1975

1996

HANSARD 6

Q. column 439

11 March 1975

1. 197

2. 315

Closing of textile factories

*18 Mr R J LORIMER asked the Minister of Economic Affairs

Whether any textile factories closed down during (a) 1974 or (b) the first two months of 1975, if so, (i) how many and (ii) how many workers in each race group were laid off as a result of each closure

The MINISTER OF ECONOMIC AFFAIRS

As far as I have been able to ascertain the information requested by the hon member is as follows

(a) (i) One

(ii) Whites—118
Bantu—1 203

(b) (i) No

(ii) Falls away

Mr W V RAW Mr Speaker, arising out of the reply of the hon the Minister, can he give the House any statistics on the effect of short hours being worked—in other words, statistics on the reduction of working hours during this period?

The MINISTER No

Mr R J LORIMER Mr Speaker, further arising out of the hon the Minister's reply, does he, in view of the crisis in the textile industry, intend taking further action and, if so, what action?

The MINISTER Mr Speaker, I have already held talks with the textile industry I have also held talks with the cotton farmers and officials of my Department are to hold a meeting with other officials in Pretoria tomorrow

Question Columns 742–744
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HANSARD 10 18/4/75

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National Industrial Council agreement for textile manufacturing industry

*22 Mr G B D McINTOSH asked the Minister of Labour

(1) When is the current National Industrial Council agreement for the textile manufacturing industry in South Africa due to expire,

(2) whether negotiations for a new agreement are in progress, if not, why not, if so,

(3) what are the names of the persons who are negotiating the new agreement,

(4) whether representatives of the Central Bantu Labour Board are present at the negotiations,

(5) (a) what are the names of the persons representing the interests of liaison and works committees established in terms of the Bantu Labour Relations Regulation Act and (b) what is the status of the officials of his Department who represent Bantu workers

†The MINISTER OF LABOUR (Reply laid upon Table with leave of House)

(1) 26 July 1975

(2) Yes

(3) Industrial Council Agreements are negotiated by the parties thereto and not by individual persons The parties to this Industrial Council are the National Textile Manufacturers' Association and the Textile Workers' Industrial Union (South Africa) The representatives of the parties may differ from time to time The following representatives were present at the previous meetings of the Council at which negotiations for a new agreement took place A further meeting was held on 17 April 1975
Employers' Representatives Messrs V Datts, R V Freakes, S Lurie, S R Peimer, W Shutt, R A B Thorpe, A P Whittingham
Employees' Representatives Mrs H Bolton, Messrs J Copelyn T Munsami, M Munsamy, P Philander Y S Reddy, G Salie, S Schutte W Warren I Williams K Rampershad J Vlotman

(4) Yes but not members of the Board itself

(5) (a) Messrs D Dlamini, S R Malima, T H Mkhungo and G Sibiya In addition to Messrs P B Mlambo and P Zulu members of the Durban Regional Bantu Labour Committee, were present Bantu workers are often represented by the Central Bantu Labour Board

(b) In this case by Bantu Labour Officers appointed in terms of the Bantu Labour Relations Regulation Act, 1953

1 197

2 ~~147~~

3 ~~326~~

WAGES FM 28/7/78

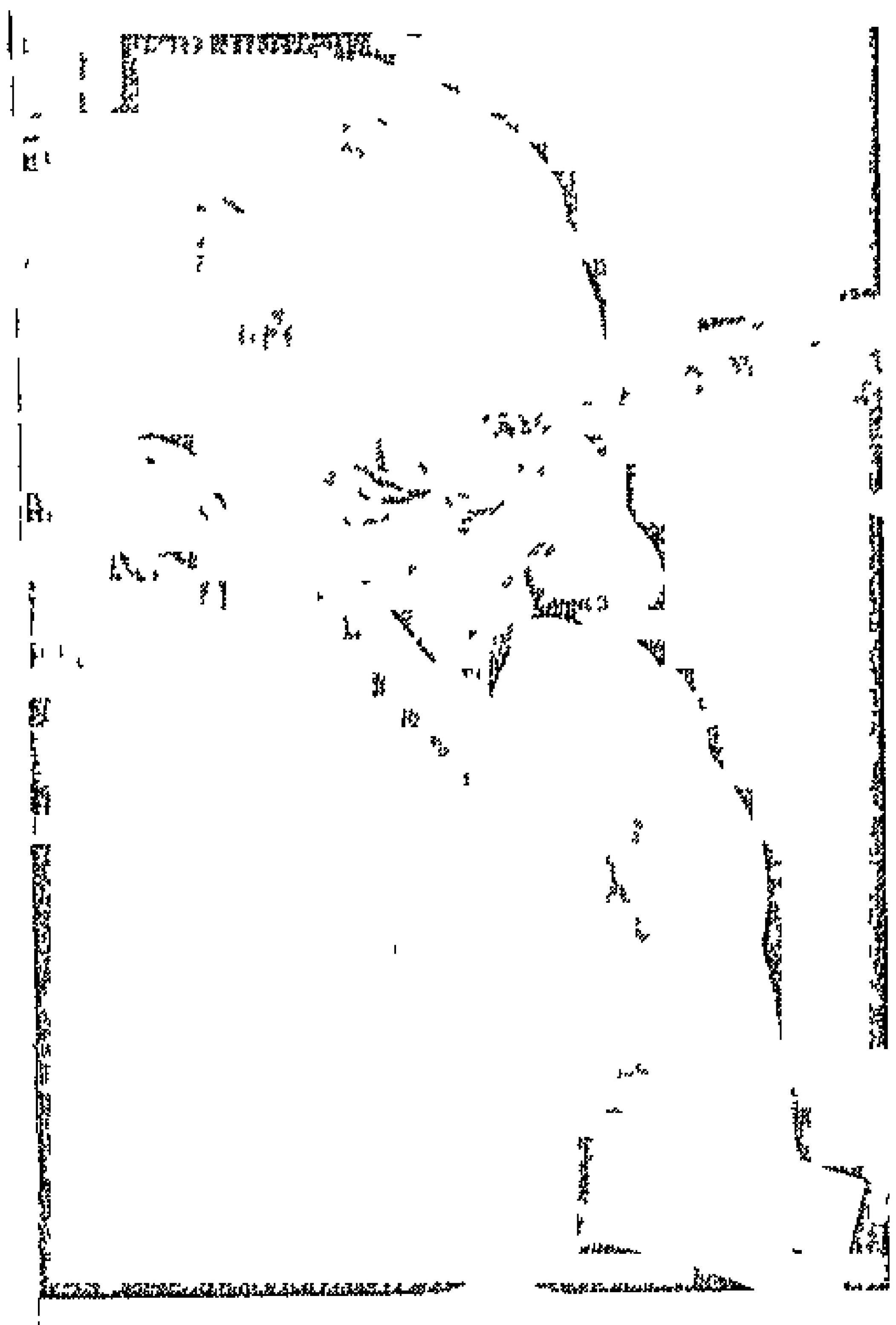
Weaving tactics

197

The Department of Labour has intervened in an attempt to get employers and trade union representatives in the textile industry talking to each other after the breakdown of the industry's pay negotiations two months ago (*Current affairs* May 12)

The two parties to the textile industry's industrial council have been deadlocked since employers rejected a union demand for a 15% wage rise Employers countered with a final offer of 7,5% They have also rejected union requests for a mediator or arbitration board to be appointed

The industry has thus been without any wage regulating machinery for about two months since a third industrial council meeting aimed at securing a compromise broke down Textile Workers Industrial Union secretary Norman Daniels tells the *FM* his union has asked Minister of Labour Fanie Botha to resolve the impasse by appointing a mediator or arbitrator himself



Textile boss Philip Frame a tangled web

No wage cuts

While his union is anxious to ensure the survival of the industrial council, Daniels reckons that employers haven't been using the absence of legal machinery to cut wages "The laid down minima are so low that employers wouldn't get any labour at all if they went below them"

Secretary for Labour Jaap Cilliers tells the *FM* that his department will ask the Minister to appoint a mediator if necessary, but adds that Labour has been working to resolve the issue without resorting to that

"We're keen to get the two parties talking again without the intervention of a formal mediator I'm fairly confident that we can do that. I have already met with the employers' spokesman and will be seeing the union shortly"

Cilliers points out that a mediator, who cannot dictate a settlement, would not guarantee a resolution of the dispute "It would simply be equivalent to appointing another chairman of the industrial council We'd prefer to solve the problem without doing that, and I believe we will"

The employer view is that government should simply intervene by regulating the industry through an order made under the Bantu Labour Relations Regulation Act Cilliers points out that this can't be done unless the industrial council dissolves and he is loath to have that happen

So is the union which charges that employers — particularly the Frame group which is a power in the employer association — are determined to break the council, thus barring the union from a formal negotiating role

It that is the employer objective, however it could well backfire The likeliest effect of an order from government would be simply to ratify the union demands in law

The lavatories her
for the 840 men.
cold water taps, a
for approximately
53 men.

THE FLATS

The 'flats' are four
As such they are v
are for single men
almost all locals
ground floor, the
contract workers l
Finally there are

WAGE DISPUTES FM 12/5/78

Frame's web? 197

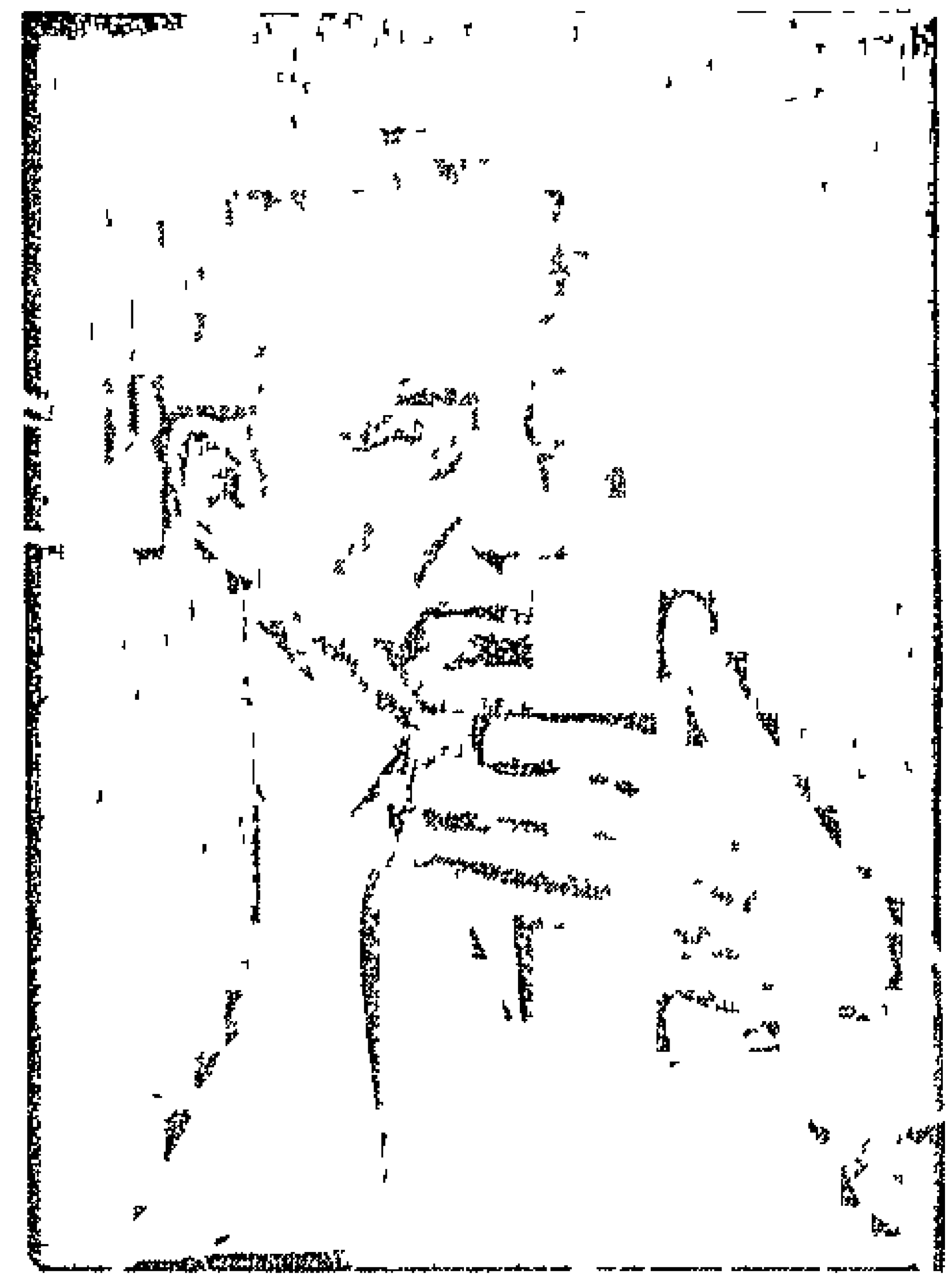
The Frame group is slap bang in the middle of a labour dispute again — and once again the issue is wages

Officially, the dispute exists between the registered Textile Workers' Industrial Union (TWIU) and the National Textile Manufacturers' Association (NTMA). The association is offering workers in the "blanket industry" a 7,5% increase and the union is demanding 15% Union secretary Norman Daniels argues that the Frame group is behind the employer refusal to grant 15%

"The employer association is dominated by the Frame group. Philip Frame is the association's chairman and Frame employee Selwyn Lurie is its spokesman. Frame is powerful and no-one wants to get in his hair," says Daniels.

He claims that the Frame group is the only textile employer which sets its pay at around the minimum wage laid down in the industrial agreement "Other employers are paying more than double Frame He wants to keep the minimum down so that he can undercut them," adds Daniels The dispute itself could break up the industry's industrial council. Employers want the union to accept a 7,5% increase for the top grades and a 10% increase on the minimum in the lower grade Workers earning more than the minimum would receive only a percentage increase based on the minimum, rather than their actual pay.

The union says its members find it impossible to live on "their present very low wages, and points to the low minima provided for in the agreement The highest weekly minimum for shop-floor workers is R23,08 for men and R18,47 for women" Daniels says the increase offered by the employers would not compensate union members for CPI rises He claims solid shop floor backing for the 15% demand



Frame bypassing the union

Two "deadlock" industrial council meetings have already been held and a third is due later this month If that meeting fails to secure a compromise, the council could break up

This will leave the blanket industry without any wage regulating machinery. The employers have rejected the intervention of a government mediator or arbitrator The union has rejected a strike, however "We're too weak without African members and believe there are other ways of settling disputes," says Daniels

In the likely event of the council remaining deadlocked, the Minister of Labour could possibly step in, through the Wage Board Daniels says, however, that the union will ask the minister to instruct the industrial tribunal to arbitrate in the matter "We would accept any award they made"

The association appears to be unconcerned about the union Says a spokesman "At the end of last year we decided to give an increase of 10% to all lower paid workers and 7 5% to the higher categories despite the prolonged recession and the critical situation in the blanket industry As far as we are concerned, there is no dispute in the industry The workers themselves are satisfied and appreciative, and the wages being paid are higher than those specified in many industrial council agreements and wage determinations," he claims

He also denies that the Frame group is undercutting the rest of the industry "A substantial number of Frame workers are earning above the minimum and all workers have been given the increases including those whose earnings are already above the increased wages"

So employers seem quite prepared to bypass the union and the council How workers on the shop floor will react remains to be seen

ber of r ... No further prob
encount

TABLE 12. A

Floor	
Ground	
1st	
2nd	
3rd	
Single rooms	5
1 Block	92
8 Blocks	736

The discrepancy between this figure and the Board
probably arises out of the Board's exclusion of tl

THE GROUND FLOOR

The long narrow corridors have rooms on either si
do not work. At the entrance of the flats there
rooms

HANSARD 5 Q column 405 ?

7 March 1975

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2, 197

MANUFACTURING

TEXTILES

Importation of textiles

*35. Mr R J LORIMER asked the Minister of Finance

(a) What was the total value of textiles imported during 1973 and 1974 respectively and (b) what was the value of textiles imported under (i) rebate and (ii) full duties in each of these years

The MINISTER OF FINANCE

		1973 (In million Rands)	1974 (In million Rands)
(a)		151 8	225 2
(b)	(i)	39 2	50,7
	(ii)	101 3	154,0

The difference in the value reflected against (a) and the total value reflected against (b) (i) and (ii) is in respect of goods which are still in bonded warehouses

Mr R J LORIMER Mr Speaker, arising out of the hon the Minister's reply, in view of the serious crisis in the textile industry at the moment, would he tell us whether he is giving consideration to limiting the quantity of goods being brought in under rebate?

The MINISTER Mr Speaker my hon colleague the Minister of Economic Affairs, is giving attention to the matter

Textile, clothing protection spurred

Unemployment

Rand Daily Mail 14/3/75.

197

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Financial Reporter

NEW moves to get the South African Government to give greater protection to the hard-hit textile and clothing industries are expected in the light of the decision by the Australian Government to do so.

There remains strong concern in the South African industries that closures and unemployment could multiply unless the Board of Trade intervenes to help domestic companies

Australia, has introduced severe quota restrictions on garments and has referred new groups of textiles to the Textiles Authority for a report on imports. It has also dropped the developing countries' tariff preferences on imported furniture from Taiwan.

More quotas on imports of textiles and garments are expected from March 25 when the voluntary restraints arrangements made with China, Hong Kong and Korea are reviewed.

Details of the quota arrangements indicate that there is to be an overall cutback in imports. They are not directed at any one particular country. Australian established importers will be allocated their quotas on the basis of imports for the calendar years 1973 and 1974, and they can then import whatever units they want from whichever source

However, it is believed that with a unit quota imposed and severe penalties on units above the quotas, the importers will generally bring in quality items such as British suits rather than cheaper goods.

SWIMWEAR

The quota on men's, youth's and boys' suits for the year is 45 000 units, with a $A25 penalty on each item above that number imported.

In 1974, Australia imported 127 000 such items. For made it clear that they are temporary, and consistent with GATT arrangements

Australian industry has been warned not to plan on continuation of the quotas, and that the quotas will be reviewed when long-term plans for the industry are developed later this year

OUT OF WORK

Since the Australian Government eased its restrictions on imports last year, 17 500 workers in garment manufacture and 10 000 in textiles have been thrown out of work. Industry sources complained that producers around the world, including Britain, were treating Australia as a free market while raising tariff barriers or other measures to protect themselves.

Complaints were expected, but the industry believed that the needs of Australian industry, and the necessity to maintain jobs, was more important. In making its decision, the Australian Government, concerned at high unemployment, has shared that view

Textiles' dismal yarn FM 21/3/75 (197)

Import permits are being used to put the bite on the clothing industry to support ailing textile factories, generally down 40% on normal production, with some reckoned down by 70%

This follows special duties on certain imported woven fabrics imposed last September in a vain attempt to prop up local textile orders after claims that dumped overseas cloths had knocked the bottom out of SA-made materials The higher tariffs haven't worked because, an Import Control spokesman explains, too many manufacturers ran up huge stocks before the duties were imposed These will only bite once inventories have been worked out (hopefully by the middle of the year)

SA Cotton Textile Manufacturing Association (Sactma) chairman Archie Berman says mills are "hopelessly short of work" Describing the position as "very bleak", Berman reports at least four major manufacturers (Frame, Good Hope, David Whitehead, and Berg River) having been forced to retrench or cut shifts

In the Cape, things are so desperate a free sheet was being given away with every one sold last week

This week Progress Industries also reflected the gloomy times, reporting a profit fall from R706 400 to R437 000, partly blaming depressed world textile conditions and free imports of some woven goods under rebate

With special duties having failed to revive local textiles, Pretoria is now severely restricting the initial issue of 1975 permits for imported woven and knitted textiles, with Director of Import Control Dawie de Villiers appealing to clothing manufacturers to buy locally

It's against all the rules, of course, and our GATT partners must be hopping mad De Villiers says, however, that he'll scrap control "as soon as things show signs of getting back to normal" Meanwhile, he promises, no one will be kept short if he has a good case.

Clothing manufacturers, in turn, say they're all for buying SA textiles and say they do whenever they can, as in denim, towelling, certain shirtings and workwear. But they claim that in high fashion areas local textiles just cannot provide what's needed

Says one "Nobody here makes yarn-dyed woven fancy shirting. Yet this is the big fashion scene today, and the success of our business depends how much you're with fashion We just can't get locally the fancy stripes, checks and prints that are in vogue

"The trouble with the SA textile industry is that it doesn't keep pace with trends Also, it's geared for mass production But the fashion market doesn't want long runs It's after exclusiveness."

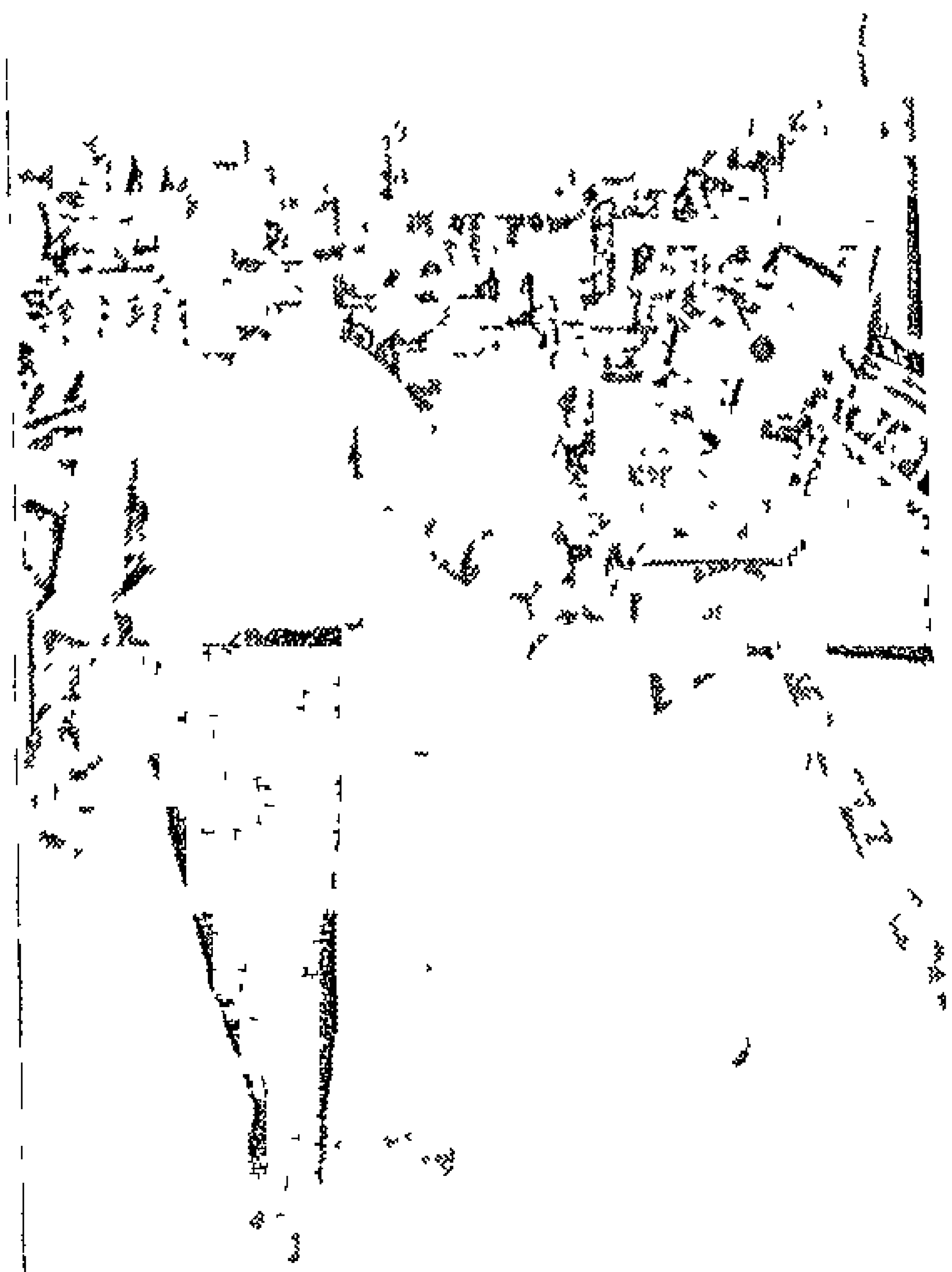
Another beef is that textile mills won't, for instance, supply less than around 3 000 metres of shirting, whereas clothing manufacturers say even the largest of them needs no more than 1 500 metres of a printed shirting which can be got overseas

Berman counters saying there are several large textile concerns who would be prepared to make small runs for "a reasonable premium" and that technically SA textile factories can produce cloth to a very high and tight specification. While he says they can make checks and stripes, he adds: "I don't know that we could do, say, 150 different designs for 10 different manufacturers for short runs"

Meanwhile, clothing manufacturers dispute claims that buying of overseas textiles at dumped prices last year is the reason for the present parlous state of the local textile industry.

They claim textiles' difficulties stem from the November 1973 oil crisis, which hit synthetic textiles world-wide. Early in 1974, because things were scarce, clothing manufacturers, who were busy, bought more than they needed for six months stock under import permits By mid-year, because they'd bought to the hilt and were already committed, they were, they say, in no position to take advantage of dumped prices

For the same reason there were no



The problem now is to keep them moving

›stantial orders for local textiles anwhile, consumer demand had pped — so September duties on ›orts became less meaningful

Jow it's come around to a tight rein import permits Import control lains: "We're not being unreason- : If manufacturers can make out a e that they're not capitalising on the vn-turn of foreign economies, and t they're committed to using certain terials for their production, we'll go ng with them. There's no question of amp-down to the point of wishing to uce production But we'll be taking a ›ng line until the textile industry has ›vered."

t's anybody's guess how long that be Though Berman concedes there ht be a glimmering of a pick-up in ıe quarters, it's still, he insists, a long ⁄ to break-even for the industry.

(197)

Daily Dispatch 21/4/75

Textile workers reject Frame pay offer

DURBAN — Black workers rejected new pay offers by textile tycoon Mr Phillip Frame at a meeting of the Textile Workers Industrial Union here yesterday, and directed union officials to return to the negotiating table.

After being locked in discussions with the National Textile Manufacturers' Association for two days last week the union's general secretary, Mr Norman Daniels, yesterday announced employers' terms for a new three-year agreement.

The workers have been offered a 10 per cent across-the-board increase in July and a further 10 per cent at the beginning of 1976 and 1977.

The industry employs about 10 000 black workers, 80 per cent of whom are employed by the massive Frame group.

Mr Daniels told the meeting that employers had turned down most of the proposals put forward by the union, including the major demand that minimum wages in the industry by increased by 60 per cent.

Proposals that a cost of living allowance be included in the agreement, that the working week be reduced from 46 to 42½ hours, that pay differences between men and women be done away with and that annual leave be increased from 12 to 15 days, were all rejected by employers.

Mr Daniels said that the employers had explained that the industry, particularly the blanket industry, had been hit hard, "and is going through a bad period."

Workers immediately rejected the employers' proposals and asked that officials "go back and talk to Mr Frame." — DDC.

HUNDREDS IN TEXTILES AND PAPER LOSE JOBS

Argus 26/4/75

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ARGUS 26/4/75

See also UNEMPLOYMENT

NDREDS of workers in the textile and paper industries have lost their jobs, with al worst hit. Textile workers of the Western Cape have been among the ualties

Huletts Corporation announced yesterday that it would close its R5-million Hulsakane board factory at Amatikulu and this threatens the jobs of 100 men of all races. However, the group will try to place them in other jobs.

On Thursday 260 workers at the Masonite plant at Estcourt were paid off and have little chance of finding alternative employment

A further 300 workers at Mooi River's textile plant have been laid off and the remaining 9?? workers have been put on short time until the market for textiles improves

In the Cape, 20? workers — 15 percent of the workforce of Pan Knitwear — were retrenched last week because the large amounts of knitted goods imported into the country had severely affected sales by the company

The company is part of the South African Nylon Spinners group.

Dr R. J Howe, technical and personal director of the group, said there had been various redundancies within the group since last September

These had been caused mainly by the large imports of cheap polyester fabrics which were undercutting local products

At Worcester, Hex River Textiles last week paid off 100 workers when they reduced their

PROTECTION FOR TEXTILE INDUSTRY

STAR 5/5/75

F

① 197

Own Correspondent

CAPE TOWN — The Minister of Economic Affairs, Mr Heunis, has taken steps to protect the textile industry in its present state of recession, and has also clamped down on import permit malpractices.

Announcing the second-round import permit allocations in the light of prevailing economic conditions, Mr Heunis:

- Moved to rescue the textile industry by granting only a 20 percent additional import allocation for clothing. This brings the total of permit issues for this year up to 60 percent of the total for last year.
- Issued instructions to the Department of Commerce not to issue import permits to any firm until it has submitted accounts confirming it is still a bona fide merchant with its own trading premises.

TOTAL ISSUES

Mr Heunis's import permit allocations, other than for clothing, were all an additional 40 percent, bringing the total up to 80 percent of total issues last year. These permit allocations were for consumer goods, confectionary and alcoholic beverages.

He said he was concerned about conditions in the textile industry and had decided that importation of clothing should be kept at relatively low levels "until the steps the government had taken to normalise the position in the textile industry had the desired effect. This was why a relatively low issue had been made for clothing."

On the steps he was taking to tighten up the issue of permits, the Minister said it had been brought to his attention that several so-called importers were no longer active in business.

Ivan Philips adds: These moves came after a protracted battle between textile manufacturers, who have had to lay off as many as 10 000 workers in the face of slumping sales, and clothing manufacturers, who claim that they need substantial imports because they cannot get all they need from the local textile industry.

When the Government stepped in last year with what amounted to emergency protective measures to take the pressure off textiles there was a sharp reaction from the clothing men.

On the other hand, there were claims that businesses with little or no previous connection with textiles had begun to import fabrics — encouraged by very competitive offers from overseas exporters who were trying to dispose of surpluses that had built up in the wake of world recessionary trends.

South Africa's textile industry, largely centered on Border areas — and unemployment in these border areas — and areas touches a particularly sensitive nerve.

(See Page 32)

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Textile men gear up for training

STAR 15/5/75

Labour Reporter

The South African textile industry — still fighting the "dumping" crisis which put 10 000 out of work — is gearing itself for a big training programme.

So far there has been no training to speak of in this industry which rep-

the feasibility of textile training at colleges for advanced technical education

Mr Adam Klein, Transvaal branch secretary of the National Industrial Textile Workers' Union, welcomed the initiative taken by the Council for Scientific and Industrial Research in organising the conference

"The Transvaal clothing

Textiles: 'Many more than 10 000 laid off'

STAR 29/5/75

Own Correspondent

DURBAN — Many more than 10 000 workers have been laid off as a result of the slump in the textile industry, according to Mr David Aronovsky, chairman of Progress Industries.

Mr Aronovsky said at the firm's annual general meeting that the figure of unemployed in Press reports was "much too low."

But, he said, better times for the industry lay ahead as imported textile stocks were used up and retailers and manufacturers were forced to start buying local textiles.

"We believe the situation will begin to improve from the last quarter of this year and will pick up substantially towards the middle of next year."

He said that although material costs were starting to firm again as synthetic fibre costs rose, he hoped that the company would be able to hold its retail prices steady for the whole of the year.

SAKE-Rapport 25/5/75 (1917)

DR. BASJAN LOOP RENIER STORM

Van WILLEM LAUBSCHER
Finansiële Redakteur

WINDHOEK

'N TEKSTIELBOM het die kongres van die Afrikaanse Handelsinstituut in Windhoek Woensdagmiddag kiertsregop geruk. Die bomgooier was die andersinds-bedaarde dr. Basjan Kleu, voorsitter van die Raad van Handel en Nywerheid. En die man wat hy stormgeloop het, is mnr. Renier van Rooyen, voorsitter van Pep Stores, en inleier van 'n tekstielvoorstel wat hom die gramskap van die doktor op die hals gehaal het.

Mnr Van Rooyen, gesekondeer deur mnr. Jan Horn van Ekspa in Johannesburg, het op die handelskongres gevra dat die owerheid tariefbeskerming in die tekstielbedryf in hersiening neem ten einde aan die behoeftes van die handel te voorsien. In die proses het mnr. Van Rooyen 'n skerp aanval op die tekstielbedryf gedoen en gewys op 'n versuim aan die kant van die owerheid om die bedryf se misdrywe vas te vat.

Dr. Kleu het op die handelskongres nie kans gekry om te antwoord nie en is agterna gevra om in die hoofkongres, waar die beskrywingspunte van die drie sektorale kongresse oorgedra is, 'n woord daaroor te spreek. En het die doktor toe nie!

Parasiete

Hy het losgetrek deur te sê die voorstel is een van die eensydigste en skeefste stukke wat nog onder die vaandel van die AHI die lig gesien het. Hy het daarby gevoeg mnr. Van Rooyen moet nog baie van die tariefbeskermingsbeleid van Suid-Afrika en die van die AHI leer.

Teen dié tyd was almal se ore gespits want die doktor het regtig omgekrap gelyk. Hy het verder gesê mnr. Van Rooyen bepleit sy saak uit die oogpunt van die handel. Maar 'n tariefbeleid bestaan immers as instrument vir die stabilisering van die bedryf en nie net vir die handel nie. Dit moet in landsbelang wees en alle groepe in ag neem.

Mnr. Van Rooyen het in sy rede gepraat van tariefparasiete in die tekstielbedryf. Hierop het dr Kleu gesê as daar dan gekyk moet word na dié soort parasiete, dan sal dit seker ewe billik wees om na 'n ander soort gogga te kyk. Dit is naamlik die mense in die bedryf wat die beskermde tariewe gebruik om met 'n laer aankoopprys groter winste te maak en die publiek dus die voordeel van die laer tariewe ontsê.

In afwagting het die kongres gewag op mnr. Van Rooyen se reaksie toe hy kort daarna 'n spreekbeurt kry. Maar mnr. Van Rooyen het die versoeking van 'n skerp teenaanval weerstaan.

Agterna het mnr. Van Rooyen aan Sake-RAPPORT gesê dr. Kleu het geen enkele feit in sy toespraak weerlê nie en het bloot 'n persoonlike aanval gedoen. Hy meen die feite in die voorstel van hom het seergemaak. Vandaar dr. Kleu se skerp reaksie.

Soos in die voorstel gesê, is dit die plig van die Raad vir Handel en Nywerheid om te kyk na praktiese toestande in die tekstiel en klerehandel en na die behoeftes van die mark in sy geheel.

Soos dinge nou staan voel mnr. Van Rooyen, is die prioriteite van tariefbeskerming verkeerd. Dis hoofsaaklik die tekstielvervaardigers wat daarby baat vind. Die klere bedryf en klerehandel suig aan die agterste tiet.

Die beskerming moet meer eweredig versprei word. En as alles op 'n positiewe manier toegepas word, sal ruim 85 persent van die beskerming buitendien onnodig wees.

Hy ontken ten sterkste dat sy voorstel skeef is. Wat wel skeef is, is die tekstielbedryf. En dit voel hy moet reggestel word. Want die klerebedryf en die klerehandel kan alleen bloei wanneer dinge bolangs in die bedryf (d.w.s. by die tekstielvervaardiging) reg verloop.

En op die oomblik loop dinge bolangs beslis nie reg nie. Die tariefbeskerming het die tekstielnyweraars in 'n byna-onaantasbare posisie by na sonder enige mededinging gelaat. Die gevolg is dat hulle feitlik met die klerefabrieke en klerehandel maak soos wat hulle wil. En die mense moet maar verlief neem.

Dr. Kleu het nou wel in sy toespraak gevra dat daar nie met vaaghede en algemeenhede na die Raad gekom moet word nie, maar dat spesifieke gevalle van vermeende ongerymdhede onder die aandag gebring moet word. Maar dit is al herhaaldelik gedoen, sê mnr. Van Rooyen deur homself en ook deur ander mense. Maar dit gaan maar oustryk voort.

● Dit is duidelik dat die aangeleentheid besonder delikaat is en deeglike aandag verg. Daarom is dit verblydend dat daar op 2 Junie 'n tafelbespreking tussen verteenwoordigers van die AHI en die Raad vir Handel en Nywerheid is. Dit 'n afspraak wat voor Woensdag se dinge op uitnodiging van die Raad gemaak en aanvaar is. Blykbaar is die strydbyl nou voorlopig begrawe.

By daardie geleentheid sal die tekstiel-voorstel wat nog staan, dan ook in alle rustigheid met die Raad bespreek word. Dit is so deur die kongres aanvaar

IMPORT PERMITS FM 9/5/75

No complaints

197

The scant attention given to last week's second import permit allocation for 1975 is an indication of how little importers need extra permits

With more than adequate stocks on hand and sheaves of unused import permits in their filing cabinets, most businessmen can't complain about the allocation of 40% (bringing permit issues to 80% of last year's figure) for consumer goods, confectionery and alcohol

The only sector with any cause for grumbles are clothing importers They've been given only 20% of last year's allocation. It has been known for some time that Imports and Exports Director David de Villiers and his men have been limiting permit issues for clothing to protect the local textile industry So Economic Affairs Minister Chris Heunis' announcement did not come as a complete surprise

But the effectiveness of this measure will be significantly diluted because a large portion of our clothing imports comes from Rhodesia — not subject to permit control

Nevertheless, what will GATT say? Since the General Agreement already frowns on our import control regime, the latest effort to protect the textile industry may not particularly affect international opinion.

In any case, argues De Villiers, the discrimination against clothing importers is likely to be temporary. There are already signs that the textile industry is recovering and, if the trend continues, it shouldn't be long before an extra clothing allocation is made.

The Minister also announced that each applicant for permits will in future have to submit an accountant's certificate confirming that he is a *bona fide* merchant with his own trading premises

Despite the administrative burden this will place on his staff, De Villiers is determined to catch out those businessmen who have registered companies by the score for the sole purpose of obtaining additional import permits He notes that more than 2 000 such companies were found when a similar exercise was conducted a few years back.

A warped sense of values

Interests in the textile and clothing industries are still at loggerheads They must pull together or both industries could come apart at the seams

A stitch in time *can* save nine So why do the various warring factions in the textile and clothing industries refuse to cotton on to the idea?

Textile producers continue to cry that they can't make ends meet without either import permit protection or duties, or both Garment manufacturers on the other hand, often complain that they can't get what they want when they want it And even if they can, it's not at the right price

Result is that both industries, both of which are pretty sick right now, keep beating on the Board of Trade's door with their own particular, and some say short-sighted, requests

But something must be done to co ordinate pleas from both, and soon In a climate of world wide depression in the textile and clothing sectors, tomorrow could be too late

Both clothing and textiles employ highly specialised skills, both are in a fashion-conscious (and, therefore, vul nerable) market and both reach the man in the street just about every day

The textile industry represents an investment of about R450m and employs upwards of 94 000 people It consists of producers of woollen fabric, cotton, calico, canvas and synthetic yarns

The clothing industry employs another 127 000 or so It includes manufacturers of knitted garments, shirts and blouses, suits and so on Indeed, a 1972 survey found that weekly paid clothing workers will total more than 205 000 by 1980 That is 10% of all workers in manufacturing

Representing both sectors are at least four industrial councils, a dozen or so federations and several trade associa tions Each jealously guards its sphere of operations, it own skills and regards apparent intrusion as a threat to its exi stence

Result is that they all trot off to the Board of Trade with their own cries for help, doubtless leaving Pretoria wonder ing which particular axe it's being asked to grind at any one time Right now, no-one is taking a broad overview to judge, for example, how ripples in cot ton textile production create waves in the garment trade, which is an on going problem

How does one find a common denominator? How do you stop the fac tion fighting?

Government could knock all the various heads together It could wait for some sort of spontaneous combustion (perhaps a burst of light from the heavens?) on co operation to take place Or it can wait for consolidation (such as SA Nylon Spinners takeover of Neckel mann and Sagov in the highly fragmented textiles sector) to cut down the proliferation of small fry?

"What's really needed", says one distraught association spokesman, "is a Kissinger" But then added as an after-thought "But who'd pay him?"

Post-September blues . . and sew it goes on

Of course, efforts have been made to knock the various heads together The all but defunct Textiles Apparel Com mittee of the FCI is a case in point It was set up two or more years ago in an attempt to create an open forum and to engender 'a spirit of co operation Members refused to even discuss que stions of tariffs and import levies, never mind agreeing on general policies

Thus, while the current chairman, Stanley Shlagmann, continues to preach against a ' beggar-my-neighbour policy in either industry" he's at a loss on just how to bring his committee members back to the negotiating table.

Of course, some form of spontaneous combustion might be sparked off by one of the major groups seeking actively to protect its investment An example is SA Nylon Spinners (SANS)

It would obviously be in SANS' own interests to promote co-operation between fibre producers, knitters, throwsters, weavers and finishers In this way it can safeguard its R21m in vestment for the provision of a local polymeric raw material and its R12m, ear marked for bringing the latest tech nology into SA

The user groups, the knitters, throwsters, etc, are naturally interested in a supplier industry capable of invest- ment in modern technology and, more

THE TEXTILES WEB

Throwsters are those engaged in the process of twisting and/or doubling of yarns — including texturising and finishing

Knitters use machines on which one or more yarns are formed into a series of interlocking loops

Warp knits are machine-knit from one or more sets of yarns placed side by side in the same way as warps are used for weaving

Weft knits are made with one or more yarns carried back and forth to make a flat fabric or are knit around to make a circular fabric

Weavers work by interlocking two or three sets of yarns at right angles to each other, one set running in the lengthwise direction called the warp and the other inserted crosswise called the weft

Finishers process fibre yarn or fabric either [illegible] or after weaving or knitting to change the appearance and/or the handle and/or the performance

Polymerisation. The process of joining small chemical units together — the large chemical unit then becomes a polymer Spinning (chemical) produces filament fibre, filament yarn and filament tow

Texturising is a process whereby continuous filament yarn is given a bulked property similar to those of spun yarns Yarn is the generic name for an assemblage of fibres that are laid or twisted together

Draw-twisting is the drawing out of the spun filaments — which up to that stage are separate — and are then spun together

Source Texinform

important, keeping them going in good times and bad But, argues SANS, its investment must be protected against dumping

If the users agree, here's a case then for a common front to beat on Pretoria's door But it doesn't exist — yet

The driving force behind SANS' expansion has been the necessity to keep pace with modern technology in the production of synthetic yarns This aims at cost-reduction by eliminating some processes The present stages of polymer manufacture — spinning, draw-twisting and texturising will be replaced by a continuous process

SANS acquisition of some 66% of the local texturising industry, including knitted fabric manufacturers and knitwear producers, is now seen as part of that programme The company clearly believes that the move will improve its service as a fibre producer of filament yarns and assist, through its international connections, in the production of better fabrics

Meantime, the various associations and federations carry on the free for-all

The National Textile Manufacturers' Association, for example, is currently preparing an application for presentation to the BTI It will argue for increases in import duties for blankets, calico, canvas and yarns to protect its hard-pressed members from competition

Frank Whitaker, director of the National Clothing Federation, is a far from happy man His sector includes around 800 garment manufacturers who continue to be put out by the massive September increases in import duties They either struggle with delivery delays on high-priced imports or, quite literally, have to cut their suits according to their (local) cloth

Textile wholesaler Sidney Bloch meantime maintains that his end of the market is still digesting the high stock levels of last year It is, therefore, too early to gauge the effect of September's hike in import tariffs which, says Bloch, "were hastily introduced and poorly contrived"

He also underlines a common complaint about import tariffs in saying that they're far too complicated The obvious intention was to both protect locally made cloths and to inhibit the possible use of substitutes

Result? Heavy-handed legislation

Winston Smith, director of the National Knitting Industry Federation, has his problems He looks after 85 so knitting companies which employ 80% of the total labour force of 20 odd, in that sector, producing s… knitted garments and fabrics

The sock manufacturers, with 90% of the market says Smith, well-shod Not so the fabric prod… or the garment knitters.

There it's a picture of low… books, wide-spread retrenchment… dwindling production Smith com… that the landed cost of imported f… garments is roughly that of local… materials

So, he too, has gone to the BTI… a plea for further protection.

Archie Berman, chairman of the Cotton Textile Manufacturers' Association, also has some home-spun tr…

His member companies are wor… at about 40% under capacity. He … of a slight improvement in one or … areas but declines to comment fu… saying "Delicate negotiations are … hand"

These, then, are just some of the … tional complaints from the textile … clothing industries and the danger is … individual efforts, such as the CSI … forthcoming conference on wo… training, will be lost in the general fog

Set for June 5 and 6, the conf… takes as its theme "Textile Training … the Crossroads", and hopes to give … textile industry the opportunity to … its training needs and to work out a … of action for the future. It's … described by the organisers as a "boot-strap operation" and it's … fond hope that guidelines for a … ordinating committee might result.

Maybe so and, if the Department … Planning's forecasts for 1974-79 a… hold water, such a committee must … forthcoming The Department sugg… that growth in the textile industry … continue at 6,5% pa and, with im… levels holding steady, a further R1… investment will therefore be required.

Question is, who's going to p… money in — and who will co-ord… both industries to ensure that it's pu… the best possible use?

Textiles: 'Many more than 10 000 laid off' STAR 31/5/75

1 197

Own Correspondent

DURBAN — Many more than 10 000 workers have been laid off as a result of the slump in the textile industry, according to Mr David Aronovsky, chairman of Progress Industries.

Mr Aronovsky said at the firm's annual general meeting that the figure of unemployed in Press reports was "much too low."

But, he said, better times for the industry lay ahead as imported textile stocks were used up and retailers and manufacturers were forced to start buying local textiles.

"We believe the situation will begin to improve from the last quarter of this year and will pick up substantially towards the middle of next year."

He said that although material costs were starting to firm again as synthetic fibre costs rose, he hoped that the company would be able to hold its retail prices steady for the whole of the year.

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Textile men gear up for training

STAR 15/5/75

Labour Reporter

The South African textile industry — still fighting the "dumping" crisis which put 10 000 out of work — is gearing itself for a big training programme.

So far there has been no training to speak of in this industry which represents an investment of R450-million and employs 100 000 people

Now it has become clear that, unless something is done, the industry's competitiveness and the quality of its output will suffer, says Mr S Shlagman, vice president of the Federated Chamber of Industries.

EXPERTS

He was one of several experts who acquainted the Press with the background and aims of a textile training conference to be held in Johannesburg on June 5 and 6

Mr Shlagman described it as a unique "bootstrap" operation arranged by the industry to help itself

The industry had a great growth potential, and since nine out of every 10 textile workers were Blacks, Coloureds or Indians, these were the people likely to benefit.

In addition, training would eliminate the lack of skill which held back pay.

Mr Shlagman believed training programmes could take advantage of the tax concessions instituted for Black industrial training. He also foresaw the feasibility of textile training at colleges for advanced technical education

Mr Adam Klein, Transvaal branch secretary of the National Industrial Textile Workers' Union, welcomed the initiative taken by the Council for Scientific and Industrial Research in organising the conference

"The Transvaal clothing college, equally financed by employers and workers, shows the workers' concern for training," Mr Klein said

STAR 5/6/75 (197)

Gloom over training in textile crisis

Labour Reporter

South Africa's first concerted look at textile training — or rather, its absence — started on a gloomy note in Johannesburg today.

Two of the early speakers lamented the collapse of university and advanced technical education courses, owing to low enrolment

One lambasted the textile industry for relying on Government protection against "unfair" competition rather than training the skilled technologists needed to make the industry competitive

BIG SLUMP

But the mere presence of scores of textile executives from all over the country raised strong hopes for progress, as the conference is being held during a slump which has put one in 10 of South Africa's 100 000 textile employees out of work.

Further encouragement came from the Government departments most closely involved in the technical training of Black and Coloured workers who comprise the bulk of the textile labour force

Mr G I M Coetzee, deputy director (planning) of the Department of Bantu Education, assured the industry of a sympathetic hearing and assistance — provided a good case was made out.

UNLIMITED

And Mr S L Spokes, technical education planner, Coloured Affairs, said the administration was conscious of its responsibility in providing pioneering courses In certain circumstances a grant might be made towards the capital costs of training centres, he said

Dr D P Veldsman of the Wool and Textile Research Institute called for organised school visits and summer courses to make students aware of the unlimited possibilities offered by the textile industry.

6 June 1975.
HANSARD 17 Q 1092-3
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Night shifts for African women workers in textile industry

*1 Mr W T WEBBER asked the Minister of Labour

(1) Whether African women workers in the textile industry are required to work night shifts, if so,

(2) whether some work night shifts permanently, if so, what are their (a) wages compared with those of male workers doing the same work and (b) conditions of service,

(3) whether working night shifts is a condition of employment

†The MINISTER OF LABOUR·

(1) Both the Factories, Machinery and Building Work Act 1941, and the industrial council agreements for the textile industry prohibit work by females between 6 pm and 6 am. Consequently females irrespective of race may not be required to perform night work in the textile industry without special exemption Such exemption is granted on merit Some exemptions permit of females being employed until 9 30 pm or 10 pm whilst others permit of employment on night shift proper

All exemptions are granted on condition that night work is performed entirely voluntarily, that wage rates be increased by 10%, that one free hot meal be provided, that tea or similar refreshments be provided free of charge at least twice per shift and that workers be provided with transport in the event of public transport not being available

(2) No If exemption is granted a condition is always imposed that female employees may not be permitted to work night shift for more than two consecutive weeks

(3) As already stated the relevant legislation prohibits night work by females and such work can only be performed under special exemption to which specific conditions are attached The exemptions concerned can also be withdrawn at any time should the conditions not be complied with

W.E. ARGUS Bus Argus 7/6/75

(197)

Red China drops cheap nappies in S Africa

Financial Staff

COMMUNIST CHINA has sold enough nappies to anti-communist South Africa to meet the needs of all races for a year.

This is claimed by a Cape textile manufacturer in a letter to Business Argus.

The shipload of nappies, sheets, dish cloths and handkerchiefs was imported. Half the cargo was nappies or similar cloth, he claimed.

'The nappies were imported at R1 a dozen and sold for between R5 and R6 a dozen. The quality is good,' he said.

'Nappies of similar quality made in South Africa have a selling price of about R7.80.'

'The Government allows the imports because it feels the poorer people need cheap products for their children.

'But importers are not passing on the benefit and are simply bumping up the profit.'

Representatives of manufacturers met Board of Trade officials in Pretoria this week and pressed their claim for protection against the dumping of cheap goods from the Far East.

Firms are also discussing plans to start a 'Buy South African' campaign.

20 ARGUS 9/6/75

TEXTILE SECTOR TRAINING PLAN

(197)

The Argus Correspondent

JOHANNESBURG. — The South African textile industry — fighting to hold its own in a serious slump — has set in motion the training machinery regarded as essential to put it on a sound footing.

After taking a hard look at the inadequate training of their 100 000 employees, scores of leading textile industrialists have set up a steering committee to plan future training and productivity.

The move is seen as a long-term enhancement of the industry's competitiveness and of advancement opportunities for its mainly Black and Coloured labour force.

The steering committee, comprising members from all the major textile sectors and a trade union representative, is expected to be chaired by the Council for Scientific and Industrial Research.

It is to set up a national training council for the industry, which is to arrange levies for a training fund. The possibility of introducing organisations to promote productivity will also be looked at.

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Rise on way for textile workers

STAR 13/6/75

Labour Reporter

An across the board increase of 12½ percent has been negotiated for about 12 000 textile workers — most of them employees of the Frame group.

The agreement was concluded in Durban yesterday at a time when about 10 000 of the country's 100 000 textile employees are out of work.

The minimum wage for men will now top R14 a week in the lower pay category and R15 in the higher. The women's minimum is 20 percent less.

The new agreement is effective from July 27 and provides for a 12½ percent increase on last December's wages.

A further increase of 10 percent on the new wages is to come into force in January and another 10 percent rise is due in January 1977.

For many workers the effective increase will be more than 12 percent since sections making kaffir sheeting, duck, canvas, tape and webbing are now to be incorporated in the higher paid blanket and rugs section.

ANNUAL LEAVE

In addition, the new agreement provides for annual leave pay to be calculated on average earnings, including overtime for all workers. Previously, only the bonus workers received leave pay on that basis.

The new agreement also introduces a long service allowance of R1 a week for people with five years' service and R2 a week for those with 10 years' service.

Mr Norman Daniels, general secretary of the Textile Workers' Industrial Union, welcomed the improvements with mixed feelings.

"Considering the crisis in the textile industry, I suppose these are the maximum benefits we could hope to get," he said.

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TEXTILES F'M. 20/6/75

Same old yarn? (2) 197

Often at odds with one another the textile and clothing industries are, with any luck, about to return to the conference table

For some years, and particularly in the textile manufacturing sector, various sectional interests have clashed

Also, textile producers have wailed that they can't get by without high tariff protection or import control, or both Garment manufacturers, on the other hand, have complained that they can't get what they want when they want it

Something, quite clearly, had to be done (*FM* May 23).

The textile industry has been in the doldrums for some time — both here and overseas. There have been more than 1 000 retrenchments in SA since April. Total lay-offs have topped 10 500

Thus the so-called dumping of cheap cloths from similarly hard-pressed manufacturers around the world has led to cries of protest from domestic textile producers Especially since order books are now 40% lighter than a year ago

Problem was that the various factions in the textile sector, rather than get together and present the Board of Trade & Industries with a common front, have persisted in knocking on the Board's door with individual cries for help.

On June 1 and 2 the BTI therefore invited representatives from the clothing and textile industries for concurrent talks The idea, it seems, was for the Board to explain its views on tariff protection and import control policies The opportunity was also taken to suggest that the various interests get together to find common ground.

The idea was neither breathtaking nor revolutionary In February 1974, for example, the clothing and textile industries got together and agreed on levels of tariff protection for woven fabrics Details of that agreement were never made public and, though due to become effective on July 6, they've never seen the light of day

There's also the now all but defunct Textiles Apparel Committee of the FCI It was set up more than two years ago to create an open forum for discussion Members from the clothing sector, however, refused to even discuss questions of tariffs and import control, never mind agree on general policies

Now, and concurrent with the talks at the Board of Trade, another attempt is being made at seeking co-operation in the textiles manufacturing sector. A steering committee has been set up under the chairmanship of Cedric Graham, MD of Feltex Fabrics at Uitenhage

Initially embracing spinners, weavers, dyers, finishers and knitters, the committee is aiming to create a body equivalent to the garment makers' National Clothing Federation A draft constitution is currently doing the rounds and it could be that a federation of textile manufacturers, or similar, will result

"Such has been the upheaval in the textile industry," says Graham, "that capital investment has been at a dangerously low ebb for some years And unless we can get it together, and quickly, a serious shortage is in the offing."

Graham must also be conscious of the fact that the prime objective of the embryo committee must be to engender not only a spirit of co-operation, but to create a mood of confidence Only then will investors be drawn back into an industry which, says the Department of Planning, needs another R191m capital investment to sustain the required 6,5% pa growth rate over the next five years.

But there's hardly that ring of confidence yet

FELTEX EXPECTS TO MAKE PROFIT

Financial Reporter

N Mercury 4/7/75

(97)

THE Feltex group, holding company of Carpet Manufacturing and through them Tapsa, made a pre-tax profit of R996 000, which was reduced to a loss by tax of R2,032m. Earnings per share were 4,3 cents.

The company is held by C. G. Smith Investments. The directors say that the net current assets of Tapsa were reduced by R6,5m to 5,7 cents a share. "Tapsa can no longer trade without significant financial assistance from its holding company, Carpets."

Incorrect figures were reflected in yesterday's report on Carpets. The company made an after-tax profit of R629 000 and hopes to make a R1,3m profit in the coming year. Its profits in the previous year were R3,2m.

ASSETS

Feltex assets have been revalued and appreciated by R10m. This will be used for the merger talks with Ropes and Mats. Since the year-end the company has issued guarantees for R12,85m to cover the positions of Carpets and Tapsa.

The share capital has been increased by four million new ordinary shares and two million 9 percent convertible redeemable third prefs of R1 each.

Details of the Ropes and Mats merger are expected to be sent to shareholders at the end of August.

The industrial division of the company expects television sales will curb its sales while the fabrics divisions hope that tariff protection will result in an improvement in orders.

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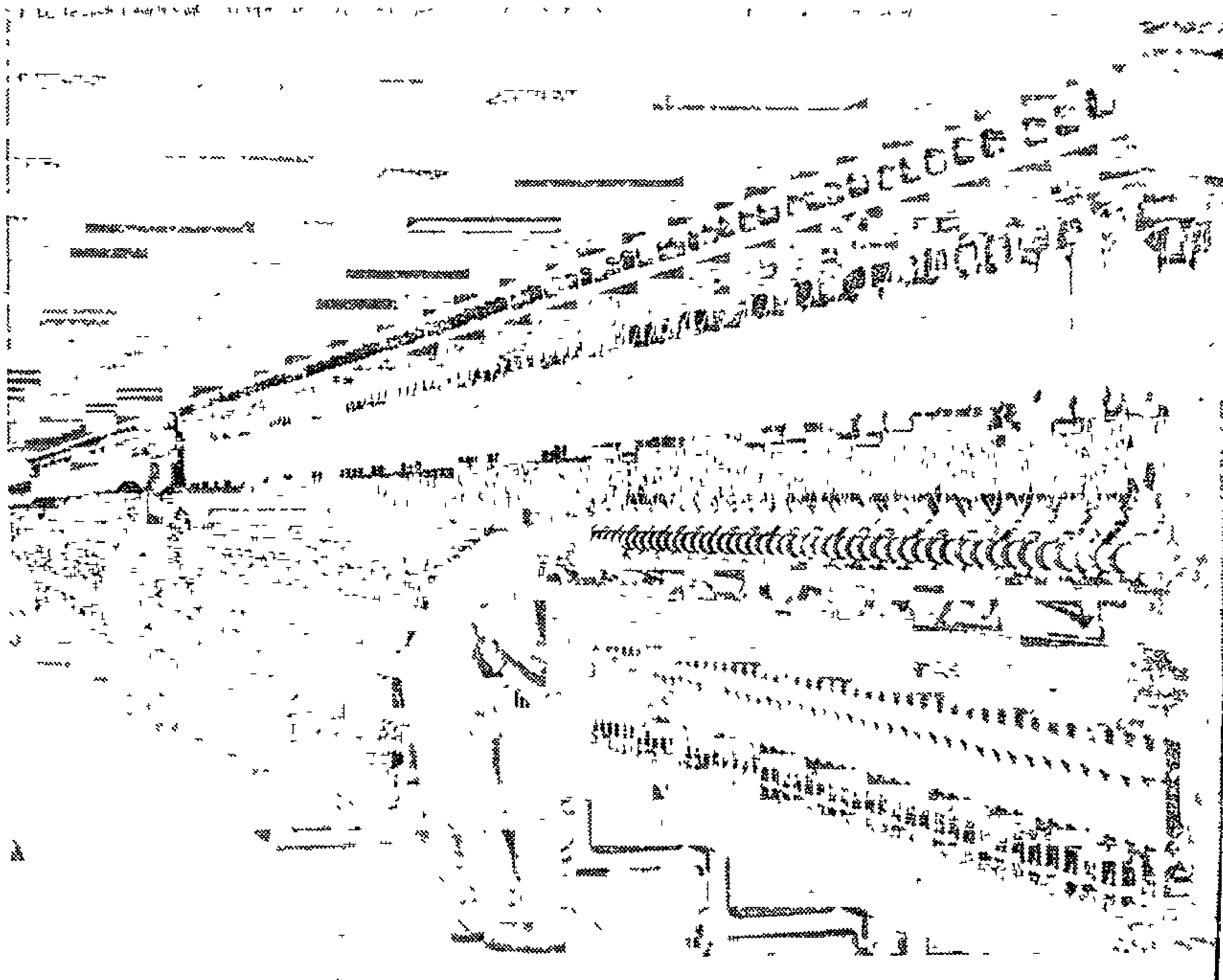

Expensive machinery . . . but not so many orders

Sun Trib (H[illegible]) 6/7/75

Textile industry is still spinning — but not at a profit

By CHRISTOPHER MORRIS

THE local textile industry, crippled by the dumping of cheap textiles on the South African market last year by overseas exporters, is still in a slump — and indications are there will be no sign of improvement until next year at the earliest

Companies are still producing at well below full capacity and are being forced to sell, in some instances, at below cost — just to keep their labour force employed

Mr A. F Balladon, marketing director of Dano Textiles, said this week no pick up could be expected before next year.

"The situation is still bad and more than 10 000 people are laid off As far as we are concerned business is [illegible]hronic," he said [illegible]

Shifts

"[illegible] our factories [illegible] cut back [illegible] percent and we are now working two shifts instead of three. And we are trying to maintain two shifts so as not to lay off anybody else"

Mr Balladon said this was normally the best part of the trading year but that his group had no forward bookings at all

T[illegible] amount of textiles [illegible]ported last year was [illegible]razy he said "and we have to suffer"

Other effects of the [illegible]p are

- Huge stockpiles of [illegible]ed goods lying at [illegible]rehouses tying up vast [illegible] of capital
- Selling at below cost to keep businesses going and the machines running

It gets more chaotic if we cut back further," Mr Balladon said, "production costs just get out of hand"

Recovery

Dano specialises in consumer orientated products and this is the field that has been particularly hard hit.

Some textile lines, however, are beginning to show the first signs of recovery

The managing director of a large textile concern on the outskirts of Durban agreed with Mr Balladon's assessment but noted that although there was "smoke on the horizon" of the textile market "there were no flames."

Contracts

He mentioned that his company had large government contracts taken on "at virtually marginal prices" and that his factory could continue to operate at reasonable capacity

Have profit margins been heavily cut? — "That it putting it very mildly"

"Our main aim is to keep the labour force occupied and to be ready when the recovery takes place"

And this is still some time away

Clothing manufacturers are still stocked up which will cover the end of year summer range So it will not be until next year they will start buying for the winter '76 range

Report

The sorry state of the textile industry is clearly outlined in Tongaat's latest annual report which shows that the textile division of the conglomerate was the only area in which turnover was down on the previous year.

Protection

Chairman of the group, Chris Saunders, in advising shareholders of a loss sustained by this division mentions the importation of textiles into South Africa "which did not enjoy adequate tariff protection"

Reduced shiftwork has also been introduced at Whiteheads in an attempt to offset the downturn.

The company reports a climbing sales figure but says that it is too early to predict a turn-around in the general situation affecting the industry.

The Star Wednesday July 9 1975

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Textile group gives 20pc rise

Labour Reporter

The Transvaal's headwear industry has become the second group in the garment and textile industry to guarantee its workers full compensation for the rise in the consumer price index.

The move comes as part of an agreement which provides for a 20 percent across-the-board wage increase for the estimated 3 000 workers in the industry.

The agreement, which comes into effect in October, raises the industry's minimum starting wage by about one third to R16,50 a week.

During the two-year term of the agreement employers will make half-yearly pay adjustments to bring wages in line with the rise in the Witwatersrand Consumer Price Index.

A similar agreement in the Transvaal knitting industry was negotiated about two months ago.

Mr Adam Klein of the Garment Workers' Union of South Africa, which negotiated both agreements, hopes his union has set a firm trend towards index-linking.

"This way workers can be assured of maintaining their standard of living in times of inflation," he said.

"But it must be emphasised that most of our workers are in the bottom income bracket where the rise in the cost of living is much steeper than the rise in the Consumer Price Index, which is based on White living conditions," Mr Klein said.

Textiles: More State shields

Sunday Times (Bus Times) 20/7/75

By GORDON KLING

STRONGER Government support for the South African textile industry in the form of more protective measures against imports is likely to emerge from discussions between the ailing fabric makers and the Board of Trade, headed by Dr Sebastian Kleu, on future tariff policies.

The announcement of the measures, which will be made in the next few weeks, will not end the continuous head-on collision between the textile makers, who say they need a firmer footing for the R20-million annual investment they have to make to keep going, and the country's 900 clothing manufacturers.

This is also anticipated by Dr Kleu's BoT which is making behind-the-scenes efforts to encourage closer co-operation between the two conflicting parties, and has appealed to them to act in the national interest.

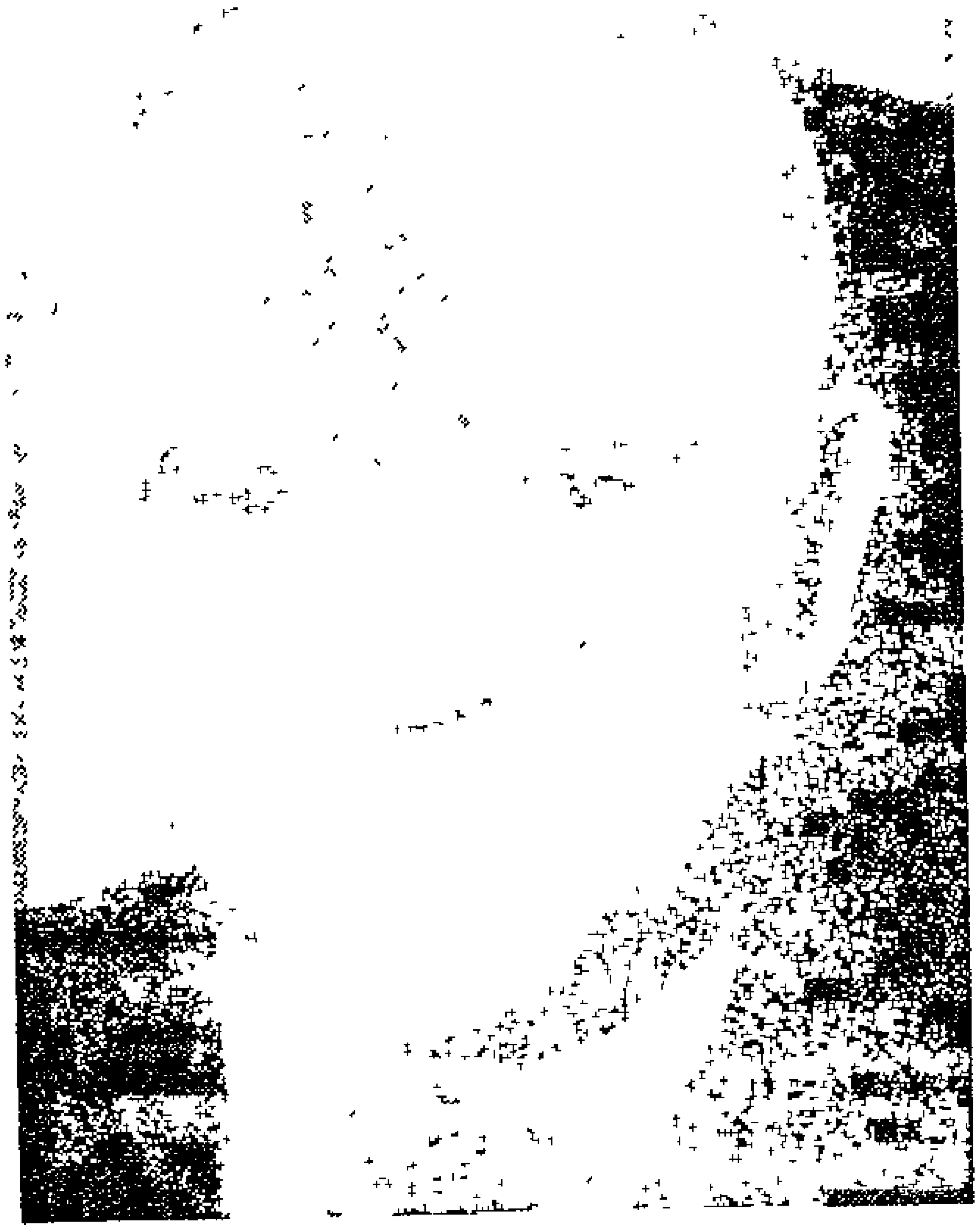
The BoT has urged the clothing makers, who claim that greater protection for the textile industry will only increase its inefficiency, to get together with the textile chiefs more often to discuss trends and future growth areas, and if possible, commission joint studies to forecast future market requirements.

The BoT outlined Government philosophy at a recent meeting with the textile industry in Pretoria to remove uncertainty in connection with future tariff protection, and in particular to clear up the question marks surrounding the new duties announced in Parliament last September.

Sources in the industry reveal that major changes in policy include the willingness to grant protection to all sectors of the industry, including protection against substitute products.

The BoT now accepts the argument about disruptive competition (dumping) and in future formulate duties based on a floor price system will be the rule, and not the exception.

Where substitution can be proved, the industry should now apply for protection. Rebates will no longer be granted to clothing manufacturers on the basis of making, a greater variety of fabric available, or to allow exclusivity.



Dr Sebastian Kleu . . . Behind the scenes.

They will be allowed only where a fabric is not produced locally, and where it can be proved beyond all reasonable doubt that a substitute is not available, or where the Customs Department defines goods to be rebated for effective import control.

In the cotton and synthetic fibre sector, the BoT is likely to grant duties on higher priced fabrics, having previously aimed them at cheaper ones, in order to encourage the local industry.

The industry has reviewed the current tariff structure, and is applying for protection under the new policy while pressing for the maintenance of import control until it is implemented.

Royce Bowen, managing director of South African Nylon Spinners, cites 10 000 unemployed workers in the R450-million industry, and plants down to as low as 40 per cent of capacity as examples of how far the problem has worsened.

"We are operating at less than half of capacity, and this is almost entirely due to imports," he said.

Mr Bowen acknowledges that the future does look brighter, largely because the clothing manufacturers have used up excess stocks, but he adds that the company should be able to handle all local requirements until mid-1977 — something that won't happen without more protection.

Mr Bowen says the current unemployment is a needlessly imported crisis, because there has been no decline in total spending on textiles in South Africa.

"The nominal balance between local and imported clothing fabric, as an overall figure, is about 60 per cent local and 40 per cent imported. The 40 per cent gives the local garment manufacturing industry considerable freedom to pursue all their legitimate objectives of fashion, variety, competition, price, innovation, raw material security and growth.

"The garment manufacturing and importing interests employ about the same number of people as do the textile makers (about 110 000), but only one tenth of the capital.

"Our figures show that since the removal of duties in 1973, a net increase in retail sales of clothing of 8 per cent has been accompanied by a 44 per cent increase in imports.

"The Achilles heel in the regulation of the textile industry here has been the ability of the importers to continuously exploit the defects in the duty structure.

"The inbuilt lags and deficiencies in the system deprive the science-based, capital-intensive manufacturing industry of the legitimate essential volumes.

"The interests of the clothing makers are safeguarded by the National Clothing Federation and by Assocom, and their protected position was achieved with the support of the manufacturing sectors."

Eddie Gabriel, past chairman of the Cape Clothing Manufacturers' Association, and a director of quoted Desiree International, disagrees. He alleges that the textile makers are a cartel that the loosely organised clothing makers find hard to combat.

"The textile industry knows better times are around the corner, but it is pushing for greater protection now while the figures still look bad. The quality of many local fabrics is very poor and this is one of the reasons imports are necessary.

"Other reasons include slow deliveries, price, and lack of variety. The local textile manufacturers should specialise in the basics and upgrade quality, rather than attempt to produce higher fashion fabrics."

There are signs, however, that the emotion-charged attitudes prevalent in the whole industry are softening in the face of Board of Trade pressure.

Mr Gabriel accepts that South Africa is used as a dumping ground for fabrics, and he agrees that there should be protection against this.

The BoT has also allayed clothing makers' fears on the pace of development of the local textile industry. They have been told by the board that it does not believe the rate of development should be forced.

Meanwhile, the textile industry is embarking on a major modernisation and improvement programme to make its fabrics more acceptable.

Evidently tiring of the prolonged conflict, the BoT has decided to keep close track of the situation itself. It intends to introduce a monthly questionnaire on information not supplied by the textile industry. The survey will cover trends, production capacities, prices, orders, stocks and other variables.

R191m needed by textile industry'

E textile industry has marked more than 7m for capital expansions over the next iple of years.

But according to partment of Planning imates, this hard-ssed sector will need other R191m to main n the required 6,5 per-it a year growth rate er the next five years.

The largest investment gramme in the instry has been initiated the South African lon Spinners (Pty) ich is pumping about 4m into a polymer nt in Bellville, and carrying out another R13m expansion at the company's Hammarsdale plant in Natal.

The Cape, which recently lagged behind Natal and Transvaal in industrial development has the lion's share of the R57m.

As much as 63 percent of the capital expenditure is planned for the Cape, 18 percent is set aside for Natal, 17 percent in the Transkei and two percent in the Transvaal.

The largest individual project is SANS plant at Bellville, which is expected to supply South Africa's needs of polyester polymer — from which polyester yarn is produced — till 1986.

The managing director of SANS, Mr Royce Bowen, is optimistic about the long-term prospects of the South African textile industry and says production at the Bellville plant should start in the second quarter of 1977.

SANS is owned by De Beers ICI (SA) AE & CI and the Industrial Development Corporation, who are providing more than half the capital required in the company's expansion programme.

The managing director of Feltex Fabrics and chairman of the textiles steering committee of the Federated Chamber of Industries, Mr C Graham, says the upheavals in the industry have seriously depressed this sector's expansion and unless conditions improved markedly a "serious shortage is in the offing".

The director of the Council for Scientific and Industrial Research's Wool and Textile Institute, Dr D P Veldsman, estimates that the South African textile industry represents an investment of R450m and employs about 100 000 people, which indicates the importance of the industry to the economy.

Another textile company currently involved in significant investment projects is Pep Stores which is setting up a R10m blanket factory in the Transkei. This project was started in June last year.

The Da Gama Textile Company (Pty) announced in January an R11m expansion programme in the Eastern Cape

Ropes & Mattings, Lantor Nonwovens (Pty) and H Lewis and Co. (Pty) are other textile concerns which, over the past 18 months, have been involved with expansions of from R1m to R2m.

Several spokesmen in the textile industry say there are indications that business is picking up in certain areas, though the outlook is generally still gloomy.

A major textiles manufacterer says the South African industry still requires a reasonable amount of protection from cheap imports if it is to flourish and attract the required amount of investment capital.

He says that much of the capital expenditure over the past 18 months has been in those areas of the textile industry which are already sufficiently protected.

"The "protection argument" has been countered by several clothing manufacturers who say they rely on a certain amount of imports because the South African industry cannot supply all their needs.

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2/197

Courtaulds does well in S.A.

28/7/75

Mercury Correspondent

LONDON.—The South African textile industry seems to be following the pattern of the U.S. more closely than that of any other country, if the experience of Courtaulds is anything to go by.

Courtaulds' operations in South Africa are doing better than those in Britain, New Zealand and Australia and [illegible] the U.S. [illegible] that the [illegible] South African textiles is [illegible] with an [illegible] pace and [illegible]

At Courtaulds' annual general meeting the chairman, Lord Kearton, announced that while [illegible] textile [illegible] and South Africa [illegible] in the first [illegible], the tide [illegible] turning.

The last year was [illegible] for the textile industry with [illegible] demand [illegible] to [illegible] percent and [illegible] fibres [illegible] to an almost [illegible] 70 percent.

DIVIDEND

However, Courtaulds has succeeded in staying in the black and an interim dividend would be paid, said the chairman.

In a surprise announcement, Lord Kearton [illegible] that he was retiring as chairman of Courtaulds and will be succeeded by Sir Arthur Knight, one of the group's [illegible]

Rumours suggest that Lord Kearton's resignation could mean that he [illegible] the first chairman of British [illegible] Ltd.

The chairman will not be named until the new proposals for State [illegible] have gone through the Court and so no announcement [illegible] expected before August [illegible]

'extile peace? F.M. (197) 25/7/75

Question
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lext Wednesday should see the first isible signs that the internecine struggle etween the troubled textile manufac irers and clothing companies might be oming to an end A conference, at ohannesburg's Carlton Centre, orgased by SA Nylon Spinners deputy hief executive Peter Beasley will bring gether representatives of both sides to mmer out differences and to formulate common policy in order to present a ited front to government on the vexed estion of import duties

On these, the two sides of the industry ve been squabbling for too long At s stage, a list of companies attending is t being released, and, with a lot of senve things to be said, the Press is, untunately, being excluded

The textile manufacturers want even gher duties than those recently raised — order to protect employment, encoure investment and wet-nurse SA's grow; baby Conversely, the clothing manufacturers want to see the dismantling of barriers to trade so they can buy in the cheapest market offering the best qualities and the widest varieties

The textile manufacturers are in the strongest bargaining position when it comes to negotiating with government As employers of around 100 000 workers, this small number of large companies can act in concert On the other hand, the clothing industry comprises a large number (around 1 000) of companies which, although employing several thousand more people, are poorly organised and find it difficult to speak with ne voice

Quite a few are public companies and in the past they have absorbed all that has been thrown at them But this time they feel they have been used as whipping boys and scapegoats for the textile industry's ills The chairman of one company concedes there has been much bitterness in the past, but he has hopes for conciliation

One possible simple remedy, he suggests is that having first satisfied the national need for a strong textile industry — through the clothiers buying 60% of their requirement locally — duties on the remainder should be reduced by 20% per season

In public, at least there is not so much mud being slung around at the moment, and there is a growing recognition by both sides of the seriousness of the other's standpoint Hence the considerable importance attached to the Carlton meeting

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197

F.M 8/8/75

A stitch in time

At long, long last plaintive calls for unity in the textile and clothing industries look like being heeded Following a top-level meeting at Johannesburg's Carlton Centre last week, former sectional interests have agreed to compromise and form an Advisory Council for the Textile Industry The move is not before time

Textile producers have long maintained that they couldn't make ends meet without either tariff protection or import control, or both Garment manufacturers, on the other hand, have often complained that they simply couldn't get what they wanted when they wanted it And, even if they could, it wasn't at the right price

Result was that sectional interests in both industries were forever beating on the Board of Trade's door with their own particular — and some said short-sighted — pleas for special consideration

No one expects such pleas to cease overnight Nor does any one really expect raw materials pricing and availability to suit everyone But something, quite clearly, had to be done (*Inside Industry* May 23) to create a degree of unity

Prime mover was SA Nylon Spinners' deputy chief executive Peter Beazley, who tells the *FM* that the 40 or so invitations to sectional heads of both industries were all taken up "No punches were pulled," he says, "but the meeting got by without direct confrontation and a real spirit of co-operation emerged"

With Beazley as chairman, the new Advisory Council will compromise 17 members — most voting with profit and loss accounts behind them and not as "professional committee members"

The 17 man committee will include three representatives from the cloth manufacturing sector, three from retailing, five from garment manufacturing, three from raw material production and one each from Assocom and the Handelsinstituut

Problem has been, says Beazley, that many big guns haven't supported their own (sectional) associations With this new initiative, and by roping the big guns in, Beazley claims "We'll now be able to command the ear of the top men"

While a firm constitution has yet to be laid down there's widespread relief that the bickering is about to stop and the way is now open for constructive argument

The first meeting is scheduled for Durban in two weeks' time

Die Tekstiel-[illegible]

SAKE RAPPORT – RAPPORT, 10 AUGUSTUS 1975

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DIT tyd dat die Suid-Afrikaanse tekstielbedryf deur 'n onafhanklike instansie van A tot Z ondersoek word. Daar is 'n hele paar dinge wat baie verkeerd is in dié bedryf. Boonop kry hulle tot so 'n mate tariefbeskerming dat dit soms lyk asof die staat besig is om ondoeltreffendheid te s[illegible].

Mnr. Willem van Zyl, besturende direkteur van die Ve[illegible]groep van maatskappye, is een van die manne in die klerebedryf en -handel [illegible] baie [illegible] oor die [illegible]. En sy kollegas [illegible] pad met hom.

Mnr. Van Zyl het vandeesweek [illegible] Sake-RAPPORT gesê dat daar jare lank reeds [illegible] onmin tussen die SA [illegible]vervaardigers aan die een kant en die klerevervaardigers en -handel aan die ander kant bestaan. So erg het [illegible] al geword dat van verskeie kante gepoog word om beter betrekkinge te bewerkstellig.

Maar tot dusver was dié pogings sonder veel sukses.

[illegible]

Die rede vir die onmin is [illegible] in frustrasie wat ontstaan by klerefabrikante en -handelaars oor dinge wat in die tekstielbedryf onder die dekmantel van be[illegible]ing bly voortbestaan. [illegible] vraag wat die manne hul[illegible] vra is: In hoeverre [illegible] van Handel en Nywerheid en sy adviseurs [illegible] tariefmure as beskerming en tot welke mate word dit gebruik net om die koffers van die staat te [illegible] en ondoeltreffendheid [illegible] beskerming het nog meer ondoeltreffend te maak?

Mnr. Van Zyl sê wanneer daar maar twee of hoogstens drie vervaardigers van hemdemateriaal in Suid-Afrika bestaan en hulle nie in staat is om in die [illegible]raag te voldoen nie, [illegible] beskerming geniet van tot soveel as 100 persent van die vry aan boord-waarde van beter materiaal van oorsee, kan 'n mens verwag dat die posisie misbruik sal word.

Foute

Hy meen dis in sulke omstandighede 'n basiese voorvereiste om sekere standaarde (verkieslik gelykstaande aan internasionale standaarde) te stel ten einde beskerming te verleen aan die eindverbruikers of die [illegible] nywerheid.

Op die oomblik steek die SA tekstielvervaardigers se produkte bra vrot af by soortgelyke materiaal van oorsee. In Veka se fabriek op Newcastle het mnr. Van Zyl die klerebedryf se probleem met die 'A materiaal aan Sake-RAPPORT se man gewys (Sien foto hierby.)

In die rakke was rolle en rolle SA materiaal wat vrot was van die foute. Die klompie ingevoerde rolle materiaal was so te sê foutloos.

Ter illustrasie het die fabriekbestuurder, mnr. Dawid van der Merwe, twee oopgemaakte rolle, die een Suid-Afrikaans en die ander van Japan, op 'n tafel oopgerol.

Die SA-rol was besmeerd van die wit stukkies gare wat die vervaardigers aan die kante van die rol aanbring om 'n fout aan te dui. Dit was so vol foute dat daar kwalik in die rol 'n ongeskonde meter aaneen gelê het.

En nie eens alle foute was aangedui nie. Die manne langs die tafel het met hul kennersoog nog 'n hele paar ander ook gekry.

Grondstof

Daarteenoor had die stuk Japanse stof net een fout.

Om met so 'n stuk vrot materiaal te werk, stoot uiteraard die koste op. Vir eers sny so 'n stuk stof baie moeilik omdat stukke onbruikbare stof elke keer kort-kort eggesny moet word.

Tyd gaan dus verlore en produksie word gekortwiek — om nie eens te praat van die geld wat gemors word deurdat meters en meters soms weggesmyt moet word nie.

Vervaardigers laat wel[illegible]waar 'n ekstratjie by die rol toe vir elke fout wat daarin voorkom. Maar dit vergoed nie naastenby die vermorste stukke nie — veral nie as die hele rol vrot van die foutdrade is nie.

Mnr. Van der Merwe sê hy het al van die vervaardigers se manne by sy fabriek gehad om hulle te wys hoe die rolle daar aankom. [illegible] het die [illegible] van die [illegible] hulle se antwoord was om met die ophaal van die skouers te sê hulle het nie [illegible] om die te sien dat foute [illegible] word en materiaal die fabriek foutloos verlaat nie.

Hulle blameer ook die gehalte van die [illegible].

Kleur

Hierop sê mnr. Van Zyl baie tereg dat dit nou alles baie goed en mooi is om jou probleme met die op[illegible] van die skouers weg te praat.

Maar dit help nie 'n [illegible] om sy kant by sy klandisie skoon te hou nie.

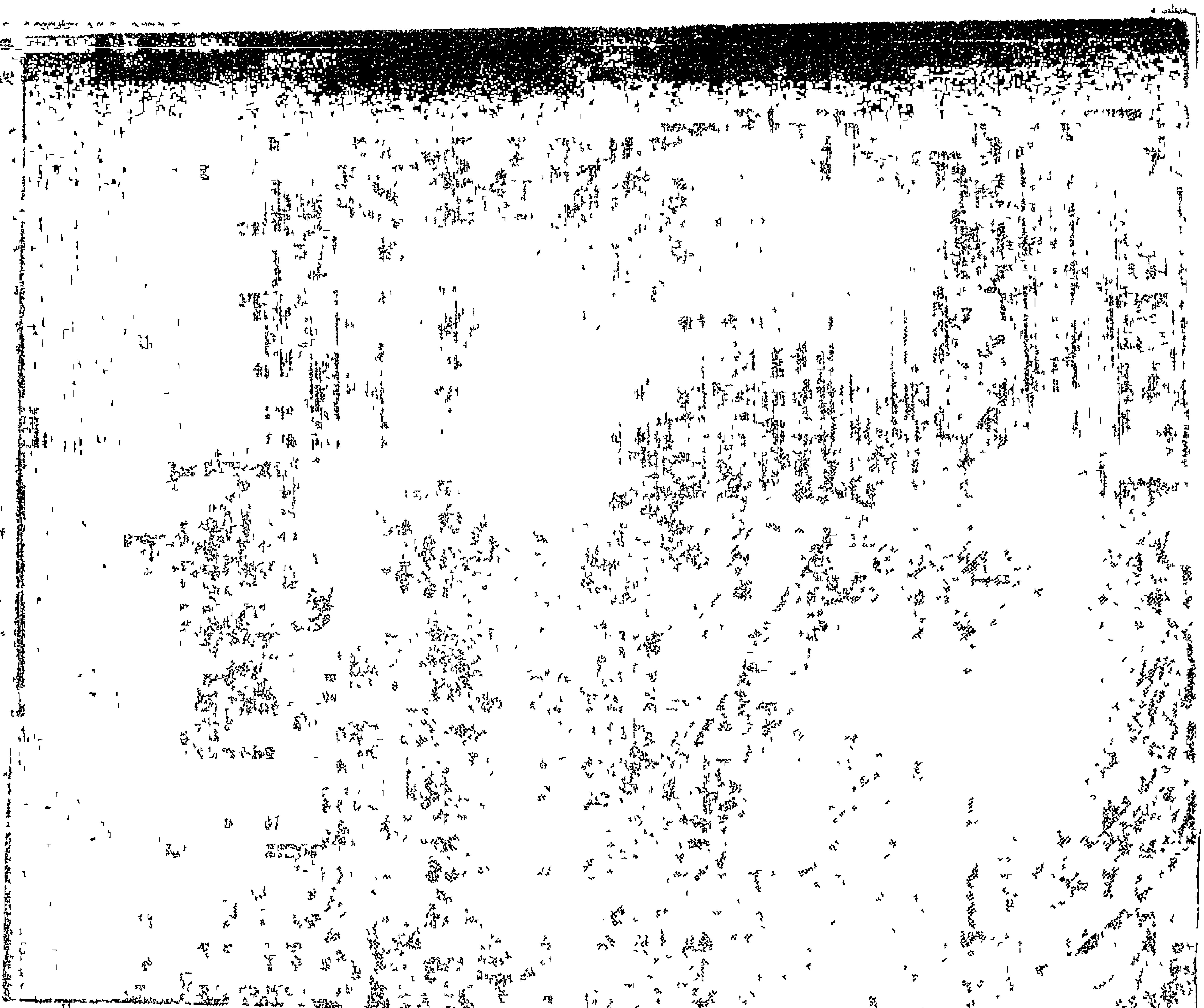
Hy kan nie aan 'n winkelier sê sy hemde of tabberds is vol foute omdat die materiaal vol foute is nie.

Dis buitendien nie al probleem met die materiaalmakers nie. Hul wit, blou, rooi, geel of groen stowwe het jou waarlik partykeer in dieselfde rol verskillende skakerings. En hoe nou remedie in so 'n geval?

As die klerefabrikant nie baie fyn oplet nie, vind hy maklik dat 'n klaargemaakte hemp 'n ander kleur blou of wat ook al op die agterkant het as voor. En dan is die klaar met [illegible] so 'n hemp uitskot, d.w.s. 'n verlies vir die fabriek.

Dis die soort ding wat [illegible] manne nou nie meer kan vat nie. En, sê hulle, dis dan die mense (wat sulke vrot produkte maak) wat steeds [illegible] staan om na die staat te [illegible] om beskerming teen oorsese mededinging.

En hoor net bietjie watter soort beskerming kry die plaaslike produk. Grys stof vir hemde en tabberds kan



KYK dan net hoe lyk die Suid-Afrikaanse rol Hedingstof wat mnr. Dawid van der Merwe, fabrieks-[illegible] van Veka op [illegible] bekyk [illegible] duj 'n fout aan. Langsaan (regs) [illegible] rol ingevoerde stof [illegible] Japan — met net een fout. Agter mnr. Van der Merwe se kop (bo regs) is nog SA rolle wat bemerk is van die foute.

Veka 'n [illegible] reus

DIE Veka-groep, wat een van die eerste toetredes van die Afrikaner tot die nywerheidswese in Suid-Afrika verteenwoordig, is vandag een van die reuse onder klerevervaardigers.

Waar daar jare gelede smalend na die aspoestertjie in die bedryf verwys is, neem mededingers vandag deeglik kennis van Veka. Kyk 'n mens na die winsgeskiedenis van die groep oor die afgelope agt jaar tot 31 Desember 197[illegible] [illegible] waarom.

In die jaar 1967 was die wins ná belasting van die groep 'n kraale R176 579, wat maar handjievol geld is teen verlede jaar se ooreenstemmende [illegible] van R1 [illegible] 577.

Die dividendinkomste vir aandeelhouers het ook sedertdien fluks verbeter. In 1967 was die uitbetaling aan gewone aandeelhouers R106 250 vergeleke by verlede jaar se R305 520.

Die verdienste per gewone aandeel het in dieselfde tydperk van 4,61c tot 22,8c gestyg.

Die netto batewaarde van die maatskappy het van net oor die R4,5 miljoen tot R [illegible] miljoen gestyg. Die aandeelhouers se belange het toegeneem van [illegible] miljoen tot R8 [illegible] miljoen.

Van een klein fabriek in Johannesburg het die groep gegroei tot 'n maatskappy met fabrieke in Charlestown en Newcastle, Natal en [illegible] Soutrivier in die Kaap.

In dié fabrieke word 'n groot verskeidenheid van klerasie vervaardig — van skoolkleurbaadjies tot -rokke, pakke klere en hemde.

Om dit moontlik te maak, het die groep sowat 2 000 swartes in diens, 500 blankes en 500 anderkleuriges.

Die totale fondse wat die groep vandag gebruik teen oor agt jaar [illegible] om sy [illegible] gang [illegible] van die [illegible] van die groep wat oor [illegible] kom [illegible]. Waar dit in 1967 [illegible] was en [illegible] 19[illegible] [illegible] die R16 miljoen [illegible] verlede [illegible] R3[illegible] [illegible] beloop.

Die aandeleprys van Veka het oor die jare nie so geweldig geskommel nie. Selfs in 196[illegible] was die hoogtepunt maar hier net by die 315c, terwyl die laagtepunt in 1974 om en by die 37c was.

Herorganisasie stoot produksie op—en spaar

BETER produksiemetodes in die klerefabriek van Veka by Charlestown in Natal het daartoe gelei dat die baadjie-afdeling in die afgelope agttien maande sy produktiwiteit met 70 persent verhoog het.

In dieselfde mate is die broeke-afdeling se produktiwiteit met 35 persent en dié van die afdeling vir seunsbroeke met sowat 50 persent verhoog, het mnr. Willem van Zyl, besturende direkteur, aan Sake-RAPPORT gesê.

Charlestown se fabriek, wat in 1954 gestig is, is eintlik die land se baanbreker sover dit grensgebiede betref. Op aandrang van dr. Hendrik Verwoerd self het dr Albert Wessels, stigter en voorsitter van Veka, 'n fabriek op Charlestown aan-gebou in afwagting van die voordele wat grensnywerhede later sou kry.

Beter diens

Toe die desentralisasie-beleid in 1960 aangekondig is, was Charlestown nie een van die erkende ekonomiese groeipunte nie en die groep was genoop om sy eerste grootskaalse uitbreiding in 1969 op Newcastle te plaas. [illegible] fabriek is in 1971 [illegible] die [illegible] is tot onlangs [illegible] outonome eenhede bedryf en bestuur.

[illegible] het die groep ook twee fabrieke in Kaapstad gehad, nl. die ou bekende [illegible] fabriek [illegible] sy [illegible] in Soutrivier en 'n hemde-fabriek (Consu-[illegible]

genoemde is in 1973 as eerste stap in 'n geleidelike rasionalisasieprogram gesluit en verkoop.

Genoemde rasionalisasie program is onlangs 'n stap verder gevoer toe die twee fabrieke in Newcastle her-organiseer is om as een fabriek bedryf en bestuur te word, met die gevolg dat die groep nou basies oor net drie fabrieke beskik teenoor die vyf van vroeër.

Volgens dr. A. J. J. Wessels, voorsitter van die groep, sal die onlangse stap 'n jaarlikse kostebesparing van minstens R230 000 teweeg bring.

Die bemarkings- en verkooporganisasies en in sekere mate ook die bemarkingsbeleid van die groep word tans geleidelik herorganiseer en gerasionaliseer ten einde met veranderende markomstandighede tred te hou en om sodoende 'n beter diens aan kliënte te lewer.

By Charlestown lei Veka self sy nou werkers uit die staanspoor op en behaal oneindig baie sukses daarmee. Dit vat hulle net nege maande om 'n nou man te laat klere maak, waar ander vervaardigers soms tot twee jaar sukkel.

Sukkel

Maar hulle vind die Bantoes baie geskik vir die klerebedryf. Trouens, mnr. Alfons Runde, hoofbestuurder (produksie) van die Veka-groep, sê hy vind die swart werkers selfs beter as die Europeërs, wat hy goed ken, want hy kom self daarvandaan.

Hy is 'n Duitser wat al elf jaar in die land is. Hy ken ook die Kaapse Kleurlinge, wat van die vroegste tye al sterk staan in die klerevervaardiging. Maar mnr Runde sê hy vind die swart werkers, natuurlik met die regte bestuur en tegnici, gelykwaardig met ons bruinmense en Indiërs.

Veka is nou besig om swart werkers op te lei vir middelbestuursvlak. Mnr. Van [illegible] sê hy is daarvan oortuig dat dit absoluut noodsaaklik is om groter doeltreffendheid in die hand te werk. Swart bestuurders sal uiteraard oneindig beter met hul eie mense kan werk en meer uit hulle kan haal.

Buitendien is dit immers volkome in lyn met landsbeleid om die swart man op te hef en steeds groter verantwoordelikhede te gee.

WEES VERSTANDIG EN BESPAAR

DERDUISENDE rande word jaarliks vermors as gevolg van 'n gebrek aan standaardisasie in skooldrag. Groter rasionalisasie daarmee kan 'n besparing van tussen 10 en 20 persent meebring.

In terme van wat jaarliks aan skooldrag bestee word, beteken dit 'n besparing van 'n paar miljoen rand, want 'n skoolrokkie kos gemiddeld R10 en baadjies is ook maar in daardie omgewing. En daar is kinders lank!

Maar wat is die situasie in die land? By Veka, wat 60 persent van die land se skoolklere vervaardig, staan by sy fabriek op Newcastle een hele vertrek vol patrone en monsters van skooldrag — 1 600 verskillende patrone. En elkeen het Veka R104 gekos om te maak.

Mnr. Willem van Zyl, besturende direkteur van Veka, stem hiermee heelhartig saam. Soos hy tereg sê waarom ongeveer twintig verskillende skakerings van blou, sewentien groen, elf geel, veertien bruin, twaalf maroen, ses grys en nog al die ander kleure en afwykings?

Vir 'n fabriek wat klere moet maak volgens elke skool se smaak, beteken dit kort produksielope. En dit kos geld.

Baie is al geskryf en gepraat oor die onderwerp, maar weinig is nog gedoen om tot die kern van die probleem deur te dring. Mnr. Van Zyl meen dis omdat dit nog nie tot die mense wat besluite oor skooldrag neem, deurgedring [illegible]
hul besluite [illegible]
land se ekon[illegible]
'n Mens kr[illegible]
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10/8/75
Rapport sei 18

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Flortime carpet hits export boom

SUN TRIBUNE (F/N) 17/8/75

BY CHRISTOPHER MORRIS

FLORTIME, the Durban carpet company in the [illegible] group, has pushed up its export volume by more than 100 percent in the last nine months — in spite of mounting difficulties — thanks to [illegible] to an ambitious export plan three years ago.

Among the firm's achievements in the export field during this period have been:

- Exporting to countries in [illegible] and Central Africa which — at a political level anyway — are antagonistic to South Africa.
- [illegible] awarded orders by firms in Portugal since the [illegible] there a year ago.
- Selling to the United Arab Emirates (Trucial States) in spite of a recent [illegible] on imports from South Africa.
- Sending larger orders to Australia in the face of growing antagonism to South African goods.
- Creating new export opportunities in a highly competitive market aggravated by a downswing in the fortunes of carpet firms in [illegible].

The firm has increased its [illegible] to more than [illegible] percent of total production from the 10 percent a year ago.

The men responsible for Flortime's success in the [illegible] field are general manager Peter Honoyman and Brian Thomson, commercial manager.

"One of our largest markets at the moment is the Middle East and although certain doors have been shut to us because of the ban imposed by the Trucial States, we are still enjoying considerable [illegible] there," [illegible] Mr Honeyman.

"[illegible] this has not been easy due to the very tight competition from carpet manufact[illegible] we not only thought about entering the export market, we became committed to it."

And the decision is paying dividends now.

"We had an inkling that the South African economy would take a tumble and so we went overseas. And since we do not sell on extended terms, this has helped our liquidity position at home."

Flortime is sending more than 1 000 rolls of carpet to the Middle East each month and some of it is going round Africa and through the Mediterranean to the Lebanon, beating European firms who have a distance advantage.

The firm also exports to the Far East, Australia, the Arab states, Iran, countries throughout Africa, a few countries in South America, including Brazil.

"We do not compete on price, as that is out of the question; we win by supplying customers abroad with exactly what they want, even if that necessitates a special production run.

"In one case we had the problem of having too good a quality product. We had to [illegible] it for that particular market."

The company has received help from the South African Government in the form of standard export incentives but considers that more help should be given.

"It employs locals in commercial offices in most cases, which in itself is good, but these people have no knowledge of conditions in South Africa as they are never brought over here to get a first hand impression."

Flortime has to turn down orders from abroad for fear of disrupting supplies to the local market. Three orders from Brazil and the Middle East for 450 000 square metres were recently refused.

2000 cotton workers sacked

ARGUS 8/10/75

197

The Argus Correspondent

PRETORIA. — The Minister of Agriculture, Mr H Schoeman, disclosed today that about 2 000 workers in South Africa's cotton industry had been dismissed after a price drop and a fall in demand.

Speaking at the opening of the Eastern Transvaal Co-operative's cotton mill at Marble Hall, Mr Schoeman said the world's textile industry had experienced a recession in the past 18 months.

This had affected the local textile industry to such an extent that two local factories had closed down

The local price of cotton fibre was linked to overseas prices, which had declined during the past year from 112,29c to 75,09c a kg for the basic grade.

The demand for cotton fibre had also decreased to such an extent that some factories had worked only one shift a day and sometimes only one shift in two days. About 2 000 workers had been dismissed.

Mr Schoeman said South Africa was still to a large extent dependent on the outside world for clothing.

Last year, R33 million worth of textile goods and R28-million worth of cotton fibre were imported.

The Government was aware of the strategic importance of the textile industry. It was therefore the most protected industry in the country.

Mr Schoeman said the problems which the cotton industry had experienced over the past two seasons raised the question as to whether it was worth expanding.

But he said prices were beginning to recover. The price of South African cotton should improve markedly as a result of the recent 17,9 percent devaluation of the rand.

Textile men iron out some creases

Sun Times (Bus Times) 19/10/75

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By GORDON KLING

EFFORTS towards greater unity in the South African textile and clothing industries are at last getting results after years of bickering between the various sectional interests.

