90% of its most important raw materials. Because of the fall in the rand, it has had to raise prices — and it still sustains losses.

Critics say the plant is not fulfilling its original function of replacing imports.

Rubber converters have expressed concern at the price increases. but a Karbochem spokesman says they were necessary because imported feedstock for the manufacture of rubber costs a great deal more.

Steady

From mid-May, styrene butadiene rubber (SBR) will cost R2 610 a ton compared with R2 290 in January this year and butadiene rubber will rise to R2 725 from R2 390. The prices in May last year were R1 800 and R1 970 respectively.

Industry sources say that because Karbochem has to import its raw materials, SA is still subject to sanctions.

The feedstock for isoprene rubber, which is used as a replacement for natural rubber, comes largely from SA sources.

Butadiene is the major raw material used in the manufacture of SBR and butadiene rubber and almost a ton of butadiene is used to make each ton of these two types of rubber.

International butadiene prices have remained steady in the past year, but because of the rand's devaluation, its delivered price has risen from about R880 a ton to R1 520.

In the manufacturing process, Karbochem adds various solvents and catalysts at a cost of about R250 for a total input cost of R1 770 a ton. This means the value added by Karbochem on a particular grade of SBR costing R2 500 is R730 a ton — not even 30%.

Karbochem's R2 610 a ton for SBR compares with the American synthetic rubber price of R1 916 ex-factory and the European price of R1 670. The price of natural rubber is R1 520 a ton.

Impossible

Although academic because import permits are unavailable, the price of butadiene rubber delivered in Durban and including the 25% import tariff is R3 100 a ton, and that of SBR is R2 810. Last year, the Government introduced a 25% tariff on natural rubber imports to protect SA producers. It has since made it virtually impossible for rubber converters to obtain import permits for synthetic rubber.

196

970 sacked workers can reapply for their jobs

NM 6/5/85

Labour Reporter

THE 970 workers at the BTR Sarmcol rubber factory in Howick, who were sacked on Friday after striking, could reapply for their jobs today, Mr R J Sampson, the company's administrative director, said yesterday.

He said the company would begin re-engaging workers at 8 a m.

Production ground to a halt last Tuesday after all weekly-paid workers downed tools following a dispute over union recognition agreement. They demanded the company sign a recognition agreement with the Metal and Allied Workers' Union.

Mr Sampson said the decision to sack the workers was taken reluctantly by management after several months of sporadic disruption.

'The work stoppage is alleged by the union to be a protest against the management's refusal to sign a recognition agreement.'

Workers locked in talks as carpet factory strike goes on

NM 7/5/85 (196)

Labour Reporter

THE strike by about 800 workers at a carpet factory in Reunion, near Isipingo, continued yesterday as management and representatives of the workers were locked in negotiations to settle a dispute over pay increases.

Mr Seton Thompson, a spokesman for the Romatex group, yesterday confirmed workers at the Carpet Manufacturing company and Crossley Carpets factory complex at Reunion downed tools on Friday.

'The position is unchanged. Talks are continuing with worker representatives,' he said.

The company had stated policies of one pay increase a year, the most recent of which was scheduled for February, 1985

He said in August last year the workers had asked whether this increase could not be brought forward and both Crossley Carpets and Carpet Manufacturing company agreed to pay an across-the-board increase in October, 1984, and to give a merit increase in April this year.

'Because of the pay component paid five months ahead of schedule, the benefit to workers is considerably larger than the company had proposed and the cost to the company significantly higher.

'A group of workers claiming to represent the majority of the workforce has stated dissatisfaction with this rate of increase and discussions are taking place. No union is formally involved in the dispute,' he added.

Representatives of the workers could not be reached for comment yesterday.

Meanwhile, a Howick rubber company, BTR Sarmcol, yesterday reported a steady stream of applications for employment following the dismissal of 970 workers who went on strike last week over a union recognition agreement dispute.

Mr R J Sampson, the company's administrative director, said applications were being invited from all interested persons including the workers who were dismissed last Friday. 'The company is confident that normal operations will be resumed shortly,' he added.

Strike goes on in spite of offer

NM 8/5/85 196

Labour Reporter

CARPET factory workers at Reunion, near Isipingo, continued their strike yesterday in spite of an offer ~~by the~~ management of a pay rise ~~in~~ October.

Eight hundred workers at Romatex group's Crossley Carpets and Carpet Manufacturing Company downed tools on Friday in support of a demand for a pay increase.

It was still not clear yesterday what percentage increase was being sought after spokesmen for the workers could not be reached for comment.

Romatex group spokesman Seton Thompson yesterday confirmed that management had made an offer in terms of which employees would be given a pay increase in October, the amount of which was for negotiation between management and worker representatives.

'The workers were asked to indicate their acceptance of this offer by 10 a m yesterday, but have asked for further negotiations which ~~are~~ in progress,' he added.

335

Priority

Meanwhile, ~~the~~ 970 sacked workers at Howick rubber company, BTR Sarmcol, are planning to take legal action against the company contesting their dismissal, according to Mr Geoff Schreiner, branch secretary of the Fosatu-affiliated Metal and Allied Workers' Union.

In a statement yesterday, Mr John Sampson, the company's administrative director, said that manufacturing operations resumed yesterday on a limited scale with priority given to urgent orders.

'The company has been pleased and surprised at the large number of applications for employment which have been pouring in throughout the day. The personnel department have been hard pressed to handle them all.

'The company continues to remind the workers who were dismissed last week for strike action that they should get their applications in early so that they could be given priority,' he said.

Pay increase ends carpet firm's strike

Labour Reporter NM 9/5/85 (196)

THE three-day strike by 800 carpet factory workers at Reunion, near Isipingo, ended yesterday when they decided to accept a company offer of a pay increase in October.

Romatex group spokesman Seton Thompson confirmed yesterday that all the strikers from Crossley Carpets and Carpet Manufacturing Company returned to work at the first shift.

'On Tuesday the management offered to give the workers a pay rise in October on condition that they ended their strike and returned to work. They have obviously given the matter serious thought overnight and were back at work yesterday morning,' he said.

Meanwhile, busloads of sacked workers from the Howick rubber company, BTR Sarmcol, arrived at the factory yesterday morning to collect their outstanding weekly wages.

Mr Geoff Schreiner, branch secretary of the Fosatu-affiliated Metal and Allied Workers' Union, said the union hired buses to transport workers to the factory to collect their pay. Although they collected their wages, they refused to accept their dismissals, which were unlawful, he said.

The workers reaffirmed their decision at a meeting yesterday to continue striking until the company agreed to their demands for a recognition agreement giving them basic trade union rights.

At a meeting of the Impopomeni community on Tuesday night, about 2 000 local residents adopted resolutions to support the Sarmcol workers and boycott white shops in Howick until steps were taken by the town's mayor and white councillors to pressurise Sarmcol management to extend basic union rights for its workers.

Notices threatening workers living in the hostel with eviction on May 10 have been withdrawn, he said.

In a statement yesterday, Mr John Sampson, the company's administrative director, confirmed there was a 'lengthy payout' of the 970 dismissed workers.

'With his pay each man was given an application form for re-employment and it is hoped that many of the company's dismissed employees will apply.

'At the payout it was disturbing to see shop stewards removing application forms from every worker as he left.'

Last night Mr Schreiner denied the allegations.

Five Howick strikers being held by police

NM 11/5/85

196

Labour Reporter

FIVE of the more than 970 striking workers dismissed from a Howick rubber company, BTR Sarmcol, were arrested by police in Howick West yesterday in connection with charges of intimidation.

Police confirmed that the men, all members of the Metal and Allied Workers' Union, were being held.

In a statement Mr Geoff Schreiner, branch secretary of the union, said the union lawyer had been informed by the police that the five were being held on charges under the Intimidation Act.

He said the sacked workers still refused to accept their dismissals but there was 'little sign' of a settlement in sight as the management has shown no inclination to meet union officials to negotiate an end to the dispute.

'In spite of this members remain totally united and none of the striking workers have reapplied for jobs,' he said.

The entire labour force was sacked last week after going on strike in protest against the company's refusal to sign a new recognition agreement with the union.

Mr John Sampson, administrative director of Sarmcol, said more than 500 applications had been received for re-employment and the personnel department was busy processing them.

'We hope that most of the dismissed workers would reapply for their jobs,' he added.

196 ~~17~~ ~~190A~~

Township supports workers

C. Press 12/5/85

MPHOPHOMENI township residents have pledged support for 1 000 workers sacked from a local factory, and are refusing to buy goods from local white businesses.

Their two-day-old boycott has hit Howick shopkeepers hard – many reported a drop in sales of over 50 percent and some already talking about closing down if the boycott goes on.

The residents said they would keep up the boycott of white-owned shops until local business people began pressurising BTR Sarmcol into negotiations about the sacking of the workers, all Metal and Allied Workers' Union members.

Dunlop workers threaten walk-out

196

C.Press

17/5/85

By CLAIRE PICKARD-CAMBRIDGE

ABOUT 2 000 workers at Dunlop SA in Durban have threatened to strike next week if BTR Sarmcol near Howick refuses to conclude a recognition agreement with the Metal and Allied Workers' Union (Mawu).

This follows Sarmcol's dismissal of 970 striking workers almost three weeks ago and will bring the number of strikers at Dunlop and Sarmcol — both subsidiaries of British Tyre and Rubber — to 2 970.

Mawu said yesterday that Dunlop workers had agreed to strike if BTR Sarmcol persisted in refusing to negotiate with the union. A strike ballot will be held next week.

The 970 Sarmcol workers were fired for participating in an "illegal" strike according to the company. The union, however, claims the labour action was legal in terms of the Labour Relations Act.

The union alleged that none of the Sarmcol strikers had returned to work and that Dunlop had threatened to seek an interdict to prevent strike action.

Sarmcol's administrative director John Sampson said yesterday that about 400 people — most of whom had been laid off from Sarmcol over the past three years — had been hired to replace the strikers.

Twenty of the 970 dismissed workers had asked to be re-instated.

Sampson said the firm had signed a preliminary recognition agreement with Mawu in 1983, but had not negotiated with the union over the strike.

● Mawu has launched a boycott of shops in Howick to put pressure on local business to persuade Sarmcol to negotiate with the union.

Malnutrition hits strikers' children

NM 13/6/85

196

Labour Reporter

MANY children of the striking workers at a Howick rubber company, BTR Sarmcol, have been hit by severe malnutrition, according to a Durban doctor who is assisting the families with free medical services.

Dr Mark Colvin, who was asked by the Metal and Allied Workers' Union to help the families after their medical aid had been stopped following the strike, said yesterday that he had treated 54 patients at the Mpophomeni township this week.

Another clinic would be held in the township tomorrow.

'These are all families of the striking workers at BTR Sarmcol who are unable to afford medical treatment.

'Twenty percent of these were children between the ages of two and nine.

'About 80 percent of the patients were experiencing severe malnutrition. This developed over the months, but their condition worsened after the loss of income.

'Some patients suffered with severe ear infection.

'Asked why they had not seen a doctor earlier, most replied that they did not have the money to travel to Howick, which is 20 km away, for medical treatment,' he said.

Dr Colvin said a number of Durban doctors had assisted by donating medicines.

Nearly 1 000 workers at the factory went on strike last month

British unions launch action against firm

Sowetan 19/6/85

By JOSHUA RABOROKO

THE International Confederation of Free Trade Unions and local trade unions have launched a campaign against a British-owned multinational, British Tyre and Rubber, which dismissed 975 striking workers.

The ICFTU's general secretary Mr John Vanderveken said in a statement this week that BTR subsidiary in Howick, Natal, paid "starvation wages" to blacks and used "unfair labour practices" by firing workers.

Locally, Fosatu-affiliate Metal and Allied Workers' Union representing the sacked workers has launched a campaign against white-owned shops and businesses by the black community and against BTR's decision to employ "scab labour" from areas outside the town.

This follows the company's refusal to recognise the existence of an arbitrator attempting to resolve the matter. The workers were sacked after going on a legal strike.

A Mawu spokesman said they held a legal strike over the company's refusal to conclude a recognition agreement. The company claimed the strike was illegal and denied contravening the European Economic Community code of conduct.

Meanwhile workers at Dunlop in Durban, another BTR subsidiary, have warned their managements that they might strike in support of their colleagues.

The union said the company's minimum rate was a "starvation wage" of R76 a week and workers have refused to accept the money. The workers have also refused to apply for unemployment benefits or normal company pay-outs and surviving on food parcels provided by the union support committee.

EEC code

The spokesman said the union was to take industrial court action against the company for dismissing the workers and for alleged contravention of the EEC code.

The company's administrative director Mr John Sampson has said they will contest the court action. He also denied that they contravened the EEC code.

FM 21/6/85

implications of such crucial pieces of legislation as the Regional Services Councils Bill — which is expected to be approved by Parliament before the end of this session — and the proposed new system of regional advisory councils to replace the provincial councils.

He believes these councils will not remain extensions of local government, but will develop into a new tier of government. They will take over some of the functions of existing municipalities and will become politicised because they will be seen as stepping stones to higher political office.

The implementation of government policy is an issue that Botha feels also affects the position of town clerks. While he accepts that there should be a desire on the part of government to ensure that its policies are followed at all levels, he has sounded a warning note against the idea of town clerks becoming government appointees.

"The town clerk has to identify and promote the needs and desires of his community. To make him a representative of the central government will interfere with the principle of local autonomy."

Botha points out that the appointment of separate Ministries of Local Government, the Council for the Co-ordination of Local Government Affairs and the proposed Regional Services Councils seem contrary to the principle of minimum administrative

FEATURE

BTR SARMCOL STRIKE

An international battle

The picturesque village of Howick near Maritzburg is best known for its waterfalls and scenery. But since the beginning of May it has been the scene of a bitter labour dispute and consumer boycott which has become the rallying point of a concerted local and international campaign.

The dispute involves members of the Metal and Allied Workers' Union (Mawu) at rubber products manufacturer BTR Sarmcol, a subsidiary of British company BTR PLC. On April 30 nearly 1 000 Mawu members struck because two years of negotiations had failed to achieve accord on substantive and procedural matters. The union and the company have blamed each other's intransigence for the failure. The strikers were all dismissed within 72 hours and the company has replaced them.

Mawu — which is fighting for its members to be re-instated — says the strike is legal, claiming its members followed the procedures laid down in the Labour Relations Act (LRA). BTR disputes this, but declines to give reasons: "We do not want to disclose the company's position in case the matter gets to court," says a spokesman.

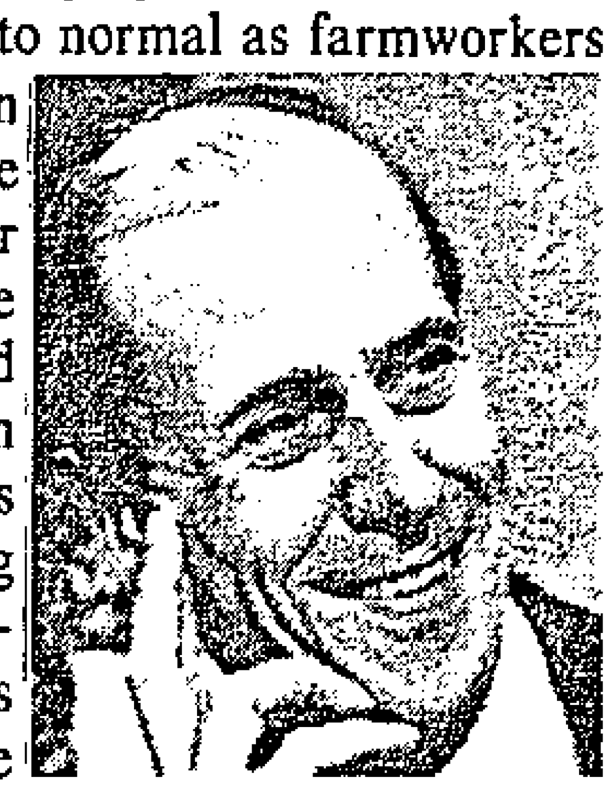
Last week Mawu proposed to BTR that the matter be referred to arbitration, but this has been rejected by the company. Says the spokesman: "We do not believe arbitration is appropriate after two years of negotiations."

The latest arrow in Mawu's bow is a threat of sympathy action at two Natal plants belonging to Dunlop, which recently became a BTR subsidiary. The union announced last week that its members at the Dunlop plants voted in favour of industrial action in strike ballots conducted in terms of the LRA.

The union's campaign against BTR began shortly after the workers' dismissal with a boycott of white-owned businesses in Howick. BTR is by far the largest single employer in the town. President of the local chamber of commerce and industry Michael Mayer estimates that BTR employees represent 40% to 50% of Howick's black purchasing power. And the boycott has not been confined to ex-BTR employees as picketers outside shops have been preventing potential black customers from entering.

Says Mayer: "If the boycott persists for any length of time some traders could find themselves in financial difficulties. It is highly irregular for traders to be brought into a dispute that has nothing to do with them. Traders have no influence over BTR."

Shopkeepers believe the boycott, although effective at first, is beginning to taper off. Says the manager of a supermarket: "Initially we took a knock with regard to goods bought predominantly by blacks. But we are now getting back to normal as farmworkers and others begin returning to the shops." Another trader says there has been a marked improvement in sales to blacks since the beginning of June. A spokesman for Checkers says that while there may have been a fall-off in business at its Howick branch early in May, the total monthly turnover was normal. Mawu accuses BTR of replacing most of the dismissed workers with new employees from Maritzburg and outlying areas. It argues that because of the importation of labour from Maritzburg black residents of Howick will "literally face starvation and death." The various communities, especially the black ones, will disintegrate and this will cause social unrest, it contends.


Tebbit


Howe

The union says its medical advisers have investigated health conditions in Mphophomeni — Howick's black township where most of the dismissed workers live — and have discovered that 20% of children between two and nine years of age weigh below 80% of their expected weight. This situation, it says, is an indication of severe malnutrition caused by low wages which will be exacerbated by the dismissals.

Mawu also alleges that BTR has failed to uphold the financial and industrial relations standards laid down by the EEC Code of Conduct. It says that prior to the strike, 90% of BTR workers earned between R336 and R405. This is lower than the latest Subsistence Living Level (SLL) and Household Effective Level figures which are the minima recommended in the EEC code.

The BTR spokesman says it is company policy to set minimum wages at the Maritzburg SLL level for a family of five. The present minimum wage at BTR is R356/month and when it came into effect in July 1984 it was well above the SLL, he says. "Furthermore, prior to the strike the average length of service of our workforce was 25 years — an indication of our ability to provide stable employment which is another requirement of the code," he adds.

The spokesman says the company has employed 800 new workers "predominantly drawn from the same areas as previously and many are ex-employees. Only 40 are from the Maritzburg area of Edendale." Mawu, however, says only a handful of the new workers reside in Mphophomeni.

Meanwhile, Mawu has asked the British Trades Union Congress (TUC) to make representations to the BTR head office on its behalf. Mike Walsh of the TUC's international department tells the *FM* that he was "shocked" when British BTR rejected union representations, describing them as "gratuitous and ill-advised." A BTR PLC spokesman describes its SA subsidiary's decisions as "responsible" and wholly within its authority.