Peter Beazley, deputy chief executive of South African Nylon Spinners, said in Cape Town yesterday that the recently formed advisory council for the textile industry has overcome initial hurdles and is making a good start.

Mr Beazley, who is one of the main instigators of the council, had discussions on its role with Sebastian Kleu, chairman of the Board of Trade in Pretoria last week.

"Dr Kleu wanted to know who we are, and what we're doing, and I think he's satisfied with the answers.

"The council is made up of representatives at high level from all major producers and users of textiles, retail chains, and the leaders of the appropriate associations that now exist.

"We've already considered important problems and there has been not only an excellent spirit of collaboration between very different interests, but it has also become a quick source of vital information.

"This is preferable to the presentation of emotional, individual viewpoints to Government or to the public in a conflict situation which can negate progress in the industry as a whole."

Mr Beazley says that about the only common factor in the textile and clothing industries is cloth, and existing associations relate to very specialised and regional interests.

"[illegible] in technology, and the whole distributive pattern of the industries, have created new needs, [illegible] which past relationships just did not cater [illegible]

"[illegible] Government's problem in [illegible] the national interest is now very different from what it was 20 years ago, and it is involved in a [illegible] pattern of consultation with many more varied interests. For example, being horizontally organised, the individual operators hold stocks at each point in the manufacturing and selling process.

"The replenishment of stocks after a time of shortage or the clearance of stocks during a period of glut causes an unpredictable hiatus because the size of existing stocks is generally unknown," he says.

"Similarly, the effect of the devaluation of the rand and the danger of ensuing inflation on costs, prices and volume of locally produced and imported goods, and therefore on profit levels, is hard to gauge by individual sectors of the trade in isolation from the total industry."

Fears by clothing makers that the council would be little more than a muscle device of the already powerful textile producers to keep their goods well protected from imports by higher tariffs, appear to have been allayed. Harry Stein, director in charge of textiles at Woolworths, says greater communication is needed and regardless of who the motivator was, there would be a clash of interests.

"These have to be sorted out. The main aim is to simplify things for the Board of Trade and this has to be good."

Simon Jocum, chairman of the Cape Clothing Manufacturers' Association says the council represents a form of detente.

"We've needed something like it for a long time in this country," he says.

This view is shared by most of the top clothing and textile men, but many complain that they have yet to be approached by the council to participate in its activities.

Odd man out is Fairweather's managing director, Dan Rabie, who says the National Clothing Federation is perfectly well equipped to look after the interests of the clothing makers.

"I think the council is a middle-man that won't have any value," he said.

Top 100

LISTED companies who wish to be considered in the analysis of the Top 100 Companies 1975 are urged to send their latest audited accounts to Fred Beard, Box 2409, Durban 4000, as soon as possible. Accounts should be sent only to the above address — and not to BUSINESS TIMES.

① 197
② ~~131~~

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Girl loses 4 fingers —and job

STAR 22/10/75

Labour Reporter

A young Soweto textile worker who lost four fingers at work has been sacked.

The factory said today she can have her job back "provided she works"

"What other employer is now going to offer me work?" Miss Flora Mashele (19) asked The Star.

She was getting R15 a week as a machine operator when the fingers of her right hand were cut off in the course of duty, she said. She felt she was still able to do the work, in spite of her handicap

But when she resumed work after treatment on July 2, she was put on another machine and was paid only R11 a week

On October 9 she was sacked

Mrs Evelyn Seloro, organiser of the African Textile Workers' Union said the employer, Domestica Textiles of Industria, Johannesburg, said Miss Mashele was sacked for being found lazy on three occasions and for having held up production.

Today, a director of Domestic Textiles, Mr J Shear, commented: "If she wants to come back we will reemploy her provided she works."

He said the accident happened at a machine where Miss Mashele had no right to be.

"She was fired by the production manager because she just wouldn't work. She was warned on numerous occasions," Mr Shear said

Senator Anna Scheepers, president of the Garment Workers' Union of South Africa, commented:

"People are not machines that can be disposed of. There is a moral obligation on the employer."

Senator Scheepers added. "After all, it was in the line of duty that she was handicapped"

Under the Workman's Compensation Act an award of R782,04 was made, but it is paid out at the rate of no more than R15 a month

197

~~(1) 131~~
(2) 197

RDM 24/10/75

City fire deaths now five

Staff Reporter

[illegible]

[illegible] authorities [illegible]

Three people died, on [illegible] of [illegible] and President streets, Johannesburg.

They were [illegible] Derek [illegible] managing director [illegible] Ltd, [illegible] 42, and [illegible] 17.

ARSON

Police believe the fire started in the [illegible] of the building, sending flames and [illegible] up the lift shaft. An explosion brought down the ceiling on workers [illegible] top floor.

[illegible] Johannesburg's chief fire prevention officer, said yesterday the [illegible] department had ruled out the possibility of arson.

"We have limited the possibilities to two," he said. "Either the fire was caused by spontaneous combustion of chemicals or someone was careless with a cigarette butt."

An analysis of chemicals stored in the basement would show whether seepage from containers caused the fire and the explosions that followed.

The results of the analysis would not be available for about a week because the [illegible] were [illegible]

Factory paralysed as 600 strikers are fired

DISO (2) 197 RDM 28/10/75

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Own Correspondent

DURBAN — More than 600 African workers involved in a strike at Natal Cotton and Woollen Mills at Mobeni yesterday have been fired after refusing to return to work.

The strike which is believed to have been caused by dissatisfaction over the actions of a White employee of the factory, has paralysed production at the mill.

According to the managing director, Mr V Daitz, it is unlikely that work will be resumed before the beginning of November.

"If the workers wish to make representation to the management and reapply for their jobs, we will consider it, but in the meantime we are making arrangements for the hiring of an entire new labour force," he said.

At about 2 pm yesterday, the workers laid down their tools and refused to work.

While police kept a watchful eye over them a spokesman from the Department of Labour tried to negotiate their return to work.

After more than 400 day-shift workers made it clear they would not return to work they were ordered off the premises and paid off.

At least 200 night-shift workers arriving for duty at 3.30 pm joined the strike in sympathy with their day shift colleagues and were also paid off and ordered to leave.

(1) ~~150 A~~
(2) 197

Mobeni strikers 'scared'

Mercury Reporter

INTIMIDATION is keeping more than 500 workers from the Natal Cotton and Woollen Mills at Mobeni away from work, directors of the company say.

About 600 Blacks at the mill went on strike on Monday after they claimed 20 had been unjustly dismissed. All 600 were fired and told yesterday they could re-apply for their jobs.

However only about 50 of the workers turned up.

"I know that 95 per cent of them want to work, but intimidators are keeping them away," said Mr. S. Johnson, a director.

"We have observers out, and we know who the culprits are. They are standing in strategic positions and are keeping people away from work."

Mr. V. Daitz, managing director, confirmed that only 50 workers had returned.

"They are drifting in slowly. We have employed about 40 new workers. If they don't come back we will just hire new workers."

He was adamant the company would not give in to demands by the workers that the mill's new personnel manager be fired.

(1) 197

(2) ~~150 A~~

WE WANT TO RETURN DECIDE SACKED WORKERS

Mercury 7/11/75

Mercury Reporter

MORE than 400 sacked workers from the Natal Cotton and Woollen Mills, Durban, will go to the factory gates this morning to demand re-employment.

This was decided by the workers at a lengthy meeting attended by more than 400 at which their union officials reported on talks during the day with the factory management.

Both sides have made concessions since the start of the dispute which began when workers demanded the sacking of a personnel officer at the factory.

Management refused to discuss the question and workers were later locked out.

Since then there have been many discussions with factory management, representatives of the Industrial Council, union officials and Department of Labour Officials.

A breakthrough came yesterday when workers and management both made concessions.

The workers have now agreed to return to the factory even though the personnel manager is still employed there in the belief that he will be fired at a later stage.

It is believed that the management will not dismiss the manager immediately because they do not want to appear to be forced to do so.

On the other hand the management has agreed to re-hire workers at the same rates of pay. They have also said that the workers will not lose any other benefits such as possible increases and long service pay.

The one stumbling block left is whether the factory will re-hire all the sacked workers or only those hand-picked by them

A further complication is that the factory has already hired other new workers and management will be faced with the problem of creating new jobs or firing some of these workers if they take back all the old ones.

However, according to Mr. Norman Daniels, a union official who has come to Durban from Cape Town to mediate in the dispute, both workers and managemnt are keen to get back to work.

"In the light of the present mood of the workers and management I am hopeful that this final problem will be solved today. Both sides have shown great understanding and I think there will be a solution," he said.

Workers hopes dashed

Mercury 8/11/85

(1) 197

(2) KOA

Mercury Reporter

THE 400 sacked workers at the Natal Cotton Mills yesterday collected pay due to them at the factory and have decided to hold another meeting on Monday to discuss their next move.

The workers' hope that the dispute would end yesterday were shattered when they were told by management that it would decide which of the workers would be re-employed.

The stoppage has now lasted for two weeks.

A large number of police and security branch members were present at the factory when the workers arrived to collect their pay.

A security branch member with a video camera filmed workers and also a Mercury Reporter who was at the scene.

Star 8/11/75

8 1975

Factory fire: rules broken

A factory inspector said yesterday he visited [illegible] out of curiosity [illegible] a building where fire had broken out and found several contraventions of safety regulations.

Mr Basil Bruton was giving evidence before a board of inquiry on a fire at Barnmo Building, President Street, Johannesburg, which led to the death of five people and maimed a number of others.

As chief inspector of factories in the Labour Department in Johannesburg he kept the records of registered premises in the city, he told the court. He had no record of General Sewing and Embroidery CMT Company on the fourth floor of Barnmo Building where fire broke out on October [illegible].

Mr Bruton said his visit had revealed that volatile inflammable substances in open containers were stored in and outside the spray booth on the second floor where Kyle Transfers SA (Pty) Ltd had their offices.

[illegible] UP

He had not [illegible] out test [illegible] previous that the spray booth was not working efficiently. The exhaust equipment [illegible] with the painting materials and there was over spray all over.

The basement was cluttered with dirt and rubbish which seemed to have been burnt in the fire, Mr Bruton said.

Mr [illegible]leshack [illegible], a driver's assistant at General Sewing, told the board how he forced open the door to the fire escape to free screaming workers from the fourth floor as [illegible] in.

The inquiry continues on Tuesday.

[illegible] Chief Inspector [illegible] at the [illegible] of [illegible] the Fire [illegible]

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FM. 14/11/75

NATAL LABOUR

Communications gap

Industry won something of a Pyrrhic victory this week with the return to work of the majority of Blacks who went on a two-week strike at Natal Cotton & Woollen Mills (NCWM). The mill closed when workers alleged a number of men had been unjustly dismissed, and they demanded the firing of the mill's personnel officer, the source of their complaints, before they would return.

Workers claim that last Friday one of their spokesmen was given a management undertaking that all strikers would be re-employed if they returned to work. Moreover, they claim, those left out in the cold include anyone who was a workers' spokesman, including all but one of 15 African liaison committee members and some National Union of Textile Workers' (Indian) shop stewards.

MD Victor Daitz, on the other hand, denies there was any firm undertaking to re-employ all. They had to re apply. In the event, he says, about 100 120 were not re engaged because NCWM had been busy hiring new workers during the strike. Those newcomers were now being trained.

He denied victimisation of workers' spokesmen, pointing out that of three shop stewards one had resigned, one had not been taken back, and the third was re-employed — and "he was the most vociferous of them all"

Frame blames slowdown

RDM 18/11/75

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THE NET taxed profit of Consolidated Textile Mills Investment Corporation, the holding and investment company of the Frame group, was R5 088 582 during the year ended June 30, 1975.

This compares with R5 655 237 in the previous year. The net trading profit slumped from R8 261 864 in 1974 to R5 048 827.

Mr P Frame, chairman, says in his annual review, this adverse result had been anticipated because of the slowdown in the textile industry.

In addition, the decline in the purchasing power of money had created an abnormal situation for the group. Real profits were much less than those reflected.

"The group must continue to replace plant to increase productivity and keep abreast, on an international level, with technical developments in the industry.

"The acquisition of modern plant is essential to enable textiles to be produced at reasonable prices."

Referring to raw materials, Mr Frame says the cost of these has almost doubled compared with three years ago.

"Furthermore, the general state of illiquidity in the country has continued with the result that customers have required more credit to enable them to continue to purchase similar quantities of goods from the group as they have in the past."

Labour and overheads had also increased considerably in cost during the year. About 3 000 workers had been retrenched due to the adverse situation in the industry.

On the other hand, the group had spent about R12-million on expansion and re-equipping during the year. The main part of this expenditure had taken place in the border areas. Also, the money had come from the group's own resources.

Training of African workers had continued at a cost of R500 000.

The increased dividend had been maintained, but, because of the problems being faced by the group, it was impossible to forecast results for the current year.

R0,5m fire damage

CAPE TIMES 7/1/76

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Own Correspondent

PORT ELIZABETH — The fire which broke out in the basement materials store of Union Spinning Mills in Neave Township Port Elizabeth early yesterday was still burning late last night and damage may total more than R500 000

The fire, which was spotted in the basement about 12 30am by night-shift workers, was described yesterday by the Acting Chief Fire Officer, Mr C Bichols, as similar to the creeping dock fire which destroyed 13 underground precooling chambers in the harbour last year.

He said his men were hampered because the fire was in the basement and ground floors which meant they had to use breathing equipment

Seven fire engines and about 30 men had last night been at the fire for about 16 hours

A senior fireman Mr T Hurford was admitted to the provincial hospital and two others were treated and discharged after they were overcome by fumes from the fire.

A spokesman for the hospital said last night Mr Hurford's condition was "satisfactory".

Production at the mill has come to a halt and the entire factory staff were sent home yesterday

The secretary for the company Mr P J Kilian expected production to be held up for a number of days The delivery of already spun yarns would not be affected he said

~~(1) 150~~

(2) 197

BOSS FLIES IN TO SETTLE DISPUTE

15/2/76 **Tribune Reporter**

THE London-based managing director of a South Coast textile firm flew urgently back to South Africa this week to settle a labour dispute

More than 250 African and Indian factory hands stopped work on Monday because of dissatisfaction over wage increases offered by the management of Margate Textiles, near Ramsgate.

They were offered average increases of R3 a week, managing director Mr I Schamroth told the Sunday Tribune yesterday.

Mr Schamroth said he flew to South Africa as soon as he heard there was trouble.

He believed the stoppage was caused by about six "stirrers" from the Transkei who threatened other workers and stopped them going to the factory.

"About 90 percent of the men didn't know what the fuss was about, but they were scared because they had been threatened with their lives," he said.

"We have resolved the dispute and the men have been told to come to work as usual on Monday"

WORST OF TEXTILE SLUMP OVER

NM 24/2/76

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Mercury Reporter

THE TEXTILE industry had been through the worst depression it had ever known, Dr. P. W. Smith, president of the Society of Dyers and Colourists of England, said in Durban last week.

Dr. Smith was in Durban on a short visit to attend Sympotex '76, a symposium held by the South African Dyers and Finishers Association.

Dr. Smith said that it was almost certain that the worst of the depression had been passed.

WORSE STATE

"The industry has been in a worse state during this past period than it was in the 1930 depression."

He said that the industry would have to make every use of technological advances if it were to be successful in the future.

He said that in England, it was becoming difficult to produce articles at a competitive price, due to inflation and high wages.

"South Africa and other countries, where wages are still relatively low at present, will also be facing this problem in the future."

Pinetown plant opens today

11/3/76 NM

(1) 197

Financial Editor

MR. JAN VAN DER VELDE, group managing director of Lantor International, will officially open a new R1,5 million factory for his group at Pinetown today.

The new plant, Lantor S A, commenced operations in November, last year, and is now producing nonwoven fabrics and products for the South African and local export markets It is claimed to be the first of its kind in this country

Nonwovens are made from textile fibres laid into a web and bonded together either with chemical adhesives or by mechanical needling or by a combination of both techniques. The process is not dissimilar to paper making but uses air instead of water.

No weaving or spinning is required and the process is quick. The total production from the Lantor International factories last year was more than 100 million metres.

PERMUTATIONS

Nonwoven products range from gossamer-thin surfacing laminates to a centimetre - thick carpet underlay Unlimited permutations are available by using different adhesives, fibres and fibre blends, as well as a diversity of fibre lays, coating and finishing processes.

Nonwoven products from the Lantor factories are used in the manufacturing of disposable sheets, gowns, masks and wipers for use in hospitals, electric blanket material, blankets, continental quilts, pillows, padding, felts for shoe, shoulder pads and interlinings for the clothing industry, insulation material for the building industry, various filtration medias, surfacing tissues and laminates in polyster, fibreglass mouldings.

One of Lantor's largest customers in the United Kingdom is the Ministry of Defence, which uses a sophisticated nonwoven as part of the protective combat dress worn by NATO forces

Two thirds of the Pinetown project is owned by Lantor International and the other third by the Industrial Development Corporation of South Africa.

Raw materials for the factory will be imported from Europe, America and the Far East

The factory will employ 40 people initially and this will increase to about 200 by 1980

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SA textile industry is on the mend

24/3/76. STAR

Louis Beckerling

The South African textile industry is recovering from one of the worst years in its history. Most production lines are again working at full capacity and most of the 10 000 workers retrenched last year have been replaced.

With a 10,8 percent decline in volume output last year, the industry was bottom of the manufacturing sector's output log. Now, order books are on average "five to six months ahead" and according to company spokesmen prospects for growth in 1976 are "good."

The unanimous explanation for the reversal of the decline is increased tariff protection. Before the tariffs — introduced in September 1974 and revised in October 1975 — began to bite, a laissez faire attitude allowed massive dumping.

"South Africa was besieged with cheap imports," explained Mr "Bob" Ankers, chairman of the SA Cotton Textiles Manufacturers' Association.

The extent to which stockpiling of cheap imports took place is illustrated by the massive increase in imports of sheeting. "Before the tariff structure became effective, around 6m metres of sheeting were imported," said Mr Ankers. The normal level of imports of this commodity, he said, was 500 000 metres.

"But now we've got reasonable protection." Other helpful factors are the marked revival of the industry in the United States (which showed a 28 percent growth in volume output between February and September 1975); first signs of recovery in Europe, and dearer import prices caused by the rand devaluation in September.

Consequently, demand on local manufacture of cotton, worsted and synthetic fibre has picked up, although the recovery is still patchy. While strong in poplins, denim and drill, it remains slack in curtaining and furnishing fabrics — perhaps a reflection of the malaise in the building industry.

A further indication of boosted activity is a renewal of investment programmes. Expansion programmes were, necessarily, "drastically reduced" last year, according to Mr Ankers. "The only real investment was in absolutely necessary replacement."

But Mr Ankers, who is also managing director of Berg River Textiles, said that, with demand restored, his company had released R2m for the introduction of eight new spinning machines

This confidence was typical of attitudes in the industry, he said

For worsted manufacture, the turnaround is much the same. On short-time last year, the decline in output would have been more severe were it not for accelerated State contracts. Industry spokesmen also blame dumping of synthetic fibre for their reverses. However, with tariff protection "now effective" demand had been renewed.

Textile industry 'is neither weak or coddled'

Ivan Philip STAR 7/4/76 (197)

South Africa's textile industry was often portrayed as "weak, inefficient, acquisitive and coddled" said Mr G C V Graham, president of the Textile Federation, speaking in Johannesburg yesterday.

But, in fact, it was a modern industry with a strong desire to improve productivity and efficiency.

Reinforcing this point of view, he added that industry costs had risen by the modest figure of 8,8 percent last year and the industry had absorbed no less than 90 percent of this increase — passing on to their customers price increases amounting to only 0,9 percent.

The Federation represents the knitting, cotton textile, worsted and fibre section of the industry. It has recently been set up to co-rdinate the activities of the industry.

A year ago, the textile industry in South Africa (as distinct from the clothing industry) was in the doldrums, with about 10 000 workers laid off.

But Government assistance in the form of increased tariffs has brought relief from the pressure of cheap imported fabrics that flooded into South Africa following the recession in Europe and Japan.

The local textile industry has a turnover of about R1 000m at factory prices and it is estimated in the industry that imported textiles cost the country in the region of R400m a year.

Mr Graham said that South Africa's textile industry would need to invest about R50m a year over the next five years to meet targets set by the Economic Development Programme.

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2 (197)

Textile industry smiles but makers scowl

SUN. TIMES 11/4/76

Industrial Editor TONY KOENDERMAN analyses the woes of South Africa's clothing manufacturers as they battle for supplies

SUDDENLY, everybody's smiling in the textile industry. But, as usual, the smiles are matched only by the scowls of the clothing manufacturers.

For hardly has the textile sector emerged from the doldrums than supply bottlenecks are already beginning to appear

Manufacturers of men's suits have run into a shortage of worsted cloth because the worsted producers do not have the capacity to supply their needs

At the same time, import control is being operated tightly, largely for exchange control reasons, so it is not easy for clothing manufacturers to obtain supplies from abroad

Man-about-Town Holdings chairman Maurice Berelowitz said this week "It is very difficult for us to plan six to nine months ahead — as we have to — unless we know how much merchandise we are going to get."

This uncertainty exists both in relation to local supplies and the granting of import permits, and Mr Berelowitz has called on the Board of Trade to step in and mediate between the interests of the clothing and textile sectors.

Not all sectors of the textile industry are as busy. The executive director of the newly formed Textile Federation, Stanley Shlagman, estimates capacity utilisation averages 80 per cent in the industry at the moment, with the fabric knitting sector lagging somewhat behind on about 70 per cent.

This is a good deal better than last year, when total output slumped by almost 11 per cent, and capacity utilisation was down to an average 60 per cent — and as low as 25 per cent for some manufacturers

The industry has the capacity to supply about 70 per cent of domestic demand, but with utilisation down to 60 per cent, this means that last year only about 40 per cent of clothing sold in South Africa was made from locally made cloth

Because of the greater economies of scale attainable in the huge textile mills overseas, the South African industry could not compete against normal competition from imports

Mr Shlagman reckons a "moderate tariff barrier" of around 25 per cent would provide adequate protection against normal competition

Unfortunately, abnormal competition must also be catered for. South Africa is often a victim of dumping by foreign manufacturers, who typically experience a slump in their home markets just when this country is enjoying a boom

The recovery in the industry stems from the protective tariffs introduced last September, which have enabled the industry to cope with the flood of cheap imports

Though this inevitably puts up the cost of some clothing, the textile industry has done well to absorb its own inflation

Textile Federation president Cedric Graham says industry costs rose by 8,8 per cent last year, against an 18 per cent increase for manufacturing industry as a whole.

But the wholesale price index of the textile industry's products rose by only 0,9 per cent Thus the industry absorbed 90 per cent of its cost increases.

The yo-yo pattern of growth that has plagued the industry for years could be a thing of the past now that the federation has been formed

By providing, for the first time, a single body to act and speak for the whole industry, it should be easier to reach accord with the clothing manufacturers, who do have a single industry voice

It will also provide a research and monitoring service which will give industry members early warning of economic trends, thus helping them to iron out the fluctuations

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ARGUS 25/10/76

CLOTHING factory — not enough choice.

SA clothing manufacturers say the local textile industry is already over-protected.

Textile duties — where they hurt

By a STAFF REPORTER

A MOVE by textile manufacturers to have import duties on material from overseas raised, has brought criticism from Cape clothing manufacturers.

They claim that textile manufacturers in this country are already over-protected from foreign competition and that, because there are so few of them, they have little incentive to improve their productivity or efficiency.

Mr Simon Jocum, chairman of the Cape Clothing Manufacturers' Association, says he will mention this in a paper he will present at a symposium convened by the South African Bureau of Standards in Durban next month, at which clothing and textile manufacturers and heads of retail chains will be represented.

'There are more than a thousand clothing manufacturers competing with each other in this country,' he said

'But there are only a handful of textile manufacturers, who are protected by import restrictions which means that clothing manufacturers have to buy most of their materials on the local market.

'This means that they are almost in a monopolistic position and clothing manufacturers are at the beck and call of a few mills

'Some are better than others but with the majority of them there are problems. Many of them have a "take it or leave it" attitude because they have a captive market

'Manufacturers have to go overseas for ideas for them to produce We run all over the world at great expense seeing what is being produced in other countries and we feel it is up to them to do it.

'We realise that the South African market is too small for them to be able to offer us the variety of designs and materials that Europe can give us but we feel that they could producde more, particularly if they thought in terms of export markets.'

Mr Jocum said that the symposium next month at which he will present a paper on problems facing the men's wear industry has been convened by the Bureau of Standards as a result of complaints by clothing manufacturers and the big retail outlets.

'BIGGEST THING'

'This will be the biggest thing that has ever happened to the clothing industry, when we all get together to come to grips with these problems,' he said.

'There is a move by the textile industry to increase import tariffs still further and we are hoping to show that this would be unnecessary and inflationary.'

A spokesman for Pep Stores Ltd, a retail chain which manufactures some of the clothing it sells, said 'Without a question of doubt, the woven textile manufacturers in this country are over-protected

'COMPETITION'

'Producers of ... knitted fabrics are more efficient because there is greater competition between them

'But deliveries of woven fabrics are very poor indeed. 'Deliveries come late, in piecemeal quantities and colours are inconsistent.

'I prefer to import cloth, particularly for school uniforms, because the deliveries come in time and there is more consistency in colour.

'TOO MUCH'

'Obviously, the textile industry in this country needs some protection while it is being built up. But I think it is protected too much'

Cape textile manufacturers were reluctant to comment. But Durban manufacturers said that clothing manufacturers in South Africa were themselves less efficient than those overseas.

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HELP ON WAY FOR TEXTILE INDUSTRY

W/E ARGUS (Bus. Argus) 30/10/76

Financial Editor

HELP is on the way for the hard-pressed South African cotton textile industry. During the next few weeks the Government is expected to announce changes in duties on imported cloth which should give local textile manufacturers a much-needed shot in the arm.

This follows one of the most difficult six months the industry has ever faced.

Not only has the industry been affected by the general down-turn in business but it has also been hit by the huge build-up of stocks of imported materials by the clothing industry, caused by fears of another large rand devaluation.

This hoarding of imported materials meant that when demand began to level off, many clothing manufacturers found themselves with far larger stocks than they needed.

This led to their cutting back on new orders for local materials while they concentrated on running down their stocks of imported cloth.

As a result of this situation the textile industry found itself supplying only 40 percent of the clothing industry's requirements.

It is expected that the changes in the duties will result in this figure rising to 60 percent and possibly even higher.

The Government has also been asked to remove certain rebates on imported cloth.

It is estimated that these would reduce cloth imports to about R115-million over the next 15 months. Cloth imports recently have been running at around R150-million a year while total textile imports — raw materials, yarns, cloth and some garments — have been running at R450-million a year.

Until now the rebates have been granted on materials not made in South Africa. But the textile industry has complained that this situation has led manufacturers to importing the rebated materials, not because they had to have them, but merely because they were cheaper than locally manufactured cloth.

However, although the cotton textile industry may be having a difficult time the worsted cloth industry is currently working seven days a week to fulfil orders for next winter's fashions, factories in this sector report.

TIE

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Another shutdown: 300 will lose jobs

CT 9/11/76.

By GORDON KLING
Industrial Reporter

MORE THAN 300 textile workers will lose their jobs on Friday in the latest industrial closure to hit the recession-ridden Cape.

The chief executive of South African Nylon Spinners, Mr O R Bowen, yesterday announced that the group is to shut its Bellville-based Pan textured yarns factory at the end of the week The move, brought on by a combination of imports and adverse business conditions, will put 265 weekly-paid staff, most of them Coloured people, and 50 monthly-paid employees out of work

Pan was engaged in texturizing nylon and polyester, and dyeing operations

Pan was formerly Nylon Processors of South Africa, part of the SAGOV group which was taken over by SANS in 1973 Another acquisition, Pan Fabrics, was closed down earlier this year, putting 179 people out of work

News of another shutdown came from Durban yesterday where Corobrik announced that its Number 5 works at Avoca would close on November 30

"A workforce of about 250 people is involved," said Mr Dirk Kemp, managing director of Corogroup "Obviously we have taken this step with the greatest reluctance"

Slump

He said the move had been sparked by the slump in the building industry, compounded by the builders' holidays in December

Other recent casualties of the recession, in the Cape, include

- About 2 000 workers laid off at the Mitchell's Plain township,
- 110 people who lost their jobs with the closure of Lever Brothers detergent factory
- 1 000 employees at the Leyland Blackheath motor factory who face short time, and workless days

The latest shutdowns will add to South Africa's registered unemployment figure, which is continuing to rise at a time of the year when it normally declines The number of jobless in September, at 15 421, represents a 35 percent rise since the beginning of the year

No official figures of Black unemployment are kept, but a recent University of Cape Town study estimated that it could rise to two million countrywide by the end of the year

328 (177)

No lay-offs in Border textile industry yet

10/11/76

EAST LONDON — While more than 300 Cape Town textile workers will lose their jobs at the end of the week, the Border textile industry, the area's biggest employer, has not laid off staff yet.

South African Nylon Spinners have announced the shut-down of their textured yarns factory in Bellville which will put 315 people out of work.

The shut-down has been brought on by a combination of imports and adverse business conditions.

A director of Good Hope Textiles, Mr V. Lawson, said although business was not as good as they would like, there was no short time yet and the factory was running at full capacity.

"But the future does not look bright and we are obviously concerned," Mr Lawson said.

Mr K. H. Rohland, of Marine Knitting in East London, said the knitting side had been affected by imports, but staff had not been laid off at the factory.

"We did shut down over weekends which cut production by about 20 per cent, but we have started weekend work again to produce samples for our new ranges."

Mr Rohland said his company expected bulk orders early next year once inventories had been run down.

Mr S Frame, of Consolidated Textiles, said the textile industry was suffering much the same as any other industry because of the general position of the South African industry.

"As far as employment is concerned, the situation is very fluid," Mr Frame said

Meanwhile, a massive pay rise for Cape textile workers could boost the price of clothes by more than 10 per cent next year.

The secretary-general of the Garment Workers' Union of the Western Province, Mr L. A. Petersen, disclosed yesterday that the clothing manufacturers had agreed to a two-stage pay rise which would raise workers' salaries in the industry by 18 per cent.

The first rise of five per cent will be included in December pay packets, and a further increase of 10 per cent becomes effective in June.

The secretary of the Industrial Council for the Clothing Industry in the Cape, Mr G. K. Nel, was in Pretoria yesterday to obtain Government approval for the new agreement. — DDR-DDC.

Cloth and clothing men get together

Sunday Trib 14/11/76

By ALAN PEAT

GRIEVANCES between the textile industry and the clothing manufacturers were given an airing this week in Durban

At a South African Bureau of Standards-sponsored symposium, more than 200 delegates representing both industries met to discuss the interdependence of the two

While the papers presented were mainly of a technical nature the panel and floor discussions were wide ranging and, on occasions, quite heated

The textile producers once again raised the argument that they are capable of supplying 75 to 80 percent of the clothing manufacturers' raw material needs, but that the clothing industry was, through loopholes in the import controls, importing substantial amounts of material which was available locally.

This led to last week's demand by the Textile Federation's executive director Stan Shlagman that the Board of Trade revise all import tariffs upwards to protect the industry.

This is opposed by the clothiers, mainly on the grounds that inability to supply the right materials on time by the textile trade locally has forced them to import.

However in an informal meeting, Shlagman and Clothing Federation director Frank Whittaker, agreed that this problem and the others in the industries require a co-operative attitude from both parties.

"And," said Whittaker, "this symposium is an encouraging basis from which to build

"It's the first time in the history of the industries that such a large number of senior delegates from the two sides have got together over matters of mutual interest."

While the textile manufacturers and the clothiers are still at loggerheads over each other's shortcomings, both came under fire from symposium chairman Dennis Hasenjager, head of SABS' textile division:

"Most of the complaints heard at this meeting have not been of a technical nature, but rather are related to business ethics late delivery and the like

"Both industrys are guilty of a sad lack of internal quality control It never fails to surprise me how they would rather 'do-it again' than get it right the first time.

"While we are unwilling to do the job for them, we are prepared to lay out systems which they can put into practice."

134 197.

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10 000 JOBS THREATENED IN TEXTILES

ARGUS [illegible]

ABOUT 10 000 of South Africa's [illegible] textile workers could be laid off in the new year if the clothing industry does not support the textile industry, Mr [illegible] Ankers, chairman of the Cotton Textile Manufacturers' Association, and managing director of Berg River Textilas, said at the weekend.

Speaking at the opening of the company's new training centre at Paarl, Mr Ankers said that textile demand has been relatively steady in the past two years. But in August there was a dramatic turn-about in the situation.

Since then Berg River alone had built up a stock-pile of 1,5-million metres of cloth against production of 3-million metres. This situation could not continue, he said.

About 90 percent of the stockpile was attributable to cancelled [illegible] the clothing [illegible] the rest to the economic recession. Meanwhile, large quantities of cloth were being imported, even from from communist countries.

He said the textile industry could supply 80 percent of South Africa's needs and wanted to be assured that this demand would be available, unspoilt by imports.

South Africa was now producing excellent cloth and there was also enough variety, Mr Ankers continued.

If five people depended upon the pay of every one textile worker, 50 000 people would be affected by the lay-offs, said Mr Ankers.

He added that Berg River Textiles alone would have to discharge 1 000 out of a work force of 1 800. About 600 people visited the factory in Paarl every week looking for work.

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328

Star 16/12/76

13 factories shut down in Transvaal

Labour Reporter

Thirteen Transvaal clothing factories employing about 800 workers, went insolvent this year and another, employing about 200, shut down because of the black labour quota.

"It is the highest number of insolvencies during the 22 years I have been in this business," said Mr J H Thomas, Secretary of the Industrial Council for the Transvaal Clothing Industry

Mr Thomas said seven of the insolvent firms had shut down, two had been taken over by new managements, negotiations for the purchase of three were in progress and one might still find a buyer

HOLIDAY

The Transvaal Clothing Manufacturers' Association had paid R15 000 to make up holiday pay which workers would have lost as a result of the insolvencies, he said

The industry faced the threat of many more shutdowns and 6 000 to 10 000 workers could lose their jobs next year, unless the Government refrained from enforcing the Environment Planning Act's black labour quota, Mr Thomas added.

Black out

The Star Bureau

PARIS — Shops and offices were plunged into gloom yesterday as electricity and gas workers went on strike for the second day running.

197 F.M. 17/12/76

TEXTILES

Frame on Frame

Nobody was more surprised than the journalists present when Chairman Phillip Frame agreed to answer their questions at last week's Frame Group annual meeting.

Some points to emerge were.

- The new R25m polyster plant at Jacobs, Natal, is expected to come into operation next year. It will produce an annual 6 000 t of fibre, all of which will be used within the group. Until supplies of raw materials can be obtained from Sasol 2 in about 1980, they will be imported. At present, they constitute "40% of the value of the fibre". Frame would not be drawn on why he considered it necessary to achieve independence of imported man-made fibres except to say it was "in the interests of the country"

Phillip Frame . . working 'in the interests of SA'

Asked by the *FM* whether he could be able to sustain his policy of funding capital expenditure from international sources to the extent of R25m he said "It is a large sum and we have not yet taken a decision"

The polyester plant will require an additional plant for the manufacture of the finished article Both will employ "at least 1 000 people".

- The Frame Group will continue its policy of decentralisation, but has no immediate plans to invest in independent Homelands such as the Transkei or in KwaZulu.
- All employees due for an increase in the New Year will get an extra 10% on basic salary as well as bonuses. Frame hopes it will be possible to continue avoiding retrenchment and short-time for the group's staff of 30 000.
- The Group will be recruiting 100 technicians, mainly from Britain, in the New Year. To date it has built 600 houses for overseas technicians.

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Textiles — phasing in Blacks

F.M. 17/12/76

Popular question among industrialists "How much longer can we afford sit-by-Nelly training techniques?"

It's a question partly answered by Johannesburg-based methods and management company, McCaul Associates. By next year they could be pioneers in the fields of forward planning and modern factory floor training methods

Says McCaul director Les Cowie "We're going to need at least 1 m trained supervisors and managers in SA industry by the turn of the century. Where are we going to find them?

"The textile industry has a golden opportunity to set an example." What precisely does he mean? And what's the implication of chairman Gilbert McCaul's belief that now is the time to put heads together in industry to discover ways of gatecrashing existing (some would say monopolistic) training programmes in SA.

Textile workers . . . now part of the "80-20" system

Cowies' "golden opportunity" is based on the premise that in the textile sector there's no strong White job protection lobby.

Indeed, the "infant" industry Economics Minister Chris Heunis spoke of at the opening of the Berg River Textile (BRT) Training School at Paarl last week is unique. It never needed White unionists. Expatriate workers (woolmen from Yorkshire, cottonmen from Lancashire) were heavily protected by a government which valued their skills

Loom tuners (mechanics cum supervisors) were brought in from UK and Portugal Very expensive, and perhaps unnecessary Says BRT's managing director Bob Ankers. "Things are going to change . and fast "

When BRT gave a thumbs-up sign to McCaul's training programme (McCaul's other big company contracts are with AECI and the textile group at Tongaat), Bob Ankers had two things in mind·

- The need to cut costs and increase productivity, and
- The need to train Coloured and African workers.

McCaul's adopted Swiss statistician Vilfredo Pareto's theories on stock and inventory control and applied them to SA labour conditions Basically, Pareto said most workers spent 80% of their time completing 20% of total job requirements.

The "80—20" system is being used now at BRT and Hebox Textiles. Instead of teaching a worker 100% of his job requirement (the kind of methods used in the UK's five-year apprenticeship scheme) SA textile workers are now being taught 20%

That 20% represents 80% of total time spent at factory floor level, says Cowie.

Under the Pareto system, says McCaul, a home-grown loom tuner can be trained in six weeks, and BRT's Ankers hopes to have 100 such key men at his factory within the next two years. Cowie explains that White workers — always reluctant to see Black advancement in industry — have nothing to fear. In the decades ahead their skills will be needed in supervisory and management roles

Working alongside Coloured and African workers will be teams of highly trained White workers — nicknamed "the fire brigade" in the textile industry

They'll step in when extra skills are required In short, when African and Coloured loom tuners can't cope Textile Union's Normal Daniels thinks the idea is great So does Heunis, who wants BRT's example followed throughout the industry Textile Federation's Stanley Schlagman feels it's the best thing since sliced bread, and Ankers says "Textiles are pioneers "

Yet anomalies still exist For example BRT has a training scheme that kicks off with a bill of R125 000 It trains mainly Coloureds. Whiteheads at Tongaat has one worth R68 000, training Indians. Under the somewhat harsh terms of the 1974 Income Tax Act neither receive tax concessions

Natal textile manufacturer Hebox, however, does receive substantial training tax concessions (to the tune of 100%) *It* trains Africans.

"Where's the new deal in SA for Coloureds and Indians?" asks Cowie

MANUFACTURING.

TEXTILES.

FEB - DEC. 76.

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Hansard 3 col 228 13/2/76

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Value of textiles imported

278 Mr T ARONSON asked the Minister of Finance

What was the total value of textiles (a) imported and (b) imported under (i) rebate and (ii) full duty during 1975

The MINISTER OF FINANCE·

		January to November 1975 (Preliminary) (In million Rands)
(a)		142,6
(b)	(i)	53,2
	(ii)	76,1

The difference in the value reflected against (a) and the total value reflected against (b) (i) and (ii), is in respect of goods which are still in bonded warehouses.

~~(1) 30~~

~~(2) 184~~

(3) 197

Hansard 3 col 201
12/2/76

South [illegible] manufacturers [illegible]

234. Mr. [illegible] ARONSON asked the Minister of Economic Affairs:

(1) (a) whether complaints have been lodged [illegible] about the [illegible] of South [illegible] textile manufacturers [illegible] of the complaints [illegible];

(2) whether his Department is aware [illegible];

(3) whether the matter is being investigated.

The MINISTER OF ECONOMIC AFFAIRS:

(1) (a) Yes, complaints have been received [illegible] products;

(2) [illegible] year;

(3) the complaints about the refusal to [illegible] being investigated.

(1) ~~139~~
(2) 197
(3) ~~325 Banning~~

BLACK UNIONS FIN. MAIL
What now? 26/11/76

Fear and uncertainty about the future are uppermost in the minds of independent African trade unions. After the two-dozen bannings in the last week and a half, all are determined to carry on and are seeking ways of filling the gaps.

Durban unionists' anxieties have deepened by the suspicion that since the bannings, management at the Frametex factory at Jacobs, near Durban, has begun dismissing union members.

The *FM* learns that a Frametex worker was called in to see top management last Friday and told that since he was a prominent member of the unregistered Textile Workers' Union, he was being dismissed He is filing a complaint with the Department of Labour and signed a sworn statement alleging victimisation

Frame Group's Selwyn Lurie, however, says no such dismissal has taken place "We employ approximately 3 500 workers at Frametex Mill and we do not know who are trade union members. Certainly no one is dismissed because they are trade union members"

The Durban unions have not yet replaced banned office-holders and will not do so for some time "We have been decentralising decision-making within the unions . and the bannings have accelerated that process," said one unionist.

At Johannesburg's Merlen House, home of many of the unions assisted by the Urban Training project, the priority is to fill positions occupied by those banned The unions have thus had little time to reassess their position and their relationship with employers

Nor are they yet sure what effect the bannings will have on their members. "Those who have come in to our offices have expressed a determination to continue the union's work," says the general secretary of one union

They also point out that some of the unions have developed to the stage where they need not rely on the UTP's assistance — except for educational facilities for their members.

The dominant feeling among the unions is the fear that, if moderates are banned, what long-term security can they enjoy? While advances are being made in relationships with employers, the threat of government action hardly makes for stable trade unionism

All the unions are confident that they have sufficient grass roots support to carry on — despite an increasing feeling on the part of young Africans that trade unionism is too moderate a vehicle for their aspirations. All are aware, however, of the toll the bannings have taken — not only in terms of a drain on trained personnel, but also in terms of the climate they have created.

Picking up the threads

FIN. MAIL 3/12/76 (197)

Mercifully, there are signs that the textile industry's innovators are taking the question of training seriously One of the leaders in the 1977 training stakes will be Berg River Textiles in Paarl.

Tomorrow, Economics Minister Chris Heunis opens a R100 000 training centre at BRT Most of textile's top men will be there. Hopefully, BRT will inspire those without their own training programmes to start them or, even better, persuade the entire industry to participate fully in the Textile Federation's proposed national training programme — currently in a bit of a *cul-de-sac*

BRT's Managing Director, Bob Ankers, tells *FM* the company is bound to save once the training programme is off the drawing board and churning out textile "graduates".

In the past, BRT (employing around 1 700 workers) recruited skilled loom tuners (mechanics cum supervisors) from the UK and Portugal. Expatriates will be needed for some time, but loom tuners will soon be trained locally. The company hopes for 100 a year.

At the same time, the start of 1977 will see a crash course for management men at BRT It's designed by Stellenbosch Business School Director, Professor Helgaardt Muller. Audio vision is supplied by the Johannesburg-based McCaul Associates.

Morne Coetzer, McCaul's Senior Training Consultant, believes that the best — if not the best — in the textile industry.

"Everyone in the textile industry is conscious of the need for greater training," says Ankers That's also the view of Textile Federation President Cedric Graham, whose attack on those with "second thoughts" about a national training programme has started textile chins wagging. He suggests the cause of the delay is poor communications within the industry.

Textile Federation's Stanley Schlagman still hopes to see the training programme take off early next year He's not saying who's holding it up

TEXTILES — 2

A stitch in time?

A Christmas truce in the never-ending war of words between the clothing and textile industries is on the cards

Two of textiles' top men — Stanley Schlagman and Cedric Graham — came out this week in favour of an industrial détente, though clothing is still up in arms about the textile industry's request to the Board of Trade that it take another look at the import duty rebate problem

Textile men argue, with some justification, that a lot of what's imported could be made at home. At the moment, the Board of Trade refuses to say when a decision will be made or even hint at what it's likely to be.

So where's the truce? Textile Federation ... ticising what he terms "deeply emotional over-publicised outbursts" from clothing spokesman, says they are symptoms of problems which can be significantly alleviated

How? "By the application of existing knowledge and management techniques to both industries," he explains TF's Stanley Schlagman adds that the time has certainly arrived for far greater co-operation between the two industries

"Instead of polarising attitudes we have to live together," he tells the *FM*. Yet clothing leaders believe that at present the textile industry simply cannot cope They claim it's plagued by poor marketing (a view endorsed by Dr Basie Kleu, Chairman of the Board of Trade) and that it's eager for a monopolistic position in the market that it just doesn't deserve.

Schlagman retorts "It's extremely difficult for any industry to develop full market techniques in a situation where its market is being eroded by imports which are selected by the importer himself, mainly to seek some advantageous tariff position other than the needs of the market"

Schlagman believes that by chopping imports SA could save R45m a year on clothing and R75m on textiles. This would, at the same time, help boost both industries now working 60%, to 65% of capacity, and create employment opportunities. "Clothing can't sell to the unemployed," he adds

Textiles Federation vice chairman, Bob Ankers, put it neatly when he told textile leaders in Durban recently that provided local industry had an assured 80% to 85% of the market, no one would beef about the balance of requirements being totally freed from duties.

The Clothing Association answers that last year it bought approximately 70% of its fabrics locally. Why not all? Simon Jocum of the Cape Clothing Manufacturers Association points out "How can we continue to fight inflation when we are hamstrung by escalation of prices from local mills, inefficient service, late deliveries, part deliveries, inefficient after-sales service, fabric problems, poor quality control and poor administration within the mills?"

The answer, say Schlagman and Graham, lies in "jaw, jaw" and not "war, war".

F M MAIL 17/12/76

TEXTILES

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(197)

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Some points to emerge were

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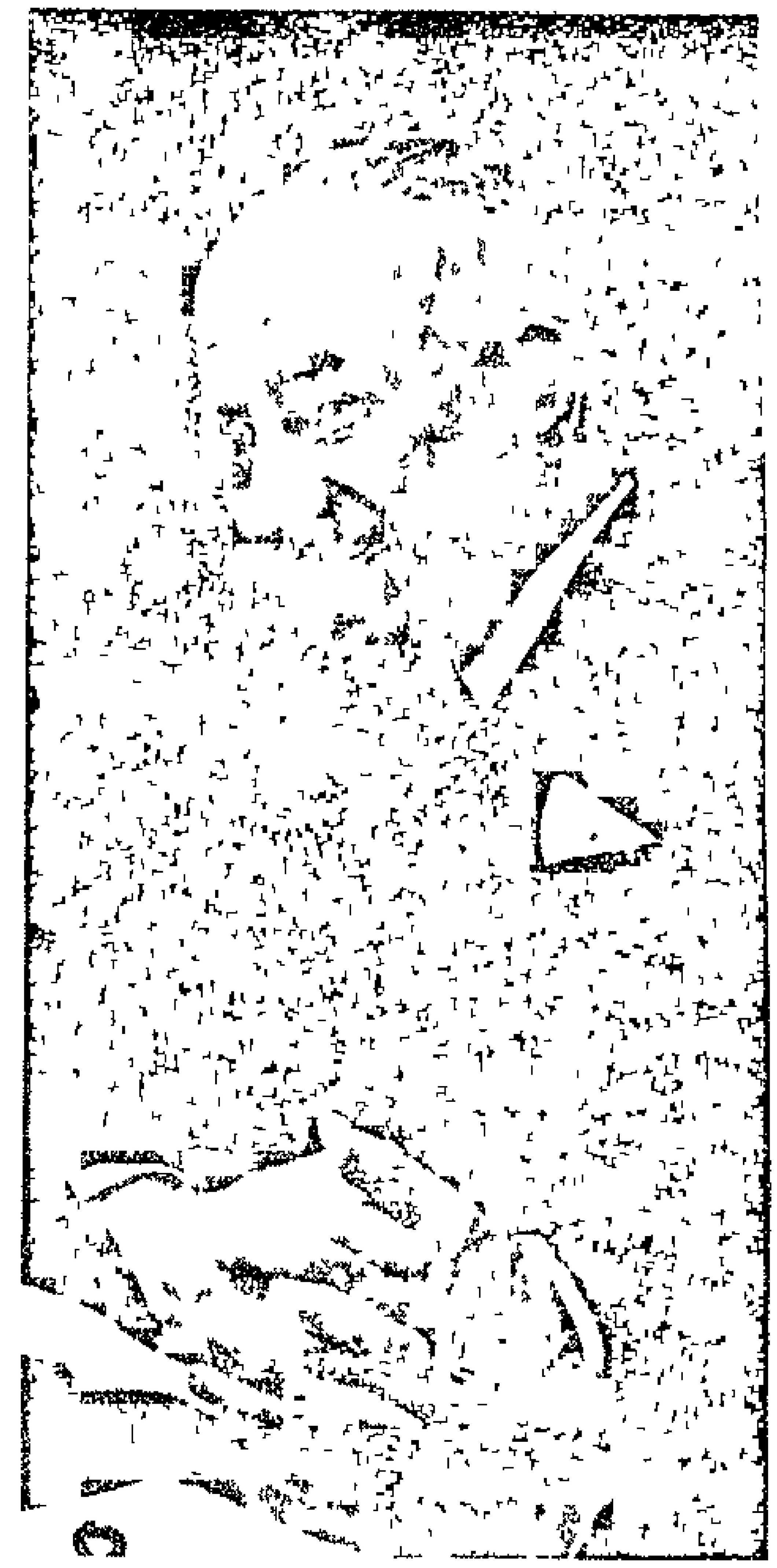

Phillip Frame . . . working 'in the interests of SA'

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FIN MAIL 17/12/76 (197)

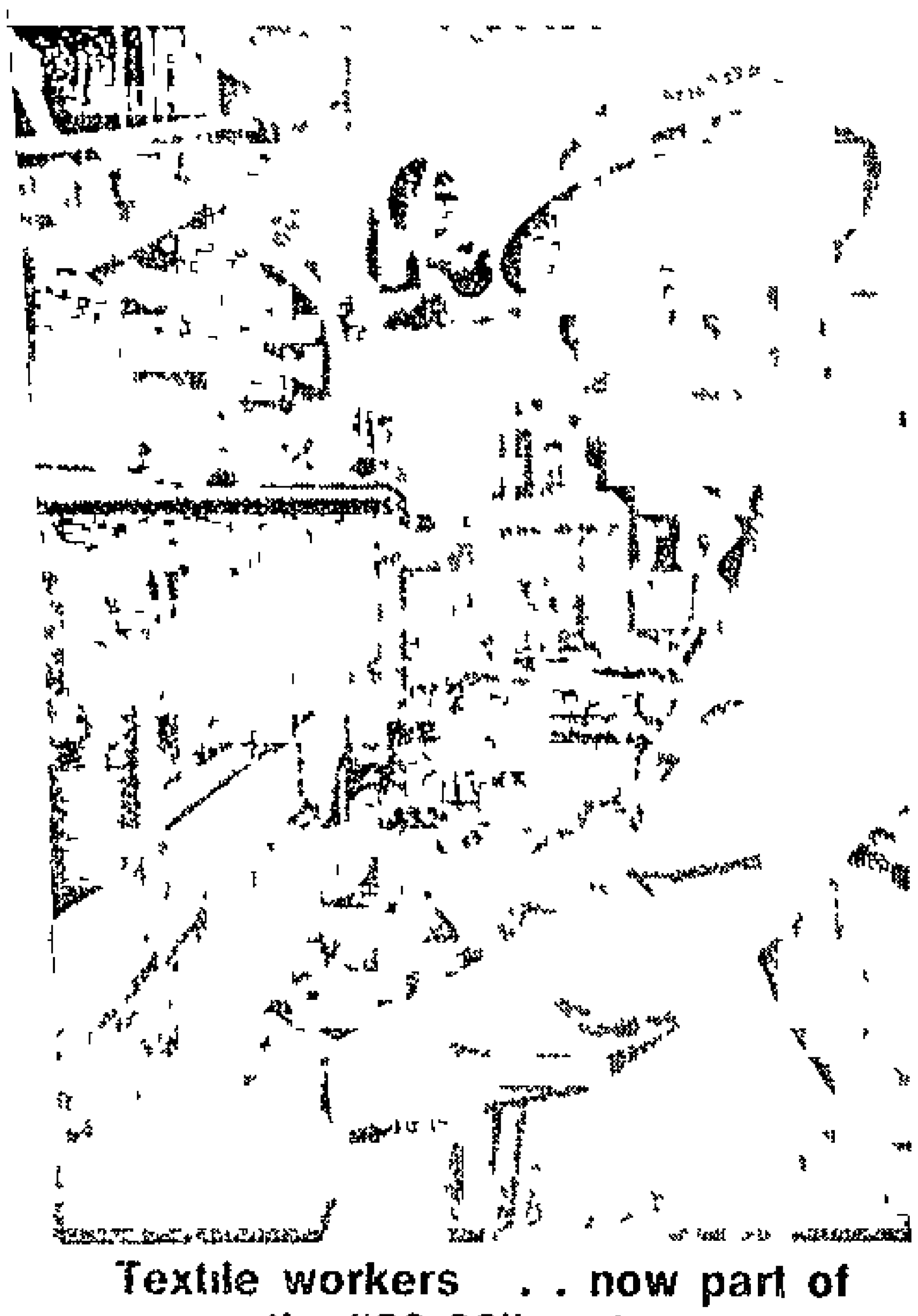
Textiles — phasing in Blacks

Popular question among industrialists "How much longer can we afford sit-by-Nelly training techniques?"

It's a question partly answered by Johannesburg-based methods and management company, McCaul Associates By next year they could be pioneers in the fields of forward planning and modern factory floor training methods

Says McCaul director Les Cowie "We're going to need at least 1 m trained supervisors and managers in SA industry by the turn of the century Where are we going to find them?

"The textile industry has a golden opportunity to set an example" What precisely does he mean? And what's the implication of chairman Gilbert McCaul's belief that now is the time to put heads together in industry to discover ways of gatecrashing existing (some would say monopolistic) training programmes in SA



Textile workers . . now part of the "80-20" system

Cowies' "golden opportunity" is based on the premise that in the textile sector there's no strong White job protection lobby

Indeed, the "infant" industry Economics Minister Chris Heunis spoke of at the opening of the Berg River Textile (BRT) Training School at Paarl last week is unique It never needed White unionists Expatriate workers (woolmen from Yorkshire, cottonmen from Lancashire) were heavily protected by a government which valued their skills

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"Where's the new deal in SA fo Coloureds and Indians?" asks Cowie.

~~DELTA HENDRIE~~

~~25 MAY 1976~~

Manufacture Textile

Textiles tariff row at peak point today

19/7/84

Industrial Reporter

THE ROW brewing between the textile and clothing industries over revised tariffs for imports will come to a head in Cape Town this morning when representatives from both parties sit around the table to thrash the matter out.

The textile industry has asked the Board of Trade to cancel certain rebate facilities on textiles and revise the existing duties because they have become ineffectual.

The two reasons given are the declining purchasing power of the rand and the upward pressure on local costs, which is making the imported article more cost attractive to the user.

The clothing industry has reacted strongly to the application and a spokesman for the Clothing Manufacturers' Association said yesterday that what was being asked for was "irresponsible" in the current difficult economic times and would add some R80m to importers' bills.

End - result to the consumer, said the spokesman, would be increased cost. A shirt, for example, would cost between R3 and R4 more. A dress selling for about R10 would shoot up by as much as R5 because not only did the textile industry want the dress material rebate cancelled but also they wanted to add duty.

The spokesman said the clothing industry was doing its bit to help South Africa and had voluntarily agreed to cut imports by 20 percent. And, he added, the textile industry already had around 75 percent of the clothing industry's orders.

LOCAL MILLS

Textile Federation executive director Stanley Shlagman thinks, however, that the clothing industry is overstating the case of possible price increases.

One of the main reasons was that the increased duty would only apply to 30 percent of material used, as the rest came from local mills. "And, assuming the application was granted as it was applied for, the total impact on the consumer would be less than the clothing manufacturers have put out," he said.

Mr. Shlagman claims the application is justified as the volume of imports had been steadily climbing, and he said, "because of the present ineffective tariff structure, goods are landing at prices lower than those of the locally-made product."

He adds that there are many items imported into South Africa that could be replaced with a local product, but this would not happen until the duties were right.

The textile industry could supply up to about 85 percent of local requirements.

Whether the talks will achieve anything is a moot point. The clothing industry says there are a few areas where slight increases are justified, while the textile boys want the status quo of a few years ago restored. So the chances are that the matter will be handed back to the Board of Trade, which suggested the talks, for adjudication.

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Big Natal textile plant may close

Natal Mercury 5/4/77

JOHANNESBURG — The chairman of S.A. Nylon Spinners (SANS), Mr. Denys Marvin, said yesterday that one of the group's major plants in Natal might have to be closed down and another major group plant was working at only around 30 percent of capacity.

Mr. Marvin was speaking at a Press conference called by AECI — which owns SANS — to repeat its insistence that the industry is going through a critical period, caused largely by excessive imports, many of them dumped at low prices.

The industry's case, first put last Tuesday by Mr. Harry Oppenheimer in his capacity as AECI chairman, was criticised at the weekend by Mr. Denis Solomon, president of the National Clothing Federation.

In what Mr. Marvin described yesterday as a "personalised attack on Mr. Oppenheimer" Mr. Solomon said textile imports were only about 25 percent of local usage and denied that much of it was dumped at low prices.

Mr. Marvin said yesterday that the general economic downturn had had some effect on the industry, but imports were the main factor and caused harmful wide fluctuations in demand.

Polyester spinning was currently running at 50 percent of capacity, he said, the knitting industry at 50 percent and cotton textiles at 69 percent.

About 4 700 men had lost their jobs and a further 5 300 were on short term.

Most of the dumped textiles had come from the Far East, he said, and about 70 percent of these imports could be manufactured in this country.—(Sapa.)

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Textiles set to get import protection

RDM 31/3/77

By CHRIS CAIRNCROSS
Industrial Editor

IT IS expected that the authorities have decided to give the textile industry more protection from imported fabrics It is hoped that details will be announced in the next few weeks.

It is believed the decision is based more on the beneficial effect it should have on the balance of payments than on recognition of the textile industry's need for assistance

The textile industry appealed to the authorities some months ago for rebates to be removed, or at least modified, on certain imported fabrics

Reaction has been a long time in coming

It is perhaps understandable, therefore, that industrialists are frustrated at what is regarded as an unwarranted delay

This mood was reflected in the comment by Mr Harry Oppenheimer in his annual statement as chairman of AECI, which has taken into its fold South African Nylon Spinners

He said it was "difficult to understand the delay on the part of the authorities in taking positive action to curtail imports and effect realistic tariff levels in order to achieve a much better balance between local production" when the industry was operating at 50 per cent capacity, putting people on short time and retrenching labour

This view gains added validity in the light of the sensitive state of the balance of payments and the value of textile imports in relation to the market

The size of the market is estimated at R400-million, of which about 30 per cent is currently made up of imports.

The clothing industry claims these imports are necessary because they are of a type and quality the South African textile factories are unable to produce

There is also a fear that if competition is seriously curtailed, the clothing industry would be left at the mercy of an alleged monopolistic industry that could dictate price and delivery times

The Board of Trade has completed its investigation into the removal of rebates, although it has yet to reveal what textiles will be affected

I am told increased tariffs are still being investigated

The state of the textile industry continues to deteriorate It is estimated that of 100 000 employed by this sector about 13 per cent are either on short time or have been retrenched

It is estimated that 8 000 workers are on short time and 4 500 to 5 000 are out of work

Some sectors of the industry have been worse hit by the recession than others The synthetic fibre and cotton industries are in this category Least affected are the worsted-fibre industries

Employers are trying to retain employees because they are trained and will be difficult to replace once the economy moves up

This is exerting considerable pressure on liquidity and is a practice companies may have to curtail if conditions continue to deteriorate

Textile crisis puts thousands out of work

R.D.M. 30/3/77

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By CLIVE EMDON
Labour Correspondent

TEN THOUSAND textile workers have been dismissed or put on short time — and the situation is worsening rapidly

This was disclosed yesterday by Mr Harry Oppenheimer, chairman of African Explosives and Chemicals Industries in his annual review of the company On January 1 AECI took total ownership of SA Nylon Spinners

He said large sections of the industry were now working at 50 per cent of capacity — or less

The textile industry suffered from an excessive level of imports, much of which was dumped at low prices This caused wide fluctuations in demand in the local industry, he said

With the balance of payments deficit and rising unemployment he said it was difficult to understand the authorities' delay in taking action to limit imports and effect realistic tariff levels to balance local production and imports

Mr Oppenheimer said AECI profits before taxation in 1976 were R59 100 000 — an increase of R6 200 000 over 1975. This was an 11,7 per cent gain

Dealing with the employment practices and manpower needs of the AECI group, the group's directors said:

- Total reliance on Whites for future manpower needs was not practical and greater efforts were being made to train Blacks
- AECI was moving towards paying the "rate-for-the-job" It paid "well in excess" of the poverty datum line
- The company aims to provide similar employment practices for all race groups within the framework of current legislation but the development of new employment opportunities for Blacks had been slowed by the economic recession
- To reduce the need for journeymen to do semi-skilled work, the company had negotiated a Black aides scheme with the trade unions

RDM 5/4/77

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Textile industry in jeopardy

By CHRIS CAIRNCROSS
Industrial Editor

THE state of the textile industry has placed viability of two major synthetic textile plants in jeopardy, according to Mr Denys Marvin, managing director of AECI and chairman of South African Nylon Spinners.

For instance, a 50 000-ton polymer plant in the Cape is working at only 30 per cent capacity, a situation which cannot be maintained indefinitely.

At Hammarsdale, Natal, a multi-million rand synthetic filament factory owned by AECI is threatened with imminent closure because of the lack of business, according to Mr Marvin.

In the circumstances prevailing, it might be the answer to close the plant, he told a Press conference in Johannesburg yesterday.

Reinforcing a view by the chairman of AECI, Mr Harry Oppenheimer, Mr Marvin said that if South Africa wanted a viable textile industry an attempt must be made to prevent imported fabrics, mainly from the Far East, from being dumped.

Replying to comments by Mr Denis Solomon, president of the National Clothing Federation (in Business Mail yesterday), Mr Marvin said that to look at imports of fabrics in rand value terms introduced a distortion of the true position.

Importation in terms of yardage or square metres provided a more relevant picture, he said.

He produced figures which appeared to confirm the allegation made by AECI that textiles were being dumped, endangering the domestic industry.

Between January and November, 1976, about 67 per cent of the 153-million sq metres of fabric imported was sourced in the Far East.

In the case of woven printed cottons, the FOB price from the Far East was 64c a sq metre, against 109c a sq metre produced domestically. The Far East price for shortings was 60c a sq metre against 109c a sq metre in South Africa; in the case of woven blends the Far East variety was imported at 44c a sq metre, against 118c a sq metre.

Mr Marvin said these FOB prices Far East were well below Taiwan or Japanese domestic prices, indicating a high degree of dumping.

And the South African textile industry was not alone in facing unfair competition.

He said: "The European ing the multi-fibre Agreement which, at its existing level, is causing great distress."

Mr Marvin said the textile industry was not against imports. The situation should provide imports of about 30 per cent of domestic needs to cater for fashion changes, quality and types not available from the domestic industry.

However, the type and timing of imports of these fabrics remained vitally important to the textile industry. Large fluctuations in the inflow of imports upset the business environment for this labour-intensive industry.

It was no wonder that efficiency tended to be impaired when, in one instance, trained workers had to be retrenched in downturn, causing difficulties in replenishment when an upturn occurred.

In such a situation it was difficult to assure quality, efficiency and delivery times.

Imports must be better adjusted to current domestic market requirements to ensure that the textile industry was not hurt.

"Sporadic, irregular importation of fabrics is one of the root problems in the textile industry," said Mr Marvin.

Mr Mike Odling, commercial director of South African Nylon Spinners and chairman of the Textile and Clothing Advisory Council, said it was expected that the announcement on the removal of rebates on imports to the clothing industry would be made by the end of the month. A Government decision on the likely introduction of tariffs on imported fabrics might take a while longer.

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STAR
5/4/77

Dumping—threat to textiles

Grant Rogerson

Mr Denys Marvin, managing director of AECI and chairman of South African Nylon Spinners (SANS), has appealed to the Government for immediate increased protection of the textile industry which, he says, is going through one of the most crucial periods in its history.

Mr Marvin was speaking at a Press conference called by AECI, which owns SANS, to repeat its insistence that the industry urgently needs protection against excessive imports, much of them dumped at low prices.

Mr Marvin said that although the general economic downturn, and consumer demand, had, to a large extent, affected the industry, it was imports — mostly from the Far East, Europe and the United States — which were mainly responsible for the current adverse conditions.

"The result is that, at present, polyester spinning is running at 50 percent of capacity; the knitting industry at 50 percent and cotton textiles at 69 percent of capacity."

LOST JOBS

This has resulted in the textiles industry being one of the hardest hit sectors in the recession with some 4 700 men losing their jobs. A further 5 300 have been placed on short time.

Mr Marvin said that retrenchment would have been nothing like it has been had there been no problem of dumping.

It is understood that most textile manufacturers are operating well below full capacity and this is borne out by SANS itself whose 50 000 ton polymer plant in the Cape is working at only 30 percent capacity — a situation which AECI says cannot be maintained indefinitely.

At Hammersdale in Natal, AECI's multimillion rand synthetic filament factory is threatened with immediate closure because of a lack of business, Mr Marvin said.

Mr Marvin produced figures to confirm allegations made by Mr Harry Oppenheimer in his recent AECI chairman's statement that textiles were being dumped in large quantities, thus endangering the domestic industry.

Between January and November 1976, about 67 percent of the 153 sq metres of fabric imported was sourced in the Far East.

In the case of woven printed cottons, the FOB price from the Far East was 64c a sq metre against 109c a sq metre produced locally. The Far East price for shirtings was 60c a sq metre against 109c a sq metre in South Africa while in the case of woven blends, the Far East variety was imported at 44c a sq metre against 118c a sq metre.

Mr Marvin pointed out that these FOB Far East prices were well below Taiwan or Japanese domestic prices, thus indicating the large extent of dumping.

FIN MAIL 13/5/77

TEXTILES

Cloth curtain

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At last, things are starting to go right for the hard pressed textile industry

As predicted (*FM*, April 8) the Board of Trade's recommendation on rebates has been approved This follows the Tex tile Federation's request (made August 12 last year) for a withdrawal of rebate facilities and revision of custom duty tariffs on certain ranges of woven fabrics

The BTI spelt out details in the latest *Government Gazette* Main points were

- Fabrics for the manufacture of women's and girls' garments of a mass less than 225 g per m^2 have been with drawn from the Customs and Excise rebate schedule That market is worth in the region of R25m to R30m pa
- Fabrics used for the manufacture of infants' garments will continue to be rebated. That's in line with government's policy of helping newly weds kick off on the right foot, babywise The market for imported fabrics for infants is approximately R8m pa

On the whole, leaders of the textile industry are happy Referring to the BTI move, Berg River Textiles MD Bob Ankers comments "It's the boost we need"

Low volumes

Local mills think they can fill the hole now that fewer imported fabrics will be landing on the SA market They need the business Most are working well below capacity, some as low as 60% 65%

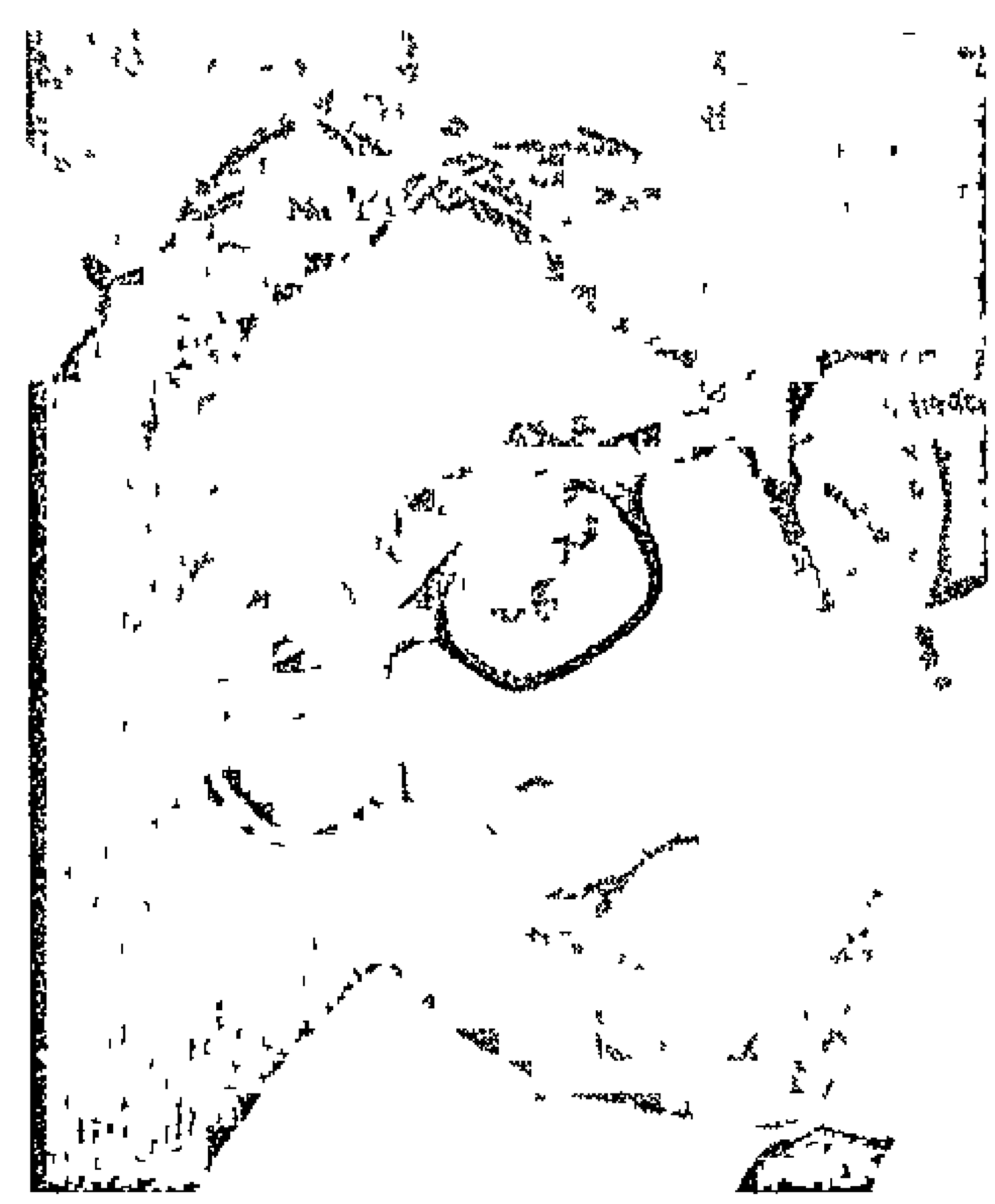
Some still have reservations, however "Two cheers for the BTI," says the Textile Federation's Director, Stanley Shlag man He's reserving the third cheer because the Federation is still unhappy about the continued protection on imported fabrics for infants

The Federation fears some manufac turers are making clothes for adults out of these materials, or selling the duty-free fabric on the open market

"The whole purpose of a rebate struc ture is negated if there are evasions," claims Shlagman He explains "Evasions take place either through sloppy record keeping and control of stocks or even, in some instances, though disregard for the rule of the rebate regarding the end usage of the fabrics involved"

And Shlagman demands that Customs review its warehousing and production record control procedures

What exactly does the BTI move mean to the industry in terms of rands and cents?



Textiles' Shlagman . more control on evasions

Mills could, within a year, be around R2m/year better off Things will start going right for us towards the end of the year," says Ankers Obviously, there will be a time lag between stopping most women's and girls' fabrics coming into the country and the ability of local mills to meet national requirements

But it's undoubtedly the fillip the tex tile industry needs Thousands of workers have been put on short time last month there was talk of more retrench ments

And the clothing industry? "It had to come," sighs Clothing Federation Direc tor, Frank Whittaker

But with the post budget imposition of a 15% *ad valorem* surcharge on non Gatt imports he hopes that Economics Min ster Chris Heunis will shelve the thorny issue of a (upwards) revision of tariffs on imported fabrics

That could happen but it s more likely Heunis will up certain tariffs by the end of July, to the delight of the textile industry

Then, however, the textile producers will have to meet their boast that they can keep the clothing industry happy by supplying on time, and give what's needed in style and quality

BETWEEN THE SHEETS

Berg River Textiles MD, Bob Ankers, following his March trip to the US, has signed a deal with Springmills, Carolina, to make sheets under licence at BRT, Paarl

Springmills is the world's second largest manufacturer of quality sheet ings.

Ankers reckons that initially the contract will be worth in the region of R500 000 but over the next couple of years could be worth R1m to R1 500 000

"We're thrilled about the deal," Ankers tells *FM* n.i/ 197

ARGUS 6/5/77

FINANCE

SHOT IN ARM FOR TEXTILE INDUSTRY

Financial Editor

THE South African textile industry has been given a shot in the arm with an announcement in the Government Gazette today that importers of a wide range of textiles will no longer get customs duties rebates.

The withdrawal of rebates applies mainly to textiles of a type which are already made in South Africa.

South Africa imports between 150-million and 130-million sq metres of cloth a year.

According to industry sources, about 25-million sq metres of these imports will be affected by the withdrawal of rebates, which is expected to increase the imported price of these materials by between 20c and 30c a square metre.

The withdrawal of the rebates reflects a change in policy by the Board of Trade.

Until now importers have been able to get rebates on cloth not specifically made in this country. As a result it has been claimed that clothing manufacturers had tended to buy foreign rather than local materials because of the price advantage.

It is now understood that the Board of Trade is prepared to help the textile industry by withdrawing the rebate on all cloth types where 60 percent or more of the country's requirements are already made locally.

This means that clothing manufacturers can still get the cloth they want. "But they must be prepared to pay a little extra for it," said a textile manufacturer.

The withdrawal of rebates is expected to help reverse the situation in the textile industry which led to thousands of workers being dismissed or put on short time, as reported by Mr H F Oppenheimer, chairman of AECI, at the end of March.

He said large sections of the industry were working at no more than 50 percent of capacity because of an excessive level of fabric imports.

FIN MAIL 29/4/77

TEXTILES / CLOTHING

A new yarn

(197)

The clothing and textile industries have been at loggerheads for years Now, onto the stage steps the Dutch-based trading and marketing group, Jacobson van den Berg It hopes to carve something out of the R300m a year textile market by acting as a middleman to both industries

Aim is to tell textiles what clothing requires months before SA's 12 main mills start rolling

A new branch of the Dutch company has been formed in Johannesburg It's called Jacotex and the marketing division is headed by former J&P Coats manager, Ron Mcpherson

"There is a definite need in SA for a professional approach to the marketing and distribution of textiles With the weight of international experience behind us we think we can make a significant contribution," he claims.

Mcpherson says that Jacotex will be "a liaison operation" in bridging the communication gap between textiles and clothing It will, for example, inform clothing companies what's in fashion overseas (there's an approximate nine months lag between what sells in London and what goes in Johannesburg)

Is a company like Jacotex really necessary?

"Can't understand what it's all about," says Sam Jaff, Chairman of the Transvaal Fashion Guild. Textile Federation's Stanley Shlagman, on the other hand, says it could prove useful.

Comments a spokesman for textile producer Hebox at Hammersdale, Natal "Anything which brings about better co-operation between the clothing and textile industries is welcome as far as we're concerned."

In the past the clothing industry has complained about

- Late deliveries from the mills;
- Poor marketing techniques, and
- A lack of awareness about consumer buying patterns and trends

Jacotex thinks it can fill a hole in the market "It is basically a question of being able to advise companies on the right type of fabric, the right design — and the right time to have it available," says Mcpherson

TEXTILES FIN MAIL 8/4/77

Clarity, please

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Both the ever warring textiles and clothing industries are anxiously awaiting government decisions and clarification on two thorny issues — duty rebates on woven fabrics not made here and, in general, an overall adjustment on tariffs

A report by the Board of Trade and Industries which has been studying the issues at the behest of Economics Minister Chris Heunis, is expected shortly There's a chance that the question of rebates will be clarified by the end of this month Hopefully, the tariffs issue will be cleared up by the end of June

"That would be good timing for all of us," says Denys Marvin, chairman of SA Nylon Spinners, in the news this week thanks to some controversial comments on rebates and tariffs from AECI chairman Harry Oppenheimer

Both the clothing and textiles industries are working well below capacity, both are laying off workers (in their hundreds), both are uncertain as to the future

Textile industry leaders think that last week's 15% *ad valorem* Budget tax on those items not bound under GATT could benefit them but insist it's just a government revenue raising device Says Textile Federation director Stanley Shlagman "It doesn't tackle the central issue Irrespective of the 15% surcharge the needs of the textile industry as regards the removal of rebates and adjustment of duty tariffs should not be lost sight of"

The clothing industry is just as anxious to know where it stands Following Oppenheimer's claim that much of the imported fabrics from Japan and the Far East are "dumped" on the SA market, Denis Solomon, President of the National Clothing Federation of SA, retorted that only some 25% of fabrics used by the clothing industry is imported and mainly materials not available locally

"Retrenchments and short time working are becoming as common in the clothing industry as in the textile industry," argues Solomon "Further restrictions on imported fabrics will not help"

SANS's Marvin disagrees "Imports remain the determining factor," he says

In fact, he points out that imported fabrics will top R120m this year but he believes, with the right kind of protection, approximately 70% of the cheaper fabrics now imported could be made locally

That's a viewpoint echoed by just about everyone in the textile industry Bob Ankers, MD of Berg River Textiles in Paarl says his company will be operating at 45% capacity by May Some 250 workers have been retrenched at the factory (one of the most go ahead in the Republic with a fully fledged training scheme for blacks and coloureds

Chances are, explains Ankers that the entire work force (700 coloureds, 500 blacks and 200 whites) might soon have to go on a four day week So Ankers — and everyone else in textiles — is almost desperate for a firm "yes" or "no" on the tariffs/rebates issue Certain that local manufacturers cannot meet the market's full requirements, he tells the *FM* "We'd be happy to have 75% with the balance coming in from overseas"

Big question is could the locals really meet market demands?

"Yes" says Shlagman, Ankers Marvin and a score of other textile leaders Shlagman estimates that SA could prune textile imports by R75m a year and clothing by R45m

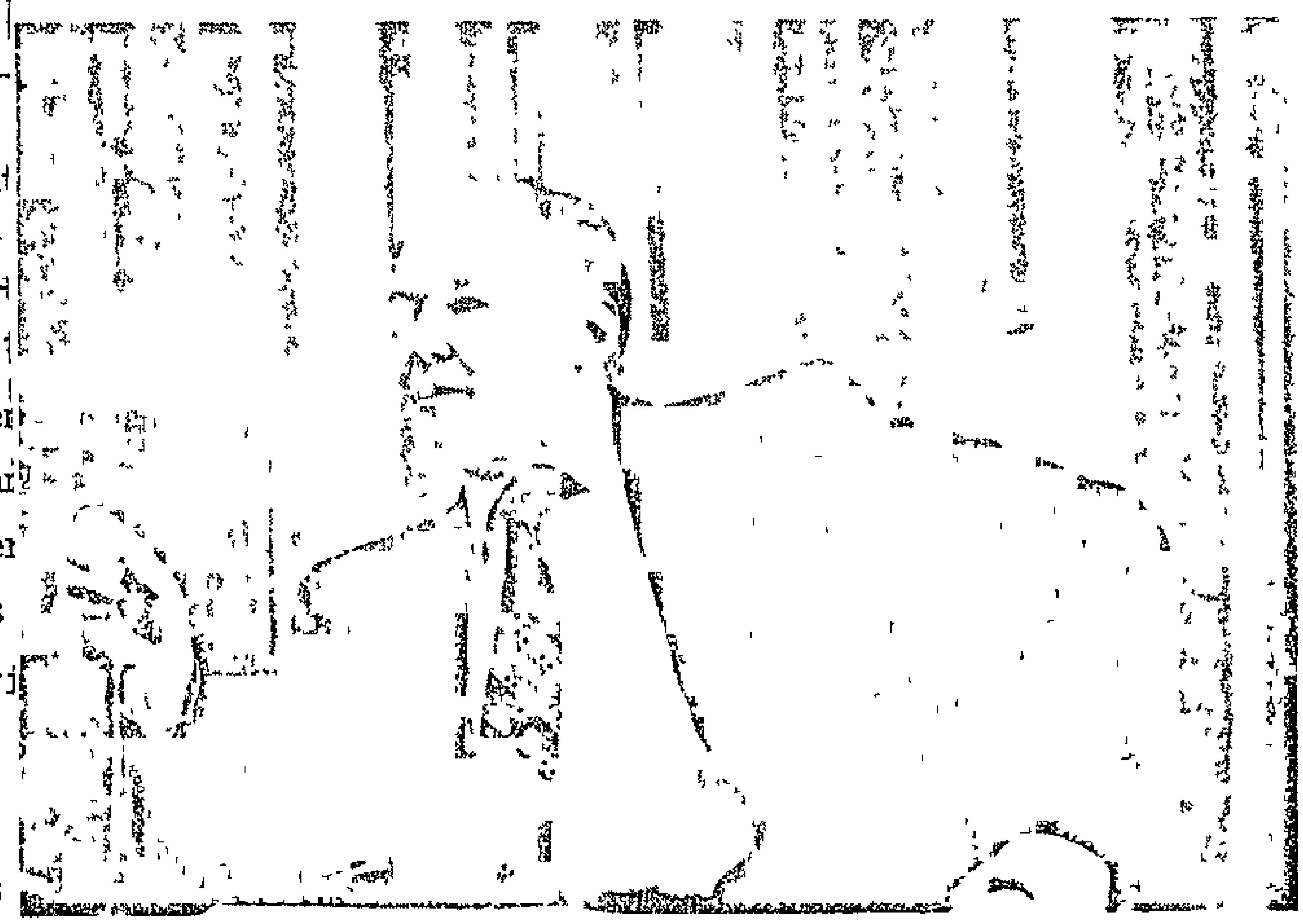
Meanwhile several large factories (clothing and textile) are shutting shop for at least a week over the Easter holiday. Managements are expected to start retrenching immediately afterwards.

The about-to-be amended Environment Planning Act (now before Parliament) isn't making life any easier for the two industries Last year 13 Transvaal clothing factories, employing 800 workers, went insolvent. White trade unionists warned at the time that between 6 000 and 10 000 workers could lose their jobs this year unless government modifies the Act, which controls black labour ratios.

"Overtime in the clothing industry is now a thing of the past," says Jimmy Thomas, general secretary of clothing's Industrial Council.

Adds textiles' Shlagman. "Approximately 5 000 workers have been lost to the industry since last July Over 13 000 are on short time."

One bright patch on the horizon is that the leaders of the two industries are now working closer together than ever before The Textile and Clothing Advisory Council, under the chairmanship of SANS's Mike Odling, is doing a good job presenting joint problems to Pretoria A clear approach, at this particular time, is essential.



Marvin with protection 70% of cheaper imports could be made locally

Source: R.P. 45/19

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Bad homework hurts textile manufacturers

10/6/77 R.D.M.

By CHRIS CAIRNCROSS
Industrial Editor.

SEVERAL members of the textile industry are experiencing business difficulties now because they failed to identify the requirements of their target customers in South Africa.

This was said by Dr Basie Kleu, chairman of the Board of Trade and Industries, in opening a showroom in Johannesburg for Berg River Textiles of Paarl.

He urged the textile firms concerned to correct this shortcoming if they hoped to survive the recession, or be in a position to take advantage of any revival.

Dr Kleu said the industry had been inclined to become introverted and to worry more about its plant, technology and production than about the market it served.

"The Board of Trade had found that notwithstanding the recession and the considerable idle capacity in the textile industry, those firms with adequate products and efficient marketing were until recently able to use 100% of their productive capacity.

"Needless to say, those manufacturers about whose products we received complaints were at the bottom of the log as far as capacity utilisation was concerned.

"More than ever before it is now necessary for textile firms to identify the needs of their target customers," said Dr Kleu.

A number of textile manufacturers were experiencing considerable quality problems in dyeing and printing as well as weaving and spinning.

"Even customers who are committed to support them and provide exact specifications do not always get an adequate product.

"Should those manufacturers have studied their target market they would have found what the customer actually required."

If they had, equipment to meet a particular market would have been chosen and the market needs would have been translated into product specifications.

In spite of the limitations of a small market, Dr Kleu said he was convinced that an efficient use of resources and imagination would take the textile industry a long way.

He conceded that long production runs were necessary for cost reductions and that price competition was intense, but the value of product differentiation should not be overlooked.

"Many foreign products find a market in South Africa simply because they are attractive or unusual. I am convinced that many South African manufacturers have the ability to turn the tables on their foreign competitors in this field."

This applied not only to the domestic market but to foreign markets.

"While import substitution is continuing, we cannot rely on that alone to achieve satisfactory growth. We will have to venture into foreign markets."

TEXTILES FIN. MAIL

Rebate evasions 20/5/77

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The Board of Trade and Industry (BTI) intends to look into allegations that some clothing manufacturers are driving a horse and cart through the rebate system on imported fabrics for infants' wear

A BTI spokesman tells the *FM* that an investigation is "on the cards" It will follow the BTI's March 9 report on the textile industry's request for a withdrawal of rebate facilities and revision of custom duty tariffs on a wide range of imported fabrics (*FM* last week)

The March report suggested that the Department of Customs & Excise should be made aware of the accusations from the Textile Federation In short, Customs is being asked to take a closer look at its own policing operations That's in order to scotch further accusations that manufacturers (particularly in Natal, say *FM* sources) are turning infants' fabrics into garments for adults or, equally illegally, selling low duty goods on the open market

Last week, the Textile Federation's Stanley Shlagman complained about the continued protection on imported fabrics for infants (approximately R8m pa)

"The whole purpose of a rebate structure is negated if there are evasions," he says "Evasions take place either through sloppy record keeping and control of stocks or even, in some instances, through a disregard for the rule of the rebate regarding the end usage of the fabrics involved"

Director of the National Clothing Federation, Frank Whitaker, is not at all amused about the implication of Shlagman's remarks

"Instead of making unfounded accusations Shlagman should produce proof before bringing the integrity of the clothing industry and the competance of the Customs Department into question," says an angry Whitaker

"It's not our job to act as policemen," rejoins Shlagman, who points out that, whether the clothing industry likes it or not, the BTI will investigate the matter thoroughly and come up with a supplementary report to its March 9 investigation

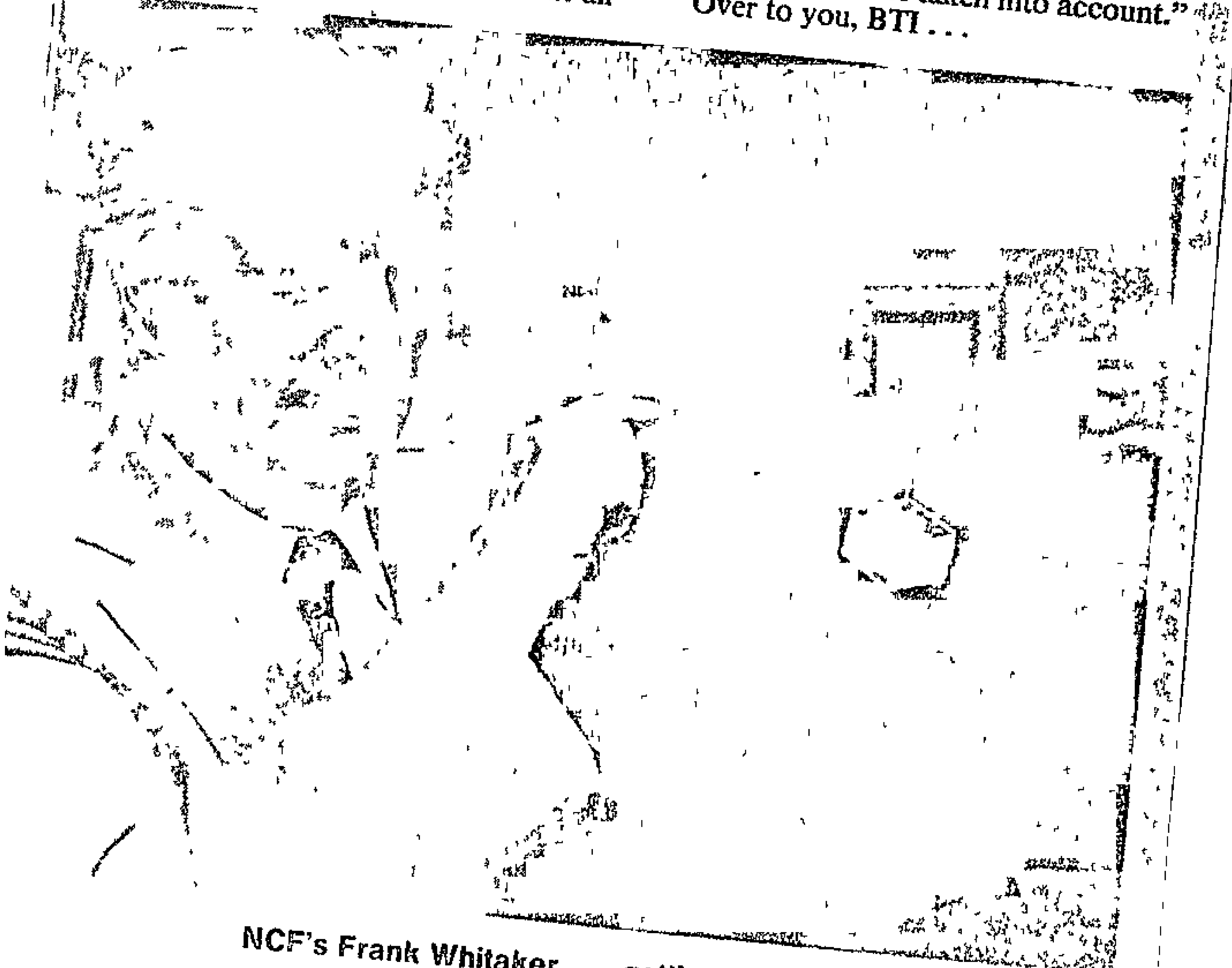
Whitaker, nevertheless, believes that Shlagman's claims represent a "slanderous attack" on the clothing industry "The importation of rebated fabrics under these arrangements amounted to only R8m last year," he explains "That's less than 7% of the value of all fabrics imported by the clothing industry"

The total market for clothing (imported and locally made) amounted to approximately R400m last year

"This figure of R8m covers by far the greater proportion of the usage of fabrics for infants' clothing and must, therefore, be compared not with the total of fabric importations but with the clothing industry's total fabrics usage," says Whitaker.

He adds: "It will be seen that importation of fabrics under rebate for infants' clothing at 2% of total usage are not disproportionate when the ratio of infants in the population is taken into account."

Over to you, BTI . . .



NCF's Frank Whitaker . . . getting short shrift

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Switch-on for R23-m plant

Financial Editor

THE R23-million Bellville polyester plant of South African Nylon Spinners was officially opened today. The plant, the most modern of its type in the world, will make South Africa totally self-sufficient in polymer until well into the 1980s.

It will produce 50 000 tons of poymer a year from two 25 000 tons modules.

However, the general economic downturn coupled to a high rate of imports and the advent of another polymer producer would mean that this figure will not be realised for some time, Mr D. N. Marvin, chairman of SA Nylon Spinners said.

SA Nylon Spinners, now a subsidiary of ACCI, was established in 1963, and with an initial capital of R6,4-million, erected the first nylon fibre plant in South Africa with a capacity of 2 500 000 kg a year. Since then, production of nylon and polyester yarn has expanded to the stage where both now stand at around 20 000 tons a year.

SA Nylon Spinners represents an investment of R150-million.

The new plant should ultimately save about R15-milion a year in foreign exchange.

In 1974, against a background of rising world polymer, yarn and fibre prices, it was decided to secure the company's raw materials by integrating backwards into polymer production. Of the total cost of the project, about half was spent within this country.

Synthetic fibres, which were not fully developed until the mid-1940s, have shown remarkable growth. World production grew from 3 000 000 tons in 1960 to 10 000 000 tons in 1974 and is expected to reach 16 000 000 tons by 1980, representing 20 percent of all fibres.

Polyester is regarded as the most important single fibre in the world today and world output is expected to rise to 6 300 000 tons by 1980.

(197) RDM 8/9/77

Business Mail

R100m more for textiles behind a secure tariff barrier

By CHRIS CAIRNCROSS
Industrial Editor

THE R700-million textile industry has an important potential for import substitution which, if properly exploited, could enable it to boost its annual turnover by more than R100-million in a short time.

But it is unlikely that the industry will make much effort until it has assurances that it will be able to shelter behind a restructured tariff wall that will maintain its effectiveness in an environment of fluctuating exchange rates and high inflation.

The continued erosion of the barriers provided by the existing tariff structure has led to uncertainties in the industry and is regarded as one of the main obstacles to any import substitution programme

The textile industry has an application for a tariff increase with the Board of Trade and Industries. It is aimed at restoring the effectiveness of the duties "destroyed by inflation and a devaluation".

But the increases, if granted, will not be sufficient to encourage the industry to tackle import displacement and replacement

According to Mr Stanley Shlagman, executive director of the Textile Federation, what the textile industry really needs is a formula duty with an indexing element built into it to allow for regular adjustments of the tariff to compensate for such factors as a changed exchange rate or a devluation

He acknowledges that it will be a complex matter to administer properly

In any event it is a proposal that has already been turned down by the Board of Trade.

An investigation of the textile industry suggests that it has the capacity to displace about R110-million of current imports This conclusion is to an extent influenced by the lower level of capacity use, which is down about 30%, according to Mr Shlagman

This figure is virtually 50% of the volume of imports

It is also suggested that the industry, following a certain level of capital investment, could replace a further R27-million in imports

The survey, carried out on behalf of the Afrikaanse Handelsinstituut, the Federated Chamber of Industries and the Steel and Engineering Industries Federation, stresses the need for the textile industry to rationalise some of its activities, with the concentration on products where a competitive advantage exists, with imports confined to the remaining areas

One of the industry's main problems is that it operates against a cost disability compared with imports, brought about to some extent by the effects of short runs, instabilities in the market and higher raw material prices

It is suggested that the industry should move to limit its production to those fabrics that it can successfully manufacture to the standards required by its user industry

This means a reduction in the large number of relatively high cost production lines, introduced as a defensive action by the industry in an attempt to maintain its market share against competition from imports

D.D. 23/8/77 DAILY DISPATCH, TUESDAY, A

Textile plants on short time as orders drop

EAST LONDON — The textile industry, one of the mainstays of the Border's economy, is battling with orders down 30 per cent on last year and plants working short time

The managing director of Good Hope Textiles, Mr B Cunningham, said on balance the world's textile industry was not up to capacity and South Africa had been affected more than most because it was still faced with cheap imports from the Far East

"The Japanese and other Far East countries are able to export synthetic fabrics at a significantly lower cost because their raw material costs are lower. In South Africa, our synthetic fibres are more expensive than many other parts of the world."

Mr Cunningham said while the fibre manufacturers had some protection against imports, fabrics manufacturers were inadequately protected.

"As far as we know, our application for improved protection has been through the Board of Trade and is now before the Minister with recommendations. We are now waiting for his decision."

Mr Cunningham said Fabrics were coming into South Africa at a comparatively low duty and this was causing hardship for the spinning and weaving industry.

"So, we are fighting on two fronts — people are buying less, so orders are down and we have to face the competition of cheaper imports when the local industry can make 70 per cent of South Africa's requirements."

Mr Cunningham said natural fibres, particularly cotton, were protected by a formula duty, but this type of duty did not take into account inflation and devaluation.

"We are paying more than the world price for cotton because we have an agreement to take up the South African cotton crop, but the world price has dropped to 120 cents a kilogram compared with the agreed South African price of 154 cents.

"Together, all these factors not only mean hardship for the local industry, but they also jeopardise our export potential"

Mr Cunningham said on the Border his company had built up stocks in order to keep people employed, but production had had to be slowed and, in effect, people were working on short time.

"But we are hopeful and there has been a greater interest among buyers recently. Certainly I believe the potential of the local textile industry remains good for the future," Mr Cunningham said — DDR.

Business Mail

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RDM 8/8/77

European textiles fight for their existence

LONDON — For the textile industry of Europe another summer of uncertainty is now in prospect with the break-up of the General Agreement on Tariff and Trade talks in Geneva on the next stage of the Multi Fibre Arrangement — the agreement which regulates world trade in textiles

After several weeks of talks aimed at reconciling the conflicting positions of the leading importing centres, such as Europe, and the chief suppliers — in the Far East, South America, and the Mediterranean — the main work will be done on a bilateral basis after a summer recess

It could be the end of this year before the framework within which world trade in textiles has to be carried on over the next three years becomes known

Although the industry in Europe — hard pressed by imports over recent years — does not have immediate promise of further import restraints, it had hoped for a new, tougher, MFA agreement

The Europeans entered the Gatt talks earlier this year with a list of demands aimed at modifying the existing MFA which was introduced at a time of buoyant world trade and which gave supplying countries a generous 6% a year growth rate

While the European industry has been unable to persuade the supplying countries — or America — to accept a full-scale rewriting of the agreement, the text that has been accepted does represent, from Europe's point of view, a second-best position

The formula calls for the renewal of the existing agreement but includes the possibility that signatory states may take protective action to safeguard their national interests in the event of severe disruption

The European Economic Community, after failing earlier to obtain wholesale renegotiation, was anxious for a strong clause of this nature to be agreed on by all parties and it will now form the basis of the EEC's bargaining position in bilateral talks with supplying countries

In effect the EEC is now likely to seek to achieve in these talks much of what it had been hoping for from a complete renegotiation of the MFA

If these bilateral talks are sufficiently successful it will be then prepared to go ahead and sign a renewal of the MFA in December

The relatively tough position which the EEC has been adopting throughout the talks has arisen from the damage which has taken place within Europe's textile industry as a result of imports pressure

The community's resolve has also been strengthened by evidence that any recovery from the deep recession of 1975-76 is being delayed much longer than had been expected

As a result of the first MFA agreement — the impact of which coincided largely with the fall in trade suffered in the past few years — a substantial shift in the pattern of textile supply in Europe has taken place

Whereas in fibre terms imports and exports balanced each other out in 1972, by last year imports exceeded exports by 500 000 tons in a total market of 4-million tons

According to the European industry each extra ton of imports is equivalent to one job lost. If present growth rates in imports were allowed to continue, it is argued, several hundred thousand more jobs would be lost by 1980, most of them among women and in the poorer parts of the community

Furthermore, large sectors of the European textile industry would be threatened with extinction

In Britain alone imports of textiles and clothing have increased from £200-million in 1970 to more than £1 600-million last year and in terms of value now represent more than a quarter of final textile demand

Because they are concentrated at the lower end of the market the impact in weight terms is even greater, with imports now accounting for two thirds of final textile demand in Britain

On the Continent imports have achieved a similar degree of penetration in Germany and, though not as significant in France and Italy, overall import penetration in Europe is considerably greater than in America

The problem has been particularly serious for fibre producers, which are affected as raw material suppliers, by the increased penetration into European markets of fibre, yarn, fabric and clothing

The main opposition to the formula now agreed to in Geneva has come significantly from a small group of countries — Brazil, India and Egypt among them — which are still building up textile exports and which now stand to lose out if limitations are placed on their rate of growth

By contrast, the existing large-scale suppliers, such as Hong Kong and South Korea, appear to have agreed to the concept of using bilateral negotiations to see how far European demands for greater control can be met

The onus will now pass to the negotiators at these bilateral talks and some compromise designed to ensure the continued survival of the European textile industry, while meeting the aspirations of developing countries, seems certain to be reached — Financial Times

C CLIMATES

Coldest month < 18°C but > -3°C.

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Mercury 18/8/77

RESULTS IMPROVE

JOHANNESBURG — Net results of Mooi River Textiles for the first six months this year showed an improvement on the figures for the same period in the previous year, the company announced here yesterday.

Net pre-taxed profit was R178 000 compared to R8 060 in 1976, and net taxed profit R169 800 (R8 060). No interim dividend was declared.

The upswing commenced during the last six months of 1976. It is expected that the improved financial position and pre-tax profits will be maintained for the balance of this financial year. — (Sapa)

An unhappy spin-off (197)

FM 29/7/77

This week's official opening of SA Nylon Spinners' (SANS) R23m polyester plant at Bellville is bound to have spin-offs of an altogether different kind

For example, at full bore the plant has a capacity of 50 000 t a year That is, with domestic polymer demand running at something like 20 000 t, it has a potential output of more than double that of current needs Further, the Frame Group is set to run its own 6 000 t plant by the year-end

Right now, there are only three local consumers of polyester polymer for filament and/or staple fibre, the Frame Group, Hoechst and SANS itself Thus, had Frame shelved its plans it would have continued to buy polyester filament from SANS and staple fibre from Hoechst

Shortly, that demand is more likely to be met by the Durban group's own R18m plant which is thought to have a capacity of 1 500 t of polyester filament and 4 500 t of staple fibre

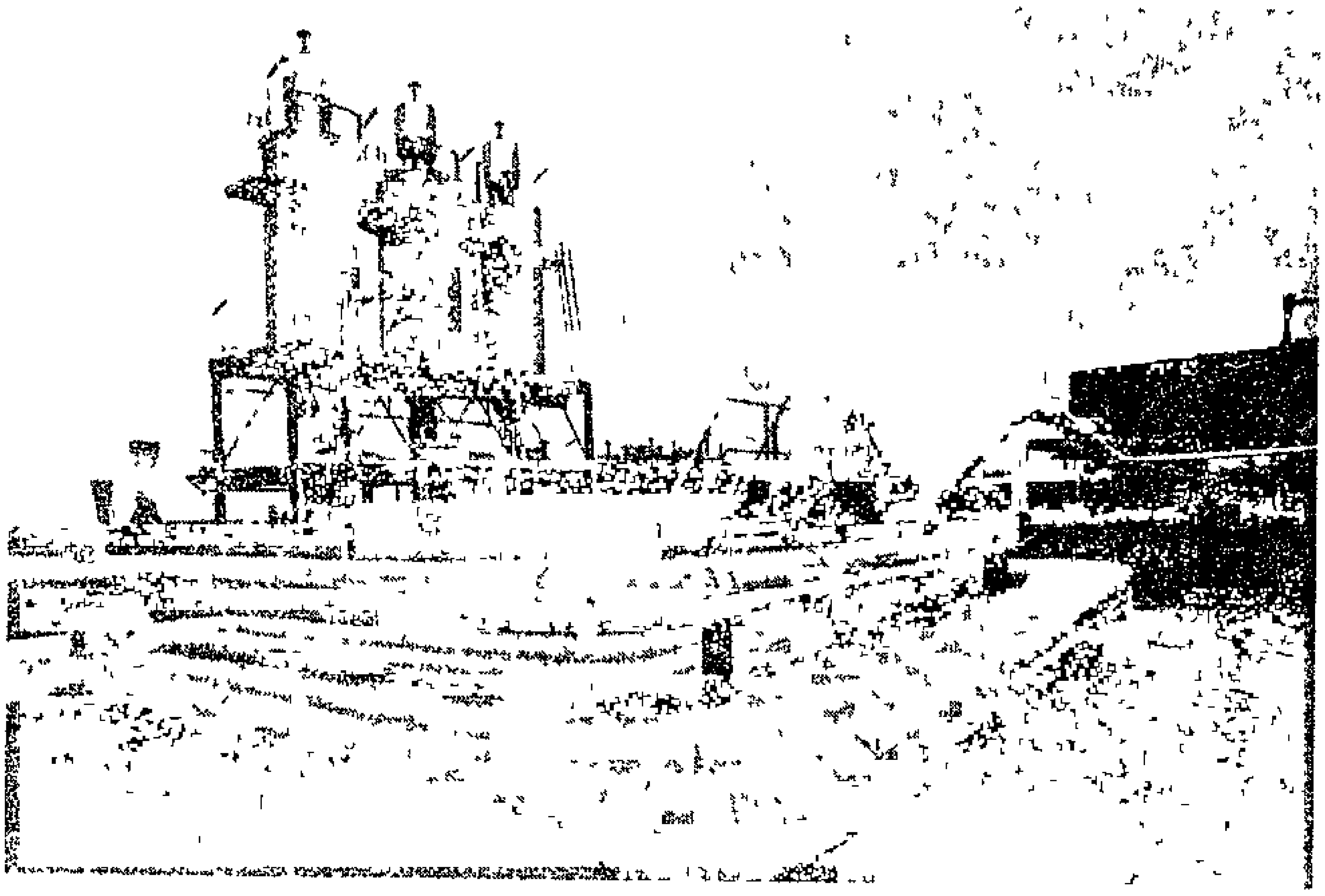
That can only mean that SANS (and Hoechst) will soon be facing Frame's erosion of a meagre (though growing) market — and that at a time when SANS, in particular, needs to go for volume production

That requirement is, in turn, bound to force two issues. The first is persuasion upon the clothing industry to be less demanding in its textile requirements while the second is a seemingly inevitable restructuring of existing tariff protection levels.

On the first count the message must be to minimise cloth variants (though not overall volume) and to maximise ingenuity in printing, colouring and so on and marry that effort to creative merchandising.

On the second count there's bound to be a change in the existing selective tariff protection at textile level It's a complicated business. Were protection levelled on natural fibres only things would be far less involved However, a profusion of synthetic/natural cloth mixes makes for bitter bargaining, and hair splitting, on questions of whether any particular cloth is to bear duty or not

Hence, the conclusion is that the next couple of months are likely to see the introduction of an across-the-board duty levelled on imported textiles Garment makers will continue to go for high-fashion textiles but they'll have to pay the price



SANS new polyester plant . . . waiting for demand to catch up

Financial Mail July 29 1977

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Star 26/7/77

(197.)

Textile industry renews pleas for wider protection

Michael Chester, Financial Editor

South African textile producers, whose combined capital investments now amount to about R800m, have made renewed appeals to the Government for wider protection from cut-price imports on the home market.

Action was urged on Mr Chris Heunis, Minister of Economic Affairs, when yesterday he visited the new R23m polymer plant built by SA Nylon Spinners outside Cape Town

Mr D N Marvin, chairman of SANS, told him that "additional safeguards" were essential to combat the periodic and disruptive wave of cheap imports when Far East producers unloaded surplus textile output.

He named Taiwan and South Korea as two of the specific sources of unfair competition, which was causing concern to producers not only in South Africa but also in the United States and Western Europe

Producers in Western Europe had been hit so hard that they had to cut their combined labour force by half a million to 3,3m and now calculated it will be down to under 2m within five years unless the import flood from the Far East were checked

The dilemma for Mr Heunis is that the issue of imports protection has already attracted sharp criticism from the National Clothing Federation which fears that barriers to imports will expose members to the risk of cost escalations

SUBMISSIONS

However, the Textile Federation has gone ahead with submissions to the Board of Trade that an umbrella is needed because of the relatively small size of the local industry.

Mr Marvin told the Minister that the SA manufacturers felt able to compete against imports of fibres which carried what he called "normal Western European prices"

But a new round of protective measures was vital to compete with the inflow from the Far East.

Mr Heunis has yet to give a verdict on the BoT report on the whole issue of import protection He diplomatically dodged an answer yesterday. But a decision is now believed to be imminent

Fin Mail 23/9/77

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Protection or competition?

There's endless conflict between those who make the clothing and the suppliers of the cloth. Looks like government will favour the latter

Economics Minister Chris Heunis is about to deliver his verdict on the Textile Federation's controversial application for increased tariff protection against "disruptive imported competition"

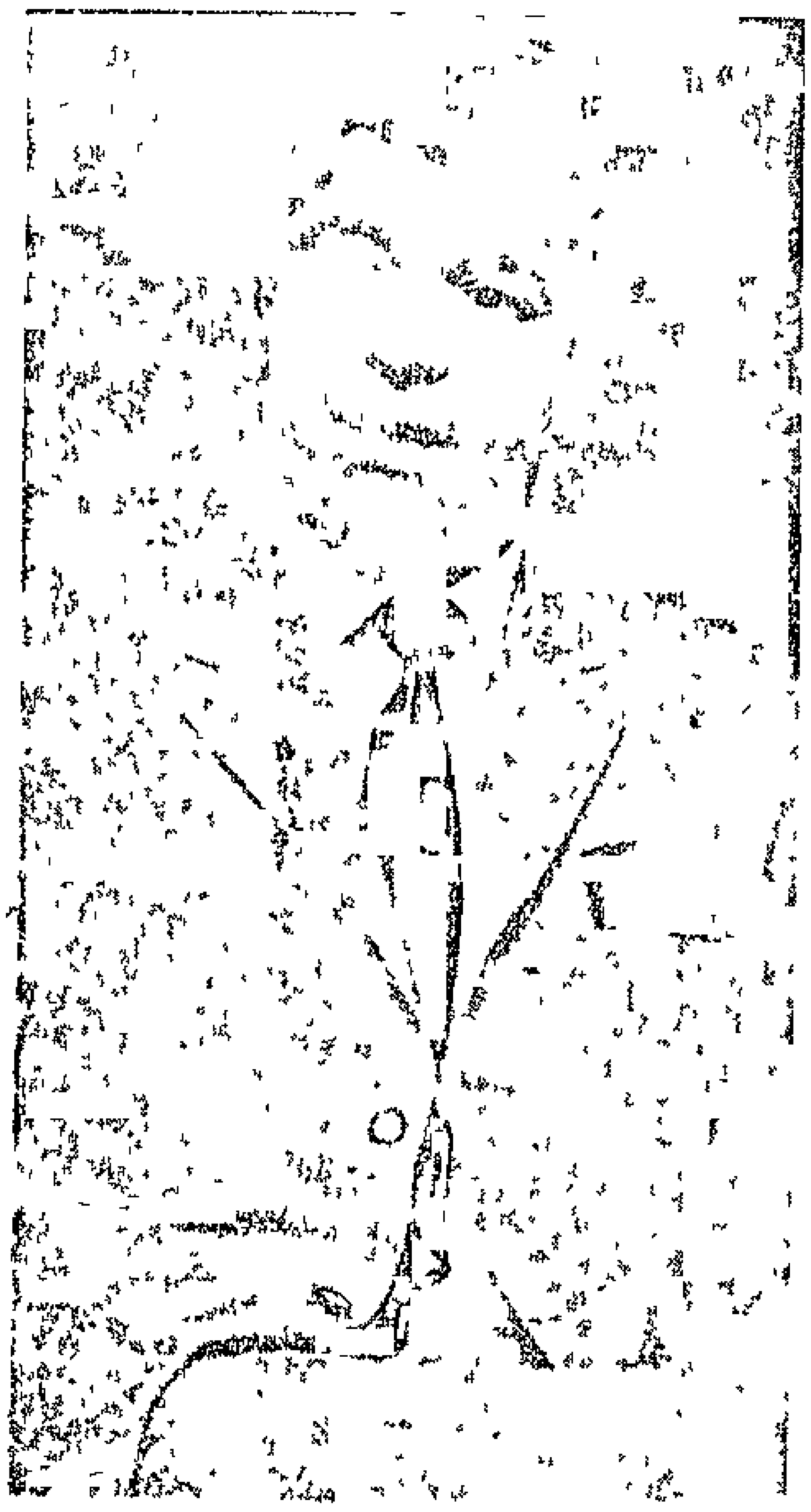
The National Clothing Federation has, naturally, made strong objections to the application But although Heunis's Ministry went out of its way to strike some sort of compromise between the conflicting demands of the clothing and textile industries, it is understood that, on balance, government's ruling will favour the latter group.

One of the pillars of the clothing manufacturers' argument against the Textile Federation's application is that it is something of an impertinence in view of the fact that Finance Minister Owen Horwood's 15% imports surcharge gives textile spinners and weavers all the protection they deserve.

In reply, Heunis will probably concede that the surcharge does give a measure of protection, but that this is not what the textile group's application was about The surcharge is a temporary fiscal device that will probably disappear in part or wholly as soon as either economic conditions permit, or when Horwood introduces a retail turnover tax.

The textile group does not want a straight rise in the *ad valorem* tariff (which works something like the surcharge), but an adjustment to the formula which has a regressive cost-raising effect on foreign cloth with a disruptively low mark-up.

Government takes the view that the formula adjustment is part of a long-term dispensation that has nothing to do with



Rex Trueform's Shub . . leading the way in exports

fiscal strategy The fact that most clothing men insist that nothing should be done about the existing tariff structure until the 15% surcharge is lifted could well be interpreted that clothing men are not against the basic principles involved in the textile group's application, but that they deplore its timing

Simon Jocum, vice-chairman of the National Clothing Federation, points out that competition alone is responsible for the fact that the clothing component of the consumer price index rose only to 159,3 (from a base of 100 in 1970) in 1976, compared with 174,7 for the all-items index (including services) and 178,1 for all commodities

More unemployment

If, as result of tariff adjustments on imported fabrics, clothing prices go up 10%, consumption will drop 25%, he claims, and the current unemployment factor in the clothing industry will increase from its present level of 10 000 out of a normal factory work force of 120 000 in over 800 factories "We could have a few more Fairweather cases on our hands"

Productivity experts in the Department of Industries say this may be a good thing, because recent studies have shown that, on the whole, there is a lot more inefficiency in the clothing sector than in textiles

The root of the clothing industry's gripe is in the cotton and cotton-mix textile sector. Out of 300 textile companies, clothing men say there are no more than half-a-dozen which rise to the standards of excellence required in the highly competitive field of light garment fabric manufacturing

Local mills produce about 75% of domestic needs, which means that the order books of the high performance mills are groaning under the load, particularly at this time of the year when manufacturers are beginning to sense an up-turn in demand It also means that the inefficient will continue to plug for more and more protection as their throughputs drop "And they will drag everyone down with them," one irate manufacturer said this week

Clothing men are not impressed with the Textile Federation's argument that the tariff application will only effect 25% of the market "It's that 25% which gives variety, continuity and flexibility to our operation, and without it we are dead if they price it out of the market at a time when disposable incomes are low," a manufacturer said

Interestingly, clothing industry complaints do not extend to the local worsted textile industry Stewart Shub, chairman of Rex Trueform, reckons local worsted fabrics (for suiting and trousering) to be comparable with the best in the world And he is a major exporter to Europe, UK and the US

If light (cotton and cotton-mix) fabrics are the problem area, it may be worthwhile to send experts from the National Productivity Institute to have a look at some of the poor performers, against whom the most common complaints are short and late deliveries, poor quality control and printing, and bad finishing.

At the same time, perhaps the domestic cotton growing industry should be investigated SA cotton farmers produce 75% of domestic requirements, but their prices to the mills are appreciably higher than ruling world prices, which are in a bit of a trough The Ministry of Agriculture is understood to be pressing for Maize Board-type powers to be extended to the Cotton Board, but this is being resisted by the Department of Industries, so the industry is in a state of uneasy equilibrium

From the overview, Pretoria is convinced that its mixed bag of recommendations on the Textile Federation's tariff requests will have a balanced effect, not nearly as disruptive as the National Clothing Federation expects them to be

Competition should do the rest.

FAIRWEATHER — SIGN OF THE TIMES

The sharp setback suffered by Fairweather Fashion Holdings, one time trendsetter among Cape manufacturers of women's fashions, could be a precursor of things to come in the clothing manufacturing industry, according to clothing men the *FM* spoke to this week

In the Cape Town Supreme Court, one Fairweather subsidiary has been provisionally wound up and four others have been placed under the judicial management of Ben Olver of Board of Executors

According to leading clothing manufacturers, the underlying causes of Fairweather's problems were management's inability to stick to the seven golden rules of clothing manufacture the right fabric selection, quality, design, efficient production, aggressive marketing, tight administration and sound financial management

In addition, the company broke the cardinal rule of the clothing industry by launching into retailing, it went into competition with its major customers

Soon it found itself with short runs, slowing sales and a mountain of stock which it could not turn into garments because bankers and shippers refused to bank roll what they clearly saw to be a deteriorating situation According to Supreme Court papers, there is R839 000 of stock some of it, the *FM* understands more than three years old

Clothing men now pose this hard question How many of SA's 800 odd fabricators will ride out the imminent crunch of shortening runs, fabric stock and ready-made stock build-ups, high interest rates, rising costs and nervous bankers?

and two bodies apiece.

Magician or quack, your versat'le hungry Greekling

COTTON (197) FM 7/4/78

Spinning profits

Cotton growers and spinners have, for the first time in quite a few years, something to relish Reason is that as the marketing season gets under way the growers are looking to a record crop while the spinners are anticipating a 13,6% reduction in the price of middle grade (Dirk A2) cotton fibre

And that's at a time when world prices are rising and at a time when the gap between domestic consumption and import-boosted total requirement (due, it's true, to falling demand) is narrowing

Cotton is sown during September and reaped and marketed through the months of March and April What has happened is that the price of medium grade cotton fibre has been reduced from 150,83c/kg to 130,26c/kg That is, the price at which the mills buy from the ginners

Current world price (cif Liverpool, England) for equivalent cotton fibre is 133,48c/kg and, suggests Cotton Board director Danie Erasmus, may well top 150c this year At the same time this year's harvest is estimated at 231 000 bales (200/kg a bale) and, if estimates hold up, that will be a record crop

The previous record was set during the 1975 season at just over 200 000 bales Further, 174 000 bales were produced last year and this year's crop should, therefore, yield a 33% improvement

Local spinners have already undertaken to make complete use of the record crop and, in other words, the total crop will be sold locally None is expected to be exported All of which means that spinners will have to import around 50 000 bales to meet their estimated shortfall, based on an estimated demand of 280 000 bales

That's still short of 1976's demand of 300 000 bales but a decided improvement (calculated at 18%) upon last year's demand of 238 000 bales And, things could get better still Traditionally, SA has grown between 60%-70% of its own cotton fibre requirements and that figure could be improved upon as other potential cotton-growing districts become available to the farmer One example could be the lower Orange River scheme

The only sour note is that the reduced price for cotton fibre will not necessarily lead to a corresponding reduction in garment prices Reason is that like just about every other industry, increased rail tariffs, wage increases and so on will have eaten into the new-found saving.

However, adds Erasmus, cotton-sourced consumer goods should at least stabilise at last year's prices

Textile men expect imports to drop

Sun Trib 9/4/78

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Finance Reporter

THE 2,5 percent reduction in the import surcharge is not likely to have a major effect on the local textile industry, says Textile Federation executive director Stan Shlagman.

The importation of low-priced (sometimes dumping-price) textiles was blamed last year as a major factor for the industry's severe downturn.

Increased import tariffs were granted and were considered by the federation as a subsantial import replacement move.

The improved position for the local industry (which the clothing manufacturers objected to as reducing their choice) has continued in the first quarter of this year, says Shlagman.

The financial year end reports to date have shown an upturn from last years' heavy losses and the Cape and Natal's textile and clothing manufacturers are more optimistic about 1978 performance.

Shlagman exects a continuation of last year's importation drop-off. Figures were R136,29 million imports for 1977 compared with R187,8 million for 1976.

And he still looks to a growth rate within the industry of about six percent.

The Federation also expects a general sales tax effect, but not on a large basis

Says Shlagman: "If sales tax pushes up consumer resistance, it would be on a broad front and not be particularly directed in the textile area."

He feels the sales tax will prevent a massive rise in consumer demand which would push up imports

"Consumer demand would only rise substantially if circumstances could cushion the sales tax effect," he said.

Frame's chief not retiring

NM 9/12/77

(197)

Financial Editor

MR. P. Frame, head of the Frame Group of industrial companies, announced in Durban yesterday that he had no intention of retiring, although he was well past retirement age.

Mr. Frame, who was addressing shareholders at the group's annual meeting, said that he started the group and he would see it through to the end.

One of his companies, Natal Consolidated Industrial Investments Ltd., is celebrating its 50th anniversary this year.

"I will not retire and certainly not in the current bad times."

Asked whether he could see an upturn in the economy, Mr. Frame said that he had just returned from overseas.

"I can see no improvement. Things are bad overseas and they will not pick up in South Africa until they improve abroad."

Mr. Frame said his group had experienced a substantial reduction in profits during the past financial year.

"The net operating income of the group declined by 57 percent in spite of an increase in turnover, and finished goods in stock reflected an increase of 27 percent."

Extra stocks

However, the group was in the fortunate position of being able to finance, from its own resources, the burden of carrying the additional stocks.

The group had continued to replace plant to maintain increased productivity. It had also been able to provide new employment opportunities by its development in the Border areas.

"Our labour force now exceeds 30 000."

Mr. Frame said that he could not see any improvement in the profitability of the group during the current year but he gave shareholders an assurance that their dividends would be maintained.

The group had substantial reserves and this would provide a great measure of security for shareholders.

Romatex redeems R2m prefs

(19-7)

RDM 10/12/77

DURBAN — The Romatex group has redeemed R2-million preference shares in its wholly owned subsidiary, Feltex

The shares are 9% cumulative redeemable convertible preference shares of R1 each and were held by Romatex's parent, C G Smith & Co

Earlier this year Romatex repurchased R2-million Feltex 6,75% secured debentures

While this latest redemption will result in "a reduction in the after-tax cost of finance," it is not likely to affect earnings a share significantly in the shorter term, says Feltex

The Feltex preference shares were issued when Feltex had liquidity problems before the merger with Ropes & Mattings that set up Romatex

"Those problems have all been overcome to the extent that the last annual report showed over R4-million on short-term deposit and total borrowings represented only 33% of ordinary shareholders' funds," says Feltex

"The capital structure remains strong enough to provide a sound base for future borrowings which will be tailored to the particular needs at the time" — Sapa

HANSARD No. 4. COL. 187, 188 20/2/78

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X

Textiles

140 Mr T ARONSON asked the Minister of Finance

What is the total value of textiles (a) imported and (b) imported under (i) a rebate and (ii) full duty during 1977

The MINISTER OF FINANCE

(a) R136 291 213

(b) (i) R32 903 981

(ii) R83 875 983.

(1) The difference in the value reflected against (a) and the total value reflected against (b)(i) and (ii) is in respect of goods which are still in bonded warehouses

(2) It should be noted that the figures are preliminary and subject to alteration

Soort boerdery (indien moontlik, persentasie van plaasinkomste wat aan elke soort bedrywigheid toegeskrywe moet word):

Aantal skape wol vleis

Aantal permanente werkers : mans vroue

Aantal toevallige werkers : " "

Aantal kontrakarbeiders :

Afstand van naaste dorp (kilometers)

Deadlock over wage rise call

ARGUS 30/3/78 ~~(2)157~~ (2)197

BLANKET manufacturers in South Africa and the union to which their workers belong have reached deadlock over a demand for a 15 percent increase in minimum wages.

The Textile Workers' Industrial Union of South Africa and the National Textile Manufacturers' Association are the two bodies involved in the dispute.

Manufacturers say they cannot afford to pay more than 7,5 percent because of the economic situation and under-cutting from Transkei.

But the union says the workers find it 'impossible to live on their present very low wages.'

'FARCICAL'

Mr Norman Daniels, general secretary of the Cape Town-based union, said that skilled male weavers who had completed a training period were now being paid R23,8 a week and female skilled weavers R18,47 a week

'With an increase of only 7,5 percent this is a farcical wage with the present cost of living,' he said.

His union has now decided to circulate a petition at all factories producing blanket textiles, asking the workers if they wish the union to continue pressing for a 15 percent wage rise

He said there were about 12 000 workers in this branch of the industry. About 1 000 of them were in the Western Cape.

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T and I's big stake in Svenmill

By PAUL DOLD
Financial Editor

AFTER being suspended for three months, Svenmill, the Cape Town fabric manufacturer, returns to the Johannesburg Stock Exchange boards tomorrow following a major reconstruction and Trade and Industry has emerged as the dominant shareholders

In brief, T and I now has a stake of 2,5m shares out of a total capital of 7,7m; Herbert Porter has sold its stake and the revived Svenmill consists of the traditional profitable fabric business with most of the property having been sold

The two applications which were launched for the liquidation of Svenmill and postponed pending the T and I deal, have been withdrawn

The deal is being supported by the major creditors who are maintaining facilities totalling R5,2m to the group

This, with budgeted cash flow, will allow Svenmill to continue operating and trade on a normal credit basis.

The two interesting points for minorities are — no offer is being made to outside shareholders — the JSE has agreed that such an offer is not necessary. The Rosenberg family and T & I own 43 percent of the equity. T & I bought its stake for R212 500, the equivalent of 8,4c a share

And the dividend outlook is black No final for the year ended June was declared and to improve liquidity no dividends are to be paid this year or until certain Porter contingent liabilities are discharged

Porter has given guarantees to certain bankers of Svenmill for a maximum of R340 000 and to bondholders and creditors for a maximum of R449 000 Svenmill's outstanding guarantees are for a maximum of R428 000 to bondholders over properties acquired by Porter in terms of the deal.

Both Svenmill and Porter say that taking into account all factors relating to each outstanding guarantee no loss should be incurred by either party on behalf of the other.

The pro forma balance sheet as at June 30 shows shareholders' funds of R1 733 000 or 22c a share, and includes non-recurring losses of R1 182 000 These are the attributable losses of the property division, Vrede Textiles (Svenmill has sold its 80 percent stake for R300 000). Of this R993 450 flowed from the writing down of certain properties which were sold to Porter

The balance sheet discloses that the fabric division had a net profit of R277 000 for the year. One of the group's strengths is the New World range, which was launched recently, and was very successful

Managing director, Mr B M Rosenberg, says that order books are at record levels with part of the plant fully booked to April 1978.

Svenmill's board has been reconstituted with Porter's representatives resigning and Mr D I Samuels and Mr M B Glatt are the new directors Mr Rosenberg remains as managing director

FM 18/11/77

(197)

AFRICAN UNIONS — 2

Deadlock continues

This week, Smith and Nephew MD Kenneth Lunn flew to London to consult his UK head office on the labour situation at the firm's Pinetown plant He has every reason to be worried

Last week, 353 of the plant's 533 African workers boycotted the company's works council elections, together with 68 of its 214 Indian workers (94 of whom are clerks) and 2 whites S&N was attempting to get the workers to accept the council in place of the agreement with the National Union of Textile Workers which it refused to renew some months ago

At the first meeting of the council last Friday, three of the seven Africans on the 11-man committee announced that they wanted to resign on the grounds that the election had shown that a sizeable majority of shop-floor workers had rejected the council

Management apparently told them that they would "just have to stay on and represent the minority"

The union claims that the majority of workers who stood for election had their names placed on the ballot paper by management

It adds that it is happy with the size of the election boycott — particularly because of the pressure which it says management placed on workers in an attempt to encourage them to vote

It was allegedly pressure which led S&N to reject renewing the agreement

Mercury
12 197
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UNION SAYS COMMITTEE REJECTED

Mercury Reporter 18/11/77

THE attempts by the Pinetown firm of Smith and Nephew to introduce a factory works committee instead of a union agreement, had been rejected by most Black workers, a union spokesman said yesterday.

The spokesman for the Black National Union of Textile Workers said the managing director of the firm in South Africa had left for Britain this week to discuss the union dispute with the parent company

Earlier this year Smith and Nephew ended a three-year agreement with the union, expelled it from the factory and said it intended setting up a non-union works committee, the spokesman said

Until then the company, which makes Elastoplast and related products, had been almost the only South African company to have recognized a Black union.

The spokesman said that last week the company had held elections for a works committee, after protracted negotiations.

The voting had indicated the workers' disapproval of the works committee, the spokesman said. Of 533 African workers, only 176 had voted and of 214 Indians. 146

He said Mr. Kenneth Lunn, Smith and Newphew's South African managing director, left for Britain on Tuesday to discuss with the parent firm, the union dispute, among other matters.

This was confirmed in London but denied by the company here.

The Secretary for Industries, Mr P. F. Theron (right) presents a silver tray to Mr H. Stott, of King William's Town, chairman of the DNA Gama group of textile companies, on behalf of the SA Cotton Textile Manufacturers Association, to mark Mr Stott's retirement at the end of this year.

P.D. 10/10/77

SACTMA farewell party for Bert Stott

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EAST LONDON — At a farewell dinner in Johannesburg Mr E. R B Ankers, chairman, paid tribute on behalf of the members of the South African Cotton Textile Manufacturers' Association (SACTMA) to Mr H. (Bert) Stott, who is retiring at the end of this year as chairman of the Da Gama group of companies

Mr Ankers said the retirement of Mr Stott, and also of Mr W H Seligman, vice-chairman of the Consolidated Frame Cotton Corporation, was a great loss to the textile industry.

They and their respective companies were founder members of SACTMA, and between the two of them had spent a total of 80 years in the industry

Mr Stott began his career with the Calico Printers' Association in Manchester, England, in 1927, and while following his normal employment, attended evening classes at the Manchester College of Technology

In 1935 he went to one of the company's associated mills in Shanghai as spinning supervisor, where he remained for 15 years

He was interned by the Japanese for three years during the Second World War, and was released late in 1945 He then assisted in the restarting of the China Printing and Finishing Company, which had been closed down during the war years

After a brief holiday in the United Kingdom, he returned to Shanghai in 1947, and was appointed general manager. When Shanghai was taken over by the communists in 1948, all foreign property was seized, and he was held hostage for more than a year On his release he returned to the United Kingdom

He came to King William's Town as mill manager at the Good Hope Textile Corporation in 1950, and in 1954 he was appointed general manager

He saw the operation expand from 800 workers producing three million metres of fabric to 4 000 workers producing 50 million metres

The Da Gama group was formed in 1974, of which he became chairman He was also chairman of SACTMA during 1963-1964

Mr Stott has also been very active in the Border Chamber of Industries.

— BUSINESS EDITOR

Textiles ask for export incentives at Gatt cost

197

RDM 28/9/77

By ELIZABETH ROUSE

THE need for export incentives for one of South Africa's five largest industries, the textile industry, and criticism of over-scrupulous adherence to general agreement on tariffs and Trade rules at the expense of the industry were stressed by industry leaders yesterday.

These were the main points made by speakers at a Press conference given at the opening of the Textile Fair in Johannesburg The fair displays a variety of textiles produced by 28 manufacturers

The plea for support for an industry which is labour-intensive came from the president of the Textile Federation, Mr G C V Graham, and the executive director, Mr Stanley Shlagman

Mr Schlagman said that except in cases such as Japan, where internal prices of textiles were relatively high, and the giant trading houses had special export arrangements with leading textile mills, exports of textiles were a national effort

"No manufacturer exported at more than marginal profit levels, and in most countries exporters had to rely on government support to compete in world markets," said Mr Shlagman

Industry leaders were convinced that South Africa could compete in world markets because of the unrealistically high wages of textile workers in European countries.

This was pricing countries such as Germany out of world markets

The criticism over the timing and manner of application of import surcharges came from Mr M Odling, managing director of SA Nylon Spinners

Mr Odling said the surcharges applied to raw materials seemed to be totally connected with Gatt requirements and in disregard of the textile industry's interests and longer-term investment prospects

At the same time, the surcharges were both inflationary and likely to cause unemployment

Brazil's protection of its textile industry was cited as an example for South Africa by most members of the Textile Federation

There had been no over-scrupulous adherence to Gatt regulations at the expense of that country's textile industry in the current highly competitive market situation

Mr Graham, in his welcoming speech to the Minister of Economic Affairs, Mr Heunis, who opened the fair last night, said there was serious concern because new investment in the industry was inadequate to ensure that it to at least maintain its present share of the market once the hoped for economic recovery took place

The industry had to continue to play a vital role in creating job opportunities by expansion It had to create foreign exchange by both import replacement and exports and to earn profits for use by the public sector to maintain a sound infrastructure and the private sector for reinvestment

Mr Graham said the major factor holding back entrepreneurs was lack of confidence that such investment would provide the required yield

Imported fabrics hold prices

(197) RDM 29/9/77

By CHRIS CAIRNCROSS
Industrial Editor

WITHOUT imported fabrics it is likely that the prices of South African-made textiles would rise virtually unchecked because of insufficient competition among textile manufacturers

Mr Denis Solomon president of the National Clothing Federation, appealed to the Government yesterday not to accede to the textile industry's requests for further protective duties until the 15% import duty surcharge was lifted

The clothing industry's case is to be put to the Minister of Economic Affairs, Mr Heunis, by a deputation next week

In his presidential address in Johannesburg yesterday Mr Solomon said the clothing industry's concern about import duties was due to the fact that there was a close relationship between the level of duties on imported textiles and the prices of domestic textiles

With only a few dozen mills supplying several hundred clothing manufacturers competition in the local textile industry is not such as to keep prices down without imports to force the pace

'If foreign competition is eliminated by the tariff structure local prices will inevitably rise'

Mr Solomon contested the view of Mr Stanley Seligman executive director of the Textile Federation that higher duties were needed to encourage the textile industry to tackle a programme of import displacement

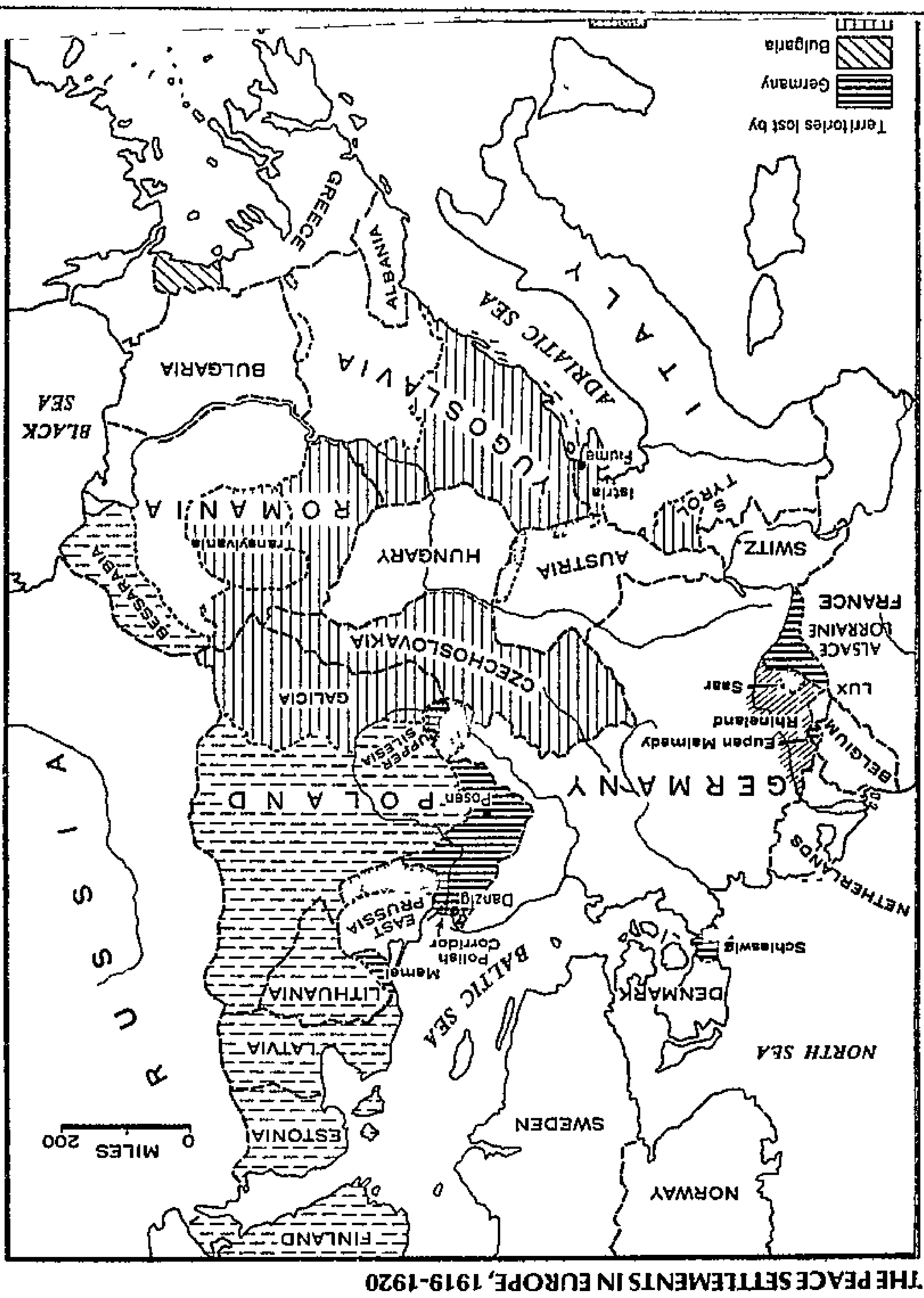
It has been estimated that the industry has the potential to displace about R110-million in imports

Mr Solomon said 'Since by the definition of displacement the plant capacity is already there I suggest that what is necessary is a radical improvement in the marketing quality and delivery of the local textile industry's products

He claimed that his organisation was inundated with complaints from its members about unacceptable qualities and unreliable deliveries from textile manufacturers

'One leading clothing manufacturer had claimed that his factory employing hundreds of workers, would have been brought to a standstill as a result of the textile industry's poor service if he had not had access to imported fabrics

With their sales sagging retailers are looking for reasons to cancel their orders with us and they are doing so where our deliveries are late because we did not receive our fabrics on time or we had to return them to the mill for reprocessing said Mr Solomon



THE PEACE SETTLEMENTS IN EUROPE, 1919-1920

SCHOOL OF EC... 1977

ECONOMICS ... GERSON

INTERNATIONA...

Progress Ind passes payment

RDM 24/9/77

PROGRESS Industries, the Durban-based textile group, has passed its interim dividend (1976: 2c) after attributable profits in the six months June 25 slumped to R16 400 from R227 700.

The directors blame the drop in profits on a 6% fall in turnover, a reduction in profit margins, particularly in the textile division, and a large loss by a partly-owned subsidiary.

Since June, turnover compared with last year has been maintained, "and if the increased demand which exists in the group at present continues, profit margins generally should improve".

Steps have been taken to arrest the large loss in the partly owned subsidiary, and these are proving successful.

The group has obtained large export orders, and production and deliveries started in July.

The expected export turnover for the current year on orders in hand should exceed R725 000. There are orders on hand for delivery in the first four months of 1978 of an additional R1 100 000.

The reaction to the winter ranges in all divisions produced an increased volume of orders compared with last year, and the directors believe this could be an indication of a general improvement in trade.

"However, in view of the prevailing economic circumstances, it is extremely difficult to forecast results."

Dugson

DUGSON Holdings, the men's and juveniles clothing group, has reported an attributable loss for the six months June 30 of R116 000, but the directors say this denotes the elimination of the major unprofitable aspects of previous group activity.

In 1976 there was a first half profit of R19 000 but a loss in the full year of R384 000.

The menswear division is centred in Durban. The expected problems associated with the transfer following the closure of the Johannesburg and Kimberley factories are being resolved, and significant improvements in operating efficiency and production standards are resulting from the consolidation.

The marketing policies of the menswear division have been reorganised into a more specialised and narrower field to cater primarily for the top end of the trade.

This has necessitated the disposal of substantial quantities unsuitable stocks at low price.

Management has achieved better stock turns and improved liquidity, and has implemented controls to establish a sound foundation for progress and profitability.

However, because of the current economic climate, no forecast can be made for the remainder of the current financial year.

The Kimberley factory has not yet been sold.

B & S Steel

B & S Steel Furniture's earnings have slumped by 32,8% to 12,7c in the year to June, 1977, from last year's 18,9c and the final dividend has been cut.

Shareholders will get a 2,5c final, making the year's total 5,5c against last year's 6,5c.

Taxed profit is R286 223 against 1976's R425 905.

B & S has a good share of the black and Coloured markets and the riots plus unemployment must account for the profit fall.

The dividend yield is 13% at the current price of 42c, reflecting the market's assessment of prospects. The shares have no attraction.

...review (not so important)

(3) Any of the many other books and articles pertaining to these issues, including Barrat-Brown (on the "Left"), Bauer (on the "Right"), etc.

(4) ... on LDC's of 19th Century, ... to Nurkse's chapter in ...

and cover.

Boundaries were compared first and evaluated in terms of percentage correct interpretation, percentage commission and percentage omission.

Within the boundaries which coincided with those on the colour aerial print, physiognomy, dominant species and cover were evaluated, each separately, in terms of the three measures, correctness, percentage commission and percentage omission.

(For the full title and publication details of sources referred to above, consult the back of the original course outline.)

SUNDAY TIMES, Business Times, April 16, 1978.

Textiles ease out of the doldrums

197

AFTER a 7,5 per cent drop in output last year, the R1-billion-a-year textile industry is slowly pulling out of its recession.

Stanley Shlagman, executive director of the Textile Association, forecasts an increase in the real volume of production this year of 6 to 7 per cent on last year, which would put it more or less back where it was in 1976. Capacity utilisation has risen from 70 to 80 per cent during most of last year to 80 to 90 per cent

But, warns Mr Shlagman, there are, as yet, no signs of a strong resurgence of consumer demand, which would hold out the strongest hope that the revival will be a sustained one

Instead, the recovery is largely the result of import displacement following increased tariff protection introduced last year, and of re-stocking by client industries (such as clothing) which allowed inventories to fall below operable levels

Both of these factors have a one-off effect on the industry without producing the sort of on-going demand which is vital for a true recovery

"This demand needs to be underpinned by an increase in consumer demand in the sectors which we supply, and this does not appear to be happening," he said

"Consequently, the duration of the upturn may be limited, and its impact may not be highly significant. It is debatable whether the Budget will result in an improvement in consumer confidence, which is what we need"

The first indications of a comeback emerged in the latter half of last year, when both the value of sales and unfilled orders began rising. Employment began to increase from October

In the first eight months of the year, the monthly seasonally adjusted output index was an average of 12,2 per cent below the previous year, but output in the remaining months was 1,4 per cent higher than in 1976

The value of sales for the whole year, at R1 049-million, was 3,3 per cent lower than in 1976, or 14,2 per cent down after adjusting for price increases

By TONY [illegible] WAYNE

The fortunes of the textile industry are closely tied to those of the clothing industry, which absorbs some 70 per cent of its output. Clothing industry output last year fell by 7,2 per cent, a marginally smaller decline than the textile industry experienced

There has been a measure of import replacement, indicated by the substantial decline in the value of imports at a time of rising demand, the Standard Bank's monthly economic review notes

During the first 10 months of last year the value of textiles imported was 23,5 per cent lower than in the same period of 1976. The greatest declines occurred in man-made fibres, cotton and cotton fabrics and knitted or crocheted goods

This was primarily due to the 15 per cent import surcharge introduced a year ago, followed by the withdrawal or reduction of tariff rebates on certain woven synthetic fabrics, and a new round of duties introduced in November on a wide range of textiles

It has been estimated that adequate productive resources are available to displace some 50 per cent of textile imports, and to replace a further 12 per cent through the installation of new plant and equipment. But to achieve this, adequate tariff protection is required

Mr Shlagman points out that the effectiveness of tariff protection tends to diminish as the South African industry's costs rise (and our inflation rates are higher than in most of our competing nations), or as competitors' exports are regulated by the need to export unemployment or to acquire foreign currency

Worldwide, the textile industry is still seriously depressed, and finds its short-term remedies in subsidised exports to countries such as South Africa

Consequently, the need for further tariff adjustments is constantly under review by the industry, although Mr Shlagman emphasises that these are motivated by the desire not to increase the level of protection, but to maintain this level

For the past two years, he says, there has been no increase in the FOB price of textile imports, which supports the view that international textile manufacturers, if not exactly guilty of dumping, are certainly responsible for uneconomic price-cutting

Costs of production in the South African textile industry are rising by 12 per cent a year, and the estimated return on total assets in recent years is an unexciting 3 to 4 per cent

"The key to a better performance is maximum capacity utilisation," says Mr Shlagman. "Another 5 per cent utilisation would be the difference between a marginal profit and a reasonable profit"

13

Contract carpeter Peter Bates (probably the country's biggest layer) vouches for the upswing in sales. "Refurbishing on the Reef is fantastic. Big customers are turning back to carpeting two or three years after the swing in the US and Europe," he says.

Vulgar-fraction economics much more than executive caprice seems to be the reason Escom's going for 100% Ankara-twist karakul (Harrismith's up-market Nouwens Carpets got the order) makes sound financial sense as long as it lasts 10 years Heavy traffic on other floor coverings or cheap carpets would probably be ripped up and renewed two or three times in the same period or it would look very shabby. Government and institutions are going back to carpets because it makes sense Banks and insurance companies are putting up to 15 000 m^2 at a time into new offices," says Bates. As he also has a foot in the vinyl flooring business he's in a good position to assess the trend

Carpeting . . . offices are swinging back

Expensive carpeting makes good sense if the bill can be passed on to taxpayers or shareholders but domestic sales have no such financial elasticity. No sooner had the recession convinced householders to hold back on new carpets than TV put a moratorium on the traditional business.

Carpet shops and department store flooring sections cut back stocks to little more than sample squares as squadrons of displaced salesmen took to the streets in fleets of bakkies and vans to [illegible] cut-price door-to-door trade. The [illegible] Operators, as they are known to industry, pulled domestic mark-ups down from 30% to 20% — even much less — with one-off jobs.

Switching (showing the housewife a good sample and then fitting rubbish) was prevalent and still goes on

"The carpet business has a dirty name," admits Bates. To counter the hit-and-run image Bates and 40 other distributors (with two manufacturers)

CARPETS FM 18/8/78

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Tuft times

Carpet manufacturers pricked up their ears when 4 ha of pure karakul wool was specified to cover the floors of Escom's Megawatt Park headquarters. The order, estimated at R500 000, was the best news the sluggish industry had heard during several years of under-capacity.

Production is still a long way below the early-Seventies level, when the edge-to-edge fad took off and fancy furnishings enticed new tenants into mushrooming office space, but feeling in the trade is that the past four months have seen the long-awaited upturn.

C04

"I'd say business was up 7,5% over last year but there is still lots of spare capacity; 1977 was really bad," says Dunlop Flooring MD Peter Barman.

"Growing slowly. About the same as 1976 (another bad year)," agrees Romatex MD John Briscoe.

President Carpet Manufacturing MD Peter Jacobson adds: "Business picked up at the end of May and we are busier. Take into account, though, that we've all had a shocking time."

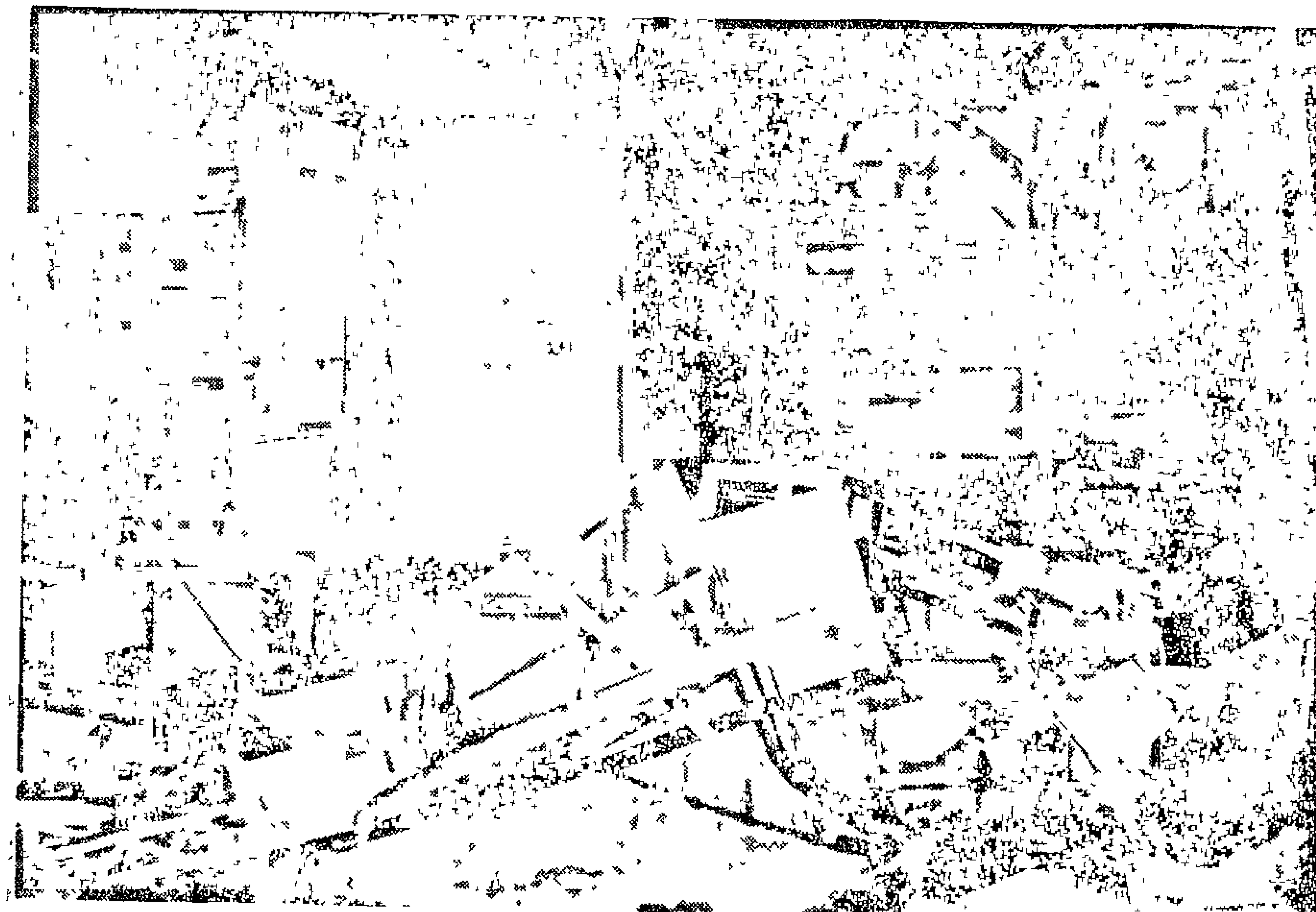
(2)

Nobody wants to give figures but the consensus opinion of official returns is that they are way out. Preliminary Department of Statistics' tables show 1977 carpet production running at around 9,5m m². Says Briscoe: "No relation to our estimates. There's something missing."

In 1974 makers produced about 16m m² worth about R140m ex-factory. Since then manufacturers' prices, despite the thin times, have risen 30% to 35%.

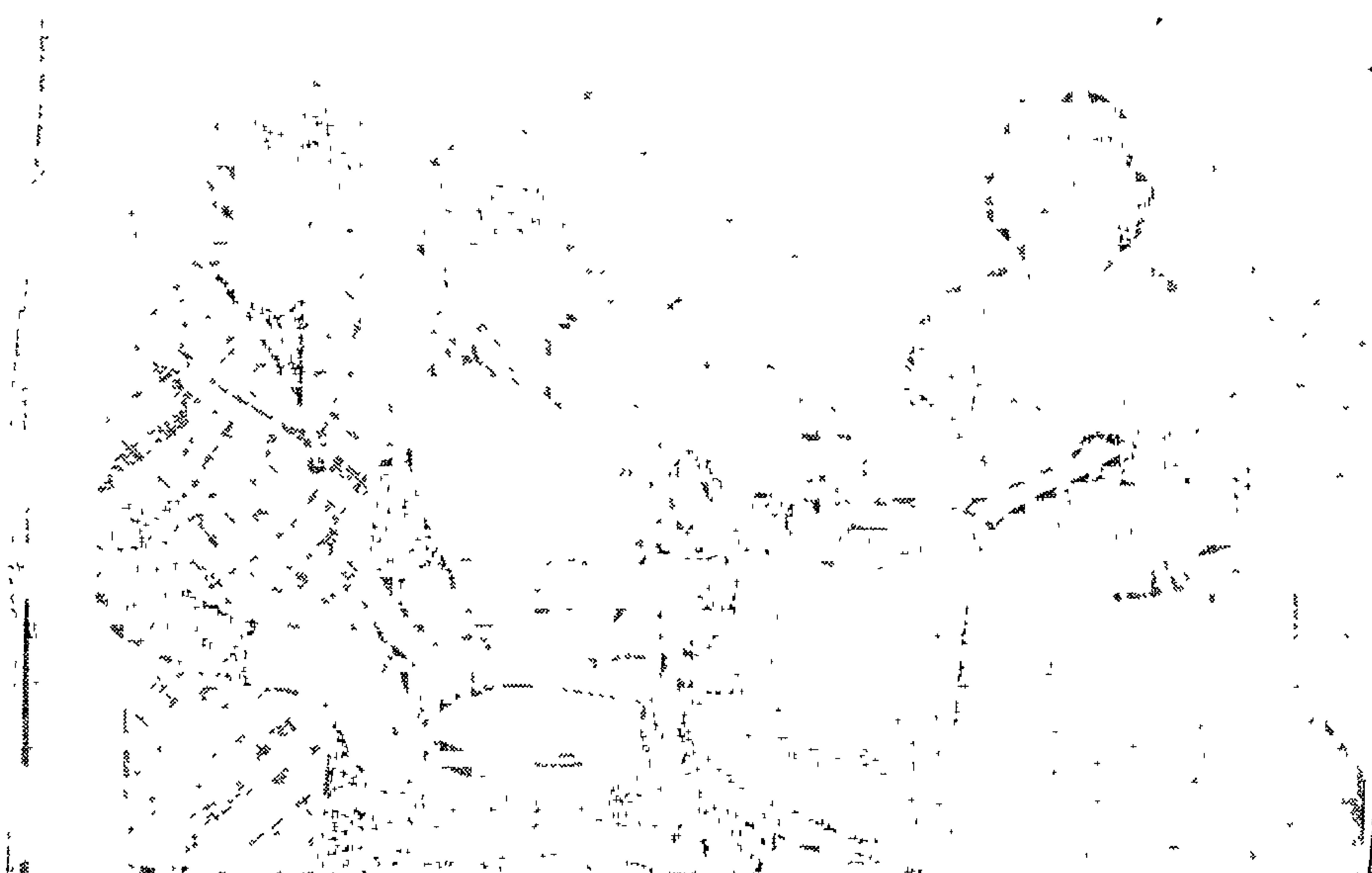
for sales and orders, and it will be thanks to these that business will be able ed yesterday whether the building had been damaged structurally office and until the fire-destroyed office is restored this will serve as

Smoke was noticed by a passer-by — DDR



A room untouched by the fire except for one wall which was burnt down makes a sharp contrast to the turmoil of the fire-gutted general office at Cyril Lord.

Two Cyril Lord employees, Mr Size Zoko and Mr Albert Baneti, pack up some of the less damaged records from the fire-gutted general office to take them to a temporary office where staff will be spending the next few weeks or months sifting through them.



Faced with the unenviable task of sifting through mounds of partially burnt records, a Cyril Lord book keeper, Mrs S. Howe (right), and members of the costing department, Mrs E. Brande and Miss E. Baker, get to work in the make-shift office which will be their working environment until fire damage at the general office is repaired.

Fire destroys admin offices at Cyril Lord

EAST LONDON — It will be "business as usual" at the Cyril Lord textile factory at Arnoldton, despite a fire which completely destroyed the factory's general administrative office late on Tuesday night and during the early hours of yesterday morning

Damage, which will run into tens of thousands of rands, includes the destruction of accounting and general records and orders, and much of the final cost of the fire must be reckoned in the manhours it will take to re-constitute the record system

"But thanks to our computer back-up in King William's Town it shouldn't be too difficult to re-constitute the accounting records," the firm's financial director, Mr L A. Behrens, said

In addition to the computer tapes for all important accounts, there is the duplication of records in the firm' [illegible] section to go on as usual.

The fire, which started near the central section of the office, was first detected by a member of the security staff, Mr C Nel, who sounded the alarm. By the time municipal firemen arrived on the scene, the firm's emergency staff already had hoses going

"The entire wing of the building was blazing with flames licking above window level by the time we got there," the municipal fire officer who attended the fire, Mr B K Belter, said

His men responded with one machine, but a back-up machine was sent out when the extent of the blaze was discovered

The firemen managed to restrict the fire to the general office, saving the executive offices in the other half of the building

All the office furniture used by the 50-odd staff who occupied the general offices was destroyed, but [illegible]

The firm's managing director, Mr J. Goddard, said he couldn't estimate the extent of the damage at this stage, but it was "considerable".

"We will be handicapped by the loss of all these records and it will cost us a lot of manhours, but it won't affect factory production," he said

He paid special tribute to the municipal firemen. "It looked as if the fire was going to spread to the rest of the offices and they did an excellent job containing it," he said

After the fire was brought under control firemen remained on duty at the factory throughout the night in case of another flare-up

Office staff began the massive task of sifting through the wreckage yesterday and collating the records, which were charred and not completely destroyed

Fortunately a new shop building has been con- an administrative office.

The electricity faults caused by the fire had been isolated to the one side of the building by yesterday afternoon and the executive offices had both electricity and telephones operating

Neither firemen nor senior staff at the factory yesterday could say how the fire started, but Mr Behrens suggested it might have been through an electrical fault.

In another fire attended by municipal firemen, about R2 000 worth of damage was done at the Smoky Joe fish and chip shop in Braeside Road

The oil in the stove used for frying the fish and chips caught alight and the entire interior of the shop was blackened by fire.

An employee, Mrs M. Raypen, said none of the staff nor the manager, Mr. Naidoo, were at the

Sun. Times Bus. 22/10/78.

Textile industry needs R300-m capital expansion

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By TONY KOENDERMAN

SOUTH Africa's textile industry has to spend R300-million on capital expansion over the next 10 years if it is to keep pace with the market growth of 2 to 3 per cent, says Bob Ankers, president of the Textile Federation.

If it is to find the capital, it needs a better return than it has been getting, and this means increasing its share of the market.

"We're getting less than 10 per cent return on capital but we need 30 per cent," says Mr Ankers.

This is the rationale behind the federation's annual Textile Fair now in its third year and growing all the time.

This year's fair, held in Cape Town last week, attracted the 45 major companies which produce more than 95 per cent of the industry's output.

Their object is to show their customers — the rag trade, furniture manufacturers and other industrial textile users — what is available from local sources and how good it can be.

The venture seems to be working. The share of the clothing industry's textile needs supplied from local sources has crept up to 73 per cent, according to the federation's director, Stanley Shlagman.

But he does not believe it could go much above a ceiling of 80 per cent because there will always be a demand for some imports.

The clothing sector accounts for about two-thirds of the textile industry's output, the rest going into carpeting, curtains, furniture, the motor industry and other industrial uses.

One prerequisite, Mr Ankers says, for an end to the stagnation in investment, is a stable system of tariff protection.

The new round of tariff adjustments was made a year ago and the industry is satisfied with tariff levels at the moment.

But to keep them at constant effectiveness in the face of inflation and changing circumstances requires regular reassessment and Ankers would like to see a form of indexation introduced.

However, he is optimistic that investment is picking up and that the textile industry is getting increasing backing from the domestic clothing sector.

CLOTHING

Rags v bags

FM 23/5/75 [redacted] 13

At conferences and exhibitions in Cape Town this week, clothing manufacturers and textile men had a chance to patch up their long standing squabbles

When the *FM* went to press it was too early to tell whether a *rapprochement* was really in the offing Opening the conference of the Clothing Institute, Economic Affairs Minister Chris Heunis was at pains to avoid taking sides, but in the end, by stressing the need for rationalisation and standardisation of clothing production in order to provide 610 000 jobs in this sector by the turn of the century, he did seem to come down on the side of the domestic textile industry

Although the high point of the Clothing Institute's conference was an exhibition of clothing machinery and equipment, Heunis urged clothiers to think carefully about new investment in hardware that would reduce their capacity to absorb labour surpluses

With the country on the threshold of a new inventory cycle, Heunis reminded clothiers of steps "in the national interest" to reduce imports by substituting locally made fabrics He was critical of the "proliferation of fashion" and appealed for greater standardisation and rationalisation in the interests of longer production runs and lower unit costs

Some clothing men at the conference took this to mean that government is bound to show increasing sympathy for tariff protection of the textile sector, particularly because the mills say they plan to invest R200m on general expansion and R50m R80m on increased synthetic fibre production over the next five to 10 years.

Clothing men have no argument with protection if this leads to more reliable throughput and better quality, but they have been so badly stung in the past that they are reluctant to give the mills firm guarantees on offtake

Complaints persist about poor quality and erratic delivery dates, and whereas it was in the past always possible to ease fabric supply bottlenecks by means of imports, the escape valve has been closed by adverse exchange rate movements, increased protection for the mills and retention of the 12,5% import surcharge

Imported fabrics can therefore be as much as 50% more expensive than the local product, so severe pressure is exerted on clothing men to rely on local mills They say, however, that out of 300 SA textile companies there are no more than six or seven which comply with the standards of excellence required in the highly competitive field of light-fabric garment manufacturing

As a result, a kind of supply tyranny has developed in which the efficient mills are so flooded with orders that their order books have been closed off for the past six months, leaving manufacturers at the mercy of inefficient mills

Mill operators, on the other hand, say it is unfair to expect them to respond to every flicker of demand fluctuation, particularly after manufacturers' long history of importing their A grade requirements while meeting their B grade needs from domestic sources

To attract the kind of investment required for an intensely competitive fabric supply sector protection should therefore be maintained at a level where investors would be assured of stable growth — and a 80% 85% share of the market, compared with 70% at present.

Without this reasonable prospect it is unlikely that the textile industry will attract the kind of capital investment required to assure clothing manufacturers of competitive delivery dates of quality fabrics at keen prices

TEXTILES (197)

SANS' synthesis

FM 22/9/78

For some time now, word among the high fashion garment makers has been that SA Nylon Spinners (SANS) was having supply and quality control problems with its synthetic fibres. Commercial director Mike Odling concedes that SANS has had its difficulties but, he tells the *FM*, they are all but licked.

Apparently demand for SANS' polyester fibres took off in the last few months, at a time when it was in the throes of producing progressively finer yarns. Demand began to lift during the last quarter of last year and continued to climb to such an extent that the Cape Town plant is now running at 90% capacity. That growth put tremendous strain on the production lines and, in particular, on the quality controllers. The strain became more acute as buffer stocks ran down

However, explains Odling, bottlenecks have been cleared, there is an all out effort on quality assurance and more capital — as at the Hammersdale, Natal site — is being spent on plant and machinery

Simultaneously, efforts to produce progressively finer fabrics have meant that SANS will have its latest range of lightweight polyesters ready for unveiling at the Textile Federation Trade Fair in Cape Town on October 16-19. In the past the industry has tended to concentrate on what it terms 167 and 85 decitex fabrics

Decitex is a measure of the mass in grammes per 10 000 metres of yarn. Thus 70 decitex has a mass of 70 gm per 10 000 m. What the high fashion garment makers have wanted is fabrics down to the 50-mark and lower. Those at the Textile Fair will see SANS' heavier fabrics as well as its new 70 and 50 decitex cloths.

And by early next year, says Odling, we will be seeing 40/22 fabrics That is, 40 decitex with 22 filaments. That will then give the garment makers even more flexibility — always provided they have forgiven SANS in the meantime.

CLOTHING/TEXTILES 101 197

The knitty-gritty

FM 8/9/78

The dilemma in which the textile and clothing industries now find themselves (see cover story) has been long in the making. It has been a chicken-and-egg story since the textile industry took its halting steps into blanket manufacture in the twenties.

Since those days, thanks largely to sympathetic tariff protection and import control, the textile industry has grown to a point where its total output is R1 000m. Perhaps half of that output is accounted for by apparel and furnishings while the balance goes to yarns, carpets and so on.

Manpower of the textile sector is around 118 000, working from something like 400 sites around the country. In round figures textile fabric imports are running at R120m while the local share is estimated at between R380m-R400m measured at ex factory prices

The clothing sector, on the other hand, employs upwards of 120 000, working out of something more than 800 factories In general terms the rag trade reckons that clothing imports are running at R50m as against a local production of R700m measured at ex-factory prices.

Complaints by the garment makers of poor local quality, erratic deliveries and so on are not new Neither are the mill's arguments in self defence However, since November last the garment makers have had to contend with average duties of 25% plus a surcharge of 12,5%, as well as import controls. This, says the rag trade, makes life intolerable — especially in the areas of high fashion.

Delswa's Sam Jaff is not alone in complaining about the high cost of imported options He cites, by way of example, the importation of a Japanese polyester gaberdine

The local price is R3,15/metre. Set against that is the Japanese domestic price of R1,65/metre to which is added an import duty and surcharge of R1,55 "Other charges" of 21c bring the total cost to the importer on a "landed Reef" basis to R3,41/metre

Likewise, a printed knitted fabric from Europe could be landed at R2,83/metre (UK price R1,55) as against the locally manufactured cost of between R2,73-R3.

Jaff, like many more in the trade, says he wants to support the local textile industry but complains that the duties, in some cases, are simply too harsh.

The textile industry, while having some sympathy with the garment makers, argues that it has to make a living. Consensus is that a ratio of 70.30 in favour of locally sourced fabrics is an absolute minimum for survival.

Proof that a combination of government controls and spontaneous support for the local textile manufacturing industry is working lies in figures presented to both industries last week. In 1974, the ratio of imports to local production was 56:44. In successive years (though not in a steady decline) imports have fallen to something like 30% of total fabric demand.

And that, says the textile industry, is moving in the right direction. Reason is that industry statistics suggest that for every R1m of annual turnover an investment of R1,3m in plant and machinery is required. Added to that, say industry sources, there is a further requirement of R700 000 which brings the investment/return ratio to 2.1.

Hence, the textile men are reluctant to make that sort of investment at a time when the garment makers, they argue, are pulling up short of total support This is also at a time when the purchasing power of the major chains which are increasingly getting into their own garment making is beginning to bite. Today, it is estimated that the majors such as Woolworth, Edgards, Truworths, Scotts and the like are accounting for a good 30% of fabric offtake.

One of the few points of accord in both industries is that import permits are reasonably available but it is the textile men who want to see the levels of tariff protection constantly adjusted so that they'll be assured of a fixed market share. That is fluctuations in, say, the rand/yen exchange rates will be reacted to and market shares will grow in line with overall market growth.

It seems a fair point, particularly with the textile industry talking in terms of R250m-plus capital expenditure over the next 10 years or so.

CLOTHING v TEXTILES

The bare facts

197 FM 8/9/78

The current bout of challenge and counter-challenge between the clothing and textile industries is beginning to sound as acrimonious as a seamstresses' tea-break.

What it boils down to is that the clothing men accuse local textile mills of producing poor quality textiles and of haphazard deliveries. This is particularly prevalent in women's fashions and men's shirts.

The textile men in turn claim that clothing manufacturers want too much, that their accusations are often unfair, and that they are trying to drum up a case to get government to ease up on import restrictions.

As usual in such industrial controversies, both sides have telling points to make. But the danger in washing such dirty linen in public is that it damages both markets. People start to believe that clothing made from local textiles is inferior, and stop buying -- like our full-frontal cover man

The duel between textiles and clothing has been going on for years It blew into a full-scale battle last November when the mills won an argument for stiffer import duties. In the past week or so (see *Business brief*) clothing manufacturers have again got the needle over quality and deliveries and have hit out at the textile men, not least in the correspondence columns of the *FM*. Last Wednesday both parties went to Pretoria to argue their case before the Director of Imports

"If we cannot get the quality, if we cannot get delivered what we order, then we should be allowed to import," insists Delswa's Sam Jaff. But import tariffs and an import surcharge send the price of imported textiles through the roof. And there are also import controls.

For their part, the mills fear, with some justification, that with open import doors, some clothing manufacturers would not even make the effort to use local fabric.

Pretoria's rationale in giving the textile industry the heavy protection it enjoys is that it needs this to get established and to grow — particularly in the face of such world giants as Japan, Korea and Germany The industry is talking in terms of spending at least R200m on general expansion and another R50m-R80m on synthetic fibre production over the next five to 10 years Among benefits, presumably including better quality and more reliable throughput, is the creation of 100 000 jobs

But the industry wants assurances from the clothing sector -- such as a firm commitment on offtake In its present mood, the clothing industry is reluctant to do so

The textile producers are poised to expand and improve, but need the garment makers on their side. But the rag trade considers it is getting shabby treatment

How to solve the impasse? Surely not by more government intervention In fact, neither side wants government to step in, says the Textile Federation's Stanley Shlagman

The mills and the clothing manufacturers should get together and try to hammer out a code of practice acceptable to all. This should

Making a jacket . . . will the cloth fit the bill?

- Provide for minimum laid-down levels of quality acceptance,
- Embrace a code of ethics which, among other things, would outlaw multiple ordering
- Provide for compensation for non-performance on the part of both buyer and seller,
- Lay down minimum standards for communication between mill and customer on specification changes and extended deliveries, and
- Provide an ombudsman to which clothing manufacturers could have recourse on matters of quality, poor deliveries, and so on. If a textile manufacturer fails to produce to spec, the ombudsman should have the power to scrap import controls and customs duties on that type of cloth, until the mill comes up to scratch.

The clothing men have a saying. "What we want are Frame's prices, Whitehead's quality and Berg's deliveries" All three are local textile producers. Clothing firms have taken to placing simultaneous orders with several mills, and that, argue the latter, is not playing the game One order, when possible, to one mill is what they want. "Don't just reserve capacity, make firm orders to buy," say the textile men.

Unpalatable to some, perhaps, but it is either that or risk a situation where government steps in and lays down specific rules as in the motor or television industries One thing is certain. Pretoria will not stay out of things forever. There is simply no way it will go on witnessing constant bickering between two industries which jointly employ upwards of 230 000 workers at close on 1 200 sites.

Not to mention the chill the *FM*'s cover man stands to get if he is not persuaded that SA clothing from SA fabrics is well worth stepping into again.

MOOI RIVER TEXTILES (197)

Improved fortunes

FM 28|4|78

Activities *Vertically integrated textile mill which spins yarns for the weaving and knitting trade as well as weaving, dying and finishing cotton and cotton/polyester fibres Holding company is Koninklijke Textielfabrieken Nijverdal Ten Cate (NV) with 82%*

Chairman *J [illegible] [illegible] chairman F Gorter*

Capital structure *1,7m ordinaries of R1 Market capitalisation R1,1m*

Financial *Year to December 31 1977 Borrowings long and medium term R391 000 Net cash R453 000 Debt equity ratio 21% Current ratio 2,0 Net cash flow R6[illegible]000 Capital commitments R17 000*

Share market: *Price 62c (1977-78 high, 78c, low, 35c, trading volume last quarter, 15 000 shares) Yields 32,4% on earnings, 8,1% on dividend Cover 4 PE ratio 3,1*

Since the near disaster of 1975, when the group was massively overstocked, Mooi River Textiles has progressed steadily This is against a backdrop of tough competition in the textile industry

	'74	'75	'76	'77
Return on cap %	14 4		10 0	14 3
Turnover (Rm)	8 1	7 7	10 6	11 6
Trading profit (Rm)	1 4	0 5	0 9	1 2
Gross margin %	17 3	6 1	8 8	10 4
Earnings (c)	22 8		13 1	20 1
Dividends (c)	13	-	-	5
Net asset value (c)	229	202	216	232

Certainly its balance sheet is now much stronger Over the year, net borrowings of R1,7m were turned into a net cash position of R62 000 Besides reducing borrowings, leasing charges are also lower Stock, previously the thorn in the flesh, is down to R2,5m (R3,6m) a far cry from 1974 when stocks totalled R5,7m

The group is planning certain diver

QUINTON HAZELL

Not so super

Activities: *Manufactures and distributes electrical and motor components, as well as distributes motor spares and accessories Gaydon Southern holds 56,61% of the equity with Burmah Oil being the ultimate holding company.*

Chairman: *H W Joynt; managing director: M W Kirby*

Capital structure: *6,8m ordinaries of 50c, 1,7m 9,5% red cum prefs of R1; 200 000 5,5% red cum prefs of R1 Market capitalisation R1,6m*

Financial: *Year to December 31 1977. Borrowings: long and medium term,*

MANUFACTURING TEXTILES

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2/2/79

13/12/79

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SUNDAY TRIBUNE, JULY 24, 1977

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Govt pressure wrecked our deal with firm says union

By DICK USHER

NATIONAL Union of Textile Workers' spokesmen, this week disclosed that the Smith and Nephew management claimed at several meetings they were under Government pressure to rescind their agreement with the union

A spokesman, for the company's head office in London, however, has denied the charge and said: "If that were the case we would take a very dim view of it."

Smith and Nephew's agreement with the NUTW, the only company in South Africa to have agreed to negotiate with an unregistered trade union, ended last weekend.

The company, major makers of surgical dressings, claims that it was decided to end the agreement because of a split between the two unions operating in the Pinetown plant — the NUTW and the Textile Workers' Industrial Union, a registered union.

NUTW spokesmen this week pointed out that the unions had not "decided to go their own separate ways" as claimed by the company, but that all TWIU members in the factory had resigned to join the NUTW.

"We were told at several meetings with the management that they were under strong pressure from the Government to end the agreement," said an NUTW spokesman

One meeting at which this was put to the union took place in late 1976, shortly after the banning of about 30 people connected with the unregistered trade union movement.

Top level

At another meeting in March this year the management told the union they were under pressure from the State at the highest level, he said

The NUTW also blames the TWIU for the split between the two unions.

Until November, 1976, Mr John Copelyn acted as secretary for both. He was then banned and the [secretary]

TWIU general-secretary, Mr Norman Daniels, refused to accept the nomination of a new secretary by the TWIU's Durban branch whom he considered was too closely connected with the Trade Union Advisory Co-ordinating Council. This is an umbrella organisation for Durban-based unregistered unions to which the NUTW belonged.

The NUTW claims that that initiated the split which later led to all TWIU members in the Smith and Nephew plant resigning.

"But it is not true to suggest that the company's refusal to renegotiate the agreement was due to this split," an NUTW spokesman said

"The company was talking about this in March, but the split did not become open knowledge or final until May when all TWIU members in the factory resigned and joined the NUTW."

TEXTILE TARIFFS (147) FM 2/2/79

Daggers drawn

The Textile Federation application gazetted last week to adjust tariffs on imported knitted and woven fabrics, is likely to spark off renewed in-fighting between the warring clothing and textile industries

Argues Textile Federation executive director Stan Shlagman "We're not seeking higher duties but trying to preserve the status quo The duties applied for are intended to maintain the local industry's ratio in the market. Any ripple effect felt by the consumer will be minimal."

Textile Federation's Shlagman . . . preserving the status quo

He explains that the majority of textiles used will continue to be of local origin, unaffected by the duty. "And many of the remaining items are of the type which will continue to attract the minimum 25% *ad valorem* duty."

What percent increase is asked for in the revised tariff application? Shlagman refuses to be specific. "The application signifies a variable increase in the potential amount of duty paid. The duty is wholly dependent on the actual costs of the imports but in general the formula duty operates in a way which affects cheaper imports to a greater extent than those which could be considered to constitute normal competition. Every item has a different price so it's impossible to define the specific increases involved."

The rationale for the application, he says, is "the change in circumstances which we submit have occurred since the duties were promulgated nearly six years ago in the case of knitted fabrics, or the introduction of new fabrics which don't slot into available categories."

Further factors influencing the need for the application are "inflation and a change in currency parity between the rand and currencies of the main exporting countries." All these factors eroded the effectiveness of the current formula duty which deteriorated "by some 30% over the last three years."

If the application succeeds, adds Shlagman, the duty on low cost disruptive imports will revert to the same level of effectiveness as when the duties were promulgated.

Gloomy outlook

He fills in the gloom. Textile industry growth is down to an annual 3% over the last two years. Market uncertainties and general economic conditions ("mainly generated by the level of duties which, over time, loses its effectiveness") caused investment in the industry to be less than half that needed to sustain growth. The industry looks for a 15% after tax return on capital investment, but "we're getting probably less than half that."

Into the jousting arena hops the opposition, Simon Jocum, president of the National Clothing Federation of SA, expressing "shock and anger" at the application. "The clothing industry is just pulling out of a recession and if these duties are implemented it would be a tremendous setback and create unemployment in the industry. Retail prices would increase by between 10% and 20% even though the duty affects imported fabrics only Experience has taught us that local textile prices rise in sympathy."

Jocum points out that the local textile industry, supplying nearly 80% of clothing industry requirements, is virtually booked up "until the third quarter of 1979 They were unable to deliver on time and in full in 1978 and deliveries are already running late this year."

He adds that import control, the decline of the dollar linked to the rand, and the 12,5% import surcharge "already make imported cloth prohibitively expensive. We only import fabrics not made in SA or that can't be made in a reasonable period. This application is irresponsible and inflationary — it will be strongly opposed by the Clothing Federation."

Retorts Shlagman. "The proper authority and final arbiter on what might happen to this application is the Board of Trade & Industries It has received our submissions and will receive the objections before it makes a proper assessment."

Financial Mail February 2 1979

Table 22. Number of African technicians and number of firms in Durban

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The Natal Mercury,

TEXTILE EARNINGS RISE

8/3/79 (249)

Deputy Financial Editor

MOOI River Textiles has turned in earnings that have not been seen for many a year After-tax profits were R1 049 019 and a final dividend of 8 cents is to be paid for the year

The directors say they have a satisfactory order book for 1979 and "given reasonable trading conditions" expect to equal the 1978 profit

They say the improved profits (R362 330 in 1977) were due to improved production performance and the introduction and sale of several new products as part of their diversification programme

Turnover for 1978 was R12 million against R11,5 million in 1977 — but pre-tax profits were almost R1 million higher last year

197 FM 13/4/79

TEXTILES

Overseas price ripples

Stand by for increases in the prices of synthetic fibres in the wake of the renewed bout of oil price inflation

SA Nylon Spinners MD Justin Schaffer confirms that European and US producers have had to hike their tariffs 10%-20% since Iran's revolution A fairly pronounced ripple is already spreading here

"Our prices have increased 5%-7% but demand is still high and production has not yet been affected," says Schaffer.

Hoechst MD Peter Reinmuth says. "In our case the price for raw material (terephthalic acid and glycol) has gone up 30%-40%. We have absorbed a major portion of this increase but once the pipeline with the still-cheaper polyester chips is empty, and has to be refilled at higher prices in about 10 weeks, we will be increasing our polyester fibre price by 8%-10%

Textile Federation executive director Stanley Schlagman adds. "Prices are inevitably going to escalate. Prices (overseas) are moving upwards but there does not yet appear to be any major supply problem."

For how long and by how much is an imponderable, with foreign feedstock suppliers already claiming *force majeure* for orders in the pipeline

"It is impossible to predict prices forward by further than three months, and many polymer chip suppliers are quoting only for a month ahead," says Schaffer

Reinmuth adds "Raw material prices are expected to continue to move up for the next six to nine months The shortage is due largely to filling up of pipelines and stockpiling In Europe and the US some panic buying is taking place."

Local synthetic fibre producers for the textiles industry, Sans, Hoechst and Frame, rely on imports of many raw materials Principally

- Telephthalic acid, where prices have increased by up to 100% during the past six months P-xylene and naphtha have had similar hikes,
- Ethylene glycol is also now much dearer because of higher ethylene and naphtha costs;
- Nylon polymer chips (used only by Sans) are also more expensive with the hikes in cyclohexane and benzene.

This month's 5% cut in the import surcharge (now at 7,5%) will have a minimal effect on synthetic fibre prices. Overseas feedstock suppliers are virtually anulling the benefit and increasing freight costs should wipe out any margin

Prospects are, nevertheless, seen as good. Schaffer says· "Within the total economy the textile industry appears to be entering a bullish phase World growth of synthetic fibres is expected to be 5% annually "

Schlagman adds: "If the budget helps consumers to spend more, the synthetic fibres industry will get its share of improved demand during the second half of the year. After that I'll leave predictions to fortune tellers "

Reinmuth sees "a reasonable share of increased consumer spending going (via textiles) to the synthetic fibre producers. Subject to raw material availability, an increase in volume of 10% is anticipated next year."

Textile prices . . . victim of the oil crisis

VEKA FM 27/4/79 (197)

Past the worst

Activities: *Manufacturer and distributor of men's and children's wear FVB has 26,4% and Wesco 26% of the ordinaries*

Executive chairman: *J D J de Necker*

Capital structure: *4,1m ordinaries of 50c; 3,2m 8,5% R1 convertible redeemable cum prefs, and 175 000 6,5% R2 cum prefs. Market capitalisation R1,4m*

Financial: *Year to December 31 1978, Borrowings. long and medium term, R968 000; net short term, R6,0m Debt:equity ratio. 84%. Current ratio. 1,6, Group cash flow R98 000.*

Share market: *Price 33c (1978-79 high, 35c; low, 13c, trading volume last quarter, 189 000 shares).*

	'75	'76	'77	'78
Return on cap %	17,1	11,0	4,4	5,5
Turnover index*	135	131	116	118
Pre-tax profit (Rm)	1,7	0,9	(0,3)	0,2
Earnings (c)	21	7	nil	nil
Dividends (c)	7,5	4,0	nil	nil
Net asset value (c)	122	120	114	118

** Base year 1971*

Results have improved markedly After reporting a first-half loss of R398 000, Veka managed to generate a pre-tax profit of R152 000 for 1978. This compares with a loss of R296 000 for the previous year

But even so the profit does not cover pref dividends which now, two years in arrears, amount to R435 000 This is equivalent to 10c per ordinary share So resumption of equity dividend payments is not an immediate prospect.

Other aspects of the company's trading and accounts present a rosier picture Firstly, factory capacity is being fully utilised Not only are local orders for 1979 higher than last year, but, additionally, orders are flowing from a new source, the US. Although profit margins are "not high" on the export deliveries, comments chairman Jan de Necker, at least it keeps the factories fully occupied and covers fixed costs

The company's liquidity has improved marginally, although leverage is still high and debt servicing a heavy burden. The debt equity ratio improved from 90% to 84%, while gearing eased from 234% to 218% The return on capital, while slightly higher at 5,5%, is still unacceptably low.

Keeping a tight rein on stock levels accounted largely for the improvement in liquidity Bank acceptances were down R1m to R4,1m which helped to reduce interest charges 30% to R688 000. Year-end stocks rose to cope with continued higher demand, but nonetheless the net annual gain was less than 1%. Furthermore, the stock mix improved with finished goods making up only 31% of the total instead of 50% previously.

With last quarter sales R1,6m up on the previous comparable period, De Necker is optimistic and expects a further improvement in the trading results The worst certainly looks to be over, but with little prospect of dividends this year, there is no need to rush into the stock, which over the year has already recovered from 19c to 33c *Gillian Counihan*

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QUESTION 1 - SUGGESTED SOLUTION (continued)

Check:

Material costs	38 20
Less: 100 kg Alpha in stock	50
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Labour	1 6(
Variable overhead	1 6(
	40 9(
Less: Closing stock 3 x 357	1 0
	39 8
Fixed costs	11 8
	51 6
Sales and waste	50 0
Loss	R1 6

55

ENSIGN FM 27/4/79 (197)

At half mast

Activities: *Formerly African Clothing Manufacturers a wide range of garments under various trade marks, such as Samson Workwear, Delilah Ladies Workwear, Ensign Schoolwear, and Strollers Leisurewear. Directors directly and indirectly control 47% of the equity*

Chairman: *D de Waal Meyer, managing director R Roy*

Capital structure: *660 000 ordinaries of 50c, 185 000 6% cum prefs of R2. Market capitalisation R594 000*

Financial: *Year to December 31 1978. Borrowings long and medium term, nil, net short term R536 000. Debt equity ratio 17,6%. Current ratio 2,2. Net cash outflow R469 000. Capital commitments R86 000*

Share market: *Price 90c (1978-79 high, 175c, low, 80c, trading volume last quarter, 15 000 shares)*

	'75	'76	'77	'78
Return on cap %	17,5	14,2	7,9	nil
Turnover index†	120	130	136	132
Pre-tax profit (R 000)	598	502	431	(512)
Earnings (c)	50,7	41,5	31,9*	nil
Dividends (c)	25	25	16,6	nil
Net asset value (c)	463	479	487	409

Annualised †Base year 1972

"The most difficult year the company has experienced." laments chairman David de Waal Meyer. The result was a loss of R490 000 which compares with a profit of R464 000 for the preceding 18-month period. Both earnings and dividends were thus wiped out.

Sales dropped by 3%. But, in contrast, stock levels were 13% higher, which in turn meant additional financing was required. So the 1977 year-end cash balance of R115 000 was replaced by short-term loans totalling R540 000. This gave rise to an interest bill of R29 000 (1977 nil).

De Waal Meyer explained that the higher stock levels were prompted by the company's aim to increase market penetration, coupled with past difficulties in obtaining fabric deliveries on time.

Stocks are nonetheless being closely monitored in an effort to improve liquidity. To this end also, a piece of the Bellville South property is in the process of being sold for R62 500.

Despite the concern about liquidity, gearing remains on the low side at 34%, while the current asset ratio is a healthy 2,2 (3,9).

But the outflow must be checked and profits generated if the situation is not to deteriorate further. So it is recovery prospects the investor must look to.

These look to be somewhat elusive, although one positive feature is the fact that the loss in the second period amounted to less than half the loss of R341 000 incurred in the first six months.

But the directors are not giving a clue as to when they expect profitability to be restored. "In view of the many uncertainties" they are not in a position to forecast results. Even less equipped must be the ordinary investor. On these results and the directors' outlook, this thinly-traded stock offers little attraction in the short-term, even though the discount on nav is 76,8%.

Longer-term, there is hope that it can again earn a respectable return on its considerable assets now that a firm of management consultants has been called in.

Gillian Counihan

ROMATEX FM 22/6/79 (197)

Capital galore

Activities· *Textile combine comprising four divisions Romatex Industrials (textiles, urethane and footwear), Romatex Floorcoverings (carpets), Romatex Mills (cordage, mattings and yarns), and Romatex Fabrics (clothing and worsted fabrics) C G Smith owns 56% of the equity*

Executive chairman: *J H Ward*

Capital structure. *23,8 ordinaries of R1 Market capitalisation R70,2m*

Financial *Year to March 31 1979 Borrowings long and medium term, R6,4m, net short term, R1,2m Debt equity ratio 13,0% Current ratio 2,2 Net cash flow R18,2m Capital commitments R4,1m*

Share market. *Price 295c (1978-79, high, 375c, low, 135c, trading volume last quarter, 218 000 shares) Yields 18,5% on earnings, 8,1% on dividend Cover 2,3 PE ratio 5,4*

	'76	'77	'78	'79
Return on cap %	14,9	15,2	17,8	21 6
Turnover (Rm)	152,2	162,6	174,5	217,8
Pre-tax profit (Rm)	11,8	12,9	16 0	20,1
Gross margin %	9,2	9,9	9,9	10,4
Earnings (c)	35,0	35,3	44,8	54,7
Dividends (c)	12	13	17	24
Net asset value (c)	292	311	343	378

Although Romatex has lots of potential capital still to be deployed, the question now arises whether the economy is going to lend itself to further profitable investment However on the ... capital base the performance in 1979 bettered initial expectations The planned goal was set at a taxed return of 16,0% on shareholders funds for 1980 In the event the return before deducting R1 0m for the new lifo method of stock valuation was 16,6%.

Apart from the mills division which manufactures yarns jute and hessian and which experienced quiet conditions, sales were buoyant The fabrics division kept its plant going flat out during the year and has embarked on a cautious two-year expansion programme The division is feeling its way along because it has in the past experienced wide sales fluctuations on only small changes in the economy

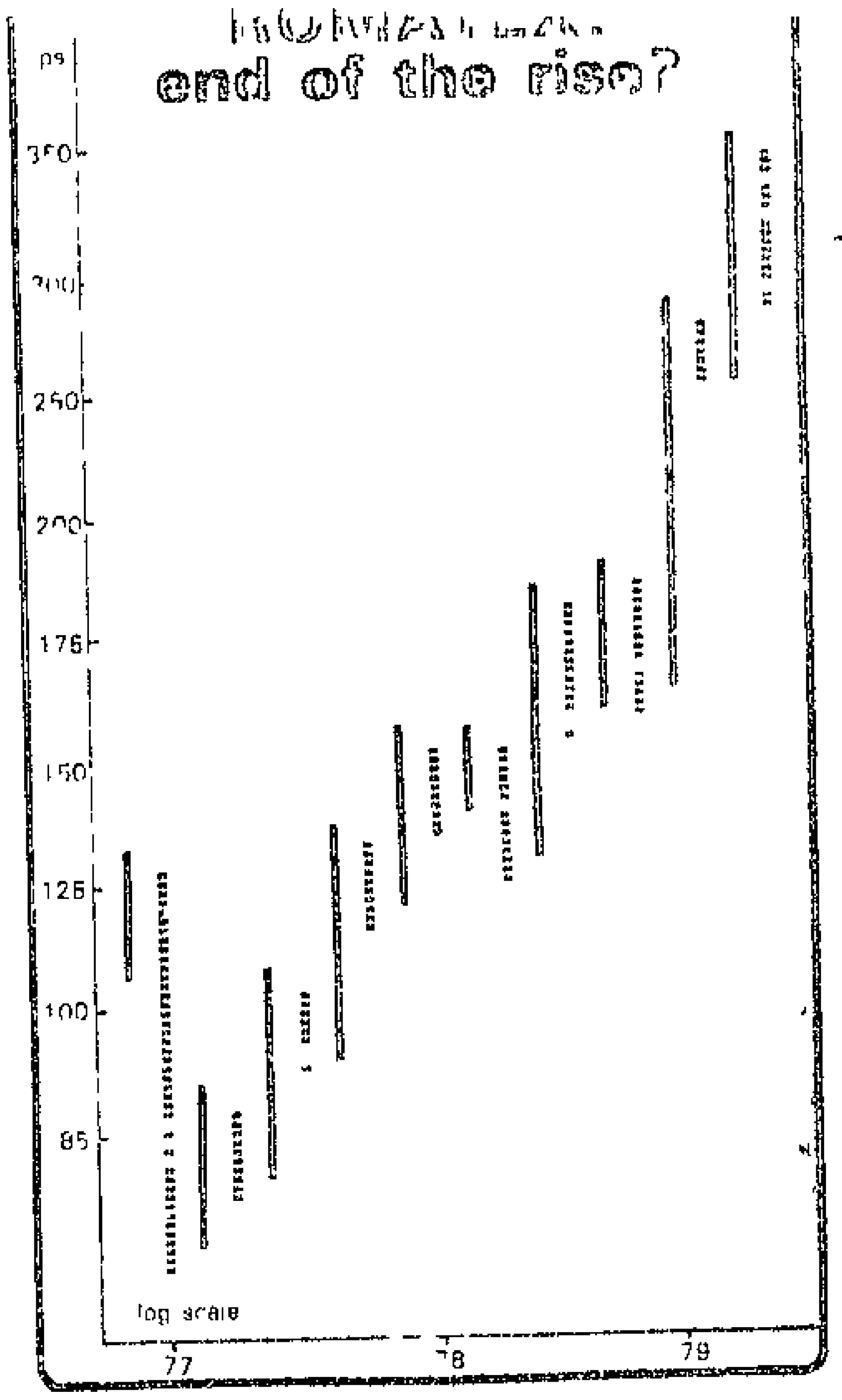
However local demand is expected to grow, particularly as the protection being received from imported worsted fabrics, mainly from the East, is now becoming widely accepted by users Also, exports are rising and the company is supplying some of the more sophisticated markets, indicating that any quality problems which may have existed have now been overcome The increased capacity is required largely to maintain higher export sales

Despite slack conditions in the building industry the floor covering division improved turnover for the first time in several years Chairman Jack Ward ascribes the improvement to greater consumer confidence and pent up demand after two years of deferred replacement expenditure

The industrial division which relies heavily on car sales, reported higher turnover However, this situation is not expected to continue in the current year as the stockpile of unsold cars has grown and although retail car sales are likely to continue to be buoyant at the lower end of the market, the number built is not likely to match that of last year

Last year's sales were also boosted by acquisitions The flooring division acquired Chenille, a bedspread manufacturer, which has already shown higher than expected profit levels The industrial division took over Republic Felts — an underfelt manufacturer — and Amalgamated Leisure — a producer of quilting and lofted fibres

It is on the cards that further take-overs will materialise as opportunities arise Certainly, the group has an excess of capital



Last year, expansion was limited to a dying plant which enabled the floor covering division to increase its product range With more products this division is confident of maintaining its dominant position in the market

This year, capital commitments amount to R4 1m which is still a far cry from the potential investment capital of R37m available from borrowings alone Romatex has stated that it is aiming for a debt equity ratio of 55% At the balance sheet date, the ratio was a mere 13,0%. The company is also flush with cash — at the year-end cash amounted to R4,2m (R2,1m)

Even though the group is confident that it will continue to improve profits as a result of cost cutting rationalisation and improved sales, in the end its performance will depend on local and overseas economic growth, which, at best, seems uncertain Any acquisitions and expansion is likely to be aimed at producing more sophisticated products which lend themselves to import substitution and supplying export markets

On the grounds of the company's confidence, increased earnings of 60c are

TAXED PROFIT CONTRIBUTORS

	1979° R000	%	1979† R000	%	1978 R000	%
Fabrics	5 666	27	6 109	27	4 183	24
Floorcoverings	6 008	29	6 672	29	4 793	28
Industrials	4 474	21	4 780	21	2 690	15
Mills	4 513	21	4 912	21	5 315	31
Other	388	2	388	2	320	2
	21 049	100	22 861	100	17 301	100

° Based on lifo method of stock valuation
† Based on fifo

SVENMILL (197)

On the mend FM 3/8/79

Activities: *Industrial holding company with wholly-owned subsidiaries involved in manufacture of knitted and woven fabrics, household textiles and industrial fabrics 39%-owned by T&I.*

Chairman: *I J Jacobson, managing director F Greenblatt*

Capital structure: *8,0m ordinaries of 14c Market capitalisation R2,5m*

Financial. *Year to June 30 1979 Borrowings long and medium term, R484 000, net short-term, R745 000 Debt equity ratio 93% Current ratio 1,1 Net cash flow R437 000 Capital commitments R45 000*

Share market *Price 31c (1978-79 high, 37c, low, 8c, trading volume last quarter, 365 000 shares) Yields 14,2% on earnings PE ratio 7,0*

Since being rescued by T&I last year, Svenmill has turned an after-tax loss of R748 000 into a profit of R340 000 This was achieved despite a marginal drop in turnover, and allows the company to derive tax benefits from its assessed loss

Objectives of the company have over the past few years been aimed at rationalisation, and to a large part this has been achieved. A sound platform now exists, according to the directors, for future growth and development

	'78	'79
Return on cap %		30
Turnover (Rm)	8,6	8 5
Pre-tax profit (Rm)	353	340
Earnings (c)	—	4,7
Dividends (c)	—	—
Net asset value (c)	13,0	16,9

With tighter controls resulting in increased profit margins, once sales start growing again, profits should improve more than proportionately However, profit margins on oil-based yarn products should continue to feel the pinch of higher raw material prices

Although earnings are back in the black, no dividend has been paid as management prefers to retain earnings to improve the capital base Effective gearing is presently higher than the 93% indicated by balance sheet figures, as they do not define the R2m-odd bills payable which are combined with accounts payable The board feels that the capital base must be improved, and debt·equity ratio of 2 1 established before dividends are resumed

The current 14% earnings yield is acceptable, considering the turnaround achieved last year, but until resumption of dividends puts the share into a return position, it might be prudent to watch capital gains trends before buying

Jonathan Bader

TEXTILES FM 3/8/79 (199)

Spinning it out

At Tongaat's agm last week, chairman Chris Saunders announced a R16m expansion programme for the group's textile division, David Whitehead.

It will be a three-phased operation and is expected to be complete by October 1981 David Whitehead's MD Dick Payn tells the *FM* that existing capacity is fully taken up and that for the past year it has been overstretched "The first phase costing R9,5m will catch up with existing and anticipated demand In the second phase we're going for new products and the third phase will be aimed at straight import replacement "

Coloured woven shirtings and certain types of special filament cloths now imported are among the products DW has in mind "Three years ago", says Payn, "we changed course and made a deliberate decision to move away from the existing market " The change was mainly to get away from a one-product image and took DW into blended fabric and the fashion market It was successful and last year was one of record profits

The latest expansion will add another 360 to the payroll taking it to between 1 600 and 1 700 employed in the various departments such as spinning, weaving, dyeing and finishing

The finance is to come largely from a private placing of cumulative redeemable preference shares due to bring in R12 5m

TEXTILES

Blankets galore

FM 10/8/79

197

Chill winds usually blow the blanket industry some good but recent mild winters are making it look comparatively threadbare Changing social patterns of blacks are hitting suppliers and raising doubts about growth Total blanket sales in 1967 were 9,7m but, after peaking at 13,1m in 1974, are falling back to an estimated 9,5m this year

Frame group joint MD Selwyn Lurie reluctantly admits to large stocks on hand though their factories are producing normally Natal Cotton and Woollen Mills financial director, George Gleadall, says "Miners were big buyers and their concession stores used blankets as a come-on with small mark-ups The drop in recruitment, particularly from Malawi and Mozambique, meant a fall in demand Conditions on the mines have also improved and this has affected the blanket trade "

Transkei initiation ceremonies, for which at least two new blankets were needed, also seem to be diminishing Nor do blacks still customarily buy a new blanket every year though the white market remains steady

Gleadall says "One of the worrying factors is the worldwide shortage of rayon We are expecting a 20% increase in costs by the end of the year "

Is the blanket industry running down? Natal Cotton marketing manager Tony Moyes says "Not necesssarily We've never as an industry really bothered to market blankets because we always assumed they were a basic commodity. Now we'll have to get down to it There is also scope in exporting to the rest of Africa provided we overcome obstacles from supposedly hostile states "

the South African population from all causes of death. The proportional contribution of the seventeen major disease categories of the International Classification of Disease (8th revision) to the overall mortality of the various communities is summarised in Fig. 5. The whites show a typical 'developed' country spectrum of mortality with Infectious and Parasitic Diseases being of minor importance (2,0%) and Neoplasms (15,6%) and Diseases of the Circulatory system (50,5%) being of major importance. For urban Africans and 'coloureds', Infectious and Parasiti[illegible] ant contribution to the overa[illegible] with diseases of the respirat[illegible] mortality also being of impor[illegible] and Parasitic Diseases, diar[illegible] important causes of mortality combination of 'developed' an[illegible] death rate from enteritis and latory diseases in later life large number of symptoms and African community (22,5%). vision and utilisation of med[illegible] In general, the Asians have a the whites on the one hand an[illegible]

Clearly, the presentation of tional mortalities conceals a[illegible] provides a more detailed analysis of these data in the form of cause specific mortality rates for defined [illegible] and 'coloured'[illegible]

If the mortal[illegible] ities for the [illegible] noted that des[illegible] circulatory di[illegible] these diseases apparent incons[illegible] sitic Diseases mortality of th[illegible] the white commu[illegible] low, the import[illegible] exaggerated.

Mortality rates greater than 5/1 000 appear in italics in Table I. For all of these major causes of mortality, the Asian and 'coloured' mortality rates exceed those of the whites.