The TUC has now written to Trade and Industry Minister Norman Tebbit and Foreign Secretary Geoffrey Howe about the dispute, and is awaiting their replies. It is also asking affiliates of the International Confederation of Free Trade Unions to put pressure on BTR subsidiaries in other countries.

Mawu has further threatened to pursue the case through SA and international courts and has had talks with the labour attaché at the British embassy in Pretoria who tells the *FM* he is "in touch with BTR and hopes to meet with management soon." ■

ARGUS 25/6/85

(196)

Mob attacks bus — 2 men killed

DURBAN. — A crowd of about 250 stopped and stoned a busload of Howick workers last night, killing two and injuring 20.

The battle was the latest incident in the simmering labour unrest following the dismissal of 950 workers who are members of the Metal and Allied Workers' Union at the BTR Sarmcol rubber factory at Howick.

Homes of alleged "scab" workers brought in to replace them have been attacked.

Killed were Mr Vusi Mbense, 38, a BTR Sarmcol worker, and Mr J Mabusa, 40, who worked for the South African Transport Service in Howick. Both died of head injuries.

Mails

(4 3rd)

Meetings ban after sackings

CAPE TIMES 27/6/85 [redacted] 196 [redacted]

Own Correspondent

DURBAN. — All meetings in the Mpopomeni area outside Howick have been banned for 21 days by a local magistrate in the wake of recent unrest after the sacking of more than 900 striking BTR Sarmcol workers.

Two people were killed at the weekend after a mob of about 250 stoned buses carrying "scab" workers, and seven huts were attacked.

Commenting on the ban, a spokesman for the Metal and Allied Workers' Union (Mawu) said it was clear it was aimed at preventing meetings of 970 workers dismissed by the rubber company at the end of April after a dispute over union recognition.

"Daily meetings have been held to report to members on developments and help them with their problems.

"This action will undoubtedly escalate violence in Mpopomeni because the ban will drastically undermine the union's ability to maintain some order and discipline," he said.

The union yesterday sent a letter to the company, re-emphasizing its willingness to negotiate unconditionally with the company to resolve the dispute.

New recognition agreement

The entire work force was dismissed after a strike in protest against the company's refusal to sign a new recognition agreement. The company responded by saying it had signed a preliminary recognition agreement with Mawu in June, 1983.

Since then, negotiations had taken place continuously to try to finalize a full recognition agreement. However, a document drafted after two conciliation boards which the company was willing to sign was rejected by the union. A draft submitted by the union was unacceptable to management.

● Sapa reports that a mass meeting in Lenasia near Johannesburg to commemorate the 30th anniversary of the Freedom Charter was banned by a Johannesburg magistrate last night hours before it was scheduled to start.

This is the second time the meeting, organized by the Transvaal Indian Congress, has been banned on the grounds that it would endanger public peace.

The venue was shifted to Lenasia after the meeting had been banned from taking place in Laudium.

Diakonia offers help in dispute

NM 29/6/85

Labour Reporter

THE Diakonia Council yesterday sent a telex to the management of Howick rubber company BTR Sarmcol urging the company to reopen talks with the Metal and Allied Workers' Union to resolve the eight-week-long dispute in which about 1 000 workers lost their jobs.

The council which represented eight member churches in the greater Durban area, had offered its services in a bid to bring workers and management together for negotiations, Mr Paddy Kearney, a Diakonia spokesman, said yesterday.

'Our telex notes that lives have already been lost and houses burned down as a result of the dispute.

'It describes a recent ban on all meetings in the Howick township of Mpopomeni as a grave new dimension of the strike. The organisation has also called on the police to stop preventing workers from holding meetings elsewhere, warning that this policy could have tragic consequences as worker frustration will be driven underground and it will be very difficult to keep discipline and order among workers,' he said.

The member churches are African Methodist Episcopal, African Presbyterian, Anglican, Evangelical Lutheran, Methodist, Preybyterian, Roman Catholic and United Congregational Church.

196

Cape Times 1/7/85

E Cape, E Rand unrest report

PRETORIA. — Numerous incidents of unrest in the Eastern Cape and East Rand were reported by police at the weekend.

Police said two men were wounded in Cradock on Saturday when police used rubber bullets, tearsmoke and birdshot to disperse a crowd stoning a police vehicle.

"One South African Police member was slightly injured," the spokesman said.

Also in Cradock, tearsmoke was used to disperse a crowd which set fire to a truck and stoned a police vehicle, the spokesman said.

In the same area, a tennis ball filled with petrol was thrown at a house, and petrol-bombs were thrown at another house and a police vehicle, causing no damage.

Two policemen were slightly injured when their vehicle was stoned in the Michausdal township, also in Cradock. The policemen had dispersed the stone-throwers with shotguns, police said.

In Bedford in the Eastern Cape, a delivery vehicle was set alight.

At Katlehong on the East Rand, police used teargas to disperse a group who were obstructing a road with burning tyres.

At KwaThema, also on the East Rand, a private home was set alight and two shots were fired at the inhabitants. Nobody was injured and damage was estimated at around R1 000. Three men were arrested after they stoned a private vehicle.

● More than 950 protesting workers from the Metal and Allied Workers' Union brought traffic in Maritzburg to a stop on Saturday morning to draw attention to the labour dispute at BTR Sarmcol in Howick.

A convoy of 10 buses made its way up the city's main street and workers waving placards called for an end to the dispute. Riot police and municipal traffic officers stood by with teargas but there were no incidents.

Most of the men live in Mpophomeni, near Howick, where a 21-day ban on meetings was imposed last week. — Sapa

.196

Britain fights shy of BTR dispute

B. Oaiy

.4/7/85

London Bureau

THE British government has refused to intervene in an industrial dispute between BTR Sarmcol - a British subsidiary of BTR - and the Metal and Allied Workers' Union (Mawu).

The refusal was conveyed to Britain's powerful Trades Union Congress by Trade and Industry Minister Norman Tebbit.

Tebbit was responding to an appeal by TUC general secretary Norman Willis for British government action against BTR over alleged contraventions of the voluntary EEC code of conduct.

A copy of Willis's letter was also sent to the British Foreign Secretary, Sir Geoffrey Howe.

British companies operating in South Africa report to the Department of Trade and Industry but, in terms of the EEC code, it is the job of British Embassy officials to monitor application of the code.

Willis had asked Tebbit to take up the case of 1 000 black workers — belonging to Mawu — who were dismissed between April 30 and May 3 for taking part in what the union insists was a legal strike at BTR Sarmcol in Howick, Natal.

BTR hotly disputes that the strike was legal and also disputes a Mawu claim that, before the strike, the company paid wages below the EEC codes's subsistence living level and the household effective Level.

In reply to the TUC Tebbit wrote: "I do not think it would be helpful or appropriate for the British government to seek to intervene in the dispute, especially since it is taking place in another country."

Tebbit believed it was better for the company and the union to "resolve their difficulty directly".

"I cannot accept that the BTR case undermines the credibility of successive British governments towards British interests in South Africa or of the EEC code of conduct," Tebbit said.

He said that British companies generally had a good record of reporting on the code and of adhering to its requirements.

A spokesman for the Department of Trade and Industry said that it was not practice to release details or comment on the performance of individual companies under the code.

"But there is no reason to believe that the information provided by BTR Sarmcol was inaccurate," the spokesman said.

A TUC spokesman said that the TUC's international committee had found Tebbit's reply unsatisfactory and would be writing to him again to pursue the matter.

"The British Government is not doing as much as other governments to put pressure on the South Africans," he said.

Cape Times 17/7/85

Pregnant woman shot dead by police

WITBANK. — An unidentified pregnant woman was shot dead in Lynville, Witbank, when police fired at a rampaging crowd yesterday, a police spokesman has confirmed.

A witness said he saw police firing at the crowd, which was stoning cars near Sizabantu Motors in the township.

There was a stampede as the crowd fled from teargas and the woman fell after being struck by a bullet in the head, the witness said. She was certified dead on arrival at Witbank Hospital.

Petrol bombs

A spokesman for the hospital declined to give the woman's name before her next-of-kin had been notified.

In another incident in the township, a group of youths hurled petrol bombs into the house of a security policeman, Warrant Officer E Tsotetsi, early yesterday. Police came to his rescue.

A spokesman for the Witbank police, Major C Bloom, yesterday confirmed both incidents.

Unrest in Lynville and Witbank's other two black townships, Ackerville and KwaGuqha, yesterday entered its second day.

● Petrol bombs were yesterday thrown at the home of the Soweto man who told of an alleged secret plan to kidnap 14 black political personalities, including senior members of Azapo and the UDF.

Mr Molotov Biza said six petrol bombs struck his home about 2am damaging the front room. Nobody was hurt.

● Meanwhile, residents of Tsakane on the East Rand have identified a youth who allegedly died after being arrested by police in the township on Sunday as Mr Colin Mandla Nhlengethwa.

● In Graaff-Reinet, where it is alleged that a youth died after being hit by birdshot, residents say many of the injured fear that consulting local doctors will lead to arrest on public-violence charges.

The dead youth has not been identified, residents say, because his face was disfigured beyond recognition.

● Several residents of Heidelberg's Ratanda township were reportedly held by police in early-morning raids yesterday, while others fled the township.

A spokesman for the Ratanda Civic Association claimed three of the organization's leading members had been held by police.

Police said they had no record of the detentions.

They confirmed that a youth was shot dead on Monday when they used shotguns to disperse a crowd stoning homes.

'Scab' workers

● In Howick yesterday, police fired tearsmoke into a crowd of striking workers trying to stop "scab" labourers leaving the Sarmcol factory at lunchtime.

Earlier, Howick Magistrate's Court was packed with Metal and Allied Workers Union members as some of their former workmates appeared in connection with the death of Mr Masikula Ntombele, 69, the father of two Sarmcol workers killed in a disturbance outside his home in KwaMevana.

Ten accused have been remanded in custody until July 26.

● In Vryburg yesterday, five youths were admitted to hospital with bullet wounds as unrest continued in Huhudi township. — Sapa

90 percent turnout reported

196

Star 18/7/85

HOWICK — Sarmcol rubber factory at Howick reported a 90 percent labour force turnout this morning — in defiance of a stayaway called in support of the 950 striking workers dismissed by the factory two months ago.

Some Sarmcol workers had spent the night at the factory.

In Howick today, hardly a black person was to be seen, housewives were without domestic help and white schoolboy volunteers manned the town's petrol pumps. — Sapa

Two die workers stay home

MARITZBURG. — Sixty percent of the black workforce stayed at home yesterday, almost bringing Maritzburg to a halt, as two people died in countrywide unrest.

Sapa reports that a youth was shot dead in Soweto and a 25-year-old woman was axed to death and set alight on Wednesday night after apparently ignoring threats not to shop in white areas.

Business 'slow'

The incident — at Nonzwakazi near De Aar in the Northern Cape — was reported by police yesterday. Four deaths were reported in countrywide unrest on Wednesday.

Surveys conducted by the Maritzburg chambers of commerce and industry showed that the stayaway of blacks varied between 10 and 100 percent. Business was reported to be "very, very slow" throughout the day.

Only two of the 48 buses on the white service operated during the morning rush-hour and none of the 270 buses on the black, Indian and coloured services ran at all.

The stayaway was called in support of the 950 Sarmcol rubber-factory workers at Howick who were dismissed by the factory two months ago following a strike in support of their demand for recognition of the Metal and Allied Workers' Union.

In Howick, hardly a black person was to be seen and buses from the townships were withdrawn. Workers stopped work briefly or held lunch-hour demonstrations at a number of Durban and Pinetown firms yesterday in sympathy with the Maritzburg stayaway.

Unrest flared at the Mpophomeni township outside Howick around lunchtime yesterday when houses, a clinic and three vehicles were set alight.

The house belonging to a Sarmcol employee, Mr Samuel Buthelezi, and a car belonging to his brother, Mr Piet Buthelezi, were burnt.

● In Soweto, the homes of two policemen were petrol-bombed in Naledi yesterday morning and in another incident a policeman was attacked and robbed of his official vehicle and firearm.

Thousand of pupils carrying placards marched through the township in protest against injuries caused to schoolchildren in clashes with police.

Questioning

● In Port Elizabeth police spent nearly three hours questioning Mr Mkhuseli Jack, publicity secretary of the committee responsible for the consumer boycott which began on Monday.

Mr Jack told a reporter: "It was only when I told them (police) that the committee had met last night and decided to negotiate with whoever was prepared to respond positively to the situation, that the questioning came to an end."

Port Elizabeth traders continued to report a loss of sales.

● Police last night reported incidents of unrest from the Eastern Cape, South-Western Districts, East Rand, West Rand, Natal Midlands and on the Witwatersrand. — Sapa and Own Correspondents

Union threatens further action

NAAA

196

NM 20/7/85

Labour Reporter

THE Metal and Allied Workers' Union, an affiliate of the Federation of South African Trade Unions, yesterday threatened further industrial action if the management of Howick rubber company BTR Sarmcol still refused to resolve its dispute with the union.

Mr Geoff Schreiner, Mawu's Natal branch secretary, told the Mercury that Thursday's massive stayaway by black workers of Pietermaritzburg and Howick was a clear indication of massive support by community-based organisations for Sarmcol workers' battle for union recognition.

'We'll be meeting shortly again with these organisations to assess the stayaway and to evaluate whether there has been any shift in Sarmcol's position.

'If, in fact, they haven't changed their decision we'll jointly consider further action,' Mr Schreiner said, commenting on the Mawu-organised stayaway which hit many businesses in Howick and Pietermaritzburg.

The industrial action was in protest against Sarmcol's refusal to sign a recognition agreement with Mawu and the subsequent dismissal of more than 950 striking rubber factory workers.

Mr Schreiner said the union had been trying for nearly three months to get Sarmcol management to the negotiating table to resolve the recognition dispute.

Mr S C Blackstock, Sarmcol's managing director, was not available for comment yesterday.

MARITZBURG STAYAWAY

Biting the bullet

The majority of black workers in Maritzburg and surrounding areas responded to the call for a work stayaway last Thursday in support of the 975 members of the Metal and Allied Workers' Union (Mawu) dismissed from the British-owned Howick company BTR Sarmcol nearly three months ago. But there is no indication so far that the action has caused local commerce and industry to shift from its position of refusing to intervene in the dispute.

Mawu estimates that 70% of the total workforce in the area stayed away from work and says that all Indian-owned businesses in Maritzburg were shut, as were all schools in the total area affected by the stayaway. According to the preliminary results of a survey conducted by the Labour Monitoring Group (LMG), a group of academics based at the University of Natal, 92% of those who stayed away were black workers. The LMG says its statistics are based on interviews with management at 49 factories, a 20% sample.

A spokesman for the Pietermaritzburg Chamber of Industries (PCI) estimates that the stayaway was 60% effective. The stayaway was directed at the PCI which had previously turned down a Mawu demand that it "intervene in the (BTR) dispute and secure from the company the necessary commitment" to negotiate the re-engagement of the dismissed workers. A joint statement issued by the PCI, the Pietermaritzburg Chamber of Commerce and the Afrikaaanse Sakekamer two days before the stayaway, argued that a dispute involving one company should not be permitted to disrupt the lives of people not directly involved. And the PCI spokesman says its views have not been changed by the stayaway. BTR declined to comment to the *FM* on the stayaway, but is expected to issue a statement later in the week.

Procedural agreement

The workers went on strike on April 30 when Mawu and BTR failed to reach agreement on the terms of a recognition and procedural agreement after two years of negotiations.

The company has replaced the strikers and has remained firm in its resolve not to reinstate them — in the face of one of the most concerted union campaigns ever seen in SA. In addition to the stayaway, it has included a consumer boycott of white-owned business in Howick and threatened sympathy strikes at BTR subsidiary Dunlop.

The dispute has also taken on an international dimension. The union has received moral support from the International Confederation of Free Trade Unions. Mawu has accused the company of contravening the EEC Code of Conduct and the British Trades Union Congress (TUC) appealed to the British government to intervene, but this was rejected. Labour Attaché at the British Embassy, Tony Gooch, who has had talks with Mawu and the company, says there is "no reason to think the company has contravened the letter of the EEC Code."

There have been several violent incidents involving people who have taken up new employment with BTR. In June two people, one of whom was a BTR employee, were killed when a bus entering Howick's Mpophomeni township was stoned. The homes of others have reportedly been attacked in recent weeks, and there have been a number of other police reports of unrest in the township. Meetings in Mpophomeni were banned for three weeks, and more than 100 people have been arrested and charged with intimidation, assault or disturbing the peace. Five have already been convicted and sentenced to one year in prison.

Does Mawu have any arrows left in its bow? Observers believe that the union may now attempt to extend the boycott of white-owned business from Howick to the rest of the area, including Maritzburg. And with BTR and organised commerce and industry standing firm, it seems this bitter labour dispute is far from over. ■

U K unions slam Sarmcol's actions

(196) 26/7/85 NM

Pietermaritzburg Bureau

NINE British unions which have agreements with BTR-Dunlop have condemned the actions of BTR Sarmcol at Howick for refusing to negotiate with the Metal and Allied Workers' Union (Mawu).

During a joint union conference in London on Wednesday, the unions unanimously adopted a resolution 'deploring the tactics used by BTR in seeking to force workers to back starvation wage rates'.

'We declare our solidarity with our South African colleagues in common cause against an arrogant and anti-social management,' the resolution said.

The conference also decided to 'widely circulate the resolution to various union memberships with the view to making them fully aware of the situation in South Africa and to call for their support in making strong representations to BTR-Dunlop management'.

BTR Sarmcol, a rubber manufacturing plant, dismissed its 950-strong workforce in April after workers went on a strike over a deadlock in negotiations between the company and Mawu.

Last week thousands of workers particiapted in a stayaway in Pietermaritzburg and Howick, which was the biggest of its kind in the province, after Mawu had called for a one-day stayaway in a show of support for the dismissed workers.

Mr S Blackstock, acting manager of BTR Sarmcol, said yesterday, after a copy of the British unions' resolution had been read out to him over the telephone, that he was not able to comment at this stage.

'As far as I know, I have not received or seen the resolution for myself and so I am not able to respond to it,' he said.

Mawu was not available for comment.

Firm may talk to union over sacked workers

196

Hopes rose today that a month-long deadlock between BTR Sarmcol in Howick, Natal, and the Metal and Allied Workers' Union (MAWU) could soon be broken, with a public declaration by the company that it is not opposed to negotiations with the union.

The dispute centres on the dismissal in April of about 1 000 workers who went on strike to back demands for recognition of the union.

The company, which is a British multinational, dismissed the workers and started replacing them with new labour, an action which lead to the dispute spilling into the surrounding black townships of Maritzburg and Howick.

With the support of local community organisations, the union has been campaigning against the company to force it to reopen negotiations on the reinstatement of the dismissed workers.

PREVIOUS STAND

Last month, the groups launched a stayaway in Howick and Maritzburg which received considerable support, prompting business leaders in the area to openly suggest a meeting between the parties.