However, in this context, what requires emphasis is that by using the major disease classification a certain amount of detail is lost. For example, despite the fact that the overall rates for diseases of the circulatory system are comparable for whites, Asians and 'coloureds', within this broad category the mortality rates for specific diseases vary markedly. Table II provides the proportional contribution of the major circulatory diseases for the whites, Asians, 'coloureds' and Africans. Whilst Ischaemic Heart Disease is the major Circulatory Disease in the white and Asian communities, Cerebrovascular Diseases are the major cause of Circulatory Diseases in the 'coloured' and African communities.

Similarly, if the Accidents, Poisoning and Violence category is examined in greater detail, motor vehicle accidents are the major cause of mortality in whites, 'coloureds' and Asians, the second most important cause in the white community is suicide, whilst that for the 'coloureds' is homicide. For Africans, the latter is the main cause in this category.

The expectation for life at birth and at age 45 for whites, Asians and 'coloureds' is summarised in Fig. 6. It is not meaningful to calculate an expectation of life for urban Africans as this group is subject to a large measure of migration. The characteristically better expectation of life for women in comparison to men, is apparent for all three communities. However, what is of interest is the ratios of the expectations of life for the three communities. At birth, the white:Asian:'coloured' ratios are 1:0,91:0,76 for males and 1:0,88:0,77 for females; at the age of 45 these are 1:0,91 0,86 for males and 1·0,79:0,85 for females. The 'coloureds' are less disadvantaged at e_{45} as compared to e_o for both males and females, a difference which is largely attributable to the high infant mortality rate in this community. It is also noteworthy that Asian females have the worst expectation of life at age 45 of the three communities, which is in marked distinction from both males and females at e_o and males at e_{45}. The fact that for the 65+ age group, Asian women have the highest mortality rates for respiratory, circulatory, digestive, genito-urinary and ill-defined causes of death (Table I) may contribute to this anomalous situation.

Fig. 7 summarises the percentage improvement in the expectation of life at birth subsequent to the total elimination of the mortality associated

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FM 31/8/79 (197)

TEXTILES

Up in the dumps

SA Nylon Spinners, the country's leading producer of artificial textile fibres, and the Textile Federation, have applied to the Board of Trade and Industries for a wide-ranging revision of tariffs applicable to yarn, woven and knitted fabrics

Briefly, the aim is to update the tariffs to maintain the industry's level of protection against dumping or near-dumping of cheap textiles from abroad, says Sans MD Justin Schaffer

The *ad valorum* duty (a percentage of value) is unaffected, but the alternative specific duty (in cents per kg) is raised The effect of this, says Schaffer, is that costs will not rise, but they will be prevented from falling in response to dumping

Like the clothing sector (*FM* August 17), textiles face increased low-priced competition from the Far East because of the Multifibre Agreement (MFA) in Europe and the US

The MFA places a ceiling on volume but not on value of imports from the Far East, so Asian producers have moved up market in MFA countries

Consequently, they have turned to other countries, such as SA, to try and sell their down-market produce Says Schaffer "Our job is to provide employment for South Africans, not Koreans, Taiwanese or other foreign residents"

But consumers, denied access to cheaper imports, may have other ideas

(iii) Age and cause speci
grouped into twenty year intervals ... life.[10]
To avoid inconsistencies caused by differences in the revisions of the ICD over the years, the causes of death have been collated into twelve categories,[6] which are summarised in Table I.

The age and cause specific mortality rates for the years 1941, 1951 and 1960 had previously been calculated by Preston *et al*[8] and this data has been used in the present study.

but those for 'Coloureds'** and Asians are available only from 1938 onwards. Information about African deaths occurring in the principal municipalities are available from 1949 onwards; there is still no information on African deaths outside these areas. Deaths of military personnel outside South Africa have been published separately.[6]

Complete censuses were held in South Africa during 1911, 1921, 1936, 1946, 1951, 1960 and 1970; for whites only they were also performed in 1918, 1926, 1931, and 1941. Life tables are available for the complete census years.[7]

The causes of death have been classified according to the International Classification of Disease (I.C.D.). There have been many revisions of the I.C.D. during the period of this study, from the third revision which was used in 1922 to the eighth revision which has been used since 1968. Between 1939 and 1962, mortality data was only published according to an intermediate list.

A geographical analysis of deaths has been published since 1938.[4,5] Details are provided for race, magisterial district, urban and rural areas, place of residence and place of death. There is no information about sex, age or cause of death.

** The nomenclature employed in describing components of the South African social formation is bedevilled by a system of ethnic terminology which is frequently not merely inaccurate and of little analytical value, but it is also offensive to those South Africans to whom such labels are appended. In line with the terminology of modern historical writings on South Africa, one has to reject the use of the term coloured as being of little use in characterising a section of the population. Its basis as an ethnic category is a highly dubious one, as the criteria are so ill-defined. It would appear that the only workable definition of 'coloured' lies not in the area of objective 'racial' character, but within the South African legal system. People are 'coloured' purely in terms of reference laid down by South African racial taxonomy; such individuals form a community which can only be defined legalistically in terms of its relationship with other groups. The use of inverted commas in 'coloured' is for the present purposes perhaps most appropriate. For written presentation, it affirms the ad hoc, vague nature of this particular South African racial category.

TEXTILES

FM 14/9/79

Improving materially

Decisions to invest an estimated R80m-R90m in textile production facilities during the past year reflect a new mood of optimism in the industry, which has experienced average investment of only R35m-R40m in recent years

But it is crucial that a high level of investment be sustained if the industry is to keep pace with demand growth, says Textile Federation director Stanley Shlagman

It is with this in mind that the Federation next week launches a campaign aimed at persuading bankers, financial institutions and major holding companies that the textile industry is a good place to put their capital

The courting of big money starts with a luncheon on Tuesday in Cape Town, where the annual Textile Fair acts as a focus for textile producers and the rag trade to get together and chew the fat over their mutual problems

"Historically, the industry's investment needs have been met either from its own resources, or equity or loan capital contributed by its own shareholders," says Shlagman "But there are prospects that the rate of growth of the industry will exceed the ability of these resources to finance expansion

Shlagman . . . aiming for a 15% return

The profitability of the industry is not adequate at present to finance it, Shlagman admits, but he says it is improving Returns in the past have been as low as 8%, but Shlagman says the industry intends to achieve a 15% return on capital employed before tax and interest "That's the minimum we must aim at"

Shlagman puts the improved mood in the industry down to greater market security through protection against foreign dumping, and better understanding between the oft-warring textile and clothing industries and the distributive trade These factors, and improved standards of management, have contributed to the rising returns

Among the significant investment decisions made in the past year are Tongaat's injection of R16m into the group's textile division, David Whitehead, and the IDC's R12m expansion programme of its textile interests, which include the Da Gama group

Textile firms are ready for a boom

Sun. Tribune 23/9/79 (197)

FINANCE REPORTER

SOUTH AFRICA'S textile industry is preparing for a boom. The announcement this week by SA Nylon Spinners at Bellville that it has a R40 million expansion programme brings to over R100 million the amount of money textile manufacturers are investing in new equipment this year, sources say.

This strong display of confidence in its future by the industry reflects the big improvement in recent years in the conditions under which it operates.

The improvement is attributed to three factors of which the most important is the adoption by the Government of a "sensible system" of protection, manufacturers say.

In 1976 uncontrolled textile imports lead to a number of local textile companies going to the wall. This could not happen today.

The textile industry makes no apology for having this protection.

"Wherever you find a viable textile industry you will find it operating behind barriers of some sort," says Justin Schaffer, SA Nylon Spinners' managing director.

Japan which has a prosperous textile industry, will not allow any textiles to be imported.

Schaffer, however, emphasised the system of protection afforded local manufacturers was only sufficient to help the efficient manufacturers.

The second factor responsible for the increased optimism in the industry is the success of clothing manufacturers in overseas markets.

Most of the clothing exported is made from South African textiles.

A third factor spurring the industry to expand is the expected growth in domestic demand.

TEXTILES

Phm 21/9/79

Sewing it up

(197)

Barclay's Bank chief Bob Aldworth — one of the heavyweight bankers present at this week's Textile Fair in Cape Town — reckons the hitherto troubled textile industry is on the upswing So does South African Nylon Spinners' MD Justin Shaffer, who announced a R40m cash injection into his company, financed from within the SANS/AECI stable, to cover expansion at its nylon and polyester spinning plant at Bellville

But Aldworth cautions "The industry better start performing — we've got a lot of cash invested in it right now " Significantly, the aim of a special lunch for bankers at the Good Hope Centre, where the fair was held, was not to convince them their money was well invested, but to ask them for more

With government seemingly prepared to continue providing the protection from imports the industry needs ("up to 1977 SA was the wastepaper basket of the textile world," recalls Shaffer) it looks as though the plea may be answered

Certainly, the industry is going for growth — and SANS' R40m is symptomatic of the mood expressed to the *FM* by even the smaller traders at the fair Considering about 10 000 textile and garment workers were laid off in the depressed days around 1975-76, this is good news indeed

Most industry experts believe a reasonable growth rate for the sector would be around 5% or 6%, at least But figures calculated by the industry show that even at the more conservative figure of 4%, another 3 700 jobs a year will be created Considering the industry employs a total of 120 000, the figure is not insignificant — and will of course mainly benefit workers in the somewhat depressed Cape

Current indications are that the EDP for the next 10 years will have as its base a growth rate of between 4,5% and 5% a year And Simon Brand, economic adviser to the Prime Minister, himself expects the textile industry to perform considerably better than the EDP

Stanley Shlagman, executive director of the Textile Federation, postulates that should the country's GDP grow at 4% a year, the textile industry will have to reach a target of 6,4% annually for each of the next 10 years "As far as the textile industry is concerned, the EDP target growth of 6,4% means that in current terms an investment of R60m to R70m would have to be made in productive resources And this figure does not include the massive investments that would have to be made in the synthetic yarn and fibre industry"

SANS reckons its R40m investment will only furnish another 100 jobs — though Shaffer points out that this involves plant capable of seeing SANS right through the 80's The new equipment will come on stream early in 1981

The expenditure will increase the capital employed by SANS to just under R200m "The result will be to increase nylon and polyester capacity by some 25% In addition, production versatility will be improved resulting in higher quality products and a wider range of yarns," says Shaffer

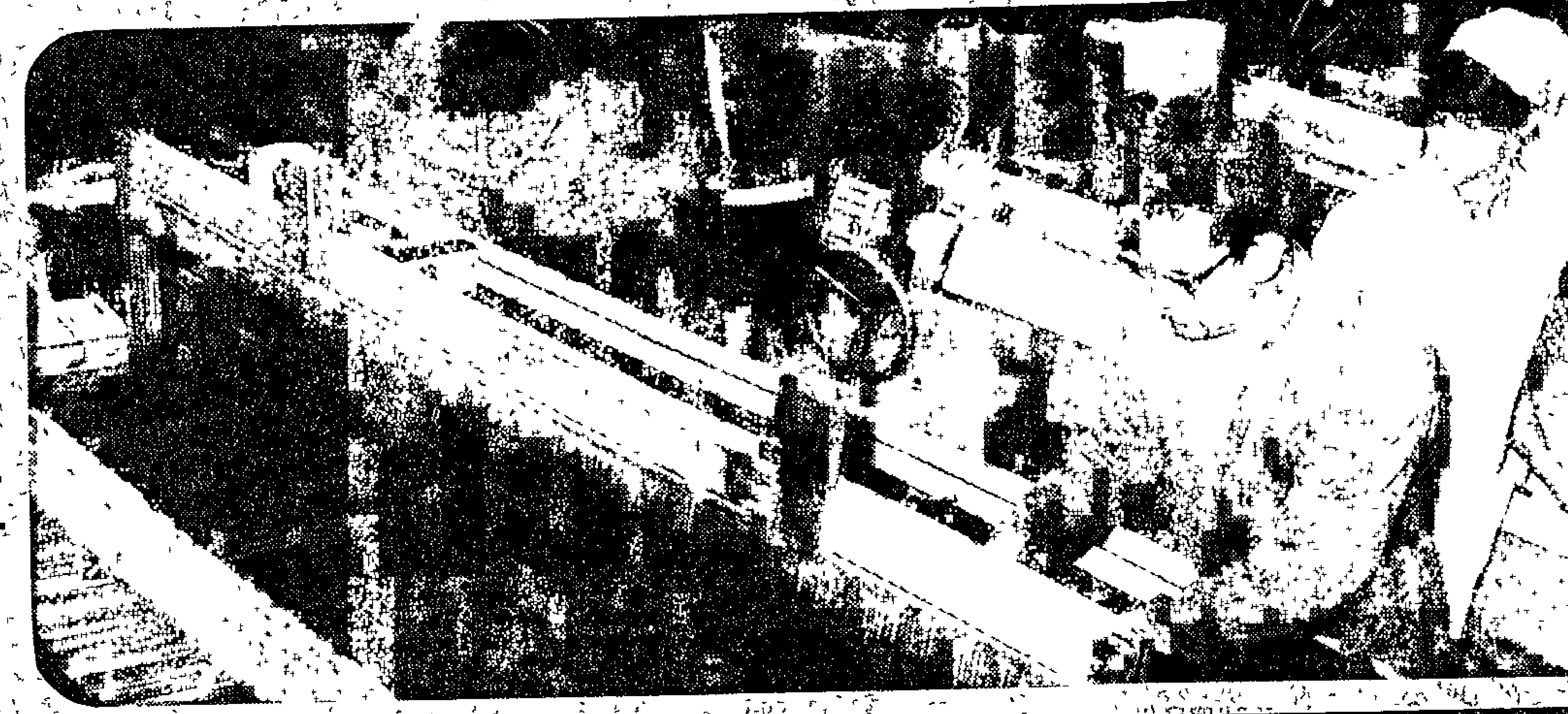
ALL CAUSES

	W		A		C		B	
	M	F	M	F	M	F	M	F

	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	[illegible]	[illegible]	943	761	3765	3145

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

Textiles a giant



WORKERS check the loom during the weaving of a wool-polyester cloth at a textile factory in Maitland.

By Stanley Shlagman, Executive Director of the Textile Federation

THE South African textile industry is not only one of the country's largest industrial sectors but its products touch on everyone's daily life during every waking and sleeping moment.

The industry employs some 120 000 people, of whom between 12 000 and 15 000 are in the Western Cape

It produces goods to the value of R1 200-million annually.

In common with the textile industry the world over, textile manufacture, while still remaining a craft, has rapidly become an activity based on complex technology requiring highly skilled and expertly trained management.

ADVANCES

The rapid advances made in the manufacture and usages of synthetic fibres have also contributed significantly to the science-based techniques now common throughout the industry, whilte the rapid changes in fashion and styles have required an unprecedented degree of innovation, forward thinking and adaptability.

tariffs designed to protect local producers from disruptive competition. Customs tariffs as such tend to lose their effectiveness over a period of time, and to maintain market share, and to participate fully in the natural market growth, regular adjustment of the tariffs is required

A well structured customs tariff should also allow a certain further degree of import replacement, although in the apparel field anyway some 15 percent of market requirement will have to continue being imported.

The fact is well understood by the authorities, including the Board of Trade and Industries and the Economic Development Programmers. Happily, this is also increasingly being accepted by the industry's off-take sectors, who obviously have a real interest in maintenance of employment and in the real progress of their suppliers.

providing that official policies allow the industry a maintenance of the market share, textile entrepreneurs have sufficient faith in their industry and the country's economy to plan accordingly

Obviously, investment capital of this magnitude and at this sustained rate cannot be obtained purely from self-generated resources The country's financial sector and the investing public as a whole will need to have a clearer and better understanding of the industry in order to play a full role in this aspect.

SKILL

There is one resource however where expansion and planning are already becoming extremely urgent This is human resources in all skill categories needed to sustain the industry even at its present level. Any sort of moderate growth emphasises this need even more dramatically.

The textile industry has taken adequate steps to develop training at operative and first line supervisory levels, and some very excellent training schemes are currently in operation.

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PERSONEEL

Die vaste personeel bestaan uit die Direkteur, professor Hendrik W. van der Merwe, M.A. (Stellenbosch), Ph.D. (Kalifornie), die Administratiewe Assistente, mev. H. Albertyn en 'n deeltydse sekretaresse, mev. B.J. Chapman.

Gedurende die jaar is mejj. Morna Cornell en Ruth Rutherford as tydelike klerklike assistente en mej. Judith Cornell, B.A. (Universiteit van Kaapstad) as deeltydse navorsingsassistente in diens geneem. Twee ere-

Cont

The products of the industry are extremely varied and include synthetic fibres and yarns, industrial and domestic yarns, sewing threads, apparel, furnishing, decorative and upholstery fabrics, domestic and household textiles, blankets, carpeting, ropes and twines, tapes and webbing

The character of the plants varies widely depending on the product and range from huge chemical complexes producing synthetic yarns and fibres, through spinning, weaving and knitting mills with their complementary dyehouses and printing and finishing departments

RIVAL

Many of these, both in size, and sophistication rival the best existing overseas, and in the main, the plant and equipment used is the most modern available, and as such highly complex and very productive

Even now, the industry supplies the bulk of local market requirements in all the fields which it serves. In spite of what some critics may have said, it carries out this task extremely well.

This is even more commendable when one takes into consideration the comparative smallness of the South African market and its insistence on variety, quality and service. It has had to contend with fierce foreign competition and the very best that the overseas producers have had to offer.

Admittedly, its progress has been materially assisted by customs

From a general economic point of view it has been postulated that the country's gross domestic product should grow at four percent a year to provide, among other things, reasonably adequate employment apportunities. Within this particular parameter, the textile industry's production growth would have to attain a target of 6,4 percent a year over each of the next 10 years.

ESSENTIAL

This does of course assume that each sector and sub-sector will also attain its own growth rate but the four percent G D P growth should certainly be regarded as not only attainable, but for socio-economic reasons as absolutely essential. Industrial strategy overall and sectorally should be designed with this vital objective in mind

As far as the textile industry is concerned, the EDP target growth of 6,4 percent a year means that in current terms an investment of R60- to R70-million annually would have to be made in productive resources.

This figure does in fact exclude the massive investments that would have to be made in the synthetic fibre and yarn industry, which has a vital role to play in maintaining adequate supplies in a growing market

FORMIDABLE

Even at a lower growth rate, the investment capital required is quite formidable, and

There is, however, a very critical and urgent need to bring into operation full scale training at the technological and technical level, and to do so at a constant and sustained rate.

TECHNIKON

This education and training must be fully equal to the standards of the best tertiary facilities overseas Fortunately, the Technikon structure now available is ideally suited for the development of a suitable syllabus which would lead to a National Diploma in Textile Technology The realities of the situation are however such that a course is presently only viable at one Technikon.

The possible exception is the initial semester, which is of a more general nature and could be provided at more than one locale. Hopefully, this course will commence during 1980

The industry is cognisant of the important role it plays in the economy, and as an important provider of employment opportunities It will continue to play its role and will make courageous decisions. It regards itself as a partner to all the sectors of the economy. It draws its sustenance from them and in no small way is a tangible contributor to their progress

FASHION

SOUTH AFRICAN fashion has come a long way in the last few years, and it's now possible to buy everything, from shoes, pantyhose, dresses, hats, sweaters, men's suits, shirts and ties as well as coats that have been designed and manufactured in South Africa.

Paris is still the world centre of fashion, and most Western countries follow the French ideas, adapting, interpreting or copying to suit their own climates and life styles. It's unavoidable, therefore, that we will always be a few months behind Europe due to the difference in our seasons.

Some of the raw materials used in the manufacture of clothes here still has to be imported. However, local fabrics are improving all the time, both in quality and in the quantities the textile companies are able to make. The standard of knitwear in South Africa is extremely high, and can hold its own anywhere in the world

Surveys have shown that South African fashion is equal, and in some cases better made, than their counterparts overseas, and the prices are extremely competitive on the overseas markets.

We don't have the great variety here, but this is largely due to our comparatively small white population. This state of affairs can only improve as the black population earns more money and takes its place in the world of the consumer.

There is a South African Couture Syndicate — originally formed in 1968, but re-constituted in 1977 — to promote both nationally and internationally couture fashion created in South Africa.

Today, there are several South African companies who export their fashions to Europe and America, and some of our couturiers have customers living in these countries who regularly shop for their clothes here.

W Cape goods on display

... at Design for Living

FOCUS ON: ● Furniture and soft furnishings; ● Fashion fabrics and garments; ● Home appliances and materials; ● Tools, toys and camping goods; ● Leisure goods and sporting equipment. All this and more at the Good Hope Centre in 1980.

A WIDE range of consumer goods produced by manufacturers in the Western Cape will be displayed at an exhibition — Design for Living 1980 — which the Cape Town Chamber of Commerce is planning for next year.

The exhibition will be held in the Good Hope Centre from May 29 to June 7, 1980.

The aim of the exhibition will be to provide a showcase which will enable Western Cape manufacturers to present goods of outstanding design and consumer appeal to the buying public and to the trade

The home

Design for Living will focus especially on products manufactured for the home and for modern living. Exhibits will include furniture and soft furnishing, fashion fabrics and garments, home appliances, home improvement materials and tools, toys, camping and leisure goods and sporting equipment

When he announced the plans for the trade fair, the chairman of the organising committee, Mr A D Silberberg, said the chamber hoped it would stimulate economical and industrial activity in and around Cape Town

A development of considerable importance for industry in the Western Cape was the announcement that the Chamber of Commerce intends to hold the trade fair every second year

It was the chamber's aim, Mr Silberberg said, to develop it into a permanent trade fair which would come to be recognised as a premier trade event of international importance

Design for Living could become an increasingly effective factor in promoting the industrial status of the Western Cape The first Design for Living exhibition, held in 1978, attracted 62 000 visitors

A role

The chamber believes it will also have a significant role to play in reinforcing and promoting the export trade of Western Cape industries

Design for Living, Mr Silberberg said, will give local industry a platform on which to project its image abroad

'Design for Living will enable local manufacturers to positively demonstrate that the quality of consumer goods produced in the Cape matches — and in many respects surpasses — equivalent goods made anywhere else in the world'

The announcement by the chamber carried another potential benefit for industry in the Western Cape The chamber, Mr Silberberg said, had established a permanent exhibition office and, in addition to Design for Living 1980 was studying other areas where we can contribute to further commercial and industrial growth in the Western Cape

Spinning into new growth

Argus 28/9/79

(197)

THE plan by South African Nylon Spinners to invest a further R40-million at its nylon and polyester spinning plant at Bellville, highlights the confidence the company has in the economic growth of the country and of the textile industry.

This is the view of managing director of South African Nylon Spinners Mr Justin E Schaffer, who announced the investment plans at a function in Cape Town to coincide with the opening of the annual Textile Fair.

Site clearance and construction will commence shortly with the new facilities expected to be in production by early 1981.

The expenditure increases the capital employed by SANS to just under R200-million It will cover the installation of additional equipment and the uprating of existing machinery.

WIDER RANGE

The result will be to increase nylon and polyester capacity by some 25 percent In addition, production versatility will be improved, resulting in higher quality products and a wider range of yarns

Major changes in filament yarn technology have occurred in the past five years, resulting in the streamlining of various production stages. Consequently a large part of the expenditure will be to install the world's latest high-speed polyester filament yarn-spinning machines, thus giving SANS an international lead in product quality and versality.

THE DEMANDS

Commenting on the announcement, Mr Schaffer said

'South Africa has one of the most sophisticated garment manufacturing and retail distribution sectors found anywhere in the world. In order for them to meet the demands of both the local consumer and the export markets now being opened up, they are requiring an ever increasing range of fabrics from the local textile industry. As nylon and polyester yarn producers we recognise the need for further investment to provide the quality and spectrum of product that will be demanded in the 1980's

'The decision also highlights the confidence that we have in the future economic growth of the country and of the textile industry.'

THE busy shop floor of a Cape textile factory . . scope for growth

(83) (197)

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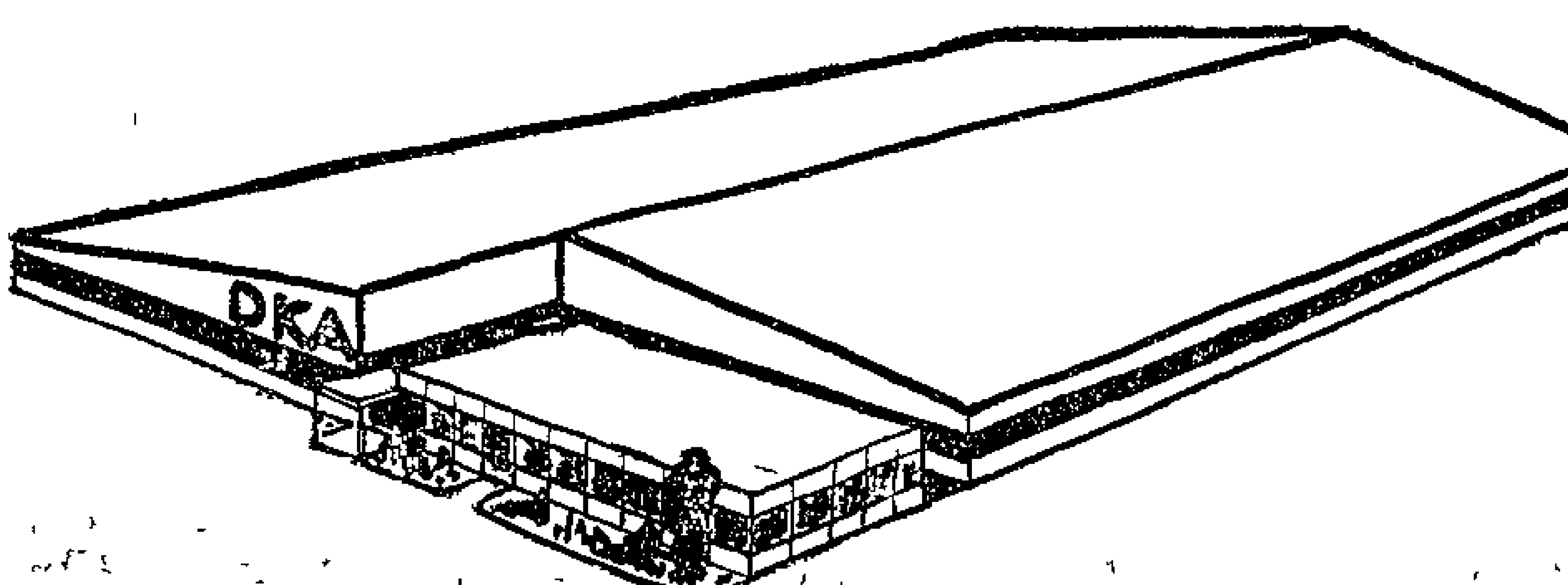
R4-m GERMAN FACTORY TO BE MOVED TO CAPE



THE German asbestos products firm Deutsche Kap-Asbest-Werke is moving its Hamburg factory to the Cape in a R4-m operation conducted by CIW of Cape Town. Top, the present factory in Hamburg. When the firm decided to move to the Cape it asked Mitchell, Du Plessis Associates of Cape Town to design a factory here. Mr C B Mitchell, director, said the planning had presented some difficulties. 'The solution entailed revising the process flow of the factory to take advantage of the low land cost and the few planning constraints compared to Germany. The Germans were amazed at the simple solution that resulted as indicated by the sketch of the proposed Cape factory below,' he said.

Argus 13/10/79

ALAN COOPER, Property Editor

(197)

A HAMBURG factory manufacturing woven asbestos products is to be dismantled and moved to Cape Town by Messrs CIW (Pty) Ltd, a multiservice organisation specialising in the provision of mechanical services to the textile industry. The move represents a German investment of R4-million in South Africa.

Mr F W Palthe, managing director of CIW, told Property Argus, that his company will fly a 20-man team of South African artisans and labourers to Hamburg next week to start the dismantling of the factory. The team will be mainly coloured staff who have had experience in construction in contracts won by the firm in Saudi Arabia. The team will take about six weeks for the dismantling operation.

The factory equipment will then be packed into 100 containers obtained specially for the purpose and shipped to Cape Town.

At present the factory occupies 14 000 sq m but, on re-erection in Cape Town, it is expected to occupy 10 000 sq m as some departments will not be needed in the Cape operation.

'This is a particularly unique achievement in winning this contract in the face of severe competition from many overseas contracting firms and from offers to relocate the factory in other countries,' Mr Palthe said.

'The move to Cape Town was decided upon as German industrialists are experiencing difficulty in ensuring continued profitability of their factory operations because of high labour costs and restricting influence of labour unions.

CIW worked in association with a locally based firm of engineers and planners Engineering Design and Management Services.

The factory owned by Deutsche Kap-Asbest-Werke will manufacture woven asbestos products for local use and for export. 'This is another boost for South Africa from a foreign exchange point of view.' He said.

'The Germans are also considering a South African involvement in the company, and the Industrial Development Corporation of South Africa have indicated a keenness to participate.

'This particular plant is one of the most modern in the world, and has a clearance from the German equivalent of the CSIR for cleanliness and good health standards. The factory will create approximately 100 job opportunities and involve a German investment in South Africa of R4-m. 'It will be sited either in Philippi or Atlantis,' he said.

Tribute to Marshall

'THERE will be an ongoing relationship between R H Morris (Cape) Pty Ltd and Mr John Marshall, its retiring director, stressed the chairman and chief executive of the company, Mr A D Combrink, at a function this week.

He paid tribute to Mr Marshall whom he said had decided 'to go on his own,' Mr Marshall will remain as an adviser to the company.

Mr Combrink said that Fowler Holdings, which controlled R H Morris, was now 'extremely sound'.

Its subsidiary, R H Morris (Cape) would continue handling building operations in the Cape while Combrink Construction and Fowler Construction would act in the same capacity in the Transvaal and Natal.'

Peter Pittendrigh

HEBOTEX (147) FM 26/10/79

Recovery awaited

Activities: *Vertically integrated textile manufacturer, Nefic owns 19,5% of the equity and the IDC 17,5%*
Chairman: *L Lulofs, managing director M Toet*
Capital stucture: *5,0m ordinaries of 25c Market capitalisation R5,3m*
Financial: *Year to June 30 1979 Borrowings long- and medium-term, R3,3m, net short-term, R6,1m Debt equity ratio 62,8% Current ratio 1,5 Net cash flow R2,2m Capital commitments R3,1m*
Share market· *Price 105c (1978-79 high, 135c, low, 90c, trading volume last quarter, 188 000 shares) Yields 25,0% on earnings, 9,5% on dividend Cover 2,6 PE ratio 4,0*

After a rather dissapointing year, the main question is how long will shareholders have to wait for profits to recover?

In the previous annual report, the company gave the impression that the benefits arising from its diversification programme would accrue last year It was expected that fuller utilisation of plant as demand increased with economic upturn would result in higher profits As it turned out, pre-tax profit declined 17,1% despite a 16,6% sales rise

	'76	'77	'78	'79
Return on cap %	14,6	16,1	11,7	5,5
Turnover (Rm)	17,9	21,8	22,7	26,4
Pre-tax profit (Rm)	2,7	3,4	1,7	1,4
Gross margin %	17	17,5	9,8	6,9
Earnings (c)	41,3	51,5	34,1	26,2
Dividends (c)	14	14	12	10
Net asset value (c)	213	250	285	303

The main reasons for the relatively poor results were that the economic upturn failed to impact on Hebotex's profit while costs were incurred in resolving teething problems of diversifying operations.

The market for denim, which is still Hebotex's most important range, has however improved to the extent that production capacity has been booked out in the first half Chairman Lulofs points out that there are positive signs indicating demand for other fabrics will also start to pick up To cope, Hebotex has installed additional Sulzer weaving machines, which are already contributing to production.

This, together with the diversification programme, has resulted in increased debt Long-term loans increased to R3,3m (R917 000) and new bank acceptance credits totalling R4,0m were obtained Consequently the debt equity ratio rose sharply to 62,8% (27,0%)

Last year, the diversification was good news With the denim and, in particular, the industrial fabrics markets ailing, the company apeared to need to break into new ground and broaden its product range. To this end it is constructing new plant, including a new dyehouse, which is still being equipped with sophisticated finishing equipment This expansion is on target and more is to be spent on making it work this year

For this reason, Lulofs forecasts that earnings may not be substantially higher than last year's 26,2c (34,lc) However, they could increase to around 30c from which an 11,5c dividend is possible, putting the share on an 11,0% prospective yield

Peter Pittendrigh

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Starvation wages are still paid in Babelegi

A KNITTING factory in Babelegi, BophuthaTswana, pays some of its workers R6.00 a week, which dwindles down to R3.50 after deductions.

The factory is the St John Knitwear (Pty) Ltd.

POST can reveal these shock wages almost a year after our original probe into slave wages in the Babelegi area.

By PHIL MTIMKULU

We publish today the pay slips of two women employees of the company. One woman earned R6,00 on November 18 for 45 hours work. After deductions it went down to R3,50 nett pay. The other earned R7,00 gross and it went down to R5,62.

The pay slip of another woman shows gross of R13,50 for 45 hours work

ANGRY

When POST telephoned the factory, a Mr Viljoen, who said he was managing the knitting section, angrily demanded to know what type of work the women were doing

He said all the people in the knitting section do not earn less than R15,40 a week. He then slammed the phone down.

Ms Sarah Chitja, a senior official of the National Union of Clothing Workers and ... -Fabric ...

She said that the Industrial Conciliation agreement in the industry covers all workers including even watchmen.

"After our registration we will try to see the President of BophuthaTswana, Chief Lucas Mangope. We want to put our case to him. He will be happy if a ruling is made that the workers should be allowed to belong to trade unions for the purpose of collective bargaining and protection against unfair dismissal," Ms Chitja said.

ARREST

In January POST exposed slave wages in Babelegi. The expose led to the arrest ...

EARNING DETAILS	HOURS	AMOUNT
NORMAL	45,00	7,00
SICK		
NIGHTSHIFT ALLOWANCE		
OVERTIME 1	2,25	0,47
OVERTIME 2		
OVERTIME 3		
OTHER TAXABLE EARNINGS		**AMOUNT**
1 PRODUCTION BONUS		
2 HOLIDAY PAY		
3 HOLIDAY BONUS		
4 ANNUAL BONUS		
5 HANDOUT BONUS		
6 ATTENDANCE BONUS		
NON TAXABLE ALLOWANCES		**AMOUNT**
1 FIXED ALLOWANCE 1		0,50
2 FIXED ALLOWANCE 2		
3 FIXED ALLOWANCE 3		
GROSS EARNINGS		7,97
DEDUCTIONS		**AMOUNT**
1 PENSION 1		
2 UIF		
3 PROVIDENT FUND		0,35
4 MEDICAL AID		
5 SICK FUND		
6 TRAINING FUND		
7 COUNCIL		1,50
8 SLACK PAY		
9 UNION		
10 SAVINGS		
11 ATTENDANCE BONUS		0,50
12 PETTY CASH		
13 STOP ORDERS		
14 LOANS		
15 GARN. ORDERS		
16 P A Y E /BANTU TAX		
TOTAL DEDUCTIONS		2,35
NET PAY	CASH	5,62

EARNING DETAILS	HOURS	AMOUNT
NORMAL	45,00	6,00
SICK		
NIGHTSHIFT ALLOWANCE		
OVERTIME 1		
OVERTIME 2		
OVERTIME 3		
OTHER TAXABLE EARNINGS		**AMOUNT**
1 PRODUCTION BONUS		
2 HOLIDAY PAY		
3 HOLIDAY BONUS		
4 ANNUAL BONUS		
5 HANDOUT BONUS		
6 ATTENDANCE BONUS		
NON TAXABLE ALLOWANCES		**AMOUNT**
1 FIXED ALLOWANCE 1		0,50
2 FIXED ALLOWANCE 2		
3 FIXED ALLOWANCE 3		
GROSS EARNINGS		6,50
DEDUCTIONS		**AMOUNT**
1 PENSION 1		
2 UIF		
3 PROVIDENT FUND		0,30
4 MEDICAL AID		
5 SICK FUND		
6 TRAINING FUND		
7 COUNCIL		1,90
8 SLACK PAY		
9 UNION		
10 SAVINGS		
11 ATTENDANCE BONUS		0,50
12 PETTY CASH		0,30
13 STOP ORDERS		
14 LOANS		
15 GARN ORDERS		
16 P A Y E /BANTU TAX		
TOTAL DEDUCTIONS		3,00
NET PAY	CASH	3,50

Weekly wages of R7 and R6 are still being paid in Babelegi in spite of an expose by POST about the slave wages being paid in Babelegi early this year.

VIII 0-1 1-4 5-24 25-44 45-64 65+ ALL NO.

Union said her union does not cover Babelegi yet.

"Their efforts to cover knitting workers in Babelegi have been frustrated," she said.

"But we have not given up yet," she said.

Thami Mkhwanazi, Thomas Khosa and Walter Nkosi.

After the series of articles on the slave wages in Babelegi, the BophuthaTswana Ministry of Internal Affairs promised to launch an inquiry into the wage structure at the Babelegi industrial area. Up to now nothing has been heard about the inquiry and factories do not seem to have improved the wages of their workers.

RDM 13/12/79

Row over union applications

197

1404

By STEVEN FRIEDMAN
Labour Reporter

A PROMINENT Natal employer has been accused of attempting to prevent white, Indian and coloured workers from joining a predominantly black trade union

The employer, who denies the allegations, is CWPM, a Natal textile firm which is a member of the Frame Group The dispute led to a court action last week

The union concerned is the National Union of Textile Workers, an unregistered trade union affiliated to the Federation of South African Trade Unions (Fosatu)

According to a union spokesman, NUTW is conducting an organising campaign among Indian members of the Textile Workers' Industrial Union, a registered union which represents coloured and Indian workers, at CWPM

According to NUTW, this move is a response to the registered union's decision to organise a parallel union for black workers in competition to the unregistered union

"The registered union is attempting to elbow us out of the industry We have decided that there should be one union for all races in the industry and we are therefore calling on their members to join us" the spokesman said

A dispute at a Pinetown textile firm, Smith and Nephew — the first company to recognise an independent black union — resulted in all Indian workers at the company resigning from the registered union and joining NUTW

Although NUTW is a predominantly black union, it is open to all races

In a court action last week, NUTW claimed that CWPM management was threatening Indian workers who attempted to join the union It complains that this is hindering its recruiting efforts

The union sought interim relief restraining CWPM from intimidating NUTW members This relief was not granted, but the company said in papers before the court that it would not attempt to discourage workers from joining NUTW

Mixed results for Frame Group companies

NM 17/11/79 (187) (197)

Deputy Financial Editor

THREE MORE Frame Group companies have produced their annual reports with a rather mixed bag of results showing the problems in the textile and footwear industries.

At S. A. Woollen Mills earnings per share rose from 67,7 cents to 80,2 cents. The 18 percent improvement resulted in a 8,75 cent dividend for the year.

Net operating income was R2,9m (R2,5m), of which R1,7m was put into general reserve.

Earnings per share fell at Natal Canvas by seven percent from 67,9 to 63,2 cents a share. After-tax income was R1,2m compared with R1,3m in the 1978 year. Dividends were 11,25 cents a share

Footwear loss

The directors say that imports of a large variety of cheap canvas footwear from the Far East led to a net loss in footwear. They say the situation will continue until import duties are lifted or imports restricted.

They also point out that an Industrial Council restriction limits the range of cheap footwear they can make.

At Natal Consolidated Industrial Investments earnings per share were down by over ten percent at 73,9 cents from 82,4 cents.

Turnover was up by 13,8 percent. After-tax income was R1,8m compared with R2m in 1978.

F.M. 28/12/79 (197)

NATAL CONSOLIDATED

In the old frame

Activities. *Holding company with interests in blanket manufacturing, textiles and woollen mills Owns 100% of Frame Group Investments and Consolidated Woolwashing & Processing, 29,5% of Natal Canvas, 43,2% of SA Woollen and 34,1 of Consolidated Textiles*

Capital structure: 2,4m ordinaries of 50c; 250 000 5,5% cum prefs of R2. Market capitalisation· R8,9m.

Financial: *Year to June 30 1979 Net cash R23 000 Current ratio 4,0 Net cash flow R1,9m Capital commitments R60 000*

Share market: *Price 370c (1978-79 high, 525c, low, 220c, trading volume last quarter, 6 000 shares) Yields 20,0% on earnings, 2,7% on dividend Cover 7,4 PE ratio 5*

	'76	'77	'78	'79
Return on cap %	14 0	3 8	3 5	2,6
Turnover index*	140	174	175	199
Pre-tax profit (Rm)	4 0	2 5	2 5	2 2
Earnings (c)	115	78	82	74
Dividends (c)	10	10	10	10
Net asset value (c)	2 531	2 752	3 035	3 516

*1973=100

The reports of Nat Cons and its three listed associates confirm that conservative policies will continue following Philip Frame's death Besides confirming this with another exaggerated 7,4 times dividend cover, the directors "see it as their task to guide the group along its successful course so that it becomes a living memorial and lasting tribute to its founder "

It is true that in recent years some analysts have favoured growth in lieu of dividend payments, which, they argue, erode the resources which could otherwise be used to build assets But though Natcon has increased its nav substantially in the last four years by maintaining its dividend payout at 10c, this has done nothing for earnings

While earnings declined last year, sales increased, indicating that margins have narrowed substantially A major reason for this is that plant and raw material prices, particularly those of synthetic fibres, have risen considerably In fact, the directors are completely revising outdated cost structures which had rendered accurate budgeting difficult

With its strong bias towards blanket manufacturing, Nat Cons must have been adversely affected by poor trading conditions, particularly as a result of black unemployment So, an economic upturn could result in higher margins and the slack being taken up

The vagueness of the forecasts makes prediction of earnings difficult However, a 15% improvement could be possible, but this does not imply a higher dividend payout Therefore the share appears to be highly priced at 370c

Natal Rubber's investments in textile companies helped it to partially overcome the adverse effects of low-priced canvas shoe imports from the Far East, which resulted in a fall in the group's taxed profit to R1,3m While last year the loss incurred by the canvas and rubber footwear division amounted to R3,8% of taxed profit, it contributed 27,4% the previous year Textiles contributed 87,4% (54,0%) and clothing a slightly lower 16,4% (18,6%)

Earnings declined to 63,1c (68,0c), from which an unchanged 11,25c dividend was paid With the footwear division unlikely to recover, the group is unlikely to fare much better this year At 230c the share is unattractive

Results of the other two listed associates, **Consolidated Textile** and **SA Woollen,** follow much the same pattern Contex increased pre-tax profit to R8,0m (R6,5m) on a 16,4% sales increase Earnings increased to 51,7c (45,5c) from which an unchanged 6,25c dividend was paid With almost no prospect of a dividend improvement, the share at 180c yields a prospective 3,5%, and should be avoided

SA Woollen, at 190c, is nearly as unattractive The company increased its earnings to 80,1c (66,5c) and maintained its dividend at 8,75c With little hope of an improved payout, the share is on a 4,6% prospective yield *Peter Pittendrigh*

/51p

We see, therefore, that "social risk" is not exclusively due to small numbers; risks are on average c theory, risks have a " inated by purchasing s valent to mutual insur and an "undiversifiabl between risks. It fol more valuable the less states with the aggreg the variability of whic As this concept is relation of return from the "market p is indicated by th Ch. 6]. Securitie trade at relatively high prices (i.e., with low expected rates of return on th provide their holders with relatively l those states of the world where aggrega ginal utilities are high).

The "social risk" phenomenon there why insurance prices may not be fair or chase of coverage is ordinarily less th number of risks in the insurance pool i of Large Numbers cannot fully work, or bers, if risks are on average correlated.

140a 197 134

DAILY DISPATCH, FRIDAY, DECEMBER 14, 1979

Textile firm accused of worker intimidation

DURBAN — A prominent Natal employer has been accused of attempting to prevent non-black workers from joining a predominantly black trade union

The employer, who denies the allegations, is CWPM, a Natal textile firm which is a member of the Frame group The dispute led to a court action last week

The union concerned is the National Union of Textile Workers (NUTW), an unregistered trade union affiliated to the Federation of South African Trade Unions (Fosatu)

According to a union spokesman, NUTW is conducting an organising campaign among Indian members of the Textile Workers Industrial Union, a registered union which represents Coloured and Indian workers, at CWPM

According to NUTW, this move is a response to the registered union's decision to organise a parallel union for black workers in competition to the unregistered union "The registered union is attempting to elbow us out of the industry We have decided that there should be one union for all races in the industry and we are therefore calling on their members to join us," the spokesman said

This is not the first time the two unions have been at loggerheads A dispute at a Pinetown textile firm, the first company to recognise an independent black union — resulted in all Indian workers at the company resigning from the registered union and joining NUTW

Although NUTW is a predominantly black union, it is open to all races

In a court action last week, NUTW claimed that CWPM management was threatening Indian workers who attempted to join the union It complains that this is hindering its recruiting efforts

The union sought interim relief restraining CWPM from intimidating NUTW members. This relief was not granted, but the company said in papers before the court that it would not attempt to discourage workers from joining NUTW,

"We are now informing workers of this undertaking and we believe this will help our efforts," said the union spokesman

A spokesman for the Frame group, Mr Selwyn Lurie, denies the union's allegations "It's rubbish. We don't object to any of our workers joining a trade union. We have denied these allegations," he said

Mr Norman Daniels, general secretary of the registered union, said he knows of no organising battle "They can say what they like, I couldn't care less. We are enrolling members all the time and our union is growing stronger by the day All we are concerned with is enrolling members," Mr Daniels said — DDC.

MANUFACTURING — TEXTILES

21 JAN. 1981 —— 11 DEC 1981

NM 21/1/81 197

Telegram sent to London over S A Fabrics strike

Mercury Reporter

ALL 600 black employees of S A Fabrics in Rossburgh have gone on strike and the National Union of Textile Workers yesterday sent a telegram to the London head office of Courtaulds — with which the company is linked — appealing for an interim wage increase pending negotiations for a wage contract between the union and the firm

A mass meeting of strikers was held at the Bolton Hall in Durban yesterday after a walk-out by all three shifts at the factory on Monday over a wage dispute

The management of S A Fabrics offered employees wage increases of between R1,75 and R2,50 a week These were rejected Workers want rises of up to R15 a week

Mr Obed Zuma, general secretary of the National Union of Textile Workers, said the increment granted to workers by the company was less than 5 percent and was, as far as his union was aware, the lowest increase in the entire textile and knitting industry in South Africa

'No discussion over the January 1981 increment took place between the company and the workers in any form whatsoever, nor was the union ever notified of the increment contemplated'

Mr Zuma said S A Fabrics had initiated negotiation with the union on procedural issues only and had refused to negotiate a wage contract with the union until its registration was finalised

Management of S A Fabrics refused to speak to the Press yesterday

Meanwhile, the management of Montana Hypercellars in Argyle Road has agreed to meet representatives of the National Federation of Workers this morning to discuss the re-employment of workers who were sacked on Monday after a dispute over union recognition

The union also wants the reinstatement of seven other workers fired before the disturbances began

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 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.

Workers take up tools again after brief stoppage

By Abel Mabelane
Pretoria Bureau

About 150 employees of Pretoria Precision Castings (Pty) Ltd in Waltloo, who yesterday walked out in support of a pay demand, returned to work today.

The employees said they walked out after management refused to meet their demands for an extra 35c to 65c an hour, an increase of between 30 and 60 percent

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

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

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

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

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

DD 28/1/81 (197)

Textile union meets

EAST LONDON — Five trade unionists will address a meeting of the Textile Workers' Industrial Union of South Africa in the City Hall here at 6pm tonight

The local regional director, Mr Mxolisi Sitoto, will be appearing with the general secretary of the union, Mr Norman Daniels, of Cape Town, Miss Cathy Eagles, also of Cape Town, Mr Wesley Beam, of Uitenhage, and Mr Wilson Nqikashe, of Cape Town

The Textile Workers' Union is an affiliate of the Trade Union Council of South Africa — DDR

ARCHITECTURE

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Sixth Year

P F Dunckley

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

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

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

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For the best final year student.

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For the best work in fourth year.

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John Perry Prize
For the best work in third year.

R A van Rosenveld.

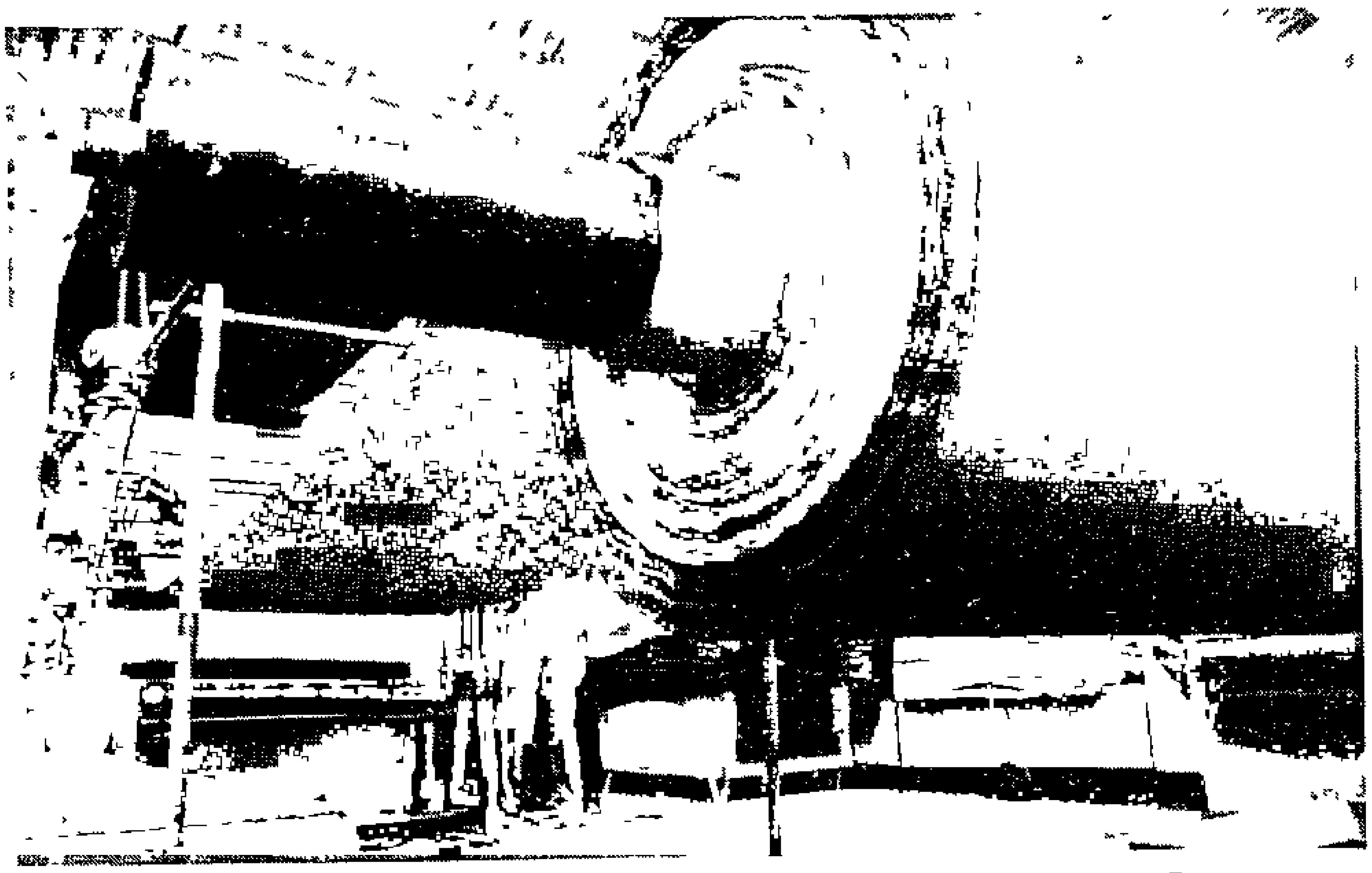
TARIFFS (191) FM 6/2/81

Duties amended

Amended duties on nylon and polyester fibre and yarn were gazetted last month, 18 months after application for tariff amendments and rebates was submitted by SA Nylon Spinners (Sans) to the Board of Trade

Sans sales marketing director Don Grant says "We asked for duties which would protect selling prices of our yarns to our knitter and weaver customers against unrealistically priced imports"

The application was necessary, he says because "there's always the threat of cheaper imported yarns being dumped in SA



Textiles . . . could there be massive imports of piece goods?

Imported yarns often have the advantage of price because of cheaper feedstocks and economies of scale in countries of manufacture such as the US, says Grant.

"The duties have gone up to cover current selling prices which went up 15% from the time the application was submitted in August 1979" He claims the amendments are not at a level at which the clothing and textile manufacturers' market will be disrupted.

On certain speciality yarns — not manufactured by Sans — rebates on tariffs were granted

The amendments are based on a formula relating to the fob value of yarns.

Although it's taken 18 months to process the application, Sans is not unduly perturbed "The BTI revised our application. Duties granted are relevant in relation to our current selling prices"

Quantitative import control on yarn has been phased out to a large extent over the last six months. But Sans is negotiating with the BTI on quantitative controls What's needed, says Grant, is "very moderate levels of duties backed by quantitative controls"

Even though SA subscribes to Gatt agreements on phasing out import quotas, Grant says "The multifibre arrangement within Gatt is in fact a set of quantitative controls. To say the Gatt agreement precludes quantitative controls is a bit of a red herring"

He sees the need for duties to be "adjusted on an ongoing basis, especially in terms of inflation" The fact that it's taken 18 months to get the new amendments approved "is not all that serious while we had quantitative controls to back up duties However, if these controls were not there, it would have been very serious"

Stan Schlagman, executive director of the Textile Federation, says Sans consulted "their customer sector, members of the Textile Federation, about the proposed amendments before they submitted their application to the BTI In many cases what they originally wanted to ask for was amended or scaled down after consultation with TF members."

However, some TF members are less than sanguine about the new duties Gregory Knitting Mills MD Roy Sable argues that the new duties "are protecting the wrong end of the horse Possibly there was justification for Sans to ask for extra protection But if there's protection for Sans, what about protection for textile manufacturers and clothing manufacturers?"

He maintains that if duties are imposed on yarn and not on textiles, "there could be massive imports of textile piece goods without adequate duties and controls This could mean that textile manufacturers won't buy yarn from Sans Local industry suffers"

He explains that if there's inadequate protection for garment manufacturers, cheap clothing imports result in manufacturers not supporting the local textile industry If garment manufacturers don't buy textiles, "we don't buy yarn. It becomes a vicious circle and nobody is happy"

TEXTILES 197

Predator problems

FM 20/2/81

The joint memorandum submitted at the end of last year to the Board of Trade and Industries (BTI) by the Textile Federation and the National Clothing Federation requested an effective system of both quantitative controls and regularly updated tariffs to stem the flood of cheap imports

The memorandum resulted in inconclusive dialogue between the federations and the BTI this week. The federations have expressed little optimism that government will change its avowed policy to phase out quantitative controls as dictated by Gatt

BTI chairman Basie Kleu says he can't comment on either the memorandum or the discussion Disclosing the focus of Tuesday's discussion would be a breach of confidence, he says

Stan Schlagman, Textile Federation executive director, won't talk either "We're dealing with fundamental issues and principles concerning protection of the industries following predatory methods of export by certain countries," is all he's prepared to say

The recession still prevailing in the UK, Europe and the US means producers of cheap garments and textiles, mostly Asean countries, seek alternative markets for dumping low-priced exports

The feeling in both the textile and clothing federation is that with government's stated policy to phase out import controls, other than tariffs, SA becomes a prime dumping target

National Clothing Federation director Frank Whitaker is worried about what is happening Import controls and tariffs on textiles and clothing have applied since 1948 But, from the beginning of 1980, permits are issued to importers ' not on a quota basis but on a basis of reasonable requirements The Director of Imports can interpret this as he sees fit ",

What is particularly worrying, says Whitaker, is that the present control is a "currency control This is quite ineffective when one is dealing with cheap imports We're looking for physical quantitative controls as a backstop to tariffs which are never really that effective

Whitaker cites the case of the recent import of 1,8m pairs of give-away-priced socks from the East This import represented the equivalent of three-months manufacture by one factory Incidents such as these are totally disruptive to the industry he says but are possible because currency control rather than quantitative unit controls provide loopholes for dumped imports

President of the National Clothing Federation Simon Jocum concurs ' What's happening is there s overproduction of textiles and clothing in the Far East The price of these finished goods is less than we pay for the raw materials in SA because we're forced to support local industry, which is protected all along the line '

The federations don't want government to "dismantle import control until there's an acceptable effective dual system of moderate tariffs and a measure of quantitative controls '

As he says, the BTI has made a categoric statement that the industries must look to tariff protection and not quantitative controls

But if this is the case, tariff control on clothing "would have to increase very substantially because the last tariff review was in 1974 '

Personal and environmental hygiene is promoted by encouraging the use of individual face cloths and water, digging of rubbish pits and the erection of pit latrines. Repeat visits are made at int-rvals to check if instructions are followed. The ideal number of households to be visited is not more than 5 - 8 per Care-Group member.

Collectively they feel

size and their general rating by the motiva...
are kept waiting due to lack of motivators and vel
From observations made over the last 2 years we f
general factors which influence the quality of a
Table

Both Chabane and Mhokota are very large settlemen
members. Both are under the same chief who is no
Care-Group in Chabane is the only one where the r
social elite of the village is big enough to caus
some key persons are interfering with the group.
collapse of this group.

Mhokota has started well, in spite of the handic
summer's heavy rains have forced the resettlemen
to a safer area. The whole community was disrup-
Group activity came practically to a standstill.
Table

4/...

fectiveness of Care-Groups dealing mainly with the control of trachoma
st be evaluated when determining at regular intervals the intensity
disease in small children. This is done at the beginning of every
year, where the new intake is examined. We have found that there
easonably good correlation between the intensity indices of the
andard A children and of the community as a whole.
ain table)

factors which can be measured are basic facilities for the maintenance
llage and personal hygiene, such as pit latrines, rubbish pits and
dual face cloths.
ble gives a rough impression of the influence the Care-Groups have
moting hygiene.
: explanation)

marise our experiences with the Care-Groups we can state that
e Care-Groups are generally well accepted by the community and
st settlements are keen to have their own groups.
e greatest value of the Care-Groups is the awakening of an
areness to health needs within their community.
e presence of volunteers who care serves as an example to others.
pecific activities such as trachoma control are only successful
f the Care Group is well motivated, and where the work load is
asily manageable besides the household duties.

I used the questionnaire mainl
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done in Xhosa).

CLOTHING 197

Worried about tariffs

FM 27/3/81

Dissatisfaction with government's move to scrap import controls came to a head last week when retailers handling more than 50% of the country's clothing turnover sided with the clothing, textile and fibre industries in asking for a system of protection incorporating both import control and tariffs

The *FM* trusts that Pretoria will not succcumb to these pressures — its first duty is not to special business interests but to the ordinary consumer Be that as it may, members of the Textile and Clothing Advisory Committee (Tacac) met with clothing retailers in Johannesburg to gain their support for quantitative import control

Simon Jocum president of the National Clothing Federation says government's suggestion that tariffs entirely replace import controls would, if accepted, be bad news The results, apart from a straight business loss, would be large-scale unemployment as in the Seventies, when thousands of garment workers were laid off

This in turn would cause serious social problems and severely curtail consumer buying power The consequences for retailing are, therefore, also important, he says

Jocum says tariffs would have to be exorbitant if they were to protect local industry sufficiently from a flood of cheap imports

"There's too much at stake to have to say to the government We told you so," says Jocum, who adds that if the government upholds its decision to scrap import controls it will be negating the campaign to "buy SA and employ SA

Says MD of SA Nylon Spinners, Justin Schaffer 'The whole of the textile industry, including fibre and textile manufacturers, is of one mind with the clothing industry We are all seeking the system most equitable to all parties We believe this is a combination of tariffs and import control ' (The *FM* wonders if the interests of the consumer are included in the search)

If imports are allowed unabated into SA, he says, more than a quarter of a million jobs are potentiallly threatened The clothing textile and fibre industries employ 260 000 people From a business point of view, the implications are clear it would mean the end of growth

As Jocum points out, the total volume of imports may be relatively low However, they are not spread evenly across the different sectors of the garment industry and the availability of items very cheaply overseas causes local manufacturers of these items to take a plunge

"While the value of all imports at landed cost could be only 10% of total production value, in units this can be between 20%-25% of production in certain sectors "

Imports, however, are not the only source of concern Exports have also become a cause for anxiety

Last May, when export incentives were announced, several clothing exporters did their costing based on the tax concessions they would ostensibly receive from the government, says Jocum

"However, government has interpreted the incentive scheme entirely differently to exporters and certain exporters have lost out heavily "

A dual definition by government and clothing exporters of certain terms particularly in category A of the incentive scheme announced, has, in Jocum's words "made the difference between doing business and not doing business"

He notes "We've now got to sell for 1982 And we've got to know now the exact terms of the incentive scheme so we can give proper quotations But we still don t know what the Board of Trade and Industries (BTI) will do "

Currently the terms of the scheme are being considered by a joint committee of the BTI and the Export Promotion division of the Department of Industries Commerce and Tourism

Director of Export Promotions, Giel Pretorius says ' As the Minister originally explained, the incentive scheme is subject to ongoing revision It is not a stagnant scheme "

However, for clothing exporters the months or even weeks it takes to "thrash out the grey areas ' of misunderstanding, definition or confusion are too long considering foreign importers don't have to wait for terms of trade

Meanwhile, the industry presumably accepts that those countries to which it wishes to export might also decide to put up protective permits and trade barriers

2.4 NOTES CONCERNING MY INFORMATION ON THE PROJECTS

1. Amathole Creamery was the only place where I could check the figures people gave me. Generally, their estimates of income were more than twice as high as the actual amount earned over the last year. Over-estimation of profits from the project may be a general trend.
2. Projects fluctuate so wildly over time (also depending on seasonal and market conditions) that it is misleading to take any one time as
3.
4.

other source of income than farming). Generally, the FEU families are the most established peasant farmers in the area: they were only allocated the FEU's because they had the most land and stock at the time of survey.

I have made no attempts to analyse the class structure in detail. Basic divisions I use are:

Professional and business people (shops and transport)

People with access to land

People with no agricultural resources who are generally migrants

One must note the family linkages within the business and professional class and how different sectors support each other at various times.

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Frame companies double profits

11461 SMK

197

Own Correspondent

DURBAN — Profits of nearly double are reported by two big companies in the Natal-based Frame Group.

The group's investment company, Consolidated Textile Mills (Contex), boosted net income 98 percent to R1,06-million in the six months ended December. Textiles, clothing-and-shoe manufacturer Natal Canvas Rubber, increased net income 99,5 percent to R2,04-million.

However, shareholders in both companies will not feel the benefits of the profits improvement through dividends. The companies have followed their past practices of pegging dividends (Contex will again pay 3,125c and Natal Canvas 5,625c).

Two other companies in the group — SA Woolen Mills and Natal Consolidated Industrial Investments (Natcons) — have also increased profit, but not to the same degree.

Natcons achieved a 37 percent lift in net profits (R1,16-million) but shareholders also face a pegged dividend of 10c. SA Woolen Mills fared worst with a 12 percent increase in net profits to R663 000 and still no dividend for shareholders.

Factories' Act to be amended

2/4/81

Amendments to legislation which would increase safety in industry were being drafted and would be promulgated as soon as possible, the Minister of Manpower Utilisation, Mr Fanie Botha, said in Pretoria

Opening a symposium on the safety of textiles, Mr Botha said the Factories' Act was primarily concerned with the protection of the safety, health and welfare of industrial workers.

It had been amended and updated several times to keep abreast of industrial developments.

In its White Paper on the Wiehahn Commission report on the Factories Act, the Government had once again declared intention to amend the Act to extend the protection it afforded to workers

"Workclothes should not endanger safe work, Mr Botha added Precautions against fire and the use of protective clothing and equipment under certain conditions were mandatory in terms of the Factories Act In this field, the textile industry could play a major role

It was imperative that the search for more efficient materials with which to equip and clothe workers in different conditions of employment should never stop

"To this end I urge the textile industry to consider the production of more specialised safety products through the use of nonflammable and other specially designed textiles" — Sapa.

16/4/81 STAR

Attack on 'unscientific' paramedical practices

97

CAPE TOWN — Chiropractice and osteopathy came under attack at the South African Medical and Dental Council's meeting in Parow yesterday

The practices were criticised by Professor H A Shapiro of the University of the Witwatersrand's medical school while moving a resolution on the proposed Associated Health Professions Act, which would allow registration of chiropractors, osteopaths, homeopaths and several related practitioners.

UNSCIENTIFIC

Professor Shapiro described chiropractice and osteopathy as "unscientific and anti-scientific" He moved that the SAMDC's executive committee discuss the proposed act and "adopt such resolutions as it deems appropriate for transmission to the Minister of Health, Welfare and Pensions

"This council has a moral duty to advise the Minister that these so-called professions are not advisable It is not in the interests of medicine and the allied sciences to allow them to continue"

He said it would "create profound moral and social problems about whether a doctor can associate or work with these people."

● Medical student interns were to be paid a honorarium of R2 400 a year, although this would result in provincial bursaries being withdrawn from such students, the dean of the University of Stellenbosch's faculty of medicine, Professor A J Brink, said

speaking. Interviews with blacks were carried out with the aid of a local teacher. Residents of the urban locations were intercepted along the main road from town, and farm workers' families were contacted at the uitspanning yard or in the doctor's queue. It was found that by far the largest proportion of the rural people had come into town to see the doctor since a new doctor had just taken up residence and opened his practice in the town, thus there was no possibility of obtaining a random sample in the limited time available.

Altogether 51 blacks were interviewed, 36 from the location close to town, and 15 from farms. They gave information on 77 people from the district and described at least 89 illnesses. Behaviour in relation to health service

7.

8.

Table 1 Choice of Facility i

Initial choice	Present dt. surgeon	P T d	Indig. ctitioner *	Employer or 'madam'	None/ home treatment*	Total
No subsequent choice.	23 (66)‡		1	5 (50)	17 (85)	70 (60)
Subsequent choice						
Dt. surgeon				5	3*	13
Previous Tiersdorp drs.						8
Outside drs.	3					10
Hospital	2					6
Indigenous practitioner	1					2
Employer	3					3
None/home treatment	3					5
Total	35		1	10	20	117

Returning to the same doctor for the same ail... ...ited as a subsequent choice, and nor is transferring custom from one local doctor to another when the former retires, cases referred to another facility are counted under the first choice of facility and referrals not counted as a subsequent choice. There were four referrals of patients by doctors to a hospital.

* Doubtless underestimated

‡ Figures in brackets are percentage of visits to that facility which were first consultations and where no subsequent choice was made.

TEXTILE INDUSTRY ~~184~~ 197 FM 24/4/81

Paradox and dilemma

The paradox of the clothing and textiles industries is that they are pleading protection at a time when they have never seemed less in need of it

Order books are full and projected demand growth for 1981 is expected to raise the physical volume of clothing output by 10%-15% At the same time, the output of cotton textile mills could be pushed 20%-25% higher, while the demand for knitted fabrics and garments may increase by 30%

Yet there is a sense of impending doom in the rag trade. This has deepened to the point where the country's leading retailers have added their weight to industry representations to government These call for a protection package that will combine so-called formula duties with quantitative import restrictions Viewed against the volatile and acrimonious history of relations between clothiers, textile millers and retailers in the recent past, the new unity is indeed remarkable.

Surely garment makers should be pleading for freer availability of the cheaper raw materials that are available on world markets This would enable them to compete more effectively with imports

Whether this singular unity in the four basic sectors of the industry (fibre-spinning, weaving and knitting, garment-making and retailing) will succeed in moving government into a more protectionist frame of mind remains to be seen.

The free trade ethos has never seemed to influence government thinking more than at present The new minister, Dawie de Villiers, and his new Director General, Tjaart du Plessis, have revealed a fresh commitment to de-regulation and decontrol

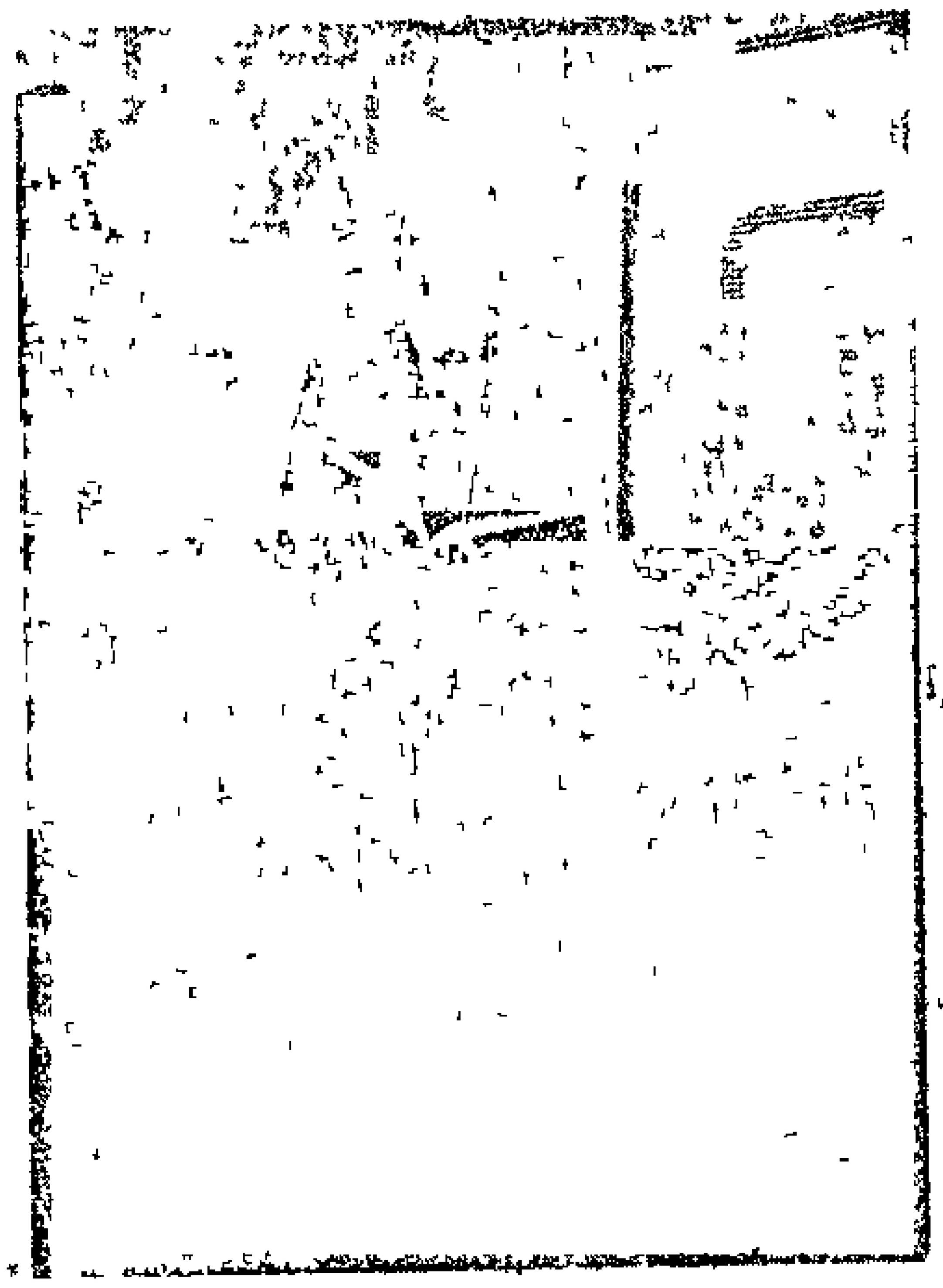
De Villiers is a professed free trader In the time he has been in his new job, he has shown clear appreciation of the laws of comparative advantage and the gains to be had from international trade and efficient production Policy, he says, will be determined by what would best serve the national interest and the interest of consumers In the past, the national interest has too often been linked to the immediate state of the balance of payments It has also been determined by a pervasive sense of siege, driving the economy towards self-sufficiency with little regard to cost efficiency

Here lie a dilemma and a paradox. Free trade and self-sufficiency are mutually exclusive The paradox is that the authorities probably realise the world is less likely to cut SA off from trade if developed countries in the West depend upon the Republic's supplies of raw materials and its markets as a major importer

Despite high levels of protection, the rag trade has been transformed into the most competitive, fragmented sector in industry

It is also one of the most labour intensive, with 260 000 workers (95% black) helping to produce goods worth R1 200m at ex-factory prices

Intense competition at all levels has resulted in a high degree of price stability at the retail level Last year, with the cpi rising about 15%, clothing prices rose only 9,1% This year, despite strong demand growth, the inflator should be no more than 11% compared with anticipated cpi growth of 17% It says much for the competitive nature of the industry that this degree of price stability was achieved despite modest import levels (R150m at landed cost)



Minister De Villiers . . . time to phase out protection

The reason is that the scale of efficient production of finished garments is small Local manufacturers compete vigorously with each other on price, style, variety, credit and delivery These hothouse conditions have resulted in the development of a vigorous export trade (R35m this year, according to industry estimates).

Textile millers and fibre spinners, on the other hand, have to get very big in order to reap the benefits of high volume, low unit cost production The SA market, however, is not yet sizeable enough to support highly competitive and efficient production compared with some foreign producers The half-dozen specialist exceptions that do exist have nothing to fear

Thus, the growth of the textile industry has been partly at the expense of clothing manufacturers and clothing exports. Furthermore, it is the clothing manufacturers who are most vulnerable to pressure from cheap imports Clearly, large retailers have been freer to import cheap clothes than manufacturers have been to import cheap fabrics

In 1980, highly satisfactory trading results were achieved in ideal conditions Because of closer co-operation between fibre spinners, textile weavers and knitters, garment-makers and the giant retail chains there was volume, variety and prompt delivery Best of all, there was strong demand and strong competition

It could be even better in 1981 because of the sustained demand surge, longer production runs and consequent stable unit costs despite the ravages of inflation More important, these results will be achieved despite the final elimination of Finance Minister Horwood's 15% imports surcharge — and despite the fact that the last adjustment to clothing tariffs took place in 1974

The industry now anticipates that these ideal trading conditions cannot last indefinitely and is pressing the Board of Trade for a protective mix of so-called formula tariffs and quantitative restrictions However, as the saying goes, any time can be the right time for protection

Since there is a large textile industry dependent upon protection and a clothing industry that is damaged, on balance, by that protection, how should the minister direct future strategy in the industry?

It would not be fair to dismantle protective barriers overnight What is required is a gradual phasing out of the effects of protection In the particular case of the textile industry, it should be told that it must make do with existing levels of tariffs-only protection As the economy expands, effective competition behind tariff walls will develop Production will become more efficient and prices will fall below world prices plus tariffs. In due course, textile producers may achieve the same levels of efficiency, variety and competitiveness as their counterparts in the garment-making business

The garment-makers could anticipate relatively cheaper fabrics and hope the economy remains buoyant

The long run progress of this sector will depend on the ability of manufacturers to compete other than simply on price

Government, to its credit, has stated that it has no desire to become a signatory to Gatt's Multi-fibre Agreement (MFA), which it seems to regard as an unholy alliance between the developed countries against low cost clothing and textiles produced by the ultra-high productivity fabricators of the lesser developed countries

(LDCs).

It is this question that is threatening to undo all the patient attempts to liberalise world trade since the formation of Gatt and in subsequent adjustments in terms of the Kennedy and Tokyo Rounds Scarcely a day passes without one trade minister or another issuing dire warnings about the disruptive effect of another country's exports

In the domestic textiles industry, there are fears that a strengthening of the system of quota protectionism in the renegotiated Multi-fibre Agreement of Gatt (to which SA will not become a signatory) is going to divert mountains of clothing and fabrics from Western importing countries to the Republic The rag trade expects to be caught between the pincers of US economies of scale and the low wages of the Third World No degree of tariff protection, it says, will be sufficient to avert unemployment levels of 15%-20% This argument, it seems to the *FM*, fails to take into account the ability of a labour-hungry economy to absorb workers in other, perhaps more efficient, activities. Further, lower prices for textiles can't be a bad thing for the consumer

The MFA, which expires at the end of 1981 and is due for negotiated renewal for four years in the northern summer, is an attempt to regulate the flow of low-cost textiles between developing countries of the Third World and the industrialised world.

The first MFA was signed in 1973 and renewed in 1977 after the European Council of Ministers insisted on tougher terms to control the flood of Third World imports which, in the period 1973-1978, resulted in 4 200 business closures and the loss of 700 000 jobs in the community

The first agreement guaranteed a 6% annual growth rate in imports by industrialised countries of Third World clothing and textiles This turned out to be an invitation to exporters to make a massive assault on northern markets in order to establish a large base from which to grow at 6% a year

At the 1977 MFA review, community ministers got a clause written into the new deal allowing for "reasonable departures" from the 6% guarantee for short periods and in emergencies

With northern clothing and textile industries in endemic distress, community countries were able to limit Third World imports to an effective 4% growth rate after 1977, compared with 25% a year between 1973 and 1976

Third World exporters are now claiming breach of trust because countries outside the community used the reasonable departures clause They fear the US will use it, too.

Their pleas are unlikely to wash What seems clear is that the 1982 MFA is going to be a lot tougher than the existing deal. The first MFA was a departure from Gatt provisions which forbid imposition of import growth rates and import curbs affecting specific suppliers instead of all suppliers

Then the "reasonable departure" clause was added These, and other, arrangements now appear certain to become a permanent feature of the MFA

One of the new departures is reported to be a device linking imports to demand rather than to consumption What the mandarins of Brussels have in mind is that, instead of letting consumption levels set across-the-board quotas for Third World textiles exporters, the EEC will select categories where there is particularly high demand for low-cost goods and restrain them accordingly

If the MFA is tightened to the extent mooted by the EEC ministers, there is going to be a huge volume of textiles exports looking for alternative markets, some would say at any price This threat has still to materialise and, until it does, any government action would be premature In any event, extension of the mistaken protectionist policies of the past should be avoided

SANS WARNS OF THREAT TO WORKERS

Argus 25/4/81

197

THE textile and clothing industries, which are seriously threatened by the Government's intention to scrap quantitative controls on imports, employ about one in every six workers in the manufacturing sector in South Africa.

South African Nylon Spinners says this in the quarterly journal of the AECI group

It says the Government's policy, coupled with the current boom, makes South Africa an attractive market for dumping surplus fabric and garments which 'do not always reflect production costs'

AECI is the holding company of South African Nylon Spinners, which employs about 3 000 people

DRIVEN OUT

SANS says more than 20 percent of companies using man-made fabrics were driven out of business in Western Europe, where this policy was adopted, mainly through dumping of American fibres which benefit from subsidies on oil and the advantages of economies of scale

Another factor was the movement into Europe by Far East producers who could take advantage of lower wage structures and export subsidies

The result was 'virtual decimation of the European textile and clothing industries with widespread recession and redundancy, especially in Britain

Local industries employ 16 percent of the work force in the manufacturing sector with a conservative estimate of an additional 3 500 workers annually

QUICKLY FELT

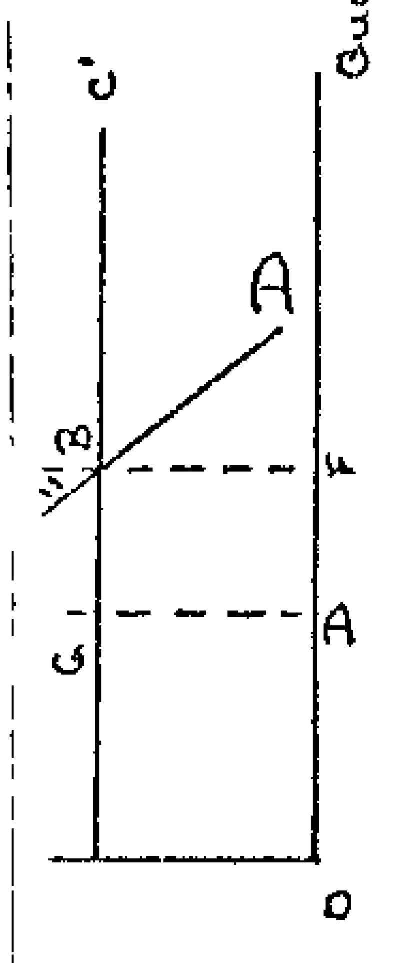
The effects of the destabilisation of these industries would be quickly felt in the form of reduced consumer spending

At present, workers and their dependants constitute more than one-million people, who rely on the industries for a livelihood

The effects were previously experienced in 1974 and 1976 when excessive imports made 15 percent of workers in the industry redundant

Warning that duty protection is not enough, the company says that once destroyed or even badly damaged, 'the local synthetic fibre and textile industries could not be restored to their present healthy condition in any reasonable period.

'Quite apart from the social ramifications, many strategic industries with business based on a consistent supply of nylon and polyester yarn could find themselves subject to the vagaries of international politics.'



Minorities' role may have swung tobacco deal by Rupert

Star 30/6/81

198

By Geoff Shuttleworth

Rembrandt broke its traditional silence following a lengthy and angry response from jilted tobacco, beverage and transport giant R J Reynolds.

After the release by Reynolds president Mr Paul Sticht of confidential telexes of the negotiations between the parties, Mr Anton Rupert released a statement which tackles Reynolds objection to the broken "exclusivity" agreement and also elaborates on the concept of "partnership."

The two major objections made by Reynolds (see Page 36) turn around this exclusivity and also the delay in negotiations which Mr Sticht said was because of legal aspects of whether an agreement would fall foul of anti-trust legislation in the EEC.

On the score of exclusivity, Mr Johan Rupert, son of Dr Anton Rupert, and managing director of Rand Merchant Bank, said that Reynolds and Rembrandt had been neogtiating on and off for about 7 years. However, each time that negotiations appeared to be moving towards agreement, Reynolds would "insist on 50-percent and one percent more. That is, not Rembrandt's concept of partnership."

Rembrandt has established a firm tradition of partnership in its ventures, particularly overseas, and ha never been willing to sell off more than half its holding in Rothmans International.

This is referred to by Dr Rupert in his statement when he speaks of "true partnership," though this includes an objection about Reynolds unwillingness to put its brands into a partnership deal.

Most London brokers were expecting an outright sale to Reynolds or at least a delayed outright sale (some believe that a full offer from Philip Morris can be expected some time in the future).

What is believed to have upset the Rembrandt camp most was the use by Reynolds during the negotiations of the word "acquisition" in a Press statement.

Analysts believe that the effect of the Reynolds use of the word acquisition was twofold. In the first instance, hope of an outright purchase by Reynolds sent the share price of Rothmans from 38 pence in January to 78 pence and this put considerable pressure on Rembrandt to accept the purchase offer from Reynolds, though no price had at that stage been mentioned.

They believe that the speed at which the Rembrandt acted in accepting the Philip Morris offer was largely to forestall pressure from Rothmans International minorities to push for an outright sale.

Reynolds has said that exclusivity was broken some time before negotiations were formally broken off but Mr Johan Rupert said this was not the case

He said that first contact was made between himself and Lehmann Brothers Kuhn Loeb of New York on April 10 Philip Morris representatives flew to South Africa the following day and by April 16 a formal offer was made, the first time Dr Rupert know of Philip Morris' weeklong interest.

After the offer was made, along with three others, one of which I believe was another international tobacco concern, lawyers advised Dr Rupert that shareholders' interests would best be served by consideration of all offers.

No consideration was given to the Philip Morris offer over the intervening long weekend. Negotiations were formally ended with Reynolds on April 21 and, after negotiating through the night with Philip Morris representatives, the deal was announced soon after the termination of talks with Reynolds.

Asked whether his working in conjunction with Philip Morris merchant bankers, even without his father's knowledge, could be constructed as breaking the exclusivity agreement with Reynolds, Mr Rupert said: "I am a merchant banker first and the recod will show that Reynolds have had virtual exclusivity for around seven years, each time themselves breaking off on the issue of control/partnership."

He said that the legal question of anti-trust aspects was not a crucial issue, especially as, if Reynolds had gained 51 percent, it would have been more open to attack than the Philip Morris arrangement.

important economic structures intact). The present favourable modus vivendi with foreign capital was in fact only achieved because the Nationalists clearly demonstrated their strength and ability to retain social control. Also, ... from the exploited and dispossessed Africans would be

(2) The protection of white labour by the introduction of statutory colour ... the 'civilized labour' policy, which gave preference to

... alia, excluding Africa... denying them any effective right to combine or to strike (legally(in any way which would seriously effect any significant employer, by restricting or otherwise neutralizing any effective trade union activist, and by promoting a system of migrant labour (amongst unskilled workers at least) to as many areas of the economy as is practicable. The latter because a migrant labour force is considered to hold important advantages over the alternative of a settled force: a migrant workforce constantly turning over is placed in a

... financial crisis, Fusion government, parliamentary manoeuvre etc) ... stantial 'roll back' occured in real socio-economic terms, probably because international capitalism viewed the cost of one as too high. For example had fundamental settler 'gains' been undermined in this period, the threat of Afrikaner revolt in WW2 might have become much more of a political menace than it infact was. Since 1948 of course, the Nationalist Party - representing the settler petty bourgeoisie and white working class - has ruled South Africa. The white working class ally has not been dropped by the settler petty bourgeoisie, primarily becuase without the support of the white workers, they would have been and probably still would be now strategically too weak to dominate the system. This was true even in a formal parliamentary sense right through the 1950s when the Nationalists had only a slimm majority, but it has also always been true in a more fundamental sense. Foreign capital originally viewed the Nationalists with some distrust - as evidenced by the fact that foreign investment did not reach its 1947 level until '54, and during the 1960s probably even favoured some kind of neo-colonial 'solution to the South African problem' (i.e. the transfer of formal political power to some 'more acceptable' probably multi-racial regime which would leave most of the

Business Mercury

M R Textiles raises profits

(197)

NM 30/4/81

Finance Reporter

MOOI River Textiles increased profits last year to R2 549 000 from R1 843 000 in 1979, on a R2,3m higher turnover which rose to R16,4m from R14,1m

Earnings per share rose from 108c to 150c and the dividend was increased to 80c — 30c up

Net current assets rose to R4,5m from R3,7m and borrowings fell to R150 000 from half a million rand previously shareholders' funds were up R2,2m to R8,4m

The directors say in their annual report that the final phase of the new loom installations will be completed this year and that the full benefit of this will be felt by the company during the second half of the year

There is a well-filled order book for 1981 — well balanced The annual meeting is being held today

ROMATEX FM 1/5/81 (197)

Less pile?

Textile group Romatex achieved strong growth in the six-month period to end-March However, the directors warn that it cannot continue

Pre-tax income rose 45,3% to R24,2m, but a reduction to R718 000 (R1,7m) for a Lifo stock adjustment and a small reduction in the tax rate to 37,8%, resulted in taxed income rising 58,3% to R14,6m

The increase in earnings from 38,6c a share to 61,2c a share has allowed an increase in the interim dividend to 22c a share In 1980 the group changed its year-end from March to September, resulting in a complete change in the dividend pattern and an 18-month trading period A second interim dividend of 24c a share was declared in March 1980, followed by a 24c final in September

The directors say, however, that these dividend payments cannot be used for comparison purposes Instead, the 2,3 times cover policy provides a more accurate basis for comparison On that basis Romatex would have paid a 42c final from the 96,3c a share earned in the 12 months to end-September The interim would have been 17c a share Looked at this way, this year's interim reflects an effective 30% increase

According to the directors strong demand for all the group's products continued to flow over from the buoyant final six months of the last fiscal period But in line with the general economic trend the group is beginning to detect signs of a downturn

Chairman Jack Ward says that the softer demand is being experienced in the semi-durable segment of the market That is a high profit area for the group, but overall sales projections and existing gross margins, suggest second-half results will exceed those of the first half "This is attributable to a large extent to the capital investment programme undertaken last year which increased plant capacity significantly in certain divisions"

Ward is thus effectively predicting earnings of about 70c for the second half for an annual earnings growth rate of 35%

Ward says he is concerned with the impact "competition from cheap imports from the East" will have on the textile sector He is confident, however, that the group's diversifications, largely industrial textile products, will fill the gap

That seems to leave the group's four-year annualised earning growth rate of 32% intact The next dividend is unlikely to be less than 35c a share, giving a total 57c At the current 640c the prospective yield is a mildly enticing 8 9%

Ian Muir

Blaze puts 400 jobs in peril

Argus 2/5/81

197

THE jobs of about 400 workers at an Elsies River textiles factory are in the balance after a fire yesterday.

The blaze at Romatex Home Textiles in Epping Avenue, fought by 25 firemen for four hours, destroyed a large part of the building and many machines. Damage has been estimated at R3-million.

A director of the company who flew from Durban said it was still too early to give positive comment.

IN THE BALANCE

Mr J A Briscoe [illegible] the company wanted to [illegible] all the staff because [illegible] had been trained b[illegible] the company for their jobs.

But, because of uncertainty about when the factory would be back in operation, the future of the staff was in the balance.

The possibility that some workers could be retrenched "could not be ruled out".

The final decision on dismissals would be taken by the owner of the building.

WAGES

Mr Briscoe said, however, that workers would be paid until next Friday, while the building's owner awaited a damage assessment.

By then he would be able to explain to workers exactly what their position was with the company.

He said, because of the type of work they did and the machines they operated, it would be difficult to transfer workers to the company's other factories.

The fire was caused by an electrical short-circuit in a compressor.

CT 9/5/81 (197)

Factory fire: 349 laid off

THE FIRE that severely damaged Romatex Home Textiles in Elsie's River a week ago has led to the laying-off of more than 300 workers at the plant.

"Regrettably, we have been compelled by the disruption to our operation to lay-off a total of 349 employees," Mr J H Ward, chairman of Romatex Ltd, said in a statement yesterday.

He said severance pay would be given to the discharged workers in accordance with the industrial agreement negotiated with the Textile Workers' Industrial Union

The company would also try to find work within the group for as many of the discharged workers as possible

It would be company policy to offer to re-employ the discharged workers as soon as the new plant was installed

The fire had seriously disrupted production but because of "adequate insurance cover" earnings would not be adversely affected, Mr Ward said.

"It is our intention to restore the plant and to be back in full production towards the end of the year. In the interim, we have discussed the situation with our customers and are making alternative arrangements to keep them supplied "

The statement said the fire appeared to have started in a compressor room and there was no indication "at this stage" of culpability on the part of any person.

400 WORKERS FACING D-DAY

C. Herald 9/5/81 (197)

THE fate of 400 workers at the fire-ravaged Romatex Home Textile factory in Elsies River may be known on Friday, when they meet at what remains of their workplace.

Last week, the production section of the factory was gutted Damage was estimated at R3-million.

The workers have not been told the purpose of Friday's meeting, but it is generally accepted that they will be informed by their bosses whether they will be sacked or retained,' Mr Norman Daniels, general-secretary of the Textile Workers' Industrial Union, said.

Mr J A Briscoe, managing director of Romatex Home Textiles, said through a secretary on Wednesday that at this stage Press statements will not be issued.

NOT RULED OUT

He was reported at the weekend to have stated that although the company was eager to retrain its employees (especially since it had trained them in the first place), retrenchments could not be ruled out.

The continued employment of the workers depended on how soon the production line could be restarted.

If the 400 workers are dismissed, they will be entitled to six weeks' pay according to an agreement with the textile employers.

The secretary of the Textile Workers' Industrial Council, Mr J Colinese, said that the agreement required employers to insure against six weeks' pay for their employees in the event of a fire forcing a closure.

Mr Daniels said he was very concerned about the future of the 400.

'We will do everything we can to help them,' he said.

Good Hope MD Hertzberger quits

BUSINESS EDITOR

EAST LONDON — In a shock move, Mr Anton Hertzberger resigned as managing director of South Africa's biggest textile company, Good Hope Textiles in King William's Town, yesterday

In a telephone interview from King William's Town last night, Mr Hertzberger declined to give specific reasons for his resignation, except to say it was a "personal reason"

Good Hope Textiles, the largest textile factory under one roof in the Southern Hemisphere, is part of the Da Gama group of companies.

Speaking from the hotel where he stays in King William's Town, Mr Hertzberger said "Yes, it's true I have resigned as managing director of Good Hope Textiles."

He added "And also from the boards of Da Gama Distributors and Cyril Lord" — two other companies in the Da Gama group

Mr Hertzberger said his resignation would be effective from May 31

Unconfirmed reports said Mr Hertzberger stormed out of a fiery board meeting yesterday morning after a row that terminated in him tendering his resignation

The managing director of the Da Gama group, Mr Casey Joosse, was in Cape Town last night He was not available for comment as his office declined to say where he was staying They would only say that he would be back in his East London office on Friday

Mr Joosse was appointed managing director of the Da Gama group shortly after the giant British textile conglomerate, Tootal of Manchester, bought a controlling interest in the Da Gama group last year from the Industrial Development Corporation, a move which led to Mr Hertzberger taking over as Good Hope's MD from Mr Viv Cunningham

MR HERTZBERGER

13/5/81 DD (-197)

Ever since then there have been rumblings of discontent at top managerial level, culminating in Mr Hertzberger'a shock resignation yesterday

Though he would not say categorically the change in management had led to his resignation, Mr Hertzberger hinted Tootal's total control had something to do with it

Referring to the Tootal take-over, he simply added "I decided yesterday morning the time had come to resign "

He said he would look around for what he called "another challenge" and added it would probably still be in the textile industry

A former managing director of Hebox Textiles (Pty) in Natal, he has had years of experience in the industry, and also has farming interests in Gillitts near Durban

After graduating with honours from the University of Holland, Mr Hertzberger served in the Royal Netherlands Air Force before emigrating o South Africa in 1951

He joined Good Hope Textiles at the beginning of 1979 and at the same time as he was appointed the company's MD he also joined the boards of the holding company, Da Gama Textile Company (Pty) and subsidiary companies Cyril Lord and Da Gama Distributors.

RDM 14/5/81

Gelvenor

197

ANGLO-TRANSVAAL Industries is holding discussions with Carrington Viyella on joint ownership of Gelvenor Textiles (Pty) Gelvenor, which produces industrial fabrics and industrial filers, is wholly owned by Carrington

Clothing workers to lose jobs?

By ANEEZ SALIE

THOUSANDS of textile and garment workers could lose their jobs — and the market could be flooded with cheap imports — if the Government goes through with plans to drop certain import controls, trade unionists have warned.

The authorities plan to scrap controls on the amount of imports which could lead to a flooding of the local market with cheap and inferior quality garments and textiles

With inflation at its current high level, consumers would choose the cheaper imported product instead of the higher quality, and more expensive local version

A drop in demand for locally manufactured products would force producers to cut back on production resulting in retrenchments

The assistant secretary of the Garment Workers' Union of the Western Province, Mr C Petersen, told of how the market was already well supplied with foreign cheap garments

BIG WALK

'The union organised a big walk the other day and we decided to print teeshirts for the few hundred participants.

'When we priced a batch we found several foreign ones, and the cheapest was one from Taiwan

'Although we would have saved quite a bit had we bought the readily available, cheaper foreign product we decided on a point of principle, to purchase a local one

'That experience was really an eye-opener for us — if we needed one in the first place

'The point to note is that the ordinary consumer would not have bought something on principle, but would rather have been influenced by the price'

There are about 250 000 garment and textile workers in South Africa, representing a sixth of the workforce in the manufacturing sector

Bearing in mind the workers' dependants, more than a million South Africans are dependent on the garment and textile industries

The effects of excessive imports were felt in 1974 and 1976 when 15 percent of the employees in the industry were retrenched

Workers who downed tools dismissed

N Mercury 26/5/81

(197)

Mercury Reporter

ABOUT 200 workers have been fired from Isipingo Textile Corportion (Pty) Ltd after they downed tools over a labour dispute

The director of ITC, Mr Gunther Beier, said yesterday workers had stopped work last Wednesday because of a proposed amendment to the grading system They also demanded an increase of R2 50 an hour

'We asked the employees to adopt the normal grievance procedure but they refused outright In order to resolve the deadlock we asked them to elect another committee to negotiate with management while they returned to work,' Mr Beier said

Refused

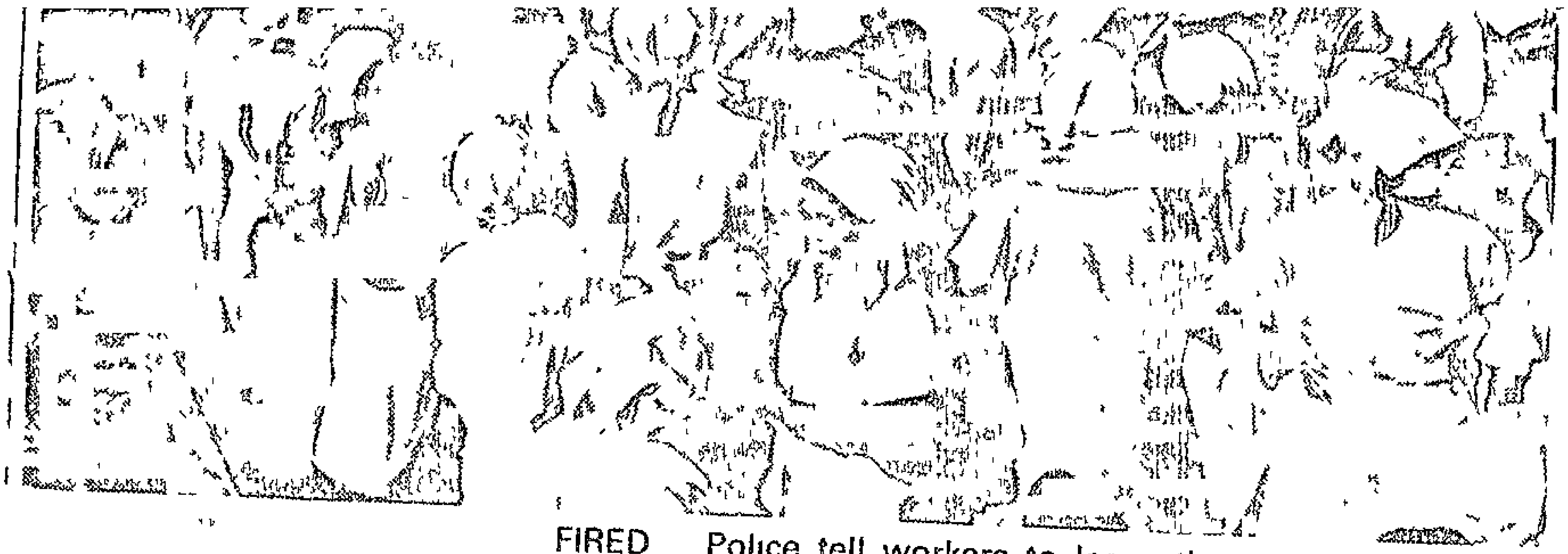
He said workers had refused and were given an ultimatum to return to work and elect a liaison committee or be dismissed

'Employees refused further negotiations and were consequently dismissed. They were told to collect their pay on Friday but no body turned up,' Mr Beier said

The secretary of the Allied Textile Workers' Union, Mr S K B Kikine, said yesterday all 200 workers had arrived at work yesterday morning but management would not reinstate them

'Unless the company takes them back the South African Allied Workers' Union will be forced to take action We will call on all suppliers of ITC to stop supplying them with materials,' Mr Kikine said

He said the initial dispute had started because management had refused to recognise the union because it was not registered



FIRED Police tell workers to leave the premises.

'Sit-in' women fired

NATAL MERCURY 27/5/81

186 151 197 147 1184 127

Workers dissatisfied with R16-a-week pay

Mercury Reporter

SIXTY-TWO workers from Fine Foods (Pty) Ltd in Rosehill, Durban, were fired yesterday when they refused to work until the company had negotiated a wage increase

The women workers claimed they were not 'on strike' but were merely staging a peaceful sit-in until the management of Fine Foods listened to their grievances

The women, who cook in the food processing company, are paid R16 a week and were asking for R50 a week

Mr Mathew Oliphant, general secretary of the National Federation of Workers, said the workers had called his union on Monday and asked them to negotiate between management and their workers committee

'We then tried to approach the manager but he refused to see us and instead asked us to come back next week,' he said

'The workers felt this was a delaying tactic as they had been trying to get management to listen to their demands for the past three years'

Comment

Representatives of the department of Manpower Utilisation were called in They told the workers the strike was illegal and if they did not go back to work they would be arrested

When the workers did not go back police were called to remove them from the premises

They were then told that they had been fired and that they should return today to collect their wages

The manager, Mr J P Bello, could not be reached for comment but his wife said It's not worth commenting at this stage, not until we see what happens

Our Pietermaritzburg Bureau reports that most of a 1300-strong Estcourt Burhose factory labour force was dispersed with teargas 'for their own good, police said yesterday

Workers, who downed tools over a pay dispute, had gathered in the road outside the factory and were a hazard to themselves in the pre dawn, according to Capt W Moon

Most of the workers were still out on the second day of the stoppage yesterday, said Mr I Posniak, managing director of the firm

He said workers were demanding double their present wages in what seemed to be a 'political strike' timed to coincide with Republic Festival celebrations

Rehiring

There was 'nothing wrong' with workers wanting more money but it would be necessary for them to lodge their grievances through a negotiating committee elected by the workers

Mr Posniak said rehiring would start today

Burhose were not prepared to negotiate with the National Union of Textile Workers of whom about 900 of their workers were members until they had negotiated an agreement of recognition with the company

'We're not prepared to negotiate with them over this strike because that would be giving them de facto recognition' said Mr Posniak after accusing the union of 'trying to muscle in' on the strike for publicity

Most of the women workers were earning between R15 and R21 a week, according to Mr John Copelyn, branch secretary of the union

'Our interest is in the workers who are members of the union' he said

Police use gas to disperse Natal strikers

STAR 27/5/81

197

By Drew Forrest

Police yesterday used teargas to disperse striking workers who had gathered outside the Burhose hosiery manufacturing company in Estcourt

The strike, the biggest in Natal this year, was sparked off on Monday when at least 800 black, coloured and Indian workers downed tools in support of a wage demand

Those who rejected a management order to resume work were dismissed and paid off yesterday afternoon After workers refused to disperse, police used teargas reports our Durban correspondent

The general secretary of Fosatu's National Union of Textile Workers, Mr Obed Zuma said talks between the union and management on Monday "had reached no conclusion" The NUTW claims 50 percent membership at the plant and approached the company for recognition some time ago

Mr Zuma said many workers received the R15 minimum weekly wage laid down by a wage determination for the hosiery industry and were demanding a wage of R45 a week "The company must recognise that they have a genuine grievance," he said

Mr Ivan Posniak, Burhose managing director, stated that workers had gone on strike "without warning" and 'without advising us of their grievances '

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PLEASE CIRCLE ITEMS REQUIRED

Union legal action plan

Labour Reporter

THE unregistered South African Allied Workers Union says it is considering legal action against a Natal textile company, Isipingo Textile Company, which sacked about 200 workers after a stoppage this week.

Workers at the company stopped work in support of wage demands last week.

The company has said workers refused to use the company's negotiating channels or choose representatives to bargain with management.

POLITICAL comment in this issue by Allister Sparks, Benjamin Pogrund, John Pynn, ... headlines and sub editing by ... cartoons by ... Connolly, all of 171 Main Street Johannesburg

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PLEASE CIRCLE ITEMS REQUIRED

Romatex on brink of big overseas export order

RDM 10/6/81

197.

By JOHN MULCAHY

ROMATEX, the textile group in the CG Smith/Barlows fold, is negotiating a contract with overseas buyers which, if successful, will boost exports to R20-million a year from R10-million

The executive chairman, Mr Jack Ward, said in an interview he did not want to elaborate on the export enquiry at this stage, because discussions had not yet ended

However he was confident the business would be won, and could amount to about R5-million in the current financial year, ending September 30 Romatex now exports commodities such as worsted textiles and knitted carpets

Mr Ward said the group was actively looking for a major acquisition outside of textiles, and preferably in an area contra-cyclical to the textile industry

The target company would need to have good growth potential and sound management, with taxed profit of at least R1-million a year

He said Romatex already had the general management skills required, and would be prepared to look at most sectors, although retailing or engineering would require additional expertise

Capital expenditure was continuing at a comparatively high level, with expansion at the Island View specialised tank farm as well as in the mills division, and expenditure for the year should be around R20-million A fair amount of this would be in replacement expenditure

Mr Ward said it was conceivable that a third worsted mill would be built at some stage, although no decision had yet been taken, and the possibility of developing this in a homeland would be considered

The slow-down in demand had already been noticed in some areas, particularly in the carpet replacement market Being big-ticket items, carpets usually required borrowing or hire purchase financing, and consumers often deferred carpet replacement in less affluent times

Mr Ward said effects on the new contract side of the business tended to lag behind any general slowdown, as carpets were usually the last item to be installed in a new building, and there were still a number of these under construction throughout the country

Romatex presently has about 70% of the South African carpet market, but is forced to continually watch margins, as competitors were fighting to whittle down this market share

A serious problem in the textile industry was the dumping in SA of finished goods from the Far East at prices well below local production cost levels

In some cases items were being landed in SA at prices below the domestic prices in the country of origin, clearly a case of dumping surpluses

This was made possible by the lower variable costs — particularly labour — facing Far East textile manufacturers, and polyester fibre being far cheaper in those countries

Mr Ward urged the Government to protect the industry through the whole spectrum, from fibre producers to manufacturers

Textile fabricators were in the position of having to buy their raw materials from a protected industry, only to be thrown into the market place to compete with producers who had free access to the cheapest materials in the world

Also, producers such as Japan specialised in one design with long runs, at far lower unit costs than Romatex's worsted mills, which produce 80 to 90 designs every year

Imports of finished garments were a particular problem, and fears of the local industry had been exacerbated by the increase in import permits granted, from R212-million in 1980 to R140-million in the first three months of this year

Mr Ward said the retail chains had quickly latched onto the idea of cheap imports, and were importing finished products in large quantities

Besides the Far East, US producers had been enjoying low fibre costs due to subsidised oil prices in that country

US fibre producers refused to sell to South African textile manufacturers, insisting that they buy from European subsidiaries There were two distinctly different prices, said Mr Ward, because the essential product, naptha, was far cheaper in the US than it cost the European producers, who were forced to buy naptha from the Arabs

At this stage the US producers had only a small proportion of the South African market, he said, but buyers from the chain stores were known to be negotiating with these people, and tariff protection should be raised soon to avoid the otherwise inevitable flood of cheap finished products onto this market

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(2)

PRELIMINARY DRAFT - NOT TO BE QUOTED WITHOUT PERMISSION OF THE AUTHOR

'DECISION MAKING AND OPTIMALITY IN THE PROVISION OF HEALTH CARE'

(Helpful Hints on Horse Design)

by Jill Nattrass

August 1978.

"A camel is a horse designed by a committee"

Parkinson.

INTRODUCTION

If a community is to make the best use of the resources that it commands it must first establish its ultimate objectives and their rank order of preference and then allocate the resources in a manner that enables the achievement of those objectives with the minimum amount of effort. In most free enterprise societies the production of goods and services takes place in both the public and the private sectors of the economy and a large number of different decision making processes contribute to the overall allocation of resources in the economy. The diversity of the decision makers, of their objectives and of their interests, together with the problems that are connected with the transmission of information from one party to another makes it extremely unlikely that the ultimate results from the process will be in any way optimal from the social view-point. Even a decision made in terms of majority rule on a 'one man one vote' basis will only yield a socially desirable decision under fairly restrictive conditions[2].

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~~184~~ 197

SIMON JOCUM

The need for protection

FM 3/7/81

Simon Jocum, president of the National Clothing Federation of SA, has just returned from an extended visit to Europe and the US with a tale of woe about the textile and clothing industries abroad.

The clothing industries in the countries I visited have been eroded by insufficient protection against the Far East. The hardship has resulted from the flood of imports resulting from the present multi-fibres agreement which allows for an increase in imports of 6% a year.

When the domestic economies went into recession, the additional 6% bit deeply into the local industry's market. Employment was thus created in the Far East at the expense of the US and British clothing and textile industries.

Many of the unemployed have not been able to find jobs elsewhere and the taxpayer has to foot the unemployment bill.

A new multi-fibre agreement is being negotiated by the Western countries and will be finalised by the end of 1981. Negotiations are expected to be extremely tough with severe cutbacks on clothing imports from the Far East.

It has been proved overseas that tariffs are not an efficient control mechanism.

They soon become dated. The policy is going to be quantitive controls which respond more easily to a flood of imports and thus prevent a local domestic industry from being eroded.

The official policy in SA is to dismantle import control and, in turn, the clothing industry is to look to import tariffs as protection in the future.

The clothing, textile and fibre industries have all developed because of import control which has encouraged local manufacturers to buy all requirements in SA.

Imports of clothing have increased rapidly during 1981. These imports, mainly from low wage Far Eastern countries, have been of no benefit to the consumer.

The clothing boom of 1981 is expected to level off in 1982 because of the high inflation rate of over 16%, which is expected to rise still further, plus the increase in interest rates, which will force retailers to decrease inventories while affecting consumer purchasing power.

Any large increase in imports of clothing could bring on a recession in the clothing industry, which will percolate through to textiles, fibres, the cotton farmer, button box and bag manufacturers, and the sewing thread industry.

Any cut in future productions will lead to unemployment and perhaps an increased cost structure because of lower volumes and smaller production runs.

The industry believes government may well have misread the situation when announcing its policy to dismantle import control in 1980 when the gold price was considerably higher than now and our balance of payments showed a surplus.

The position has changed radically since early 1980.

Only a few months ago, an historical meeting took place under the auspices of the Textile and Clothing Advisory Council. It was attended by clothing and textile manufacturers, fibre producers and retailers, and a unanimous recommendation has been made to the government for moderate tariff protection complemented with quantitive control.

Any downturn in the clothing, textile and fibre industries will cause unemployment. The clothing industry alone employs 125 000 people in more than 1 000 factories and a reduction in employment would mean less consumers and, in turn, less business for retailers.

The clothing industry is not against imports *per se*, but only against cheap imports from low wage countries in the Far East.

If the SA clothing industry has to reply on import tariffs, as suggested by the government, these tariffs would have to be exceedingly high and would be tantamount to import control. High tariffs tend to protect the inefficient. Tariffs become outdated very soon and, therefore, ineffective.

The solution is loud and clear. The clothing, textile and fibre industries have grown and prospered because of protection and it is too late in the day to dismantle import control.

Over 400 000 jobs are at stake when considering the subsidiary industries which sell to clothing and textile manufacturers.

These workers are not mobile and there are no other jobs available. It is essential that the clothing industry continues to grow and create new labour opportunities for school leavers.

The clothing industry, through increased productivity and efficiency has provided SA with the consumer's best buy. Clothing prices increased 9,1% in 1980 against an inflation rate of over 15%.

The pressure on margins continues. More than 1 000 factories are competing for business from the large chains which control over 50% of the purchasing power. Should import control be relaxed further, notwithstanding the urgent appeals to government, then the clothing industry will be forced to become importers of clothing — like their counterparts in the US, Britain and Europe — to survive.

The result would be retrenchment as there is no reason for a manufacturer to employ labour with all its problems, when it is far cheaper to import.

In fact, the landed cost of clothing from the Far East is less than the price of the material content supplied by the SA market. The government must take heed of the lessons learned in the Western world where the same appeals were ignored. This resulted in such large scale unemployment that their governments are doing everything to reverse the situation by stemming imports from the Far East through quota controls, notwithstanding their membership of Gatt.

By controlling imports, manufacturers will be encouraged to take on more labour, invest in buildings and plant and continue to grow. There is no shortage of clothing in SA, and there is no shortage of competition either. Therefore, there is no reason to import any clothing except those items not available here, or fashion items which help to boost a collection.

Being a labour-intensive industry and one of the largest employers of labour, the clothing industry deserves to be singled out for special attention in the interests of the economy of SA.

The National Clothing Federation will continue its efforts to achieve government acceptance of its recommendations, which are based on the disastrous events of the clothing industries in the Western world.

QUANTITY SURVEYING

(Continued)

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URBAN & REGIONAL PLANNING

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Legal action on lockout of workers

Star 3/7/81

197

Labour Reporter

The National Union of Textile Workers yesterday attempted to lodge an urgent application against a Selcourt, Springs, packaging firm at the Johannesburg Supreme Court

The union accused Stag Packings of locking out the work force of about 75 workers on Monday

Mrs Maggie Magubane, a spokesman for the union, said the workers were locked out by management and would not be allowed to return until they resigned from the union.

The National Union of Textile Workers had been seeking recognition at Stag Packings and claimed majority support

The hearing was postponed until today

Company spokesmen at Selcourt have refusd to comment Stag Packings is owned by a British multinational, Turner Newall which has offices in Durban.

Security police hold four trade union organisers

EV. Post 3/7/81 ~~1404~~ ~~227~~ 197 ~~152~~ 192

Post Reporters

AT LEAST four organisers of the National Union of Motor Assembly and Rubber Workers of South Africa (Numarwosa), who have been involved in a strike in Uitenhage, were detained by Security Police today

The secretary of Numarwosa, Mr Freddy Sauls said the chairman of the Dorbyl Workers' Committee, Mr Lucky Benbile, and three shop stewards, Mr Caldon Ngalwa, Mr Ronnie Baartman, and Mrs M McCarthy, were taken from their homes by Security Police this morning

Their detention has been confirmed by a spokesman for the Security Police who said they were being held under the Criminal Procedures Act

Mr Sauls said a fifth unionist, Mr L Windvoel, was detained by Security Police at the union offices later in the day but this has not yet been confirmed

The four men whose detention has been confirmed means that all the Numarwosa shop stewards at Dorbyl are being held The union has been involved in a dispute with Dorbyl, a motor component manufacturer, where 1 000 workers are said to have "dismissed themselves"

The Dorbyl strike began on June 18 over a demand for a minimum wage of R2 an hour The firm's management saw the workers as having "terminated their contracts by failing to work"

The union said this week that their members at three East Cape motor manufacturers, Volkswagen, Ford and General Motors would refuse to handle Dorbyl products if the company continued to recruit "scab" labour

- At the Valley Textiles factory in Middelburg, workers went on strike over a salary issue this week

S Times 5/7/81 (197)

R25-m imports of textile machinery

By Andrew McNulty

MORE than R25-million will be spent on textile machinery imports in 1981

Last year the amount spent reached a peak of R25-million to R30-million during a phase of major new fixed investment by local textile producers

The estimate was made by Vernon Levin, financial director of Intexma, a leading consultant and agent for textile machinery and raw materials.

About 60% of the total is likely to be spent on acquiring new, sophisticated machinery and the remainder on spare parts

He says the industry's manufacturing equipment, which is becoming increasingly computerised, is almost wholly imported from countries which include West Germany (about 40%) and Switzerland, France, Italy, the United Kingdom and Japan

"Volumes here are too low for anything remotely approaching local manufacture of anything significant "

Mr Levin forecasts a tapering in activity for the six major suppliers of textile machinery, projecting a fall-off of about 20% to 25% this year followed by annual real growth over the next few years of about 15%

● Intexma has organised an exhibition of textile equipment at Milner Park, Johannesburg, from July 14 to 18

Equipment worth nearly R1-million will include be exhibited and participants will include six overseas-based manufacturers Also on view will be a locally supplied computer installation used for monitoring the production efficiency of textile machinery

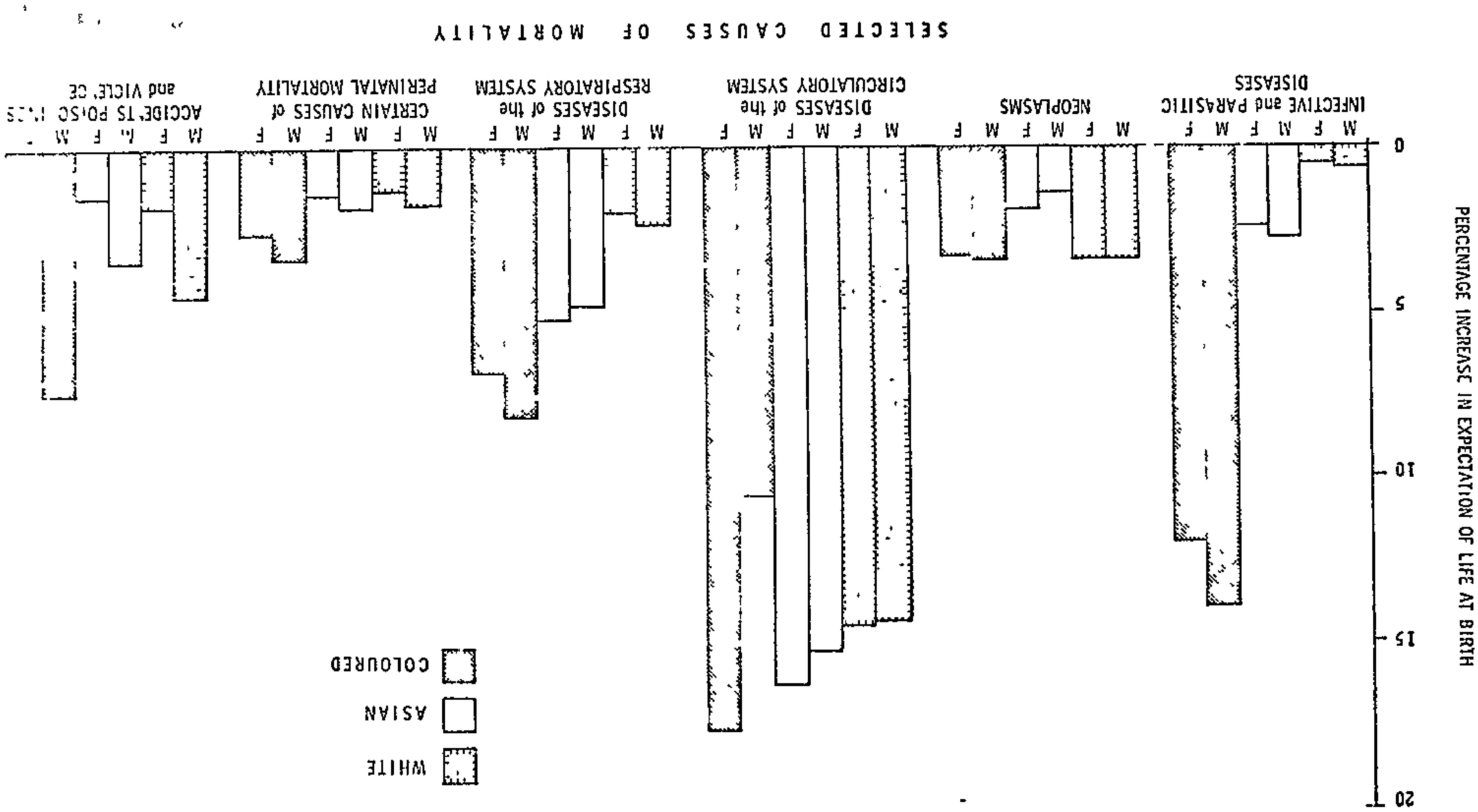

Fig 7 PERCENTAGE INCREASE IN EXPECTATION OF LIFE AT BIRTH SUBSEQUENT TO THE COMPLETE ELIMINATION OF THE MORTALITY ASSOCIATED WITH SELECTED CAUSES OF DEATH (International Classification of Diseases, Eighth Revision)

Cotton price threat to exports

S. Times 5/7/81

197

By Andrew McNulty

EXPORTS of textiles currently worth about R60-million a year are seriously threatened by the high local cotton price

This warning was made by Stanley Schlagman, executive director of the Textile Federation of South Africa, representative body of the R1 500-million textile industry

Cotton-sourced goods account for more than R40-million of the total earnings from textile exports

"This could easily be chopped to nothing within eight months if something is not done fast," Mr Schlagman told Business Times this week

This would greatly exacerbate fears among producers arising from rising levels of aggressively priced imports

Since 1979, well over R200-million has been spent on boosting capacity, which has recently been brought on stream, or will be in the next few months

During the last quarter of 1980 the industry's capacity reached levels 15% higher than the fourth quarter of 1979, and capacity is expected to rise a further 8% in 1981

Mr Schlagman says that exporters are facing mounting difficulties in maintaining their markets because the local cotton price, set annually by the Cotton Board, is now as high as 20% above international prices, which have slipped sharply in the past year

"The quality of locally produced goods is high But we can't compete on that alone This market is extremely price-inelastic and an order can be lost on as little as 0,5c a kilogram"

He says that the industry has a contractual agreement to draw on the local cotton industry for at least 80% of its needs and, in times of excess production, as at present, is under moral suasion to go beyond this amount

"We support this use of the local crop because it gives us reliability of supply of raw materials and also helps ensure jobs for the more than 100 000 people involved in the cotton industry

"But there is effectively a controlled price which is most uncompetitive in export markets and we badly need assistance"

An urgent priority, he says, is to have a change in the existing export incentives which do not at this stage allow for any assistance The federation recommends incentives on the basis of 50% of the established difference between the local cotton price and the average of the spot and future markets at a specific time

Secondly, the federation has asked for a change in the way in which the cotton price is set

An axe apparently now hangs over textile exports just when they have shown major growth in the past two years

Exports of cotton-sourced goods grew fastest, climbing by 150% in volume in the past four years Non-cotton goods grew by about 20% a year in real terms over the past three years

Security Police detain 4 more Dorbyl men

Gr Post 6/7/81

197 1422 1922 852 309

By SANDRA SMITH and BILL GARDINER

ANOTHER four Dorbyl workers were detained for questioning by the Security Police early today

This brings to nine the number of workers at the strike-hit motor component firm who are in police custody

According to a spokesman for the National Union of Motor Assembly and Rubber Workers' of South Africa (Numarwosa), four Dorbyl workers were detained today

Two of the detained workers are Mr Tenbile Bob and Mr Roy Ntjanyana The other two have not yet been named

According to a police spokesman in Uitenhage, four men were being held for questioning in connection with alleged intimidation Two of the men were Dorbyl workers and the other two were "unemployed"

Meanwhile, workers who downed tools at Valley Textiles in Middelburg last week over a pay dispute returned to work today

The company's financial director, Mr P L van der Merwe, said today that the workers went out on strike because of dissatisfaction with the increases they received

"Since they hadn't asked for an increase in the first place, we thought it was rather ungrateful of them," Mr Van der Merwe said

When asked how many workers had been involved, Mr Van der Merwe said, "We didn't count"

At a meeting held at the weekend, 160 striking workers at a Port Elizabeth motor component firm, Repco, decided to continue their stayaway until management agreed unconditionally to reinstate them all

The workers went on strike to demand recognition for the Motor and Component Workers Union of South Africa (Macwusa) and in solidarity with three dismissed colleagues

In a statement today Repco said that Macwusa officials were advised that the firm "could not consider recognising Macwusa until an audited certificate indicating the number of current paid-up members who were Repco employees was supplied" The certificate was not submitted

The statement said that since the strike began on June 25, production had been maintained at a satisfactory level

It also claimed that a number of former employees had contacted the firm advising that they wished to return, but had not done so because they feared reprisals

It was not possible to process more than 30 applicants a day from former employees

The workers rejected managements proposal that workers be re-employed in stages and selectively

A Macwusa delegation is to meet Repco management later today

Court rejects order against firm

RDM 7/7/81

197

Court Reporter

AN URGENT application by seven employees of a packing firm to have their dismissals set aside was refused in the Rand Supreme Court yesterday

Mr Justice Nestadt said it was undesirable that the workers should be foisted on an unwilling employer

The application was brought by the National Union of Textile Workers and Mr Samuel N Sibonyani, Mr J F Nhlengethwa, Mr B J Mabhena, Mr J R Mahlungu, Mr T G Shabalala, Mr L B Mabhena and Mr M M Gambi against Stag Packing Pty, Limited and South African Packing and Jointing Manufacturers Pty Limited

The workers asked the court for an order to have their dismissals declared null and void and for a rule nisi restraining Stag Packing and SA Packing and Jointing Manufacturers, of Christiaan Road, Nuffield, Springs, from dismissing workers because they belonged to the trade union

The court was told in an affidavit that the companies were producers of packings and employed about 90 people, 80 of which belonged to the union

A dispute arose between the employees and the companies in January concerning the dismissal of two workers, Mr Sibonyani told the court

On learning that the union was active in the factory, the managing director of Stag Packing, Mr D T Grobler, called a meeting of managerial and supervisory staff Mr Grobler allegedly said at the meeting he did not want the union to be active in the factory and if the employees continued to be members, he would fire them

Mr Sibonyani said that on June 2, Stag Packing dismissed 12 employees because trade was slack A work stoppage ensued and the union was asked to intervene in the dispute

A meeting was arranged with Mr Grobler and it was agreed that the employees could return to work and that a meeting between union officials, shop stewards and the company's management would be held to resolve the dispute

The company undertook not to retrench more workers and that no overtime would be worked except on certain machines If more production was required the company would take on additional staff in which case the retrenched employees would be given preferential treatment

On June 29, employees were told to work overtime A dispute arose but employees agreed to work

Mr Sibonyani and all other union members were fired on July 1 Mr Grobler would only re-employ those who were prepared to work and to give up their union membership, he said

Mr Grobler told the court the work at the factory was a fraction of what it used to be

Star 7/7/81

197

Dismissals application: union fails

Labour Reporter

The National Union of Textile Workers yesterday failed in the Johannesburg Supreme Court to have the dismissal of workers at Stag Packings declared unlawful

The union lodged an application after the work force of Stag Packings in Selcourt, Springs, was dismissed It sought an order declaring an unlawful dismissal null and void, preventing dismissal of workers merely because they were union members, and restraining the company from denying workers access to the premises until they resigned from the union

Mr Justice Nestadt dismissed the application with costs

DENIED

The company's managing director, Mr D G Grobler, denied he had fired the 90 workers because they belonged to a union. Dismissals were because production had dropped, he said

Union shop steward, Mr Samuel Sibonyani, said the union was asked to intervene after a work stoppage on June 2 after 12 workers were fired because business was slack

On June 29 employees were told to work overtime and eventually agreed, Mr Sibonyani stated

But on July 1, he said, Mr Grobler fired them

FINE ART & ARCHITECTURE

ARCHITECTURE

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D H Pryce Lewis

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

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Star, 10/7/81 197 1404 157

Union talks on Stag

Labour Reporter

Union organisers and workers are meeting in KwaThema Springs, at the weekend to discuss further action after their recent dismissal from a Springs packing firm.

About 90 workers were dismissed, allegedly because they belonged to the National Union of Textile Workers.

The union failed in an urgent application to the Johannesburg Supreme Court to have the dismissals declared illegal.

Management at Stag Packings in Selcourt, Springs claimed workers were unproductive.

A union spokesman said they were considering an appeal against the court decision.

RDM 14/7/81

197

Fosatu critical of Stag lockout

By RIAAN DE VILLIERS
Labour Correspondent

THE Transvaal region of the Federation of South African Trade Unions has declared its full support for workers dismissed at the East Rand firm Stag Packing two weeks ago

In a statement issued yesterday after a regional council meeting at the weekend, Fosatu condemned the management's arbitrary lockout" of workers, which it said was "unlike anything yet witnessed by a Fosatu affiliate"

It said it would attempt to support the workers both financially and morally and called on members of the nearby Kwa-Thema community not to fill the jobs of fired workers

The statement came after a mass meeting in the township at the weekend adopted a resolution that no workers should apply for jobs at the firm

The meeting was called by the Fosatu-affiliated National Union of Textile Workers, whose members have been involved in the dispute

The meeting of about 500 people which was addressed by representatives of Azapo, Cosas and the Committee of 10 as well as unionists, also resolved that the local community should provide financial support to the dismissed workers

The dispute arose two weeks ago when the firm's managing director, Mr D G Grobler, fired his whole black workforce of about 90

The union claimed its members had been victimised and locked out because of their union membership

Management has claimed that all workers were fired because of low productivity

An application by the union for an urgent interdict against the firm was dismissed by a Supreme Court judge last week on a point of law

A union spokesman said yesterday a meeting would be held with management this month

Mr Grobler confirmed this and said the dismissals did not affect a decision earlier this year to have recognition talks with the union

He said he had taken on some new workers but could not say how many

In its statement yesterday, Fosatu also declared its support for the boycott of Wilson-Rowntree products, called recently by the SA Allied Workers' Union after union members were fired during labour unrest

STAR 16/7/81

Exhibition stresses textile developments

A7

About 85 percent of South Africans wear clothes produced locally in an industry that employs 225 000 people and has an annual estimated market value of R2 200-million.

"It is in a developing country's interest to encourage a strong textile industry not only because of the employment it provides and its market penetration but also because of the protection it offers against outside pressures and sanctions and in aiding our balance of payments," says Intexma, textile consultants, in introducing the Textile Exhibition at Milner Park, Johannesburg.

The show, which will be open until Saturday, highlights product quality, production efficiency and local and overseas market trends — Frank Jeans

Sackings are challenged in 2 courts

Argus C. Herald

18/7/81 ~~192~~ ~~1407~~ 197

TWO black trade unions last week went to court to challenge the sacking of members who had gone on strike. They met with mixed fortunes.

In Johannesburg, the National Union of Textile workers on Monday failed in their bid to have the sacking of 90 of their members declared unlawful

And in Cape Town, judgment was reserved on Wednesday after nine Leyland workers and their union had made an urgent application for an order declaring Leyland's dismissal of workers a wrongful breach of their contracts of employment

Both cases were heard in the supreme courts in the two cities

The National Union of Textile Workers lodged an application after the work force of Stag Packings in Selcourt, Springs, had been dismissed.

RELUCTANT

In rejecting the application, Mr Justice Nestadt said he was reluctant to foist the former workers on an unwilling employer who had dismissed them on the grounds that they were unproductive

Mr Joe Foster, secretary of the Western Cape branch of the National Union of Motor Assembly and Rubber Workers of South Africa (to which the Leyland workers belong) said in an affidavit that the company had failed to follow disciplinary procedures agreed upon by the union and the company.

The dismissals on May 20 should therefore be regarded as invalid, Mr Foster contended

But, Mr C Cohen, SC, appearing for Leyland, replied that the agreement between Leyland and the union did not oblige the company to hold a disciplinary inquiry before firing a worker.

LIST

Strikes were not even covered in the list of offences for which certain disciplinary measures had been provided for in the agreement.

Mr Aubrey Haylett, group personnel manager of Leyland, said in papers before the court that the union had breached the agreement by condoning and supporting the strikers.

Mr Foster said in a replying affidavit that it was not the function of officials of the union to prescribe policy Officials should serve instead of lead and direct, and management had failed to appreciate this role, Mr Foster said.

QUANTITY SURVEYING

(Continued)

Bell-John Prize
For the best all-round student in any year of study.

P C Key

The Committee of the Western Cape Chapter of Quantity Surveyors' Prize
For the student obtaining the highest marks in Professional Practice.

P R Swift

LTA Prizes
For the best student in each of the courses of Building Economics I, II and III in the third, fourth & fifth years respectively.

I : N D G Sessions

II : A R Low Keen

III: No award

S A Brick Association Prizes
For the best student in the subject of Building Construction.

C W von During

For the second best student in the subject of Building Construction.

K Strong

URBAN & REGIONAL PLANNING

Student Planners Award
For the student who has shown greatest promise at the end of the first year –

Star 24/7/81

Union appeal against dismissal of workers

Labour Reporter

An appeal was lodged in Pretoria today against a ruling in the Rand Supreme Court earlier this month which did not find the dismissal of workers from a Springs company illegal

Ninety workers, many of them members of the National Union of Textile Workers, were dismissed from Stag Packings over the issue of union membership

The union attempted to have the dismissal declared illegal and also accused the firm of a lock-out

When the Rand Supreme Court dismissed the case with costs the union's attorney was instructed to draw up an appeal.

Union officials and management from Stag Packings are expected to meet on Monday to discuss the dispute

SW 22/7/81

By Drew Forrest

Union to press on with its case

The National Union of Textile Workers is to press on with a court action against the management of Stag Packings in Springs, in a fresh bid to secure the reinstatement of 90 union members it claims were unlawfully dismissed from the company

A union application on July 2 for an interim order declaring the workers' dismissal null and void, and restraining the company from victimising or locking them out of its premises was dismissed with costs in the Rand Supreme Court

According to a union statement, the NUTW decided at an executive committee meeting in Springs at the weekend to appeal against the decision

"The union resolved to give financial support to its 'locked-out' members and to pursue various legal claims against the company," the statement said

The statement deplored the action of Stag Packings management.

"It drags labour relations in South Africa back 20 years," it said.

Stag Packings managing director, Mr D G Grobler today denied there had been a lock-out or that workers had been victimised because of their union membership

"They were dismissed because they weren't prepared to work," he said.

"The court record is there for all to see"

He said he was quite willing to recognise the NUTW if it could prove majority support at the plant.

A meeting between management and union officials had been arranged for Monday

Workers at BKB to earn 20% more

Post Reporter

WORKERS at Boere Ko-operatief Beperk (BKB) in Port Elizabeth will earn 20% more from today after negotiations between BKB and the Textile Workers Union

The regional director of the union, a Trade Union Council of South Africa (Tucsa) affiliate, Mr Wesley Beam, said that between 500 and 700 workers at BKB in Port Elizabeth would benefit from the wage agreement, negotiations which started earlier this year

The new wage agreement will affect BKB workers in East London from August 7

Mr Beam said that as a result of a meeting between the union and representatives of management at Union Spinning Mills in Port Elizabeth, workers would be paid R21 for overtime work on Sundays Previously they received R15

Svenmill looks to another good year

S. Times 26/7/81

(197)

By John Spira

SVENMILL, which last week reported a 52% gain in per-share earnings and declared its first dividend since 1976, predicts another year of satisfactory growth

Chairman Ivor Jacobson tells Business Times that growth at the pretax level could be exceptional But, because Svenmill is beginning to exhaust past tax losses, taxed earnings growth will not be as dramatic

In the year to June 30 1981, the group paid tax of R179 000 on pretax income of R1,8-million

Mr Jacobson says that, while a slackening in the demand for textiles for the clothing industry has been noted, this has not been the case in the sphere of textiles for industrial and commercial use — the sectors of the economy which Svenmill supplies

Exports (which last year contributed 10% of group turnover) have benefited from the group's intensive drive into overseas markets and from the weakening of the rand against the dollar

Efforts in this direction will be intensified in the year ahead Such efforts will be complemented through holding company Trade & Industry's worldwide network

In the three years that Svenmill has been under the Trade & Industry umbrella, per-share earnings have rocketed from a 1978 loss of 4,6c to 19,7c in 1980-81

Over the same period, the debt-equity ratio has been slashed from 5,49 to 1,87, net worth has risen from 14c to 65c a share and dividend payments have been restored

Of particular significance is the past year's extremely high 54% return on equity — a figure which underlines Trade & Industry's well-earned reputation for efficient asset management

According to Mr Jacobson "Demand for the group's products continues to be buoyant and has created a need to expand the productive resources in certain key areas

This has been done and if necessary will continue to be done subject to the constraints of required levels of profitability and available financial resources"

Currently trading at 67c, the shares yield 9,7% on a dividend covered three times by earnings

With the group now boasting a far sounder financial structure than in the past and with the current year seemingly poised to produce solid earnings growth, Svenmill could be underpriced on a long-term view

Prescat budgeting for 'sound growth' in 1982

By John Spira

PRESIDENT Catering Supplies (Prescat) has substantial orders on hand and is accordingly budgeting for "sound growth in earnings in 1982"

Chairman Ivor Jacobson points out that Prescat's activities are "less susceptible to the vicissitudes which apply to many other industries. It is mainly reliant on the food and building economic sectors and tourism is not expected to deteriorate in 1982"

Last week Prescat (63% owned by Trade & Industry) reported a 31% improvement in per-share earnings to 30c, a 22% increase (to 95c) in net worth, a 25% rise in sales to R14,6-million and a higher 13c (10c) distribution

Compound per-share earnings growth has been 33% a year between 1979 and 1981

Return on shareholders' funds is a highly satisfactory 34,7% — more than treble the 1977 figure

Prescat's activities are divided into three main areas:

- **Contracting, which contributed 68,7% of the past year's net income**

"Significant" contracts were awarded to this division recently, as a result of which it has been expanded.

Mr Jacobson is hoping for an enlarged market share in the year ahead.

- **Manufacturing, which produced 31,3% of net income**

This division continued to supply a substantial proportion of the group's equipment sales

- **Back-up service and maintenance**

Mr Jacobson tells Business Times that Prescat is a true market leader in the area of catering equipment supplies, having an edge on most of its competitors, many of which import their equipment from abroad for resale

He believes that the market has enormous potential and Prescat is in the process of tapping certain areas of the market (specifically mining) which it has formerly not exploited

The shares yield 10,8% in a furniture sector which offers an average 8,1% return

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shortage of staff in such hospitals The only other t
problem mentioned in connection with internship was di
with elementary surgery and the lack of senior tutors
supervise interns doing operations

2.5. Problems During Medical Practice

The most frequently mentioned problem pertaining both
hospital work and also to private practice is somethin

DD 27/7/81

197 152 105 1454

King textile workers strike for more pay

EAST LONDON — Production at the King William's Town plant of Da Gama Textiles, the largest textile factory in the southern hemisphere, was brought to a standstill this weekend when a work stoppage by loom mechanics spread to other departments

The strike at the plant, formerly known as Good Hope Textiles, was over demands for higher wages

In a statement yesterday, Mr C J Kotze, general manager of personnel at Da Gama Textiles, said the stoppage started at midnight on Friday when 44 loom mechanics downed tools and demanded higher wages

He said "This took place in the wake of a wage adjustment of six per cent average, which, in the workers' opinion, was too little

"The adjustment followed an earlier wage increase in January of 14 per cent on average This means to date a 20 per cent increase has been granted to weekly paid staff this year

"The July wage adjustment was given in order to iron out anomalies in the job evaluation system which was introduced and accepted by the workforce earlier this year

"The evaluation system used is the Pattison System — a grading system accepted by the International Labour Organisation (ILO) as a fair system of grading jobs in a company

"The whole weaving department has been affected because the weavers also stopped working With production in the weaving area coming to a halt production elsewhere in the plant was affected

"Later other departments left their place of work It appears that, like the weavers, they were afraid to oppose the action of the loom mechanics

"It is hoped that production will resume after negotiations "

As far as can be ascertained the majority of the 4 000 workers at the plant are not unionised, possibly as a result of the factory being situated within the Ciskei — DDR

Textile factory stays paralysed

DD 28/7/81 (197)

EAST LONDON — Production at the giant King William's Town plant of Da Gama Textiles remained at a standstill yesterday as workers from the weaving department continued their strike in demand of higher wages

Production at the plant was paralysed over the weekend when 44 skilled loom mechanics downed tools, followed by other workers in the 1 200 strong weaving department As textile production is a continuous process, this action created a bottleneck and disrupted operations at the factory

The factory was virtually empty by noon yesterday and workers alleged that Brig Charles Sebe, the head of the Ciskei Central Intelligence Service (CCIS), had met with management in the morning, following which the entire workforce had been sent home The plant employs 4 000 workers

In addition watchmen at the gate said they had been given instructions not to allow anyone to enter the factory or return to work

However, Mr R Aspinall, the general manager production of Da Gama Textiles, said the gates were open for anyone who wished to return to work He said the factory had not produced at all yesterday but said he hoped the factory would be back to production today

"We have cleared the position and everything is ready to run The bottleneck is only holding up production behind the weaving department, that is work in the spinning department These are the people who had to return home as there was nothing for them to do

"There is still work for people in the bleaching and dying department where no problem exists "

Mr Aspinall said there would be talks between management and the striking workers today

Brig Sebe said the Ciskei authorities were watching the situation and blamed it on the South African Allied Workers Union (Saawu) who had "infiltrated the factory and are intimidating those who wished to return to work

As far as we are concerned, we know of only 44 men who were involved in the strike The rest were advised by management to go home and as far as we are concerned it is not every worker at the factory who is on strike

"We hope talks between management and the liaison committee will be fruitful "

A spokesman for Saawu, which claims a membership of about 1 000 at the factory, denied that the union was involved in the dispute at this stage

Meanwhile, three workers from the plant who had travelled to East London, said they were distressed when they were sent home by management yesterday They said they were unhappy about the role Brig Sebe seemed to be playing in the dispute — DDR

Some textile workers go back on shift

DD 29/7/81

197

EAST LONDON — The strike-hit Da Gama Textiles plant in King William's Town resumed production on Monday evening but only about one third of the workforce have been reporting for their shifts.

At noon yesterday a crowd of about 1 000 came to the gates of the giant textile factory and according to the general personnel manager, Mr C J Kotze, demanded higher wages.

"We told them we had no more money and that they had already had 20 per cent increases on average this year. Many turned around and left immediately.

"The workers committee asked to speak to management and we agreed, but the crowd did not want them to and they were stopped.

"Brig Charles Sebe, the head of the Ciskei Central Intelligence Service (CCIS), arrived and addressed the workers, assuring those who wished to go to work that they should have no fear of intimidation as they would be protected.

"Only about one third of the workers arrived for work and we have managed to get production going on a restricted basis."

Brig Sebe told our King William's Town correspondent that following the meeting with the workers he would submit a report to the Ciskei Legislative Assembly concerning their grievances. — DDR

Sebe: I didn't blame union

KING WILLIAM'S TOWN — The head of Ciskei's Central Intelligence Service, Brigadier Charles Sebe, yesterday refuted a report that he had blamed the South African Allied Workers Union (Saawu) for the strike at the Da Gama Textiles plant here or had met Da Gama's management on Monday.

The strike had started last Friday, he said. He had heard about it for the first time on Sunday.

"Most of what the Daily Dispatch published yesterday about my role is incorrect.

"I blamed management for the initial stand they took on the matter when they refused permission to workers of the shift after the strike to resume work.

"I told the Daily Dispatch, when I was interviewed about the strike, that the Ciskeian authorities were observing the situation and were also investigating the possibility of infiltration by Saawu. — DDR

The present system of medical schemes (together with other forms of social security such as provident, funeral and pension funds) can be seen to originate partly from the early mutual aid societies and partly from the private commercial insurance schemes. The mutual aid societies developed in Europe with the appearance of an unorganised mass of unskilled labourers in the towns. The formation of mutual aid clubs were often the basis for later emergence of industrial trade unions.

Medical Aid and Medical Benefit Schemes

There are two types of medical schemes in operation in South Africa which assist workers in paying for medical services, after the payment of a regular contribution. These are medical benefit and medical aid schemes.

Although the most common distinction made between the two is based on the fact that medical aid schemes allow the member a free choice of doctors whereas medical benefit schemes appoint doctors on a panel basis, there are more significant differences.

The medical aid scheme is generally aimed at the more skilled, higher income workers. The contributions deducted are higher and the benefits extended generally more comprehensive from a curative perspective. This will be shown in greater detail later on Medical benefit schemes are aimed at lower paid workers, who are usually semi-skilled or unskilled. The contributions deducted are much lower than medical aid contributions. Not all medical benefit societies render full services, many of them operating on the principle of gradualism. Initially only doctors services and medi... are provided free but as finances are built-up benefits are extended and further benefits are included.

The medical benefit societies tend to have a more preventative bias tha[n] medically aid societies, which tend to provide straight insurance aid. ... manifests itself in the establishment of clinics, free immunisation and x-ray programmes. This lack of preventative measures by medical aid sc... is despite the fact that many of these schemes include amongst their aim that of promoting good health amongst their members.

The first medical aid scheme was started in 1899 by De Beers for its empl... By 1910 there were 7 schemes and by 1939/48 schemes. After World War II there was a marked increase in the number of medical aid schemes established. In 1960 there were a 171 schemes and in 1975, 292.[3]

In 1967 the Medical Schemes Act was passed. The Act came 5 years after the report of the Commission of inquiry into the high cost of medical services and medicines (The Snyman Commission report of 1962). Many of the recommendations of this commission were incorporated into the Medical Schemes Act.

This act defines medical schemes as being established with the object of making provision for:- a) rendering free of charge to members and dependents, medical, paramedical, nursing, surgical or dental se...

b) to... me... re... ho...

c) or... pe... ap...

The Act provides for the ... schemes, and a medical sc... for health. All registe... at such times and on such ... the money received and ex... assistance to members of ... Council The Central Co... medical or para-medical p... so forth) and persons wit... medical aid schemes, hosp... benefit requirements which ...

Council. Although the Act ... so far been shown only for medical insurance for whites . (See below).

AL NEWS

Star 29/7/81

(~~105~~) (197) (~~182~~) (~~1581~~)

Sebe to intervene in labour dispute

Labour Reporters

Production was returning to normal today at one of South Africa's largest textile firms near Zwelitsha in Ciskei after yesterday's walk out by about 4 000 workers

The dispute at the Da Gama Textiles plant started on Friday when 44 loom mechanics downed tools over wage demands

The strike soon spread to the rest of the plant

Workers were addressed outside the plant yesterday by the head of the Ciskei Central Intelligence Service, Brigadier Charles Sebe

He said that if workers returned to their jobs they would be given police protection and intimidation "would not be tolerated"

Brigadier Sebe told The Star that the Chief Minister, Chief Lennox Sebe, would be holding a meeting with Da Gama management tomorrow to discuss a way to end the dispute

Production was reported to be slowly returning to normal today but it was not known whether management was willing to discuss wage increases with the workers

Da Gama Textiles is part-owned by the State's Industrial Development Corporation and is one of the country's largest textile firms

Brigadier Sebe also said than 10 workers — whom he alleged had assaulted strike-breakers — had been detained under Ciskei's proclamation R252, pending charges of public violence.

Despite claims that the South African Allied Workers Union (Saawu) was involved in the strike, Saawu officials in East London today denied any participation in the dispute.

Strikers offered police protection

KDM 29/7/81

197

152

108

ABOUT 4 000 striking workers at Da Gama Textiles plant near King William's Town had their wage demands turned down yesterday

The strike was sparked at midnight last Friday when 44 loom mechanics downed tools The stoppage later spread

A company spokesman told the workers yesterday the firm had no money and their demands for higher wages could not be met

Sympathy

The Ciskei Secretary for Intelligence Services, Brigadier Charles Sebe, told the strikers at the factory gates his government sympathised with their demands

He said the Chief Minister, Chief Lennox Sebe, had promised he would intervene and hold discussions with the factory management on condition the strikers returned to work Those who did so would be given police protection and intimidation would not be tolerated

But after he had addressed them, some of the strikers booed him and most went home — Sapa

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URBAN & REGIONAL PLANNING

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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.

QUANTITY SURVEYING

(Continued)

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II : A R Low Keen

III: No award

S A Brick Association Prizes
For the best student in the subject of Building Construction.

C W von During

best student in the
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URBAN & REGIONAL PLANNING

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RDM 30/7/81

Fabric factory

A R2-million fabric-weaving plant, which will provide more than 500 jobs, is being established at Babelegi, north of Pretoria.

Mr Wynand van Graan, managing director of the Bophuthatswana National Development Corporation, said construction of the factory had started and the the buiding would cost R1-million.

The plant is being established by Mr Eli Arkin, owner of Arkin Textile Mills of Tel Aviv, together with a group of European business associates. Argatex (Pty) will own and operate the factory.

Mr Van Graan said that because of restrictions imposed by the Israeli Government on the outflow of capital, Mr Arkin would invest R90 000, and the balance of the R350 000 share capital would be financed by his European Associates.

"The shortfall between the investment of R1-million and the ordinary share capital will be made up mainly by the BNDC and other short-term financing" — Sapa.

QUANTITY SURVEYING

(Continued)

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URBAN & REGIONAL PLANNING

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Star 30/7/81

Textile strikers return to work

Labour Reporter

Production returned to normal today at the Da Gama Textiles plant near Zwelitsha in the Ciskei, where about 4 000 workers walked out earlier this week.

The dispute began on Friday over wage demands, and spread from the loom mechanics' area to the rest of the plant.

On Tuesday the entire work force walked out, and the Da Gama management attributed this to intimidation by some workers.

But today the plant's general manager, Mr Roy Aspinall, said production had returned to normal by mid-morning, and no-one had been dismissed.

The Ciskei's head of police, Brigadier Charles Sebe, was at the scene of the strike, and said ten workers had been detained.

They were arrested for allegedly assaulting strike-breakers, he said.

Mr Aspinall said the company would not reconsider wages at the plant — Da Gama operated under the internationally approved "Patterson system" of graded wages.

Da Gama Textiles is one of the largest textile firms in South Africa and is half-owned by the State's Industrial Development Corporation.

There were no confirmed reports of union activity during the dispute.

DD 30/7/81

Back to work at Da Gama

EAST LONDON — Management at the Da Gama textile plant in King William's Town said yesterday that production at the factory was back to normal but that they were still experiencing problems in the loom mechanics area

The four-day strike which paralysed production at the giant textile factory began on Friday night when 14 loom mechanics downed tools and demanded higher pay

However management has insisted that, following 20 per cent pay increases on average this year, it is not prepared to consider further increases

Mr Neville Miles, personnel manager at the plant, said about 75 per cent of the workers had reported for work yesterday and that more had been drifting in during the day

"The only area which is still undermanned is the loom mechanics area," he said "Nevertheless, normal production has been resumed

"Management has had very positive discussions with black supervisors and general workers The consensus of opinion is that the majority of workers did not wish to strike and it was only the loom mechanics who were dissatisfied "

Mr Miles added that nobody had been dismissed because of the strike but made it equally clear that management was not prepared to reconsider wages

He said the company had not yet decided on a strategy to deal with the loom mechanics, who have remained insistent in their demands for better pay — DDR

SVENMILL (197)

Mended margins

FM 3/1/1981

Activities *Manufactures knitted and woven fabrics primarily for curtaining and upholstery. Trade & Industry owns 51 (39) of the equity.*
Chairman *I I Jacobson, deputy chairman B Rosenberg, managing director J Greenblatt*
Capital structure *1m ordinaries of 1c. Market capitalisation R5,6m.*
Financial *Year to June 30 1981. Borrowings: long- and medium-term [illegible]; net short-term R[illegible],000. Debt equity ratio 57 1%. Current ratio 1 6. Group cash flow R2,3 1m. Capital commitments R30 000.*
Share market *Price 60c (1980-81 high 58, low 5?c) trading volume last quarter 306 000 shares. Yields 9,4% on earnings, 9 1 on dividend cover, 3 1 PE ratio 3 1*

	78	79	80	81
Return on cap (%)	5 7	22 2	28 9	36 1
Turnover (Rm)	8 6	8 5	11 2	11 3
Pre tax profit (R000)	(353)	443	1 066	1 [illegible]
Gross margin (%)	3 1	11 [illegible]	13 9	16 5
Earnings (c)		4 7	13 [illegible]	20 3
Dividends (c)				6 5
Net asset value (c)	13	1[illegible]	[illegible]	43

Since shaking off the financial shackles of the Herbert Porter group in December 1977 Svenmill has turned from a R738 000 taxed loser into a R1,6m profit generator And for the first time since 1976 the company has returned to the dividend lists with a higher than expected 6,5c payment For shareholders, the most significant aspect of the distribution is that management has signalled that payouts are expected to continue and grow

Since the group returned to the profit lists in financial 1979 earnings have more than tripled as turnover grew at an annual compound rate of 32% This widening margin reflects the gradual de-gearing of the company from a 161% debt equity ratio in 1978 to last year's 56% At the same time the annual cover on interest and leasing commitments has increased from 0,74 times to 3,7 times which, given current conditions seems reasonable for a textile manufacturing company with a full order book

Last year's turnover and profit increase stemmed from the boom in the local economy and Svenmill's strong representation in the international markets With factory capacity in some group divisions almost completely utilised and the expansions coming on stream of expansions profitability improved substantially with the gross margin rising from 13,9% to 16 5

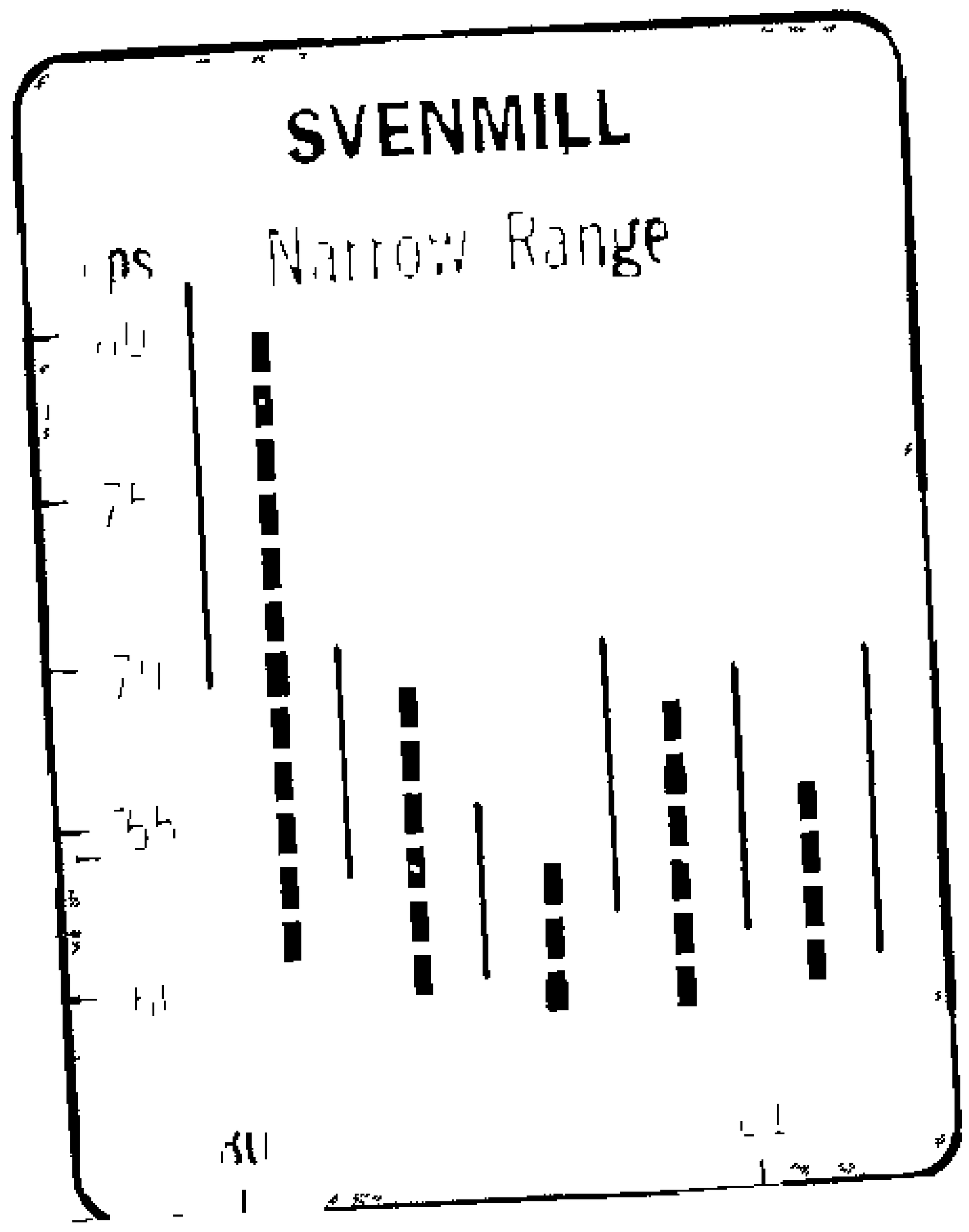
In particular the group recorded strong growth in its Svenmill division which supplies curtaining fabrics to major hotels and office complexes both locally and abroad And contract business including upholstery materials for the motor industry, also noted higher demand Other group operations Levinet Paul Steiger and industrial filtration fabric manufacturer, Charles E Ryman, also contributed to the profit increase

After last year's above-budget performances another profit hike is on the cards as new products and full order books maintain high capacity utilisation In the Svenmill division, the recently launched Silvertree range — and maintaining exports at some 20% of that operation's turnover — will keep the factory busy and boost sales Other manufacturing areas are slated to improve with an expansion at Levinet and new product developments from Paul Steiger

Continued attention is also being given to maintaining a sound asset base, which has transformed Svenmill in the past three years. Chairman Ivor Jacobson says last years s R1m growth in debtors was achieved smoothly while inventory, is carefully controlled, particularly stocks of fashion-related raw materials

Areas of uncertainty this year include rising costs of raw materials and overheads But despite these as well as the slower real growth expected in the economy and still sluggish international economies, a profit increase is forecast The share offers a 9,4% historic yield which on short- to medium-term income considerations is attractive despite the cyclical nature of the textile industry

Des Kilalea



I believe the enlightened new Health Act can be a catalyst to bring about dramatic changes in the health of the people of this country, and to fight the enemy within disease and discontent

What is health ? There are no known direct parameters to measure health status in general use [illegible] health is measured and assessed in terms of certain negative indices "negative", because they measure the absence of health namely disease [illegible] the most [illegible] although [illegible] view to hold [illegible] the coming years

Now we hope to implement the new Health Act [illegible] many suggestions, but in the long run we must measure the benefits of any system against the birth rate, or even better fertility rates, perinatal [illegible] infant mortality rate and life expectancy [illegible] unfortunately the basic requirement of statistical analysis for [illegible] honest reporting has not been a characteristic of hospital annual reports This basic epidemiological flaw has been of grave concern to many members of the medical profession including the Director of Hospital Services, Dr [illegible], though some people prefer information which is plausible and pleasant rather than factual. Nevertheless inspite of opposition, it is hoped that from next year hospital statistics will be standardized, meaningful and comparable

The super specialist and specialist levels of care do not come within the context of my talk, except to state that if we wish to achieve 'health for all by the year 2000 then the secondary and tertiary levels of health services, that is in the hospitals, should invariably be designed in support of the needs of community health centres rendering primary health care at the peripheral level and not vice-versa'

The Day Hospitals Organisation was started in 1969 - to-day we have 16 centres and our health teams carry out over one and a half million items of service a year, with a referral rate of only 2% and at a cost of only 4% of the C.P.A. Hospitals Services budget for the area [illegible] small proportion of patients utilise the major portion of health [illegible]

[illegible] I have been privileged to [illegible] placing such a service as ours in our community [illegible] following stat[illegible] show. The birth rate which was one of the highest in the world in the coloured community, has dropped from 32 per 1000 in 1968 to 23 per 1000 today

I believe our part has been to motivate our patients of the importance of family planning at such psychological times as during pregnancy and in the pre-school period of stressing the importance of rearing this child as a healthy child before thinking about the next one.

The present infant mortal[ity] rate for the white and coloured community which make up, nearly 90% of the population of Cape Town is 22 per 1000 and [illegible] that is in a society which [illegible] allowed [illegible] of slow [illegible] rate [illegible] the equivalent [illegible] in the U.K.

DD 31/7/81 (197)

Textile strike over

EAST LONDON — About 95 per cent of the workforce at the King William's Town plant of Da Gama Textiles reported for work yesterday, according to the personnel manager at the factory, Mr Neville Miles

Mr Miles said production had completely returned to normal and described the five per cent who did not turn up as a "normal absentee rate" He said management had stood by its earlier decision not to negotiate any further increment in wages

The strike, which paralysed the factory for four days, began when 44 loom mechanics downed tools and demanded higher wages They were joined on strike by other members of the weaving department, a situation which blocked production at the factory — DDR

[illegible] health team

Carpet workers strike

Own Correspondent

DURBAN — About 300 workers at Romatex Carpets in Pinetown downed tools today in demand for higher pay

The strikers, who had the option of appointing a spokesman to negotiate on their behalf or vacate the premises, opted for the latter, the group's public relations manager, Mr Seton Thomson, sai dtoday

"However, the management is now left with the only choice of consulting the liaison committee considering that the workers do not have union representation," Mr Thomson said

He said they were given to understand that some of the workers were members of the National Union of Textile Workers, which is a Fosatu affiliate

Sources close to the workers said their demands centred on the rising cost of living and this they conveyed to the management yesterday

Strike halts for talks

Own Correspondent 7/8/81

DURBAN — The one-day strike at the Regina carpet factory in Pinetown has ended with all the workers returning to work and their pay demands temporarily suspended.

National Union of Textile Workers organiser Mr Obed Zuma said: "The employers agreed to hold talks over the workers' grievances."

But the decision to negotiate was conditional upon the workers returning to work, and their grievances being considered when the managing director returned from the United States next month. The workers agreed to the conditions provided nobody was victimised, Mr Zuma said.

The strike at the Mooi River textile factory had also stopped pending negotiations.

Workers return after dispute

NM 7/8/81

Mercury Reporter

WORKERS from the Regina Carpet factory in Pinetown who downed tools after a wage dispute returned to work yesterday after management agreed to negotiate with them

The workers were demanding a wage increase to counter the sharp rise in the cost of living because of the increase in the price of bread and expected increase in transport costs

Mr Seton Thomson, public relations officer for the the Romatex Group of which Regina Manufacturers (Pty) Ltd is a member, said management had agreed to discuss the workers' wages with the liaison committee but only after the workers had returned to work

Mr Thomson said at this stage the National Union of Textile Workers were not recognised by management so discussions would be carried out with the liaison committee

Mr Obed Zuma, the secretary of the National Union of Textile Workers, said limiting the discussions to the liaison committee was 'like putting the water on to boil again'

Cape Town : A Case Study

We have described the financing of accommodation and services for workers. The Peninsula Administration Board affords an example of such financing. The period under review is from September 1973 to March 1978. It was established in September 1973 and took over Langa and Guguletu from the Cape Town City Council and Nyanga, from the Cape Divisional Council.

As indicated above, Pen BAAB draws on a narrow range of sources of finance, dependent on the consumption and thus the earnings of residents. The ability of the residents of the Cape Town locations to consume at a level able to sustain both the present quality of, and possible increases in the prices of services, is constrained by the generally low earnings of the areas. Most workers are employed, as shown earlier, in the unskilled sector. Further, because of the high proportion of migrants the population of the townships fluctuates with employment levels. A drop means a decrease in the number of consumers, rent and levy payers.

The insurrection of August to September 1976 brought about income instability, because of the destruction of liquor and beer outlets.

All immediate capital required for the building of housing and facilities is raised by way of state loans. These are channelled by the Department of Community Development through the National Housing Fund. The interest on these loans has been relatively low, (varying according to the project concerned) - on average 5% per annum. The period of loan repayment varies from 10 to 30 years (usually 30 years).

A relatively recent means of obtaining capital has been through internal loans. Boards with accumulated resources make loans to other boards in different regions. The interest rate is high (10%) and the redemption period short (The boards use

Refuse removal constitutes an average of 10% of the expenditure on services per year, which in the light of high water and electricity costs, BAAB has tried to reduce. Initially manual refuse removal was scrapped altogether. Large waste-away containers were located on street corners and residents were expected to transport and deposit their own garbage. Often streets in Langa, Guguletu and Nyanga are up to 60 houses long - considerable distances for those living in the centre of streets to carry heavy dustbins.

It is noteworthy that the refuse removal component of site rentals was not decreased during this experiment.
streets led to
number of garba
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About 3% of gen
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All other areas d
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charges, water bi ... and packing material, are
attendant on the running of the BAAB offices [7] (See Appendix B). Thus the running of the BAAB institutions has consumed about 20% of general expenditure annually, and this excludes the costs of beer and liquor hall administration.

NM 15/8/81 (197)

Textile workers quit at Mooi River

Mercury Reporter

ABOUT 1 000 workers are on strike at the Mooi River Textiles plant following the dismissal of a shop steward on Tuesday, according to the secretary of the National Union of Textile Workers, Mr Obed Zuma

Mooi River Textile management confirmed that a shop steward had been dismissed and that the incident had led to an 'illegal strike', but refused to say how many workers were involved or if they were prepared to negotiate with the Union of Textile Workers, which, according to Mr Zuma, represents more than 90 percent of their work force

Mr Zuma said (a delegation from the Union of Textile Workers met with management on Wednesday, and 'almost arrived at an arrangement which the union believed could have settled the matter'

But according to Mr Zuma, the company has subsequently indicated that it would not allow any representation to be made in connection with the dismissal of the shop steward concerned

In a Press statement released yesterday, Mooi River Textiles management said no 'employees had been dismissed and they are returning to work of their own accord'

6 The Major portion of Medical care is undertaken by large hospitals in the white areas of Cape Town

7. Loan charges reflect interest due on loans

forcing single women into domestic service. The limited availability of houses excludes single residents from the most expensive form of accommodation so that their labour is reproduced on the same terms as migrants, that is the cheapest.

Where a married couple have Section 10 rights, they may proceed to apply for a house although they will have very limited choice of type, position or area. Leases are renewed on a monthly basis; in terms of Section 29 of the Urban Areas Act of 1945 no tenant of a family house may remain unemployed for more than thirty days without notifying the board. His lease may be terminated if he remains 'habitually' unemployed or, in the opinion of the board, 'is no longer a fit and proper person to reside in a Bantu residential area'. Housing has therefore become the privilege of a small minority of the population, and tenancy is linked to employment. The system of allocation of housing therefore reinforces labour control. Further, through the creation of the BAABs the state was able to link labour allocation and worker accommodation directly.

Earlier in this paper the question was posed : 'How may political control of the working class be maintained where all workers, by virtue of their accommodation, have potential access to collective political movements?' South Africa's systems of labour control are closely linked to and dependent on institutions and processes of political repression. Not only are blacks deprived of basic political rights but the primary conditions for the organisation of the working class are undermined. The separate accommodation of migrants and Section Tenners undermines the basic unity of the working class. The location of hostels primarily in Langa and Nyanga and of family housing in Guguletu minimises the possibility of

Table 6: Increases in site - rental components April to October 1978 for the average family house

Components (1)	Costs before April 1978	Cost April 1978	% Increase	Cost Oct.1978	% Increase	Overall % Increase
Administration	R2,03	R3,05	50	R4,06	33	100
Water	R1,95	R2,93	49	R3,90	33	100
Street lighting	R0,13	R0,20	54	R0,26	30	100
Sewerage	R0,20	R0,30	50	R0,40	33	100
Street maintenance	R0,07	R0,11	[illegible]	R0,14	27	100
Refuse removal	R0,88	R1,32	[illegible]	[illegible]	[illegible]	[illegible]
Welfare service	R0,69	R1,04	[illegible]	[illegible]	[illegible]	[illegible]
Health service	R0,30	R0,45	[illegible]	[illegible]	[illegible]	[illegible]
Fire protection	R0,01	R0,02	[illegible]	[illegible]	[illegible]	[illegible]
School levy	R0,20	R0,60	[illegible]	[illegible]	[illegible]	[illegible]
Total	R6,46	R10,02	[illegible]	[illegible]	[illegible]	[illegible]

Note: (1) Sources: GG 30.1.76 No. 4971
GG 10.3.78 No. 5911

Table 7: Increases in site - rental components

Component (1)	Cost before April 1978	April 1978 increase	[illegible]
Administration	79c	R1,67	[illegible]
Water	77c	R1,63	[illegible]
Street lighting	5c	R0,11	[illegible]
Sewerage	8c	R0,17	113
Street maintenance	3c	R0,06	100
Refuse removal	35c	R0,74	111
Welfare service	27c	R0,57	111
Health service	12c	R0,25	108
Fire protection	-	R0,01	
Bed rental	79c	R0,79	0
Total	R3,25	R6,00	85

Mooi River workers return

NH 18/8/81

Mercury Reporter

WORKERS from the Mooi River Textile plant who stopped work last week following the dismissal of a shop steward agreed to go back to work yesterday, according to a branch organiser of the National Union of Textile Workers, Mr P Fineke

Mr Fineke said the about 1 000 workers had decided to go back to work after they had reached a deadlock with management after asking for the re-instatement of the shop steward

CLOTHING FM 21/8/81

Export woes (197)

The falling fortunes of SA textile exports in the first half of this year have come as no surprise to SA's clothing industry.

Nor is it surprised at the substantial 42% increase in imports during the same period. The stats, say industry sources, lend weight to the complaint against cheap imports.

Department of Customs and Excise figures show that exports of silk and man-made fibres, metalised textiles, wool and other animal hair, cotton and garments made from these materials — fell R600 000 in value to R191 2m. At the same time, value of imports rose R104 8m to R353 5m.

Although the export component is a very low percentage of total trade, several manufacturers have been hit nonetheless.

Says Mike Getz, executive director of Seardel and MD of Desiree Export: "Three factors have militated against exports and only one or two manufacturers were able to maintain their markets — they were exceptions."

Getz, who is also chairman of the Cape Clothing Manufacturers' Association, quotes:

[] The Board of Trade and Industries' lack of clarity on the category A and B export incentives;

[] The "torrid sessions" experienced by German and UK retailing operations; and

[] Strong local demand on the manufacturers and raw materials.

"Manufacturers nationally did not make full use of the incentive schemes because no one knows what legislation will be passed with regard to export incentives this session. Everyone has been waiting to find out," he says.

He says his company has "taken a bit of a beating" in the export market. "But our order books are starting to improve now. The US is beginning to come to life again."

Getz says the incentives are an extremely important consideration in forward planning and are crucial if local exporters are to meet world competition.

The single biggest exporter of clothing, mainly for men, is Rex Trueform. It is known to have maintained its overseas market well. In certain cases it has even increased market share.

DD 5/9/83

4 fined for violence

ZWELITSHA — Four former workers at a textile factory here were found guilty in the magistrate's court yesterday of assault with intent to do grievous bodily harm

Mr T D Mngaga sentenced Mr Goodman Magayinyana 20 Mr Nimrod Makhohlwa 20 Mr Freeman Norgeaula 27 and Mr Wiseman Norgeaula, 32, to a fine of R60 or 60 days imprisonment [illegible] and a further three months suspended for three years. The men had pleaded not guilty

Their trial was a sequel to the assault on some workers who went back to work in July while others were on strike at the textile factory

Mr V Mankahla for the defence, said in mitigation that the men had since lost their jobs. They had gone back to Transkei from [illegible]

S[illegible] other men who had [illegible] been charged with them [illegible] guilty and discharged at the close of the state case.

The magistrate found that although they were present at the time of the assault there was no [illegible] in pleading [illegible] them —DDR

to spread this tax charge over a number of [illegible] such the interest charge must be expensed as incurred. To sum up - the interest charge must be expensed in the year of occurrence, and as the Department of Inland Revenue feels that interest is not part of the asset, no capital allowances are allowed on the interest charge.

Although the revenue authorities require interest to be expensed in the year of occurrence, there is nothing to stop this interest charge being capitalised for financial reporting purposes, and then written off (depreciated) over the life of the asset in accordance with the enterprise's depreciation policy. This practice will result in a timing difference, and as such, a deferred tax liability will arise for the amount of this interest capitalised. If the asset were not amortised, then capitalising the interest would create a permanent difference, and no deferred tax liability would arise.

Were interest to be imputed to equity funds as discussed in Chapter 5, there would be no deduction for income tax purposes. The cost of any equity funds would be 100% of the pre-tax cost, as opposed to after-tax cost of debt being only (1-tax rate) of pre-tax cost.

Textile makers expect R60-m in orders at fair

Argus 17/9/81 197

ORDERS worth more than R60-million are expected to be signed up by textile manufacturers when the Textile Fair at the Good Hope Centre, Cape Town, closes tonight.

A survey among the 50 exhibitors showed the three-day shop window for the industry had a quiet start but later attracted more trade customers than some companies hoped

Most companies regard the fair as a shop window for the industry and not a hard-selling operation, so that even more business could be clinched afterwards

The fair's organisers, the Textile Federation, calculated last year's fair brought in well over R50-million in direct orders.

One of the most successful was Tongaat Textiles, which received more than R10-million of business from last year's fair, and like many others this week had a busy time coping with customers and inquiries.

EXCEPTIONAL

'Business was exceptional last year and retailers in the last six weeks have been slow in placing orders. But we are expecting a last-minute rush as well as orders after the fair,' said the managing director, Mr Brian Payne.

Group factories were working almost to capacity and production was booked well ahead

'If there is a slight downturn from last year's peak, we will still be doing all right'

Berg River Textiles was also optimistic about the results of the trade fair

The managing director, Mr Bob Ankers, said the company increased its capacity by 20 percent this year and added a lot of new machinery Order books were full to the end of February and he saw good business beyond that

UNIVERSITY OF CAPE TOWN
DEPARTMENT OF ACCOUNTING
...ATION AND ESTATE DUTY II - 1981
LINE/READING LIST 3rd & 4th QUARTER

THE INCOME TAX ACT	MEYEROWITZ	ILLUSTRATIVE EXAMPLES	TUTORIALS
s.1 'gross income' definition (gA),(k),(n); s.9,)(w),s.22A(2),s.24A(3)	Chapter 7	-	10.4 10.6 T.1523
and peruse double tax ...nts noted below with ...s on articles listed - Kingdom Art.1,3,4,6, ,14,22. States Art.IV,V,VI,VIII. Art.4,7,8,9,12,20. land Art.X,XI,XII,XIV,	Chapter 27 (skim)	Summarised table on D.T.A.	
53, 28bis, 37A	1252 - 1294 1294A	Handout on s.50(d)	8.10 8.11 8.12
...is ...nts S.1 definition of 'South African Company' 'Republic', 'territory'; definition of 'permanent establishment' in various DTA's ; ss.28bis,37A,30,31,24B.	1294A,864A,193, 1637, Chapters 25,25A, 548J - K, 847B.	Handout on U.K. Imputation System	T.1423 T.1430 8.9

Textile industry gears up with new plant

CT 17/9/81 (197)

By ALEX PETERSEN

AN ESTIMATED R200-million had been invested in plant and machinery by the textile industry in the last 18 months, the executive director of the Textile Federation, Mr Stanley Shlagman said yesterday

In an interview with the Cape Times Business Report he said that the textile industry's substantial investment in new plant would not only increase capacity, but would have a noticeable effect on the range of products manufactured

But, he said, many of the buying decisions made in recent months still had to be finalized, and these could be affected by the prospective stability of the industry, and in particular the impact of import policy

Imports had been, and were again becoming a serious threat to the industry

He said that as European and American producers sought protection through tougher Multi-Fibre Agreement negotiations South Africa was a prime target for production from low-labour cost countries, such as the Far East

A spot survey of some of the textile mills at the Textile Fair in the Good Hope Centre in Cape Town yesterday suggests that West Germany has been one of the leading exports of textile machinery to South Africa, followed by Italy and France and Britain

Particularly in recent months the decline of the Deutschmark, which has been even greater than that of the rand against the dollar, has made the price structure of German machinery very attractive to South African textile mills

While the larger mills have taken the opportunity to import much highly sophisticated new machinery, other buyers have also taken advantage of the depressed state of the European textile industry to buy second hand plant, much of which has seen only a minimal amount of service

The net effect of the machinery imports will be to strongly increase the capacity and sophistication of South African mills But many exhibitors expressed concern about the extent to which import policy might undercut the effectiveness of the new investment, echoing a recent statement by Mr Shlagman that 'many imports are of fabric types and structures adequately produced in this country '

However most exhibitors at the fair reported a healthy interest in the new ranges of fabrics

While the fair which is primarily aimed at the trade rather than a display for the general public seemed less busy than in previous years one exhibitor commented "There may be fewer people visiting the exhibits but as far as we are concerned, there are more genuine buyers '

WHAT'SUITS US?

S-Tribune 20/9/81 ~~184~~ 197

Government committee to probe clothing and textile tariffs

By MIKE PEIRSON
Finance Editor

THE Government set up a committee this week to investigate, in all its aspects, the tariff situation relative to the clothing, garment and textile industries.

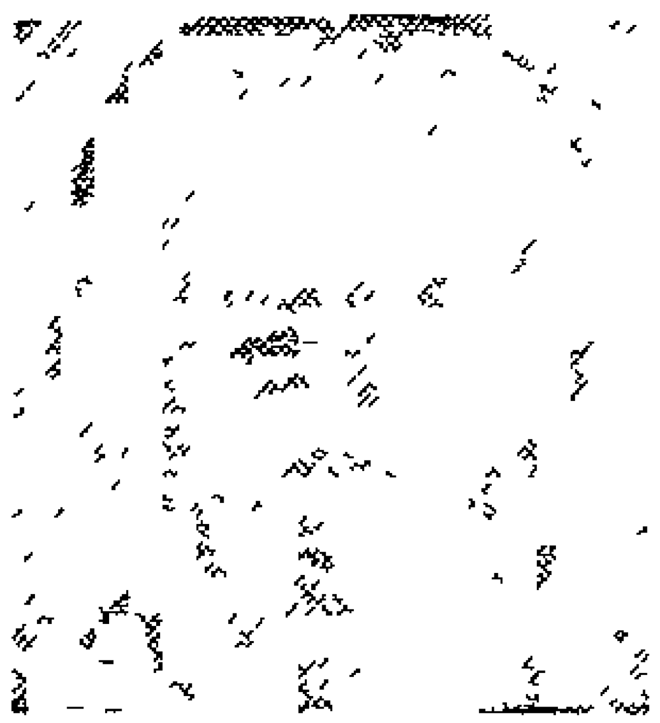
The committee, to be headed by Dr Henrie Reynders has been told to come up with recommendations within six months

News of this latest development in the highly controversial area of protectionism in the clothing industry was given to me in Durban this week by Jack Ward, executive chairman of the Romatex Group

He explained "We have asked them to consider the whole question of quotas, the basis of tariff protection and the question of the mechanics of reviewing the tariff protection

"One of the bases of our argument is that if the sophisticated economies such as the EEC, America and Canada find it necessary, besides tariff protection, to impose quotas on garments from the Third World and the East, why do they think us so clever here that we can have a local industry that can do without quotas?"

An application for the revision of tariffs had been presented to Government two years ago and still nothing had been heard



Jack Ward . . . two years out of date

"Because the economy has been so buoyant" said Ward, "we have been able to get away with it but with the world economy being in recession it is creating problems back in the Koreas Taiwans and Hong Kongs Because they are not able to push it into Europe and America they are now looking to Africa

"We are sitting here with tariffs that are two years out of date and we have got all these chaps pumping the stuff in here

"We had import control two years ago but that's been relaxed dramatically to the extent that in 1979 the total importation of textiles was R140 million In 1980 it was R240 million and in the first six months of this year R212 million. The stuff is pouring in"

Ward did not know what would happen to the original application now the committee had been set up

"We are very worried," he went on "because we see the provision of employment as probably the number one problem in the country and we are disturbed that we are not creating new jobs

"Unless we get adequate protection you are going to have something like 200 000 people out of work in the textile industry I can't put a time span on it because that will depend on to what extent they allow the imports to flood in and how the economy grows"

It had been encouraging that in his speech to the Textile Federation this week the Minister of Finance had indicated that the Government was well aware of the importance of the textile industry as an employer of labour

"On the other hand," said Ward, "you have Mr De Villiers (Minister of Industries) He's shouting free trade at the moment and giving anybody any reasonable amount of import permits they want though how you define reasonable I don't know. He hasn't attempted to define it for his department"

Ward said his group was not as badly affected as the cotton industry and those manufacturers entirely dependent on polyester cloths

"We can buy wool, for instance, at international prices and remain competitive" he said "But some local manufacturers are having to buy polyester from local chemical people who are getting tremendous tariff protection They are paying about 50 percent more for their raw materials than the Koreans, Japanese or Taiwanese"

Ward said Romatex, whose results are due in a matter of weeks, were spot on target for the year

"Our results altogether are going to be within five percent of what we envisaged," he said "We said we would do better than our second half last year of 58 cents and we will Our first half results this year were 61.2 cents We have managed a compound growth over the last four years of 32 percent At the halfway stage in this financial year we were up to 40 percent.

"We had anticipated a slowdown in consumer durables, but it didn't decline to the extent we envisaged The growth we had experience in the second half of last year was phenomenal between 30 and 40 percent in real terms It tailed off a little, but not as much as we anticipated

"We thought that the big ticket items such as carpets, which are heavily reliant on finance, would drop off But this hasn't happened"

In some areas there had been quite severe erosion of profit margins This had been due to some extent to the large volumes of turnover Manufacturers had felt they could afford to reduce profit margins, as a result

"We haven't been passing on in full the cost increases we have been experiencing because of higher wage rates and more expensive raw materials

"We have been going for the past two years with fairly dramatic wage increases. I am afraid this will continue It won't tail off in the short term

De Villiers . . . no attempt at definition of permits

"But sooner or later industrialists are going to have to take a stand to slow it down because we are just not getting the productivity commensurate with the increases Sooner or later the day of reckoning is going to come"

Ward explained "We have to convince unions that you just can't go any further without productivity because it is going to mean the end of jobs"

Textile men to talk out proposed tariff boost

S. Express 20/9/81 (197) (133)

THE Textile Clothing Advisory Council has appointed a subcommittee to talk out the proposed round of tariff increases that could, if implemented, send the price of clothing skyrocketing.

By TONY HUDSON
Business Editor

The National Clothing Federation's Simon Jocum told the Sunday Express an attempt would be made early in October to get around a table and iron out the differences amicably.

"The application for increased tariffs is a bit like a union wage demand they ask for far more than they are expecting," he said

Mr Jocum says the Government has notified the industry that in future it must rely on tariffs for protection against imports

"While we are preparing ourselves for this, we are strongly opposed to the system

"We feel the answer is in import control combined with moderate tariffs

"Import control is easy to administer and the flow of imports can be controlled quite easily, according to the needs of the industry"

At present, the textile industry has one application for massive increases on tariffs for knitted material gazetted and it is believed it has another huge application for a heavy increase in duty on woven fabrics in the pipeline

If the applications are granted, the clothing industry, which has a turnover of around R1 200-million a year, will be hard hit.

The clothing industry and the local textile manufacturers have been at loggerheads for a number of years now, with the clothing men claiming that they must be allowed to import cloth as the textile industry was late with supplies and couldn't meet some of the standards required

The textile manufacturers reacted strongly by accusing the clothing industry of being too fussy and said there was no need for imports as they could meet most of the demand

The ongoing acrimony eventually resulted in the formation of the joint advisory council

It is hoped that this body will be able to sort out disputes without tempers fraying and loud appeals to the Government for help from both sides

GUBB & INGGS 197

Woolly prospects

FM 13/11/81

Activities *Processes and trades in wool and mohair Ultimate holding companies are Struchen Wool and UK-based Illingworth Morris*

Chairman *R R Struchen*

Capital structure *2m ordinaries of 50c 120 000 14% cum red prefs of R1 Market capitalisation R4,9m*

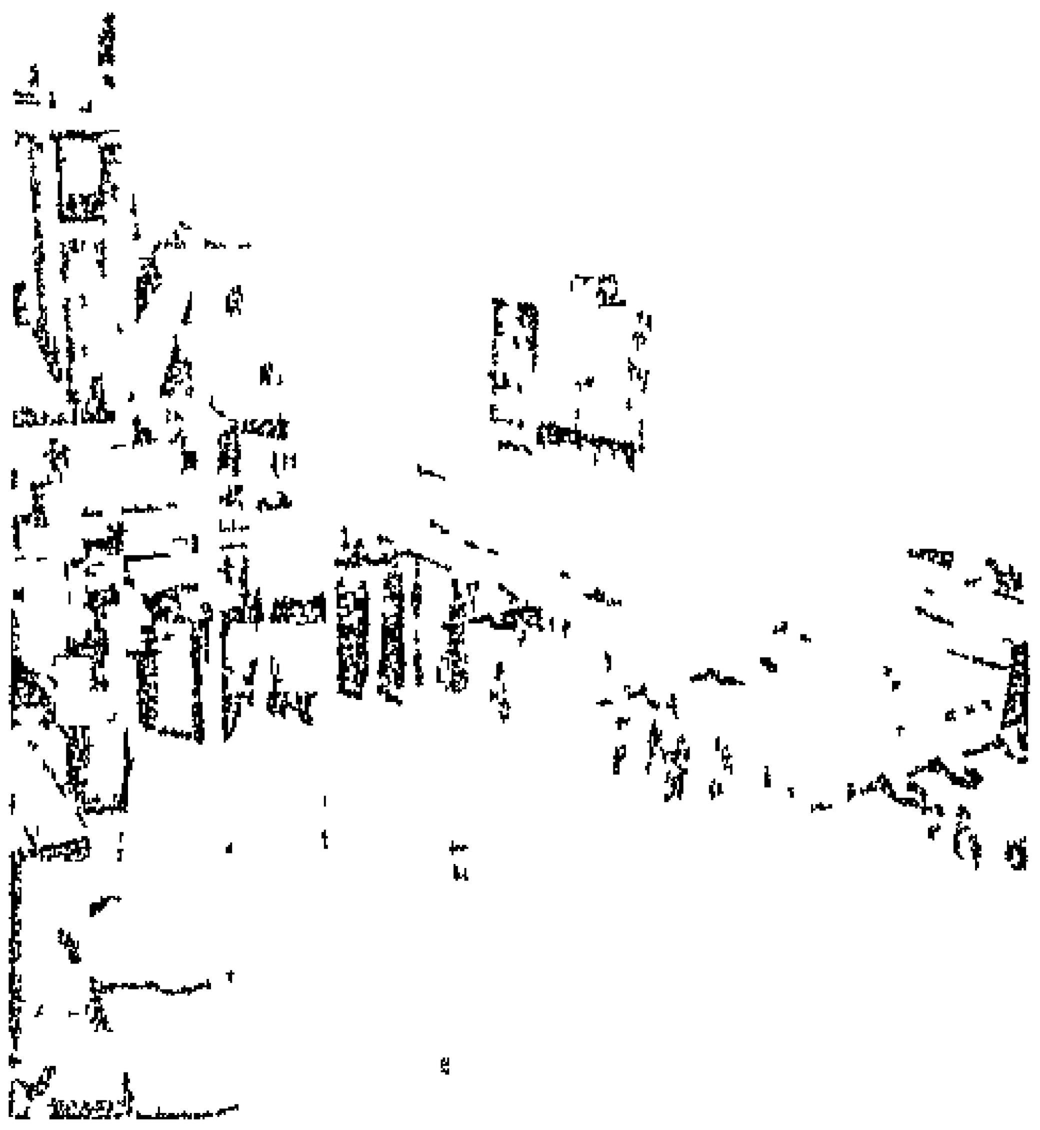
Financial *Year to June 30 1981 Borrowings long- and medium-term, R731 000, net short-term, R14 9m Debt equity ratio 206% Current ratio 1,1 Group cash flow R2,1m Capital commitments R170 000*

Share parket *Price 245c (1980-81 high, 330c, low, 230c, trading volume last quarter, 7 300 shares) Yields 32 7% on earnings, 9,8% on dividend Cover 3 3 PE ratio 3,1*

	'78	'79	'80	81
Return on cap (%)	16 9	17 7	11 0	16 2
Turnover (Rm)	37 7	57 2	59 8	65 7
Pre-tax profit (Rm)	1 4	1 7	1 9	1 8
Gross margin (%)	5 9	5 2	5 6	5,8
Earnings (c)	56,6	70 8	80 9	80 2
Dividends (c)	18	20	24	24
Net asset value (c)	208	254	314	369

Despite some predictions to the contrary, overseas wool demand held up during the financial year but tough competition sliced into profit margins and resulted in a small earnings decline which marred Gubb & Inggs' hitherto unblemished record Since 1977, the Uitenhage-based group has seen earnings advance from 47 1c to 80,9c a share in financial 1980, while dividends climbed from 14c to 24c over the same period

Last year, however, earnings slipped to 80,2c and the previous year's 24c dividend was repeated Despite the higher volume of sales and better prices for fibres, pre-tax profit slipped from R1,9m to R1 8m and operating margins were cut from 3 2% to 2 7% While this is somewhat curious in view of the price increases and the greater participation in the lucrative mohair market, the group was clearly unable to recover the



Gubb & Inggs . earnings becoming unravelled

increased cost of borrowings and significantly higher interest payments impacted heavily on profit

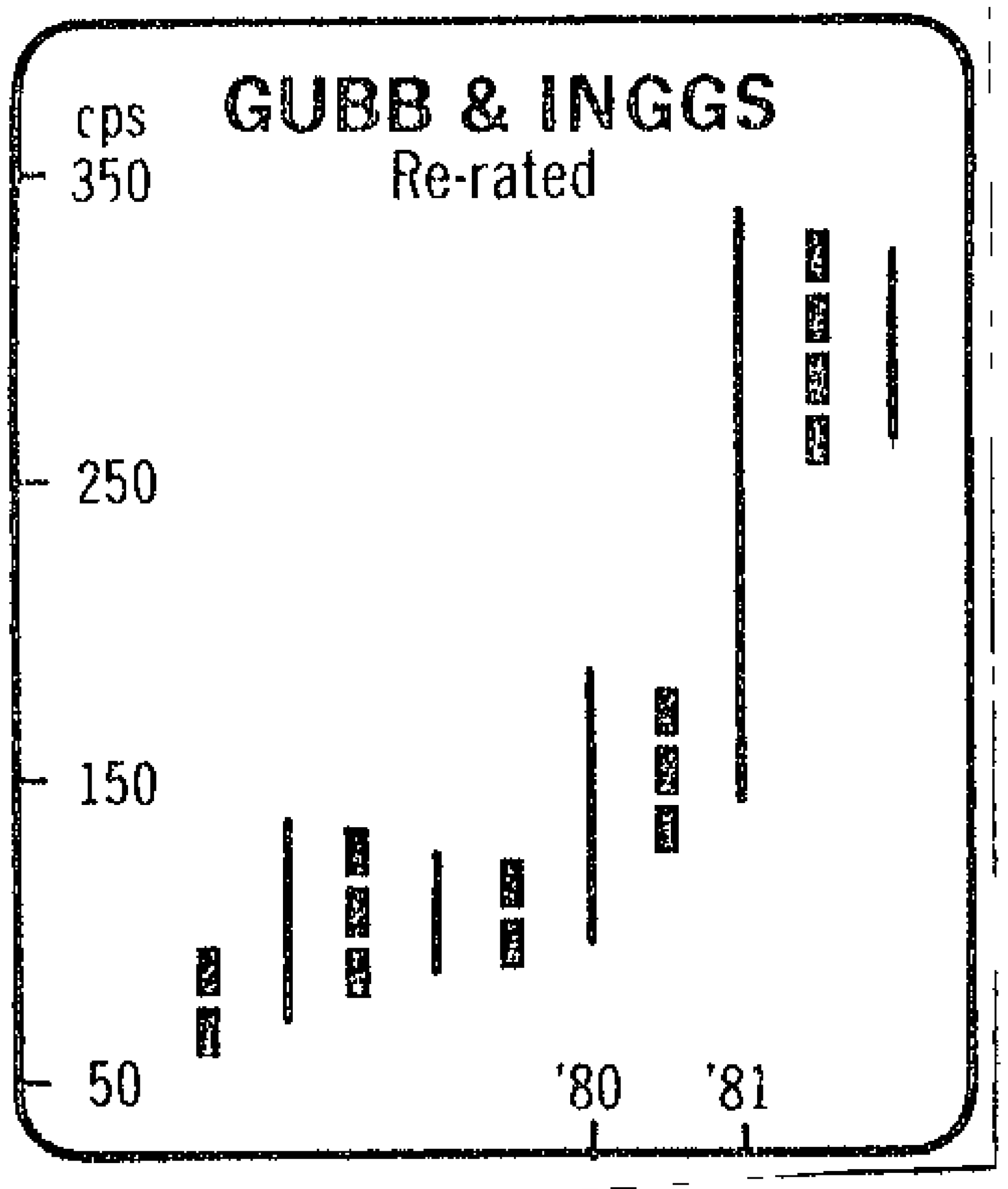
The merchandising subsidiaries require substantial borrowings to finance stocks which are mainly held against firm contracts for delivery after year-end The wool marketing season runs from September to May each year

In addition the financing of debtors adds to the debt burden In financial 1980 the group switched to financing debtors locally rather than discounting bills at the time of shipment, because of the lower interest rates locally The higher rates last year thus affected this area of the business considerably

Total borrowings – most of which are short-term – were reduced to R15 7m from R23,8m But interest payments rose to R2 1m against R1 4m in 1980 indicating that debt was cut only late in the year The directors recognise this as a "disturbing feature" of the industry but their report offers no solution to the problem In this case the gross return on capital employed – which rose from 11 0% to 16 2% last year – is somewhat misleading since the higher interest payments are included in the gross profit calculation

Forecasting for this type of company is complicated by the number of extraneous factors which may affect the performance The directors say general demand for wool remains "healthy in relation to supply" but only at a certain competitive price level In addition, weather conditions can affect local production dramatically

The market is obviously not too keen on speculating with the share and the price has dropped from 295c a year ago to its current level of 245c The historic yield of 9 8% against a sector average of 6 2% is understandable in view of the many uncertainties surrounding prospects



TEXTILES FM 13/11/81

Sensible tie-up

(197)

It's not often that major competitors get together in joint ventures Hence the raised eyebrows in response to the tie-up between Tongaat Textiles and the Frame Group to manufacture corduroy in SA for the first time

But Frame's joint MD Selwyn Lurie is quick to pour cold water on any speculation that a merger is in the offing "Any rumours of a merger are a load of codswallop," he says "We're getting together because it's the sensible thing to do"

Lurie points out that the local market is small by world standards and with the substantial sums of capital involved it would not be economically viable for two independent producers to each set up individual plants

Textile worker . . serving two masters?

In terms of the agreement, Frame will initially spin yarn for a minimum of 2m metres/year of grey corduroy cloth Hebox Textiles, a subsidiary of Tontex, will do the dyeing and finishing Eventual cloth capacity will be 3,5m metres/year

Total capital investment will be around R12m But that does not imply a 50-50 split Each company will pick up the cost of its own capital equipment Frame will be responsible for ensuring that it has the spinning and weaving capacity to meet the commitment and Hebox will invest in specialist finishing equipment and marketing

A full technical and fashion know-how agreement is being concluded between Hebox and a leading European manufacturer which will help smooth out any starting up problems The cloth will be sold by Tongaat Textiles and marketed under the Hebox label

Lurie describes the agreement as "a first class arrangement which will enable us to produce a commodity that was not previously manufactured in the country as economically as possible"

He adds that no further joint ventures between the two companies are being contemplated The first cloth produced by the partnership will become available around the middle of next year

Talks could lead to new deal for unions

R7.1 29 10 81 (197)

By STEVEN FRIEDMAN

TEXTILE employers are holding crucial talks with a trade union, which could lead to an agreement to negotiate throughout the industry outside the country's official industrial council system.

A decision by the industry to bypass industrial councils and to bargain directly with the union at plant level would be a serious blow to the council system and would be certain to affect bargaining in other industries.

Stevedoring is the only industry in which employers bargain outside the official system with a predominantly black union

But any agreement in the textile industry would affect a much wider group of employers — including some in country areas like Estcourt and Mooi River

According to informed sources, the Textile and Yarn Fabric Manufacturers' Association has been holding talks with the National Union of Textile Workers — an affiliate of the Federation of South African Trade Unions (Fosatu) — on a bargaining system for the industry

Jeopardised

TYFMA represents a wide spectrum of textile employers, including the giant Frame Group, and the union claims majority membership in many large textile factories

According to the sources, the negotiations have "run into snags" The negotiations could be jeopardised but they are continuing

The chairman of TYFMA, Mr Selwyn Lurie, couldnot be reached for official comment yesterday

The NUTW was reluctant to discuss the talks, but its general secretary, Mr Obed Zuma, confirmed that "discussions are continuing"

He would only add that "we have long insisted on direct plant-level bargaining and hope the talks will produce such a system to the benefit of the entire industry"

Informed sources say, however, that TYFMA has already agreed to the principle of industry-wide negotiations outside the industrial council system and direct "house agreements"

The stumbling-block to an agreement at present is that TYFMA says this will only be introduced if the union accepts an industrial council as the industry's "ultimate objective" and that NUTW rejects this condition

However, attempts are being made to overcome the deadlock on this issue

Agreements

At the start of negotiations several months ago, TYFMA wanted NUTW to join an industrial council in the industry The union refused, and requested "house agreements" with all TYFMA's members

It also wants employers to agree to recognise only one union in each factory — the majority union — and wants any agreement to retain the right to strike legally

TYFMA then suggested a "model" house agreement for all textile factories, which would have meant direct negotiations with all employers, provided the union agreed to an industrial council

The union refused and these proposals have now given way to those presently under discussion

Textile makers seek big increase in duties

ARGUS 16.10.81 (197)

BY TOM HOOD

BIG increases in import duties are being sought by the Textile Federation.

They cover a wide range of fabrics and if approved by the Government, mean rises varying from 10 to about 100 percent on import duties.

The rises will be vehemently opposed by the clothing industry, says the president of the National Clothing Federation, Mr Simon Jocum.

Clothing manufacturers want a standstill on all bids for higher duties, including its own 12-month old application until a Government commission on import duties reports.

Importing is already too easy and attractive claims Mr Jocum. But once the doors are opened completely, many manufacturers could become importers of both clothing and fabrics.

One manufacturer estimates if he could import 10 percent of his total turnover that would give him a greater profit than the other 90 percent produced by local labour in Cape Town.

Provisional figures show the value of clothing imports more than doubled in the half-year to June and were worth R55.8-million (R26.8 million) at f.o.b. prices.

The quantity showed a rise of 39 percent to more than 31 million items. Biggest increases were in infants' clothing, all kinds of knitwear, shirts, woven outerwear and leather garments.

Costs of many garments were lower than a year ago in spite of inflation, indicating price cutting by overseas manufacturers.

Imports of men's and boys' overcoats and raincoats almost doubled to 158 000 garments worth R975 000 f.o.b., up 86 percent. This was equal to 37 percent of the local production volume of about four and a half months' output by South African garment manufacturers.

Exports for the half-year dipped by almost 12 percent, to R15 million in value, largely through the recession in Europe says the National Clothing Federation.

Both industries are worried about an upsurge in low-price imports from the Far East, particularly Taiwan and claim many of the prices are 'dumping prices' because of the surplus from the downturn in their sales to Europe.

Only about 20 percent of the country's textiles are imported, but textile users feel the amount of protection will be so high that many local prices could rise as well.

And this, ultimately, will mean higher shop prices for clothing, curtains, upholstery and other goods. If prices get too high, people won't buy, say traders.

Mr Jocum says clothing and textile manufacturers are facing a total onslaught from industries in Taiwan offering to supply all kinds of low-price clothes and fabrics.

'Every day I receive at least 10 letters offering goods at unbelievable prices because of the recession in Europe.

SITTING DUCKS

'They must think this is the open season and we are sitting ducks.'

Both industries have been told the Government is dismantling import control and they must look to tariff protection if they feel threatened by other

CLOTHING FM 15/10/81

Striving for balance

197

Amid rising tensions in the clothing and textiles industry, Commerce and Industries Minister Dawie de Villiers is expected to announce the appointment of a "study group" next week. The group will try to reconcile the conflicting demands — for protection on the one hand and trade liberalisation on the other — from the four major sectors of the industry.

The four sectors are clothing manufacturers, textile weavers and knitters, manufacturers of synthetic, wool and cotton fibres, and retailers. It is anticipated that the study group will comprise representatives of all sectors.

By throwing them together, De Villiers probably hopes to encapsulate the row and forge some kind of consensus. This could prove difficult.

Economic indicators point to a sharp downswing in the business cycle next year. Real gdp growth may barely exceed 2%. This makes people in the rag trade nervous. Aggregate employment in all sectors is said to be about 500 000 people and many will lose their jobs when the demand begins to fall. Many more will do so unless domestic industry is protected from imports of low-wage countries in the East and elsewhere.

Fear of "imported unemployment" is bound to release a stream of applications for higher tariff barriers — even though the local industry is among the most heavily protected in the world, including Australia, Japan and the US.