In an apparent departure from its previous stand, Sarmcol today said it would be willing to discuss to any propositions the union would make.

BTR chairman in South Africa, Mr Peter Fatherly, said the company had received the union's proposals and it was possible that a meeting with the union would take place "in the future".

He said the matter would still be discussed internally before a response to the union's propositions was made and a date set for the meeting.

The union could not be reached for comment at the time of going to press.

Union keeps open door on boycott

B. Day 22/8/85 196

Business Day Reporter

THE Federation of South African Trade Unions (Fosatu) wants a quick end to the Maritzburg business boycott but said this depended on BTR Sarmcol and those who influence the company.

The boycott is aimed at forcing BTR Sarmcol, near Howick, to reinstate workers dismissed during a strike over union recognition and to negotiate a settlement under an independent chairman.

Fosatu said the business boycott had been extensively discussed among and supported by the black community before it was started.

Fosatu added it seemed that leaders in the Martitzburg Chamber of Industries and Sakekamer were supporting Sarmcol's action though many affiliated companies had different views.

"The Metal and Allied Workers' Union has taken all possible steps to avoid the boycott of businesses by calling on all the Maritzburg chambers, and other major bodies, to intervene and get Sarmcol to the negotiating table. But these steps have been to no avail."

"The Chamber of Industries has simply attacked Mawu and the black community. The Sakekamer has done likewise. The Chamber of Commerce undertook to endeavour to set up a meeting between the parties with an independent mediator but they have never come back to the union."

1985

THE EMERGENCY

White business boycott spreads throughout Natal

S. Daily

25/8/85

196

THE four-month battle between Fosatu's Metal and Allied Workers' Union and a Natal company which has dismissed 975 workers took a dramatic turn this week when Fosatu announced that the boycott of white-owned shops in Maritzburg and Howick would be extended to the entire province.

The boycott was called by communities and Fosatu affiliates in and around the city to show their support for the workers, who were sacked by BTR Sarmcol.

And, in a statement this week, Mawu responded to BTR Sarmcol chairman and managing director P Fatharly and director AWF Bird, who gave their background to the dispute when they announced the company's interim results.

Fosatu said Mawu had taken all possible steps to avert the boycotts by calling on the local white chambers of commerce to get Sarmcol to the negotiating table.

The Sarmcol interim results statement said: "Sarmcol welcomes the constructive participation of unions, but it cannot accept disruptive, destructive and political actions."

But Mawu has denied these charges.

BLIT

A Soweto student is arrested under seige by soldiers.

Students ar SADF besie

A SOWETO high school was under siege for a day this week when SADF soldiers in three armoured vehicles surrounded the school and chased pupils who were on the grounds, arresting several of them.

CITY PRESS staffers Mono Badela and Evans Mboweni were asked, at gun point, to drive their car from Orlando

'Say me to

BTR has 'anti-union reputation'

Mawu dispute to be raised in EEC Parliament

196

Business Day Reporter

The Social Democratic group of European MPs are to raise the Metal and Allied Workers' Union's disputes with BTR Sarmcol and Transvaal Alloys in the European Parliament when resolutions on South Africa are debated this week.

Mawu said in a statement yesterday that it had accused both companies of breaching the EEC code of conduct for companies in South Africa.

Workers at the German subsidiary — Transvaal Alloys near Belfast in the Transvaal — were fired after a wage strike in October last year, and about 975 workers were dismissed from Sarmcol, a British subsidiary, after a strike over union recognition in April.

Last year Mawu, through the International Metalworkers' Federation, laid complaints against Transvaal Alloys with the International Labour Office and the EEC.

The EEC commissioners have also been requested to carry out hearings in Brussels to determine whether BTR and Transvaal Alloys have breached the code of conduct.

Mawu said in a statement yesterday that BTR had an "international reputation for being anti-union and anti-worker".

"BTR in Britain has even refused to talk to the unions which operate in its plants there. It has unilaterally cancelled agreements between its new subsidiary Dunlop and the unions."

Mawu said Transvaal Alloys' German management had stated that companies in South Africa told them not to compromise with Mawu because this would establish bad precedents.

These companies also advised Transvaal Alloys that no settlements had ever been made which included compensation in cases of "illegal" strike action.

Mawu says there have been many out of court settlements in which compensation has been granted.

Mawu wants compensation for dismissed Transvaal Alloys workers and a timetable for their re-employment, which the union believes has been too slow following an agreement with the company to reinstate workers as vacancies arose.

The union said the communities in Maritzburg and Howick had carried out a "very successful" work stay-away in protest at Sarmcol's refusal to reinstate workers dismissed in a legal strike. A boycott of all white businesses in Maritzburg and Howick is under way in protest at BTR's actions, it said.

Tyre firm to increase prices

(196) 13/9/85

Motoring Editor

GOODYEAR Tyre ~~and~~ Rubber Company have broken away from the uniform national tyre price 'cartel' and increased their prices of new tyres by 4,5 percent.

The increase is effective from September 26.

However, the other manufacturers, Dunlop, Firestone, General, Kelly and India, are still working off the national list price. Their last price rise was 9 ~~percent in~~ May.

The companies all discount to dealers off a uniform price list as negotiated by them through the S A Tyre Manufacturers' Conference (TMC). Mercury

Asked for comment on the Goodyear move, Mr Michael Waterson of TMC said: 'They appear to have put up their price.' He would not comment on how this affected the TMC.

A Goodyear spokesman said: 'We have decided to set prices individually from now on. It's been in the pipeline for some time and we decided and advised the TMC at the last conference.

'We are in a position to sell to the dealers at prices that reflect our own perceptions of the market. Our marketing strategy now falls under our marketing department.'

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Tyre prices likely to be increased

B. Day 25/9/85

ALAN PEAT

TYRE prices are likely to jump — with a price-rise due for locally-produced synthetic rubber and the effect of the newly introduced 10% import duty surcharge.

Sentrachem subsidiary Karbochem intends to push up its synthetic rubber price by an unspecified amount in November to absorb the effect of the exchange rate on its raw-material prices.

This will directly influence the cost of some of the raw material used for tyres, according to tyre manufacturers, and follows Karbochem's previous increases estimated at 45% for the year ending in May.

The 10% import duty surcharge imposed by Government Gazette on Monday also directly affects tyres. Some 40% of the raw material used by the industry is natural rubber.

"This 10% surcharge on our raw material imports can be translated to a further 5% increase in our price," said Sentrachem MD Dave Marlow. "We do not consider that a major impact, although our customers might think differently."

The tyre industry, which absorbs some 70% of Karbochem's output of synthetic rubber, certainly does think differently.

"The impact of the 10% surcharge on our natural rubber imports — already faced with a 25% penalty duty to protect Karbochem as a local producer of a strategic material — would need about a 2% price increase to cover the higher cost to us," said Firestone MD Peter Morum.

"The effect of the artificial rubber price increase cannot be assessed until we know how much it will be. But it is all very disturbing to our industry which is already fighting for a dead market."

FM

MAWU VS BTR 196

8/11/85

The next round

In a new development in the long-running dispute between the Metal and Allied Workers' Union (Mawu) and British multinational BTR Sarmcol, the union is to institute Industrial Court action against the company.

Mawu has instructed its attorneys to apply for the establishment of a conciliation board to consider the dispute which has developed into one of the most high-profile campaigns in South African labour history. This is seen as a sure indicator that Industrial Court action is in the pipeline.

The dispute between Mawu and Howick-based BTR arose out of the failure of the two parties to reach agreement on the contents of a recognition agreement. Nearly 1 000 employees went on strike on April 30 this year and were dismissed soon thereafter.

Since then the union has gone to extraordinary lengths to try to force the company's hand. Its action has ranged from a consumer boycott and a worker stayaway in Howick and Maritzburg to the submission of evidence about the dispute to the United Nations Subcommittee on Transnationals in SA.

Papers sent by Mawu to the Minister of Manpower allege that BTR's actions have been unfair because of:

☐ The company's failure or refusal to conclude a recognition agreement with the union on the union's terms;

☐ The dismissal of union members on a lawful strike;

☐ The failure to reinstate employees after they had offered to return to work; and

☐ The selective re-employment of some of the strikers. ■

196

BUS DAY 17/12/85

Mawu's long-running dispute with Sarmcol all set to go one more round

BUSINESS DAY labour reporter CLAIRE PICKARD-CAMBRIDGE looks at topical issues in a weekly round-up of events on the labour front.

DEEP trenches are being dug as the battle continues between the Metal and Allied Workers Union (Mawu) and BTR Sarmcol in Howick.

The two are trapped in the most bitter and lengthy dispute in recent South African labour history and steps at home and abroad have set the scene for a continued skirmish — even though workers were fired nearly nine months ago.

A likely pointer to future trade union strategy has been Mawu's attempt to internationalise the dispute and to so press Sarmcol into re-instating over 900 workers who went on strike over trade union recognition.

The union has also established a co-operative venture for the dismissed workers. Natal branch secretary Geoff Schreiner says the co-operative was started because workers have accepted the "struggle against the company will be a protracted one". They hope to obtain some source of income to lessen their dependence on outside bodies.

The project is unusual in terms of the scale on which Mawu hopes to run it and because in the past churches and social organisations have largely been responsible for the launching of small co-operative ventures in SA.

Schreiner says Mawu did two feasibility studies for the venture. The first was the production of 5 000 super-federation T-shirts and the other involves dairying, vegetable farming and baking.

Dismissed workers have adopted a constitution and a committee has been elected which will run the projects, based on co-operative and kibbutz principles.

These include democratic control by the workers, the placing of any surplus into a central fund and the scrapping of labour divisions.

Early strategy to re-open talks after the firings included a consumer boycott and work stayaway in Maritzburg. But Mawu called off the boycott when Sarmcol failed to reinstate strikers.

Attempts to internationalise the dispute began when Mawu approached the British government to pressurise BTR in Britain and Sarmcol in SA. This failed and Mawu had the issue raised in the European Economic Community parliament and at a United Nations congress on transnational corporations in SA.

Schreiner says Mawu has intensified this international campaign and that a delegation has gone overseas for the third time to raise this issue.

Mawu officials are meeting unionists at BTR to enlist their support. The delegation will also have talks with unionists in Europe, Britain and the US.

However, Sarmcol regards the dispute as concluded because a new workforce has long since been hired.

But it could go another round because Mawu has applied for a conciliation board to try and negotiate the re-instatement of workers.

□□□

LEADERS of the Congress of SA Trade Unions (Cosatu) have denied speculation they have been talking to the black-consciousness oriented Council of Unions of SA (Cusa) and Azanian Congress of Trade Unions (Azactu).

Two more unions applied to join Cosatu last week, but leaders who are to consider the applications early next year will not reveal names yet.

□□□

MATTERS between Metal Box and the SA Allied Workers Union (Saawu) have been uneasy since October when 500 workers at the Rosslyn plant were sacked for striking.

The strike began when three new employees were hired after 22 workers had been retrenched. Workers launched a boycott of company products and Saawu said they were applying for a conciliation board. Fired workers are also preparing to apply to the Industrial Court for temporary re-instatement.

Metal Box says a redundancy agreement affecting 22 unskilled workers had been reached with Saawu and the three new workers were skilled. It says its agreement with the union was breached when workers went on a wildcat strike.

□□□

THE assassination of Saawu's Durban-Pinetown organiser Ian Phumuza Zamisa outside his Chesterville home over a week ago has been a setback for the Natal branch of the union.

Union sources say he had recently been confronted by a hit squad known as the "A-Team" who threatened him over his United Democratic Front sympathies.

MANUFACTURING - Rubber Products

1986

COMPANIES ARGUS 27/2/86

Dunlop profit up

From DAVID CANNING

DURBAN. — Local raw material producers frustrated Dunlop South Africa's export efforts by substantially increasing their prices as the rand's value fell, says the company's managing director, Mr Clive Hooper.

Writing in the group's last annual report, he says sales of R224,6 million in the year to December represent an increase of 4 percent from 1984 — but in real terms there was a decline. Margins were maintained by containing costs, which enabled the group to increase trading profit by 4 percent.

Tyre sales last year were hit by the 25 percent decline in total vehicle sales, while "excessive" cost escalations due to the falling rand, high local inflation and import surcharges eroded margins in "a fiercely competitive and price-sensitive market".

Immediate prospects in the tyre market are bleak, but marginal growth is expected in the second half of the year.

Tear-gas used to disperse 500 workers

6/3/86 (28) (196) (182)

Mercury (HEA)

Labour Reporter

POLICE fired tear-gas to disperse about 500 Dunlop workers who were demonstrating outside the factory in Durban's Sydney Road at lunch-time yesterday.

Capt Winston Heunis said two people were arrested and would appear in the Durban Magistrate's Court today.

The workers were protesting at the detention of a prominent trade unionist, Mr Moses Mayekiso, Transvaal branch secretary of the Metal and Allied Workers' Union, who was arrested on February 21.

Capt Heunis said the gathering was illegal in terms of the Internal Security Act. The demonstrators were warned to dispearse, some complied but others did not and the police were forced to fire the tear-gas, he said.

Hundreds of Mawu members at a number of factories in Durban, Pinetown, Pietermaritzburg and Ladysmith held lunch-hour demonstrations demanding the release of Mr Mayekiso.

In Pinetown, about 800 workers marched through the industrial area, singing and chanting. They carried banners and posters which demanded 'Release Mayekiso and all detainees'.

A Mawu spokesman said police watched the demonstration closely. The protest, however, went off peacefully.

BTR Sarmcol job cuts

Pietermaritzburg Bureau

TOP management personnel at BTR Sarmcol, Howick, have been retrenched following the company's merger with Dunlop South Africa.

Other jobs are expected to be affected during rationalisation moves.

Retrenched staff include Mr S Blackstock, managing director of the factory, and Mr S C Robinson, a financial director.

Mr Blackstock has been with Sarmcol for 10 years and plans to stay in Pietermaritzburg.

Mercury 7/3/88

1986

Strikes at tyre factories

Mercury 9/4/86

Labour Reporter

MORE than 1 000 workers at three Dunlop factories in Natal and the Transvaal downed tools yesterday following the dismissal of a senior shop steward and a number of workers.

And at the BTR-Dunlop plant at Ladysmith meetings are under way between shop stewards and management after warnings to some of the 500 employees.

At the Dunlop tyre factory in Sydney Road, the entire work force of 1 000 stopped work after an employee had been dismissed.

The 150 workers at Dunlop Sports in Jacobs downed tools following the dismissal of a senior shop steward, and at BTR-Dunlops in Benoni in the Transvaal, the workforce of 400 refused to return to their jobs in protest at the dismissal of seven employees.

Boycott hits PE traders again

Mercury Correspondent

PORT ELIZABETH—Boycott-hit Port Elizabeth traders, many of whom are not over the effects of last year's ban on shopping outside of the black townships, are biting the bullet again.

Among those feeling the effects of the renewed boycott is the vice-president of the Eastern Cape Traders' Association, Mr Shun Pillay.

Yesterday, the second day of the boycott, he closed his grocery store, which is normally open throughout the day, for a two-hour lunch break and put up the shutters early in the afternoon.

Mr Pillay, who had asked for a meeting through UDF leader Henry Fazzie with the consumer boycott committee, said yesterday there had been no response.

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years the borrower would save only a few rands.

Spokesmen for four building societies confirmed that a borrower would have to pay more in interest charges if repayments were made after the due date.

They said if a bond repayment was made a day late the money would not be deducted for interest calculation until the following month.

The Allied and Permanent building societies cal-spokesman.

● Picture by Rebecca Hearnfield.

2 000 Dunlop workers on strike

40A

11/4/86. STAR

196

By Mike Siluma

A further 500 BTR Dunlop employees in Ladysmith yesterday came out on strike, bringing the number of strikers at Dunlop plants in the Transvaal and Natal to nearly 2 000.

This was said by a spokesman for the Metal and Allied Workers' Union (Mawu) and the Chemical Workers' Industrial Union.

1 000 FIRED

Workers at two Dunlop plants in Durban and one at Benoni have been on strike since Tuesday, demanding the reinstatement of two colleagues fired after a brief work stoppage last week.

The dispute is a sequel to the longstanding battle by Mawu for the reinstatement of about 1 000 strikers fired from a Howick plant last April.

The unions said workers from the company's four plants in Benoni, Durban and Ladysmith had staged wildcat strikes last week after the company's refusal to meet union representatives over the Howick dispute.

While the unions had managed to persuade members to return to work within hours, managements had issued mass written warnings and threatened some individual workers with dismissal.

According to the unions, this provoked a fresh round of wildcat strikes on Tuesday at one Dunlop factory in Benoni and two in Durban.

Mr Glen Sutton, Dunlop's group industrial relations spokesman, said the two workers were sacked "due to their violent behaviour".

In both cases management informed the Metal and Allied Workers' Union of the situation and a dispute had been declared with the union.

● See Page 5.

Reinstate workers or get out, BTR told

SPAR

11/4/86

196

The Star Bureau

LONDON — A black South African trade unionist has told the British-based multinational BTR to reinstate its sacked South African workers or get out of South Africa.

And he appealed to employees of BTR in England to take concrete action, such as strikes or demonstrations, to persuade BTR to "stop enjoying the fruits of apartheid".

Speaking at a Press conference at the House of Commons yesterday, Mr Moses Mayekiso of the Metal and Allied Workers' Union (Mawu) said: "The company is just exploiting black workers. If BTR can't reinstate the workers and recognise Mawu, then we would like BTR to get out of South Africa."

Almost 1 000 striking workers were sacked from BTR's Sarmcol plant in Howick, Natal, over Mawu affiliation a year ago.

Mr Mayekiso, Transvaal secretary of Mawu and chairman of the Alexandra Action Committee, has been in Britain for the past three weeks to appeal for support from the British labour and trade union movement for the Sarmcol strikers.

SUPPORTED

He said the multinationals supported a system under which people were "mowed down" in places such as Alexandra.

With Mr Mayekiso was Mr Jeremiah Zulu, president of the Transport and General Workers' Union of South Africa, who has been in Britain to make contact with unions. Both men said they were pleased and encouraged by the British response.

Also present at the Press conference was Labour MP Mr Dave Nellist who said: "We can find all the ways in the world to help keep strikes going, but what I want to see is action to help end disputes in favour of working people.

"That means organising and arguing with BTR's home base here in Britian to recognise the union, to reinstate and compensate the workers and their families, and to improve conditions."

Cape Times
12/4/86

196

Price of tyres to rise this month

Own Correspondent

DURBAN. — Tyres will cost more within a month and at least one company has already raised its prices by nearly 10 percent.

Marring motorists' happiness at the news of cheaper petrol, General Tyres chief executive Mr Tony Versfeld yesterday confirmed a tyre price rise of 9,75 percent.

It will be effective from Monday.

And Firestone's managing director, Mr Peter Morum, said his company would have to raise prices by a similar amount before the end of the month.

A Dunlop spokesman could not be contacted.

Mr Versfeld and Mr Morum cited the rocketing cost of imported raw materials as the major reason for rises.

Costs had increased by about 40 percent in the past year, Mr Versfeld said, but price rises — including the present one — added up to only 30 percent.

CAPE TIMES 14/4/86

Some tyre prices up from today

196

Own Correspondent

JOHANNESBURG. — Motorists celebrating the reduction in the price of petrol were brought back to earth yesterday with the news that some tyre prices are to increase today.

General Tyres chief exective Mr Tony Versfeld confirmed yesterday that the company will raise tyre prices by 9,75 percent from today.

The rise comes in the wake of petrol price reductions announced last week by the Minister of Mineral and Energy Affairs, Mr Danie Steyn.

Mr Versfeld said: "Costs have increased by about 40 percent in the past year, but price hikes — including the present one — add up to only 30 percent.

"Our suppliers are required to have strategic raw material stocks.

"All stocks now being held by these suppliers were bought at a rand price of $0,40 and exchange rate benefits since then have not had a chance to work through our system."

He said a price reduction would be considered once this had happened.

Firestone managing director Mr Peter Morum said his company would also have to raise prices by a similar amount soon.

He said: "A price increase is very much on the cards. I can't say that it is going to be next week or next month but increases are definitely in the pipeline.

"For the past few months, we have taken cognizance of the depressed state of the market and we did not feel it right to increase prices in one major move."

A spokesman for the Dunlop company could not be contacted yesterday.

● Major retailers to slash prices, page 9

General raises tyre prices from today

BUS DAY 14/4/88 196

● STEYN

MICK COLLINS

MOTORISTS celebrating the reduction in fuel prices were brought back to earth yesterday with the news that tyre prices are to be increased.

The shock announcement by General Tyres CE Tony Versfeld comes in the wake of petrol price reductions announced last week by Mineral and Energy Affairs Minister Danie Steyn.

Versfeld confirmed at the weekend that his company would raise tyre prices by 9,75% from today.

"Costs have increased by about 40% in the past year, but price hikes — including the present one — add up to only 30%," Versfeld said.

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"A price increase is very much on the cards. I can't say that it is going to be next week or next month but increases are definitely in the pipeline.

"We have not got back anywhere near our investments in raw materials. And if we don't get that back, we may as well shut up shop.

"For the past few months, we have taken cognizance of the depressed state of the market and we did not feel it right to increase prices in one major move.

"We felt that the consumer was already reeling from a soaring inflation rate and a sluggish economy. But now we will have to increase prices. I can't say when, but it is coming."

Morum said that the major reason for the price increase was the rocketing cost of imported raw material.

Bus Day. 15/4/86 (196) (284) (188)

More tyre giants to raise prices soon

MICK COLLINS

FIRESTONE, Goodyear and Dunlop are to follow the lead of General Tyre which announced a 9,75% increase in the price of tyres.

Lloyd Zaayman, a spokesman for Dunlop Tyre in Durban, said: "Our prices will rise from May 1 and increases will vary from 9,25% to 10,7%.

"Even with the drop in oil prices I cannot see any way of staving these increases off. Oil price benefits will only be felt when local suppliers pass them on to us and we in turn can allow the consumer to score."

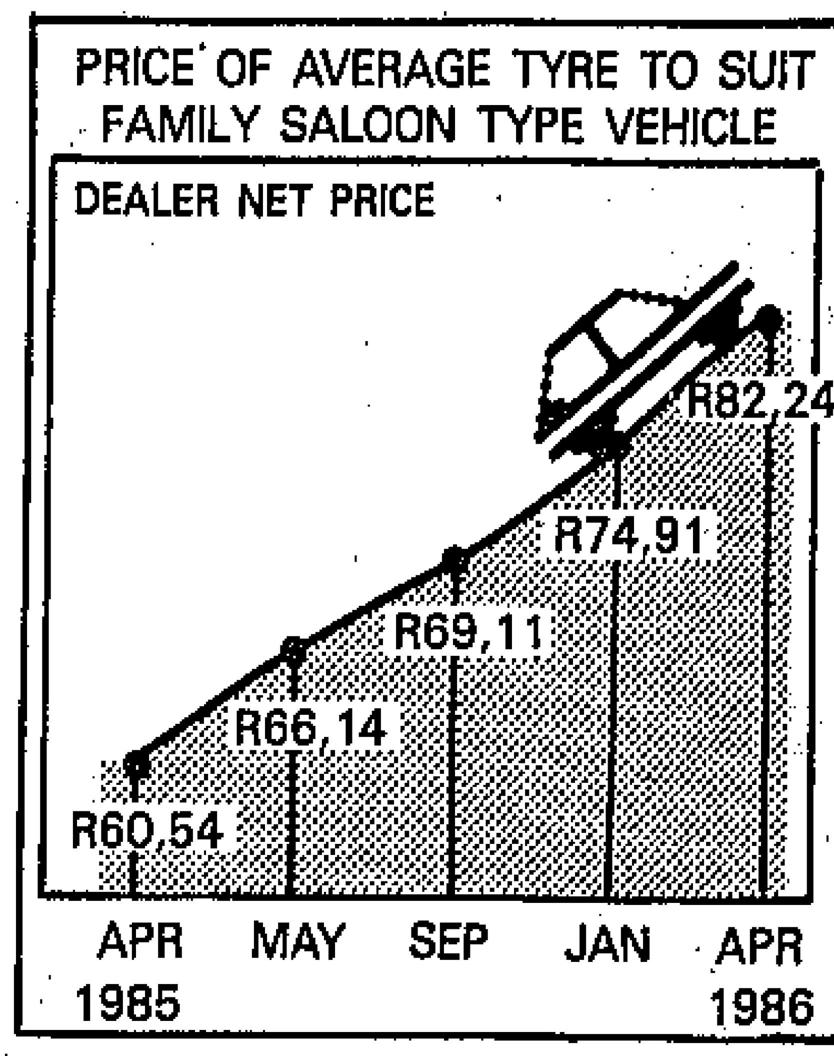
A spokesman for Goodyear said cost pressures would "force prices up fairly soon. Escalating tariffs of raw materials will force the price increase on us."

He said that over the past eight months prices of raw materials had risen considerably. Synthetic rubber had risen 40%, carbon black 25%, bead wire 14%, nylon 32%, paraffin 23%, coal 13% and steel cord 42%.

"Added to this we have had considerable increases in wages, rail tariffs, fuel and electricity," he said.

A spokesman for a retail tyre outlet said prices had increased by 30% (see graph) over the past eight months.

"In April 1985 the price of a tyre for an average-sized family saloon was R60,54. Since then we had an increase in May 1985 of 9,25% and another increase of 4,5% in September of the same year. This year we saw an increase of 8,4% in January, and with the latest hike of 9,75% the same tyre now costs R82,24." Firestone MD Peter Morum said: "Increases are on the way. I can't say when but they're going to come."



He said in terms of price increases manufacturers were nowhere near recouping costs.

"It's impossible to expect the public to absorb all the cost increases. The only way manufacturers can survive is to improve efficiency."

General Tyre MD Tony Versveld said oil price movements, either up or down, had been taken into consideration.

Comment: Page 6

(OSR) (196) (R8A)

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BUSDAY 15/4/86

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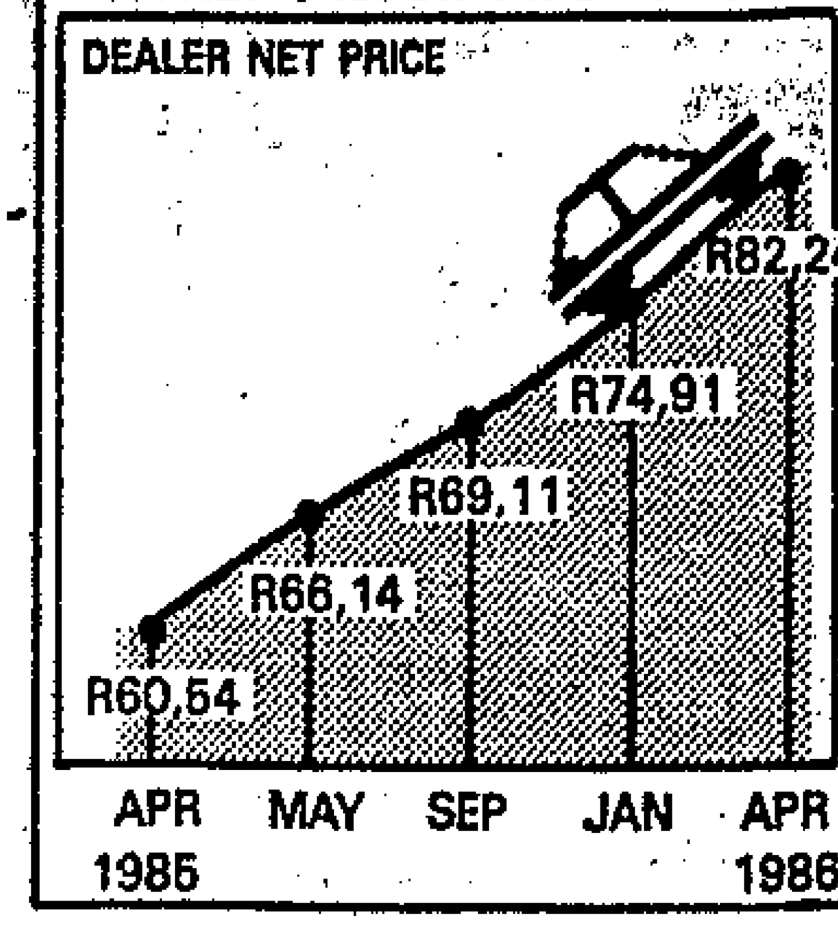
PRICE OF AVERAGE TYRE TO SUIT FAMILY SALOON TYPE VEHICLE



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● Comment: Page 6

SOWETAN, Thursday, April 17, 1986

COURT PLEA OVER STRIKE

140A 152 196 17/4/86 SOWETAN

STRIKE-HIT BTR Dunlop has asked for an urgent Industrial Court interdict to end the work stoppage at its Durban factory.

By LEN MASEKO

About 1 000 workers have been on strike at the Durban factory since last Tuesday, demanding the reinstatement of two colleagues fired for alleged "violent behaviour".

An equal number of workers have also been on strike in solidarity at Dunlop plants in Ladysmith, Durban and Benoni.

Dunlop made the Industrial Court application on Tuesday this week, but proceedings were adjourned to give the workers' union — the Metal and Allied Workers Union (Mawu) — time to respond.

The company has accused Mawu of "initiating unlawful strikes" at its plants. Several unsuccessful meetings have been held between the union and the management.

The dispute broke out after management issued warnings to workers striking over the company's refusal to discuss the dismissal of 1 000 workers at Dunlop's Howick plant last year.

- The first round of annual wage negotiations affecting about 450 000 metalworkers ended in Alberton on Tuesday. The talks will resume on April 25 at the same venue.

Parties taking part in the negotiations include the employer body, the Steel and Engineering Industries Federation of South Africa, Mawu and the Steel, Engineering and Allied Workers Union of SA.

- The SA Chemical Workers Union has sought mediation in a bid to resolve the labour dispute at Noristan, where 300 workers were sacked last month. The sacked workers downed tools demanding the reinstatement of 60 colleagues fired for alleged "product sabotage".
- The Black and Allied Workers Union has called on members to report at its Johannesburg offices this Saturday to arrange bookings for a trip to Durban. The union will be holding a two-day congress in Durban next week.
- The Transvaal region of the Media Workers Association of SA (Mwasa) holds a general meeting at its Johannesburg offices on Sunday.

1 700 'bitter' strikers return to Dunlop

STAR 18/4/86

By Sheryl Raine

The 1 700 workers at four BTR Dunlop plants on strike for more than a week returned to work yesterday.

This was because the employers were about to seek an interdict from the Industrial Court declaring the strike illegal, according to Mr Bobbie Marie, branch secretary of Mawu (Metal and Allied Workers Union). No agreement had been reached. "Workers have returned to work extremely bitter but determined to continue their fight."

Plants affected by the strike, co-ordinated by Mawu and the Chemical Workers Industrial Union, included Benoni, Ladysmith, Mobeni and Durban.

The strike started when about 1 000 workers downed tools at the company's Sydney Road plant in Durban, demanding the reinstatement of colleagues fired for alleged violent behaviour. More workers went on strike in solidarity at Dunlop plants in Ladysmith, Mobeni and Benoni.

18/4/86 BUS DAY 196

Dunlop strikers go back to work

Own Correspondent

PRODUCTION at BTR-Dunlop plants throughout SA returned to normal yesterday after the 2 000 workers ended their two-week strike.

They resumed work hours before the Industrial Council was due to hear an urgent application by the company to have the strikes declared illegal.

Metal and Allied Workers' Union (Mawu) branch secretary Bobby Marie said the workers returned to work feeling "extremely bitter". But they were determined to continue their fight on the issue of the dismissals and the BTR-Sarmcol dispute.

"Our experience at Sarmcol, and now with Dunlop under the BTR direction, exposes clearly the role of foreign investors in SA — to extract profits at the cost of the welfare of workers under the pretext of developing our country," he said.

Dunlop's group industrial relations manager Glen Sutton said that by mutual consent of the parties, the Industrial Court adjourned the application by the company for an interdict against the union to call off the strikes indefinitely.

"But the interdict can be applied for on a 24-hour or no notice, depending on the circumstances," said Marie.

"The company has always indicated to the unions that it is prepared to discuss the BTR-Sarmcol issue at plant level.

"The unlawful strikes were originally orchestrated by the unions to show solidarity for the dismissed BTR-Sarmcol workers. This in turn led to various unlawful actions by workers and disciplinary action by management, wherever it was deemed necessary."

Sentrachem is looking for profit

BUSDAY 25/4/86

196

☐ MARLOW

DAVID FURLONGER/Industrial Editor

WHAT do a bloody mary, car tyres, fertiliser, bread, plastic bags and sheep-dip have in common?

The answer is Sentrachem, which produces the materials for all these products.

With such a diversified portfolio of interests, it is little wonder the company sometimes appears to be on a business see-saw. As some activities prosper, others struggle, and the company seems over-extended in some of the areas to which it is committed.

This see-saw, and the uncertainty it brings with it, has been reflected in Sentrachem's share performance in the last five years. From an average 784c in 1981, the share fell progressively to 555c in 1982, 380c in 1983, 326c in 1984 and 239c last year.

It reached a low of 140c in November, but since then has evened out to the point that MD Dave Marlow offers guarded optimism on the company's future trading performance.

Sentrachem operates in six main areas — industrial chemicals, plastics, mining chemicals, foodstuffs, rubber and agriculture.

Of those, Marlow predicts growth in the first four, but continued problems in rubber and agriculture.

Sentrachem's rubber interest — and indeed the group's entire profitability — is centred on its Afprene synthetic rubber plant. Afprene's heavy losses have wiped out many of the gains elsewhere in Sentrachem.

The project, which has already cost the company nearly R700m, continues to be a lossmaker and to operate well below capacity, and Marlow is loath to predict when it will finally start to pay its way.

"It would be irresponsible to project when Afprene will make a profit. Internal surveys show significant growth but I am not prepared to take a dip on when it will become profitable."

Afprene, for all practical purposes, is a project waiting for a market.

Says Marlow: "The Afprene plants are running well so now it's a question of developing the markets. Substitution by a local product of traditional raw materials is by the very nature of things a slow process."

While Afprene's export potential has been hurt by the recovery in the rand, this is offset somewhat by the cost-savings from the drop in world oil prices.

Although some synthetic rubber is based on coal, much comes from petrol-based derivatives.

"A drop in the petrol price," says Marlow, "should have a long-term effect. Our cost of manufacturing depends on the world price of oil."

Sentrachem's other current problem child is agricultural fertilisers, where the market has declined by more than 30% in three years. Main reasons are the drought and farmers' worsening financial position.

From a peak of 3,5-million tons in 1982, consumption last year fell to 2,3-million tons. Sales this year are down even further. With five major manufacturers — Kynoch, Sasol, Triomf, Omnia and Sentrachem's own Fedmis — vying for a share of the shrinking market, there is enormous over-capacity and this in turn has led to accusations of price wars among the five.

"It's pretty rugged out there," says Marlow. "The industry generally is having a very difficult time and no fertiliser operation that is correctly costed is making a profit."

He sees little hope of improved market conditions.

"The market has fallen to a new base and won't grow dramatically from the present level of consumption. Export markets have virtually disappeared because of new capacity overseas and lower world prices."

For Fedmis, with 27,5% of the fertiliser market, the situation has meant pulling in its horns and protecting market share. Production capacity has been cut and Marlow wants it to stay that way as long as the market is down.

"We are in a situation where 27,5% of the current market gives us optimum operating costs. We have mothballed plants and cut capacity. We see this as the optimum capacity at this stage. So we are doing all we can to defend that 27,5% market share and if we must compete on price to do so, we will. But we are not a price-setter."

Marlow is happier with Sentrachem's performance elsewhere.

The plastics division is looking to expand its interests in the expectation that it will match the growth rate of the sector as a whole.

"Fertilisers is not an area for investment but plastics is thus we will keep pace with growth in this market. We talk of doubling the rate of growth of GDP or better."

Sentrachem's diversified interests in this sector range from crates to plastic bags to mining supplies, a growth area for plastics. According to Marlow, it is an area that requires constant technological development.

"You have to continue to spend money on development of new processes and products. You can't sit back on what you have, which means we are developing all the time."

The mining chemicals market is an important one for Sentrachem, and it is here that much of the group's R15m research and development bill is spent.

Marlow says the company is working closely with the gold mining industry in the use of ion-exchange resins to knock out non-ore elements. He says the process is already used in the recovery of uranium and in treating industrial water but has not been used before in SA in goldmining.

With foodstuffs — "a speciality market but a growth one for us" — and industrial chemicals both profitable areas for Sentrachem, the group is stretched across a wide slice of the industrial spectrum.

arlow is unwilling for the group to stretch its resources any further.

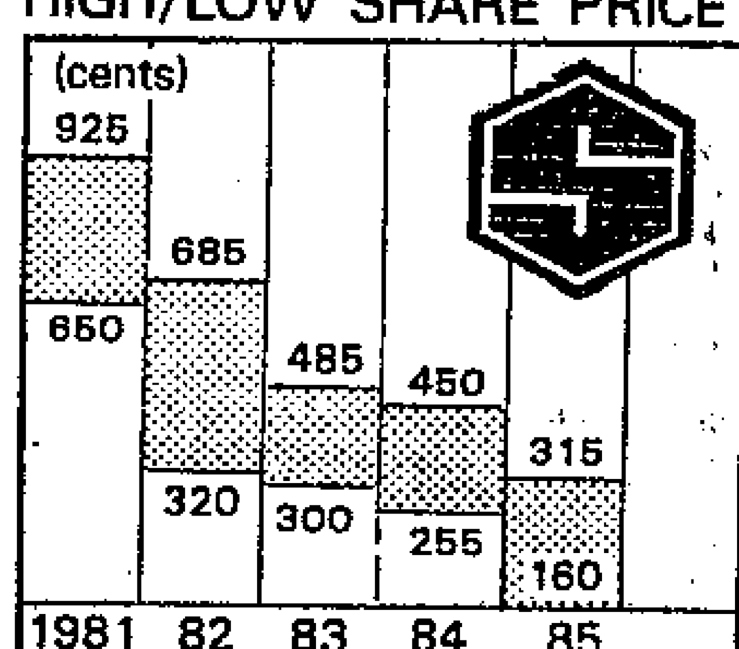
"We're not fundamentally looking for acquisitions. We won't expand from the base we already have."