But people in the non-retailing sectors of the trade argue that tariff protection is inadequate. Lead times between design and implementation are too long and they raise home prices unnecessarily.

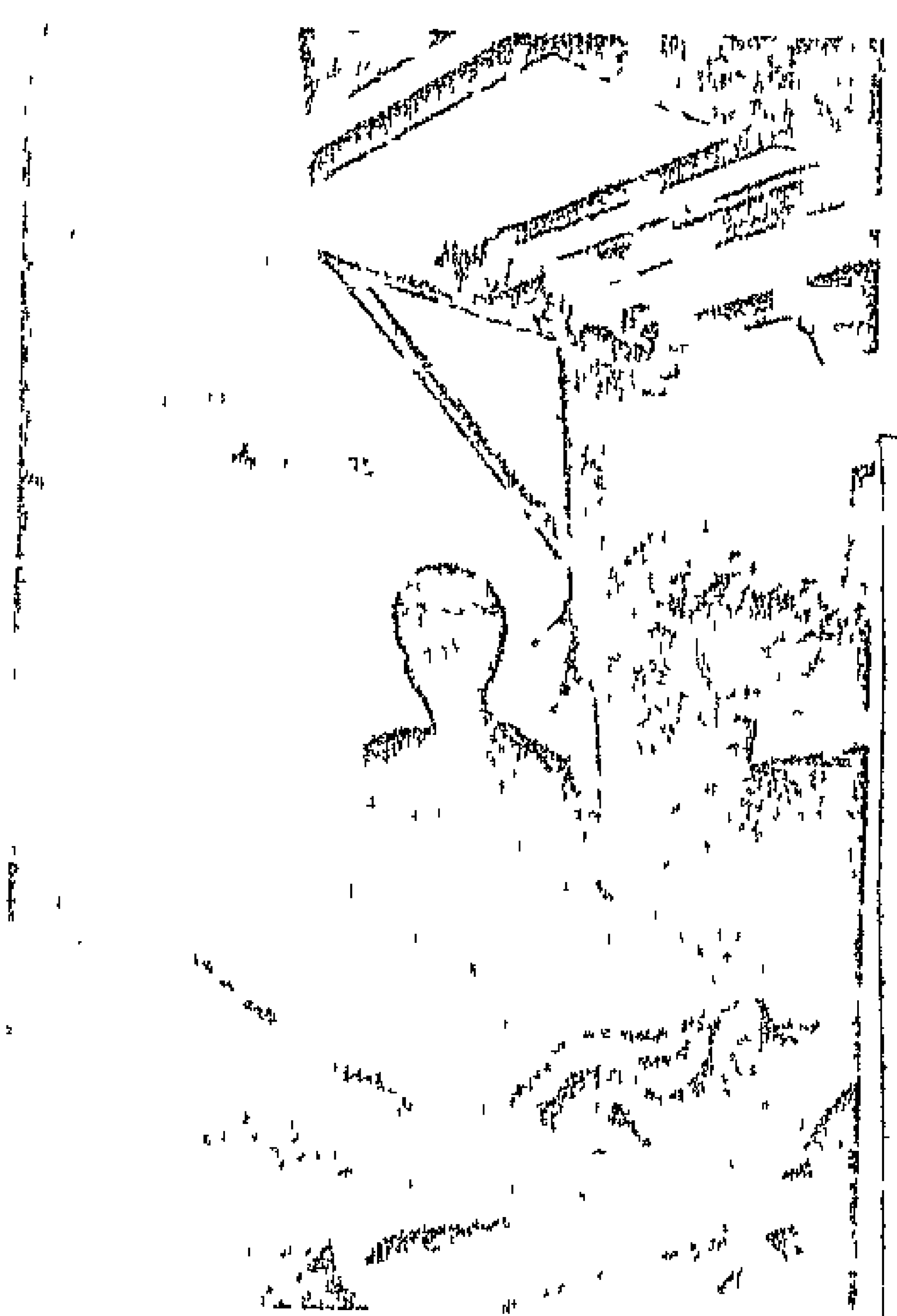
Moreover, it is said that an application for protection in one sector is usually leap-frogged by an application in another. Like their counterparts in the EEC, where unemployment in clothing and textiles is measured in hundreds of thousands and companies fail in their hundreds, local clothing and textile people want a combination of formula duties and quantitative import controls to maintain manning levels.

Unless De Villiers, a professed free trader, has gone soft in recent months, strong arguments will have to be advanced to get him to change his mind about quantitative controls.

The reason why SA has consistently refused to accede to Gatt's Multi-Fibre Agreement (MFA) (which regulates the flow of soft goods from LDC countries to industrialised countries) is because it is self-conscious about being a resource-rich country with a high tariff structure and little weakness in its basic balance of payments position.

In fact, it was pointed out at the recent MFA talks in Geneva that SA and Australia, with their immense natural riches, had built such high protectionist walls around their clothing and textile industries that they had succeeded in attracting investments by major foreign companies which might otherwise have gone to poorer developing countries.

The counter-argument is that SA has its own LDCs — the small Indian clothing manufacturers in Durban-Pinetown and the textile mills of the eastern Cape bantustans and elsewhere — which can supply cut-rate fabrics and garments. On the other hand, it may not be easy to convince retailers that additional protection is necessary.



Textile manufacture ... a search for consensus

Until recently, consumer demand for clothing was rising at an annualised 15%. Clothiers, despite heavy additional investment in plant and machinery and an increase in the workforce from 115 000 to 130 000 in less than a year, could not keep pace with retailers' orders and there were late deliveries.

Chairman Sydney Press says in Edgars' latest annual report that the high level of consumer demand created pressures with which the clothing, footwear and textile industries could not cope. On average, he says, one out of every three orders "which we place is delivered seriously late."

He says it is questionable whether the campaign mounted by the clothing and textile industries "for yet further entrenched protection from imports" is justified.

Foschini MD Hugh Mathew says there is "no question that manufacturers were unable to keep pace with demand which escalated in 1980. Shortfalls and late deliveries have been very substantial." He claims a high % of non-deliveries on orders which were placed up to a year in advance. Late deliveries averaged "well over 50%."

It comes as no surprise, therefore, that imports of finished clothing in the first half of 1981 ran to R57m fob compared with R27m fob in the first half of last year. The fact that clothing manufacturers' order books for 1982 show no growth over 1981 could mean that retailers are holding back on domestic orders and leaving room for increased imports.

In the meantime, it may be a good idea to freeze all tariff applications until the "study group" has completed its work.

Star 29/10/81 (1404) (143) (157) (197) (139)

Two unions bypass council

Two more breakthroughs have been achieved in the black trade union offensive on South Africa's industrial council system — one in the texile and the other in the engineering industry

According to the latest Fosatu Worker News, a textile industry employer body has conceded wage negotiating rights outside the industrial council to Fosatu's National Union of Textile Workers

After three-months of negotiations, the Textile and Yarn Fabric Manufacturers' Association (TYFMA) has conceded these rights at both plant and industry levels, Fosatu says

However, TYFMA was still insiting that the union accept the council as "an ultimate objective" This had been refused, and negotiations were continuing

And in a second important breakthrough, a committee elected under the auspices of the unregistered General Workers Union has won direct wage-negotiating rights from an engineering firm in the Abercom group In terms of the agreement, Consani's Engineering in the Cape Peninsula recognises the right of the committee to bargain on behalf of its 600 employees.

Consani's thus joins a small band of metal companies which have defied the guidelines of the powerful Steel and Engineering Industries Federation of SA (Seifsa) by agreeing to negotiate wages outside the metal industries' industrial council

Textile workers air grievances

Star 28/10/87 197

By Gilroy Dlukula

Workers at Troye Textile Mills, Benoni, have accused the company's management of discriminating against women and of dismissing employees without reason

Some of the workers who were interviewed yesterday declined to be named because they feared victimisation They alleged that they worked in fear of being dismissed because of the company's unstable work force.

They complained that women were paid the minimum wage of R16 a week and men were paid R21

These and several other allegations were neither confirmed or denied by Troye Textile Mills' general manager, Mr David McEwen

The workers allege that

- The company has no canteen facilities and that only men are allowed to leave the premises at lunchtime to buy food
- There are no chan-rooms or lockers at the factory Workers have to ensure that their food and clothes are not stolen
- The company has no medical aid scheme
- The company does not provide workers with overalls
- There is no pension fund scheme
- Workers are pressured into joining the Textile Workers' Industrial Union
- There is no first aid centre on the premises

Mr McEwen would not comment and referred The Star to the trade union.

A spokesman for the Textile Workers' Trade Union, Mrs E Flusk, said she was not aware of the grievances and that no worker in the company had ever been forced to join the union

The company had a work force of fewer than 120 and all were members of the union, she said

Romatex earnings grow 40%, payment rises 33% to 56c

RDM 30/10/81 197

By HOWARD PREECE

ROMATEX, the textile group, achieved a 40% earnings growth for the year to September 30 and has made an effective increase of 33% in the dividend payment.

Precise comparisons with previous figures are complicated by the group's change of yearend to fit in with the pattern of Barlows, which now has a controlling holding through C G Smith.

Romatex has, however, calculated figures for the year to September 1980 — against the actual figures produced for the 18 months to that date — which enable the excellent results of the past financial year to be seen.

On that adjusted comparative basis Romatex boosted net attributable profit to R32 177 000 from R22 934 000, a 40% increase.

A final dividend of 34c has been declared to make 56c for the year, which the company calculates to be an effective 33% increase over the previous annualised payments.

Earnings a share bounded up from 96,3c to 135,1c.

Turnover improved by 29% to R389-million.

Romatex has five main divisions involving Romatex Floorcoverings, Romatex Mills, Romatex Fabrics, Romatex Industrials and Island View.

The group has aabout 70% of the South African carpet market.

The directors say "Buoyant trading conditions and a tight rein on expenses again enabled the group to produce record results.

"Improved profits were earned by all divisions.

"The wisdom of the decisions last year to increase capacity was demonstrated by high plant utilisation throughout the group."

COMMENT The directors warn: "The real economic growth rate will not be at the high level experienced in the past year and this will have an adverse effect on consumer spending on semi-durables.

"Higher interest rates will also impact unfavourably.

"Nevertheless present forecasts indicate that earnings for the current year should be modestly higher than those for 1980-81."

The Romatex share price has been particularly strong in recent weeks.

This has been partly reputed to be because of continuing reports that Barlows is aiming for a takeover of Contex through Romatex.

This has not been confirmed — and there are other vehicles open to Barlows.

Because of the share price rush, however, Romatex now yields only 7% on historic dividend with a cover of 2,3.

Excellent though the results for the past year are, the share is probably fully priced outside of any new developments in view of the caution of the directors about the general economic outlook.

Still, the ability of Romatex to achieve in the past year almost the same net profit as in the previous 18 months — R32 177 000 to R32 760 000 — indicates the quality and depth of the group.

New R40m textile plant opened

CAPE TIMES 6/11/81

(197)

Staff Reporter

A R40-MILLION expansion to South African Nylon Spinners' nylon and polyester yarn plant in Bellville, which the company says is one of the most modern in the world, is intended to offer the country's textile industry a vastly-wider range of higher quality products

Officially opened on Wednesday by the Minister of Finance, Mr Owen Horwood the expansion will increase production capacity by 20 percent, according to a spokesman for the company

"World-wide fabric trends are towards lighter, softer, more fluid fabrics, both knitted and woven Basically, the main element of the project is the recognition of Sans of a change in fabric trends," the spokesman said

Computers

Operation of the plant was based on the "untouched by hand" concept, with the entire process being controlled and monitored by a series of computers employing the latest process technology

Main features of the new extension included the construction of an eight-story spinning tower housing the spinning machines and associated services Polyester polymer blending and storage facilities were modified to meet the highest standards and 10 large silos had been erected to store products for industrial use

Sans is a wholly owned subsidiary of the chemicals-orientated AECI group

SANS CHIEF FEARS DESTRUCTION OF LOCAL INDUSTRY

Textile makers seek higher import duties

Argus 7/11/81 197

SA NYLON Spinners has applied to the Government to raise import duties on a wide range of man-made fibres and fabrics, partly to protect its new R40-million spinning plant at Bellville.

By TOM HOOD

'We don't want to go the same way as the British and European textile mills,' said SANS chairman, Mr Denys Marvin, this week.

'Their industries were destroyed by unchecked imports from low-wage countries in the Far East.'

SANS produces more than 200 types of nylon and polyester yarn, probably more than any other fibremaker in the world.

Mr Marvin, who is also managing director of AECI, which owns SANS, said when AECI decided more than two years ago to inject another R40-million into SANS, a completely different set of circumstances prevailed.

'Today the very future of the textile industry is uncertain and there is much to be learned from the European experience.'

Imports of garments and fabrics, particularly from low-wage countries, had penetrated the British and EEC markets to the point where they had more than 50 percent of the domestic markets for textiles.

This meant that between 1973 and 1980 more than 380 000 jobs were lost in Britain and 615 000 in the EEC textile industries, or 20 percent of the textile labour force.

Courtaulds, the British textile giant, closed 21 factories this year and retrenched 40 000 workers who had little hope of being re-employed.

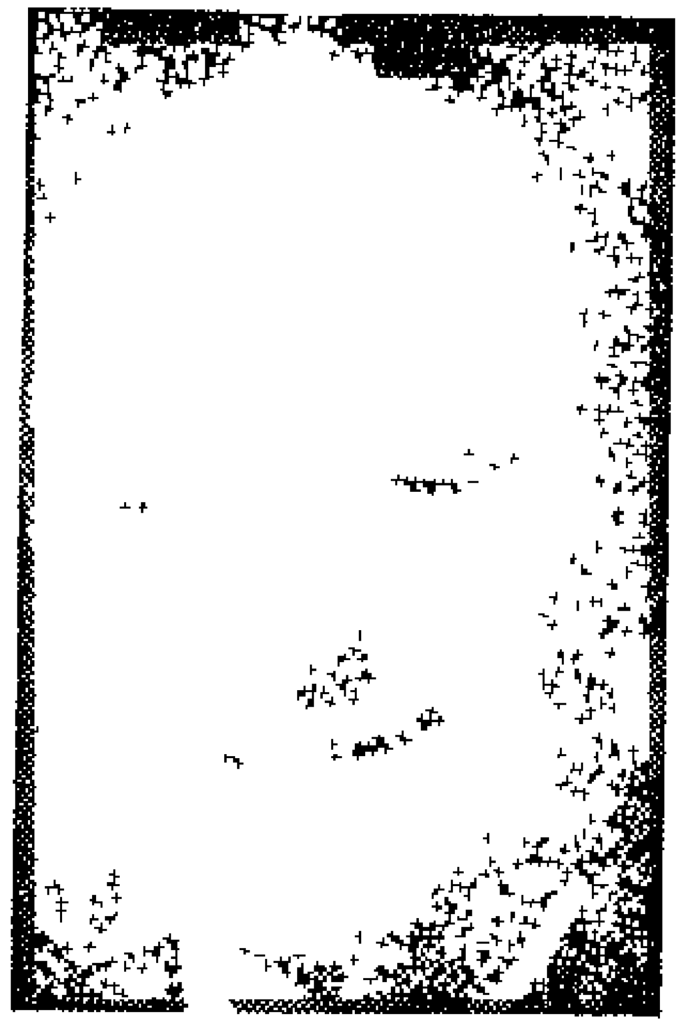
'South Africa cannot afford a similar loss of jobs in the textile industry,' said Mr Marvin.

A key factor to the country's ultimate prosperity was the creation of more jobs for the unemployed and the textile industry represented an ideal vehicle for this objective.

He welcomed the Government's agreement to form a study group to investigate all facets of the textile, garment and retail distribution sectors and formulate a long-term policy that would be beneficial to everyone.

'We want rules and we will abide by them. We need the security that will give us the confidence to make big investments in this country.'

The textile and clothing industries provided a major opportunity for increasing employment. By matching the growth rate of 4,5 percent predicted by the economic development programme over the next seven years some 5 000 jobs a year could be created.



MR DENYS MARVIN, chairman of SANS

RETAIL CHIEF HITS AT LATE DELIVERIES

Argus 14/11/81

By TOM HOOD 197

TOP executives of garment, textile and footwear manufacturing companies were given a tongue-lashing by Mr Adrian Bellamy, managing director of the giant Edgars Stores group, in Cape Town this week.

He came to present awards to some of the 49 suppliers who gave Edgars distinguished service' in the past year

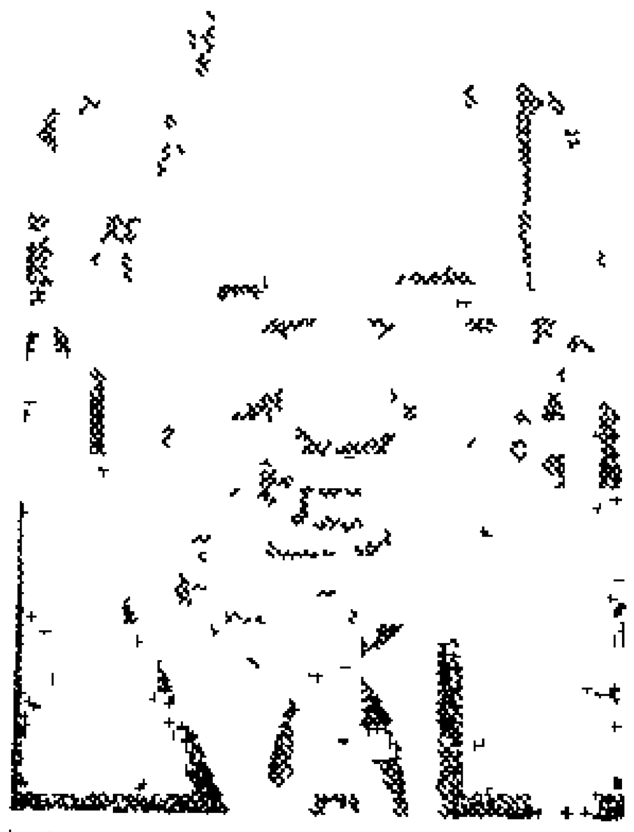
But he also complained of late deliveries of merchandise On average one out of every three orders was seriously late, he said

I am a frequent visitor to America and Europe and I can categorically say that the delivery performance we have been forced to accept over the past 18 to 24 months is seriously deficient by international standards

HIGH LEVELS

He accepted that the clothing, footwear and textile industries faced exceptionally high levels of demand But so had many other sections of the economy and they had generally responded well to that challenge.

We must share some of the blame for the problem There are, however a sufficient number of firms that are performing in an exemplary fashion with deliveries that I must suggest those with a tarnished record should first look at the quality of their own management for a solution'



MR A D P BELLAMY managing director of Edgars Stores

He said Edgars was essentially in partnership with its suppliers The group's professional divisions could help suppliers in matters such as quality assurance, industrial relations data processing and organisation structure

FOREIGN MARKETS

Edgars' policy was always to buy South African except where South Africa could not provide

'Over the past 18 months we have been forced into foreign markets because of the non-availability of local merchandise Frankly, faced with your delivery record we had no alternative

The solution to our future success in textiles, clothing, footwear and the associated retailing is effective management, not import permits or draconian duties

'It is indefensible for any industry with such a record to be simultaneously launching a public programme for protection How much more satisfactory surely, to put these enormous efforts into an improved performance'

Complaints like Mr Bellamy's will be discussed next week at the National Clothing Federation convention in Sun City, the president Mr Simon Jocum, said in Cape Town

Retailers and many others will attend and we want to investigate the extent of these delays

South Africa has 1 150 clothing factories and each one claims his deliveries were on time Obviously, some are better than others and we are concerned at statements like this'

High growth rate seen for textiles, clothing

ARGUS 19/11/81 (197) ~~187~~

THE growth rate for the textile and clothing industries, given the right framework, should exceed the 5,1 percent projected for the economy as a whole over the next five years.

This is the view of Mr Justin Schaffer, managing director of SA Nylon Spinners, who spoke today at the National Clothing Federation's annual convention at Sun City

He said 'I have every confidence that our industries together, through co-operation at all levels, could readily exceed these growth rates'

Although there were times when the interests of the two industries were best served by following diametrically opposed viewpoints, prospects for co-operation were good.

Co-operation meant seeking a common cause, looking for the things they had in common and developing them to their fullest extent

There was a great lesson in the Korean experience The Korean Government was spending hundreds of millions of dollars to boost the textile and clothing sectors and achieve a 70 percent export ratio by 1986

'We do not want Government handouts Instead of subsidies we ask the Government to establish a policy of protection for our industries which would create a climate of such confidence that every one of us would be prepared to increase our investment significantly and exploit every opportunity for increasing employment within our country and increasing our export potential'

No country in the world had built up a successful export performance without having a sound and secure domestic market on which to launch an export programme.

Free trade plan

MAPUTO — The governments of Mozambique and Tanzania have agreed to establish a free trade zone between the two countries, providing for a reduction of tariffs on all exports and imports, the Mozambican agency, AIM, reports

The agreement, which takes effect in January next year, could take up to 10 years to remove all tariffs — Sapa

TEXTILES ~~184~~ 197 FM 20/11/81

Crunch coming?

If attempts break down in Geneva this week to liberalise world trade in textiles, it is almost certain that SA will add quantitative import controls to existing tariff protection of the domestic industry

This could be a recommendation of the 14-man committee of inquiry headed by Professor Willem Steenkamp, who has been asked by Industries and Commerce Minister Dawie de Villiers to investigate the clothing and textiles industries

Industry sources believe government has been convinced that a means of protection more effective and flexible than tariff barriers is needed to protect domestic industry from the effects of a possible collapse of the Gatt Multi-Fibre Agreement (MFA)

Ellis Meredith, president of the American Apparel Manufacturers Association, says a Bill is being held in readiness in the US Congress should attempts fail to re-negotiate the MFA

Enactment of the Bill would have the effect of holding in place the regulatory machinery which exists under the MFA to control the flow of textiles imports from developing countries.

For largely political reasons, SA is not a member of the MFA The agreement is, in effect, a series of bilateral accords between developed countries and 28 developing countries whose exports to the former are not permitted to grow at more than 6% a year As SA has diplomatic ties with very few of the 28 Third World countries in the MFA, its membership of the agreement would be practically unworkable

SA clothing worker ... competing with the LDCs

The local clothing and textile industries maintain that SA should have a similar protection package to those in developed countries like the US, Japan and the EEC Ideally, this would comprise a scientific mix of formula duties and quantitative controls They say quotas should be expressed in units of production and not in money values

By limiting imports through the control of foreign exchange allocations, the authorities cannot protect the industry from the mass importation of dumped items

Ironically the MFA works in favour of local manufacturers It provides exporters of the low-wage LDCs with a ready market and regular 6% increments in the volume of goods that developed countries will take from them Arguably, this takes the pressure off LDC exporters to dump surplus production in the Republic, among others

Should the MFA collapse, local industry believes that SA, with its open stance on imports, would be vulnerable to desperate dumpers This need not be so In the US, where textiles protection is based primarily on the bilateral mechanisms of the MFA, sophisticated watchdog techniques sound early warning signals if clothing or cloth build-ups occur This is normally followed by a 90-day moratorium on all textile deals with the exporting country until "misunderstandings" are cleared up by negotiation

By accident rather than design, SA is one of the world's most liberal textile trading nations It has high external tariffs, but at least it does not impose volume controls on imports By attempting to regulate the expansion of textile exports of poor countries to rich countries, the MFA is anathema to the principles of liberal trade embodied in Gatt

Even the conservative Republican administration in Washington admits that, if the MFA did not exist, someone would have to invent something like it Hence a fail-safe Bill in Congress should the Geneva MFA renewal talks fall down

All this seems to suggest that, unlike cars or steel, textiles and all the components of what is known as the textile chain, is a trade discipline apart Back in 1973 it was as much concern for the healthy development of textiles industries in LDCs as for the protection of like industries in the EEC which led to the negotiation of the first MFA There must be strong doubts whether the MFA quota system has worked Clearly Britain, France and Italy do not think so or they would not have gone so close this week to wrecking renegotiation of the agreement

Perhaps the best international solution would be to stop treating clothing and textiles as a special case and to reintegrate them into the Gatt system whose ultimate goal is liberal trade between willing buyers and sellers An exporter seeking greater access for its products in a foreign market should be willing to offer increased access for products offered in return If nations wish to protect industry, they should do so by means of tariffs The extent to which tariffs are raised would be an indication of the price a country's consumers were willing to pay for such protection

The more trading nations increased the share of their markets open to imports, the more trading opportunities they would create for themselves Protectionism benefits nobody, for one set of barriers begets another in retaliation In the end, trade contracts

SUNDAY TIMES

197

22/11/81

S Africa to make its own corduroy

By G R NAIDOO

SOUTH Africa, which imported an average 5,2-million metres of corduroy from overseas over the past three years, will produce its own corduroy for the first time next year.

Two textile companies — Tongaat Textiles and the Frame Group — are combining their resources to manufacture the material in South Africa.

The plant is scheduled to come on stream during August and September, and the combined investment will be about R12-million

Mr R A Payn, managing director of Tongaat Textiles, said the local market was small by world standards and it would not be economically viable for two independent producers to set up their own plants

Finishing

"The agreement reached between Frame and Tongaat overcomes this problem," Mr Payn said

"The total capacity will be some 3,5-million metres a year, and Frame will initially spin the yarn to weave a minimum of 2-million metres annually

"Hebox textiles, a subsidiary of Tontex, will do all the dyeing and finishing Specialist constructions will be imported by Hebox to fill up plant capacity."

The setting up of the plant in South Africa would have the effect of saving millions of rands a year in foreign exchange

At the moment, high quality corduroy is imported from the States and Europe, particularly West Germany

The lesser quality material is imported from Hong Kong sources which get their material from Taiwan and Korea

The intake of cheap foreign shirts, for instance has increased 400% in the past year A shirt landing at R2, attracting an external tariff of 50%, will still land on retailers' shelves at half the price of the cheapest shirt produced locally This applies to other basic outerwear and underwear For this reason domestic producers in the textile chain (with the obvious exception of importers) are screaming for a system of selective shut outs

Their fears have been heightened by the highly restrictive tone the EEC negotiators have adopted in the present round of talks in Geneva where attempts are under way to roll over the Gatt multi-fibre agreement The common market seems unwilling to offer export growth rates of more than 1% to Third World suppliers while major exporters of the developing world will get close to nil percent

SA clothing and textile companies believe that if the European position is written into the new multi-fibre agreement (MFA), huge export volumes will be diverted to the Republic at dumped rates Government seems unwilling to resort to itemised import quotas According to Board of Trade chairman, Basjan Kleu, 'the indicated solution is tariff protection, which could stabilise market shares in established sectors and create opportunities for achieving a reasonable market share in areas of new development "

SA, he points out, is not a signatory to the MFA for the simple reason that there are no Gatt bindings in the SA schedule which stand in the way of effective tariff protection for clothing and textiles This is not true of the 14 major developed countries which are members of the MFA

SA's textile industry is still developing The Republic is classified by Gatt as a developed country and would have been obliged to take certain volumes of Third World exports at little or no duty Such volumes would have had to increase annually and this would have harmed the basic sectors of the textile chain Because the textile industry is so vital to the less developed part of SA's dualistic economy, Kleu believes they should be protected

They should also improve productivity Figures published by the Department of Statistics show that from 1971-80 the total value of sales (at 1980 prices) increased from R740m to R860m, an increase in output of 16% During the same period however, the number of workers employed rose 27% from 89 000 to 113 000 This represents a fall in the rand value of production per worker from R8 300 year to R7 600 — a drop of 8% in labour productivity over the nine-year period

TEXTILES ~~184~~ 197

Protection plea

FM 27/11/81

SA clothing manufacturers anticipate their 15-month-old tariff application will be granted soon Thereafter, government will probably freeze all applications in the pipeline, as well as any being formulated by other sectors in the "textile chain

Protection will be suspended for the duration of the study by a 14-man working group under Professor Willem Steenkamp (*Business*, November 20) Garment-makers will be relieved to get additional protection which in many cases will raise the landed cost of imported clothes 50% Although clothing imports in 1981 will run to about R180m — a modest enough figure compared with the value of domestic clothing output of R1 200m for the year — there are signs of a dangerous build-up of certain imported items

FRAME GROUP

Contradictions

FM 27/11/81 (197)

Activities: *Manufactures textiles There are extensive cross shareholdings between the four listed companies Consolidated Textiles, Natal Consolidated, Natal Canvas and SA Wool*

NATAL CONSOLIDATED

Capital structure: *2.4m ordinaries of 50c, and 250 000 5,5% prefs of R2 Market capitalisation R28,8m*

Financial· *Year to June 30 1981 Borrowings Nil Net cash R4 000 Current ratio 17,0 Group cash flow R3,9m Capital commitments R2,1m*

Share market *Price 1 200c (1980-81 high, 1 500c, low, 390c, trading volume last quarter, 6 000 shares) Yields 7,4% on earnings, 0,8% on dividend Cover 8,9 PE ratio 13,5*

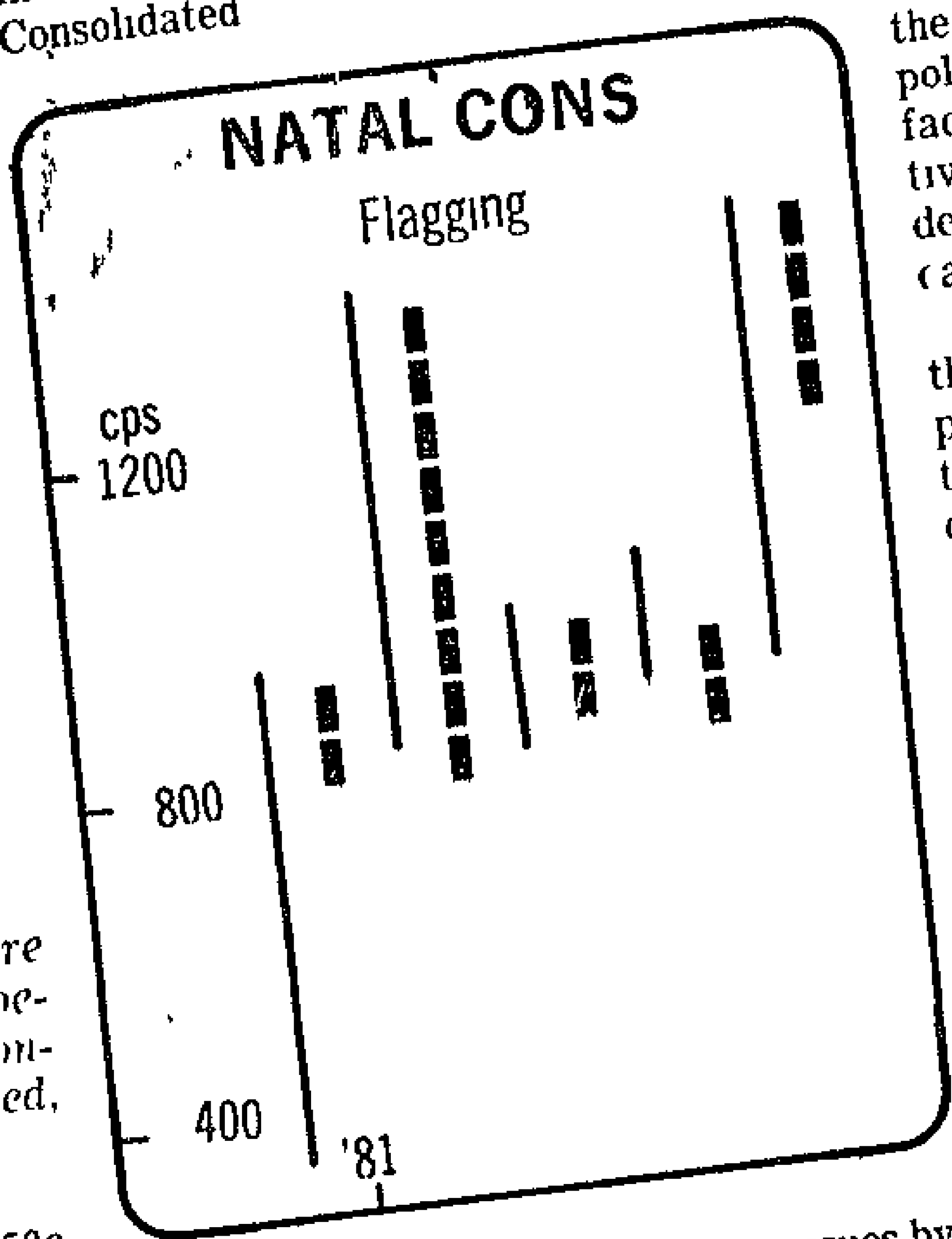
	'78	'79	'80	'81
Return on cap (%)	3,5	2 6	3 9	2 0
Turnover (Index)	100,0	113 8	154 9	177 3
Pre-tax profit (Rm)	2 0	1 8	3 8	2,4
Gross margin (Index)	100,0	95 2	121 9	67 4
Earnings (c)	83 4	75 0	107 6	89 2
Dividends (c)	10	10	10	10
Net asset value (R)	30 3	35 2	40 5	50 7

The Frame Group, according to the Frame group, is today "a vast, dynamic and multi-faceted organisation Its products must be competitive in quality and price and to achieve this, the organisation must be efficient in all respects "

How management rationalises this statement — which appears in all the group accounts — is obscure But I would have thought that the under-utilisation of assets, reflected in the abysmal profit returns as well as excessively high current ratios, indicated the exact opposite

However, the directors are apparently serious They add, with reference to the one-for-ten Contex cap issue, that "because of the conservative and sound financial policy which your board has always adopted, shareholders are now reaping the benefits by way of enhanced capital investment and increased dividends "

It is true that Contex shareholders have been somewhat better off in this regard than their counterparts in the other group companies, to the extent that the latest bonus issue is the fifth they have received in the past decade That compares with two each in the case of Natal Canvas and Natal Consolidated



But it is also true that the bonus issues by themselves have provided Contex shareholders with an income growth of only 4 1% on an average annual compound basis during this period, which is hardly much of a benefit

A more tangible benefit has stemmed from recurrent speculation ever since the death of founder Philip Frame in 1979 regarding the possibility of a takeover This has pushed the shares to levels totally unjustified by the returns offered, with an average dividend yield for the four companies of only 1,5%

The reason for this is, of course, that if an offer were to be made it would have to take into account net asset values which, despite the miserable yields, are still substantially above current share prices Natal Consolidated, for example, to which the above financial statistics relate, is trading at a 75% discount to net worth with investments at market or directors' valuation, and a 20% discount with investments at book value

But whether such a deal ever eventuates is another matter Control, through the spider's web of cross holdings, is firmly entrenched in the hands of Frame's heirs who seem perfectly content to see the group continue on its lacklustre path The position is further complicated by apparent dissent between various elements of the family and/or trusts where control lies The opinion has been expressed that if one party agreed to sell another might well object simply on personal grounds

At the same time, however there would be no shortage of willing buyers The most frequently mentioned is the cash-flush Smith group, through Romatex, and there is little question that Barlows' management expertise would probably be able to transform the operation in short order

Within the group, Natal Consolidated's results were unusual to the extent that profits were down 15% — attributed by management to "the additional costs resulting from the Frame Group's new industrial relations policy " Contex and SA Wool showed "satisfactory increases" of 5% and 28% respectively Not that this had any effect on dividends, which remained unchanged in all cases

With little prospect of a change in policy the shares have no investment merit at present levels, and the only reason to hold them is the outside chance of a takeover deal

Joan Thompson

ROMATEX

Undervalued

(197)

FM 4/12/81

Activities *Textile group with five divisions Romatex Floorcoverings, Romatex Mills, Romatex Fabrics, Romatex Industrials and Island View C G Smith, a Barlows subsidiary, owns 55,8% of the equity and Afcol, an SAB company, 21,7%*

Chairman· *J H Ward*

Capital structure: *23,8m ordinaries of R1 Market capitalisation R169m*

Financial: *Year to September 30 1981 Borrowings long- and medium-term, R9,7m, net short-term, R20,6m Debt. equity ratio 24% Current ratio 1,7 Group cash flow R40m Capital commitments R12,5m*

Share market: *Price 710c (1980-81 high, 800c, low, 440c, trading volume last quarter, 83 300 shares) Yields 18,9% on earnings, 7,9% on dividend Cover 2,4 PE ratio 5,3*

	'78	‡'79	‡*'80	‡'81
Return on cap (%)	17,8	19,9	†25,6	32,9
Turnover (Rm)	175	218	431	389
Pre-tax profit (Rm)	16,0	20,2	51,0	52,0
Gross margin (%)	9,9	10,0	12,6	14,3
Earnings (c)	45	55	†91	134
Dividends (c)	17	24	†39	56
Net asset value (c)	343	378	446	533

* 18 months † Annualised ‡ Lifo basis

After last year's cautionary forecast, Romatex in fact completed financial 1981 with record earnings and growth higher than the compound rate since 1975-1976 Chairman Jack Ward expects further profit growth, but warns that the advance will be "modest." This is based on an expected 2,6% real economic growth and the continuing impact of high interest rates

Last year's 40% earnings improvement (achieved on a 29% turnover increase) reflects better than expected economic activity' Ward says Romatex had expected 5% real growth but the figure looks like being closer to 6,5%. So group capacity utilisation was high and inflationary price increases were forestalled to some extent

Equally important was a substantially lower R1 1m (R2,9m) lifo adjustment — 2,9c a share on an after-tax basis This reflects slow raw material price escalation, in particular of imported products, partly because of a more favourable oil price position and the earlier strength of the rand Towards the end of the 1981 accounting period, a weaker rand produced higher import prices

Star profit performer in the five-division group was Romatex Mills An 86 4% gross profit growth last year meant a 24% (20%) contribution to the group total In fact, Romatex Mills earned more in 1981 than in the previous 18-month accounting period Ward ascribed this success to

- □ Higher capacity resulting from the past 30 months R4 8m capex
- □ Higher profitability in bagmaking following the Hochfeld acquisition
- □ A buoyant packaging market,
- □ Efficiencies arising out of the Jacobs' factory re organisation and
- □ Increased market share in the handknitted yarn division

Further expansion is planned in the woven packaging, polypropylene and yarn spinning divisions Improved efficiencies and expected market growth suggest higher profit

Floorcoverings and industrials also produced marked profit growth – 58,9% and 47,1% respectively In the former, the growth rate slowed in the second half and with tight money conditions maintaining profit is expected to be "difficult" The industrials division will be hit by sluggish car sales this year but this should be offset by increased volumes in other areas So "modest" profit growth is expected

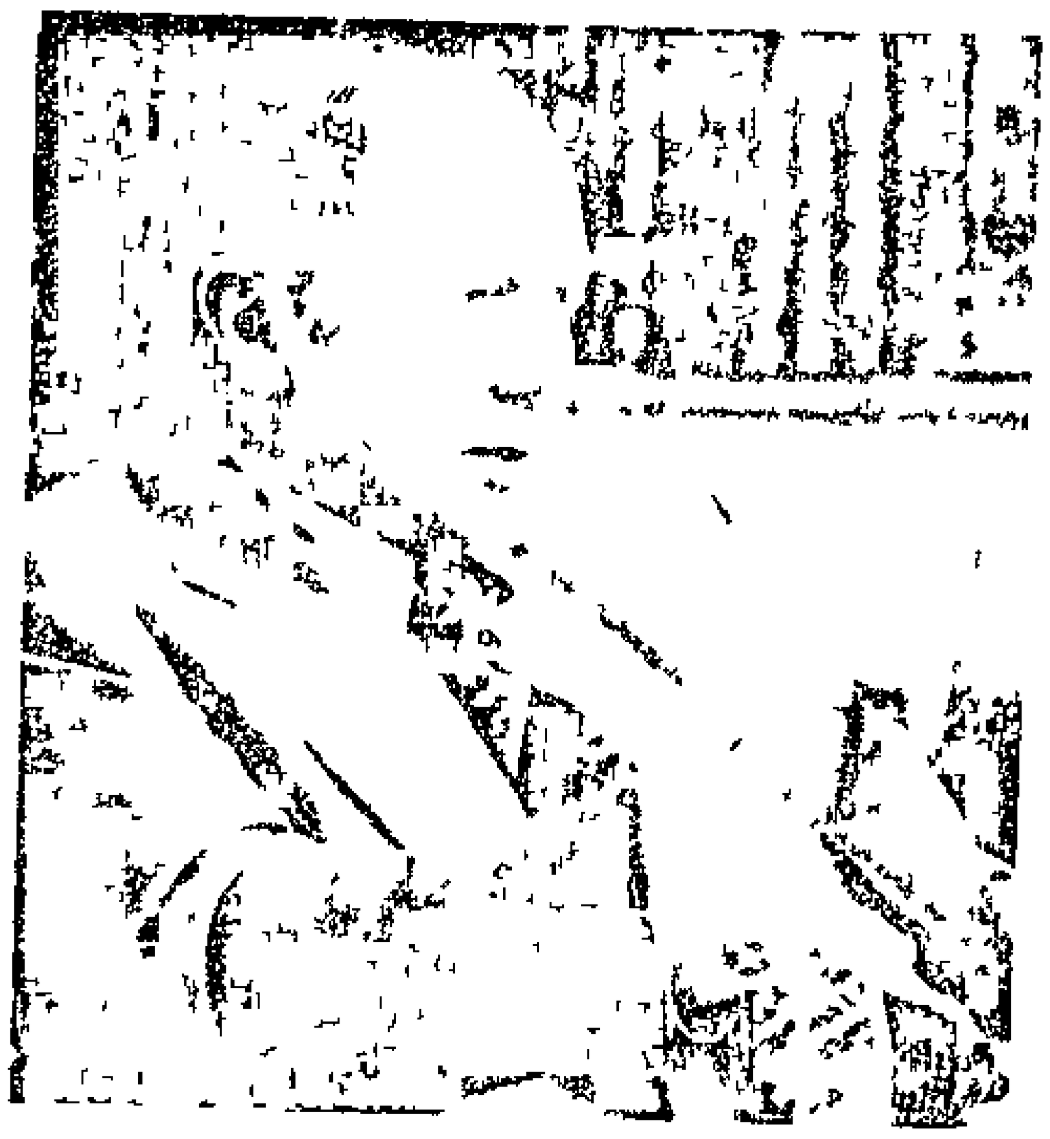
	*'80 Rm	%	81 Rm	%
Fabrics	6 8	19	7 6	14
Floorcoverings	12 3	34	19 6	36
Industrials	6 4	18	9 4	18
Mills	7 0	20	13 0	24
Island View	3 3	8	4 0	7
Other	0 5	1	0 5	1
	36 3		54 1	

* Annualised

The fabrics division reported slow growth of 11,6%, in part a reflection of inadequate duty on imported competition Ward complains that steps need to be taken to protect this industry as SA producers must buy more expensive local raw materials Nevertheless, with modest expansion and by closing down unprofitable operations, he expects a small profit improvement

Island View Storage's increased capacity and firm demand produced a higher profit contribution This year R3,6m is earmarked for expansion after the R1 9m spent in 1981 A "satisfactory" profit growth is expected

Romatex's bumper year resulted in improved financial ratios The group felt the effect of higher interest rates with the annualised charge rising 26,5% to R2,1m (R1,7m) on almost unchanged borrowings of R30,6m (R27,8m) But with higher profit, cover on the annual interest and leasing bill was increased to 14 7 (13,2) times The debt equity ratio was only 24 0% (26,2%) compared with a target 50%, so the group



Romatex's Ward starting to use that muscle?

has plenty of financial muscle in hand

This year, given flagging growth and the probability that acquisition PEs could fall, Romatex may start using that muscle In any event, liquidity flowing from lifo accounting and sound asset management suggests that dividends will continue rising despite the expected economic slowdown

Ward's forecast of modest growth gives no clue as to what shareholders can expect But on the basis of the group's past record, it is probably fair to assume that the profit advance will at least match the expected 15%-odd inflation rate So Romatex yields a prospective of around 9%, which still suggests the share is undervalued on an income basis

De F Lucas

TEXTILES F.M. 11/12/81

Chain reaction 197

AECI-owned SA Nylon Spinners (Sans), with a capital base of R200m after a R40m boost this month by a plant expansion at Bellville could soon meet more than 75% of the country's demand for nylon and polyester filament yarn. But MD Justin Schaffer emphasises "Sans is not a monopoly."

Schaffer claims that criticism of Sans' application in 1979 to the Board of Trade and Industries (BTI) for an increase in import tariffs (promulgated and gazetted in January this year) is unfounded since there is a clear symbiotic chain between his industry and both the textile and clothing sectors.

His support of quantitative protection is well known and he says it is a misnomer to refer to the textile and clothing industries' complaints without referring, as well, to their own desires for protection.

"I was invited to speak at the SA Textile Federation's conference at Sun City earlier this year," says Schaffer citing this as proof of co-operation and goodwill among the constituent industries that comprise SA textile and clothing manufacturing.

Manufacturers predictably feature strongly in the protection-support lobby. A view in the textile industry, for example, is that a potential reduction in volume of goods from local sources would have the effect of simply increasing local prices to meet the cash demand that current expansion requires.

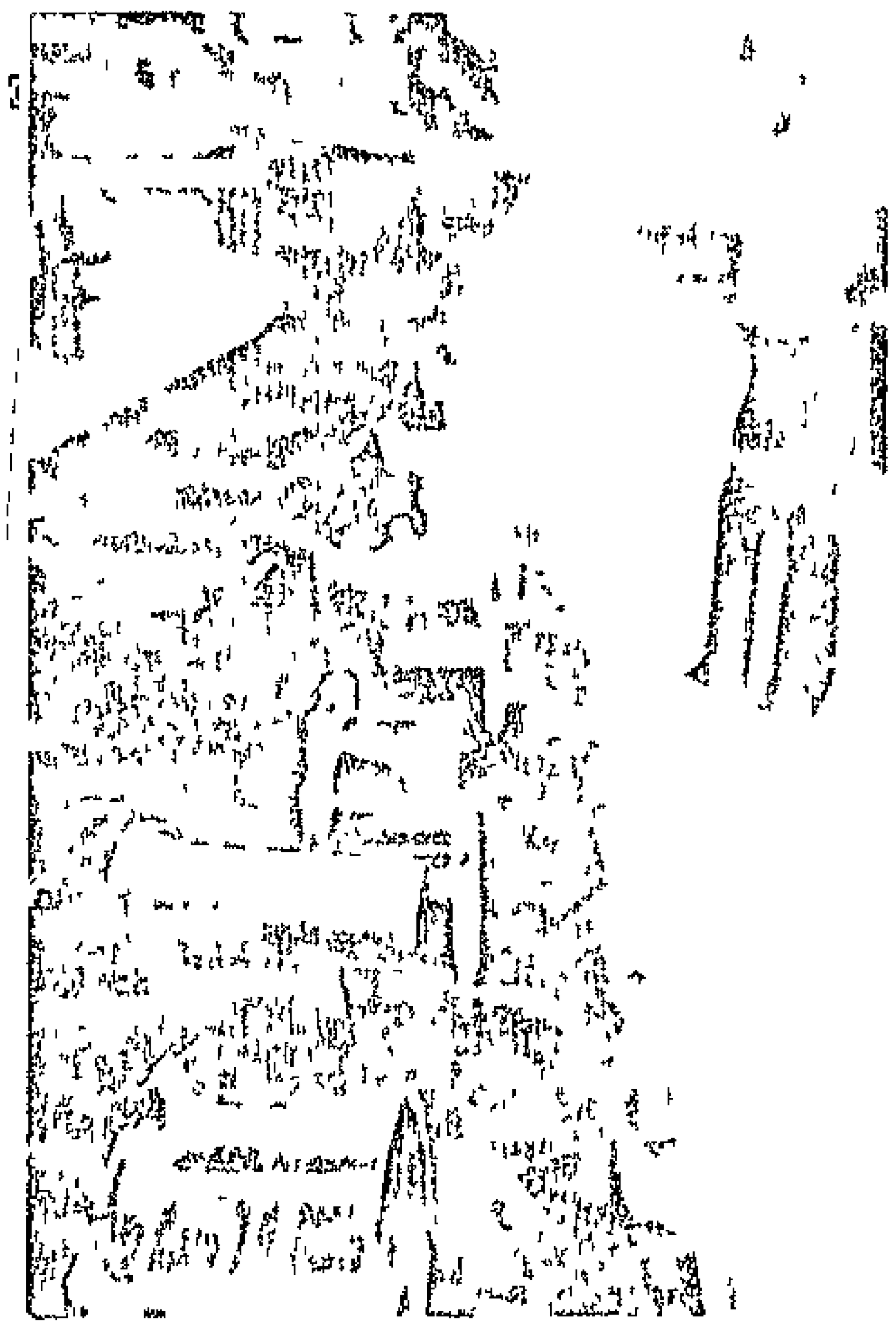
Intensive capital injections have boosted Sans' output of both nylon and polyester yarn to 19 000 t a year each. However, notes Schaffer, Sans' products account for only 15% of current total textile mill consumption in the country.

He claims Sans has to market its products as hard as any other supplier — and cater for rapidly changing fashion demands.

At the opening of the plant expansion, Denys Marvin, MD of AECI and chairman of Sans, said that in Sans' 17-year existence, product range increased 20-fold to 200 types of nylon and polyester yarn.

Amid cries of "cheap dumping" from the Eastern "sweatshops," Sans is busy supplying a country in South East Asia — "one which decries SA at the UN" — with polyester polymer chips at the rate of 750 t/month.

But Schaffer holds local manufacturers need not fret. This prime raw material,



Sans plant ... intensive capital boost

...arks - 42 minutes)

...L. - 1979)

(10 marks)

You are the auditor of National Wholesalers Ltd. While doing the audit for the year ended 31 March 1979 you discover that debtors include an amount of R800 000 owing by a company named Retailers (Pty) Ltd which is in liquidation. No provision has been made against this account. The Directors explain that they do not consider it necessary to provide because, knowing that the debtor was in financial difficulties, they had some months ago taken the precaution of obtaining a second mortgage bond over a property belonging to Properties (Pty) Ltd as security for the debt. Properties (Pty) Ltd is a wholly-owned subsidiary of Retailers (Pty) Ltd.

You are aware that Properties (Pty) Ltd has very recently also been put into liquidation.

The amount owing by Retailers (Pty) Ltd is material to the financial statements.

197

MANUF. - Textiles

1-1-80 - 31-12-80

New Germany: textile factory

Hans 17 QC 863 (197) [illegible] 11/6/80

*7 Dr A L BORAINE asked the Minister of Police

Whether the police have taken any action in connection with a strike at a textile factory in New Germany, if so, (a) when, (b) what was the nature of the action and (c) at whose request or on whose instruction was the action taken?

†The MINISTER OF POLICE.

No, the police only acted to restore and to maintain law and order as required of them by section 5 of the Police Act, 1958

Hansard 6 Question Col

347/348

12/3/80

For written reply

South African clothing/textile manufacturers deliveries

197

227 Mr [illegible] [illegible]SON asked the Minister of Commerce and Consumer Affairs

(1) Whether the Department of Commerce and Consumer [illegible] of any [illegible] [illegible] [illegible]

[illegible] deliveries by South African clothing and textile manufacturers

(2) whether any complaints have during 1979 been lodged [illegible] about such deliveries, if so, what was the nature of the complaints

(3) whether the matter is being investigated?

The MINISTER OF COMMERCE AND CONSUMER AFFAIRS

(1) Yes

(2) No formal complaints were lodged [illegible] requirement [illegible]

(3) [illegible] Direct [illegible] Export [illegible] delays [illegible] the delivery are [illegible] [illegible] to-

(a) [illegible] who are [illegible] very short [illegible] delivery dates,

(b) late receipt of raw materials for manufacturing purposes,

(c) delays in the delivery to buyers by public transport and

(d) problems in connection with the determination of the creditworthiness of the firm which placed the order

197

Mr Daniels . . union is colour blind

DD 29/1/81 197 024

Textile union branch in EL

EAST LONDON — A branch of the Textile Workers Industrial Union was established here last night

A large number of textile workers attended a meeting held in the City Hall and addressed by the union's officials.

The Regional Director of the union in the Eastern Cape, Mr Wesley Beam, said the union was the only true non racial union in the country Any textile worker, regardless of his skin colour, could join the union

He said a lot of the other unions in East London were just trying to push the workers over the cliff and caused friction to lead the workers to confrontation.

The aim of the union was to uplift every worker in the city, no matter what colour he was

The National Secretary of the Union, Mr Norman Daniels, said the union had over 10 000 members but aimed to represent many more people.

He said the only thing a worker had to sell was his labour. It was his duty to see that he sold his labour for the highest price

"You don't go to work because you like it but because you have to go"

He said things like lunch and tea breaks which most people just accepted these days, also had to be fought for in the past

The Regional Director of the Border Region, Mr Gladstone Stolo, said the union's power had to be mixed with tact and understanding. A committee of 12 members had been elected for the new East London branch Mr Adolphus Majiwaxaza was elected chairman of the branch and Mr Desmond Ndulaza, vice-chairman — DDR

Union wins first Tvl recognition

Star 8/10/81

197 ~~157~~ 1204

Labour Reporter

The Fosatu affiliated National Union of Textile Workers has won the first recognition agreement in the Transvaal at a Springs te[illegible]le firm.

The agreement was s[illegible] last week between the largely Natal-based union and the management of [illegible]a t[illegible]x (Pty) Ltd.

It allows for shop steward elections, time off for sh[illegible]p stewards to conduct union business, stop order facilities and access for union officials to work on the shop floor.

The Tucsa affiliated Textile Workers Union previously had representation at the plant.

Tucsa unions reject Fosatu textile plan

RDM 30/10/81 ~~151~~ ~~135~~ 197 ~~K~~

By STEVEN FRIEDMAN

TEXTILE employers are talking to at least two trade unions on the future of bargaining in the industry — but Tucsa textile unions reject their Fosatu counterpart's demand that the industry bypass an official industrial council

Yesterday the Rand Daily Mail reported that the Textile and Yarn Fabric Manufacturers Association (Tyfma) was negotiating with Fosatu's National Union of Textile Workers (NUTW) on a bargaining system which could create a major precedent for other industries by bypassing industrial councils

Tyfma's chairman, Mr Selwyn Lurie, yesterday confirmed his organisation was holding discussions with NUTW, but said it was also discussing the issue with other unions in the industry

There are two other unions in the industry — Tucsa's Textile Workers' Industrial Union and Textile Workers Union (Transvaal), both of which sit on councils in areas of the industry not covered by Tyfma and both said yesterday they backed the industrial council system

Minority

NUTW says it will not take part in a council It says it is the union with the biggest black support in the industry and any decision by the other two to join a council would mean minority unions were negotiating legally-binding wages and work conditions

TWIU's general secretary, Mr Norman Daniels, yesterday confirmed that his union had held talks with Tyfma on the issue

He said he welcomed the recent formation of Tyfma, as well as attempts to set up a negotiating structure for the industry "Thus far we have had no form of negotiated agreement in the industry," he said

Mr Daniels said his union favoured a council, but added "We recognise that there are other forms of negotiation"

He conceded that a council formed with his union at present would not be representative and said the Government would not approve such a council if it was unrepresentative

But he added "We are working towards this Our black membership is growing rapidly"

Mr Daniels said he was sympathetic to complaints about the councils, but added. "The critics are looking at the way the system used to work before we were able to represent blacks Now that we can, we can make the system work"

Mrs Evelyn Seloro, general secretary of the TWU (Transvaal), said yesterday that she had not been approached by Tyfma, but her union also supported an industrial council

Feather in cap of Fosatu union

RDM 19/4/80

By STEVEN FRIEDMAN
Labour Reporter

A FOSATU-affiliated unregistered trade union has won a limited form of recognition from a Port Elizabeth company

The union is the predominantly black National Union of Textile Workers, which says it is the largest textile workers' union in the country

The company is Industex, which is owned by European and local interests Most companies which have been willing to deal with black unions are foreign-owned

Industex has granted the union stop-order facilities, which means it has undertaken to deduct union members' dues from their pay packets

Unions regard this facility as an important source of financial stability

Without it, union dues have to be collected from each member, a process which creates financial problems The parlous financial state of some unregistered unions has been attributed to their lacking this facility

The granting of stop orders is also regarded as a step on the way to union recognition

Industex's decision was revealed this week by NUTW's general secretary, Mr Obed Zuma

He also announced that the NUTW had inaugurated a new branch at the weekend which would represent workers in Port Elizabeth and Uitenhage The new branch has 1 400 paid-up members, he said

The NUTW, formed in 1973, had been limited to Natal only

The new branch consists of textile workers who were organised by Fosatu's East Cape regional committee Its formation made NUTW "the largest textile workers union in South Africa," Mr Zuma said

It was also the only non-racial textile union

That the the branch had been formed with Fosatu's help "shows that there is much greater co-operation between unions in Fosatu than in other organisations"

Cape Times 15/7/80

Firm allows workers to pick union

Own Correspondent

PORT ELIZABETH — In a unique move, a textile company, Veldspun, has provisionally recognized a Fosatu-affiliated black union after holding a referendum at which workers chose this union in preference to a mixed Tucsa-affiliated rival

The recognition may lapse if the union is refused registration

The company's decision to call a referendum is believed to be unique in recent labour history and labour observers suggest other companies could follow this lead

Battles between independent black unions and those affiliated to Tucsa or other registered union bodies are becoming increasingly common However, the holding of a referendum to determine which union enjoys majority worker support is a new approach

Favour

Independent unions affiliated to Fosatu and the Consultative Committee of Black Trade Unions believe that employers tend to favour the established unions and encourage them to organize black workers in an attempt to keep representative black unions out

Veldspun is a Uitenhage textile company partly owned by Barlow Rand It employs about 1 200 workers

It held a referendum at which workers were asked to choose between the National Union of Textile Workers (NUTW) and the registered Textile Workers Industrial Union (TWIU)

The company has declined to release the results of the referendum, but it did inform the Fosatu-affiliated NUTW that it had won a clear majority

The company has now agreed to temporarily recognize NUTW for three months, pending the granting of registration to the union

Extend

It has also agreed that, if the union's registration application has not been resolved within three months because of delays by the authorities, it will extend this agreement

A company spokesman confirmed this, but said the recognition was "provisional" Veldspun would continue to deal with both unions till NUTW gained registration, he said

"Once they are registered,

with selected major categories of disease. Clearly, this is an entirely h..etnetical situation. However, these competing risks life tables not c.. provide an indication of the relative importance of various disease categories to both the overall mortality experience and also to expecta- ...he three communities, but also, since there is an appro- ...relationship between the reduction of mortality and the ...ase in life expectancy, any improvement will give rise to ...mprovement in the expectation of life. Thus, if the ...ated with any of the diseases included in Fig. 6 are re- ...en the increase in the expectation of life will be 50% ...nts indicated.

...on of Neoplastic Diseases and Diseases of the Circulatory ...he 'coloured' community stand to gain most from measures control of any of the selected diseases included in Fig.6. ...portance are the Infectious and Parasitic Diseases, ...re frequently amenable to the implementation of relatively ...f prevention.

...to thank the Board of the Colonial Mutual Life ... for their generous financial assistance.

Mooi River Textiles boosts performance

(1977) S A Industrial week 22/1/80

By Derek Birch

A TOTAL of R2 million has been invested over the past four years by Mooi River Textiles Ltd on new and more complex machinery, re-organisation of production facilities, marketing, development and administration

The expansion is in line with new policy designed to reduce imports, meet local demands and generally improve the performance of the company.

This involved moving away from cotton to Trevira-cotton blends and diversifying into other market areas such as casual wear, outer wear, dress and lingerie

The factory was established in 1955 at Mooi River, Natal, as a subsidiary of the Dutch company, Koninklijke Textielfabrieken, one of the largest groups in Holland

Initially it was a spinning mill, producing cotton yarns for the knitting industry Further plant was installed for weaving, dyeing and finishing to form a vertically integrated factory

For the six months ended June 30, 1979, Mooi River Textiles increased profits before tax by over 200% — and a figure of R834 000 after tax

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Page 4 POST, Thursday, February 21, 1980

Post 21.2.80 (197) (~~144~~) (~~139~~) ~~135~~

Poached workers mystery deepens

Mrs Lucy Mvubelo

THE MYSTERY of the organised poaching of East London members of the National Union of Clothing workers has deepened.

Mrs Lucy Mvubelo, secretary of the NUCW, has accused an organiser of the Black Allied Workers Union (BAWU) of touting members

BAWU has no members in the Cape, according to BAWU's secretary, Mrs Mary Ntseke.

The East London based national organiser of the South African Allied Workers Union, Mr Thozamile Gqweta, has also denied poaching.

"I am just blank as you are," he said. "I would also like to know who this person Mrs Mvubelo is talking about It is definitely not me I do not visit people at their homes when canvassing. I organise workers at their factories and the only people I visit at their homes are my contacts."

Mr Gqweta, however, said his union had embarked on an intensive drive for members in the border area He said SAAWU did not concentrate on knitting and clothing workers only but on all the workers

	WHITE		AS[illegible]
	Male	Female	Male
(390-398)	115 1.2%	121 1.5%	28 2.5%
[illegible]-404)	212 2.2%	389 4.9%	115 10.1%
(410-414)	5737 58.8%	3118 39.3%	537 47.3%
(430-438)	1587 16.3%	2181 27.5%	273 24.1%
458)	9752 100%	7926 100%	1135 100%
[illegible]10-E819)	750 38.0%	287 42.4%	122 36.6%
*	485 24.6%	104 15.4%	42 12.6%
	59 3.0%	41 6.1%	41 12.3%
and Violence	1973 100%	677 100%	333 100%

[illegible]elf inflicted poisoning by motor vehicle exha[illegible]
[illegible]ot appear in I.C.D. (8th revision). See Re[illegible]

The currently accepted criteria for malnutrition consider 60% of the expected weight for age as a cut off point for severely malnourished children. Those between 60% and 80% (3rd percentile Boston standards) are underweight for age, whereas those below 60%, depending on their clinical condition, are either marasmic or marasmic-kwashiorkor.

Another method of obtaining a measurement of malnutrition is the Shakir strip which measures the mid-upper arm circumference.[3] Even though it is somewhat conservative, it can be easily used by unskilled staff and is a valuable screening procedure as it will identify those that are overtly malnourished.

No uniform measurement of nutritional status is available in South Africa. A collation of published results appears in Table 1, Once again, there is a marked variability in the results.

1.4 What Statistics are necessary?

The difficulties of collecting reliable statistics from developing areas are manifest. The impossibility of obtaining complete data should not prevent the collection of limited but useful data. A series of well-
... surveys on a national scale to measure infant mortality
ing. The urban system
the rural areas. Infor-
em is essential, especially
vate economy and goes in
... collection of data
iom are terms such as
.hat data are not uniformly
a given one. The
which is analysable and

scale of ill health in
analysis of the causes of
dynamics of the problem of
to plan for its solution.

Factory inspector investigates death

EAST LONDON — A government factory inspector is investigating the death of Mr Mphokoqo Nombana who was killed in an accident at a textile factory at Arnoldton, near here, last week

The general manager of the company, Mr J T Crook, said Mr Nombana had apparently got off a tractor he was driving and was working on it while the engine was still running He was run over by one of the back wheels and was killed

Mr Crook said the company would assist the family and had arranged for buses to take employees to the funeral at Zinyoka, near King William's Town on February 24

"We are sad indeed at this waste of human life," Mr Crook said

He said Mr Nombana had gone through a National Occupational Safety Association (NOSA) course early this year

"Once the widow is settled after the funeral we shall see what we can do to help her and her children," Mr Crook said. — DDR

When people converge on a subject from different angles, there is seldom a common understanding of where problems lie. It was a reflection of the

interdisciplinary nature of this conference that, although there was a unifying concern over the need to make a greater impact on health without a vast expansion in resources devoted to health care, a difference of approaches was apparent.

Administrators tended to be concerned with the question of how to provide the existing type of medical services more efficiently, at lower cost, using techniques of cost-analysis and public administration. A large proportion of the doctors and health workers present considered what type of health care to provide and what reforms were required to the existing health system to promote this. Both consider essentially the choice of adequate techniques for health care delivery; the administrators concerned with what economists would call technical efficiency and the medical reformers with efficiency as judged by epidemiological criteria. Economists on the other hand, treat the question of what an efficient allocation of health care is, and how this might be most closely approached: what agents should be responsible for providing and financing health care and what criteria should govern its allocation and delivery. A third approach, that of the social sciences, does not consider that freedom of choice exists in any of these respects because the distribution of health care and health requisites and the closely linked issue of the techniques by which they are delivered are both determined by the socio-political system. Health is seen mainly as the outcome of collective choices about the nature of the economic system and of society.

A fourth group, mainly community developers, argued that despite the ineffectiveness of medical reforms, it is possible to raise communities' awareness and their ability to deal with health problems at the micro level, thus altering some of the economic and social factors causing ill health in advance of wider changes.

The details of these arguments will be spelt out in the following sections. For the most part, they are implicit in discussion of the various aspects of health care; but two papers, those of Kirsch (Ch.7) and Savage (Ch.6), give an overview of health problems in Southern Africa.

Both Kirsch and Savage agree that morbidity and mortality are primarily determined in third world countries (and this includes most of Southern Africa) by the level of food, housing, employment, clean water, sanitation and other non-medical factors, and not by the structure of health services. Poverty tends to be a common factor in all of these.[4] Kirsch shows that, as in most third world countries, health service structures in Southern Africa are not adapted to this state of affairs. He traces three resulting problems:

Another fire at EL textile factory

EAST LONDON — In the second fire in three weeks at Frame Group factories here numerous bales of cotton waste were destroyed yesterday

Nobody was injured in the blaze which started at about 10 am in the waste storage room of Consolidate Textile Mills Ltd in Chiselhurst

A fire department spokesman said the roof structure and plant of the factory had not been damaged Firemen had the flames under control shortly after they arrived and they remained there for over an hour

The cause of the fire and cost of damage were not known yesterday

Three weeks ago a fire causing damage estimated at thousands of rands swept through the roof of a neigbouring Frame Group factory, Consolidated Fine Spinners and Weavers Ltd — DDR

8/2/89 DD

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San Trib (Finance) 3/2/80

232

197

Tongaat makes strong bid for Hebox

By TONY HUDSON
Finance Editor

TONGAAT is to make a formal bid for the entire issued share capital of Hebox Textiles

In an announcement late of Friday, Union Acceptances said Hebox shareholders would be offered either 40 Tongaat ordinary shares for every 100 Hebox shares held or R275 for every 100 Hebox shares.

If the offer of Tongaat shares is accepted, it means that Tongaat is paying 256 cents for Hebox shares. As Tongaat is standing at 640 cents at Friday's close, it would mean that the price would have to move to about 700 cents before the equivalent of the cash offer of 275 cents could be realised.

Tongaat has come up from a low last year of 280 cents and it seems in the current over-bought state of the market that the counter would have very little steam left in it.

Therefore those interested in growth would be wise to accept the cash offer and place their funds elsewhere. However, in the long term, there is no doubt that Tongaat has a very sound future and those more interested in dividends and stability would do well to accept the shares.

According to the Union Acceptances statement, holders of 60 percent of the share offer have agreed to support the proposal.

At nearly 10 times Hebox's earnings, the price Tongaat is paying would seem a bit over the odds. However, it must be confident that with its financial muscle it will improve the quality of earnings at Hebox and put the company back on the growth trail

Hebox has been undergoing some hard times and for the year to June 30 1979 the company's after tax profit was down nearly 19 percent to R1,35 million and the chairman's forecast did not indicate any further growth.

With Hebox standing at 160 cents at suspension and with little growth in sight, the offer is an excellent opportunity for locked-in shareholders to get out

IMPORT SURCHARGE

FM 11/4/80

Protective clothing

197

As expected, Finance Minister Horwood s removal of the remaining 7,5% import surcharge has triggered a stampede to the door of the Board of Trade by manufacturers seeking compensatory protection

First in line to obtain higher duties against imports are the Republic s 25 textile millers who lodged their application with the Board 18 months ago The new duties, some of which could rise by as much as 50%, are due to be gazetted "any day now " Because they have been worked out according to a complicated formula it is impossible to calculate the average increase

In Pretoria this week representatives of the National Clothing Federation, representing 900 clothing manufacturers had talks with BTI chairman Basie Kleu to seek protection against mountains of dumped garments expected to enter the country as a result of government s relaxed imports regime

Clothing and textile men argue that unless drastic action is taken to protect domestic industry from dumped offerings from low-wage and state-trading countries, the same fate that has befallen the clothing and textile industries of Europe and the US could descend on SA

At present, both SA industries are in fine fettle Order books are highly satisfactory and there is full employment Politically this is important The combined work force is 260 000, 97% of them blacks, 90% of them women So why import unemployment from the Far East and from state-trading communist countries? they asked Kleu

In particular, clothing manufacturers want the board to block imports of garments in the cheap end of the market They claim that imports of cheap garments do not benefit the SA consumer because middlemen importers pocket the difference between landed price and domestic wholesale price For this reason they argue, tariff barriers should be designed to keep out all but the most expensive lines of clothing

As a result of the collapse of the existing five-year international Multifibre Arrangement (MFA) under the auspices of GATT, SA clothing and textile men expect SA to become the target of the low-wage and state trading exporters who have brought the US and Western European clothing and textile industries to their knees

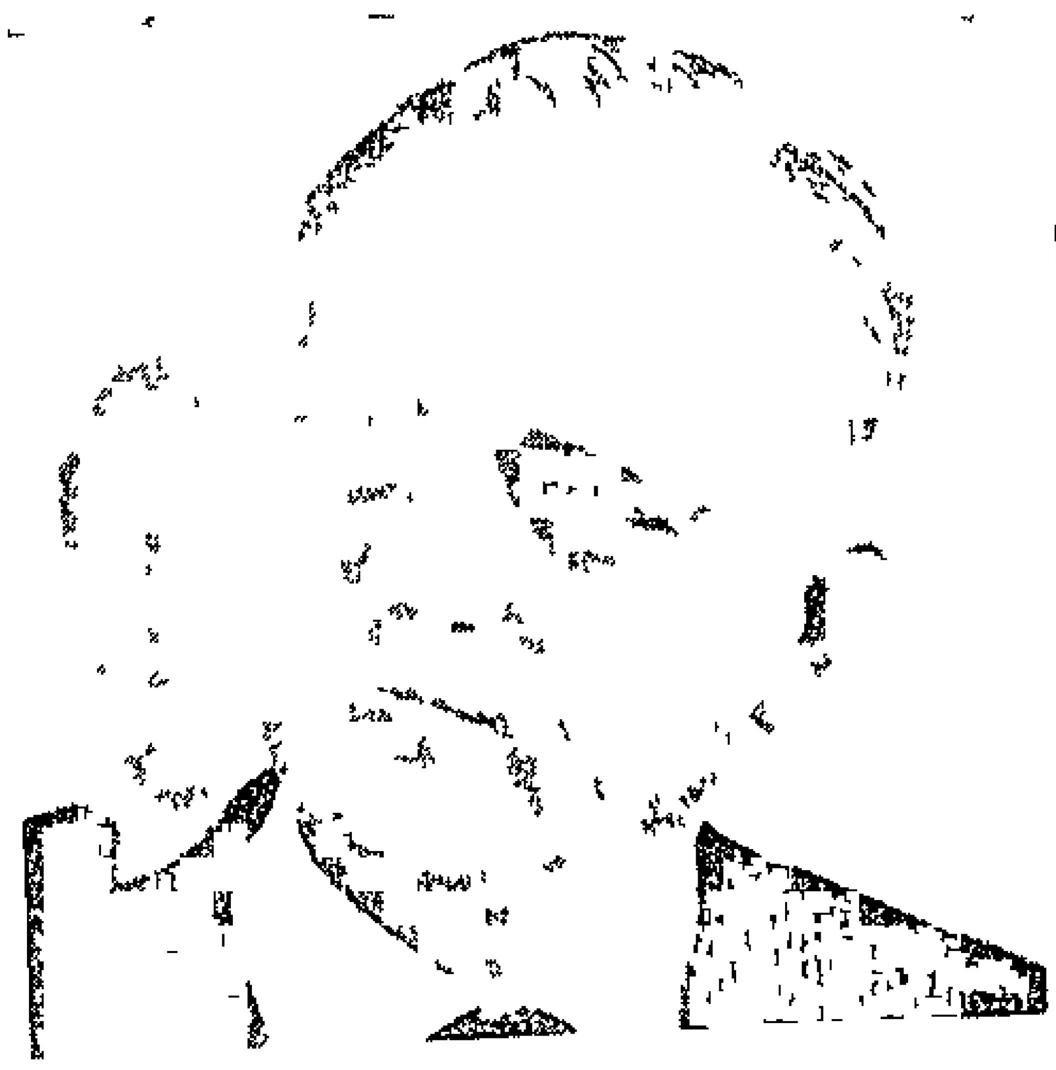
It is understood, too, that clothing manufacturers raised the sensitive question of Rhodesian clothing exports Rhodesian clothing manufacturers buy their fabrics fully rebated, in the cheapest markets and, because the existing 1964 trade agreement is favourably weighted for Salisbury, hit domestic garment-makers where it hurts most — in the high-volume cheaper end of the market

This argument is unlikely to wash with government trade officials who say that the lifting of sanctions and Salisbury s return to legality should reduce not increase, the importance of the SA market to Rhodesian exporters In any event, the 1964 agreement subjects Rhodesian exports of certain types of garments to a system of quota limits

But while it is in Pretoria's best interests to maintain a discreetly permissive stance towards imports from Rhodesia, it is clear that strong action will have to be taken ahead of the international clothing and textile crisis

More than a million workers in textile-related industries in Europe have lost their jobs, many thousands more will do so before the next GATT MFA is concluded, in 1982 Chances that the 1983-1987 MFA will be more protectionist than the current agreement are said to be slim Pressure from developing countries for markets for their own industries, which are labour intensive and give a valuable boost to an unsophisticated economy, is becoming increasingly hard to resist

European analysts now reckon that by 1985 as much as 25% of all EEC textile activity will have been "transferred" elsewhere and that 50% of all clothing manufacture will have been suppressed by imports



Kleu . . . who will he shield?

Strikes go on as two more held

329 195 152 3 197 RDM 30/5/80.

By STEVEN FRIEDMAN
Labour Reporter

TWO officials of the Western Province General Workers Union, Mr David Lewis and Miss Diane Cooper, were detained in Cape Town yesterday as strikes continued in the Peninsula and Durban.

The Frame Group in Durban announced a 15% wage increase, but this is unlikely to end the strike because management refuses to reinstate strikers.

There were violent clashes yesterday between a group of Frame employees and strikers in Clermont township. It spread to St Wendolyn's, another township.

The Cape Town detentions sparked fears of a further escalation of the meat strike in the Peninsula. Most strikers are WPGWU members.

Both detainees are being held under Section 22 of the General Law Amendment Act — which allows for 14 days' detention without trial.

In a statement last night, the union expressed fears that the detentions "may be the start of wider repressive action against workers' leaders", and warned that detaining them would "simply give rise to a leaderless mass of angry workers".

The Frame Group, announcing the 15% pay rise for those workers still in the factories, said it would be followed by a further 10% increase in January.

But the management still insists that strikers will be re-employed selectively, terms which the strikers rejected yesterday at a 5 000-strong meeting in Clermont. The company's terms will be put to workers at a mass meeting tomorrow.

Two stabbings were reported in Clermont.

Striker leaders arrested on Wednesday did not appear in court yesterday, but are expected to today.

Police told Sapa that seven people had been arrested in connection with the strike — four for striking illegally, and three in connection with stoning incidents.

The Frame Group's joint managing director, Mr Selwyn Lurie, said in a statement yesterday that the pay increases had been determined after discussions with representatives of "several thousand workers" who had continued working.

Similar increases would be given to Frame workers in the light-cotton and blanket divisions throughout the country, he said.

Workers were told in March that they would receive increases, he added.

Talks on the issue "were proceeding well when a small group at one of the mills stopped work". This group, he said, had used "intimidation and physical force" to prevent others from working.

He praised those who had continued to work "despite widespread physical violence meted out to them by the militants".

In Cape Town, a meeting between black and coloured butchers and meat employers ended in deadlock when the employers again refused to meet worker leaders. Cape Flats butchers have now decided to boycott red meat from Monday.

The WPGWU last night described the detentions as "high-handed and authoritarian", and said they would not sway meat workers "from our attempt to secure democratic representation in the meat factories".

COBOL-CURRENT

Workers going back after rise

STAR 30/5/80 ~~152~~ (197)

Own Correspondent

DURBAN — Striking workers at the three Frame Group textile mills at New Germany began returning to work today and attendance for the first shift and the day shift was between 80 and 90 percent, Mr Selwyn Lurie, joint managing director of the group, announced

The return to work comes in the wake of the announcement of a 15 percent pay rise in July for all employees, who number more than 25 000, with a further 10 percent to be paid in January next year.

With the day shift "almost back to normal," Mr Lurie was confident the second and third shifts would be equally well manned and emphasised that the 6 000 workers at New Germany who had been intimidated into striking represented only a "small minority" of the total work force.

Wage negotiations between management and the liaison committees representing those employees who had continued to work at other factories in the group had continued throughout the strike, resulting in the two pay-rise agreements and the plan to introduce a pension scheme identical to the one for white workers, with management and employees each contributing to it at a rate of five percent

The July raise will be the third in 18 months, the group having raised wages 21 percent last year, and is being given six months ahead of time to help combat the cost-of-living increases

Mr Lurie paid tribute to the many thousands of workers in other factories who had continued to work during the New Germany "partial stoppage, despite the widespread physical violence meted out to them by the militants"

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Police hold textile strikers' spokesmen

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RDM 29/5/80

By STEVEN FRIEDMAN
Labour Reporter

POLICE last night arrested three representatives of striking workers at Frame Group textile plants near Durban. They were held as they left a meeting with the management.

The arrests came as 6 000 strikers continued their strike, with violent clashes between Clermont township residents and workers who refused to join the strike.

Police told lawyers for the strikers that the arrested men — the chairman and two other members of the Frametex liaison committee — would be charged with holding an illegal strike, and appear in court today.

The general secretary of the Federation of South African Trade Unions (Fosatu), Mr Alec Erwin, described the arrests as "provocative".

They came after a long meeting between management and the liaison committee, during which management said it would award workers an increase if they returned — but once again refused to specify an amount.

The committee will report back to workers at a mass meeting today.

Earlier yesterday, a meeting of more than 5 000 striking Frame Group textile workers decided to ignore the company's decision to fire them.

Union sources estimate that 500 to 1 000 workers at the Frame group's complex in New Germany were still working yesterday. This meant 6 000 to 7 000 workers were still on strike.

Meanwhile, violent clashes between groups of Clermont township residents and those workers who have not joined the strike continued.

Police used teargas on a group gathered outside Clermont waiting for textile workers coming off day-shift.

Groups in the township were continuing to stop buses, and at a number of bus-stops workers returning from factories were assaulted

A Pinetown Red Cross spokesman told Sapa that two Frame workers had been taken to hospital after being assaulted while attempting to report for duty. A police ban on ambulances entering Clermont, imposed after an incident in the township last week, is still in force.

In Cape Town, 150 coloured butchers on the Cape Flats decided to join the boycott of red meat products in support of striking black meat workers.

The Progressive Federal Party's spokesman on Manpower Utilisation, Dr Alex Boraine, said in a statement yesterday that the Frame Group's decision to dismiss strikers was "like putting a match to dynamite".

"Against the background of the present unrest in South Africa, the situation can only be described as explosive. Already there have been incidents in Clermont, and we cannot afford to have 5 000 workers on the rampage. A compromise must be found," Dr Boraine said.

He called on the Minister of Manpower Utilisation to intervene in the dispute, because workers' wages had been set by a Government wage order. They are set by the Minister after consultation with management.

Dr Boraine quoted figures which indicated that the wages of Frame workers had fallen in real terms since 1974. The minimum wage for men was now R11,95 in 1974 prices, and that for women R9,61. The minimum in 1974 was R13 for men and R10,40 for women. He said the workers had become "impatient" because management had refused to make them a firm wage offer.

At yesterday's worker meeting in Clermont, described by union sources as "the biggest so far held during the strike", workers said that they still regarded themselves as Frame employees.

They decided to ignore a directive from the company that they should collect their pay and sign off because they were no longer employees.

The meeting decided that their liaison committee should continue attempts to negotiate with management, despite the company insisting it will not negotiate until strikers return to work.

In Cape Town, meat workers have now been on strike for ten days and the meat boycott in black townships is continuing.

At a meeting on Tuesday of the newly-formed Cape Butchers' Association — which represents Cape Flats butchers — it was decided to begin a boycott on Monday if the strike is not settled by the weekend.

Black traders are continuing efforts for a meeting with meat employers

3 workers' negotiators arrested

STAR 28/5/79

Three members of the workers' liaison committee negotiating on behalf of an estimated 6 000 Frame Group strikers were arrested on the premises of the Frametex factory in New Germany last night, as they left a meeting with management representatives.

They are the chairman of the committee Mr Tab... Gwala, Mr Cornson Cele and Mr Mpincose Nzama.

The secretary of the Federation of South African Trade Unions, Mr Alec Erwin, said today that the men had been charged with participating in and inciting an illegal strike.

Attempts to secure bail last night were unsuccessful and the men were detained in the Pinetown police cells.

Mr Erwin said the arrests were "the final nail in the coffin for the credibility of the liaison committee system."

Five thousand workers were still on strike today.

● Durban police have confirmed that seven people have been arrested in connection with the strikes at the Frametex factory and alleged incidents of ...

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Hebotex absorbed

197

WM 29/5/80

THE SUPREME COURT has approved the 100% acquisition of Hebox Textiles by Tongaat Group and Hebotex will be de-listed on the Johannesburg Stock Exchange tomorrow

Shareholders unanimously approved the scheme of arrangement in terms of which they were offered R275 cash, or 40 Tongaat shares for 100 Hebotex. They have until tomorrow to choose between cash and Tongaat shares

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of Coloured Affairs, 'bu ... ere promises and the authorities will have only themselve ... turn out badly'.

March 28 :

Three white teachers are ... al High and complain of victimisation for having openly suppor ... ands.

March 29 :

School authorities at ... the establishment ... But the students' action ... demand the removal ... principal because they ... students discipline.

March 30 :

Student representatives ... tview call for the unconditional re-instatement of the three teachers and warn of a possible class boycott : 'the dismissals are forcing us into direct confrontation with the authorities.'

The only response to the outcry over conditions at coloured schools by the Minister of Coloured Relations, Mr Marais Steyn : 'due to various and unknown factors it is impossible to determine when the 1 828 classroom backlog (costing R32 million) will be eliminated.'

The Minister of National Education, Mr Punt Janson, defends the superiority of white education on the grounds of his race's historical responsibility towards the black community : 'We want to give white education the very best, and then we want to give the other peoples the best possible in the shortest possible time.'

Hanover Park pupils are subsequently assured by the Commissioner for Coloured Affairs that repairs to their schools and others will be carried out within weeks 'on a priority basis'.

April 7 :

Representatives from 19 coloured high schools in the Cape Peninsula (including Rylands High for Indians) meet and pledge 'to fight the education system at all levels'. The proposed school boycott is again agreed upon if certain demands are not met by the government. The students issue a statement specifying demands similar to those of Hanover Park pupils - the repair of riot-damaged schools, the supply of outstanding textbooks, and a pay increase for their teachers.

5/ ...

Strikers won't go

C i.97 21/5/??

152 197

DURBAN — Striking Frametex workers still regarded themselves as employed and would ignore management directives to collect their wages it was decided at a meeting attended by 5 000 people at Clermont yesterday.

The meeting at which the Frametex workers committee reported on the talks held by Frametex management on Tuesday was the largest gathering held since the strike over pay rises started last Thursday.

Frametex management said all striking workers — believed to number more than 6 000 — who had terminated their employment should collect their pay and no further discussion would be held till the entire labour force was back at work. — Sapa

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PFP calls for Govt to step in on dispute

(152) (97)

RDM 29/5/80.

Own Correspondent

CAPE TOWN — The Progressive Federal Party yesterday called on the Government to intervene in the labour dispute that has resulted in the dismissal of 5 000 workers from the Frame Group of Companies in Natal.

In an attack on the company, the party's labour spokesman, Dr Alex Boraine, said the decision to fire the workers was "like putting a match to dynamite".

He said an ultimatum, which the workers regarded as "unacceptable", had been given to the workers.

"Because these workers are covered by a wage order, I urgently call upon the Minister of Manpower Utilisation to intervene.

"Against the background of the present unrest in South Africa, the situation can only be described as explosive.

"Already, there have been a few incidents in the Clermont township and South Africa cannot afford to have 5 000 workers on the rampage.

"A compromise must be found which can meet the needs of the workers and management alike," Dr Boraine said.

The harsh fact was that, in real terms, the wages of the workers at the Frame group had fallen.

"In 1974 the female minimum weekly wage was R10,40, in 1980 the wage had risen to R18,40 per week, but allowing for inflation their wage in real terms is actually R9,61.

"The minimum wage for male workers in 1974 was R13 per week. It has risen to R23 a week.

"In 1980 again allowing for inflation, their wage in real terms is only R11,95," he said.

Frame Group fires 6 000 strikers

CAPE TIMES 28/5/80 197 AFOA 152

Own Correspondent

DURBAN — The Frame Group of textile companies yesterday fired an estimated 6 000 striking workers as the number of strikers continued to grow

In Clermont township, Durban, traders closed their stores after being warned that unrest could develop. Police continued to patrol the township

There were unconfirmed reports that people were stopping buses entering and leaving the township in a bid to intercept workers at factories in the Pinetown-New Germany complex

According to union sources, most factories in the area were allowing workers to go home early

The National Union of Textile Workers was again refused a permit to hold an open-air meeting in Clermont, and its general-secretary, Mr Obed Zuma, said workers would meet again in a church hall this morning to be told of the Frame management's decision to dismiss them

Workers at five Frame plants are striking

The Frame Group's decision to fire the strikers was conveyed to the Frametex black liaison committee yesterday after a meeting of about 5 000 strikers in a Clermont church had decided not to return to work until management made a firm wage offer

Half the mills force still out

THE SITUATION at the Frametex Mills in New Germany, Natal, was quiet yesterday, although only about half the 6 000-strong labour force, paid off after last week's strike, had returned to work

Mr Selwyn Turie, an executive director of Consolidated Frame Cotton Corporation's Ltd, said on Monday that most of the workers had returned and the situation was back to normal

Later he said militant groups had prevented some workers from turning up for late shifts

Workers said that in some departments only a handful of staff were manning machines

Mr. Alex Erwin, secretary of the Federation of Trade Unions of South Africa, today repeated the statement that more than half the workers were staying away in support of pay demands

A police officer estimated that about 50 percent of the labour force was back

On Monday night the bus service taking afternoon shift workers back to Clermont was suspended for a time after stone-throwing.

Later women workers returned to the factory, alleging they were beaten up by strikers

Post 28/5/80. 197

197

152

~~1140~~

Mill bosses snub strikers

DURBAN — Frametex management yesterday refused to have further discussions with representatives of the company's 6 000 striking New Germany workers, and issued a statement telling those who had terminated their employment with the company to collect their wages

According to Mr Obed Zuma, secretary of the National Union of Textile Workers, who attended a meeting of Frametex and worker representatives, re-employment will not be considered for between two and three weeks However, he said, the strikers did not consider they had terminated their employment They still considered themselves employees of the Frame group.

He said yesterday's announcement would be relayed to the strikers at a mass meeting due to be held at Clermont this morning if a permit can be obtained The meeting will be held at the Clermont soccer stadium which is considered a safe venue than the restricted Catholic Church hall

Earlier, workers' representatives alleged that Frame group labourers were earning half the wages of textile workers at comparable jobs in some other local factories

They said that under the light cotton order, negotiated between the SA Cotton Textile Manufacturers' Association — of which Consolidated Frame was possibly the largest member — and the Minister of Labour four years ago, a minimum wage structure was laid down

Under the agreement the lowest paid male workers at the New Germany mills now earned R23 a week and the lowest paid women workers R18 The average worker at the New Germany mills earned under R35 a week Textile firms willing to recognise and negotiate with the unregistered National Union of Textile Workers, paid a basic wage of R42 a week — Sapa.

6 000 textile strikers fired

RDM 28/5/80

182 197 134 160

Labour Reporter

THE Frame Group of textile companies yesterday fired an estimated 6 000 striking workers as labour unrest continued to simmer in Durban and Cape Town

The number of strikers continued to grow.

In Clermont Township, Durban, traders closed their stores after being warned unrest could develop. Police continued to patrol the township

There were unconfirmed reports that people were stopping buses entering and leaving the township in a bid to intercept workers at factories in the Pinetown-New Germany complex.

According to union sources, most factories in the area were allowing workers to go home early.

The National Union of Textile Workers was again refused a permit to hold an open-air meeting in Clermont, and its general secretary, Mr Obed Zuma, said workers would meet again in a church hall this morning, to be told of Frame management's decision to dismiss them.

There are fears that worker reaction to this decision could escalate the unrest. Workers at five Frame plants are striking

The Frame Group's decision to fire the strikers was conveyed to the Frametex black liaison committee yesterday after a meeting of about 5 000 strikers in a Clermont church decided not to return to work until management made a firm wage offer.

● In Cape Town, the red meat boycott in support of striking meat workers continued in all black townships yesterday and there were indications that coloured meat workers were planning to join the strike.

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Frametex workers say they are still employed

STAR 28/5/80

177

Own Correspondent

PINETOWN — Striking Frametex workers still regard themselves as employed and will ignore management directives to collect their wages it was decided unanimously at a mass meeting attended by more than 5 000.

A spokesman for the Federation of South African Trade Unions said the meeting — at which the Frametex workers committee reported back on the talks held by the management yesterday — was the largest meeting held since the strike over pay rises started on Thursday.

At yesterday's meeting the management said all striking workers — believed to number more than 6 000 — who it said had terminated their employment should collect their pay.

But, at today's meeting workers said they wanted their representative to continue with attempts to [illegible]

27/5/80 Argus

Textile mills strike continues

197

Argus Correspondent

PINETOWN — More than 5 000 striking workers from the Frametex Mills agreed at an orderly mass meeting at the Clermont Catholic Church Hall today to continue the work stoppage which has crippled production round the clock at the four New Germany, Natal, textile mills

A spokesman for the workers' committee said that until the Frametex management agreed to say how much the promised July wage increase would be, the strikers would not return to their jobs

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1343 S GRAMMAR
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1345 A FORTUNE, G.
1346 D 1955
1347 T AN ANALYTICAL GRAMMAR OF SHONA.
1348 P LONDON, LONGMANS. XV, 443P.
1349 C COLE AS 17/1958 123-7 : A FORMAL TEXTBOOK OF GRA
1350 Y AND MORPHOLOGY ARE ANALYSED AND DESCRIBED.
1351 L SHONA
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1365 T IDEOPHONES IN SHONA.
1366 P CAPE TOWN, OUP. 43P.
1367 C BLUCHAT AS 25/1966 109-11 : THIS PRESENTATION O
1368 , MORPHOLOGICAL AND PHONOLOGICAL CHARACTERISTIC
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1377 T LANGUAGE LABORATORY LESSONS IN SHONA.
1378 P UNIV. COLLEGE OF RHODESIA, DEPT. OF AFRICAN LAN
1379 L SHONA

Textile workers to stay on strike

(182)

STAR 26/5/80 (197)

Elizabeth Wilson
Labour Reporter

Thousands of textile workers from the Frame group of firms in Natal decided at a meeting this morning to continue their strike

The workers packed the Roman Catholic Church at Claremont near Pinetown to listen to a report back from their liaison committee on a meeting with the group's management yesterday

A spokesman for the Federation of South African Trade Unions said management had "again refused to negotiate while workers were out on strike"

The issue at stake, he said, was pay.

Strikers were demanding increases for workers who were on minimum wages as low as R18,40 a week

The total workforce at the three factories was about 7 500 and the number of workers now on strike was estimated at "more than 5 000"

Mr Selwyn Lurie, joint managing director of the Frame Group, today rejected the Fosatu claims He said most workmen at the mills were back at work today

He said a notice had been given to workers on Friday telling them that if they did not go back to work by today they would be "deemed to have terminated their service with the company".

He said "It appears that the liaison committee has not reported back to the workers what was discussed at the liaison committee meeting yesterday"

Mr Lurie said "Last year we gave workers a 20 percent increase — 10 percent in January and the second 10 percent which was due in January 1980 was brought forward four months We gave that increase in September 1979

"Several weeks ago we informed the workers through the liaison committee that they would be given a further increase in July 1980"

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COBOL-CURRENT
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7220          SET-WORK-I...
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7240                  VAR
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7280    *
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7300          COMPARE-SYL
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7550                         PERFORM PARITY-ERROR
7560                         GO TO END-CHECK-PARITY
7570                  ELSE
7580                         PERFORM PARITY-SOURCE-BLANK
7590                         GO TO END-CHECK-PARITY
7600               ELSE
7610                  IF TARGET-SYLLABLE-IS-BLANK
7620                         IF SYL-INDEX > 1
7630                             PERFORM PARITY-ERROR
7640                             GO TO END-CHECK-PARITY
7650                         ELSE
7660                             PERFORM PARITY-TARGET-BLANK
7670                             GO TO END-CHECK-PARITY
7680                  ELSE
7690                         GO TO END-CHECK-PARITY.
7700      END-CHECK-PARITY.
7710          EXIT.
7720    *
7730    *
7740      PARITY-ERROR SECTION.
7750      START-PARITY-ERROR.
7760          ADD 1 TO TOTAL-SYL-PARITY-ERROR.
7770          PERFORM LOAD-SOURCE-SPACES.
7780          PERFORM LOAD-TARGET-SPACES.
7790          MOVE 'SYLLABLE PARITY ERROR: UNEQUAL NUMBER OF SYL
7800                 TO COMMENT-SPACE.
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Call for management to negotiate with strikers

By JOE THLOLOE

THE Transvaal region of the Federation of South African Trade Unions called on the management of the Frame Group of companies to negotiate immediately with workers who are on strike in Durban

In a statement issued in Johannesburg yesterday, the region expressed support "for the struggle of the workers in the Frame group of companies for a more just wage"

"The strike has occurred firstly because of the extremely low wages paid by the Frame group and it continues because management refuses to allow a proper negotiating structure to develop

"The absence of such structures gives workers no constructive avenues to present their grievances and the result is mass walkouts and angry meetings

"The provocation in these cases is at the hands of management and the State Instead of allowing constructive negotiation with representative unions, statements are made about outside agitators and the police are called to intervene in the dispute

"Workers at Frame are paid wages which are too low to live on

"We call on management to stop avoiding this issue and to negotiate with workers about pay

"We call on the State to keep the police out of this dispute and instead encourage management to meet directly and immediately with the workers"

Meanwhile fifty-five workers were yesterday arrested at Rely Precision Castings in Boksburg and will appear in court today to face charges of striking illegally.

Yesterday officials of the Metal and Allied Workers Union, which has a large membership in the company, tried unsuccessfully to get bail for the workers

The union has 52 members out of a workforce of 58

The workers are alleged to have gone on strike yesterday at 8 45 am following an incident on Saturday where a worker was fired for going to the gates to get a message

Three police vans and a truck came to the factory yesterday afternoon and the 55 workers were arrested

DATE 021/78 PAGE 2

SUNDAY TRIBUNE, MAY 25, 1980

25/05/80 SUN TRIB

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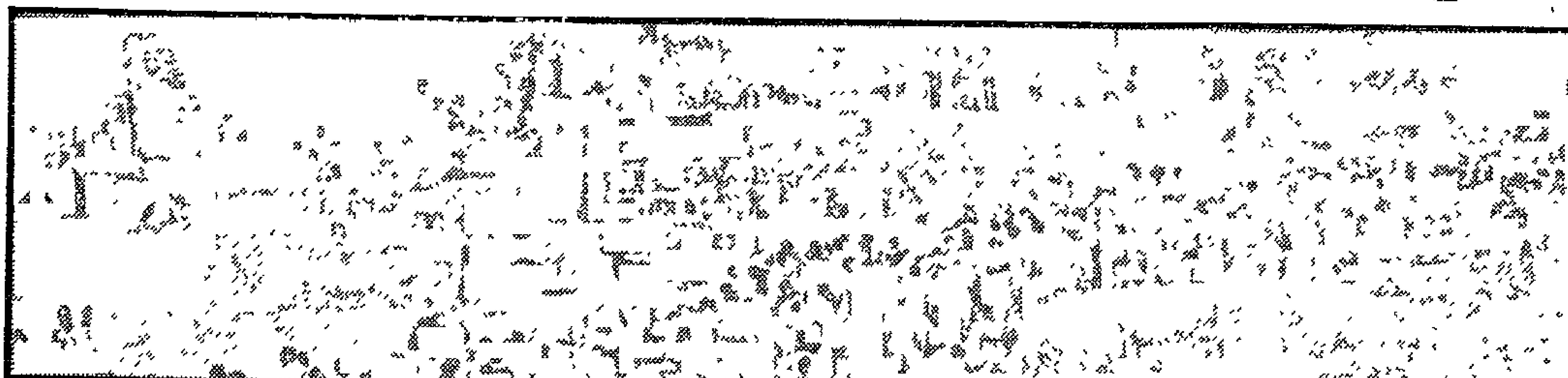
Strike anger feared as magistrate refuses meeting



EVEN if most of the 6 000 workers now on strike in Pinetown in Natal worked 10 hours overtime a week their earnings would still fall blow the minimum household subsistence level.

And fears were expressed this weekend that tomorrow could see more demonstrations because the workers — all employees in the light cotton industry who refuse to go back to work unless they are promised wage increases of between 20 and 25 percent — have been refused permission to meet at one spot to discuss their grievances.

Mr Alec Erwin, general secretary of the Federation of South African Trade Unions, said the chief magistrate of Pinetown granted a permit for a meeting of the workers at Clermont Stadium near Pinetown on Friday morning but had refused permission for another meeting there tomorrow morning

"There will be considerable confusion tomorrow, with large groups hanging around an area patrolled by riot squads with teargas and maybe worse If the people have a place like the stadium where they can meet and talk, there is a chance of keeping things orderly.

"But there is no chance of getting a reasonable and rational response from this mass of people if they are continually harassed and dispersed by the police Their response will be one of anger."

On Friday police used teargas to disperse an estimated mob of 200 chanting, stick-wielding workers who left the stadium before the meeting started and were making their way back to the Frametex Mill, where they are employed

This meeting was called after the strike began on Thursday, when workers stormed a factory security gate and injured a security officer On Thursday night police in armoured cars were called into Clermont township when striking men and women gathering at their hostels barricaded a road and stoned buses

Mr Erwin said the group at whom police hurled teargas on Friday morning were returning to the factory because they believed here were still blacks working there After they dispersed, they joined the long queues that formed outside the factory all day to collect wages and there was no further trouble

Figures provided by Mr Erwin show that the minimum wage for even the highest category of black workers in the light cotton industry in Durban and Pinetown falls short of the R172 that is the 1979 estimated monthly household subsistence level for Durban This HSL excludes the cost of medical treatment, education, savings, holidays, reading material, entertainment, purchase and replacement of household equipment, insurance and incidental transport.