He admits Sentrachem still has a long way to go before producing the results its shareholders expect — Central Chemical Investments, which holds 50%, is itself 50% held by Fedvolks, 20% by Gencor and 24% BP — or its R1,5bn turnover merits.

"Our prime objective is to improve our balance sheet and recommence dividends.

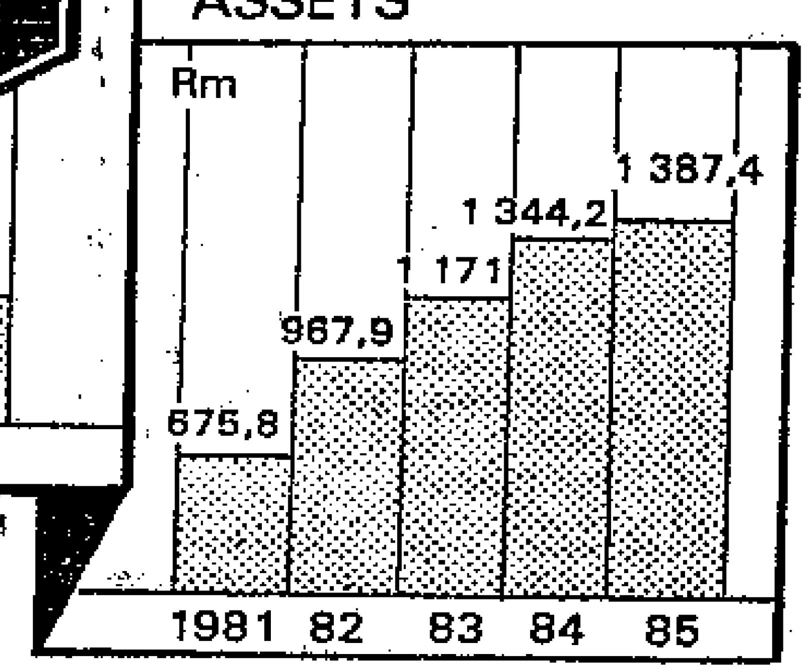
"Previously, the negative effect of Afprene outweighed our other profits. Last year we were successful in reversing that situation. Our job is to continue on that road as quickly as we can."

SENTRACHEM
HIGH/LOW SHARE PRICE



Source:SENTRACHEM

TOTAL TANGIBLE ASSETS



TYRE INDUSTRY FIN MAIL 2/5/86 (196)

Not so flat

US-controlled Goodyear Tyre & Rubber's decision to stop supplying tyres to "apartheid-supporting" State departments is not as serious as it sounds. It does not preface another US pullout — and the local operation is more concerned about the recession's effect on the industry.

"Our business with government is relatively small, and we will continue to supply departments like Sats and SAA," Goodyear communications manager Mike London tells the *FM*.

A spokesman for the State Tender Board (STB) in Pretoria says the government's tyre purchases amount to some R30m a year, although "it's impossible to give exact figures as each department is in charge of its purchases." Goodyear is meeting STB officials to "explain misunderstandings" says a spokesman.

London says Goodyear's announcement follows the enactment of the US Export Administration Act of 1985, which left it with the option of stopping some government sales or breaking US law. However, it has no intention of leaving SA. Goodyear, London notes, "recently invested R23m in new truck tyre production technology in SA."

Not affected

SA's other three major tyre manufacturers — General Tyre (Gentyre), Firestone and Dunlop — are not affected by US legislation. Gentyre and Firestone are SA-owned and Dunlop is British-controlled. Apart from perceived or real political problems, a weak market remains the overriding problem.

"Total industry turnover in 1984 was some R700m, but last year's sales slumped by about 15%. With the motor industry in the doldrums, original equipment sales (OES) obviously feel the pinch," explains Gentyre MD Tony Versfeld.

OES, he says, account for about a third of total tyre sales and the rest comes from replacement sales.

"Production is running below capacity," he admits, "but with strong asset bases (a manufacturing plant costs some R110m) and financial backing from controlling groups, rationalisation is not an issue."

Proof of the financial muscle lies in the fact that the industry absorbed around 19% of last year's 41% production cost increase, says London. "Prices went up only some 22% in 1985," he tells the *FM*.

Another increase is now in the offing after Gentyre's recent 9,75% price hike. The sharp rise in imported costs is quoted as a major cause.

Tyre manufacturers ... feeling the pressure

Although a formal industry cartel existed until last year, it no longer exists, says Peter Morum, Firestone's MD and executive vice-chairman. He says the industry is running at some 65% of capacity.

With the local market in recession, some companies are aggressively, and successfully, turning to exports.

"We have been exporting for the past three years and exports already comprise some 8% of our total sales," says Morum. "We aim to double this by expanding new export markets in the UK, Europe, the Far East and the Americas. Morum says the sales "add to our exports to traditional African markets."

However, he is more optimistic on 1986 domestic sales prospects. "The secondhand car market is very strong. This is bound to affect new car sales once used car supplies run out. Inventory is short and demand is long for late-model used cars. I expect new car sales to lift off any moment now," he says.

Morum's optimism is also reflected by his assessment of total industry turnover at about R800m a year.

"With petrol prices down, car usage will increase, leading to demand for replacement tyres. April sales already show an increase on last year and I expect this trend to continue," he says. ■

432 - PLYWOOD INDUSTRY, CERTAIN AREAS.

Superceding w.d. no's: 304 & 376

AREA A: Barberton, Ermelo, Piet Retief, Pilgrim's ...ver.

AREA B: Camperdown and Knysna.

AREA C: Bellville, Goodwood, Port Elizabeth, Stellenbosch, The Cape and Wynberg, Durban, Pi... Pinetown, Sasolburg, Alberton, Benoni, Boksburg, B... Germiston, Johannesburg, Kempton Park, Klerksdo... Nigel, Oberholzer, Potchefstroom, Pretor... Randfontein, Roodepoort, Springs, Vanderbijlpar... Westonaria and Wonderboom;

29/5/86 STAR

Sentrachem increases profits to R49,3 million

196

Financial Staff

Despite continuing losses incurred at rubber operation Afprene, Sentrachem nevertheless showed a substantial pre-tax profit increase to R49,3 million in the nine month ended March this year.

The most staggering figure was Sentrachem's chemical division's R14,9 million profit compared with a loss of R34,4 million in the corresponding period last year. This improvement and the relatively stable performance of the plastics division gave Sentrachem record earnings a share of 14c compared with a loss of 22,3c last year.

The company's total debt of R711 million can be attributed almost entirely to the Afprene synthetic rubber project. Debt is up on the R680,5 million at the corresponding time last year.

"The losses at Afprene are decreasing steadily, and the group's profits are making up for them," said MD David Marlowe.

Sentrachem's fertilizer division, Fedmis, also continued to show slight losses as a result of the situation of agriculture.

"We are determined to maintain our 28 percent market share in this field, despite the obvious need to cut down on production," Mr Marlowe said.

"The market is as desperate as ever. Discounts of over 30 percent are being offered and some farmers are calling for payment only when the crop comes in."

Referring to the export industry, Mr Marlowe said that this was being kept at a low profile, in order to protect the importing countries. Almost 10 percent of the company's turnover came from exports.

He said that Sentrachem was pleased with the results, but added however that dividends would only resume once the gearing ratio, which declined from 1,10 to 1,05, falls below one.

STAR 4/6/86.

'Sleep-in' strike ends at Dunlop

By Mike Siluma

The "sleep-in" strike by 600 members of the Chemical Workers' Industrial Union (CWIU) at Dunlop Industrial Products, Benoni, ended yesterday after the company obtained an interim Supreme Court order against the union.

Dunlop's personnel relations spokesman, Mr G R Sutton, said the interdict restrained the union from picketing, intimidating any employee, customer or any other person entering the company's premises, or damaging company property.

He said workers had returned home and the union had indicated that they would resume work this morning. In turn, management would continue talks with the union.

The Dunlop workers went on strike on Friday in protest at the company's alleged failure to negotiate wages in good faith.

1 000 strike at Dunlop plant

STAR 24/6/86

By Mike Siluma

About 1 000 workers at BTR Dunlop's Sydney Road plant in Durban are on a legal wage strike, a spokesman for the Metal and Allied Workers' Union (Mawu) said today.

Mawu's Natal secretary, Mr Bobby Marie, said the workers had voted to strike yesterday after rejecting a management offer of pay increases ranging from 11 percent for lowest paid workers to six percent for the highest paid.

Dunlop management was not available for comment at the time of going to press.

Mr Marie said the workers could not accept the employers' offer because it fell far below the official inflation rate of 19 percent. At the same time, workers had dropped all other demands relating to long service, overtime rates, the shift system and May Day.

Mawu was still open to further negotiations.

He claimed that Dunlop had made a 1985 turnover of R224 million with net profits of R22,6 million — an increase of about 24 percent on 1984.

Yesterday was the second strike to hit the Sydney Road factory in three months. Workers went on strike in April for seven days and only returned after threatened legal action by the company.

Along with workers at three other company plants in the Transvaal and Natal, the workers downed tools demanding the reinstatement of colleagues dismissed for alleged violent behaviour.

TERMINAL 30/6/86. 14 Mar 80 1-2

2 The Natal Mercury, M

The follo ... inal manual are for sale in t

Still no end in sight to wage strike

196

Labour Reporter

A WAGE dispute which disrupted production last week at Dunlop, one of Durban's largest tyre factories, remained unresolved yesterday, said a spokesman for the workers.

The company obtained a temporary interdict restraining members of the Metal and Allied Workers' Union from interfering with the running of BTR Dunlop on Friday afternoon. The interdict was obtained following a march by striking workers at the plant.

Mr Glen Sutton, group industrial relations manager for BTR Dunlop, said the strikers 'wilfully obstructed the movement of goods in and out of the company's premises and intimidated casual workers on site'.

In terms of the interdict, Mawu members may not intefere with or intimidate 'employees, temporary staff looking for work or employed by the company and/or any customers, distributors, suppliers or any persons entering the premises.'

A Mawu spokesman said the strike in support of their pay demands was legal. He said most of the workers were unable to make ends meet on their present wages, particularly taking into account that the inflation rate was 19%. He denied that Mawu members had intimidated casual workers.

Earlier last week, almost the entire black work force of 1 200 staged a sit-in protest in front of the main entrance at the factory in demand of more pay.

Mr Sutton told the Mercury the company's offer would have led to average wages of R10 000 a year, which Mawu claimed its members were unable to live on, he said.

'The company's offer represents 16% on the lowest rate and 14% overall,' he added.

10c
30c
20c
10c
50c
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70c
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20c
15c
10c
10c
50c
30c

BUS DAY 30/6/86 (196) (?)

Strike-hit Dunlop gets court order

CLAIRE PICKARD-CAMBRIDGE

THE strike-hit BTR Dunlop Durban tyre factory obtained a temporary court interdict in Durban on Friday to restrain union members from entering company premises without management's consent.

The order will affect Metal and Allied Workers' Union (Mawu) members who plan to continue a sit-in strike today.

Management say they applied for the interdict after workers — who are on a wage strike — marched to the Dunlop's distribution store where they allegedly obtructed the movement of vehicles and intimidated casual workers.

Mawu spokesman Bobby Marie denied earlier Mawu members had intimidated other workers.

CAPE TIMES
1/7/86
196

1 000 strikers leave plant

Own Correspondent

DURBAN. — More than 1 000 striking employees at the Dunlop tyre factory in Durban left the plant yesterday at the request of the company.

The factory had been virtually under siege since last week as the entire black labour force staged sit-in protests in support of a demand for more pay.

Mr Glen Sutton, group industrial relations manager of BTR Dunlop Ltd, said the workers agreed to leave the site after management had requested them to do so and no force was used.

Comment by the union, the Metal and Allied Workers' Union, cannot be quoted as it is an affiliate of Cosatu which is banned in the Western Cape under emergency regulations.

Mr Sutton said the company had implemented the terms of a Supreme Court interdict — granted on Friday to prevent "any further acts of intimidation of black casual employees and damage to company property which included the slashing of tyres on a company vehicle".

Mr Cadman for safekeeping.

1 000 strikers quit tyre factory

1/7/86

Labour Reporter

MORE than 1 000 striking employees at the Dunlop tyre factory in Durban left the plant yesterday after being asked to do so by the company.

The factory had been virtually under siege since last week as the entire black labour force staged sit-in protests in support of their demand for more pay.

Mr Bobby Marie, branch secretary of the Metal and Allied Workers' Union, claimed the strikers were forcibly evicted from the factory premises after the company had obtained a Supreme Court interdict on Friday, although they were on a legal strike.

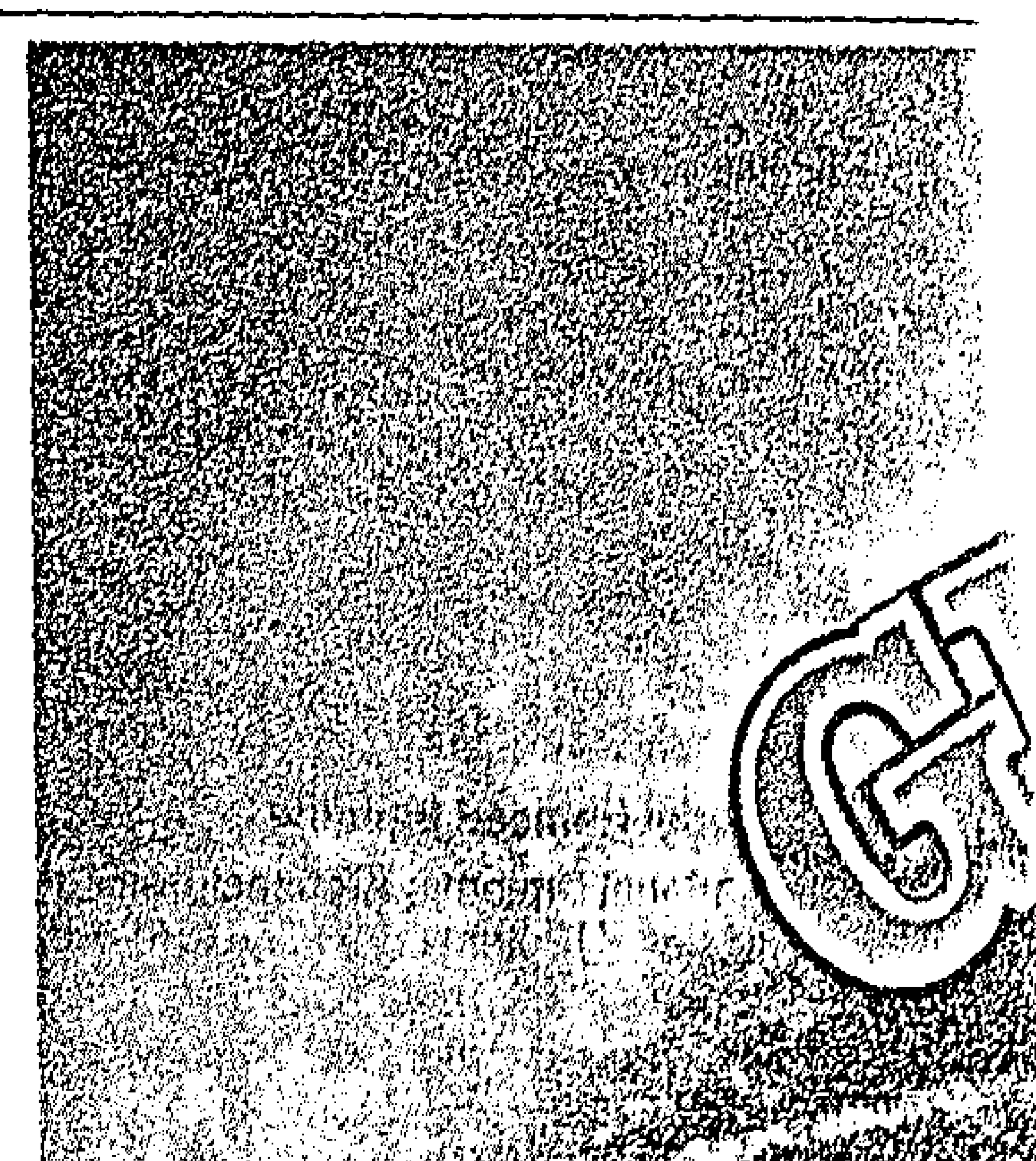
'The workers held another meeting on the premises yesterday after orders were served on them and they decided to continue their strike. At the meeting speaker after speaker expressed anger at the company's use of the emergency regulations to break their legal strike,' he said.

'It was clear that the company was aware that the 1 000 workers would find it difficult to meet because of the emergency regulations,' he added.

Mr Glen Sutton, group industrial relations manager of BTR Dunlop Ltd, said the workers had agreed to leave the site after management had requested them to do so, and no force was used.

'The union's reference to the state of emergency is misleading and an attempt by the union to confuse the issue,' he said.

He said the company had implemented the terms of a Supreme Court interdict granted on Friday to prevent 'any further acts of intimidation of black casual employees and damage to company property which included the slashing of tyres on a company vehicle to prevent it from making deliveries to customers'.



Durban North

School helps Cheshire Homes

Strikes hit motor firms, tyre factory

6685 (16) 1992

BUS DAY

11/7/92

Own Correspondent

TWO motor firms and a tyre factory were hit by industrial unrest yesterday over wage disputes involving thousands of workers.

About 3 400 workers at the Toyota motor manufacturing plant at Prospecton went on strike in support of their demand for higher wages. They were also protesting against additional short time.

Thousands of workers picketed the factory from 7am with some standing on roof tops and gates. Workers are due to go on short time on Monday in an effort to prevent retrenchments.

National Automobile and Allied Workers' Union's (Naawu) regional secretary Edwin Maepe could not be reached for comment yesterday.

But Toyota's personnel and industrial relations director Theo van den Bergh said talks were continuing with Naawu officials to try and resolve the problem.

He said: "The main complaint appears to be against more short-time, which was to be introduced to avoid retrenchments."

Production at one of Durban's largest tyre factories, BTR-Dunlop Ltd, was still disrupted yesterday as the strike by 1 200 employees dragged on. The strike, in support of a pay hike of 50c an hour, started on June 25.

The company's group industrial relations manager, Glen Sutton, said the workers had rejected a company offer of more than R100 a month more.

Sapa reports that production at the Mercedes Benz car manufacturing plant in Port Elizabeth has stopped because of a "go-slow" by its paint shop workforce.

Cape Times 11/7/86 (196) (182) (184)

Strikes bring motor firms to a halt

Own Correspondent

DURBAN. — Two giant South African motor firms and a tyre factory were hit by industrial unrest yesterday over wage disputes involving thousands of workers.

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Production at one of Durban's largest tyre factories, BTR-Dunlop Ltd, was still disrupted yesterday as the strike by its 1 200 employees dragged on with still no indication of an end in sight. The strike, for a pay rise of 50c an hour, started on June 25.

A company spokesman said the workers had rejected a company offer of more than R100 a month.

The Mercedes Benz car manufacturing company has been forced to stop production because of a "go-slow" strike by its paint shop workforce, a spokeswoman for the company said from Pretoria, reports Sapa.

She said production had been interrupted to such an extent that the company was compelled to close for the rest of the week. About 3 000 workers are involved.

The two unions involved, the National Automobile and Allied Workers' Union and the Metal and Allied Workers' Unions, cannot be quoted under the emergency regulations.

1 200 tyre workers back after pay strike

ARGUS 30/7/86

The Argus Correspondent

DURBAN. — Production at the giant BTR Dunlop tyre factory here resumed today as 1 200 workers — who have been on strike for more than a month over a pay dispute — returned to work after a settlement yesterday.

Dunlop's industrial relations manager, Mr Glen Sutton, said the plant should be in full production by next week.

Mr Bobby Marie, branch secretary of the Cosatu-affiliated Metal and Allied Workers' Union, said members endorsed the 60c an hour pay rise which would be split into three parts of 20c each.

EXTRA PAYMENT

In terms of the settlement, the first 20c was payable from today, another 20c from November 30 and the last 20c from April 5.

There would be an extra 20c for hours worked between April 27 and June 24 this year.

"The agreement will run until September 26 next year", said Mr Marie.

Mr Sutton said the company had supplied the union with schedules indicating start-up procedures for the various sections of the factory.

CITY Press 3/8/86

196

I 200 back at BTR – but 250 Toyota workers may get the chop

By SIBUSISO MNGADI

AS 1 200 striking BTR Dunlop workers returned to work in Durban this week after a month-long wage dispute, motor giant Toyota SA was about to retrench between 250 and 275 workers in the city.

In another incident, the Food and Allied Workers' Union, a Congress of SA Trade Unions affiliate, has declared a national dispute with National Clover Dairies over the dismissal of the entire workforce of 230 workers at its Maritzburg plant.

Metal and Allied Workers' Union secretary Bobby Marie confirmed that BTR workers had endorsed fully the settlement agreement reached between Dunlop management and union representatives.

The present minimum wage, based on a 45-hour week, was R116,10 a week. In April next year, this would rise to R143 a week, with a 60c an hour pay rise which would split into three parts of 20c each.

The giant tyre factory has been crippled by strike action since June 25 when workers downed tools in support of a rise of 60c an hour, over a year.

Meanwhile, Toyota SA managing director Colin Adcock announced this week that the company had decided to retrench at its Prospecton plant in Durban after workers, disillusioned with working short-time, said they wanted to work full-time.

The 3 600 workers have been on short-time since early this year.

Earlier last month, workers went on a three-day strike in demand for higher wages and in protest against short-time. They returned to work after an ultimatum from management to return to work or face dismissal.

Natal National Automobile and Allied Workers' Union secretary Edwin Maepe told *City Press* the union had asked management to delay the retrenchments, which are scheduled for today, to enable the union to hold further negotiations.

In another incident, Saawu – 230 of whose members were summarily dismissed by Clover Dairies in Maritzburg – is awaiting a reply from the Industrial Council after declaring a dispute with the dairy.

The union said it felt the company was trying to provoke a regional or national illegal strike.

The union had therefore decided to follow the correct procedure by declaring a dispute of all members employed by Clover, a union spokesman said. If it succeeds, about 3 000 Clover workers countrywide will go on a legal strike.

The sacking of Clover workers comes after a stoppage by workers in protest against the dismissal of shop steward chairman Jethro Ndlovu.

NCD public relations manager John Fisher said th matter was sub judice – and refused to comment.

196 CITY PRESS 3/8/86.

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15/8/86. BUSDAY (290)

BEULAH BROWN

Transport angry over tyre hike

ORGANISED transport is threatening tyre manufacturers with authoritative investigation if they do not justify the 10% increase in their products by producing a breakdown of cost components.

The increase by Dunlop, Firestone and Goodyear is the third since January and is deemed necessary because of the weak rand, which has increased import costs.

The first increase of 7,5% came in January and was followed by a 9,5% increase in April.

Public Carriers Association chief executive Jack Webster says tyre manufacturers should be asked to give a break-down of their prices or else "the authorities will have to be called in to look into the matter.

"When the price of crude oil — a considerable component of raw materials in tyre manufacturing — soared, nobody blinked an eye when manufacturers announced a tyre increase.

"Now crude oil prices are rock bottom and we haven't heard a word about the savings through that."

Mastertreads' service manager Simon Mokoena says: "Tyres are becoming a commodity out of reach of the average motorist.

"It will affect us badly. The market for new tyres will become even tougher."

Another retailer, among the five biggest tyre dealers in the country, has accused manufacturers of "ripping off the public".

A set of new car tyres (155x13) will cost close to R400 when the higher price of R77,31 a tyre becomes effective. In January, the same tyre would have cost R53,04.

A truck tyre (1100x20-14ply) will cost R510,25, compared with R416 in January.

National Association of Private Transport Operators chief executive Andre Jacobs says the higher tyre price will soon be reflected in the price of a wide variety of commodities arriving on shop shelves via SA's estimated 500 000 transport trucks.

15/8/86

Gentyre dividend raised to 7c a share

BUSDAY (196)

GENERAL TYRE (Gentyre) has produced a marginal increase in earnings to 34,8c a share from 34,4c in the six months to June. The dividend has been raised to 7c a share from 5c.

Directors expect second-half earnings at least to equal the first six months, which suggests an increase in earnings of at least 29% for the year (earnings in the second half of last year were down on the first half).

At 235c this puts the share on a minimum high prospective-earnings yield of 29,6% and a dividend yield of 5,6%, with the likelihood of a final dividend of at least 7c a share.

Increased turnover in the tyre division was due mainly to price increases — there was little improvement in unit sales — but profit margins remain depressed.

The industrial division had mixed fortunes, with some sectors

STEPHEN ROGERS

suffering losses while others benefited from import replacement.

Turnover rose 17% to R143,6m from R122,2m but, with trading margins diminishing to 7,2% (9,1%), operating profit declined to R10,3m from R11,1m.

However, lower interest rates and a decrease in interest-bearing borrowings to R31,4m (R42,3m) reduced interest charges to R2,7m (3,6m), resulting in unchanged pre-tax profits of R7,6m.

A similar effective tax rate of 31% left taxed profits unchanged at R5,3m (R5,2m).

Gentyre disposed of its investment in UK-based Hallite, resulting in an extraordinary profit of R3,2m.

The share price has declined since May to its present 235c from 270c.

17/8/86 City Press 196

Dunlop workers strike for higher wages

ABOUT 600 workers at Dunlop's Benoni factory have been on a legal strike since last Thursday.

They are demanding higher wages and better working conditions, spokesmen for the Chemical Workers' Industrial Union and Dunlop confirmed this week.

The workers – CWIU members – downed tools after a strike ballot in which 99.9% voted in favour of the strike, a union spokesman said.

The ballot came after "protracted negotiations" on wages and working conditions, he said.

The workers are demanding a minimum wage of R3,10 an hour, compared to the current minimum wage of R2.43.

They are also demanding improvements in working conditions.

A conciliation board will sit next week to discuss the issue. – Sapa.

Dunlop strike conciliation

STAR

19/8/86

(196)

A conciliation board will meet today to consider a dispute between Dunlop Industrial Products and about 500 Chemical Workers' Industrial Union (CWIU) members on strike for more than two weeks.

The workers say they were locked out of the company's Benoni premises on Friday but a Dunlop spokesman said as further discussion was declined before the conciliation board met there was no point in workers remaining in the factory.

It would reopen tomorrow.

The union wants a new minimum hourly wage of R3,10 (up from R2,43) and better maternity, leave and shift allowances.

● The CWIU says a strike by about 170 members at Mobil (the company says 120) in Benoni, Isando and Langlaagte is still on.

Work was stopped on Wednesday to protest at the dismissal of an Isando shop steward.

600 Dunlop strikers find gates locked

28/8/86 Bus Day

CLAIRE PICKARD-CAMBRIDGE

SIX-HUNDRED striking workers found the factory gates locked at Dunlop Industrial Products in Benoni yesterday, after a breakdown in conciliation board negotiations.

Chris Bonner of the Chemical Workers' Industrial Union (CWIU) said management had offered a wage increase of 57c an hour, implemented gradually over the next 17 months.

"But the real issue is that management refuses to backdate the wage increases, which were due in June, does not want wage negotiations reopened until 1988, and is refusing to negotiate on almost all working conditions."

Dunlop group industrial relations manager Glen Sutton said management's offer, which would give employees an additional R115 a month within the next nine months, was good in the present economic situation.

Dunlop strike goes on

CITYPRESS

196 31/8/86

NEGOTIATIONS between Dunlop management and the Chemical Workers' Industrial Union broke down this week as the legal strike entered its 21st day yesterday.

The strike started on August 7 when workers demanded better wages and working conditions. Several meetings of the conciliation board were held, but no settlement has been reached. On Tuesday the conciliation board was disbanded having failed to achieve settlement.

On return to the factory to report back to workers, the negotiating team was locked out. The report back then took place at the factory gates. Yesterday workers were again locked out of the factory and are meeting at the union offices in Germiston. The union will be considering support action for Dunlop workers at all its local meetings this week.

Big grants to better black education

Post Reporter

FIRESTONE SA on behalf of its US shareholder, the Firestone Tire and Rubber Co made grants-in-aid totalling R487 000 to five educational and training institutions in Port Elizabeth today.

The grants form part of a R3,75 million three-year programme. Grants totalling a similar amount were made last year.

A total of R1,25 million to go towards "the improvement of black education and community facilities" is to be handed over this year.

The chief executive of Firestone, Mr Peter Morum, said: "If South Africa has not got an educated group of people from which it can educate the country, it cannot go anywhere."

He said there was a pool of talent available which had to be developed. Thus far, not enough had been done. He said he saw the programme as a small endeavour to set this right.

He handed over cheques to the following institutions: Sached (SA Counsel for Higher Education), which received R187 500; TOPS (Teacher's Opportunity Programme), which received R125 000; The SOS Children's Villages received R25 000 for its children's home in Grahamstown; Promat College of Pretoria received R75 000; and Cence (Centre for Continuing Education, University of Port Elizabeth) received R75 000.

Further donations of R25 000 each are to be made shortly to the Bethelsdorp Technical College and the Iqhayiya Technical College at New Brighton.

Coke and Firestone adopt opposing stances on disinvestment

18/9/86

By Peter Farley

The divergent views of US companies with investments in South Africa were vividly illustrated yesterday.

Coca-Cola announced it was selling its remaining shares in the SA soft drink business, while the executive vice-president of Firestone re-affirmed his company was firmly behind retaining its 25 percent stake in the local operation.

Coca-Cola has been steadily reducing its investment in SA for some 10 years and control of its Amalgamated Beverage Industries finally passed into the hands of SA Breweries earlier this year.

But, in an effort to justify its contribution to the local black community Coca-Cola is insisting a significant multiracial shareholding is built up in the company.

SAB owns 55 percent of ABI and negotiations are under way to work out how the 45 percent balance will be split up — in accordance with the US company's intention to have a black shareholding.

However, Firestone's Mr George Aucott told the SA firm's 50th anniversary dinner last night his company would "stay in South Africa as long as it can make a meaningful contribution to the community."

He pointed out it was company policy to allocate 40 percent of what would receive in annual dividends to social responsibility projects.

Last year this totalled R1,3 million.

This includes contributions to educational programmes, paying all school fees for the children of black employees through secondary school, and a bursary programme for higher education.

Although Coca-Cola is ending its direct presence in SA, both it and SAB have emphasised the supply of product to the market will continue.

The Star Bureau reports from the US that Coca-Cola says it has disinvested to demonstrate its opposition to apartheid.

Coke will still export syrup to South African bottlers and donate money to foundations it established with a $10 million gift

Coca-Cola's president, Mr Donald Keough, said in Atlanta the company wanted not only to speak out against apartheid but to show its support for black South Africans.

"We will disinvest in a way that creates significant multiracial equity participation in the South African soft drink industry.

"Our goal is to structure the transactions in a way that improves the prospects of black South Africans and increase their ability to invest in their country's economy."

His statement drew immediate applause from critics in America threatening boycotts of the company and its products.

LABOUR DISPUTES

FM WM 19/9/86

Dunlop settlement

Members of the Chemical Workers' Industrial Union (CWIU) at BTR Dunlop's Benoni plant returned to their posts this week after a five-and-a-half week wage strike.

The return to work followed a period of tough bargaining. On Monday, the 550 workers finally accepted a settlement which includes a 60c an hour increase which will be introduced in three instalments between now and June.

The agreement will remain in force until the end of 1987. Once the increase is fully implemented, the minimum wage will be R3,03 an hour. At the time the strike began the company was offering a 57c an hour increase.

The settlement also included four months' maternity leave, a small cash long-service award, an ex gratia back payment designed to partially compensate for the period since the expiry of the previous agreement on June 30, and an agreement that a three-shift system will be introduced in place of the present two-shift system. The shift agreement means that the threatened retrenchment of 70 workers because of the closure of the plant's moulded hose section will be averted.

Commenting on the settlement, BTR Dunlop group industrial relations manager, Glen Sutton, said: "For both sides, the five-and-a-half weeks was a long time. We could not recoup overheads and the workers could not recoup lost wages. The agreement was reached through compromise on both sides."

The Benoni strike was the fourth incident of industrial unrest for the company this year. In April, 2 000 workers at four plants — Benoni, Ladysmith, Durban and Mobeni — struck for a week in protest against the dismissal of several colleagues. In June, the Benoni workers stopped work during the wage talks. This was followed by a month-long strike involving members of the Metal and Allied Workers' Union over a wage dispute at the Sydney Road, Durban, plant. The settlement there was similar to the one reached at Benoni.

In another wage dispute involving the CWIU, the union is due to conduct a strike ballot soon among the 6 000 workers employed at Sasol 2 and 3 at Secunda. Deadlock was reached over Sasol's offer of a R95 a month increase. CWIU is demanding R120. Talks are continuing at conciliation board level regarding wage increases for the 5 500 CWIU members at Secunda Collieries which supplies Sasol. ■

28/9/86 Summers 196

Quality Tyres seeks DCM R2,7m retread

By Don Robertson

QUALITY Tyres, one of South Africa's largest retreading operations, will raise R2,79-million through a listing on the Development Capital Market of the Johannesburg Stock Exchange.

It seeks funds for expansion and wishes to restructure the balance sheet by increasing shareholders' equity. It also wishes to offer employees and associates a market for their shares.

The issue, which opens tomorrow, involves a public offer of 2,1-million ordinary shares at 90c each. A million ordinaries have been preferentially placed, and another 900 000 A ordinaries will be privately placed at 85c each.

The share capital will increase to 14,1-million shares, of which 72% will be held by managing director Alex Hawes, financial director Eddy Philip and director Bruce O'Ehley.

About R2-million will be used by the majority shareholders to reduce short-term borrowings of about R2,75-million.

In keeping with company policy, a large part of profits will be ploughed back and the share capital has been structured accordingly. Only 5,1-million ordinaries will qualify for dividends in the current and following years, and 9-million A ordinaries will qualify in the year to 1989.

Mr Hawes forecasts taxed profits of R1,25-million for the current year, equivalent to earnings of 8,8c a share.

At 8,8c, the share offers a yield of 9,7% and a price/earnings ratio of 10,2 times the issue price of 90c. The only comparable company on the JSE boards is General Tyre with an earnings yield of 13,9% and a price/earnings ratio of 7,2.

With the additional funds in the company's hands for only a few months, an annual dividend of 1,6c has been forecast. Annualised, this will offer a dividend yield of 5,4% compared with 3,1% from Gentyre.

It is forecast that the dividend will be lifted to 6c in 1988.

The company's growth in the past few years is impressive. Turnover grew from R6-million in 1982 to more than R31-million last year. Attributable profits have moved from R117 000 to R702 000. Assets are listed at R13-million.

TYRE INDUSTRY FIN MAIL 3/10/86 196

A new look

At least one sector of the motor industry is flourishing. Traditionally, the poor relative, the retreading business, now accounts for a quarter of turnover in the R800m a year tyre industry.

Perhaps surprisingly, the sector's success has the full blessing of the new tyre manufacturers. "We are fully supportive of retreaders," a Goodyear spokesman tells the *FM*. "After all, they're responsible for two-thirds of our replacement tyre sales."

Focus moved to the retreading field at the weekend when Johannesburg-based Quality Tyres announced it will be listed on the Development Capital Market on October 30. The company retreads 25 000 tyres a month and has seen turnover grow from R6m in 1982 to R31,5m last year.

According to MD Tony Hawes, 20 years ago retreading was a service provided by tyre companies which few people bothered to use. "However," he added, "cost is a vital factor these days and we can retread a tyre for half the cost of a new tyre, a R30-R60 saving."

The sector has certainly become accustomed to rapid change as technology advances. Low-temperature bonding processes, considered an important improvement on traditional hot-temperature applications, mean retreaders can ensure the adhesion of tread to casing and minimise heat damage to casings. New analysers also mean casing examination is much more scientific.

Steel radial tyres already account for 30% of the truck tyre market and the next swing will be towards tubeless tyres.

There are more innovations in the offing. Bandag SA's sales manager Glen Sherrell claims the US company has developed a new tread which, through tread design and skid depth, can cut fuel costs by 11%.

SA's technology is certainly as good as anything overseas. National Tyre Retreaders' Association chairman John Sharwood says SA's retreading industry is considered one of the best in the world. The 200-odd operators also ensure strong competition. But he warns: "Many smaller factories are disappearing. We are highly capital intensive and the small men cannot always keep up with technical developments." Perhaps that's an inevitable sign of an industry coming of age. ■

BTR dispute for industrial court

30/10/86 BUSINESS DAY 196

Own Correspondent

THE dispute over the sacking of more than 1 000 striking workers last year from BTR Sarmcol, a Howick rubber company, will come before the Industrial Court in Maritzburg on Tuesday.

The workers were sacked in May last year after striking in support of their demand for recognition of the Metal and Allied Workers' Union. The move triggered mass stayaways in the area.

A spokesman for the Metal and Allied Workers Union (Mawu) which is contesting the dismissals, yesterday confirmed that the court would sit at the Ecumenical Centre in Edendale, Maritzburg.

The workers were sacked in May last year following a strike in support of their demand for the recognition of Mawu, an affiliate of the Congress of South African Trade Unions, Cosatu.

Shop stewards can't testify to Euro MPs

30/10/86 (196)

WEEKLY MAIL REPORTERS

SIX shop stewards due to testify in European Economic Community (EEC) hearings in Brussels next week into the South African employment practices of two foreign companies have been refused passports.