Life below the line

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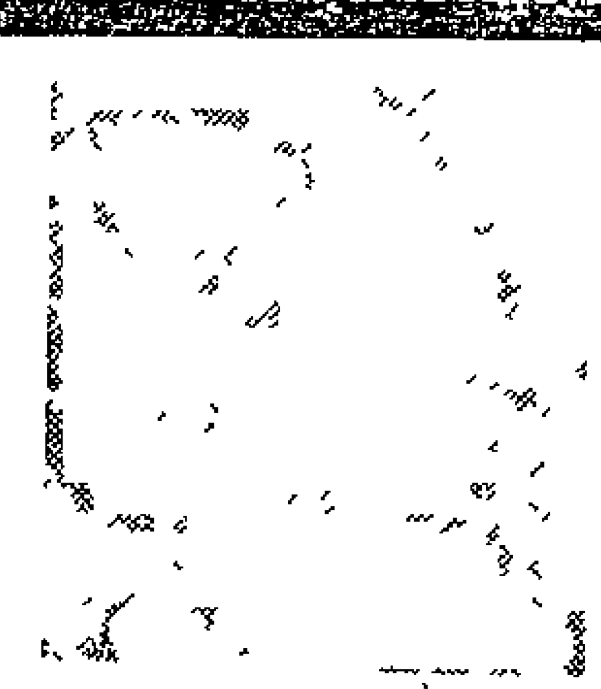
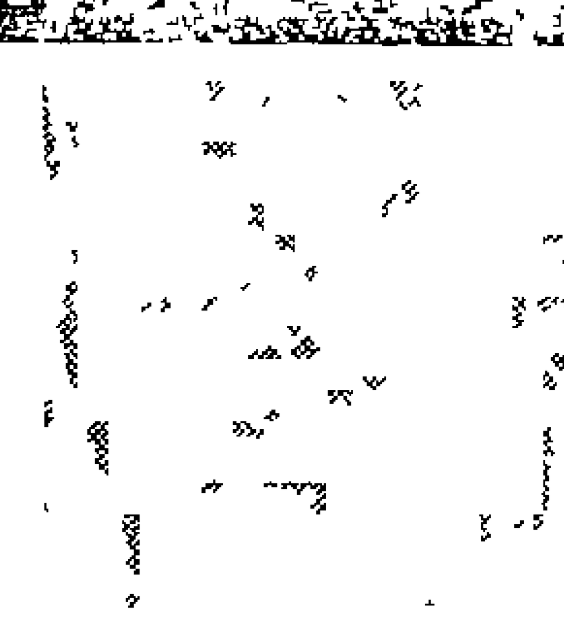
Report by MAUREEN GRIFFIN

Alec Erwin
Confusion



Petros Langa
One room



Bob Ngcobo
Taking turns

Sipho Mngadi
Handyman

In terms of the light cotton industry's wage order, which came into effect in 1973, the 1980 minimum wage for the highest category of worker in the industry a qualified Grade 4 employee, is R25,50 a week for women and about R5 more for men

Even if they worked a 56-hour week to earn an extra R10 in overtime, their salaries would still not be as high as R172 a month They would have to earn R39,69c a week to fall within the household subsistence level

For the lowest grade, which covers labouring and unskilled jobs, the minimum wage is R18 40 a week for women and R23 a wek for men

Workers at the factories involved in the strike have for the past three years received an annual wage increase of 10 percent, while the increase in the cost of living was 14,5 percent in the Durban area in 1979 and 13 percent in 1978

Mr Petro Langa, a 38-year-old father of six who has been with the Frame Group for 20 years, earns R23 a week He said "Even if they paid me R20 more it wouldn't be enough.

"My family and me all live and sleep in one room, for which I pay R24 a month There isn't enough money to budget All I keep aside is the rent and R1,90 a week for bus fare to and from work"

Women all of whom said they were the sole breadwinners, complained of the high cost of paraffin, schoolbooks and food. None spoken to earned more than R23 a week

Mr Bob Ngcobo, father of seven who earns R22 a week as a cleaner said his children took turns to go to school

"Some months the older three go and other months the younger four go I can't afford to pay for them all together.

"Some weeks, when I can afford to, I spend R10 on groceries, but even that isn't enough.'

Mr Sipho Mngadi, a handyman who earns R30 a week, has a wife, three children, a mother and a sister to support His rent is R29 a month for two rooms at Clermont.

The workers are demanding an increase before they return to work, while their employers say they cannot negotiate before everybody goes back to work.

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Post 23/5/80

Thousands in pay walk-out

POLICE stood by as thousands of textile workers staged a walkout at the Fraxtex Mill at New Germany near Durban yesterday.

It was reported later that a security officer's car was stoned by a chanting group at the nearby Feltex factory.

A Pinetown Red Cross ambulance was called to Feltex to take away an injured black security guard, who was admitted to St Mary's Hospital.

Ambulance staff were warned to use the rear entrance to the factory to avoid the mob

There were also reports of buses being stoned but police were not available for comment on the incidents.

It is understood that the wildcat strike took place after demands for wage increases

Management officials at the mill declined to comment

There was an incident after the walkout when a group of about 100 workers raided a pavement store

SHIFT

The workers later dispersed The new shift was to start at 2 pm

According to some of the workers, management refused to hear their demands for extra pay

"They said they could not pay us more We could stay on and work or leave", one worker said

He said it was planned to stop the afternoon shift from entering the mill

The last group of workers dispersed after being addressed by senior police officers — Sapa

Help to choose your right varsity line

By WILLIE BOKALA

LECTURES and a symposium aimed at helping prospective students choose suitable courses of study are to be held at the University of the Witwatersrand for two weeks next month.

The events, called "Courses and Careers 1980" are opened to students in Standard 9 and 10, parents and teachers They start on June 3 and continue until Saturday, June 14

Deans, heads of departments and other staff from each of the ten faculties at the university will participate in the series Mr Ralph Wortley, head of the University's Counselling and Careers unit, will speak on "The Strategy of Choosing a Career".

On the final day of the series, the Faculties of Science and Education will hold open days

The lectures have been designed to offer students a complete description of what is involved in particular degree and diploma courses — and what careers those courses can lead to.

"It is vital that students choose their courses of study correctly," says Ms Miranda Bell, the university's schools liaison officer

"A recent survey in Britain indicated that well over a third of the students who drop out of universities, even though they have passed their examinations, leave because the courses they are taking have not turned out to be what they anticipated

"We believe that many students choose wrongly because they are not suficently well-informed," she says

Some of the highlights featuring in the two-week events are

● A talk on "black holes" and all-day demonstrations of the university's computer system and the microcomputer laboratory, presented by the Department of Applied Mathematics,

● "Geography for the Eighties" by the Department of Geography and Environmental Studies

● Glassblowing and other demonstrations at 11 am and 12 noon by the Department of Chemistry

● A display of fossils collected by the Bernard Price Institute for Palaeontological Research.

● A talk on magnetic trains and all-day displays by the Department of Physics

● Displays by the Bernard Price Institute of Geophysical Research as well as the Departments of Archeology, Microbiology and Geology

The lecture series will be held from June 3 to 14 in Room SH6, in the Senate House on campus Faculty of Medicine lectures on June 3 will be in the Dorothy Susskind Auditorium in the Architecture Block

The Faculty of Engineering will present a symposium on June 4

Townships tense as strikes spread

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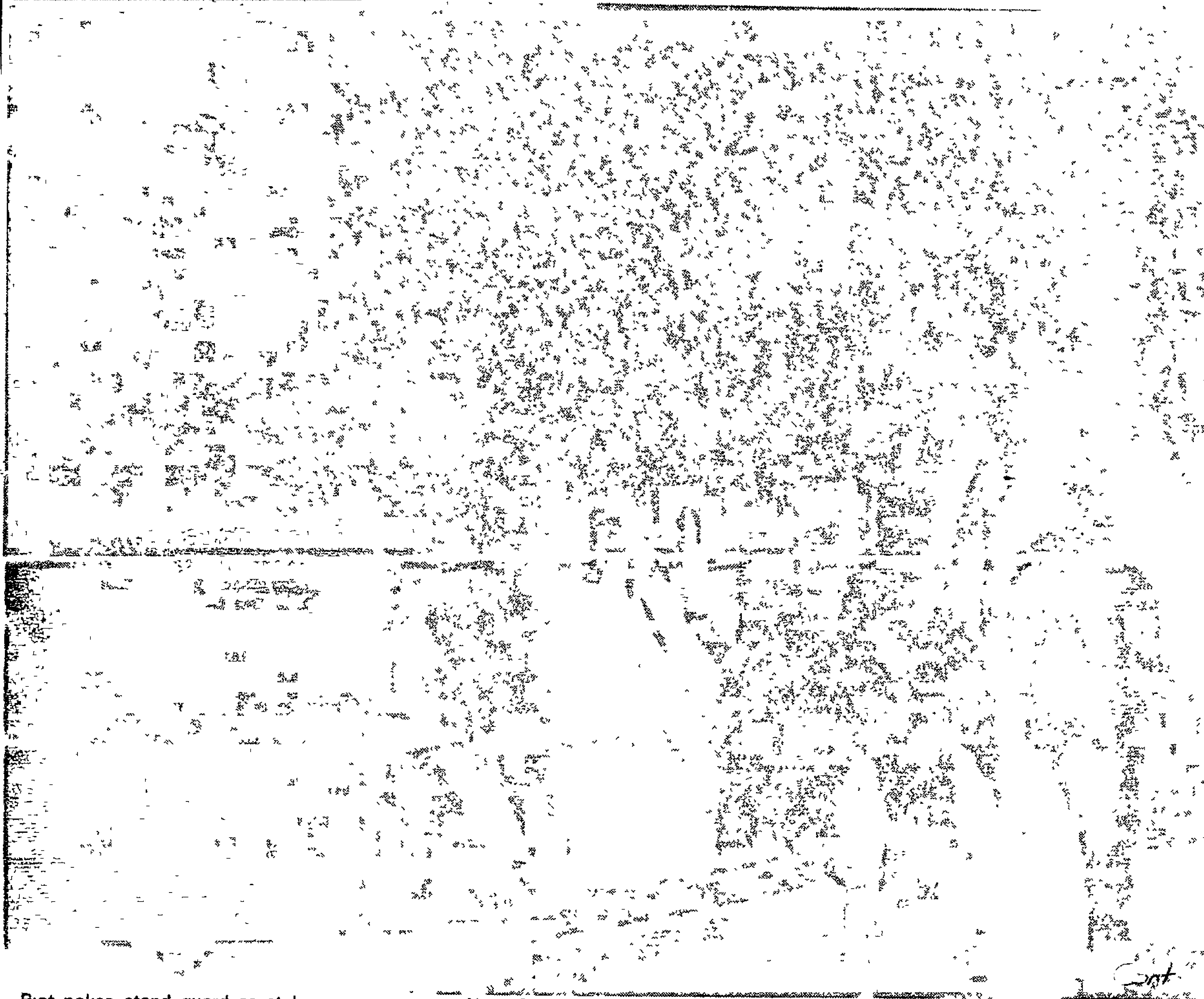

Riot police stand guard as strikers re-group near New Germany yesterday The crowd later dispersed and went back to the mill, where thay were paid.

By STEVEN FRIEDMAN
Labour Reporter

LABOUR unrest continued to escalate in Durban and Cape Town yesterday as tension spread through black townships in both areas.

In Durban the number of striking textile workers rose to an estimated 5 000 and police teargassed a group marching from Clermont township to New Germany. Fears were expressed that the violence could escalate.

Clermont township was tense after stone-throwing incidents at Kranskloof hostel, and streets were barricaded on Thursday night.

In Cape Town, the Deputy Minister of Co-Operation and Development, Dr George Morrison, met meat employers as black community support for a red meat boycott grew and black townships were reportedly "tense".

Dr Morrison declined to discuss details of the meeting.

The Minister of Co-Operation and Development Dr Piet Koornhof and the Minister of Manpower Utilisation, Mr Fanie Botha, met late yesterday to discuss the situation.

In Durban, the general secretary of the Federation of South African Trade Unions (Fosatu), Mr Alec Erwin, said the presence of police was "escalating the tension" and expressed fears that the situation could worsen if police did not keep a low profile.

Mr Erwin said union officials "have ensured that worker meetings have been orderly and are doing their utmost to ensure that there are no violent outbreaks".

He said he was attempting to secure a permit for a workers meeting in the Clermont stadium on Monday but had not yet suceeded. He said "If we are not allowed to hold an orderly meeting, I am worried that workers will gather in groups and there may be trouble."

Mr Erwin added "The authorities are taking a hard line which is escalating the situation. Is this the new labour dispensation? Is this our new era of recognising black worker representatives?"

All workers at Frametex and the majority at three other Frame Group textile factories in New Germany, outside Durban — Nortex, Pinetex and Seltex —struck again yesterday in support of long-standing pay demands. The strike began on Thursday.

Durban sources feared that the strike could spread — in particular to a neighbouring tool factory where management and workers have been locked in a protracted union recognition dispute.

Yesterday, Frametex's black liaison committee attempted to resume wage negotiations with management but were told that the company was not prepared to negotiate while the strike continued.

At the same time, workers gathered at the Clermont stadium to await the outcome of negotiations. Sapa reports that officials of the Department of Manpower Utilisation were shouted down at the meeting.

In another development yesterday, a group of hostel dwellers from Clermont marched on New Germany. Police reinforcements were rushed to the scene and the group was teargassed before dispersing.

Support for the Cape Town boycott of red meat spread through black communities as the general work stoppage by black meat workers continued.

Workers who have taken the place of strikers have been prevented from leaving trains at some stations and butchers are under pressure from local communities not to sell red meat.

Now Natal is hit by strikes

152 197 151 140A

RDM 23/5/80

By STEVEN FRIEDMAN
Labour Reporter

LABOUR unrest spread from Cape Town to Durban yesterday as more than 3 000 black textile workers went on strike at two factories in New Germany, outside Durban.

Strikers stoned passing buses and the car of a white security officer outside the factory until they were calmed by officials of the Federation of SA Trade Unions (Fosatu) and the National Union of Textile Workers.

In the Cape, the general work stoppage among black workers in the meat industry enters its fifth day today. Yesterday workers called for the formation of a committee to organise a boycott of red meat.

Another Cape Town strike, by 3 000 workers at a clothing factory, Rex Trueform, was settled yesterday.

Just as this week's student unrest is an echo of the 1976 Soweto unrest, yester day's Durban textile strike was an echo of the strike wave which hit Durban in 1973.

The two factories hit by strikes, Frametex and Nortex, are both owned by the Frame Group, as is a third factory, Seltex, to which Durban union sources believe the strike may spread

Most of the Frame Group's factories were hit by the 1973 strikes and observers at the time claimed the unrest had been sparked by wages paid by the group.

This week's unrest follows a build-up in strike action over the past few months, particularly in the Western Cape.

The Cape meat industry has been hit by several strikes. Stevedores at Table Bay docks went on strike earlier in the year and a number of construction and engineering firms have also been hit by strike action.

Three strikes by West Cape farm workers have also occurred in recent months.

Last year, workers at several Port Elizabeth factories struck and there have been brief strikes this year in Durban and on the Reef.

Yesterday's strike follows a protracted wage dispute between workers and management at Frametex. Workers have been demanding an increase since November.

The strike was sparked off when management told its black liaison committee that it would consider a 10% wage increase in June.

Workers rejected this and walked out. They were followed soon after by Nortex workers and the afternoon shifts later joined the strike.

Fosatu's general secretary, Mr Alec Erwin, said last night that "tension has been building up" at the factory for some time. Last week, workers staged a brief stoppage over a dispute about bonuses and last August the factory was hit by a strike in support of wage demands.

He added that the presence of police at the factories yesterday had been "provocative."

In Cape Town, the worker call for a boycott was reportedly eliciting support in Langa township and Cape sources described the situation in the townships as "tense"

Two Langa butcheries closed on Wednesday in response to community demands, but re-opened yesterday. However, butchers have threatened to join the boycott if talks between them and meat employers fail.

(197)

29/05

BACKGROUND

STAR 29/5/80 (197)

Frame workers claim they can't come out

Workers thronged through the roads alongside Frame factories at New Germany last week but yesterday the area was quiet.

By Elizabeth Wilson, Labour Reporter

DURBAN — The giant Frame Group of firms in New Germany, Pinetown, lies at the heart of an efficient industrial township The streets are clean, the grass in Frame Park well kept. Only one things jars the absence of about 6 000 workers who are out on strike for better pay.

Last Thursday textile workers who normally keep production spinning closed down the looms, demanding a wage increase of between 20 and 25 percent They said they could no longer live on the wages paid

They said that in January 1974 the minimum wage for a female textile worker was R10,40 a week. The minimum wage for men was R13 a week This was compared with a Poverty Datum Line figure of R21,29 for Durban in that year.

Six years later the female minimum was R18,40, the male minimum wage R23

Spokesmen for the workers claim that, adjusted for the rate of inflation, the real wage today is R9,61 for women and R11,95 for men

One married man with four children said he could not stretch his wages to meet today's costs. He pointed out that food for six people cost at least R20 a week He also spent R15,90 a week on transport, R1,10 on toiletries (soap and detergents), R2,40 for paraffin, R3 for electricity, and R5 for clothing "Even a pair of shoes for a school child costs R9,99," he said, adding he earned R40 a week after 10 years with the firm

A woman of 25, who supports a child and a sister, said she earned R20,90 a week.

"On my wages there is nothing for school funds or books," she said "When it's time to buy the school uniform, we just cannot afford it. When a child wants to go on a trip, to play sport, we must say no because we don't have the bus fare When a child gets sick, where do we find money for treatment, or even the transport to get a sick child to the hospital?"

Another worker pointed out "We are not people who have savings to fall back on If we strike and are without pay, we have nothing our children have nothing"

At a mass meeting in the Claremont Roman Catholic Church yesterday, workers decided not to go back to the factory until management had made a clear-cut offer of an increase They will not even collect their last week's wages because they fear this might constitute an official termination of their service.

With one week elapsed since their last pay cheque, many families say they are now out of money. Yet the next rent payment is due in two days

There are some who have no money for bus fares.

What is at the root of the dispute? Workers claim it was caused by a management refusal to specify precisely what increase would be given in July.

On Monday Mr Selwyn Lurie, joint managing director for the Frame Group, said management would not resume talks over workers' pay until the workers had returned and production was normal. He said workers had been told that anyone who did not return to work by Monday would be "deemed to have terminated their service."

... first published in 1948 and revised in 1964, exemplifies

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tle,

Fosatu boss refutes strikers' return claim

PINETOWN — The general secretary of the Federation of South African Trade Unions, Mr Alec Erwin, yesterday disputed the claim by Frametex management that the majority of striking New Germany workers had returned to their jobs yesterday.

Mr Erwin said that according to a report he had received about 2 500 Frametex workers had packed the Catholic Church Hall in Clermont yesterday.

The orderly meeting had voted unanimously not to return to work until further discussion on their 25 percent pay claim had been discussed with the Frame Group management.

Earlier yesterday an executive director of Consolidated Frame Cotton Corporation Ltd, Mr Selwyn Lurie, claimed that the majority of staff at the company's New Germany Mills had returned to work.

The group issued the ultimatum at the weekend that workers could either resume their jobs yesterday or face dismissal.

Mr Lurie said no pay negotiations would be discussed until staff returned to their jobs.

He said a pay increase and the introduction for the first time of a pension fund were already scheduled for July. He would not disclose the amount of the increase.

Mr Lurie said it was difficult to understand why the strike had started, and pay increase discussions had been under way for some time. Because of the rise in the cost of living the increase has been granted six months ahead of time.

MEETING

Mr Erwin said yesterday's Clermont meeting had been attended by the 18-member workers' committee from Frametex and representatives of the National Union of Textile Workers, which is affiliated to Fosata.

He said the workers' committee represented employees from all the Frame Group's New Germany Mill. The decision not to return to work would be put to Frametex management as soon as possible.

Efforts would be made to arrange a meeting between the wokers' committee and management representatives later yesterday, he said.

The outcome of this meeting would be relayed to workers at another gathering in the church hall today.

Meanwhile it was reported that about 50 Frametex workers downed tools yesterday morning and left the factory to attend the Clermont meeting.

Mr Lurie said later that he stood by his statement that most workers had returned yesterday.

The factories were working at almost full capacity. He had been told of the Clermont meeting, but it was possible that many of those attended were "hangers-on".

The workers were by now well aware that there would be no more negotiations until they returned to work. Those who did not return yesterday would be replaced, he said.

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bsequent struggle for democratic rights and
Poll Tax Rebellion of 1906 / the passive
e Bulhoek massacre of 163 'Israelites' and
) men killed) / Clements Kadalie's
famous Industrial and Commercial Workers' Union with almost a quarter million members in the 1920's / the Africanisation of the South African Communist Party long before the churches saw the need for this in their own institutions / the African National Congress (ANC), with its slogan 'Mayibuy' i Afrika - Let Africa return' / the series of mass passive resistance campaigns against the pass laws /

Stadium [illegible] ban

THE 5 000 textile workers on strike in Durban have not been allowed to hold their meetings at the Clermont Stadium this morning

But the meeting is going ahead at a church hall in the township

The management of the Frame Group of companies has already said those workers [illegible]

[illegible] ers, but again management refused to talk while the workers were on strike

The workers are demanding more pay.

Last night officials of the National Union of Textile Workers, an affiliate of the Federation of South African Trade Unions (Fosatu), said they had not got permission for the Clermont Stadium meeting

"The hall is small and there is no way it can accommodate all the strikers," Mr Alec Erwin, the Fosatu general secretary said

"We fear that if the police try to disperse those who cannot be admitted, there might be chaos."

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       POSITION-RECORD.
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       05  CORR-SYL-POSITION
       05  TOTAL-OCCURRENCES
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           05  PHONETICS.
               10  SYLLABLE   OCCURS 9 TIMES
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       01  TARGET-TABLE.
           05  ORTHOGRAPHY
           05  PHONETICS.
               10  SYLLABLE   OCCURS 9 TIMES
      *
      *
       01  SORT-ITEM.
           05  BLOCK-SPACE.
               10  BLOCK-SEQ-NO
               10  BLOCK-LABEL
           05  SOURCE-SPACE.
               10  ORTHOGRAPHY
               10  QUALIFIER
           05  TARGET-SPACE.
               10  ORTHOGRAPHY
               10  QUALIFIER
           05  CONTEXT-SPACE
      *
      *
       01  FLAG-REGISTERS.
           05  END-OF-FILE-FLAG        VALUE 'NO'.
               88  END-OF-FILE-DETECTED    VALUE 'YES'.
           05  RECORD-ALREADY-READ-FLAG  VALUE 'NO'.
               88  RECORD-ALREADY-READ   VALUE 'YES'.
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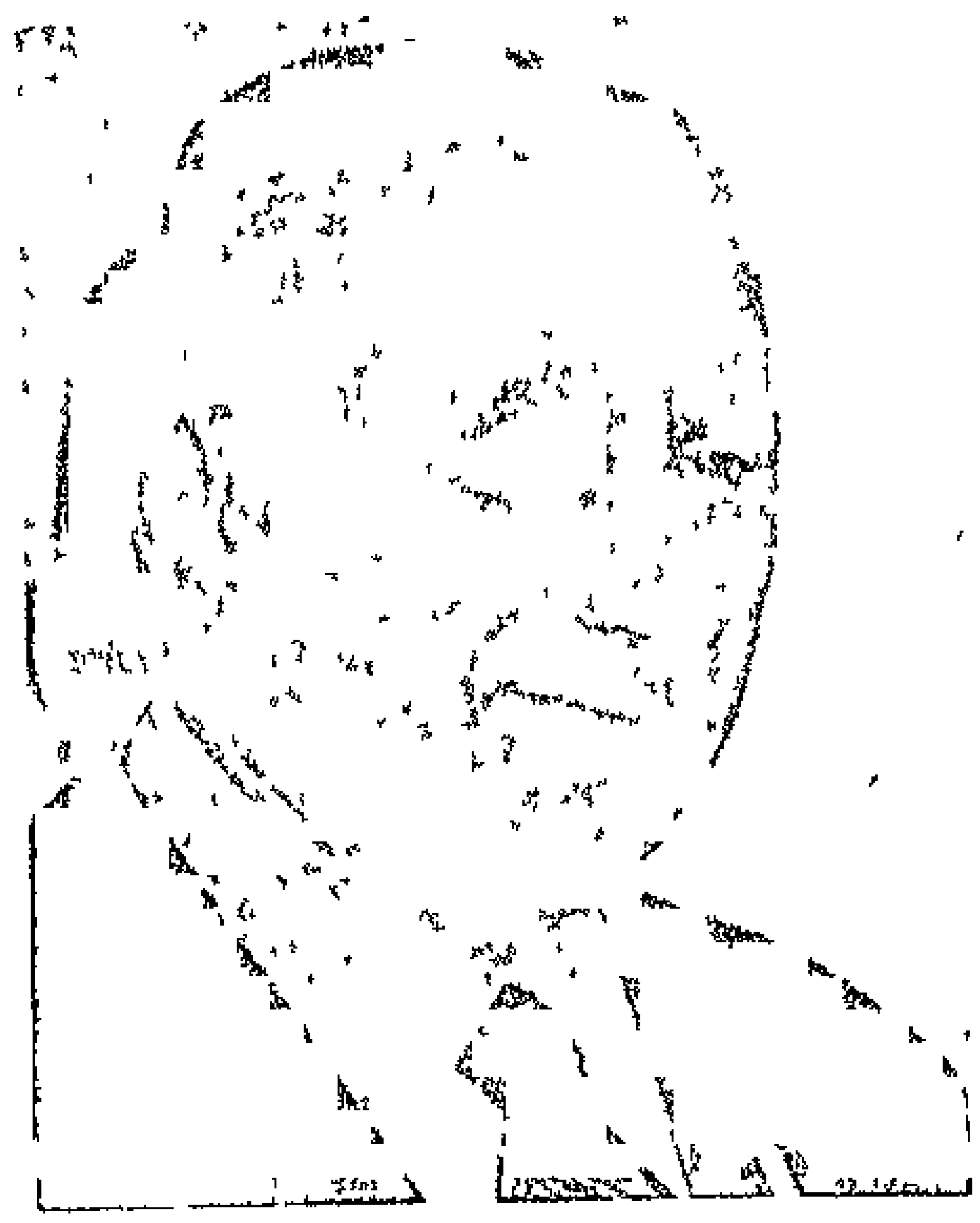
LEGAL FRAMEWORK

Summons has been issued in the Natal Division of the Supreme Court in Pietermaritzburg to have the July 1974 will of textile magnate Philip Frame, who died on January 18 last year, set aside

If the action succeeds, implications for the R200m Frame Group empire could be far-reaching, in that Frame's previous will, signed in September 1967, will be re-instated

The action is brought by Frame's widow, Bertha, and his daughter Elaine



Frame . . . will his old will be reinstated?

Joy Ulfane, on the grounds that the will was not executed in accordance with the formalities set out in section 2 of the Will Act, No 7 of 1953 They assert that the signature of the testator (Frame) was not made or acknowledged in the presence of two witnesses at the same time and that each of the witnesses didn't sign each page in the presence of each other

A *curator ad litem*, Abraham Katz SC, has in the meantime been appointed by the court to look after the interests of minor and unborn children who could be affected by the action

The significance of the action is that if the 1967 will is reinstated, Frame's son-in-law Max Ulfane, will become chairman of the Frame board, and MD of the group The only material difference between the two wills is that Frame stipulated (in 1967) that Ulfane — his understudy - would assume this position on his death, and could only be removed by a unanimous decision by the administrators of the estate, of whom Ulfane was one

Ulfane fell out with Frame when he opted to move to the UK and was omitted from the subsequent will In it, Sydney Permer and Selwyn Lurie were named as executors, in addition to those named as executors in the original will — Archie Berman, Bertha Frame and Hazel Westbury, his daughter

ago the Textile Federation lodged its application for higher tariffs with the Board of Trade and Industries (BTI), yet another delay is expected before new tariffs will be published

Meanwhile textile manufacturers chorus that their plight has worsened Cheap fabric and yarn imports from the East and the US threaten their livelihood SA Nylon Spinners sales director Donald Grant says fabric imports into SA, for the first four months of 1980, are up 30% in rand value compared to the same period last year

With the favourable rand/dollar exchange rate, this means 40% more fabric He expects cancellations to "build up on local textile orders which would threaten employment"

In 1974 when fabric valued at R190m was imported, 10 000 employees (roughly 10% of the work force) were put out of work The "over-importation of fabric" in 1976, when fabric valued at R156m was imported, resulted in "5 000 put out of work and 5 000 on short time"

Grant says permits for R78m have been granted for the first four months of 1980 "It's difficult to extrapolate because there's no guarantee that this will continue. But on simple multiplication this could mean imports worth R230m this year unless we start limiting applications" The possible effects on employment are obviously hazardous

The BTI says its recommendations on new tariff formulae have long since been finalised There is nothing more it can do One textile manufacturer says he was told the recommendations 'have been lying on Minister Horwood's desk for weeks" No confirmation for this allegation was forthcoming from the BTI

Stan Shlagman Textile Federation executive director, is pretty disillusioned by the delay He points out "Information given to the BTI in the application for new textile duty formulae, refer to conditions more than two years ago"

Conditions have obviously changed considerably since then However, textile manufacturers are given no indication if their application now based on outdated data, will be granted in full or not One BTI staffer tells the *FM* "It was a very large application Some of the formulae granted are not as high as asked for, others are a bit higher'

Grouses by clothing manufacturers that the textile industry is inefficient, falls behind on orders, is uncompetitive on price, quality, range, deliveries etc, and therefore not entitled to increased protection against cheaper imports, are firmly rejected by textile manufacturers polled by the *FM*

Shlagman says "Even if a premium is paid for local production, it creates employment and disposable consumer income Why should SA solve other countries' unemployment by allowing dumping and unlimited cheap imports"

He avers ' There's hardly an industrialised country in the world that does not have some form of physical control or quota on imports As to the supposed inefficiencies — 85% of people in SA wear clothes based on SA textiles If the SA textile industry is as bad as some say it is, this would not be so '

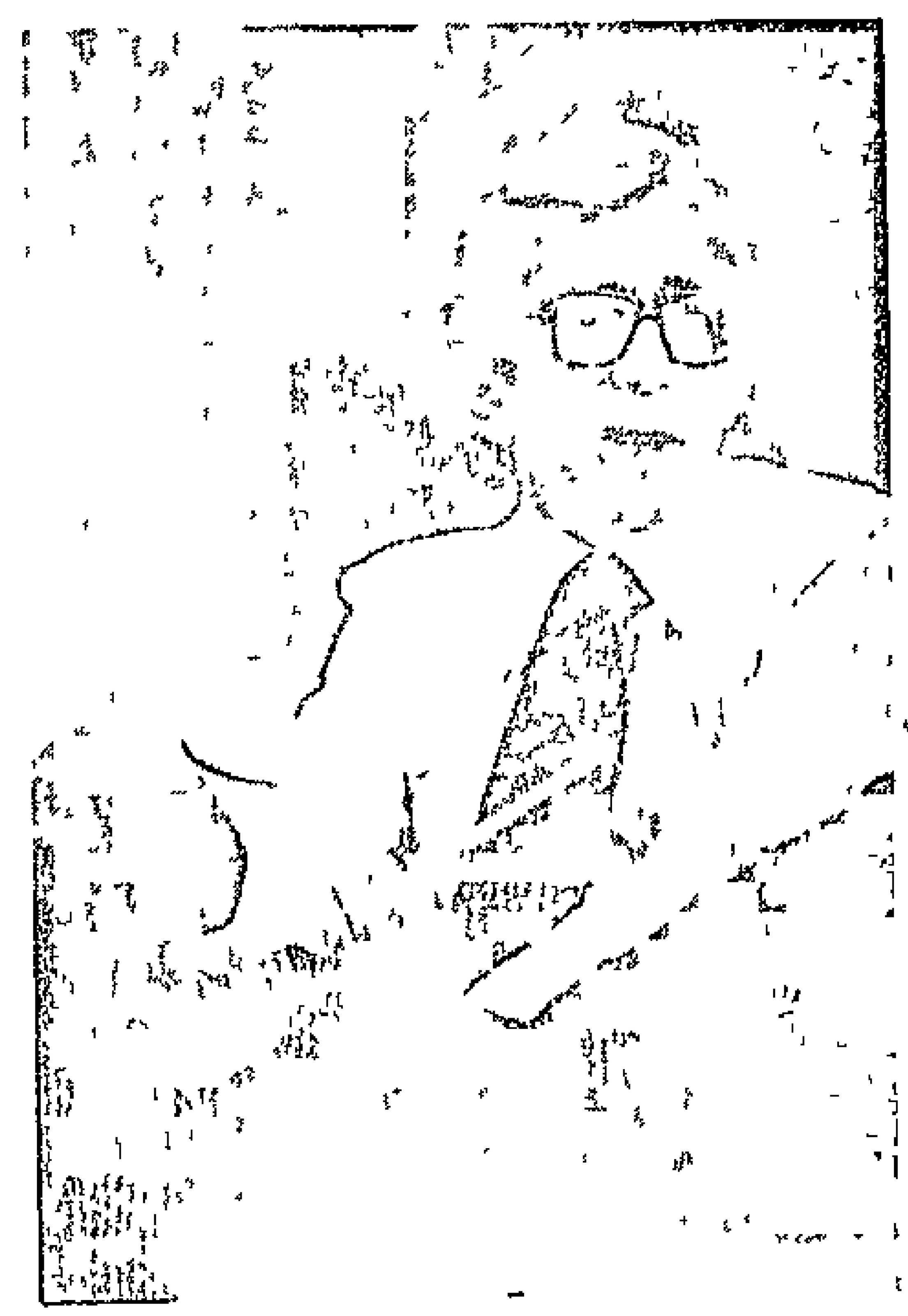
As to delays in deliveries, Shlagman says "Escalation in demand has in specific instances in the short term, overtaken supply"

But with massive capital injection into expansion of production facilities, delivery delays are likely to be eliminated Says Shlagman "Between mid-1979 and the end of 1980 investment on production equipment in synthetic fibre and textile industries will exceed R150m"

Says Donald Grant from SA Nylon Spinners "An additional R40m is to be spent in the early Eighties to boost nylon and polyester production even further We have already spent R16m which will boost our quality and range of nylon and polyester products We will have 30% more production capacity '

But Grant stresses the overall need to protect local industry, by means of both revised tariff structures and some sort of quantity control on imports

"Lower priced raw materials in the US make polyesters imported into SA 20% to



Shlagman . . . disillusioned by the delay

Romatex up 46%

(197) RDM 30/4/80

Financial Editor

ROMATEX has boosted earnings and dividends by 46% for the 12 months to March 31 on turnover up by only 15%.

The Natal textile group is now controlled by Barlows through C G Smith.

It has changed its yearend to September 30 to coincide with Barlows, but today's 12-month figures are directly comparable with those of the previous financial year

A second interim dividend of 24c has been declared which, with the first interim payment of 11c, gives 35c against the 1978-79 total of 24c

Earnings a share are up from 54,9c to 79,9c

Attributable profit increased from R13 100 000 to R19-million

Turnover rose by only an inflation-matching 15% from R218-million to R251-million.

The disproportionate profit rise — 46% after-tax — came about mainly through the switching from low to high margin operations, notably the closing of the grain-bag operation, and from the extra contribution from Island View Holdings which became 100% owned last year

The rise in pre-tax profit was even higher — by 55% from R22-million to over R34-million — but an extension of the lifo depreciation provisions from under R2-million to R4-million had a restraining effect on taxed profit

A final dividend for the 18-month accounting period will be paid.

On yesterday's price of 570c the share yields 14% on earnings and 6,1% on dividend.

TEXTILES

16/5/80 FM

Seeking survival

197

Long suffering textile manufacturers expected new textile tariffs to be gazetted last week But no such luck One manufacturer complains that although 18 months

781

50% cheaper than the local product That will still be the case even if we get all we asked for in the new duties In the US there are much larger economies of scale To keep their own industries going, they are trying to flood fabrics into Western Europe and Japan "

What's needed, says Grant, is either higher tariffs "which are totally effective and investigated with greater frequency than is the case now," or a combination of tariffs and quantity control

"Even with low priced raw materials, the US and Japan can't live without quantity control on fabrics and yarns. Why must we be expected to do it here?"

Shlagman "Our textile exports are faced in many markets by prohibitive tariff and other barriers In our home market we face competition from other countries based on low wages and social conditions totally incompatible with EEC standards, on subsidies which distort true costs, and on pricing policies in the Comecon countries which are more related to currency needs than to commercial reality "

'Returning Frame workers fired again'

197

1400

RDM 4/80

By STEVEN FRIEDMAN
Labour Reporter

THE Frame Group has now fired 117 black workers at its Pinetown factories in the wake of the 11-day strike at five of the company's mills, according to union claims

The National Union of Textile Workers (NUTW) has also alleged that security guards at Frame Group factories have assaulted striker leaders who returned to work

The union said on Monday that management had refused to employ about 70 workers when they returned to the factory after deciding to end the strike Yesterday, the union's general secretary, Mr Obed Zuma, said the number had risen to 117

Mr Zuma said that a number of workers who had initially been re-employed were fired yesterday after resuming their jobs "They were initially re-hired, but company officials then pulled a number of them off their jobs and dismissed them," he said

He said many of the dismissed workers had been union shop stewards, liaison committee members or workers who management had identified as "ring-leaders" Most of those fired had been employed by Frametex, he added

The Frametex liaison committee is seeking a meeting with Frame Group management to discuss the dismissals and the NUTW is examining ways to assist dismissed men

The union had hoped to collect money for the support of the dismissed men, but fears that the Fund-Raising Act prohibits it from doing so

Mr Zuma also claimed yesterday that a number of dismissed workers had been assaulted by Frame Group security guards at the factory The security guards backed the company's management during the strike

The strike ended on Monday after the union had advised workers to accept a 15% wage offer from the company

Sapa reports that most workers have now returned All five Frame Group mills affected by the strike are now back to full operation

A Frame group spokesman, Mr A Frame, said the new salary scales would come into effect in July and denied claims that striking workers had been re-hired on beginners wages

Massive bus boycott by Cape blacks

~~152~~ 11A ~~329~~ 197 ~~332~~ RDM
~~324~~ 3 Meat 3/6/80

Political Staff

BLACKS and coloureds boycotted buses on a massive scale in the Cape yesterday as nationwide unrest entered a new phase

Most homeward-bound buses were reported to be empty. Several were damaged

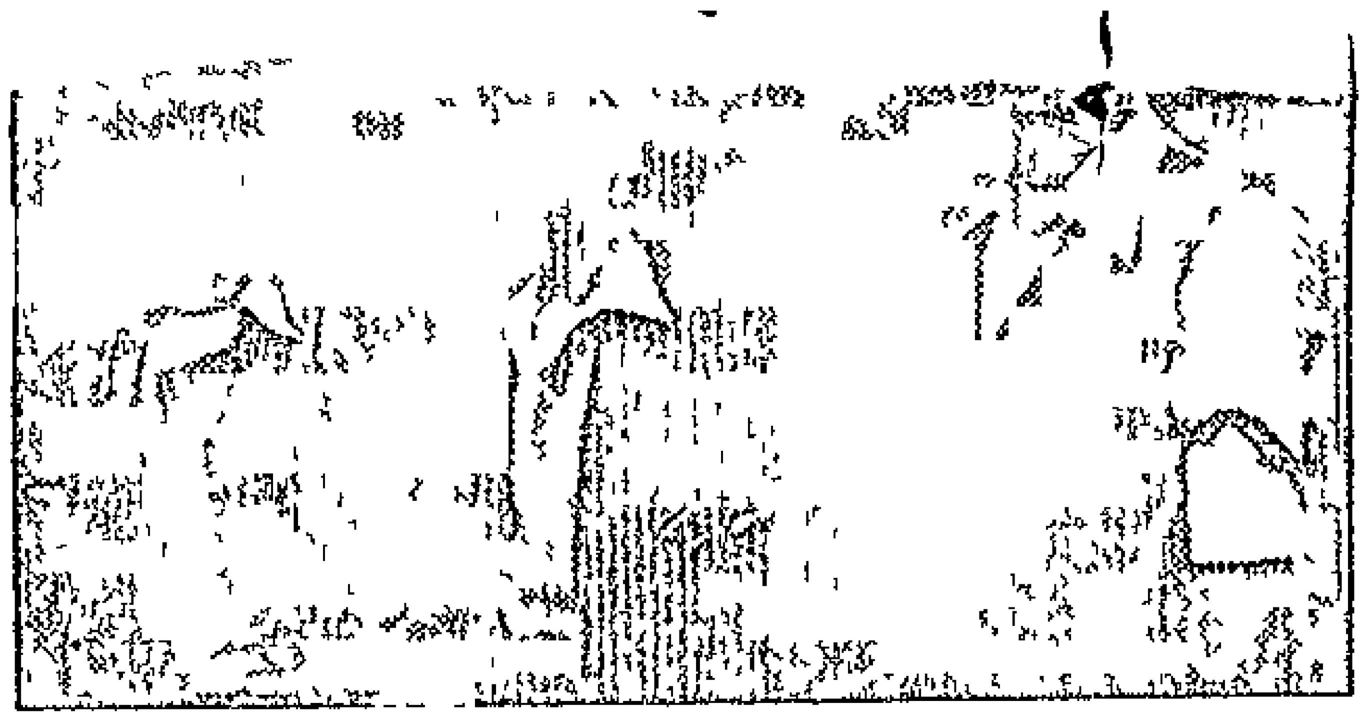
The boycott was launched by 40 Peninsula community organisations because fares were increased by 30% to 100%

About 12 000 people yesterday attended the funeral service for Bernard Fortuin, 15, and William Lubbe, 20, who were shot by police in Elsies River last week.

In other developments yesterday:

- Security police arrested eight pupils in Lenasia, Johannesburg — bringing to nearly 300 the number of people detained since nationwide unrest was sparked two months ago by a classes boycott by coloured and Indian pupils
- The Frame textile group in Natal was reported to have fired at least 70 worker leaders as the company's 6 000 striking employees began returning to work In Cape Town the strike by meat workers continued — supported by consumers refusing to buy red meat.
- Nineteen youths appeared in a Bloemfontein court as a result of widespread unrest in the city's townships recently
- The schools' boycott in major centres spread to Rehoboth, near Windhoek, where about 650 high school pupils stayed away from classes
- The Kwazulu leader, Chief Gatsha Buthelezi, disclosed that two bombs had been thrown at properties in KwaMashu owned by members of his Inkatha movement. Boycotting pupils in the township have clashed with Inkatha

See Page 5



After their release on R200 bail each are the chairman of the workers' liaison committee, Mr Jabulani Gwala (centre), flanked by Mr Samson Cele and Mr Mpingose Nzama.

11/1/80
Sun Trib

197

THE FRAME LEGACY

The textile tycoon who week Pinetown factories

THE FRAME GROUP of companies, whose multi-million rand New Germany textile mills in Natal were disrupted this week by 6 000 striking workers, has a black record of industrial strife thanks to its custom of paying near-breadline wages.

Philip Frame, who over 50 years built up what is today one of the largest textile empires in the world by relying mainly on cheap labour was instrumental in 1973 for the insertion of a clause in the then Bantu Labour Relations Act which allows employers to decide — without negotiating with workers — on a minimum wage for sanction by the Minister concerned.

The then Minister of Labour, Mr Marais Viljoen, established a new minimum wage in the fine cotton section of the textile industry after an approach by Mr Frame.

This clause gave birth to wage orders, of which there are now seven in South Africa, all in low-wage industries where conditions are usually poor. Of the five wage orders affecting the Durban area, which includes New Germany, the light cotton industry's is the lowest — a minimum wage of R18 40 a week for women and R23 a week for men.

The highest minimum weekly wage in the light cotton industry (paid to weavers) is R25 50 for women and R31,90 for men — which for women is still lower than all but the stevedoring industry's lowest minimum wage and for men is only R4 76 more than the lowest minimum wage in the civil engineering industry.

The Frame Group, whose policy of allowing workers to express grievances through factory liaison committees in preference to union representation, has through years of strikes, go-slows and work stoppages been accused by unions of providing no effective channel of communication between labour and management.

This week the consistent refusal to negotiate with strikers earned management of the mills concerned widespread censure.

Mr Alex Erwin, General Secretary of the Federation of South African Trade Unions, said management's "intractability" could result in the dispute spreading to other factories in the area. Dr Alex Boraine, PFP labour spokesman, called their handling of the strike "clumsy". Natal churchmen condemned their response to worker demands as "extremely provocative".

Dismay was also expressed at the arrest of the chairman of the workers' liaison committee, Mr Jabulani Gwala, and committee members Mr Samson Cele and Mr Mpingose Nzama.

Police apprehended them when they left a

1/6/80
SUN TRIB
197

Philip Frame, who over 50 years built up a huge empire based on cheap labour

spawned industrial strife. This felt the effects of that legacy

meeting with management in New Germany on Wednesday afternoon. They are being charged under Section 10 of the Riotous Assemblies Act, and after a brief court appearance on Friday when no evidence was led, were granted bail of R200 each FOSATU provided the money

Mr Erwin said: "If this is the way the liaison committee is going to be treated when they are trying to negotiate in a very difficult situation, then the credibility of liaison committees as meaningful bodies must now finally be zero"

Before his arrest on Wednesday, Mr Gwala called a Press conference at the FOSATU offices in Pinetown to outline the background to the dispute.

He said the trouble was sparked off by a 10 percent wage increase to workers in September last year "The liaison committee warned management that workers were sick and tired of the yearly increase of 10 percent only, which totally fails to keep pace with increases in the cost of living and which can't meet even our low standard of living

"We were promised the issue would receive priority in the New Year, but when the committee had its first meeting with Management in February this year and raised the subject again, we were told the next increase — an unspecified amount — would be given in July

"We again warned that workers were becoming increasingly irate, and needed to be assured immediately of an at least 25 percent increase in the near future if trouble was to be avoided.

"We repeated this warning monthly, and more recently daily, but mangement's only reply was that Mr Frame (Abe Frame, joint managing director of one of the mills) was busy.

"On Thursday last week at 8.30 am with general dissatisfaction at a peak, the committee demanded an immediate meeting with Mr Frame He promised to see us at 11.30"

But it was too late Angry workers, unaware of the arranged meeting, closed the looms at 10am and the strike was on

The last hope of it being called off faded later that morning when Mr Frame refused to specify the amount of a July increase he promised assembled workers When they ignored a 15 minute ultimatum to return to work, he ordered them off the premises

On Sunday he told the liaison committee strikers would be fired. On Monday, when they did not return to work, he threatened that anybody seeking re-employment would have to accept a basic starting wage — a threat he retracted on Wednesday

Also on Wednesday workers met and repeated their resolve to strike until a definite increase was promised, at the same time asserting their status as Frame employees by refusing, as they had done all week, to accept dismissal

On Thursday the Frame Group issued a Press statement that all workers would receive a 15 percent increase in July this year and another 10 percent in January next year

But because the chief magistrate of Pinetown, near New Germany, on Friday banned all meetings of workers till 7am tomorrow, news of the offer is unlikely to reach large numbers of widely-dispersed strikers. This means no formal group decision can yet be taken regarding the offer and a possible end to the strike.

Although Mr Selwyn Lurie joint managing director of the Frame Group, maintained on Friday that between 7[illegible] and 80 percent of the strikers had returned to work, workers interviewed by the Tribune denied this

"The decision to return to work will only be made once we have been able to meet and discuss management's offer," they said

POLITICS & LABOUR

197

RDM 3/6/80.

Tension in wake of Frame settlement

By STEVEN FRIEDMAN
Labour Reporter

THE strike by Frame Group textile workers is over — but there are fears that new unrest could flare after claims that Frame's management has fired at least 70 worker leaders at the five affected factories outside Durban

Most Frame Group workers returned to work yesterday after the National Union of Textile Workers (NUTW) had advised them to end the 11-day old strike and accept management's offer of a 15% wage increase

A Frame Group spokesman told Sapa that all mills had been in full production since Sunday, but added that they were not yet fully staffed More than 90% of the workers had returned, he said

However, Mr Obed Zuma, general secretary of the NUTW, said yesterday that management had dismissed between 70 and 100 workers, many of whom were union shop stewards and liaison committee members

"This is an obvious attempt to weed out so-called ring-leaders and we fear it could cause new tension," Mr Zuma said He added that the union was collecting money for the dismissed men and was considering legal action on their behalf

Despite the dismissals, Mr Zuma hailed the outcome of the strike as "an historic victory for the workers" He said the 15% increase, to be followed by a 10% increase in January, was the highest ever awarded by the Frame Group

"The workers have won themselves a substantial increase They forced the company to make a significant wage improvement," Mr Zuma added

In Cape Town, about 400 workers at the LTA site at Blackheath struck yesterday Blackheath is near to the coloured areas affected by the present Cape unrest

About 30 black mailroom employees in a Cape advertising firm struck because their employer would not provide them with transport home or a wage increase to pay taxi fares The workers are participating in the Cape bus boycott which began yesterday

Their employer said that workers were "using the bus boycott to demand more money"

The red meat boycott in support of striking meat workers escalated as over 180 Cape Flats butchers decided to stop selling red meat indefinitely Butchers either closed completely or sold chickens only A spokesman for the Cape Butchers' Association told Sapa that only two black, coloured and Asian butchers were selling red meat yesterday

A meeting of meat workers yesterday expressed "gratitude" and described the boycott decision as "historic"

The two-week old meat strike has now attracted international attention The Western Province General Workers Union has received telegrams of support from the International Transport Workers Federation and the International Confederation of Free Trade Unions

The Natal Mercury, Saturday, May 31, 1980

Many workers back at mills

Financial Editor

BETWEEN 80 and 90 percent of the three Frame Group mills, which were affected by the recent strike, were back at work yesterday.

Mr Selwyn Lurie, joint managing director, said these figures applied to the day and first shifts.

'We are now organising the second and third shifts.'

Mr Lurie said that he wished to pay tribute to the workers who had reported for duty throughout the strike.

'There were several thousand who continued to work and they had to battle to get through to the mills.

'I would like to stress that our discussions on wage increases were with the liaison committees who represented the employees who had continued working.

'Those who refused to return to their jobs were repeatedly told that the managements of their mills would not negotiate with them. If they did return it would have to be on the terms settled with the liaison committees.'

Mr Lurie claimed that the workers' meeting planned for Friday night, which was banned by Pinetown's Chief Magistrate, had nothing to do with the wage negotiations.

A wrong impression had been given that the meeting had to approve the increases awarded by the group of 15 percent at the beginning of July and a further rise of 10 percent in January, 1981. This was not so, he said.

ARMED with clubs, sticks and spears, about 2 000 workers from the three Frame group textile factories marched home to Clermont yesterday afternoon The managment's security staff organised all the workers into a group in the hope that the armed mob would discourage possible attack on the way home from workers in Clermont who are still on strike

'Provocative'

The management's initial response of dismissing all 6 000 workers had been an 'extremely provocative response'

'We are also very disturbed that three of the workers' liaison committee have been arrested 'The fact that they were arrested when leaving a meeting with the management may seriously erode the workers' belief that there is value in negotiation,' they said

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SECTION A

Frametex men granted bail

NATAL 31/5/80 (197)

Mercury Reporter

THREE men arrested on Wednesday night in New Germany were granted bail of R200 each by a Pinetown Magistrate yesterday

Appearing before Mr G Gerber was the chairman of the Frametex Workers' Liason Committee, Mr Jabulani Gwala, and Mr Samson Cele and Mr Mpingosi Nzama They were arrested at Pinetex Mills under Section 10 of the Riotous Assemblies Act for allegedly intimidating and annoying persons in their employment

The bail applications were made by advocate Mr C Nicholson who was instructed by Chapman, Dyer and Partners The National Union of Textile Workers paid R600 for the release of the three men

No evidence was led and the case was remanded to June 10 pending further investigation

Mr Gerber later granted bail to another three men also arrested on Wednesday under the Riotous Assemblies Act for alleged public violence

Two of the men, Mr Raymond Mbili and Mr Mzomnnye Mgwaba, were arrested at the Kranskloof hostels for allegedly throwing stones, while Mr Nicholas Mbumbi was taken in custody at Mariannhill for allegedly attempting to keep people away from work.

A fourth man, Mr Eliot Mbele, who was also arrested at Kranskloof, did not appear in court because he was in hospital

Det-Const K Pienaar of the Pinetown CID opposed bail He said if released, the men would interfere with Frametex employees and State witnesses

Replying to a question by Mr Gerber, the men said they did not know who the witnesses were

Mr Gerber said he was satisfied the men would stand trial and would not interfere with the witnesses Bail was set at R150 each

Clergymen say pay rise justified

Mercury Reporter

ARCHBISHOP Dennis Hurley and five other prominent Durban clergymen yesterday expressed their concern about the position of the 6 000 Frametex workers and described their demand for a 25 percent wage increase as fully justi[fied]

'It is a moderate demand when their present wages are compared with the household subsistence level of R180 per month for Durban,' they said in a statement

The managment's offer of 15 percent increase in July and a further 10 percent in January 1981 was inadequate, they said.

'Provocative'

The management's initial response of dismissing all 6 000 workers had been an 'extremely provocative response'

'We are also very disturbed that three of the workers' liaison committee have been arrested 'The fact that they were arrested when leaving a meeting with the management may seriously erode the workers' belief that there is value in negotiation,' they said.

The chur[ches com]mended the role played by the trade unions and said they had encouraged order discipline and non-violence in an explosive situation

Criticised

They criticised the banning of the workers' report-back meetings at Clermont stadium and a Catholic church

The statement was signed by Archbishop Dennis Hurley, the Rev B K Bludla, chairman of the Durban and District Council of Churches, the Rev Veysie, chairman of Diakonia, the Rt Rev M E Schmid, CMN, and the Rev Reubin Phillip, chairman of Masibuyisane, Anglican Diocese of Natal.

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Strikers go back, 'but it's not over'

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RDM 31/5/80

Labour Reporter

SOME Frame Group textile workers in Natal returned to work yesterday after the compnay's offer of a 15% wage increase, but union sources said several thousand were still on strike

The Frame Group joint managing-director, Mr Selwyn Lurie, said 80%-90% of workers at the company's mills affected by the strike had returned

"We are back in operation again, and I think we're now seeing the end of this thing," he said It would take a few days for the mills to return to normal, he said

Union sources confirmed that many workers had returned yesterday, but disputed Mr Lurie's figure and said thousands were still on strike

"The mills are only working one shift now. If only 90% of one shift are working, a substantial number of workers must still be on strike," the general-secretary of the Federation of South African Trade Unions, Mr Alec Erwin, said yesterday.

He said many workers had returned to mills to collect back pay This did not necessarily mean they intended to return to work

Mr Erwin emphasised that the situation was "unclear" because a scheduled worker meeting to discuss the pay increase yesterday was banned and it was not possible to ascertain how many had agreed to accept the rise.

Clermont township remained tense yesterday as an estimated 2 000 Frame group workers roamed the streets and a large contingent of police patrolled

There were fears that renewed clashes could break out between the group and strikers

Mr Erwin described the Frame workers group as "provocative", and expressed fears that it could spark off renewed unrest

Most factories in the Pinetown area sent workers home early yesterday to avoid confrontation between them and strikers

In Port Elizabeth there were reports of intense worker discontent at the Ford factory, sparked by a management announcement that workers who took part in last year's strike would not receive their bonuses But local sources were confident that a threatened strike had been averted by the intervention of the worker committee

Three members of the Fra-

...metex liaison committee appeared in court yesterday charged under Section 10 of the Riotous Assemblies Act They were released on R200 bail Another three appeared on public violence charges, and bail was set at R150

In Cape Town, the Western Province General Workers Union said that more workers had joined the general strike of meat workers, and more were expected to join over the weekend

The WPGWU reported that the number of meat strikers had risen to 800 as more black and coloured workers joined

The Students' Representative Council at the University of the Witwatersrand said yesterday that it was collecting money to aid the workers and called on the public to support their campaign

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Meeting to tell 6000 of pay rise banned

NATAL 30/5/80 197

Mercury Reporter

SIX thousand New Germany textile workers were to have been told today that they had been awarded a 15 percent pay rise — but a meeting called for that purpose was banned last night.

Frame Group had awarded its workers a 15 percent increase from the first pay week in July and a further 10 percent next January.

The award was announced by Mr Selwyn Lurie, joint managing director of the group, yesterday

He said that the decision had been taken following discussions with liaison committees throughout the work stoppage at some mills in New Germany

Mr Lurie said that the New Germany workers who refused to return to work had been told that the company would not negotiate with them

Anyone who returned to his job would have to do so on the terms settled with the liaison committee

Discussions had been held throughout the country in all the group's companies in the light cotton and blanket divisions, and similar increases would be given to workers there.

'Workers were notified in March of the group's intention to increase wages in July because of the rise in the cost of living

Discussion

'Discussions with liaison committees at the mills were proceeding well when a small group of militant workers in one of the New Germany mills stopped work Through intimidation and violence, they forced others to stop too.'

Mr Lurie said that during 1979 a 21 percent increase had been given The last 10 percent was awarded four months early

Strikers would be re-employed at the discretion of the foreman, the secretary of the Federation of South African Trade Unions, Mr Alec Erwin, said yesterday

'Workers are unhappy about that because it means they will be treated as new workers and their bonuses will therefore be less

'It also means they will have a break in service which might have adverse effects on the proposed pension scheme,' Mr Erwin said

The workers had asked for an immediate 20 percent increase

A proposed meeting of the liaison committee of the workers which would have announced the pay awards, was banned last night by an order signed by Pinetown's Chief Magistrate, Mr Colin Meaker

The meeting was to have been held in the Clermont Catholic church hall

The order, in terms of the Riotous Assemblies Act, prohibits the gathering on the grounds that the public peace would be endangered.

The ban will remain in force until 7am on Sunday morning

Workers' meeting banned

C.T. 30/5/80 (197) (752) (1604) (527)

Own Correspondent

DURBAN — A proposed meeting of the liaison committee of the workers at the Frame Group Mills was banned last night by Pinetown's chief magistrate, Mr Clint Meaker

The meeting was to have been held in the Clermont Catholic Church hall today, and workers were to have been told of a 15 percent wage increase awarded by the Frame Group to its workers from July

The order, issued in terms of the Riotous Assemblies Act, prohibited the gathering on the grounds that public peace would be endangered

FM 30/5/80

~~140A~~ 197 ~~152~~

NATAL STRIKES

Frame again

The Frame group strikes in Natal which started last week have a familiar ring.

It is a dispute about wages, and at the heart of it is the wage order for the light cotton industry trade, as such orders are by the Minister at the request of employers without reference to employees.

Wage orders have an inherent rigidity which leaves little or no room for negotiation. The light cotton order made about five years ago provides for annual wage increases of 10% — a figure totally out of keeping with the cost of living.

Plants involved in the dispute are the Frame mills at Pinetown and New Germany known as Frametex, Seltex, Nortex, Pinetex and Natal Knitting Mills — employing about 7 800 workers in all. Frametex is the largest mill and has a liaison committee consisting mostly of shop steward members of the National Union of Textile Workers, which the company does not recognise. Male workers' weekly wages range between R23 and R30 and women earn R18 to R25. The union claims few workers are capable of achieving a production bonus of R11,55 week and most make only between R5 and R7. To earn extra, overtime is necessary.

A room in Claremont, where most Frame workers live, rents for between R20 and R28 a month or about R44 for two rooms. A six-day weekly bus ticket costs R2,78.

Most employers pay well above the minimum but the Frame group's response has been merely to bring the annual 10% increases forward. January's increase was granted last September and next January's had been planned for July.

Workers have been pressing the liaison committee to negotiate for a 20%-25% increase, but although discussions and negotiations have been going on since February, management has not been prepared to make any public commitment.

The workers claim the issue of wages was raised in November but discussions began only in February, and in March management was pressed to say what increase would be granted in July.

The issue came to a head last Thursday after a meeting between management and the liaison committee when management declined to specify what the next increase would be and workers downed tools. Management took the line that it was not prepared to negotiate until work was resumed and a stalemate ensued.

Another meeting of Frame workers was held the next Wednesday with an attendance of about 7 000. It was decided not to collect pay but "we still regard ourselves as Frame workers". Meanwhile the Secretary for Labour has been approached to intervene but at the time of going to press reaction to the move had not been forthcoming.

Calculations by the union show that adjusted for inflation, the real wages workers are now receiving are less than in 1974. Today's minimum of R18,40 week for females and R23 week for males is worth R9,61 and R11,95 adjusted for inflation over six years compared with the 1974 minimum of R10,40 and R13.

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Handling of strike 'provocative'

STAR 30/5/80

197

The general secretary of the Federation of South African Trade Unions Mr Alex Erwin has condemned as "massively provocative" actions taken over the past few days in the handling of striking textile workers at the Frame Group factories in New Germany, Natal.

Mr Erwin said today the banning of workers' meetings until Sunday, the arrests of workers' leaders and the use of police pressure to resolve legitimate grievances were seen by workers as an attempt to smash the strike and the organisation involved.

He said workers felt they were now being forced back to work without any chance to consider or discuss the wage increase.

They felt management had the support of the police in their actions.

1:A ADELUNG,
2:D 1806-1817
3:T MITHRIDAT ... DE SPRACHENKUNDE... IN BEY
4: ... JOHANN SEVERIN VATER.
5:P BERLIN, V ... LUNG. 788P.
6:C THE VOLU... 12 DEALS ... TH AFRICA. SPRA
7:L GENERAL,
8:S COMPARAT
9:N MISCELL...
10:A ALBERTI,
11:D 1810
12:T DIE KAFF... STE VON AFRIKA.. ALS EIGNER
13: ...
14:P ...
15:L 1940
16:N SAI
17:A ALBERTI,
18:D 1968
19:T ALBERTI ...
20:P 132P ... CHOSA IN 1807; EDITED BY J.
21:C THE FIR... ENGLISH OF THE FAMOUS BOOK
22: S OF TH... AFRICA _ WRITTEN IN 1803. T
23: ...AL GE... LANGUAGE.
24:L 1941
25:S
26:N 75/7.96
27:A ...
28:D 18.7
29:T THE ...
30:P S.A. CHRISTIAN ... AND MISSIONARY MAGAZINE 2:
31: 49-52, 271-8, 330-1, 371-3. LATER REVISED AND PUBLIS
32: THE INTRODUCTION TO THIS BOOK THE KAFFIR LANGUAGE (I
33:C ... COMPARATIVE ... ETHNOLOGY OF THE F
34: ... OF CONGO ... SECHUANA, KAFIR DIVIDED INTO
35: A ... APPLEYARD DIVIDED THE LANGUAGES OF SOUTHERN
36: CLICK CLASS AND ALLITERAL CLASS, THE BUSHMAN AND HOT
37: ... TO THE CLICK CLASS, AND THE BANTU LANGUAGES TO TH
38:L 1941
39:S COMPARATIVE
40:A APPLEYARD, JOHN .
41:D 1850
42:T THE KAFFIR LANGUAGE, COMPRISING A SKETCH OF ITS HIST
43: ... CLASSIFICATION OF SOUTH AFRICAN DIALECTS..., K
44: ... GRAPHY.
45:P KING ... 1850, WESLEYAN MISSIONARY SOCIETY. XXI
46:C ... APPLEYARD IS THE FIRST ONE TO CLASSIFY THE
47: ... THE ... CLICK CLASS, (MEANING BUSHMAN AND HO
48: ... DIVIDED BY HIM INTO 4 FAMILIES . CONGO,
49: ... AND KAFIR.
50:L 1941
51:S COMPARATIVE GRAMMAR
52:A ...
53:D 1961
54:T ... OF SOUTHERN AFRICA 1797-2.
55:P ...
56:C ... THE XHOSA LANGUAGE _IS AS DIFF
57: ... AS THE LATTER IS FROM ENGLISH_.
58:L 1941
59:S
60:A BLEEK, W.H.I.

Firing 117 'shortsighted' says union man

Natal Mercury 4/6/80

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Mercury Reporter

AT LEAST 117 Frametex workers were told that they had been fired when they arrived at the factory yesterday to resume work after the strike

Some of them had more than 10 years with the company

The secretary for the Federation of South African Trade Unions, Mr Alec Erwin, said that there might be even more who have been fired who had not reported the fact to the union

'Most of the 18-man workers' liaison committee who negotiated with the management during the strike have been dismissed,' Mr Erwin said

'The workers were told yesterday when they went to collect their pay at the pay offices that they had been fired They must have had a list there of those who were not going to be re-employed

'Others were allowed in but were subsequently dismissed by the foreman

'It is tremendously short-sighted to dismiss those who tried to negotiate with the management during the strike It could mean that others will be reluctant to take up negotiations in future.

'It seems as if the company wanted to get rid of all those who were too actively involved in the strike,' he said

Fired workers who live in hostels in the townships would now lose their beds.

'Strictly speaking they will have to return to the homelands and apply for other jobs through the labour bureau This will make finding other jobs very difficult,' Mr Erwin said

Export blow

5/6/80

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Financial Reporter

PROGRESS Industries, the Durban-based textile group, earned a higher pre-tax profit in the past year, but net profit was hit by a large export debtor loss.

Pre-tax profit for the year to last December was R612 000 compared with 1978's R555 000 The group incurred a R195 000 loss after reaching agreement with an export guarantor in settlement of a claim, reducing the taxed profit to R257 000 from R474 000 in 1978

Progress declared a 4c dividend last month out of earnings of 8,96c a share No dividend was paid in 1978 when earnings were 16,67c Liquidity improved substantially last year after the group converted some of its assets into nearly R1 500 000 in cash or debtors

The chairman, Mr D Aronovsky, says in the annual report that business continues at a higher level, and he expects turnover and profit to benefit from the consumer boom following reduction of paye and salary increases

Dividend yield is 6,15% at the current market price of 65c

More Frametex (197) workers sacked

Natal 5/6/80

Mercury Reporter

MORE Frametex workers were fired yesterday when they returned to work after the strike, bringing the total to 123

The secretary for the South African Federation of Trade Unions, Mr Alec Erwin, yesterday criticised the management for dismissing almost all of the 18-man workers liaison committee, which he described as one of the most efficient Frametex had ever had.

Resolve

'This was one of the few committees of this type that was able to resolve a number of issues in the past

'It's a pity that when it comes to something serious like a strike that the management falls back on the old agitator syndrome and fires those who are trying to negotiate,' Mr Erwin said.

The committee had been nominated and elected by the workers.

Terminated

Mr Selwyn Lurie, joint managing director of the Frame Group, said the workers had terminated their own services

'If they did not return to work others were employed to take their places If any of those people were members of the liaison committee then a new committee will have to be elected,' Mr Lurie said

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The ghost

IN the past few weeks the ghost of 1973 has returned to haunt South Africa

In 1973 employers and the Government were jolted by a wave of strikes in Durban which prompted much agonising about the treatment of black workers

Now a spate of strikes, which has been building up since last year, has culminated in major factory-floor unrest in Durban and Cape Town

The Durban strikes were uncannily similar to their 1973 counterpart. They occurred in the same Frame Group factories where the earlier unrest had begun Once again, they were prompted by low wages

But many of the strikes have been different to those in 1973 Worker demands have been more sophisticated and the strikes have lasted longer and been more successful. They point to growing black worker militancy and effectiveness

Last year's Wiehahn Commission report prompted talk of a new labour era. But the key question raised by 1973 is just as pressing today.

Are employers and the Government prepared to meet black worker aspirations and thus prevent major waves of unrest?

The answer then was no. Seven years later, much has changed But the answer has not

Certainly, last week's Durban strikes indicated that any changes which have occurred appear to have passed the Frame Group by completely

The textile empire founded by the late Mr Phillip Frame was built on the use of plentiful and cheap black labour Wage rates remained low because black workers had no channels through which to demand increases

Eventually workers used the only channel they could find — they struck, focussing widespread attention on the group's wages Indirectly, they prompted significant improvements in most employers' wages But they have had little effect on Frame wages

Last week, Frame joint managing director Mr Selwyn Lurie said he did not know the group's actual wage rates but added· "They are at a good level now "

Frame workers, who *do* know what their rates are, disagree Many say they receive R23 a week, just over half the Household Subsistence Level for Durban

The HSL is calculated as the minimum a family of 5 need to live on — and it allows only for bare necessities like food and rent

Minimum wage rates are now R23 a week for men, R18 for women In 1974, they were R13 and R10,40. But, when inflation is taken into account, the current minima work out as R11,95 and R9,61 at 1974 prices The buying power of Frame workers has actually decreased over the past six years.

Workers also allege they are getting substantially less than other workers doing the same job at neighbouring textile factories not owned by the group.

Wages at the Frame factories are not set by negotiations between employers and workers, but by a legally binding wage order enacted by the Government.

The Government makes its order on the basis of employer recommendations, and thus orders the employer to pay what he feels he wants to pay Obviously, employers tend to welcome this arrangement, their workers to resent it.

The strike was sparked by pay grievances. A short work stoppage in August prompted management to bring the annual 10% increase forward, but that meant that workers missed their annual January increase.

The company's black liaison committee had been negotiating for an increase since last November and the strike occurred after management told the committee it would only offer workers another 10% this July

The strikes are thus an indictment of the wage order system which, although not widespread, affects some occupations, such as stevedoring, which have been affected by labour unrest in the past.

Another feature of the strikes has been the failure of negotiations with the group's liaison committee

These committees, introduced in the wake of the 1973 unrest, comprise equal numbers of elected black worker and management representatives

Unions have long argued that they are weak, ineffective and regarded by black workers as "stooge" bodies. They also argue that they were introduced to squeeze out trade unions.

The black union movement believes workers should be represented in the factory by union shop stewards (workers elected by their fellow union members on the shop-floor) who enjoy the backing of independent union officials who are not employed by management and cannot be victimised by it

> 'The greater the attempt by managers to keep unions out, the greater will be the attack on the concept of company property rights in the future.'

The Frame Group, however, has never been willing to recognise a union and the National Union of Textile Workers has had to fall back on a widespread tactic among black unions — to urge shop stewards to stand in liaison committee elections and, in this way, to gain control of the committee

This is precisely what happened at Frame Worker representatives on the committee were mostly union shop stewards

Mr Lurie believes that the committee acted in "bad faith" and implies that it had some part in sparking the strike. But the union insists that worker representatives battled to keep negotiations going — to such an extent that workers had become impatient and were rejecting the committee

The result was the strike, violence in Clermont township and the arrest and subsequent dismissal of committee members.

This experience, says Mr Alec Erwin, general secretary of Fosatu, has "finally sounded the death-knell of liaison committees."

Both the authorities and the Frame Group have enthusiastically pressed this system on black workers. "But when we reluctantly use it, the committee is ignored by management, arrested by the police and then fired after a strike which they did everything they could to avoid "

The strike has, then, focussed attention not only on wages but on the representation of black workers at the work place. The protracted struggle in Cape Town's meat industry focus directly on this issue

Meat workers in Cape Town have been on strike for nearly three weeks. They staged a one-day sympathy strike with workers at Table Bay Cold Storage, but were then prevented from returning by employers who argued that they had broken their contracts by striking

The strike follows a spate of Cape strikes this year which have affected the docks, engineering, construction and meat companies — even a number of fruit factories in the rural areas, where strikes are extremely rare

None have concerned pay. They have hinged around alleged unfair dismissals and worker demands for union-backed committees

Significantly, almost all of these strikes have produced settlements which contained worker gains

The meat workers are members of the Western Province General Workers Union, whose members have been involved in several of this year's Cape strikes

Although the union has alleged that pay and general working conditions in the industry are "appalling", the chief demand of workers has been that management recognise worker committees and deal with them.

In most cases, employers are only too happy to recognise committees — as long as they are liaison or works committees registered with the Government

But, as in Durban, the Cape strikers reject these committees, both because they believe they are hamstrung by Government controls and because they are for blacks only and the union has significant coloured membership

They have demanded unregistered committees outside the control of the authorities, and it is this demand which has sparked off the present strike

The strike has led to a Cape red meat boycott backed by all but two black, coloured and Asian butchers It has been compared with last year's Fattis and Monis strike, in which a consumer boycott was instrumental in persuading management to reinstate strikers seven months after the dispute began.

Once again, the black community has rallied around the strikers and a labour issue has become a broader community issue — a growing trend

The employers were legally within their rights to lock the strikers out. In South African law, workers who strike — even if the strike conforms with the cumbersome procedures laid down by the law — are no longer employees.

But employers are not forced to fire strikers. If they do, it is because they believe it will help achieve their aims. And the aim of the meat employers is the destruction — or at least the weakening — of the WPGWU.

Employer sources argue that the union is too "militant", has won too many victories, is a threat A hard line will cause worker disillusionment and reduce the union's influence, if not destroy it altogether, they argue.

The authorities appear to agree. They detained three WPGWU organisers, the first action against union leaders since 1977 when about 30 were banned.

The union believes they have been detained because police believe that removing them will weaken or destroy the union

It points to a recent statement by the director-general of Manpower Utilisation, Mr Jaap Cilliers, warning that people who did not use the bargaining channels provided by the Government could face action

The strike continues and has become a "battle to the death" between employers and a union whose support and effectiveness has grown dramatically.

If the employers win, they will have stopped the worker advance in the Cape in its tracks. If they lose, they will have to brace themselves for new and more effective worker demands.

Even if the employers do win, however, it is difficult to see how they can end worker militancy They would, no doubt, quieten it for a while. But it would return — inevitably in a stronger form

The recent unrest has indicated that neither the Govern-

Cont

ment nor employers are getting to grips with worker demands Employers have generally met workers with a refusal to negotiate and dismissals The Government has made threats and detained leaders.

Some argue that it has proved the Government's new dispensation is inadequate — that it has been overtaken already by worker militancy because they are inadequate to meet black worker demands

The system proposed by Wiehahn is complex But one of its chief implications is that the committee system which has been rejected of late will remain in force

Employers will be encouraged to establish non-racial "works councils" which will have much the same structure

Cape employer remarked recently that it would "completely stymie" the WPGWU because it would enable employers to set up alternative committees to those the union's members are demanding.

The system could do this But it is likely to do more to cause strikes than to prevent them

One of the most important workers have a pressing grievance, they may well simply ignore them.

A prominent white unionist acknowledged privately some time ago "It takes far too long to go through the legal channels If our people have a serious grievance, they strike first and ask questions afterwards"

This is not a general view among white unionists Their are usually not well-paid and have pressing problems which white workers do not — the constant danger of dismissal for union activities, inadequate safety precautions, even the absence of adequate uniforms could spark a strike

This is why black unions have insisted on remaining in touch with their membership and have demanded a strong former trade unionist, now an academic, warned against incorporating black workers "into the same goals and strategies which established unions have followed or been forced to adopt over the past thirty years."

Independent black unions had "identified the place of work as the area of action", he said, and urged employers to come to terms with this trend

He made no bones about the fact that he believed they were not doing this He quoted examples which indicated that employers were attempting to freeze out independent black unions and replace them with "parallel" unions which accepted the committee system.

Employers were also placing obstacles in the way of trade union recognition and attempting to deal only with weak, ineffective unions They were denying unions access to the factory

OA

returns

RDM 5/6/80

A wave of labour unrest has once again hit South Africa, raising new doubts about the ability of employers and the Government to meet black worker aspirations. Labour Reporter STEVEN FRIEDMAN analyses the present strike wave.

But those who support the Wiehahn deal argue that this criticism is unfair, that the Government is not introducing the reforms quickly enough and that once they are introduced, adequate channels for black workers will exist.

It is by no means certain that the reforms will ever be fully introduced But, even if they are, many observers believe they will be rendered irrelevant and role as the liaison committees

Trade unions will be expected to operate at an industry-wide rather than a factory level by joining industrial councils, industry-wide bodies which black unions believe are overburdened with red tape

Most employers confidently expect this system to put paid to black worker demands for shop-floor representation One characteristics of a succesful labour relations system is speed If workers are to be dissuaded from striking, they must have quick and effective channels for redress If the channels are too slow or too cumbersome, they are likely to be ignored

Present labour law, of which the industrial councils are an integral part, is riddled with cumbersome procedures If members have been protected by formal and informal job reservation and have enjoyed far more privileges than black workers

They have had few pressing grievances which required speedy solutions, and, like the Government they believe the system ensures industrial peace

But that is not the view of black unionists. Their members union presence on the factory floor

Employers, the Government, and the established unions prefer the old system Many of them are unwilling and unready to adjust to the system black unions are demanding — and this unreadiness means that they are ill-equipped to deal with conflict

In a recent speech, Mr Loet Douwes-Dekker, a prominent

This attitude, he said, stemmed from the "determined belief by managers that they hold sacred rights to the property of a company' But, he warned, the greater the attempt by managers to keep unions out "the greater will be the attack on the concept of company property rights in the future'

As labour unrest continues to simmer, those words have an ever-greater ring of truth

Clothing fears Far East dumping flood

RDM 6/6/80

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By SIMON WILLSON
Industrial Reporter

THE EXPIRY next year of the Multi-Fibre Agreement (MFA), which regulates textile trade between industrial and developing countries, will trigger large-scale dumping of cheap clothing on the South African market unless the Government acts.

This is the prediction which Mr Frank Whitaker, executive director of the National Clothing Federation (NCF), brought back from the international MFA conference in Brussels

The gloomy world textile trade prospects set out at the conference will be used as additional ammunition in the NCF's campaign to get the Board of Trade to impose heavier formula duties on clothing imports from the Far East before the MFA's demise

"All the indications are that the next MFA will tighten up considerably on Western countries' quotas on Far East clothing The Eastern countries' next move is obvious — they will transfer all the exports which are shut out of Europe and the United States to countries outside the MFA like South Africa," says Mr Whitaker

The NCF has lobbied the Board of Trade for higher tariffs on imported cheap clothing, citing the Government's commitment to dismantle import controls as an open invitation to South African buyers to increase imports from the Far East

Now the perceived threat from the MFA's approaching hard line towards the Orientals has given the NCF's cause extra urgency

NCF members meet in Johannesburg at the end of the month to make final the leading points of their approach to the Board of Trade

Clothing manufacturers want a revision of the formula duties introduced in 1974

The 1974 provisions stipulate a 35% basic duty on imported garments, or a sliding scale of charges on every 100 grams of the different fabrics, less 65% of the f o b price

This was designed to weed out the lower-priced items and thump them with a heavier duty than the more expensive garments

The NCF wants the 35% duty to remain the same, but with a more stringent set of sliding charges

But would the answer not lie in South Africa's joining the MFA and being one of the "Western" countries in the agreement which are uniting against the threat from the East?

Apparently not, according to Mr Whitaker

"There are several problems about our joining the MFA Firstly, although South Africa is classified by Gatt (the General Agreement on Tariffs and Trade) as a developed trading nation, we are still a low-wage economy from the MFA point of view, so we could not join on the right side of the agreement,' Mr Whitaker says

"Secondly, the Board of Trade is against membership as it would tie our hands in our trade policy As things stand now we are free to do what we see as appropriate

"Also, individual countries tend to make unilateral deals within the agreement which distort its effectiveness "

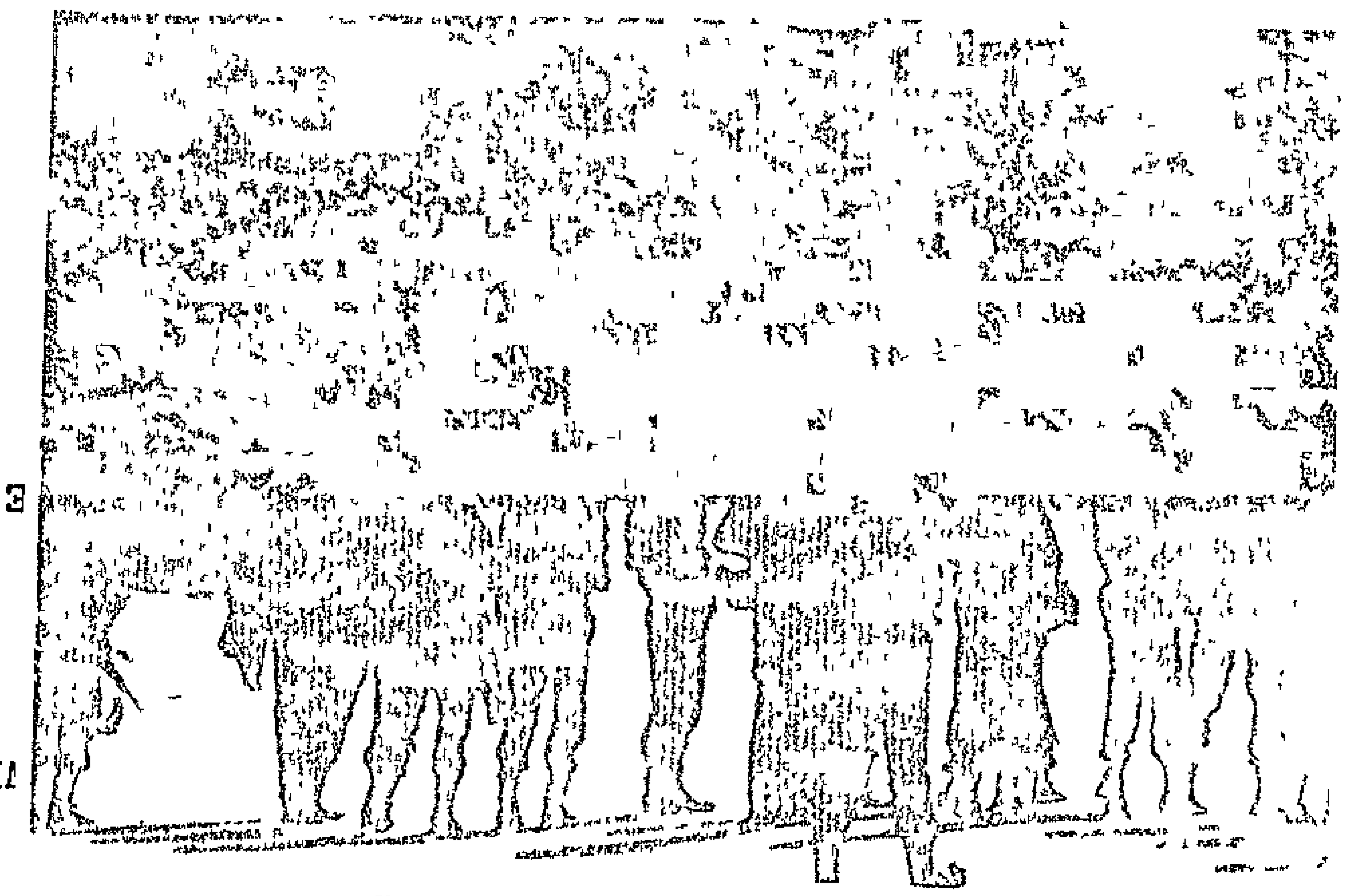
He is confident of a positive response from the Board of Trade to the NCF's proposals which, he says, will advocate a move away from quotas — which South Africa cannot use against the Far East because of the non-discrimination rules of Gatt and towards the more selective formula duties

LABOUR FM 6/6/80 (197)

Tough line

The Frame group, which last week announced that workers would receive a 15% increase in July and another 10% (due under the regulation wage order) in January, has taken a tough line against the 6 000 workers fired *en masse* last week

Workers were being re-employed on a selective basis this week Local textile



Frame strikers and a show of force

union secretary Obed Zuma tells the *FM* that ' all prominent union members, and all but one of the Frametex liaison committee members have not been taken back ' Three were arrested on an illegal strike charge as they left a meeting with management last week and are now out on bail of R200 each They are due to appear in court again on June 10 We have at least 120 names of workers not re-employed and more are still coming in'

As the *FM* went to press the union was trying to arrange a meeting with Frame management to discuss the sackings but word had come that management saw no need for such a meeting

Joint MD of the group, Selwyn Lurie, claims in a press statement that the increases granted were negotiated with ' liaison committee representing the several thousand workers who continued working throughout the partial work stoppage at certain mills at New Germany '

Fosatu secretary Alec Erwin counters that this merely shows up the liaison committee system as a farce' and that the liaison committee members could hardly be considered representative At Frametex the liaison committee members were mostly members of the union which the Frame management does not recognise They have not been taken back

It appears workers have accepted the 15% increase although they were pressing the union to negotiate for 20% to 25%

Tough tactics have obviously won the day How long the peace will hold is another matter

Other industrialists in the area, although reluctant to be quoted, are distinctly uneasy about the upheaval which they believe has generated the sort of climate where there could be a general reaction against even those employers paying far above the minimum rates

Textiles — a pacemaker in SA growth

STAR 10/6/80 (197)

By Pieter de Vos

The domestic textile industry has staged a remarkable recovery in recent months to become one of the economy's best current performers, Standard Bank says in its latest monthly economic report

Furthermore, future growth in domestic textile production can be expected to exceed that of the rest of the economy

A major reason for this lies in the industry's improving capability to satisfy virtually all segments of the market at fairly competitive prices, qualities and delivery periods

In addition, substantial increases in per capita textile consumption by blacks are likely to be brought about by higher living standards

However, there are limits to the potential increases in the domestic industry's market share

IMPORTS

At present, some 80 percent of the domestic textile requirements are produced locally and the remainder is imported

Given the current size of the market, 5 to 10 percent of the imports can be replaced The rest, however, is of too highly specialised a nature to be economically produced by the local industry

In February, the volume of production was 18 percent higher than in February last year, and the level of output was one of the highest ever recorded

The value of the industry's sales in that month was some 30 percent higher than the same month last year

But the rapid improvement has led to substantial pressure on both production facilities and the work force

In the first quarter of this year some 93 percent was utilised — while 90 percent is considered fully utilised

INVESTMENT

Permit issues for the importation of textile piece goods had inreased by only 2,5 percent last year to R151,9m, but they rose by 28,4 pecent in the first quarter of this year compared with the first quarter last year.

The surge in demand and capacity utilisation led to a considerable increase in the amount of new investment planned for the industry

Between mid 1979 and now, decisions were made to invest about R110m in the spinning, weaving, knitting and finishing sectors with a further commitment of some R50 between mid 1980 and mid 1981

The nature of the investments is aimed at modernisation because of the continuing trend towards higher quality products

This enables domestic producers to increasingly satisfy those market segments that had to rely on imported fabrics

Textile exports were insignificant at only R64m last year, and it is unlikely exports will increase materially beyond this level in the near future

But the new investments should enable the domestic textile industry to regain and improve its share of the domestic market in due course and even create a broader base for textile exports

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(197) FM 3/6/80

TEXTILES AND CLOTHING

How much protection?

By Adrian Bellamy, MD Edgars Stores.

The textile and clothing industries in SA have a long history of protection from excessive imports. This has undoubtedly stimulated the growth of both industries which today employ 225 000 people in more than 1 800 establishments and annually sell fabric and associated products and clothing worth about R2 200m.

The maturity of these two industries can best be judged by comparing the range of clothing in SA retail stores with that in European or American stores. In my view the comparison comes up well. SA merchandise is generally at least of a comparable quality, style and price to that available overseas.

The only real problem is variety, although an economy the size of SA's (smaller than Venezuela or Nigeria, with a gnp lower than total sales of General Motors) cannot viably provide the vast assortment produced for the larger northern hemisphere markets.

While the government's strategy of protecting these industries has so far been successful, how far should this go? The question is altogether relevant at this moment since both industries have made urgent applications to government for additional protection on the grounds that the more lenient import permit policy has in a matter of a few months already led to a serious reduction in orders.

The official bodies representing the two industries are also very concerned that any downturn in consumer demand could catch them in an "import squeeze," such as they believe happened in 1975 and 1976.

There is no doubt whatsoever that SA cannot afford to adopt a policy on imports such as exists in the UK where the flood of fabric and garments from the Far East has very seriously affected both industries. Indeed in recent weeks many major textile plants have been forced to close. It is equally untenable to adopt a policy such as exists in Brazil where almost total protection has led to a situation where prices, quality, styling and variety often fail to compare internationally.

In formulating a viable long-term policy for SA, the most important considerations are:

□ The SA economy is critically dependent on viable two-way foreign trade. As Lord Harlech pointed out: "The notion dies hard that in some sort of way exports are patriotic but imports are immoral." Throughout the world the traditional response of any industry threatened by imports is to appeal for protection. William Simon says, recalling his days as American Treasury Secretary: "I watched with incredulity as businessmen ran to the government in every crisis, whining for handouts or protection from the very competition that has made the system so productive." We cannot expect the world to buy our minerals and other exports unless we in turn allow them reasonable access to our markets.

□ On the other hand, we must clearly continue to encourage a strong textile and clothing industry in SA, since this provides very significant employment, protects us from possible sanctions and avoids excessive strain on our balance of payments.

□ All South Africans have a right to aspire to an increasing quality of life, and in a small way this can be met by providing them with an assortment of clothing and textiles which is reasonably comparable to that available in other countries.

To achieve this, some imports are essential. For example, all corduroy used in SA is imported because our economy is of insufficient size to warrant the establishment of a local plant.

□ Both industries have an obligation to perform efficiently and to be reasonably competitive internationally. Generally this is the case, but there are deficiencies in variety, delivery, price and quality. A comparison of local performance with European or American operations suggests that both SA industries have room for improvement.

□ Despite the considerable size of the two industries, exports are a mere R60m pa. For an industry which has so long enjoyed protection and which provides an exceptional ratio between capital investment and job creation, this is a disappointing performance. The few organisations which have developed an export effort have been remarkably successful.

□ Textile and clothing inflation has generally been significantly lower than the national consumer price index. Imports can help to keep prices down, partly because they are sometimes cheaper than the local products, but more importantly because they provide the essential incentive for local industry to be productive. Any debate of this matter always provides the allegation that textiles and clothing are being dumped from the "sweat shops" of the Far East.

To this is often added the allegation that retailers compound the problem by

Bellamy . . . suggesting a mature approach

taking excessive markups on such merchandise While cases can be put forward supporting both these allegations, in general I do not believe they are true In many parts of the Far East, the textile and clothing industries are now very modern industrial establishments, paying fair reward to their labour Products of these factories do not generally offer local retailers excessive profit opportunities

□ Protection has been achieved through a combination of duties and import permits Each method has serious disadvantages, but notably they both protect the inefficient

The protection of any industry is a very difficult matter The considerations set out above are often conflicting and certainly complex, and the list is by no means exhaustive. A mature approach to this whole matter suggests to me that both the textile and clothing industries in SA should begin gearing themselves for progressively less protection from imports — although I absolutely accept the need for protection against dumping and other forms of unfair competition Their response to this "threat" of less protection can only be a drive for improved performance, especially in productivity, coupled with a far more concerted export effort

In fact, with a little extra enterprise, SA could become a significant exporter of textiles and clothing and fill the gap that is being left by the demise of these industries in the more mature economies of Europe and America

15/6/80 SUN TRIB. (FIN)

Tongaat's textile giant

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By TONY HUDSON
Finance Editor

THE Tongaat group has created a massive textile giant with a projected turnover of R100 million a year by merging all its textile interests into one division.

And they expect R100 million turnover

The new group will be known as Tontex (Tongaat Textiles) and has been formed as a result of the acquisition of 100 percent of the equity of Hebox Textiles recently.

Management of the group will now be centred in Tongaat headquarters and a single marketing and sales team has been formed.

Tontex will probably be the second largest textile group in the country, with the Frame organisation still at the top

Tontex chairman will be Des Scott, deputy chairman of Scotts Stores. Managing director will be Richard Payn who also is chairman and managing director of David Whitehead. Hebox MD Mike Toet stays in his present position.

Payn told Tribune Finance this week that product lines would be rationalised and that the three companies involved (Hebox, Prilla Mills and David Whitehead) would become brand names.

In the clothing field ladies' and girls' wear will carry the Whitehead label, while men's and boys' wear will carry the Hebox logo. Whitehead will produce all lightweight materials and Hebox will drop this line and concentrate on heavyweight fabrics. Prilla will continue to produce yarns as in the past.

Payn said that in a full year's operation after the competition of the current expansion project in 1981, turnover of the new group is expected to reach R100 million.

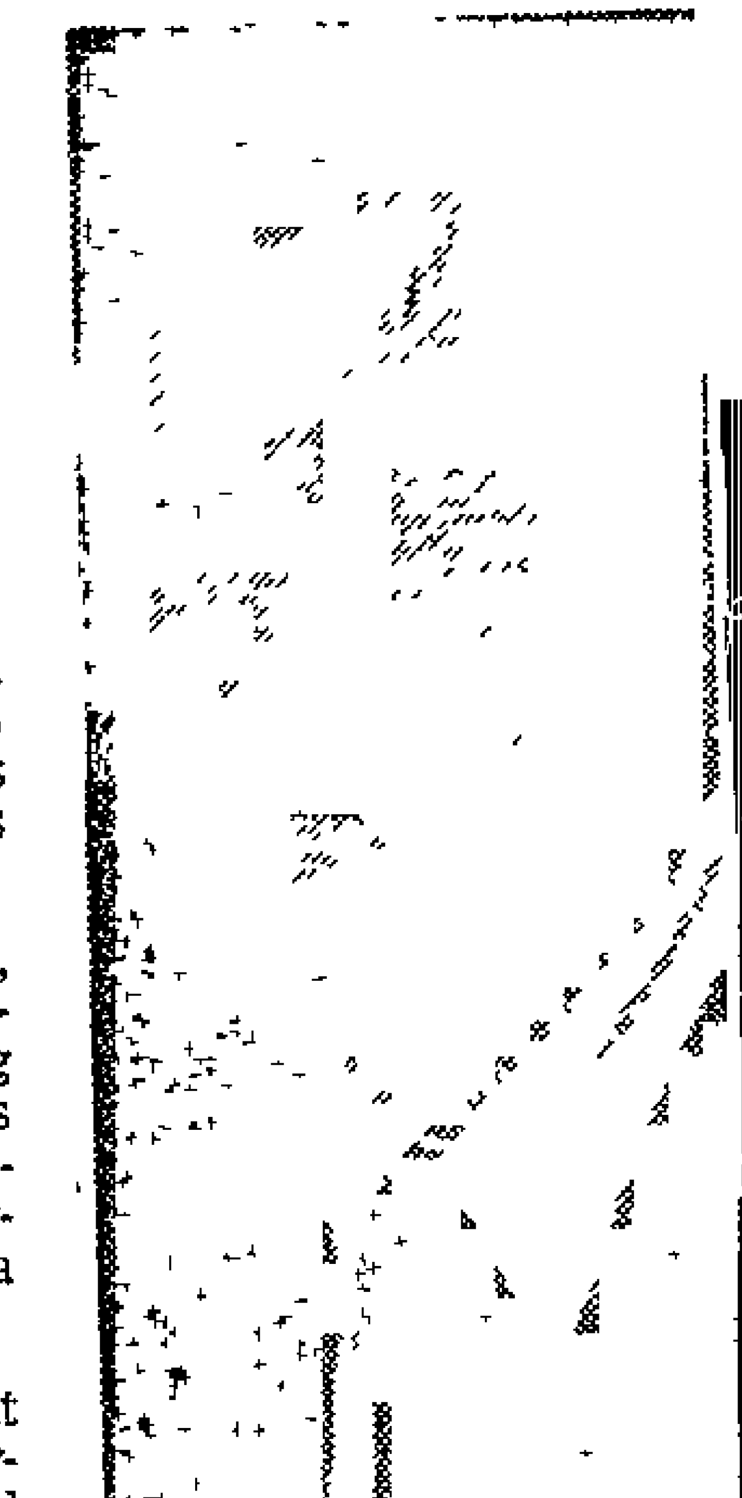
In the year to March 31, 1980 Tongaat textiles companies' contribution to turnover was R33.2 million Contribution to group profits was R4,2 million

With the textile industry in a heavy growth phase (see page three) the rationalisation programme, and the expansion operation at Whiteheads, contribution to profits from Tontex could be very significant once the operation has settled down

The Tongaat group is aiming to push earnings from last year's 80 cents a share to 100 cents in the current year, says chairman Chris Saunders in the group's annual report

And says Saunders, planning to 1983 indicates a very strong growth period and says the group has a firm objective to increase earnings by 25 percent a year.

However, he says that if the target of 25 percent growth is achieved — the average of the last 10 years has been 18 percent — earnings should top 156 cents by 1983.



Tontex chairman
Des Scott

15/6/80. SUN TRIB. (FIN)

Textile industry breaks out of years of languor

197

By TONY HUDSON
FINANCE EDITOR

58

THE textile industry has sprung to life after several bad years and in recent months has become one of industry's best performers.

According to the latest Standard Bank Economic Review the industry's production is at its highest level yet recorded. In February the level of production was 18 percent up on the same month last year.

Value of sales in that month was 30 percent up on the previous year. The bank says indications are that this growth has continued during the past few months.

This rapid improvement has led to substantial pressure on production capacity and labour and production facilities.

During the first quarter capacity utilisation was about 93 percent in an industry where 90 percent is considered full utilisation.

This has led to substantial increases in the labour force, a lot of overtime and significant expansion plans.

The recovery is all the more surprising because the industry showed substantial weakness when the economy in general started to recover in 1979.

The picture changed dramatically in the last two quarters of last year when consumer and clothing manufacturer demand started to strengthen. Car sales also started to strengthen (textiles are a major input here as carpets, seat upholstery and tyre components), clothing sales, turnover of furniture dealers started to climb. Housing completions, where carpets play a major part, also started to increase.

The Economic Review suggests this means that local industry is becoming increasingly unable to satisfy local demand. It points to the increased level of permit issues for imports of textile piece goods. They increased by only 12,5 percent in 1979 to R152 million and rose by 28,4 percent during the first quarter of this year compared to the same perior last year.

This means that textile imports are going to gain a greater share of the local market, even if the Government is to adjust textile tariff schedules to prevent a massive inflow of foreign made textiles.

The industry is making an effort to improve production and at present about R110 million has been firmly committed to expansion plans, with another R50 million to be committed in the next 12 months.

The industry is now operating under heavy pressure to meet demand, with some plants working up to four shifts, leading to a substantial increase in unfilled orders.

In February, unfilled orders at knitting mills were 17 percent up on 1979 while unfilled orders for yarns, blankets and other textiles were up by 35 percent.

They're crying wolf over clothes from the East

By JACK BRICKHILL

THE clothing manufacturers are crying wolf over the importation of clothes and textiles mainly from the Far East, say major retailers.

Adrian Bellamy, chief executive of Edgars, says the clothing industry in South Africa is already one of the most protected in the world and the importation of goods provides the competition and impetus to keep the local industry efficient.

The main problem facing retailers and manufacturers is the availability of fabrics. Mills in the country are already committed well into next year and are finding it difficult to meet demand particularly for big orders. The mills also produce a limited range of fabrics.

Corduroy and much of the polyester cotton used to make shirts must be imported. Fabrics from abroad are also needed to provide a fuller range of qualities and designs.

Millers and manufacturers should not look for more tariff protection but should rather put their own house in order, says Bellamy.

Frank Whitaker, executive director of the National Clothing Federation, says South Africa is a potential dumping ground for Far Eastern clothes as consumption drops in the recession-hit Western countries.

The quota system under the Multi-Fibre Arrangement protecting European and American manufacturers from Far East competition is likely to be tightened up when the present agreement ends next year.

South Africa is not a party to the agreement. With the relaxation of import control and increased competition among Eastern countries imports into this country can be expected to grow significantly, says Whitaker.

There appears to be no marked importation of clothes and fabrics at present. Meyer Kahn, managing director of OK Bazaars, says his group is actually decreasing its level of imports because the quality and prices of local products is attractive. So far there are no serious problems of supply from local manufactureers. OK clothing sales comprise only three percent of imported goods, mainly knitwear.

Edgars imports are 2,5 percent of total sales but Bellamy wants to push it up gradually.

Despite a preference for home products British stores still carry a large range of imported clothes and fabrics. Imports at Marks and Spencers are nine percent of sales and at British Home Stores the figure is 37 percent.

Demand outgrows growing textiles

197

RDM 16/6/80.