The six, BTR-Sarmcol shop stewards, are members of the Metal and Allied Workers Union (Mawu).

Meanwhile, the Industrial Court in Pietermaritzburg next week will hear an application by Mawu demanding that BTR-Sarmcol — a Howick rubber plant — recognise the union as its bargaining representative.

The Brussels hearings have been arranged by socialist members of the European parliament to investigate alleged contraventions of the EEC employment code by both BTR-Sarmcol and Transvaal Alloys, a German-owned vanadium mine north of Middelburg.

More than 200 Transvaal Alloys workers were summarily dismissed in November, 1983 after a strike demanding a wage increase, better working conditions and union recognition. Mawu lawyers have continued to negotiate for their reinstatement and compensation for their period of unemployment. According to Mawu, most of the dismissed workers can only survive by eating bitter roots found in the hills of Sekhukhuneland; five of the 200 have died of ailments exacerbated by starvation.

About 1 000 BTR-Sarmcol workers were fired in May last year after a strike for union recognition. They have protested against their dismissal through a widely-supported stayaway and consumer boycott.

The case is expected to be protracted; it has been made even more controversial by Sarmcol's hiring 800 new workers.

In papers before the court, Mawu claims the strike declared on May 1 last year after negotiations had failed was legal — workers had unanimously voted in favour of strike action — and that Sarmcol had contravened the Industrial Act

Sarmcol, on the other hand, alleges management had in fact recognised the union and that only a "limited number of issues" had not been settled. They labelled the strike action as "unnecessary, unjustifiable and calculated to disrupt negotiations".

In a strongly-worded statement, Mawu claims Mpophomeni township, where nearly 40 percent of the strikers live, has been effectively destroyed by the company. "There is no income being brought into the township and the population of 17 000 for whom there are virtually no job opportunities are condemned to gradual starvation and death."

Inquiry next week on sacking of strikers

SMF

31/10/85

196

The parliament of the European Community (EC) and a Maritzburg industrial court next week both start investigations into the dismissal of almost 1 000 workers from the BTR-Sarmcol rubber industry.

BTR-Sarmcol is a British multinational and the EC inquiry will be aimed at determining whether the company breached the EC code of conduct when it fired the striking workers.

The industrial court hearing in Maritzburg was launched by the Metal and Allied Workers' Union (Mawu).

Mawu will ask the court to reinstate the workers and to require BTR-Sarmcol to recognise the union as the collective bargaining representative of workers at its Howick plant.

The workers went on strike on May 1 last year after a conciliation board failed to solve the dispute over the company's refusal to recognise Mawu.

Mawu claims that the strike action was legal and entirely orderly.

The workers have been unemployed ever since.

SARMCOL

City Press (196) 23/11/86

Mawu dispute set for month-long hearing in court

By S'BU NNGADI

A DRAWN-OUT dispute between the Metal and Allied Workers' Union and the British multinational BTR Sarmcol is set for an unprecedented month-long industrial court hearing, starting next Tuesday.

The hearing will centre around the "legality" of a strike by almost 1 000 Sarmcol workers and their subsequent "unfair dismissal" by management.

BRT Sarmcol has since merged with Dunlop – another British multinational – to form BTR Dunlop.

Mawu applied for a court order to have its dismissed members reinstated, and that the union be recognised as the collective bargaining representative of Sarmcol's manual employees.

The hearing will sit at Maritzburg's Edendale Lay Centre from Tuesday to November 28.

The day before, the same case will be heard by the International Socialist Court in Brussels.

In papers presented to the Industrial Court, Mawu said the workers almost unanimously voted in favour of a strike on February 4 last year and, after negotiations between Mawu and Sarmcol through a conciliation board failed, factory staff called a "legal strike" on May 1.

Mawu alleges that management said, without giving reasons, that the strike was illegal and summarily terminated the employment of the strikers.

In an answering affidavit, Sarmcol said the strike action was "unnecessary and unjustifiable, because factory management had accorded and infact extended recognition to the union."

Sarmcol alleges that it engaged in negotiations with Mawu – particularly from February to April last year – and that by the end of April only a "limited number" of issues had not been settled.

The company further alleged that the strike action was"disruptive of the orderly continuation of those negotiations" and resulted in "disorderly, aggressive, violence and intimidatory industrial actions".

Sarmcol's activity in SA is governed by two international codes of conduct – the European Economic Community Code and the Tripartide Declaration of Principles concerning multinational and social policy.

Mawu said the company contravened these codes on numerous counts – including wages, migrant labour, job security and fair employment pracitices.

The British Trade Union Congress and the International Metal Workers' Federation have called on British Prime Minister Margaret Thatcher to put pressure on Sarmcol to settle the dispute. And the International Confederation of Free Trade Unions has started a campaign against Sarmcol.

The issue which brought violence into the conflict was Sarmcol's hiring "scab" labour to replace the striking workers.

Almost 800 workers have been employed – mostly from townships and rural areas far away from Howick. Violence between "scabs" and strikers and their supporters escalated. Workers were beaten up, some killed, houses burnt down and buses transporting "scab" labour attacked.

● The Home Affairs Department this week refused passports to six BTR Sarmcol shop stewards who were to travel to Brussels to give evidence before the International Socialist Court on the dispute.

Mawu said the six recieved letters from the department saying: "I wish to advise that after consideration of the particulars furnished on your application I do not see my way clear to authorise the issue of a passport to you".

Sarmcol rejected talks despite rising violence over 'scabs', court told

MARITZBURG — Attempts by the Metal and Allied Workers' Union (Mawu) to resume negotiations amid escalating violence after the use of "scab" labour at the BTR Sarmcol plant in Howick were ignored by management, the Industrial Court heard.

Mr Martin Brassey, Mawu's advocate, told the court yesterday that a union warning that trouble would follow the employment of strike-breakers was "unhappily wholely justified".

Mr Brassey said that many efforts to negotiate with management after the dismissal of 1 000 strikers on May 2 1985 were rejected.

Almost two months after the dismissals, Mawu tried again to get Sarmcol to discuss reinstatement and the signing of a recognition agreement.

"Two people have died and others have been injured because of the employment of scabs and we call on the company to reconsider," a telex from Mawu to Sarmcol said.

But, Mr Brassey added, the company replied there was no point in meeting as there were no additional matters to discuss.

He claimed the management attitude was that Mawu members were no longer employed by the company; therefore there was no point in continuing to correspond.

Mr Brassey told the court that before the strike the company had tabled draft recognition agreements which were "retrogressive".

The agreements withdrew concessions and reversed positions already agreed, he said.

The hearing continues. — Sapa.

7/11/86
STAR

Mawu claims under attack

MARITZBURG — Counsel for BTR Sarmcol has hit back at the Metal and Allied Workers' Union (Mawu), claiming its allegations against management were "neither accurate nor correct".

Mr Keith McCall SC, representing the company at the Industrial Court hearing here, said yesterday that labour practices at the Howick firm in the 1970s were enlightened for the time.

On claims of company-directed police involvement and vicitimisation of workers, he said the company did not accept the accuracy of union allegations.

The Mawu application before the court is for the reinstatement of nearly 1 000 workers dismissed while on strike in May 1985 and for a recognition agreement with the company.

MAJORITY

Mr McCall said Sarmcol had accorded the union rights before it had majority representation — "which was not the norm at the time".

He said the company had negotiated in good faith, as shown by the granting in 1985 of a half day off on May Day — "probably unique at that time".

Mr McCall said the large volume of papers before the court indicated Sarmcol's willingness to negotiate.

He added that the company contended that failure to agree with an opposing party could not be viewed as an unfair labour practice and that the court had no power to order parties to agree or continue negotiations.

Mawu advocate, Mr Martin Brassey, claimed that in 1983 Sarmcol offered retrenched workers with more than 15 years service R50 in severance pay plus R10 for each additional year to a maximum of R250.

SERVICE

Retrenched workers with less than 15 years' service were to receive nothing.

Mr Brassey said after negotiations the company made a lump sum payment of R7 500.

This was equivalent to two days' pay for each year of service above five years up to a maximum payment for 40 days.

Mr Brassey claimed this was evidence of bad faith by the company.

Professor C de Witt and Professor M Oosthuizen are sitting with President of the Court, Mr Pierre Roux SC.

The hearing continues. — Sapa.

SUN TIMES 9/11/86

196

German giant in deal with SA's Gentyre

By Don Robertson

THE R5,5-billion-a-year German-based Continental Tyres has invested in South Africa.

It will produce premium tyres for luxury cars from the General Tyre plant in Port Elizabeth. Premium tyres for these models are imported at considerable cost.

Wilhelm Schafer, a member of the main Continental board, says his expanding company is in the global business of selling tyres. He believes the African market will be developed from South Africa.

"We hope that political problems will be tackled in a way to satisfy the critics. We will then be able to develop the African market from here."

High quality

General Tyre signed a technical agreement with Continental in 1978, but because of the high quality required by the Germans it was not intended to manufacture in SA.

However, 18 months ago the agreement was altered to allow for SA manufacture. After the import of equipment and an exchange of technologists and technicians, Continental will become the first premium tyre to be made in SA.

The use of synthetic rubber in most SA tyres is not expected to have any effect on the required quality.

The deal marks the first time that Continental has allowed its tyres to be made and marketed by a plant not owned by it.

Continental is Europe's second largest tyre manufacturer. It has 16 foreign trading companies, including those in New York, Osaka, Hong Kong and Bangkok. It has plants in Germany, France, Belgium, Spain, Austria, Yugoslavia and the UK.

A part of the General Tyre plant has been set aside for production of the Continental tyre which will be aimed intially at the original equipment market for BMW, Mercedes-Benz and Audi. Later, the tyres will be produced for the top range of other car-makers.

Tony Versveld (left) and Wilhelm Schafer ...

Tony Versveld, managing director of General Tyre, says the company hopes to gain a 20% share of the R800-million-a-year tyre market in five to seven years.

Speeds

The Super Contacts will be available in a selection of sizes in the 60 and 70 series in both the HR and VR ratings. These tyres are suitable for speeds of up to 210km/h and more than 210km/h respectively.

General Tyre will pay a royalty to Continental, but SA will save millions in in foreign currency. It is expected that Continental prices will be about 15% higher than for the other SA tyres.

FIN MAIL 21/11/86 196

LABOUR RELATIONS

The battle of Howick

Two years after the mass firings at the BTR/Sarmcol plant in the Natal midlands town of Howick precipitated SA's biggest and most protracted factory labour dispute, the issue has come before the courts for settlement.

The first stop is the Industrial Court, but both litigants — the Metal and Allied Workers' Union (Mawu) and Sarmcol — appear determined to take the issue to the Supreme Court and even the Appellate Division if the initial decision goes against them.

A settlement is badly needed by everyone. Today, the rubber component factory where it all started, once the proud symbol of Howick's industrialisation, chugs away at only half pace. And outside the factory gates open hostility is still occasionally directed at the "scab" labour which moved in from nearby Maritzburg to take the jobs of the displaced.

Meanwhile, within Howick's commercial centre, businesses are battling to re-establish themselves after a year-long black consumer boycott in support of the strike action brought them to the brink of bankruptcy.

And all the while in the black township of Mpophoweni 20 km away, the 970 strikers and their families just sit, sullenly surviving on their R4 weekly food parcels doled out by aid agencies and community organisations.

They are still sticking doggedly to their original demands: reinstatement and the recognition of Mawu as the workers' legitimate representative at the plant.

The dispute has defied attempts at mediation — which have come from international trade unions, the European Economic Community and the United Nations.

Union argument

When the Industrial Court hearing started this week, workers were present in their thousands to hear Mawu open its argument by contending that all along the company had been obstructive and anti-union. It had refused to negotiate in good faith and to conclude a recognition agreement with Mawu as the representative union. This, it claimed, ultimately precipitated the strike action and subsequent firings.

The company, now owned by Dunlop since the BTR/Dunlop merger earlier this year, replied through its defence team that it had not acted in bad faith. It said it had concluded a "preliminary" recognition agreement with the union prior to the strike, and had provided it with stop order facilities for union dues. The fact that a full recognition agreement failed, it contended, was more the result of Mawu's unrealistic expectations and confrontational approach than any fault of its own.

The wrangle led to a union-inspired consumer boycott of white-owned businesses in Howick and this was later expanded to Maritzburg. Work stayaways, appeals to BTR's head office, international labour organisations, the EEC code of conduct governing multinationals, and the UN sub-committee on Trans-national Operations in SA/Namibia were all part of an orchestrated pressure campaign designed to get the company to shift its position. But BTR, which had scaled down its operation and hired elsewhere, refused to moderate its non-reinstatement stance. After a last shot at mediation through a further conciliation board hearing, the matter was set down before the Industrial Court.

Uncertainty

Nobody connected with the current hearing was this week predicting an entirely satisfactory outcome. Certainly Sarmcol — even under its new management — was showing no signs of being conciliatory.

Of the latest development, a company spokesman ventured: "The matter is extremely complex, seen against the background of the uncertainty that exists in this rapidly developing field of interaction between management and workers in a free enterprise environment."

Mawu's Schreiner ... no choice but to press on

Mawu's local branch secretary, Geoff Schreiner, estimates that thus far court action has cost the union R150 000 — not to mention loss of earnings compensation and the material support Mawu has had to provide for the strikers.

And because the Industrial Court is unlikely to have the last word, it could still be months, and even years, before the matter is finally laid to rest.

Still, Schreiner makes the point that the union has little choice but to press the matter all the way. For the 15 000-strong Mpophoweni community, none of whom has been employed since the strike, the Sarmcol factory is virtually their only source of income. Unless they can get their jobs back, he says the entire community faces destruction. ■

KWANDEBELE

After Skosana

FIN MAIL 21/11/86

KwaNdebele Chief Minister Simon Skosana died before achieving his dream of an independent homeland for the Ndebele people. The question now is whether the quest for independence will die with him.

Skosana was visibly upset after the KwaNdebele Legislative Assembly voted down independence after a bitter debate on August 12 (*Current Affairs* August 15). Shortly before, his right-hand man, Interior Minister Piet Ntuli, had died in a car-bomb explosion.

In recent months, Skosana has vehemently denied that his government would persist with plans to secure constitutionally separate status for the impoverished homeland. He was, however, known to have privately cherished the idea.

The detention last week of a number of anti-independence activists, including Prince James and Andries Mahlangu, fuelled rumours that another push for independence was imminent. Another theory, however, held that by eventually removing the opposition he could consolidate his power and prepare to cross his own Rubicon later. Several sources maintain that elements in central government remain keen for the homeland to go independent, and would therefore covertly back attempts to achieve it.

Meanwhile, KwaNdebele Minister of Works and Water Affairs Klaas Mtsweni has been appointed acting Chief Minister.

Skosana died in the Rand Clinic in Johannesburg as a result of severe diabetes, with which he had been long afflicted, and Mtsweni had stood in as acting-Chief Minister during Skosana's illness. The former chief minister will be buried at a State funeral on Saturday morning.

The immediate question is who will succeed Skosana. The Legislative Assembly is due to meet next Thursday to elect a new leader and there is no shortage of volunteers.

Whether independence will remain an issue obviously depends on who succeeds. In September three Cabinet ministers — Justice, Law and Order Minister Frank Mlwayedwa Mahlangu, Education and Culture Minister Placid Kunutu and Agricul-

CASE STUDY: THE STRIKERS WHO TURNED ACTORS

146

By MOIRA LEVY, Cape Town

THE township "mama" in *The Long March*, workshopped and performed by striking BTR-Sarmcol workers, has the audience reeling with laughter.

Played by Simon Ngubane, the "mama" — with her high falsetto laments and swaggering walk — has everyone in stitches, including the real-life township "mamas".

At the same time, you can see on the faces in the audience that hearts are breaking for her. There are understanding murmurs when she responds to news of the impending strike with: "As the women, we fear."

The community of Mpophomeni, a small township near Howick in Natal, faced reeling poverty and mass starvation last year when the entire 1 000-strong workforce of the BTR-Sarmcol plant was dismissed after a legal strike to demand trade union recognition from the giant British multinational.

But after 19 months of what is turning out to be one of the longest-running strikes in recent South African history, the women have come to realise that "our fears were proved in vain".

For the Sarmcol workers did not sit back and give up when they lost their jobs, says Piet Mkhize, the group's cultural promoter, at the start of the play.

"We organised ourselves. We formed co-operatives to buy food for our families." They opened health clinics for the township.

And that was just the start.

Today the Sarmcol workers run a factory that designs and produces T-shirt logos. It is the first African-owned and run co-operative business enterprise in the area. Profits are divided equally among the workers, "and there are no bosses".

It was a gamble, but it paid off. Today the Sarmcol co-operative employs all 1 000 dismissed workers. "And even if we go back to work, the community says, the co-operative must continue. It will provide jobs for the unemployed in the townships," says Mkhize.

It began with *The Long March*. "Our main aim was to buy food for our families," says Mkhize, "and for the striking workers who were hungry and unemployed." The cultural group of striking workers followed that up with concerts, poetry readings, choir music recitals, dance productions.

Weekly Mail 7/11/86.

"We decided to do something to raise funds for ourselves," the players said. And their initiative has turned into something much bigger than a fundraising drive.

The Long March has become a living documentary of just one event in the South African struggle against injustice and oppression.

It is a story about the resistance of ordinary people in the workplace and in the community. It is about the struggle, not only for the right to union recognition, but also for the right to work and eat and provide for one's families.

And every person or institution that obstructs that right comes in for some gentle but scathing ribbing. White storekeepers, bosses and local government officials are depicted by the workers/players wearing shiny white plastic noses, tied on with string.

Margaret Thatcher, also played by Ngubane, complete with elephantine mask and wig, wheedles her way out of the growing international dispute over the events at BTR-Sarmcol. International negotiations by high-powered businessmen are hurriedly conducted over brightly coloured toy telephones.

Small-scale local businessmen who, we are told, lost R8-million as a result of the consumer boycott launched in support of the strike, struggle in vain to get local government to respond to their deepening plight.

The workers' play has toured the country. "We want to show South Africans what is going on with the Sarmcol workers," Mkhize says.

There are plans to take the play to Britain next year, he says. But first the players need more training and practice, and some scenes that would not be understood by an overseas audience must be changed.

And then there are the new scenes that will be added to the play as the strike unfolds: Mkhize plans to add something about recent township funerals of unrest victims. The play's latest ending still awaits the outcome of a current court hearing on the battle for union rights.

The Long March has turned out to be longer than any of the players could have expected. It has become an ongoing chronicle of the day-to-day struggle of the Sarmcol workers.

Using mime, dance and song, the players' blend of humour and political oratory has become a statement on their fight to determine their lives.

inside the YCW. For those who are working, specific issues being looked at are:

1. Health and safety at work;
2. Hours of work; and
3. Salaries.

We are also looking at representation at work. The programme also involves young workers outside the YCW.

Affiliations:

Southern African Catholic Bishops Conference;
The International Young Christian Workers.

Periodicals

1. 'Young Worker' Newspaper - 4 times a year
2. Pamphlets on specific things like - workers rights, information on what a trade union is etc.

1987

MANUFACTURING — RUBBER PRODUCTS.

Tyre research an ongoing process

EVE Post 176 8/1/87

MOTORING

Edited by RALPH JARVIS

GOODYEAR'S worldwide commitment to producing a top quality tyre with the highest levels of uniformity at the lowest possible cost, and the company's massive investment into research and development have been highlighted by Goodyear South Africa's chairman and managing director, Mr Wally Life.

Speaking during a dealer introduction of Goodyear's new high-performance steel-belted Eagle NCT passenger tyre, Mr Life said that in the United States alone, Goodyear had invested more in research and development than all the other tyre companies combined.

"We are thinking globally, but acting locally," he said. "By this, I mean that Goodyear has the ability to plan and produce on a global scale, but we still retain the flexibility to adjust to unique conditions on a local level.

"Just consider this to see how global we've become. More than one in every five tyres produced throughout the world is made by Goodyear in the United States or by one of our 30 international affiliates.

"Of 60 000 production workers employed by Goodyear, some 36 500 work outside of North America," he said.

Turning to research and development, Mr Life said: "Take a healthy cut for process technology out of the $2-billion we've spent on research and development over the last 10 years ... mix in more than $1-billion spent on tyre value R & D ... and you have a recipe for what it takes to compete successfully in the world marketplace."

Looking to the future, Mr Life said the tyre of tomorrow will look different, ride quieter, perform better and maybe even tell the driver, through an on-board computer, that his tyres need a little care and attention.

"We see high performance capabilities and lower rolling resistance for fuel economy. Tyres will be designed for trouble-free operation, meaning no air loss and total run-flat capability.

"The trend to lower profile tyres will continue and we at Goodyear have no doubt that entirely new materials will be used in future construction.

"One of the most apparent differences will be a dual diameter concept, which means simply that the doughnut hole on each side of the tyre will be of a different size to give improved handling and ride balance," said Mr Life.

He added that one of the most revolutionary things to have happened in recent years is Goodyear's purchase of a company that has developed an automated rubber compounding and tyre-building process.

23/1/87 Weekly Mail

196

Sarmcol tells of rescue 'posse' plan

By JOHN GULTIG, 'Maritzburg

BTR Sarmcol management considered sending a posse of white employees into the company canteen to "rescue" 125 workers held there by strikers, Sarmcol administrative director John Sampson said this week.

He was giving evidence at the industrial court hearing of an application by the Metal and Allied Workers' Union (Mawu) for the reinstatement of 1 010 workers dismissed by BTR Sarmcol in May last year.

"Shortly after the strike began, I saw gangs of blacks and Asians armed with sticks and hoses going into departments at the factory to check no-one had escaped from the canteen and returned to work," Sampson told the hearing.

He claimed monthly-paid black, coloured and Indian staff had been threatened and forced to stand in front of the hourly-paid workers and apologise for not joining their strike.

"They were terrified. We seriously considered sending a posse of whites into the canteen to rescue the staff, who were in effect being imprisoned there."

Sampson said it was this "extra-ordinary intimidation", the union's refusal to put a stop to it, and other factors that made the company "reluctantly" dismiss the total hourly-paid workforce.

According to Sampson, Mawu indicated that the strike related to management's failure to conclude a recognition agreement with them. He said that at this stage the union was in a "strike mode" and there was therefore no chance of any further negotiation.

During earlier evidence, Sampson traced management's view of negotiations between Sarmcol and Mawu from March 20 to the mass dismissal of workers shortly after the strike began on April 30.

He maintained that the company had remained willing to negotiate even though the union continually presented "bottom-line, no movement" proposals.

During the hearing, two distinct pictures of the union recognition battle at Sarmcol have emerged. From the union's point of view, Sarmcol has been intransigent and sought in every way to frustrate attempts at recognition.

Mawu says the company collaborated with the police to close down the local Kupugani store (which sells cheap, high protein food), had tacitly or openly worked with police to prevent union officials from recruiting members, and had worked with police to have shop stewards arrested.

Sarmcol, on the other hand, has said it believes the union has minimal support, and that the company has led the way with its liberal industrial relations policy.

It denies closing down Kupugani and says it was in fact largely responsible for its existence before the shop closed to make way for new buildings.

The hearing has been adjourned to March 28.

Tyre prices on an upward spiral

(196) Eve Post 30/1/87

JOHANNESBURG — More tyre price increases are expected within the next few months as a result of continued cost pressures.

Firestone SA raised its tyre prices on Tuesday by an average of 8%.

Other manufacturers put up prices in August by 7% and 8%.

A spokesman for Goodyear said the industry had to cope with increases in the cost of raw materials, many of which were imported.

"The drop in the value of the rand played an important role in the increased raw material prices which have been passed on to the tyre manufacturers."

Mr Tony Versfeld, chief executive of General Tyre, said his company did not plan an increase at the moment, but "it seems quite apparent that as the year goes on there will have to be an increase".

Cape Times 4/3/87

Dunlop trading profit up by 27%

JOHANNESBURG. — Trading profit at BTR-Dunlop rose by 27% last year, despite "the extremely adverse business environment that prevailed", said the directors in their latest report to shareholders.

However, higher financial charges and tax reduced the increase in attributable profit to 12%.

Since the integration of Dunlop SA with BTR SA from January 1, the board said there had been "considerable rationalization ... especially in the industrial products division, the benefits of which are expected to be realized during 1987".

Extraordinary losses reflect rationalization costs, together with costs "associated with disruptions at several factories not entirely related to economic issues".

Consolidated borrowings now represent 18% of equity.

The final dividend is unchanged on 46c, bringing the total for the year to 75c (1985: 75c). — Sapa

'S

Wage talks victory for CWIU

SOUTH 23-28/4/87 (196)

THE Chemical Workers Industrial Union (CWIU), in its latest wage negotiations with Rubber Products and Mouldings which was finalised recently, won a R20 across the board wage increase for its members.

Minimum wages increased from R85 to R105. In last year's wage talks, CWIU secured a 15% wage increase.

In this year's talks, the union also won six paid working days off for shop steward training, an hour reduction of the working week, and a R2 service bonus. This is the first time the factory workers have been paid a service bonus.

According to union organisers Joseph Williams and Martin Jansen, since its merger with the Plastics and Allied Workers Union, CWIU has "taken off" in the Western Cape.

Spread operations

The union has grown from a signed-up membership of 400 before the merger to a total of 2 000.

Since last September's merger, CWIU has spread its operations, organising throughout the Cape, and as far as Mossel Bay.

In what was described as a rare achievement, the union won holidays on both May Day and June 16.

And for the first time workers at the plant will have two days paternity leave, an increase to 15 days sick leave and an increased working week of forty five hours.

Jansen and Williams told SOUTH the CWIU's wage negotiations this year fell within Cosatu's "living wage" campaign.

During wage negotiations at Rubber Products and Mouldings last year, when talks were reaching a deadlock, the workers decided to march through the factory and sing during the negotiaions.

The sound of 100 workers singing while negotiations proceeeded in an adjacent room "tipped the balance", organisers said.

Sacked ticket collector reinstated

SOUTH 23-28/4/87

By MOIRA LEVY

THE South African Railway and Harbour Workers Union (SARHWU) has won a reinstatement for one of its members. Mr Charles John Michaels, a ticket collector, was told last week he could return to work.

Michaels was demoted in August last year for arriving at work one hour late. When he appealed against his demotion, he was immediately sacked, Michaels told SOUTH.

"When I was demoted my salary dropped from R720 to R380 a month. When I appealed I was sent a letter terminating my employment." Michaels was not given notice.

After appeals from the union and its Ticket Collectors' Committee, Michaels was told he was to be reinstated.

A union organiser, Mr Neil Alperstein, said it was significant that the ticket collectors had taken up the unfair dismissal of their colleague. He also said the union noted that the SATS general manager had revoked the dismissal, overturning the regional manager's decision.

Firestone pulls out of SA

196

Cape Times 9/5/87

JOHANNESBURG. — Firestone Tire and Rubber Company has become the latest US company to disinvest from South Africa.

It has sold its remaining 25% holding of Firestone SA (Pty) to the South African conglomerate Federale Volksbeleggings, which had already acquired 75%.

But the tyres advertised as "dem stones" will still be available here. Federale says it will continue to sell Firestone tyres in South Africa and that technical and licencing agreements will remain in force.

But the company's name will change.

Firestone joins more than 70 other US companies to withdraw from South Africa since the start of 1986. — Financial Staff and Reuter

(196)

Eve Post 1/7/87

Tyre firm: takeover means greater security

By JULIETTE SAUNDERS

JOBS for General Tire and Rubber Company employees in Port Elizabeth are more secure than ever, according to the chief executive (tyre division), Mr Tony Versfeld.

This was even though the American parent company had been acquired by the second largest European tyre manufacturer, Continental Aktiengesellschaft of West Germany, for $650-million (about R1 300-million).

Mr Versfeld said from Johannesburg that the local tyre manufacturing operation would be unaffected by the acquisition, as the South African company was a wholly owned company.

However, he said, "our relationship with Continental — whose tyres we produce under a technology and manufacturing agreement in Port Elizabeth — will only be strengthened".

Because the South African company had links with both companies, it was in fact "in a stronger position than ever before", Mr Versfeld said.

The 1 500 people employed in Port Elizabeth need have no concern about their job security, he stressed.

General Tire Incorporated was a subsidiary of Gencorp Inc, of Akron in Ohio.

Continental has been closely linked with General Tire USA since 1982 through a co-operation agreement covering both an exchange of expertise as well as the production of Continental tyres by General Tire for the American market.

● Continental tyres are manufactured and sold in South Africa by General Tire under the brand name "Continental".

Argus 26/8/87 (196)

BUSINESS

INVESTMENT

Phoenix Rubber for JSE listing

Finance Staff

PHOENIX Rubber, a manufacturer of industrial and footwear products, is one of the latest companies to take advantage of the buoyant stock market.

Tomorrow sees the opening of a private placing of 3-million shares on the DCM at 60c a share.

Phoenix arose out of the acquisition of the assets of Rubber Engineering Products, formerly a division of BTR.

In 1981, Hans Schutz, current chairman and MD of Phoenix, acquired the assets from BTR and extended its market coverage from footwear to all sectors of manufacturing.

Turnover received a fillip from the trend towards import replacement sparked off by sanctions fears.

The 60c issue price puts the share on an historic P/E ratio of 25 times. The prospective ratio is a more reasonable 8,8 times.

Turnover has increased from R4,1-million in 1983 to R10,2-million in 1987. With the exception of 1985, when there was a dip in sales, the increase has been steady.

Profit performance has been more erratic. Pre-tax margins dropped from 9 percent in 1984 to 3 percent in 1986, with a loss reported in 1985.

Margins recovered to 6percent in 1987 and management is forecasting a rise to 11 percent in 1988 to produce earnings of 6,8c a share.

Schutz' optimism is based on expectations of a general improvement in the economy, something in the order of a 15 percent increase in Phoenix' selling prices and a reduction in interest payments.

Two firm attractions of the listing are that with 33 percent, Schutz remains the dominant shareholder and that R1,6-million of the after-expense proceeds is being used to boost working capital by eliminating bank overdraft and short-term loans.

- The **Publishing Corporation of South Africa** (Publico) has announced its second acquisition in recent months. Publico has also applied for a transfer to the main board of the JSE under Publishers and Printers.

In a deal worth R1,6-million, to be satisfied by way of 640 000 shares at 250c a share, Publico has gained control (50,1 percent) of rival Systems Publishers, which produces five specialist publications and two annuals.

The effective date of the transaction is August 1, 1987 and the warranted pre-tax profits over the next 30 months will not be less than R2,3-million. However, says Publico chairman Dr Jack Shapiro, "in view of the synergies, rationalisation and the savings on printing and reproduction, this figure is expected to be higher".

Dispute talks are adjourned

3/11/87

(196) (655) B/day

ALAN FINE

CONCILIATION board proceedings aimed at resolving a wage dispute between BTR Dunlop in Durban and the National Union of Metalworkers of SA (Numsa) have been adjourned until tomorrow.

Numsa spokesman Ian Weir said little progress was made at the first round of conciliation talks yesterday and prospects for settlement were unclear.

Dunlop industrial relations chief Glen Sutton said, however, the talks had improved understanding between the parties and he was optimistic.

About 1 200 workers at Dunlop's Durban plant have been on strike for eight days in support of their demands for a 2c an hour a year service allowance and a shift allowance. Weir said the average service at the plant was 12-15 years. The union has dropped demands for basic wage increases.

The union is unhappy with the company's proposal for an 18-month agreement instead of the usual 12 months. Sutton said the proposal was aimed at providing greater certainty and also at ensuring longer-term improvements to wages.

The company is offering three six-monthly increases which would average R175 a person a month in total. The company rejected the idea of service allowances as workers would then be rewarded according to service rather than ability, a concept Sutton described as "socialist".

Sentrachem's Marlow . . . tough approach to costs

SENTRACHEM 146

Hi-tech wings

Sentrachem's 63% hike in interim earnings from R12,7m to R20,7m and the declaration of the first dividend since 1984 must make shareholders easier about having followed July's 99% subscribed R100m rights issue. The 5c dividend shows that the group has lowered gearing more rapidly than expected earlier this year, when the target for dividends was suggested as 1991. Gearing fell from 82% at end-March to 54%.

MD Dave Marlow says the main reason behind the improvement was a tough approach to costs. "We saved on raw materials and fixed costs. In the first six months of our 1988 year, we achieved a 55% improvement in operating income before financial charges. Group operating margin, excluding contribution from associates, was 8,0% against 5,6% at interim stage last year."

The group's troubles started early in the Eighties. Its coal-based synthetic rubber plant, which cost considerably more than initial estimates, made massive losses when it came on stream in 1983. The situation was aggravated by worsening drought, the recession, and ballooning interest charges.

An improvement was noted in March, and Marlow notes a continuation of this trend. "Synthetic rubber is now around R250 a ton cheaper than the landed price of imported natural rubber. There is a rebate on the cost of imported natural rubber once tyre manufacturers achieve an appropriate level of local (synthetic rubber) content."

He expects further growth in this market and sees potential in new hi-tech developments such as phenolam — a specialised flame-resistant coating for pipes, principally for use in the mining industry. The yeast producing operation has also been updated.

It seems Sentrachem has decided to resume controlled, technologically-based new investment on evidence of modest economic recovery. Says Marlow: "Despite problems over the past few years, no top managers have left. We have therefore been able to maintain core proficiencies, with management edge sharpened by recent experiences. We will focus on hi-tech organic growth. Our minimum internal rate of return pre-interest and tax for such investments is 30%."

Improving operating performance, dominated by a 19% increase in non-agricultural sales, probably encouraged the group to move. But its fertiliser and crop protection markets shrank, and margins deteriorated in a heavily overtraded market.

Marlow says dividend cover will not normally go below three, which allows latitude for expansion plans. It seems cover policy could be influenced by the 22% earnings dilution that will occur when preferred ordinary shares are converted to ordinaries, which takes place when the dividend reaches or exceeds 23,4c. This may keep ordinary dividends in check this year and suggests about a 15c final is in prospect.

On current evidence Sentrachem is emerging from its chrysalis with new wings. That must create interest in a share which traditionally shows a seasonal surge in second-half earnings.

Dave Edwards

RIGHT CHEMISTRY

Six months to	Sept 30 '86	Mar 31 '87	Sept 30 '87
Turnover (Rm)	624,5	701,9	706,8
Pre-tax (Rm)	5,4	13,5	30,8
Attributable (Rm)	12,7	29,5	20,7
Earnings (c)	14,2	32,9	17,9
Dividends (c)	—	—	5

FM 6/11/8

CPress 15/11/87

196

Dunlop strike goes on

CP Correspondent

CONCILIATION Board negotiations on the wage dispute between Numsa and Dunlop BTR have broken down for the third time.

The union has accused the company of "union bashing".

The board was set up on October 29 after about 1 200 workers voted to strike when management refused to reinstate long-services bonuses.

The workers objected to a disciplinary clause in the payment of annual bonuses. – Concord.

BTR Dunlop to replace strikers

B/Day (196) ALAN FINE 18/11/87

BTR Dunlop has told the National Union of Metalworkers of SA (Numsa) it will tomorrow begin replacing the 1 200 Sydney Road, Durban, plant employees who have been out on a wage strike for three-and-a-half weeks.

According to Numsa spokesman Ian Weir — whose account of events was confirmed by Dunlop's Glen Sutton — both sides made concessions at talks yesterday. However, agreement could still not be reached.

The company implemented a lockout and dismissed strikers on Monday afternoon. Workers who wish to apply for re-employment will be required to sign a document indicating the acceptance of Dunlop's "demand".

Weir said the union dropped its demand for a 2c an hour annual long service allowance, which the company has refused to contemplate. It was replaced with a 75c an hour across-the-board wage demand, which could be split into two stages.

Dunlop increased its offer by 1c an hour for each of two six-monthly increases. For the lowest-paid category of workers, this represents hourly increases of 15c now and another 25c in six months.

Sutton said the company would issue a full statement later.

bloodshed. A malicious and irresponsi-

BTR strike: 50 return to work

(196) ALAN FINE BDay 19/11/87

ABOUT 50 of the 1 200 strikers at BTR Dunlop's Sydney Road tyre plant in Durban yesterday responded to the management ultimatum to return to work or be finally dismissed, the company's labour relations chief Glen Sutton said.

Sutton confirmed Dunlop would begin recruiting today to replace the remainder.

He said he understood the National Union of Metalworkers of SA (Numsa) was planning a meeting with workers this morning, but yesterday's deadline would not be altered.

Numsa spokesman Ian Weir confirmed the planned meeting was scheduled for 7am. All options would be considered, but he could not rule out the possibility of a repeat of the lengthy and bitter struggle between the union and BTR Sarmcol which began before the latter's merger with Dunlop.

Plessis has told us to keep out of the ... What figure do you foresee

27/11/87 (132) B/day (196)

Dunlop strike ends after talks

ALAN FINE

A FIVE-WEEK wage strike by 1 200 workers at BTR Dunlop's Durban tyre plant has been resolved after lengthy negotiations.

According to a company statement, the workers who were all dismissed last week after a lock-out would be reinstated and receive a phased-in 53c-an-hour increase.

The union had also given assurances that employees who did not strike would not be intimidated.

The National Union of Metalworkers said workers felt they had successfully challenged management's lock-out strategy.

Crew killer not guilty of murder

Own Correspondent

DURBAN — Former Durban businessman Luciano Memeo was acquitted yesterday by the Mauritius Supreme Court of having murdered two crew members on his yacht in July last year.

His yacht Lucky Gypsey has been returned to him.

According to his defence lawyer Guy Ollivry, the jury found him not guilty on the grounds of self-defence. Memeo had admitted shooting Alfred Bennetts and Ian Worthington but said he had feared for his life, believing the two young men had hijacked his boat.