By SIMON WILLSON
Industrial Reporter

FUTURE production growth in the South African textile industry can be expected to exceed that of the rest of the economy

Demand for consumer durables with a significant textile content is likely to increase over the second half of the year to the extent that domestic textile producers will be unable to meet it

These are the predictions for the domestic textile industry made by the Standard Bank economic review

It confirms that the imminent domestic supply shortfall again raises what will be seen in the textile industry as the spectre of a flood of imports rushing into the breech

Several important consumer durables — now selling faster as credit becomes more readily available — incorporate textiles

Cars, heading for record sales this year of about 250 000, have major textile inputs in the carpets, seat and trim upholstery and tyre belting Sales of clothing, furniture and household carpets are also growing, and expanding house construction indicates a steady demand for household fittings as homes are completed and fitted out

Standard Bank says "This rapid improvement has led to substantial pressure on both production facilities and on the labour force

"In the first quarter of 1980 capacity was some 93% utilised — 90% is considered full utilisation This pressure has resulted in both increased employment and substantial overtime work, and a number of firms are planning significant expansions of capacity "

The demand for clothing, motor vehicles, furniture and carpets is expected to firm further in the second half of the year after the tax cuts are implemented in July

The review foresees a substantial increase in per capita textile consumption by blacks as the living standards of low-income groups improves

Home building will also increase, as will industrial textile production as investments and intermediate industrial demand takes off

"Because of the industry's reduced ability to satisfy further large demand increases in the short term, textile imports may gain a greater market share even if, as is likely, the Government adjusts the textile tariff schedules to discourage a massive inflow of foreign textile goods "

The review has confidence in the domestic industry's "improving capability to satisfy virtually all segments of the market at fairly competitive prices, qualities and delivery periods"

But limits are seen to the potential increase in market share for the domestic industry About 80% of present national textile requirements are met by SA production with imports meeting the rest

"Given the current size of the market the potential for replacing imports is of the order of 5% to 10% with the remainder being of too fragmented and too highly specialised a nature to be economically produced by the local textile industry "

Courtaulds sells

COURTAULDS, the British textile giant, has sold FCW Knitwear (Pty) of Johannesburg to Pan Textile Group for about R2 400 000

Pan is a subsidiary of SA Nylon Spinners which is owned by AECI

The deal does not mean that Courtaulds is following the path of some other British companies and winding down its investment in South Africa

A statement says that "Courtaulds intends to concentrate and strengthen its other investment interests in South Africa"

In any case ICI of Britain is one AECI's two major shareholders The other is De Beers

Tongaat sees 100c earnings

(3) Sugar (147) ~~232~~

NDM 26/7/80

THANKS to a combination of internal growth and contributions from its latest acquisitions, earnings of the Tongaat Group "will exceed our initial target of 100c a share" in the year to March 1981, the chairman, Mr Chris Saunders, told the company's annual meeting at Tongaat yesterday.

This forecast — which means earnings growth of more than 25% in the current year — was made after taking into account the expected major reduction in the contribution from the sugar division, which last year produced 30% of group profit.

Earnings of the 100c minimum would give Tongaat its 12th consecutive year of record profits, and raise the compound growth rate over this period to an average of 21% a year.

Mr Saunders he told the meeting "the sugar division, in keeping with the rest of the industry, is suffering a severe setback as a result of the prolonged drought which has devastated the cane crop.

"Total industrial production is now estimated at 1 667 000 tons of sugar, a decrease of approximately 20% on last year

"The group's latest sugar production estimate reflects a decrease of 28% over last year, and our share of total industrial sugar production will therefore be slightly down on last year. This will mean a major reduction in the profit contribution from this division

"The building materials division continues to benefit from the high level of construction activity in the Transvaal and Free State, and is proceeding with its plans to increase production facilities so as to alleviate delivery delays

"Trading conditions in the Western Cape have improved and demand in Natal is increasing rapidly Budgeted sales levels are accordingly being exceeded in all areas, and the division's contribution to overall group profits will reflect a satisfactory increase over last year

"Acquisition of Hebox Textiles as a wholly owned subsidiary of the group has been concluded, with 58% of its former shareholders electing to receive cash amounting to approximately R8-million, and the remainder exchanging their shares for 832 000 Tongaat ordinary shares.

"The integration of Hebox into the group's textiles division is proceeding according to plan, and the division has been reorganised under a new divisional holding company known as Tongaat Textiles

"Satisfactory trading conditions have been experienced in all areas of operation during the first quarter and thus, together with the additional profits which will flow from the Hebox acquisition and the Whiteheads expansion programme as it comes on stream, will result in a significant increase in the division's contribution to overall group profits.

"Proposals for H Lewis & Company to become a wholly owned subsidiary of the group are under consideration by Lewis shareholders representing approximately 75% of the equity of H Lewis have indicated that they will support the proposals and the final outcome of our offer will be known early in August.

"This acquisition will have a favourable impact on the foods and feeds division, but the full benefit will only be felt in the years ahead

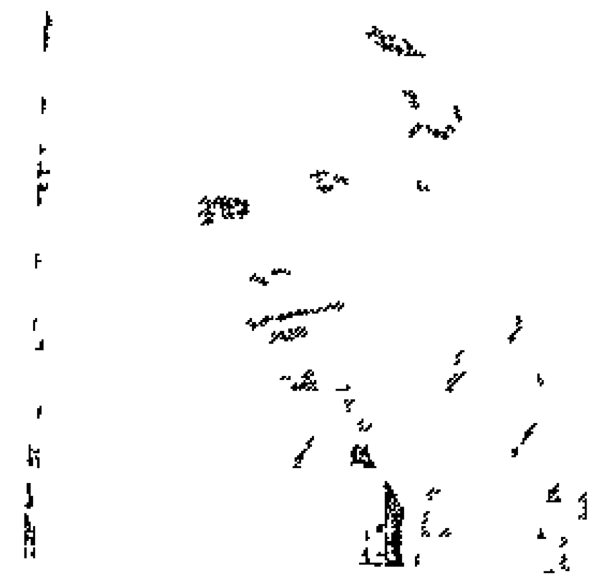
"Other operations within that division are experiencing satisfactory trading conditions, so that together with the additional profits flowing from the Lewis acquisition, the division is expected to again increase its contribution towards overall group profits," he said.

SECTION I

18/7/80 FM (197)

RICHARD A PAYN

What protection achieves



By Richard A Payn, chairman and managing director of David Whitehead and Sons, Tongaat

The textile industry is multi-faceted It does not simply comprise the clothing manufacturers or fabric manufacturers, but includes also the textile finished goods retailers These three main sectors of the industry comprise the textile operation of any country They are not independent of each other but are part of a total concept and only together can they flourish to the best advantage

In replying to the article by Adrian Bellamy, (published in the *FM* June 13) this should not be regarded as a confrontation between one side of the textile industry and the other Far from it, it is an attempt to put as openly as possibly the views of the producers of cloth and clothing, who employ close on 250 000 people

There should be only one eventual arbitrator and that is the consumer, and providing long-term security is given to production, the consumer will eventually be better off

Comparable quality

Mr Bellamy, in his article, says that SA merchandise is generally at least of comparable quality, style and price to that available overseas It is generally acknowledged, and is a fact often used as a case against fabric manufacturers, that some 80% of all textile piece goods are made in SA, so that only a very small percentage has to be imported If this is the case, by the very nature of Mr Bellamy's own argument, the SA textile industry must be doing a good job

The choice of clothing in SA is extremely wide and it is doubtful if, per head of population this choice is as great in many other countries of the world This, in itself, is an indication of the variety that the retailers of SA are enjoying from an extremely young and developing textile industry

Reference was made to exporting This is a highly complex and long-term project The local textile industry has been under constant pressure to supply more merchandise to consumers in SA during the last two or three years It is, therefore, unlikely that capacity would be available to supply vast quantities of goods for export at present

Export prices are usually highly competitive Most countries tend to export their merchandise on a marginal cost basis but generally speaking, only when they have large volumes of production to enable these prices to be competitive It is, therefore, quite normal for imported textile piece goods to be much cheaper than those manufactured by the local supplier SA capacity is, as yet, not large enough in many spheres to compete on that basis The larger the capacity the greater the spread of costs This results in, firstly, a better chance of price stabilisation and secondly, more competitive pricing

All this requires capital The textile fabric producers are highly capital-intensive and so are many of the clothing manufacturers Tongaat Textiles, for example, has some R90m worth of capital employed and requires a satisfactory return on its investment This capitalisation is extremely high even by clothing manufacturing standards and certainly by retailing standards Our profits must take into account the considerable escalation of machinery replacement costs and we have also to finance raw material partly processed and finished stocks These are not inconsiderable We also have to finance our customers to a very large degree

However our margins are not measured as a percentage of the total cost but of the process cost, or added value, which represents perhaps only 50% of the total manufacturing price It is unlikely that a textile company producing fabric would make on average much more than 65%-70% on its process costs, while the range of mark-ups taken by retail chains will vary from around 50% to well over 100% on buying-in price

The purchase of ready-made clothing from overseas very often results in mark-ups close to 200% thereby giving the retail chain a much higher margin than would otherwise be the case, and little or no benefit being passed on to the consumer Nevertheless by so doing the potential unemployment that could be created would eventually result in a lower buying power in SA

The textile industry — and I would include both the fabric and clothing manufacturers together in this context — needs continual full utilisation of capacity to make a reasonable return on its investment If, for any reason, all three production units of Tongaat Textiles should cease production for 24 hours during a time when they are scheduled to produce, there would be a loss of fixed costs and profit of approximately R100 000

Under-utilisation of capacity

Such could be the impact of under-utilisation of capacity following the importation of fabrics and ready-made clothing It is likely to reduce capacity utilisation in SA and this is highly dangerous Perhaps most importantly, we must remember that some 250 000 additional people are coming onto the SA labour market each year, which, together with potential sanctions against our country, makes a strong and vigorous textile industry all the more important Capital is being invested at a very high level within the textile manufacturing industry at the present time and this capacity should be filled up

The fabric producer, clothing manufacturer and the retailer are a team, and the common aim is to satisfy the customer Our businesses are very different and highly complex so that no one person could possibly have a solution to the problems of all three sectors Let us, therefore, resolve to do our jobs as professionally as we can, and remember we have common aims — to increase the strength of our national economy commensurate with the reasonable satisfaction of the consumer

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3. Blue or black ink must be used for written answers The use of a ball point pen is acceptable Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
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EDSON 15255

Hammarsdale workers strike

NATAL MERCURY 24/6/80

197 1521 1524

Mercury Reporter

WORKERS at Natal Thread Company in Hammarsdale went on strike yesterday over a shift dispute.

A spokesman for the Federation of South African Trade Unions said that the company's liaison committee had approached the Department of Manpower Utilisation in Pietermaritzburg with their complaints.

A new shift system was introduced about three weeks ago. The factory operates 24 hours a day seven days a week. Employees work 12-hour shifts for three days followed by three days off.

They feel the hours are too long and the shift system means their pay varies from one week to another. The workers' liaison committee had been opposed to the new system before it was introduced, the spokesman said.

About 180 workers had gathered in the Catholic Church in Mpumalanga to discuss their grievances.

Management officials were unavailable for comment yesterday.

Pay dispute resolved

NATAL 25/6/80 1977

Mercury Reporter

WORKERS who downed tools at Natal Thread Company in Hammarsdale on Tuesday over a shift dispute were all back at work yesterday, Mr L F Kirkbride, a company director, said yesterday

'We are speaking to our liaison committee and trying to sort things out with the workers,' Mr Kirkbride said

He said the 550 workers had objected to working odd hours and disagreed about the attendence allowance

A member of the workers' liaison committee, Mr Robert Duma, said yesterday that the management had guaranteed that the new shift system would not affect their wages

N Mercury 25/6/80

Strike hearing

197 65

THREE men arrested under the Riotous Assemblies Act in New Germany last month appeared briefly in the Pinetown Magistrate's Court yesterday Mr Jabulani Gwala, former chairman of the Frametex Workers' Liaison Committee, Mr Samson Cele and Mr Banginkosi Nzama, allegedly intimidated workers at Pinetex Mill during a strike No evidence was led and the hearing was postponed to July 15

N Mercury 26/6/80 197

Workers walk out after alleged insult

Mercury Reporter

TEN workers staged a walkout on Tuesday after they had allegedly been insulted by the manager of the Cotton Waste Manufacturing Company at Isipingo

A spokesman for the workers said they had stopped loading a trailer because it was broken

'The manager swore at us and tried to kick one of the workers He said any of us who did not want to work could get out All of us who were working on the trailer left ' the spokesman said

The manager, Mr A Gavin, denied insulting or attempting to kick the worker

Mr L Tremeer, the director of the company in Germiston, said yesterday he had apologised to the workers on behalf of the company 'if anything was said out of turn

'Tempers get frayed in this sort of situation and most people are inclined to say things without thinking, Mr Tremeer said

He said some of the workers had returned yesterday to ask for their jobs back but the matter was still being considered

Textiles perceive yellow bogy man

197

RDM 25/6/80

Simon Willson

Down to business

PERHAPS it is strangely appropriate that, as snow falls on Johannesburg for the first time since 1964, there has been a closing of ranks by garment manufacturers The National Clothing Federation is not alone in its campaign for protection

The concern of South Africa's clothing manufacturers about an imminent flood of cheap imports from the East has been made widely known in applications to the Government for additional protection for the clothing industry

But a surprising development is that the dread of the Orient's abundant cheap labour and fiendishly clever marketing skills extends further back along the clothing manufacturing chain — right back to the source, in fact

It appears that our textile manufacturers are losing just as much sleep as a result of nightmares about Korean camiknickers and Taiwanese T-shirts as their counterparts in the clothing industry,

They have not done any independent lobbying for pre-emptive import controls like the National Clothing Federation, but the Textile Federation stands four-square behind the clothing industry's case for trade breakwaters against the impending tide of cheap imports from the East

Textile men agree with the timescale laid down by the clothing industry for the high-water mark in this expected haberdasher's deluge It will happen, the prediction runs, when the Multi Fibre Agreement expires next year and the Eastern countries look for new markets on which to dump their products

Buoyant consumer demand makes South Africa an obvious target, it is argued

The trepidation of the textile industry in the face of this perceived threat is surprising because textiles are currently one of our strongest industries and, on the face of it, are sufficiently competitive and efficient to withstand the most pernicious undercutting from any quarter

Consider the evidence ubiquitous figures sang the praises of the textile industry for most of last week Bank economic reviews raved about its 18% production increase early this year compared with 12 months earlier, about its historically high absolute level of output and its 30% year-on-year increase in sales value

Even more significantly, the capacity utilisation rate in domestic textile manufacture is put at 93% — when 90% is considered full utilisation Growth projections for the industry are put higher than that of the rest of the economy

An industry working at this level of activity and efficiency can hardly be considered ripe for disruption by imports, one would think

Particularly as the feared imports will be in made-up garments — which represent a more direct threat to the inflation-ravaged clothing industry — and not the unprocessed material which would challenge textile manufacturers

The major reason for the textile business's sensitivity to any import penetration at all, and for its alliance with the protection stance of the clothing federation, is that sizeable investments have been made in textiles since last year

From mid-1979 to mid-1980 projects worth R110-million have been given the go-ahead, and there is the further probability of R50-million more in plant and equipment coming on stream by the first quarter of 1981

Whereas clothing manufacture is predominantly labour-intensive and can, if pressed, shed labour or manipulate labour utilisation to adjust to changing circumstances, textile manufacture in its present state is more vulnerable

Textile manufacture is more capital-intensive and therefore more susceptible to a utilisation level below the optimum Clothing can take more punishment from imports without buckling than textiles can

So projects such as SA Nylon Spinners' R40-million expansion of their synthetic fibre capacity are uppermost in the Textile Federation's mind in its promotion of protection

Is it my imagination, or might the pleas of the clothing and textile federations for protection be better heeded now that snowflakes are swirling on the Highveld?

STAR 26/6/80

197

'Kaffir' remark apology

Own Correspondent

DURBAN — The general manager of the South African Cotton Waste Manufacturing Company, Mr L C D Tremeer, has apologised to his Durban workers for an alleged "kaffir" remark said to have been made by an employee

The Durban manager of the company, Mr A J Gavin, allegedly made the remark after the workers went on a "go-slow" strike, when they received no answer to their representations for higher wages

Eleven of the workers walked out immediately and reported the incident to Mr Sam Kikine, general secretary of the South African Allied Workers' Union

Mr Tremeer said those workers who had walked out would be taken back.

SUNDAY POST, June 29, 1980

Row over 'kaffir' jibe

Sun Post 29/6/80 197

Director apologises but workers refuse to go back

By ZWELAKHE SISULU

WORKERS at a cotton manufacturing company outside Durban have refused to go back to work in spite of an apology by the company's director over a "kaffirs" remark.

On Tuesday this week workers at the South African Cotton Manufacturing Company in Isipingo refused to work when their demands for a wage increase were not met.

The plant's general manager, Mr A V Gavin, allegedly called the spokesmen for the workers "kaffirs" and also kicked one of them when he was approached about the workers' demands.

The two men involved were Mr John Ncwane and Mr Jerome Kwela.

The workers had demanded an increase in their wages from R18 and R23 a week to R50.

They also demanded full recognition for their union, the Textile and Allied Workers Union, an affiliate of the South African Allied Workers Union.

Most of the company's 70 workers were involved in the demands.

After insulting the workers' representatives Mr Gavin is said to have dismissed the workers.

SAAWU's general secretary, Mr S K Kikini, said the company's Reef-based managing director, Mr Tremeer, had apologised for the remark made by Mr Gavin.

"Mr Tremeer told us he was sorry the remark was made and apologised. He also withdrew Mr Gavin's dismissal of the workers," Mr Kikini said.

Mr Tremeer urged the workers to go back to work on Monday and promised he would look into the demands.

The workers have said they will not return until all their demands have been met.

Mr Gavin was not available to comment on allegations made against him but a spokesman at his Durban office said: "There is nothing to tell and Mr Gavin is tired of journalists."

THE ARGUS, THURSDAY JULY 3 1980

FINANCE

Textile plants invest R125-m in extra capacity

Argus 3/7/80 (197)

MORE than R125-million has been invested by the textile industry in additional capacity in the 15 months to December, says Mr Justin Schaffer, managing director of SA Nylon Spinners.

At least another R50-million was committed in the past six months and a lot of this plant will be in production this year.

Mr Schaffer spoke at a joint meeting of the Cape branch of the Clothing Institute and the Textile Institute after retailers and clothing manufacturers complained about late deliveries of cloth, wrong colours and low quality upsetting their business planning.

SMALL RUNS

Too many clothing firms, however, were trying to do everything with too small runs instead of specialising, he said.

Mr Rodney Downie, buying director of Foschini, said retailers faced serious problems with deliveries and quality.

Hundreds of thousands of units were put into the group's stock every month but unless deliveries were on time they could not supply goods to customers at the time and cost planned to fit in with advertising and merchandising.

Mr Stanley Schlagman, executive director of the Textile Federation, said the clothing and textiles industries did not compete against each other and needed constant and formal dialogue to remove points of friction.

DAILY DISP 11/7/80

197 329 134 184

Union man quizzed

EAST LONDON — A man employed at a textile factory in Arnoldton, here, Mr September Tom Mpakati, said yesterday he had been detained by the security police at Cambridge, from 8 pm on Wednesday to 3 pm yesterday

Mr Mpakati said he had been involved in recruiting workers for the South African Allied Workers' Union (SAAWU) at the factory and was picked up by the police near the factory.

He said he was questioned extensively on his trade union work and told there was nothing wrong with trade unions as long as they were registered

He said he was also threatened with detention should there be any disturbance at his place of employment.

The head of the security police here, Col A. P. van der Merwe, said he did not know of Mr Mpakati's detention. — DDR

Section III

UNIVERSITY OF CAPE TOWN
EXAMINATION ANSWER BOOK

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

	Internal	External
(1)	(2)	(3)
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2	3	
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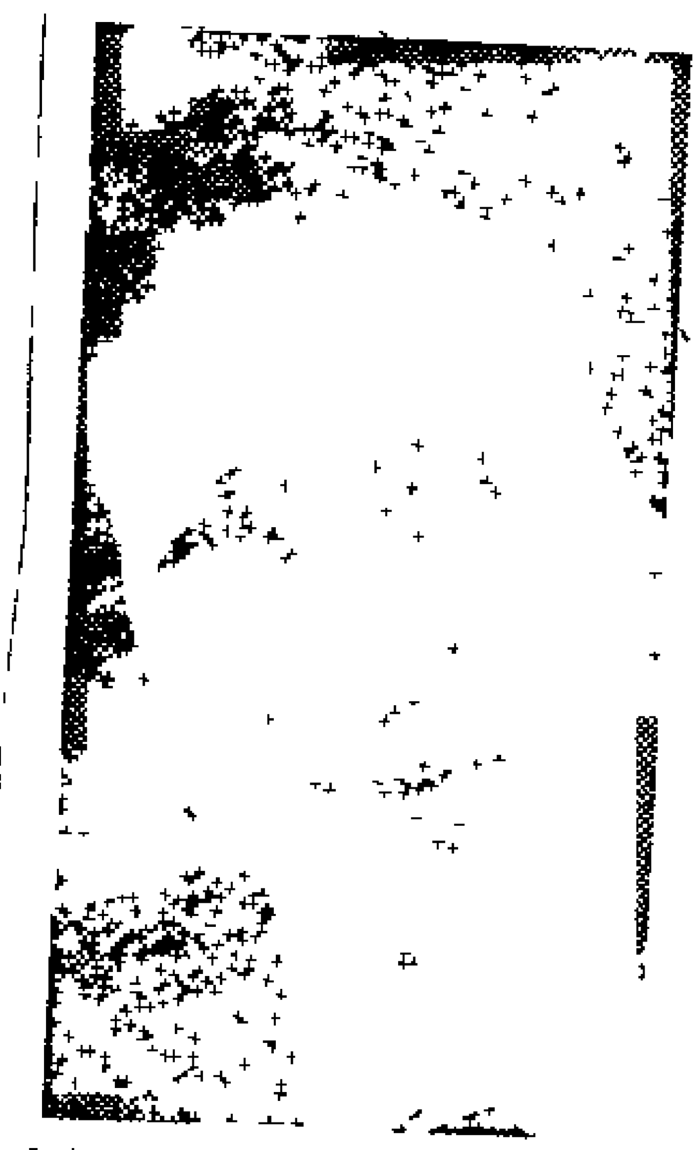
FINANCE

11/7/80

Clothing jobs reach peak level

1977 ?

EMPLOYMENT in the Cape clothing industry reached its highest level ever last month with 321 factories providing jobs for 51 344 workers — and there are still more vacancies than job seekers.



MR MIKE FIENBERG has been appointed deputy general manager of Metropolitan Homes Trust Life.

The figure is 755 more than in May and 9 000 or 21 percent above the low point of 42 000 in the 1977 recession.

Many factories are also working overtime on Saturdays to cope with record orders

FULLY BOOKED

The industry's training centre in Salt River, which this week celebrated its 10th year of business, is fully booked for learners until next February.

Older people are returning to the industry, attracted by higher wages and the Garment Workers' Union says it can place these experienced workers in jobs 'all over the place'

Some companies offer a bonus to workers who recruit new staff, provided they stay at least two months.

JOB PIRACY

Job piracy is also boosted by some employers offering better fringe benefits, bonuses, or early closing on Fridays to keep their staff happy

The clothing boom is also bringing record business to the industry's suppliers Big expansion programmes in factories have brought an upsurge in demand for sewing machines, for example.

rough work, but no credit will be ... work.

2. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering
3. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
4. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.

... notes, pieces of paper or other material brought into the examination room unless ...tes 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

EDSON 15255

TEXTILE PLANTS NEED HUGE CAPITAL OUTLAY

12/7/80 ARGUS.

197

By TOM HOOD

TEXTILE manufacturers need to invest R50-million a year in new capacity merely to keep pace with the country's growing population, says Mr Justin Schaffer, managing director of SA Nylon Spinners.

At least another million metres of fabric will be used each year to clothe an extra 250 000 people

'Today's market of 25-million people will grow into 50-million in about 20 years and South Africa has probably a greater market potential than anywhere else in the world except China,' he said in an interview this week.

'The country's textile and clothing industries both had the potential to grow faster than the gross domestic product and provide jobs at a greater rate

But this required investment and businessmen would invest only if they could see the possibility of a return

Higher profits

Both textile and clothing manufacturing manufacturers needed to break away from the tradition of low prices so that companies could earn higher profits and invest in better and more manufacturing facilities

If retailers and consumers wanted the fashion and variety they were accustomed to they must be prepared to pay for it.

'We can sell goods only as long as people are employed. I believe imports must be judiciously controlled, not to keep me in business but to keep South Africans employed

'To achieve maturity in the market place we have got to understand that the three sectors are partners. We share a common environment and if it is going to be bad for one it will be bad for the others'

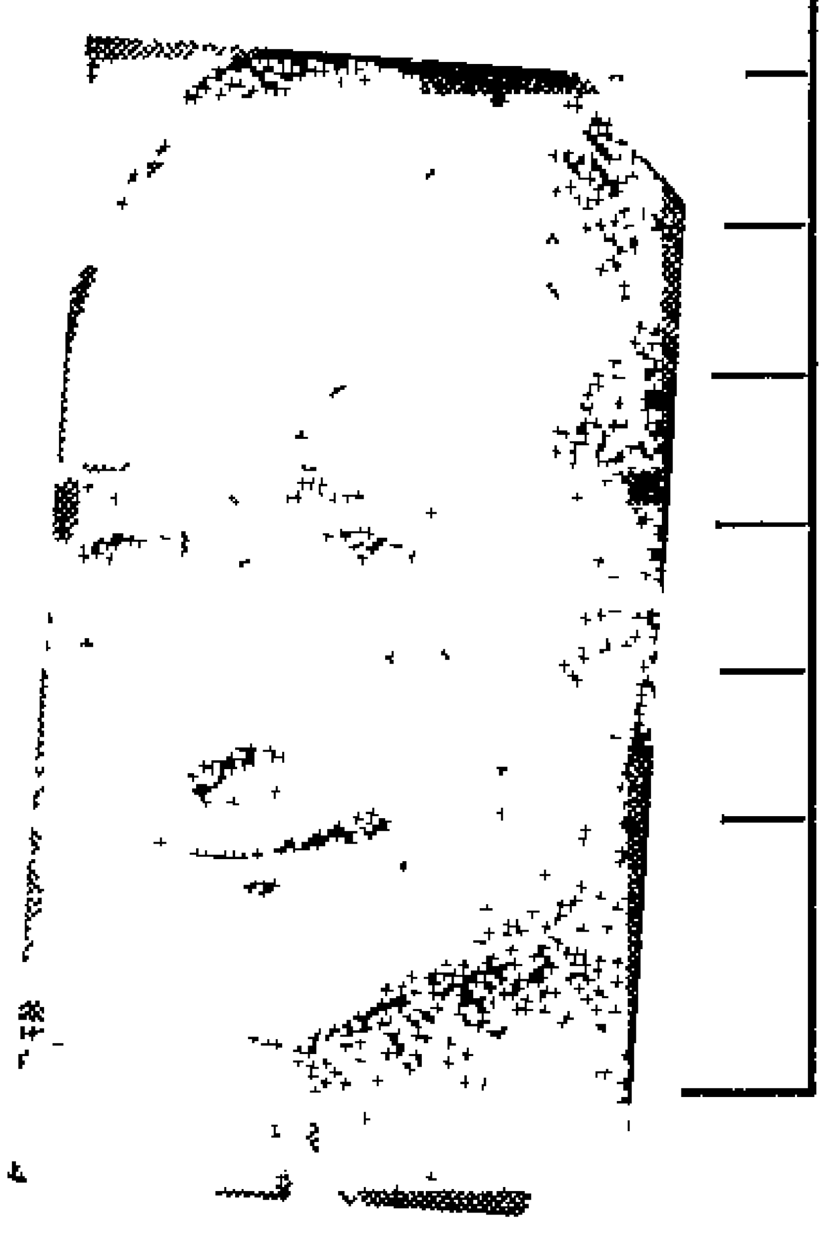
This also meant that each should not deny the others the right to a fair return on investment and that the manufacturer should not be screwed down to the lowest common denominator anywhere in the world, which was the way to disaster

Textiles employed about 120 000 people in manufacturing and that represented about 600 000 consumers dependent on the industry.

It was equally in the best interests of the retail trade to ensure that these people were kept in jobs.

'Low as South African labour rates were, they were high compared with Korea, Sri Lanka and Taiwan

'If we allow them to flood our markets we will be allowing them to put our people out of employment as happened in the United States and Europe



MR JUSTIN Schaffer

work

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EDSON 15255

Firm's unique poll for workers

~~140A~~ 197 ~~135~~ ~~151~~

RDM 14/7/80

By STEVEN FRIEDMAN
Labour Reporter

IN A unique move, a Uitenhage textile company, Veldspun, has provisionally recognised a Fosatu-affiliated black union after holding a referendum in which workers chose this union in preference to a mixed Tucsa-affiliated rival

The recognition may lapse if the union is refused registration

Veldspun's referendum is believed unique in recent labour history and labour observers suggest other companies could follow this lead

Battles between independent black unions and those affiliated to Tucsa or other registered union organisations are becoming increasingly common

However, the holding of a referendum to determine which union enjoys majority worker support is a new approach to this problem

Independent unions affiliated to Fosatu and the Consultative Committee of Black Trade Unions believe employers tend to favour the established unions and to encourage them to organise black workers in an attempt to keep representative black unions out

Veldspun is part-owned by the giant Barlow Rand group It employs about 1 200 workers

Its referendum asked workers to choose between the National Union of Textile Workers and the registered Textile Workers Industrial Union

The TWIU is a Tucsa-affiliated union which Veldspun also recognises It was previously open to coloured workers only, but now has Government permission to recruit blacks

TWIU shop stewards had been attempting to organise black workers at Veldspun at the same time as NUTW was active in the plant

The company has declined to release the detailed results of the referendum, but it did inform the NUTW that it had won a clear majority

NUTW's general secretary, Mr Obed Zuma, believes his union may have won up to 90% of the vote

Veldspun experienced a two-day work stoppage over a wage issue in April Shortly after this, a worker delegation approached management, asking it to recognise NUTW It was in response to this request that the referendum was held

According to Mr Zuma, the company has now agreed to interim recognition for NUTW for three months, pending the granting of registration to the union

It has also agreed that, if the union's registration application has not been resolved within three months due to delays by the authorities, the company will extend the recognition agreement

A company spokesman confirmed this, but said the recognition was "provisional" Veldspun would continue to deal with both unions until NUTW gains registration

"Once they are registered, we would then consider granting them full recognition to represent our employees "

Frame strike accused is shot dead

N. Mercury 15/7/88 (197)

Mercury Reporter

A FORMER member of the Frametex workers' liason committee, Mr Samson Cele, 28, who was due to appear in the Pinetown Magistrate's Court today, has been shot dead by a masked gunman

Mr Cele was arrested on May 28 with two other committee members, the former chairman, Mr Jabulani Gwala, and Mr Mpingosi Nzama at the Frame Group's Pinetex Mill in New Germany, during a strike

They had allegedly intimidated and annoyed workers, according to Court records

The men were later granted bail of R200 each and the hearing was postponed to today.

According to the general-secretary of the National Union of Textile Workers, Mr Obed Zuma, Mr Cele had been waiting at a bus stop outside the Kransview hostels about 10 on Friday night.

A man wearing a balaclava approached him and, at point blank range, fired a shot into Mr Cele's head, above the left eye Mr Cele died an hour later

Pinetown police yesterday confirmed the incident and said no arrests had been made The matter was being investigated

STAR 15/7/80

Frametex worker shot dead

By Elizabeth Wilson
Labour Reporter

A Frametex shop steward who took part in the recent strike at the factory in Natal was shot dead by a masked gunman at the weekend

According to a police spokesman Mr Samson Cele (28) went to visit a friend at the Kranskloof hostel, near Pinetown, on Friday night

He, his brother and a friend were standing near the hostel when a man wearing an overall and a balaclava approached and fired one shot.

Mr Cele's brother and friend ran way and the gunman escaped

Mr Cele died later in the King Edward Hospital in Durban

The spokesman said no motive had been established and no arrests had yet been made

16/7/80 Argus

Decision on union welcomed

(197)

Argus Bureau

PORT ELIZABETH. — Senior officials of the Federation of South African Trade Unions (Fosatu) have welcomed the decision of the Uitenhage textile firm of Veldspun provisionally to recognise a Fosatu-affiliated black union after a workers' referendum.

In the referendum held recently, workers were asked to choose between the National Union of Textile Workers (NUTW) affiliated to Fosatu and with a majority black membership, and the Textile Workers Industrial Union (TWIU), a registered union affiliated to the Trade Union Council of South Africa (Tucsa).

Fosatu were told recently by management that the referendum indicated a 'clear majority' support for the Fosatu union by the plant's 1 200 workers.

Although management has not commented on the issue, it is understood that it will recognise both unions.

The secretary of the NUTW, Mr Obed Zuma, said from Durban that the results of the referendum proved the failure of the recent recruitment drive by the Tucsa affiliated in the plant.

Mr Alec Erwin, general secretary of Fosatu, described the holding of the referendum as a progressive and constructive step and one which would hopefully be followed by other managements.

The Fosatu union has also already applied for registration and the most important hurdle — that of Government exemption for non-racial membership — has already been passed.

SVENMILL (197)

Overpriced? FM 8/8/80

Activities. *Manufactures knitted and woven fabrics, primarily curtaining and upholstery fabrics Equity held 39% by Trade & Industry*
Chairman: *I J Jacobson*
Capital structure: *8,1m ordinaries of 14c Market capitalisation R5 5m*
Financial: *Year to June 30 1980 Borrowings long- and medium-term, R130 000, net short-term, R1,2m Debt equity ratio 124% Current ratio 1,2 Net cash flow· R1,2m Capital commitments. R79 000*
Share market: *Price 68c (1979-80 high, 75c, low, 17c, trading volume last quarter, 303 000 shares) Yields 20,1% on earnings PE ratio 5 0*

	78	'79	'80
Return on cap %	5 7	22 3	28,9
Turnover (Rm)	8 6	8 5	11 2
Pre-tax profit (R000)	(353)	343	1 066
Gross margin %	3 4	11 2	13 9
Earnings (c)	—	4,7	13 7
Dividends (c)	—	—	—
Net asset value (c)	13	17	30

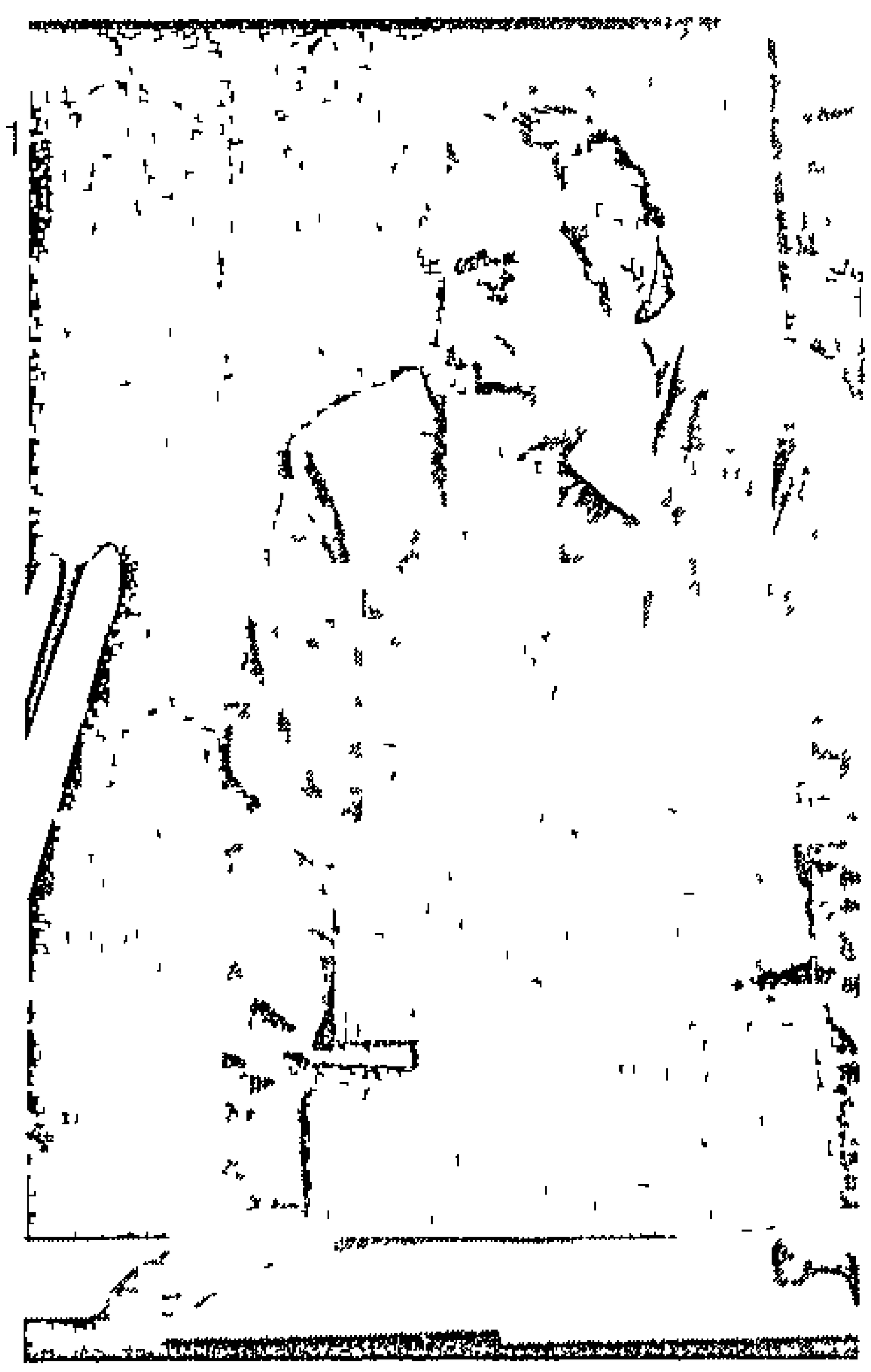
"The animal is now healthy," says MD Frank Greenblatt, and certainly the turnaround since the takeover by T&I in 1977 has made a significant difference

Since the incorporation into International Group, turnover has grown at a three-year compound rate of 9,2%, while margins have widened sufficiently to give a compound growth rate in pre-tax profits over the same period of 44,5% Greenblatt adds that the widening margin comes in the face of a continuing spiral in raw materials costs, which are largely oil-based, and which, he says, is unlikely to ease this year "However," he says, "everybody in the industry should be facing the same problems, but now we are able to flex our muscles rather more and institute a more realistic cost negotiation basis"

Obviously, he admits, the economic upturn is having its own effect on results, but management is now confident that the growth in earnings is soundly based

Productive capacities are heavily committed, says chairman Ivor Jacobson, and expansion is taking place in key areas, hough Greenblatt adds that the company is wary of expanding capacity too fast for fear of a turndown in the market The debt equity ratio is now down to 124%, compared with 404% two years ago and 214% in fiscal 1979 so the group has made steps to correct the position Earnings have been fully retained for a number of years and internal resources for expansion should be significant

The dividend of course could change in this third consecutive year of growth and a small payout may not be out of the question A couple of years ago the company's major problem area was its high level of debt and creditors Now, short-



Svenmill's Jacobson . . soundly based now

term debt is down to R2 1m compared with R2 4m in fiscal 1978 Long-term loans now amount to R130 000 against just under R500 000 in 1979 while creditors have dropped to R3 2m (R3 8m)

However, the balance sheet does not clearly define interest-bearing debt as some accounts and bills payable are secured against mortgages Greenblatt adds that a certain amount of receivables are discounted and some trade creditors, at the same time, carry interest

While interest paid as a percentage of debt in the balance sheet plus the mortgage bonds is about 16%, Greenblatt says that the other factors reduce the effective interest rate on debt to 12,25% He adds that Svenmill is committed to bringing down the portion of high interest-bearing debt in the accounts to minimal levels and to utilise other avenues of low-interest debt more significantly

The improvement in performance has been satisfactory But Svenmill is not out of the woods yet The interest charge and debt position will need careful attention, and the current level of sales will be tested as and when the economy slows down With a return to dividends possible, but only at a low level, the share, trading at 68c, is overpriced The earnings yield at 20,1% is in line with the market average which would indicate a dividend of more than 3 5c, whereas in this recovery situation little more than a token payment is likely

Scott Hawker

FINANCE

(197)

DAYS OF CHEAP LABOUR OVER — CLOTHING CHIEF

12/8/80 ARGUS

THE days of cheap labour in the clothing industry are over, says Mr Gordon Joffe, managing director of L'Uomo, manufacturers of Polo Shirts.

He told The Argus a situation had arisen in the past couple of months where the labour force had become stronger in relation to clothing employers and could exact a higher price for its labour.

Expanding on remarks in his address to a Menswear Group seminar in Cape Town, he said 'The days when manufacturers could dictate what price they would pay for labour are gone

'Our labour force is becoming more discriminating about whom it sells its labour to and under what conditions It has higher expectations and places greater value on its worth.'

The main reasons for the change in relations between labour and employers were

- The potential labour pool for the industry had shrunk as the coloured population became better educated and moved into higher positions in the economy.
- The industry would take longer to boost productivity because of a lack of training facilities. 'You cannot make up a backlog of 30 years in two years'

Mr Joffe said the shortage of trained production management was critical in spite of the fact that promotion was on merit This meant that productivity would in future rise more slowly than wages.

MORE MILITANT

'The clothing union is seen by the workers as not having been strong enough in the past and its members will in future be more militant. If the union had been more in touch with its workers some of the recent industrial action in the industry could have been avoided'

Raw material and labour cost increases would result in more of a separation between the top and lower levels of the trade Manufacturers and retailers would have to decide which market to serve — mass sales and smaller variety of specialisation in certain wares.

'Retailers will have to stop trying to do a little of everything and go for one or the other market'

Mr Joffe said retailers did not know enough about the products they sold He called for closer co-operation between them and manufacturers to cope with the realities of the new situation so that the public could be informed why clothing prices would surge.

Rex True extends production capacity

16/8/80
B. ARGUS

197

REX TRUEFORM is making a major extention to its production capacity, installing new plant in space released in its main factory by moving other operations into a building it has acquired nearby.

The group is already up-against its production ceilings and forward bookings for the 1981 winter are 'most encouraging,' say the directors.

The chairman, Mr Stewart Shub, said 'We are building up to a substantial increase in production of our present range through the middle and third quarter of next year.'

Record export sales were achieved by Rextrue in the year to June, outstripping even the improved sales performance on the home market.

TURNOVER UP

Group turnover was 25 percent higher, say the directors, who do not disclose figures.

Export marketing and new plant allowances helped to cut tax by 27 percent to R871 000 from almost R1,2-million, the effective tax rate being slashed to about 19 percent from last year's 28 percent.

Earnings were 20 percent higher at a record R3,6-million, although profits before tax advanced only 6,8 percent to R4,5 million.

Dividend will be raised 5c or 16,6 percent to 35c.

Tom Hood

Gold price

GOLD closed at 619 dollars in Hong Kong today, against last night's New York close of 616 dollars and London's close of 626 dollars.

CLOTHING (197)

Stifled by red tape

FM 22/8/80

The textile and clothing industries are concerned about government's proposed moves to phase out import quotas and rely solely on tariffs to control imports Reason? Because of cumbersome bureaucracy, it often takes two years for an application for new tariffs to be processed and approved — by which time they may be too late to do any good

Textile Federation executive director Stan Shlagman says a request for new tariffs was formulated two years ago New tariffs were finally announced in June, "40%-50% below what was asked for There's never, at any time, been a stage where duties were anything but retroactive in their effect They can t deal with new and rapid developments '

At the moment, says Shlagman, new tariffs for clothing are currently being considered and the question of import control as a whole is under review

"We want reasonable tariffs which are effective and we want reasonable quotas It s been found all over the world that tariffs alone are never sufficiently effective to protect a local textile and clothing industry '

Shlagman firmly rejects allegations from clothing wholesalers that new duties are going to push up local clothing prices substantially "New textile tariffs will only affect clothing prices marginally as only that portion of goods which are still imported will feel the impact " SA clothing manufacturers use 80% locally manufactured fabrics

And, as Simon Jocum, president of the National Clothing Federation of SA points out ' Increases of 10%-15% maximum can be expected over the next year Price increases in fibre and fabric are in the vicinity of 10%. Wage increases average 10%-15% But overheads are reduced by long runs and working at full capacity '

Jocum With more than 950 factories, competition is tremendous That keeps prices down ' Says Shlagman "The clothing industry s rate of inflation has traditionally been substantially below that of the consumer price index

(1973) (152)

Union call for Cele murder inquiry

(159)

RDM. 20/9/80

Labour Reporter

THE National Union of Textile Workers has called for "a thorough investigation" into the murder of a worker leader at the Frame Group of textile factories

Mr Samson Cele, a shop steward of NUTW at the Frametex mill and a member of the black liaison committee of the company, was shot dead by a masked gunman on the evening of July 11

His killing occurred shortly after a week-long strike by an estimated 7 000 Frame Group textile workers earlier this year The strike was marked by violent clashes in Clermont, Durban, between strikers and Frame Group employees

Police are investigating the murder

A spokesman for the union said yesterday "Things were very tense in Clermont at the time and an investigation is necessary to clear the air"

Mr Cele was one of three worker leaders at the Frame Group to be arrested as they left negotiations with Frame management during the strike The other two were Mr J Gwala and Mr M Nzama

The three men were charged with inciting a strike and Mr Cele was awaiting trial when he was shot

On July 16, Mr Gwala and Mr Nzama were acquitted by the presiding magistrate who found that the State's evidence had been unreliable

The union cites this verdict as evidence that "the strike was caused by angry and frustrated workers and not agitators as the State and management would like to claim"

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Argus 23/9/80

City's textile fair drew orders worth R50-m

TEXTILE manufacturers received direct orders worth about R50-million at last week's Textile Fair in the Good Hope Centre, Cape Town.

As much again is expected to flow from future orders, according to industry estimates

One of the 40 exhibitors notched up direct orders of more than R4-million and several others ended the week with more than R2-million worth of new business

'The idea was to bring manufacturerers' ranges to the notice of garment makers and retailers, not really to get direct bookings, said Mr Stanley Shlagman, executive director of the Textile Federation, organisers of the exhibition

'Bookings, however, were well up on last year's,

One company estimated business generated by the fair was equal to a month's full production

Some companies sold twice as much as they expected to sell

A number of small export orders were reported although a large quantity of fabrics will eventually go overseas as garments

Manufacturers say their successes are due to several factors, including continuing buoyancy in the trade, improved exhibits and fashion shows, and more comprehensive ranges of fabrics

6

TEXTILES FM 26/9/80

Knife-edged boom

197

The slightest hiccup in the economy could see the textile industry falling heavily from its current high spot This is the opinion of members of the industry, many of whom view the boom with cautious optimism "

Says president of the SA Textile Federation Bob Ankers "I hope the favourable conditions in the industry can last This is going to depend on the import level '

And, in the wake of this month's annual textile fair held in Cape Town's Good Hope Centre, the headache which has plagued both the textile and clothing trade in this country — inadequate import tariffs — continues to cause concern

Stressing that the customs duties pertaining to textiles are an extremely complex question, a spokesman for the Board of Trade and Industries (BTI) says he has no idea why the textile industry is complaining He quotes from a government publication on this matter " the textile industry should not rely on quantitative import restrictions as a form of protection '

Ankers envisages a monitoring committee comprised of manufacturers, retailers and merchants who will vet all applications for importing fabrics and textiles "with the fullest responsibility "

Says Ankers "There has got to be consensus We need a committee to say either yes, the commodity is available locally, or no, it is not available locally, let it come in

Repeating the oft-quoted complaint that the import tariffs are half of what was requested from the BTI two years ago, he adds "No-one else in the world gets by just on tariffs '

He makes reference to the near-defunct textile industry both in the UK and in Germany and gives these as examples of what can happen if government doesn t provide security for the industry

"We have got the distinct impression from the Minister of Commerce, Industries, and Consumer Affairs that it is government policy to help our industry, Ankers says

However, Dr Van der Merwe ceases to be a Cabinet Minister from October 6, so it remains to be seen who — if anyone — takes over the textile case where he leaves off

MD of the AECI-owned South African Nylon Spinners (Sans), Justin Shaffer, makes the point that the textile and clothing industry together employ a quarter of a million people and this figure represents 16% of the manufacturing workforce He suggests it is bad policy for government to ignore the effects a slump in these industries could have

Dumping of cheap merchandise from the US and the Far East is still an industry headache

At the end of August, the import of fabrics hit the R151m mark For the whole of last year, R126m-worth of import permits were issued

"We are nervous in the industry," says Ankers He believes that if the import level to date is extrapolated and calculated for the whole of this year, imports will rise above R200m

But surely the clothing industry is to blame for additional imports of textiles? On the contrary, he says Since agreement was reached in the Textile and Clothing Advisory Council (TECAC) the rag trade has been highly co-operative

The retailers — excluding Woolworths whose policy is to support local industry as far as possible and whose local content of apparel is in the region of 90% — are considered the culprits in this case As Edgars MD Adrian Bellamy has stated (*FM* June 13) "Both industries (textile and clothing) have an obligation to perform efficiently and to be reasonably competitive internationally Generally, this is the case, but there are deficiencies in variety, delivery, price and quality '

The textile industry, as demonstrated at the fair, has come a long way in this country and would probably contest Bellamy s claims But it does not change the facts The going is good right now But, with a very high break-even point in the industry even ' a hiccup is thought a strong enough movement to reverse the process

CHEMICALS TO FIBRES

A prominent sign in the computer room at SA Nylon Spinners' (SANS) polymer and fibre plant in Bellville says "Don't waste glycol and TA

Glycol (ethylene glycol) and TA (terephthalic acid) are the two chemical components used to make polyester polymers and are both imported at ever-increasing prices

Says Dr Duncan Maclean, a works manager at the plant and one of the top scientists participating in this high-technology manufacturing process "We import 700 t of acid a week, mainly from Belgium, the UK and Italy " At a cost of R750-R800/t, this, in real terms means R52 500-R56 000 a week and up to R224 000 a month

The glycol is imported in 2 500 t lots at a cost of R650-R750/t "Its price doubled in six months last year," says Maclean, who foresees further price hikes

AECI, the holding company of SANS, and Sasol are to get into the production of petro-chemicals Says plant manager Peter Boxall When this happens it will provide a lot of scope in this country for evolving a chemical industry based on coal

At present SANS is the only marketer of polyester polymers in SA and produces 17 000 t of polyester yarn a year as well as 17 000 t of nylon yarn The nylon polymers are imported (The Frame Group in Durban manufactures the polymer entirely for its own use at present)

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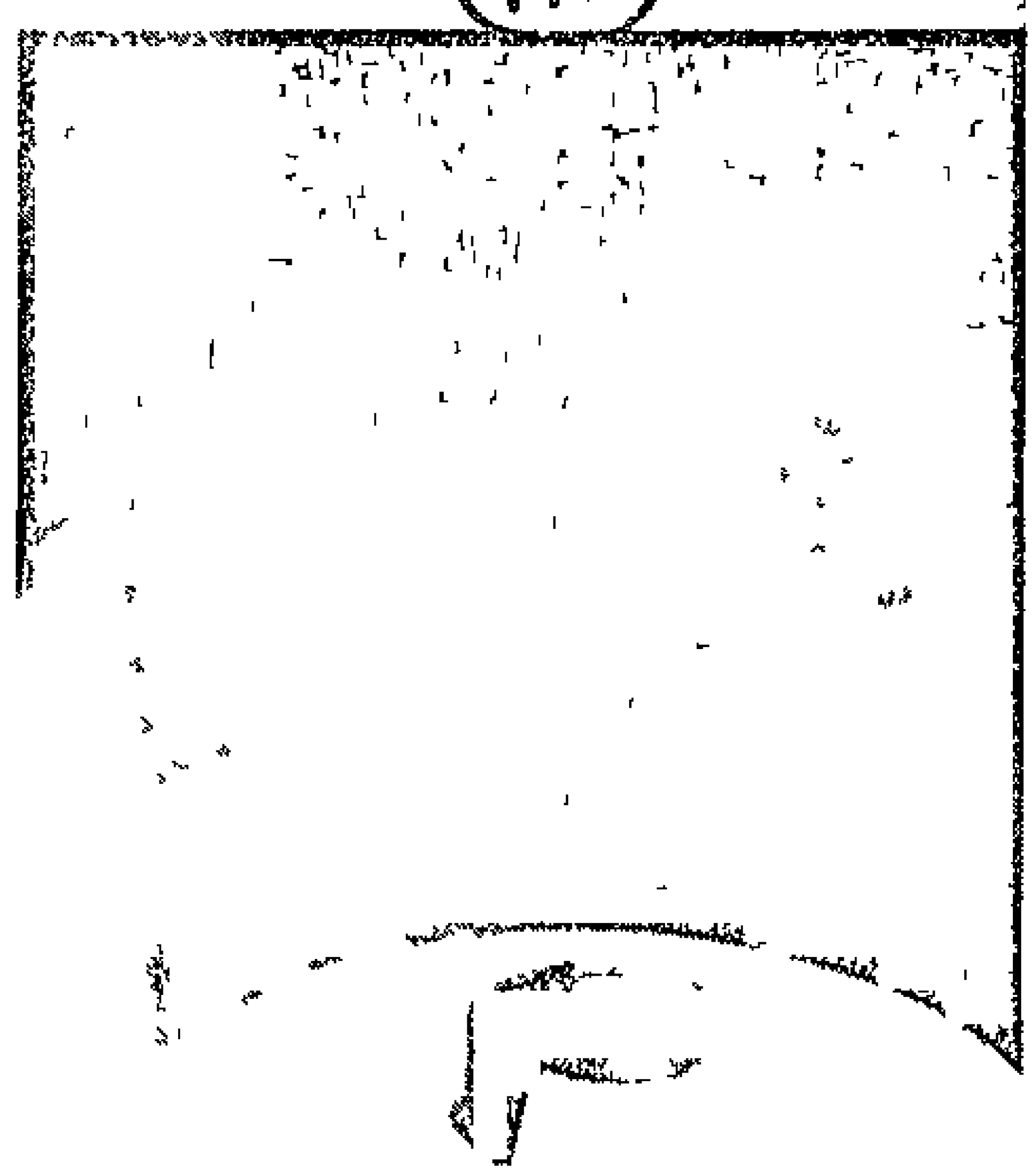


From chemicals . to yarn

THERE was a four percent increase in the number of factories in Natal up to June 1979 and their number now stands at 5 369 But the number of workers increased only fractionally in the same period to 366 149 - up 309

The figures, supplied by the Department of Manpower Utilisation, show that employment of black women slumped in the same period while that of men and white women rose More men were taken on to reduce the overall increase to a few hundred

There was a 9 percent employment fall for Coloured women 11 percent for Indian women and a 16 percent fall for African women

Unemployment figures in Durban for July 1980 compared with July 1979 indicate an overall lower level There were 4 707 unemployed and 5 289 registered with the department this year compared with 6 584 registrations and 5 910 unemployed a year before

Each of the sectors has been surveyed by the department

Engineering There has been a notable improvement generally and most employers have a full work-load The marine division is extremely busy and the position for the rest of the year appears to be very favourable There were 90 artisans unemployed (no change on July 1979) and 311 operators out of work (290 in 1979)

Building the position in the last year has improved considerably and most employers are working to capacity There are 417 artisans unemployed (531 previously) and 160 operators out of work (159)

Textiles there has been a big improvement and while new factories have not been opened existing facilities are now being used to a maximum There are 36 (69) registered as unemployed

Clothing is very busy at present and there is still a great demand for machinists The number of employers increased by about 40 in the past year and since job reservation ended there has been a marked increase in blacks joining the industry There were 187 (276) unemployed in July 1980

Motor since last year both the retail and wholesale secors have recovered from the fuel crisis and have shown an appreciable growth compared with last year In fact each sector of the motor vehicle market has shown more stability and even an upswing in sales There were 75 (74) unemployed

Footwear the position has continued to improve and most factories are working to full capacity There is still a demand for trained workers in various capacities There were 264 (131) unemployed

197 NM 7/10/80

...s invested R40 ...t in Natal

(197) NM 7/10/80

IN THE past 18 months, the Romatex Group has invested about R40 million in acquisitions and expansion — much of it in Natal.

The group, which has in the short space of five years, has become one of the top three Natal-based industrial companies in terms of net profits, is planning a steady flow of further capital investment over the next few years.

For the first few years after the merger that created the group in 1975, growth was largely achieved through 'Making every asset earn its keep' in the words of executive chairman Jack Ward.

Scope for further improvement from the utilisation of existing assets has however been largely exhausted and the past 18 months has seen massive investment in both new acquisitions and the expansion of existing operations

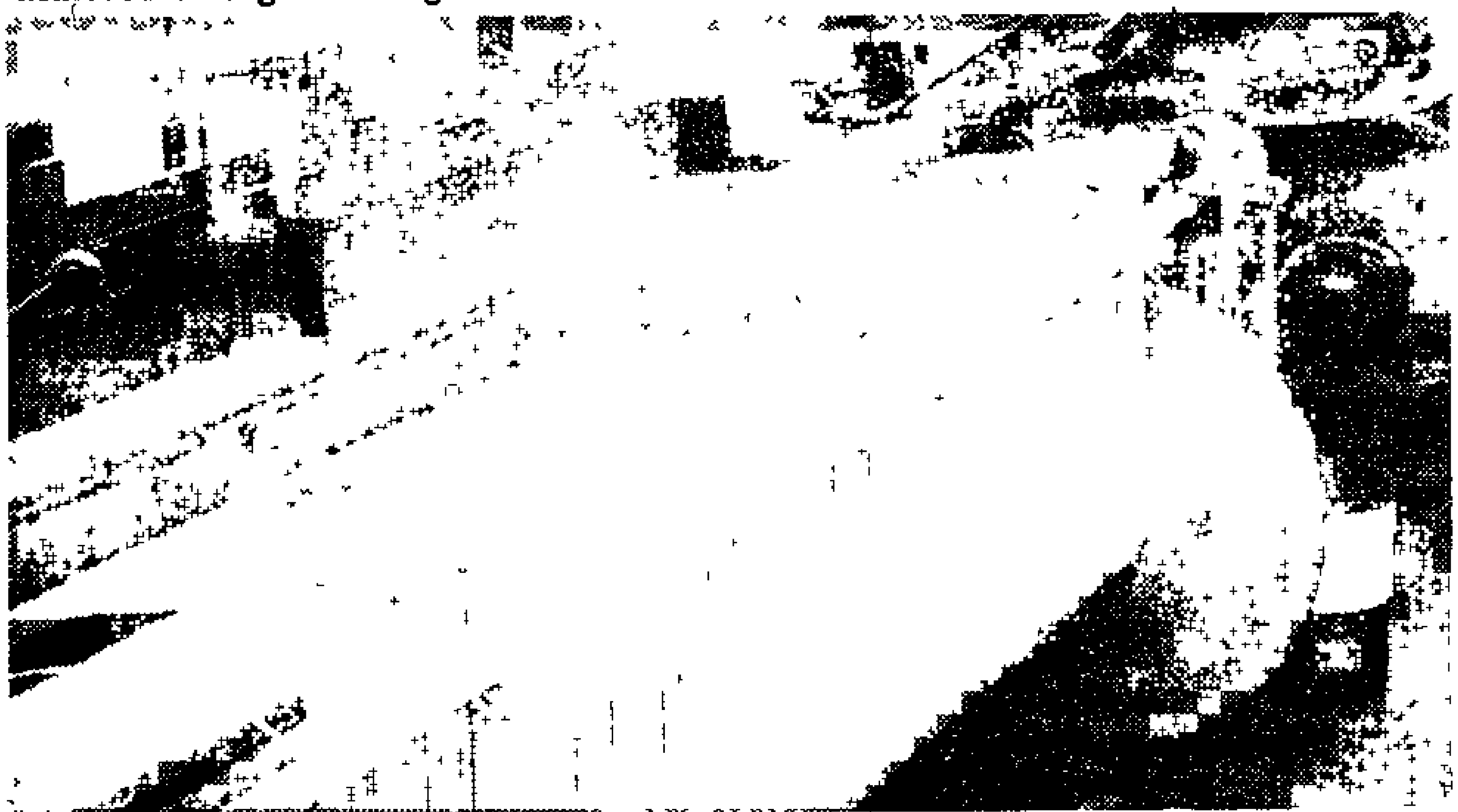
Currently, some three-quarters of the group's fixed assets are in Natal and while the ratio may slightly alter in favour of other provinces, Natal is likely to remain the dominant area.

The major sector for new investment over the next few years is the Mills division which produces extruded fabrics, woven packaging products and yarns from natural and synthetic materials.

On a lesser but nevertheless significant scale, will be the capital expenditure in the Fabrics division which manufactures worsted knitting yarns and apparel fabrics.

Acquisitions are clearly not predictable in advance but the group is still in an acquisitive phase and additional new investment is likely over the next few years.

The most significant new investment during the past year or so was that of Island View Holdings and its tank farm in the Durban harbour area for R11,245 million.



LOOMS weaving polypropylene cloth — part of a recent expansion programme at one of the Romatex mills..

US textile wages lower than in EEC

(197)

RDM 13/10/80

LONDON. — Labour costs in the US textile industry are now significantly lower than in a number of European countries, with the gap widening further last year in 'favour of the American producers.

American textile workers also put in more hours a year than their counterparts in any of the EEC countries

The comparisons emerge in the annual report of Werner Associates, management consultants, on textile labour costs in 38 countries, and come at a time when concern is growing in Europe over the competitive threat posed by US exports of textile products

European producers have placed considerable stress on the advantage which the US industry enjoys as a result of access to a low-cost oil feedstock But the Werner figures indicate that US wages are now also an important factor in the competitiveness of the US companies.

The highest textile labour costs in the world, according to the study, are in Belgium where cost per operator hour is put at $11,82 (including no-wage employment costs) — 86% more than the US figure of $6,37

Labour costs in The Netherlands are put at $11,68, in northern Germany at $10,65 and in northern France at $8,57 Within the EEC only the UK, with labour costs of $5,75, and Ireland at $5,13 remain below the US

Compared with 1979, labour costs have moved ahead faster in Belgium, Italy, France and the UK than in the US Those in Denmark, Germany and Holland have increased at roughly the same rate

The average American millworker puts in 46 hours a week compared with 37,5 in the UK and Italy, and 40 in most of the rest of the EEC — Financial Times

More likely to join now black union is registered

STAR 14/10/80

(197)

By Sieg Hannig, Labour Editor

Johannesburg's 1 000-strong black textile Workers' Union in the Transvaal expects an upsurge in membership now that its last obstacle to full recognition has been overcome

The union has been registered in terms of the Industrial Conciliation Act for the magisterial districts of Johannesburg, Benoni, Germiston, Alberton, Randfontein, Nigel and Springs

"We already have the recognition of most employers in the textile industry on the Reef," said the union's overjoyed general secretary, Mrs Evelyn Seloro

APPLICATION

"The few employers who refused did so because we did not have registration"

She said she was applying for membership of the industrial council so the union could play its long-denied role as a negotiator for legally enforced minimum wages

But she did not propose to recruit workers outside the Transvaal where other black or mixed unions are active

Instead, she hoped to form a federation with the Cape-based Textile Workers' Industrial Union.

Mrs Seloro said her union was established in 1973 as an offshoot of the largest black union, the National Union of Clothing Workers Both unions are affiliated to the Trade Union Council of South Africa.

She attributed most of her membership to the co-operation of textile firms which allowed her access to their premises for the recruitment of members

W & A (197) FM 17/10/80

Consolidation gains

Activities *Clothing, textile and retailing conglomerate with motor spares, mining supplies and scrap metal subsidiaries Owns Tri-ang, 56% of World Furnishers and jointly controls Bradlows*

Chairman: *M Simchowitz, managing director P H Jacobson*

Capital structure *4,8m ordinaries of 50c, 931 000 11% cum red prefs of R1, 150 000 6% cum red prefs of R2, 4m 7,2% (variable) red prefs of 1c plus 99c premium Market capitalisation R32,9m*

Financial *Year to June 30 1980 Borrowings long- and medium-term, R17,9m, net short-term, R6,1m Debt equity ratio 69,7% Current ratio 2,2 Group cash flow R8,7m Capital commitments R916 000*

Share market· *Price 685c (1979-80 high, 700c, low, 210c, trading volume last quarter, 169 000 shares) Yields 16,0% on earnings, 5,8% on dividend Cover 2,8 PE ratio 6,2*

	'77	'78	'79	'80
Return on cap %	19 3	16 3	12 8	18 2
Turnover (Rm)	50 1	65 4	79 2	128 5
Pre tax profit (Rm)	4 6	4 7	5 5	10 8
Gross margin %	13 2	10 4	10 2	10 8
Earnings (c)	40 4	48 3	64 9	109 9
Dividends (c)	13	18	23	40
Net asset value (c)	218	301	345	427

With two exceptions, W & A's operations performed exceptionally well last year Major subsidiaries Bradlows and World increased their contributions by more than 20%, while other divisions reported a sharp improvement as the economy picked up and losses were curtailed in certain areas

Chairman Mannie Simchowitz forecasts a 25% earnings improvement this year At this stage it appears to be based on organic growth as sluggish group companies are scheduled to return to profits and consumer spending produces better results in major income sources World and Bradlows

Last year's 62,3% rise in turnover to R128,5m and a near doubling of pre-tax profit to R10,8m (R5,6m) reflects the first-time inclusion of Bradlows for a whole year W & A bought joint control of Bradlows in March 1979 so that group's contributions to turnover and income in fiscal 1979 were some R8,6m and R639 000 respectively In contrast 1980's consolidated contributions were R33 1m and R3m Attributable earnings of Bradlows for the period amounted to R534 000 (R112 000) on W & A's 32% (31%) effective holding in the company

World's contribution to W & A's turnover was R24 8m (R18,9m) with a R2,9m (R2,3m) pre-tax profit Attributable earnings rose to R997 000 (R668 000) as World lifted taxed profit to R1,9m (R1,4m) and W & A raised its stake to 56% (47%)

Other W & A activities were responsible for R5m (R3m) of pre-tax profit — a 66,2% gain This better than average improvement stems from an "outstanding contribution from W & A Textile Converters a return to profitability at H J Henochsberg and rising earnings in other subsidiaries The merger benefits at Tri-ang and Hygienia are expected to continue while loss-makers Lovable and President Knitting are budgeting to move into the black

The earnings mix

	1979 %	1980 %
Admin/financial/property	28	26
Manufacturing	39	28
Merchandising		
Textiles	9	10
Retailing	23	27
Other	1	9
	100	100

Acquisitions during the year, included 50% in Glen Anil Investments and the balance of Lovable Since year's end W & A has sold 50% in Universal Metal to Cape Gate which, Simchowitz says, should benefit W & A longer-term

Improved controls and consumer demand last year pushed stockturn to 7 5 times (6,6) while the average debtor repayment period fell 24% Gearing was not previously excessive but total borrowings have nevertheless fallen to 70% (76%) of equity, with greater emphasis on longer-term debt In addition the capital base has been broadened by the issue of 4m variable coupon redeemable prefs At end-June 1981 W & A will redeem the outstanding portion of its 11% prefs having repurchased 931 000 in fiscal 1980,

Liquidity is also better with the current ratio at 2,2 (1,9) and cash of R1,8m (R1,5m) at end-June Marketable securities were valued at R4,4m (R2,4m)

Achievement of a 25% earnings improvement would take earnings to around 138c from which a 50c (40c) dividend total should be possible After annual compound earnings growth of 49% in the past nine years growth in 1981 is likely to be more conservative The share yields 7,3% prospective, at 685c, which is attractive relative to the market but does not preclude better buying opportunities short-term

Des Kilalea

Textile group in new dispute says report

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Daily Disp 22/10/80

EAST LONDON — A report received from Johannesburg that the Frame group of textile companies is involved in a new labour row — this time at an East London subsidiary, Consolidated Fine Spinners and Weavers

Yesterday, the South African Allied Workers' Union (SAAWU), an unregistered union, issued a statement to a Johannesburg newspaper which was later also communicated for the Daily Dispatch, detailing worker grievances at the plant and claiming that the company had not responded to union calls to discuss the grievances.

The union had taken legal action against the company on one of the complaints it had received, its national organiser, Mr Thozamile Gqweta, said yesterday

He said SAAWU represented 50 per cent of the company's 3 000-od workers

The Frame group was hit by a week-long strike by about 7 000 Pinetown workers earlier this year.

In its statement yesterday, SAAWU claimed there were "serious worker grievances" at the plant and that the union had been inundated with requests from workers to solve these

Letters from SAAWU to the company had been referred to a company official who had not taken any action and attempts by the union to contact a senior executive of the company had failed, the union claimed

SAAWU also accused the company of encouraging a rival registered union to organise at its plant and SAAWU's general secretary, Mr Samuel Kikine, claimed the Frame group was "totally anti-union"

It claimed the company had forwarded complaints from the union to the Department of Manpower Utilisation, rather than discussing the grievances with union representatives

According to SAAWU, it has received complaints about the company which related to

- "Insufficient" medical attention at the plant,
- "Long Hours" and low wages,
- Claims that a foreman had assaulted workers,
- Allegations that workers with long service had been dismissed "without good reason", and
- Claims that women workers at the company had difficulties in obtaining medical benefits

Asked to comment, the managing director, Mr Sidney Frame, said "My comment is that we do not deal with any unrecognised unions We have channels of communication of which the workers are fully aware I am not prepared to comment further" — DDR-DDC

RDM 22|10|80

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Frame group is in another labour row

By STEVEN FRIEDMAN
Labour Reporter

THE Frame group of textile companies is involved in a new labour row — this time at an East London subsidiary, Consolidated Fine Spinners and Weavers

Yesterday, the South African Allied Workers Union, an unregistered union whose membership in East London has grown rapidly, issued a statement detailing worker grievances at the plant and claiming the company had not responded to union calls to discuss the grievances

The union had taken legal action against the company on one of the complaints it had received, its national organiser, Mr Thozamile Gqweta, said yesterday

SAAWU says it represents 50% of the company's 3 000-odd workers

Yesterday's attempts to put the allegations to the company's joint managing director, Mr Selwyn Lurie, were unsuccesful

The Frame Group was hit by a week-long strike by about 7 000 Pinetown workers earlier this year

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Charges against workers withdrawn

NM. 24/10/80

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Mercury Reporter

CHARGES against 298 workers who allegedly participated in the Frametex strikes in May have been withdrawn.

Pinetown's senior public prosecutor Mr J W Trengove, said representations on behalf of the workers had been made to the Attorney-General for Natal Mr Cecil Rees.

'I was informed yesterday by the chief clerk for the Attorney-General that the State has declined to prosecute the men.'

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Factory guard murder: 2 guilty

25/10/80

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PAUL BROWN, 19, and Harry van Wyk, 18, both of Matroosfontein, were convicted in the Supreme Court, Cape Town, yesterday, of murdering a factory security guard and possessing an illegal firearm and ammunition

Sentence will be passed on Tuesday

The guard, Mr John Abraham Breedveld, 63, of Milnerton was found dead at the Butt 'n Trim factory in Epping on September 4 last year, shot through the heart

Mr Justice Burger said the court did not accept Brown's evidence that Mr Breedveld swore at him or that Mr Breedveld had a grudge against Brown, or that Brown wanted to clear matters up and that he used the firearm to force Mr Breedveld to listen to him

The court found that Van Wyk and Brown planned to rob Mr Breedveld of his firearm and in carrying out the robbery, Brown murdered Mr Breedveld.

GRABBED

Van Wyk, seeing Brown pointing the firearm against Mr Breedveld's head, nevertheless tried to grab Mr Breedveld from behind

From this action, Van Wyk identified himself with Brown's action He was therefore equally guilty of murder.

Mr Justice Burger found that although the murder had not been premeditated both Brown and Van Wyk could have foreseen that Mr Breedveld could have been killed.

Mr J C Gerber appears for the State Mr K Schwiering appears pro Deo for Brown and Van Wyk

GARMENT MANUFACTURERS

The emperor's new clothes?

FM 7/11/80

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The clothing industry is well known for the continuing struggles between its cotton growers, textile manufacturers, garment manufacturers and retailers Although there have been a number of attempts among some of the parties to work together as one industry (during the leaner years), it looks as if the current economic upswing could destroy these ties And the reason is that "the rich are getting richer," while others are having profit margins tightly squeezed

While each branch of the industry is vehemently stating its own case, the figures paint a fairly conclusive picture

The most recent results from textile manufacturers indicate that higher throughput has led directly to better recovery of overheads and improved profit margins Their only real source of concern is the amount of overseas fabric sanctioned for import during the year, as they fear flooding of the market by Far Eastern "dumping." The import bill for the first nine months of 1980 was around R400,7m compared to R300,7m for the some period in 1979

At the other end of the process, the large retailers are gleefully announcing that sales are burgeoning and profits good Edgars had a gross margin of 14,8% (before lifo adjustments), Foschini 13,2% and, even in a relatively difficult year, Truworths reported 10,3%

But the middlemen, the garment manufacturers, are not reporting profit performances in line with the economic upswing Even though turnover is up in most instances, margins are being more and more tightly squeezed

The tables on the following page show the highest return on capital and gross margin index achieved by the companies during the last boom period (through 1971 to 1976) compared to the figures reported during the current "boom" period Average return on capital is almost half what it was in the earlier upswing 12,5% compared to 25,7% And gross margins have fallen even further, averaging around 41% of those of the previous period

The reasons for this disappointing performance are linked to the nature and size of the local market, other factors which affect the garment manufacturers' profitability, and their relationship with both fabric producers and retailers

The local market is small in relation to those served by the overseas clothing

To discuss the ...

(b)

calculate the amount on which a deferred tax asset or liability may arise at 30th June 1977.

(12 marks)

(F.Q.E. - 1978)

(50 marks - 60 minutes)

industries, and less than 10m out of the total population are "fashion" consumers. But the public is also "spoilt" in the range of styles, colours, and so on which it is offered Retailers perpetuate this trend by importing more extensive ranges if local producers do not offer them

The effect on production costs is severe — short runs, learnings curves and seasonal obsolescence are all uneconomical for the manufacturer It thus looks as if much of the new capacity currently being installed is to increase variety rather than mere volumes

Unlike the textile producers who make large capital outlays, but benefit directly in an upswing from increased throughput, the garment industry is less capital intensive This encourages a rash of small concerns to spring up when demand is good, which, with their lower overheads, can specialise in one or two products and undercut the larger manufacturer

Although higher volumes certainly go some way to improving profitability, there are a number of other factors which are almost as important One of these is raw material supplies, which represent at least 50% of manufacturing costs Traditionally, stocks have been kept as low as possible although this has made the manufacturers more vulnerable to late deliveries.

Now a number of the garment producers are attempting to build up material supplies a long time before they are needed for production, which will obviously push up holding costs The need for stockpiling has arisen because of the alleged late delivery and poor quality of many orders from the local textile industry, on whom they now depend for 75% of their supplies

The devastating effect on profits is obvious in TEJ's latest results for 1980, where earnings fell 63% to R55 000 (R148 000) and turnover rose a mere 2% Chairman Robert Jacobs in part attributes its performance to delays in the supply of raw materials leading to cancellation of a number of orders

Nor has the garment manufacturer been able to pass on the rising prices paid for his materials Protective tariffs and permit control on the import of textiles has made it extremely difficult to bring in cheaper textiles, and yet the retailers have had virtual *carte blanche* to import cheap, ready-made garments As a result, local manufacturers have had to absorb most of the material cost increases to remain competitive with Far Eastern goods

Labour costs in the industry have also risen sharply during the past few years The garment workers have a longer history of being better organised than those in the textile business, they have thus been able to bargain for significant wage increases which, again, cannot be fully passed on

So much for the "internal" factors affecting profitability But just as important is the relationship between the middleman and the industries on either side of him Despite the chagrin over late delivery and poor workmanship allegedly received from textile producers, these two groups see a common threat in the flooding of the market with cheap, ready-made garments. Consequently the three-year-old Textiles & Clothing Advisory Council is formulating a White Paper to set out growth patterns of the closely related industries and to buffer the industries from cheap foreign goods

Representatives from both sectors see the large retailers as the nigger-in-the-woodpile The large chains are determined to offer as wide a range of styles as possible, and will import them if they cannot get them here And while the retailers claim that this is done to benefit the consumer it appears that little, if any, of the savings are being passed on to the customer There are reports of 9m shirts brought in during the first eight months of 1980, at cost price of 66c per shirt, and 6,5m shirts at 90c (before duties) They are quite obviously not being offered to the public at anything near these prices, but are nevertheless putting pressure on local garment producers to bring their prices down

In the short term, most of these difficulties look like they will continue But in the longer term, some of the conditions could change for the better As the local market expands to encompass the whole of the population, production runs should get longer and more economical And the growing demand for textiles will either force the industry to expand or it will have to allow sufficient imports In the former event local garment manufacturers may be able to complete against foreign goods which should no longer be dumped by countries in recession

As a result of pressure on margins, results from the sector are not what one would expect from a consumer-orientated industry at the present time And shareholders in most cases have been on the receiving end of rather meagre dividend growth, if any

Among the better performers was Rex Trueform, which announced record earnings of 129,3c (106,7c) per share They were to a large extent the effect of tax concessions arising from export business and factory expansion capex, however, and the dividend was raised by only 16% to 35c (30c) The share's 6% yield at 580c indicates a slight wariness on the part of the market

Delswa also looks undervalued at 420c, where it yields 7,1%, probably due to the ravages it underwent during the past few lean years Despite the size of the dividend increase, from 17,5c to 30c this payout level is still below the 42,5c paid in 1976

Of the three manufacturers with December year ends and theoretically, more time to benefit from the current upswing, Dubin may be the only one to pay a dividend Pre-tax profit at the interim stage was 18,3% higher at R1 113 (R939) and earnings of around 30c (25,9c) per share have been forecast for the end of the year Shareholders can thus expect a 17,5% hike in dividends to 10c (8,5c), putting the share on [illegible] yield

But the other two do not look as hopeful Veka's interim earnings fell from R238 000 last year to R73 000, and the directors do not rule out a decline in profits for the year And despite Dugson's startling interim profit increase to R165 000 (R45 000) it has moved from such a low base that a dividend this year looks unlikely

That leaves TEJ to end off the dismal review Earnings for the year fell from R148 000 in 1979 to R55 000, and the dividend was once again passed There is no better illustration of the plight in which the garment manufacturers find themselves

Fiona Hulse

RETURN ON CAPITAL

	1974/'75/'76 High	1979/80
Delswa	29,6	11,6
Dubin*	39,6	20,6
Dugson*	16,8	9,0
Rex Trueform	32,0	17,4
TEJ	20,2	4,7
Veka*	17,1	11,9

* December year-end, where figures may not fully reflect current economic upswing

GROSS MARGIN INDEX

	'76/'77	'79/'80
Delswa	100	46
Dubin*	100	59
Dugson*	100	24
Rex Trueform	100	53
TEJ	100	6
Veka*	100	60

* December year-end, where figures may not fully reflect current economic upswing

CAPE TIMES 7/11/80

Dismissal threat to white newsmen

Own Correspondent

JOHANNESBURG — White journalists yesterday defied a warning from management of South African Associated Newspapers (SAAN) that they could be 'dismissing themselves" if they refused to do the work of black colleagues presently on strike

Journalists from SAAN newspapers resolved to continue their refusal to do work normally performed by their black colleagues till the strike had been settled

The resolution passed by the SAAN chapel blamed the crisis in the newspaper industry on ' the failure of managements to recognize the needs and aspirations of black journalists and to create adequate channels for black advancement "

Earlier Mr Raymond Louw, general manager at SAAN, warned journalists that refusal to do the work of black colleagues could constitute disobeyance of legitimate orders from their editors and be in conflict with the Conciliation Board agreement

"I do not say that management would have dismissed you but you would have dismissed yourselves," Mr Louw told a meeting of the SAAN chapel of the SASJ

Black members of the newly-formed Media Workers' Association of South Africa continued their strike yesterday at 12 newspapers and the South African Press Association The strike was sparked off by wage demands at the Cape Herald on October 24, owned by the Argus company, and spread to other newspapers as an expression of solidarity

Yesterday black journalists were still on strike at the Argus-owned Post, Sunday Post, Star, Cape Herald, Sunday Tribune, Daily News and Sowetan, and the SAAN's Rand Daily Mail, Sunday Express, Sunday Times, Financial Mail and Soweto News, as well as the South African Press Association

Mr Louw said an emergency meeting of the Conciliation Board would be held on Monday

TEJ [redacted] 197

Profit downturn

FM 31/10/80

Activities *Manufactures and markets knitwear and clothing, mainly under the "Tej" label*
Chairman and managing director *R M Jacobs*
Capital structure *2,4m ordinaries of 50c Market capitalisation R1,6m*
Financial *Year to June 26 1980 Borrowings net short-term, R2,8m Debt equity ratio 98,9% Current ratio 1,5 Net cash flow R155 000 Capital commitments R185 000*
Share market· *Price 65c (1979-80 high, 100c, low, 37c, trading volume last quarter, 178 000 shares) Yields 3,5% on earnings PE ratio 28,3*

	'77	'78	'79	'80
Return on cap %	1 4	8 8	8 8	4 7
Turnover index	100 6	119 0	127 0	139 5
Pre-tax profit/(loss) (R 000)	(90)	180	251	77
Earnings (c)	—	7 5	6 0	2 3
DIVIDENDS (c)	—	—	—	—
Net asset value (c)	—	—	118	120

* 1973=100

Despite management's encouraging forecast that 1979's profit recovery would continue in the year to end-June 1980, pretax profit in fact fell 69,3% to R79 000, and earnings per share dropped 61,7% And with the drop in profits came the inevitable bad news that the dividend would be passed for the sixth year in succession

Although the company's performance over the past few years leaves much to be desired it takes exceptional circumstances to cause a significant earnings drop during a consumer spending upswing And while Tej management does not place the blame entirely on suppliers, it points out that there were serious delays in delivery of raw materials — an industry-wide complaint

These delays caused cancellation of orders at a critical stage in the selling period, and the return of considerable quantities of garments due to late deliveries Both of these factors resulted in lower sales in the second half, usually the more profitable, and increased stock levels

According to other industry sources, this sort of problem is not uncommon The local textile industry is protected and thus has no shortage of buyers Consequently, late deliveries and bottlenecks are often the order of the day And to counter these conditions, the company is attempting to build up yarn, material and garment stocks (currently about 63% of current assets), which also affects operating profitability

On the other hand, part of the responsibility for last year's results must be laid at the door of the company itself Attempts had been made to smooth out seasonal fluctuations in knitwear production by building up stocks ahead of time, but "orders received from major customers did not come up to expectations in regard to quantities and price levels" This could reflect poor choice of lines by the company, and large quantities of this knitwear had to be cleared at cut-rate prices

As management points out, it is difficult to predict earnings prospects for this year in the light of the past year's experience The export venture has imposed a degree of strain on resources, and returns will only become measurable later in the current year

In the local market, much will depend upon the extent to which sales and prices to major groups are increased during the remainder of the financial year And in the light of last year's performance, many customers may be wary of placing big orders which will increase management's planning problems

The share price has dropped to 65c, and seems unlikely to appreciate materially until there is evidence of higher earnings and a return to dividend payments in the near term

Fiona Halse

DATES TO REMEMBER

Last day to register for dividends·
Friday November 7 ABC 4c, Congella Fed 4c, ERCO 100c, FS Geduld 4 75c, Grand Bazaars 10c, Hunt Leuchars 12c, MTD Mangula c8,34c, Marlin 5 5c, Metro Cash 50c, Mobile 16c, Pep Stores 25c, President Brand 375c, President Steyn 385c, Pretoria Portland Cement 33c, Scottish Cables 6,5c, Seardel 18c, Trencor 49c, Welgedacht 16c, Welkom 150c Western Hold 825c

Meetings
Monday November 3. Carrig, Waverley Gold
Tuesday November 4. Picardi Canners (Cape Town), Trust Bank, World
Wednesday November 5 Bankorp, Rand London
Thursday November 6 Suncrush (Durban) Wits Nigel
Friday November 7 Bradlow's, Eddels (Pietermaritzburg), Highveld Steel, Industrial & Commercial, Investors Club, Issues & Invest, Mathieson & Ashley, Rhodesian Cables (Zimbabwe)

All meetings are in Johannesburg unless otherwise stated
o – Net after non-resident shareholders tax

STAR 14/11/80 (197) ~~151~~ ~~135~~

Registration brings only woe to union

Far from making employers more amenable, registration under the Industrial Conciliation Act has brought nothing but woe to the Textile Workers' Union (Tvl), according to the union secretary, Mrs Eveleyn Seloro

Since registration, the union had looked forward to widespread employer recognition and a sharp increase in membership, but three textile companies had since ceased to recognise the union

In the past, the TWU had had a "gentleman's agreement" with these companies, Mrs Seloro said providing for the deduction of union dues and funeral insurance premiums.

Now these facilities had been withdrawn on the instructions of the National Industrial Council for the Textile Industry

Mrs Seloro accused the Industrial Council of "stalling" on her application for membership, and of helping create confusion among workers which could lead to industrial unrest

"I am already having difficulty in stopping workers from causing strikes and conflicts," she warned.

CLOTHING (197)

Looking for a balance

FM 21/11/80

National Clothing Federation president Simon Jocum says SA should become a signatory to Gatt's Multifibre Agreement (MFA). This would permit government to add import quotas to the existing system of tariff protection — without fear of reprisal from the world trade watchdog.

Review of the current Multifibre Agreement which expires at the end of next year has begun in Geneva. The current agreement has 42 signatories. If SA stays out of the MFA, says Jocum, "we will become the target of all the frustrated exporters in the low wage countries who have been barred from other markets by the tougher MFA.

The first MFA was signed in 1973 and renewed in 1977 after the European council of ministers insisted on tougher terms to control the flood of third world imports which, in the period 1973-1978, resulted in 4 200 business closures and the loss of 700 000 jobs in the community.

The first agreement guaranteed a 6% annual growth rate in imports by industrialised countries of Third World clothing and textiles. This turned out to be an invitation to exporters to make a massive assault on northern markets in order to establish a large base from which to grow at 6% a year.

At the 1977 MFA review, community Ministers got a clause written into the new deal allowing for "reasonable departures" from the 6% guarantee for short periods and in emergencies.

With northern clothing and textile industries in endemic distress, community countries were able to limit Third World imports to an effective 4% growth rate after 1977, compared with 25% a year between 1973 and 1976.

Third World exporters are now claiming breach of trust because countries outside the community used the reasonable departures clause. They fear the US will use it too.

Their pleas are unlikely to wash. What seems clear is that the 1982 MFA is going to be a lot tougher than the existing deal.

The first MFA was a departure from Gatt provisions which forbid imposition of import growth rates and import curbs affecting specific suppliers instead of all suppliers.

Then the "reasonable departures" clause was added. These, and other, arrangements now appear certain to become a permanent feature of the MFA. To stay out of the arrangement would therefore surely invite dumping which no level of countervailing duty tariff protection would keep out.

In any event they would have to be so high that they would incur condemnation of Gatt.

Says Jocum: "Thus we recognise the necessity for a quota control on garment importations and, with rather less enthusiasm, we realise that there will also have to be quotas on the importation of textiles.

"However, it must be emphasised that there is a difference between quotas on consumer goods which can be supplied in full by local industry and quotas on the raw materials of that industry which cannot be supplied from local sources.

"We hope that if we can persuade the authorities to accept the principle that there must be some permanent system of import control over textiles and clothing (100 000 jobs), then there will be detailed consultations with the private sector on the form that such controls will take.

"If the control is too constricting, the cure might be as bad as the disease and the loss of jobs would still occur in the clothing sector.

"Unduly strict controls will not save jobs in the textile industry, if we cannot sell our products because our raw materials are not keeping up with fashion trends, the weavers and knitters will not be able to sell their products either. And yarn producers won't be able to sell theirs.

"The problem is one of a delicate balance between what is reasonable and what is excessive."

Niggardly Frame Group revamps labour relations

197 RDM 25/11/80

By DAVID CARTE
Deputy Financial Editor

THE FRAME Group, South Africa's second biggest textile group, expects its four listed companies to maintain profits in the current year, but the directors warn in the annual reports they could "fall off thereafter"

COMPANY	Pre-tax profit R000)	Growth %	Earnings (c)	Growth %	Dividend (c)	Return on capital (%) †	Net cash flow (R000) ††	Net* asset value (c)
Contex	10 286	28	64,7	25	6,25	9	8 610	1 146
Nat Cons	3 804	74	108,9	45	11	10	2 692	4 078
Nat Canvas	3 732	90	127,4	94	11,25	11	2 954	2 011
SA Wool	3 652	6	83,5	4	8,75	16,2	2 204	1 021

* Investments adjusted to market and director's valuation
† Including current liabilities
†† Net income plus depreciation less dividends paid

In a report that is virtually identical for each company, the directors of a group that has been much criticised for its industrial relations say new guidelines have been established for the group's industrial relations policy

Mr A Berman and Mr S Lurie say "much has been done, particularly in regard to training, job advancement and development" Salaries and wages have been "increased substantially from time to time to bring them more into line with prevailing rates", and a vastly improved pension fund has been introduced

Priority has been given to black training to increase productivity to justify increasing wages during times of inflation

According to the directors, Frame's new conditions of employment have been recognised by employees at all levels "and the group is deriving great benefit by these changes"

The directors say the group took advantage of buoyant conditions, increasing sales and profit Inflation and higher sales necessitated higher levels of stock and debtor financing

The group's policy of developing in smaller centres was continued and undisclosed amounts were spent on modernising and re-equipping mills in East London, Ladysmith and Harrismith

The Natal Canvas report differs from the others in containing an extra paragraph on the footwear division, where last year's loss was converted into a profit

Mr Lurie and Mr Peimer say the division is still adversely affected by imports of cheap canvas footwear from the Far East This unsatisfactory state of affairs will continue unless import duties are increased or imports restricted

Natal Canvas is the only Frame company giving an earnings breakdown Textiles brought in 56,4% (1979 87,4%), clothing 38,2% (16,4%) and canvas and rubber footwear 5,4% (3,8%)

COMMENT· Mr Philip Frame's successors are no more generous with dividends or information than he was.

Dividend cover in most cases is 10, a high for the JSE Considering that return on capital employed is so low (see table) shareholders might be less than enchanted with Frame's retentions All companies are ungeared and the group enjoys a healthy cash flow

The company annually proclaims the merits of its conservative financial policies, but in an inflationary era, undergearing appears to be hampering growth. Frame's track record hardly compares with Romatex's.

None of the annual reports gives any details on trading and from the reports it is impossible to establish which Frame factories belong to which company.

Largely, as a result of the group's meanness, with dividends and information, the shares all stand at huge net asset values adjusted for market and directors' valuations even after large advances recently based on rumours of control changing

Only Top 10 companies could afford to take over this group and it has such a unique character that most potential predators would have compatability problems. It might also not be easy to unravel the existing spider-webbed control situation to effect a takeover. And some predators may be deterred by the group's scattered nature and its labour-intensiveness.

That said, the group would fit well into CG Smith alongside Romatex. CG Smith has about R100-million looking for a home

With yields and growth prospects so low, present share prices could only be justified if there is a takeover in progress.

Durban textile firm fires workers

Labour Reporter

ABOUT 18 workers — an entire department — at a Durban textile company, O T H Bayer, were fired this week after a dispute at the company

Mr Samuel Kikine, general secretary of the South African Allied Workers' Union, of which the dismissed workers are members, said the firings had occurred after "long-standing worker grievances" at the company had come to a head

He said workers had decided to take the case to the newly established Industrial Court, alleging they had been unfairly dismissed

The company's director, Mr Gunther Bayer, could not be reached for comment yesterday, but a company spokesman confirmed that "about 18" workers had been dismissed

Mr Kikine said that virtually all workers at the plant are Saawu members He said workers had "long-standing grievances" about working hours and overtime pay

These had come to a head earlier this week when a group of workers had assaulted a man they claimed was "a company spy"

Mr Kikine said management had selected a particular department at the plant and had asked workers in it to identify the man's attackers as he himself was unable to identify his assailants

Workers in the department had refused to do this, saying that they did not know who was responsible for the attack All had then been fired, he said

Mr Kikine said negotiations on the issue would take place today

Not enough of tariffs, reply textile-makers

197

RDM 27/11/80.

By SIMON WILLSON
Industrial Reporter

TARIFFS on textile imports would be adjusted every six months if the Textile Federation had its way, said the federation's executive director, Mr Stanley Slagman, yesterday.

Responding on behalf of the federation to critical remarks about the textile industry by the president of the Transvaal Clothing Manufacturers Association (TCMA), Mr Abe Hirsowitz, he said regular tariff adjustments were the only way the South African textile and clothing industries could keep up with the "chaotic" state of world trade in textiles and finished garments

"The problems for our industries are all the result of the world situation, which is in a complete mess

"Trading arrangements become invalid within six months of their institution, and fresh arrangements are necessary not to increase revenue or further restrict imports but merely to keep the effects of the previous arrangments at the same level," Mr Slagman said

"We are, therefore, forced to ask for regular adjustments in duties on textile imports "

World textile trade is in a state of flux because the international agreement governing imports and exports of textiles and finished garments, the Multifibre Agreement, is due to expire next year and, because of the Western recession, will probably be replaced by a stricter code which will further limit Eastern fabric exports to the West's contracting markets

In his address to the TCMA's annual meeting, Mr Hirsowitz criticised what he termed the South African textile industry's "almost annual revision of duties", saying the industry should concentrate instead on improving quality and reducing delivery times so that the consumer would benefit

"It's all very well to advocate the benefits of the free market to the consumer, but we have 250 000 jobs to maintain in the textile industry

Mr Slagman replied "We are not merely supplying the clothing industry with fabric, we are supplying it with customers in safe employment.

He said that in a truly free market situation without protection, the South African textile industry would go the same way as the European textile industry, which kept up free trade and, as a result, had now been "virtually wiped out".

'We need constantly adjusted tariffs to help us operate against destructive competition We could be as competitive as the Far Eastern textile producers if we paid the same low wages and put our workers in the same bad conditions, but things are different here

"What makes more sense is an equitable quota system, but we are moving away from quotas and back to tariffs at the moment Given that position, we will have to ask for adjusted duties regularly to maintain our level of protection "

Clothing manufacturers could have no valid gripe about the quality standards of South African textile output

"The people walking our streets are 80% dressed in South African textiles and we have had none of the complaints the clothing manufacturers are talking about If we had, these people would no doubt prefer to go around naked "

ROMATEX (197) FM 28/11/80

Dividend warp

Activities: *Textile group with five divisions Romatex Floorcoverings, Romatex Mills, Romatex Fabrics, Romatex Industrials and Island View C G Smith, a Barlows subsidiary, owns 55,1% of the equity and Afcol, an SAB company, 21,7%*
Chairman: *J H Ward*
Capital structure: *23 8m ordinaries of R1 Market capitalisation R145,2m*
Financial. *18 months to September 30 1980 Borrowings long- and medium-term, R10,1m, net short-term, R17,6m Debt equity ratio 26,2% Current ratio 1,6 Group cash flow R42m Capital commitments R6m*
Share market: *Price 610c (1979-80 high, 700c, low, 240c, trading volume last quarter, 106 000 shares) Yields *14,9% on earnings, *6,4% on dividend Cover 2,3 PE ratio *6,7*
**Annualised*

	'77	'78	†'79	†‡'80
Return on cap %	16,2	17 8	19 9	*25 6
Turnover (Rm)	163	75	218	431
Pre tax profit (Rm)	12 9	16 0	20 2	51 0
Gross margin %	9 9	9 9	10 0	12 8
Earnings (c)	35	45	55	136
Dividends (c)	13	17	24	59
Net asset value (c)	311	343	378	446

† Lifo basis ‡ 18 months * Annualised

After annual compound earnings growth of 32% in the past 42 months, Romatex chairman Jack Ward appears somewhat cautious about the current year He says Romatex expects increased earnings, but warns of the dangers of staff shortages, inflation and the threat of excessive imports

Earnings for the 12 months to end-September increased to 96c (year to March 31 1979 55c) on the back of booming demand, greater capacity utilisation and the impact of acquisitions In addition, the lifo stock adjustment for the 12 months to end-September was lower than the corresponding previous period This followed a slowdown in the price escalation of oil based raw materials and the removal of the import surcharge

The result was that turnover for the 12 months rose 38,5% to R302m (R218m), while pre-tax profit advanced 80% to R35 9m (R20 2m) — after the lifo adjustment Romatex s gross profit margin thus increased to 13 5% (10,5%) for the 12-month period as productive capacity was in many cases, almost fully utilised

The 1980 accounts cover the 18-month period to end-September, reflecting a changed year end since Barlow Rand acquired effective control through C G Smith They show earnings in the three six-month constituents of the accounting period were well up on the same periods of the previous year The greatest comparative growth was in the six months to end-March, when taxed earnings rose 51% to R9 2m

Changing the year-end has altered the dividend flow Traditionally, the March payment has been higher than in September, but Ward says this will change with a 20c interim forecast for March 1981

Earnings (%)	1979	1980
Fabrics	27	19
Floor coverings	29	34
Industrial	21	18
Mills	21	20
Island View	—	8
Other	2	1
	100	100

The greatest profit improvement during the 18 months was in the floor coverings division, where pre-interest earnings (annualised) increased 103% to R12,2m (R6m) The industrial and mills divisions boosted their annualised earnings contributions by 44% and 54% respectively In addition, Romatex benefited from a R4,1m contribution from Island View for the 18-month period

The 20% growth in annualised earnings in the fabrics division resulted from increased capacity utilisation But Ward warns that on a replacement cost basis, or if capacity usage falls, returns would be unacceptable Hence a further call in the annual report for continued tariff protection to the local textile industry

Both the floor coverings and industrial divisions expect further profit growth this year This is despite a likely slowdown in the rate of "motor car build" on which the latter division relies for part of its volume

The mills division is also budgeting for increased profit and will probably be the group's major capex absorber in the next few years R11m was invested in fixed assets during the review period Rationalisation and modernisation, plus the resiting of manufacturing units, will continue in the current year

Island View, which, with 50% of Constantia Vantona and Hochfeld, was acquired during the period, is budgeting for a profit increase Full capacity operation of this bulk storage facility has prompted expansion

The effects of growing sales were apparent in the balance sheet Total borrowings rose to R27,8m (R11,8m), though they represent only 26% (13%) of shareholders' funds And the annual interest/leasing bill was covered 16 (13) times by gross profit Lifo-valued stocks were up 34%, but stockturn improved to 6,4 (5,7) times

However, with the financing of increased debtors and debtors' repayment period of R57,1m (R33,4m), the balance between long- and short-term borrowings was out of line with previous experience. The 64% (46%) bias to short-term finance reflected favourable short-term rates, says Ward, but left the current ratio lower at 1 6 (2 2)

The company plans to increase its borrowing powers to 100% of shareholders' funds In terms of management's near-term 55% debt equity target, however, the group is under-geared On the basis of end-September's net worth, a further R31m could be raised Thus, with lifo-boosted cash flow and existing debt capacity, there should be no near-term problem in financing expansion plans

Assuming growth this year of around 25% in earnings to 120c (96,3c), Romatex should easily be able to pay its 20c interim and a 40c final for a 60c (40c annualised) total The share at 635c thus yields a prospective 9,4%, which looks attractive in current market conditions

Des Kilalea

Deep concern in SA's textile industry over cheap imports

Star 28/10/80

197

ALEC HOGG

DUMPING of substantial amounts of cheap fabrics and clothing from the Far East and the US is causing the domestic textile industry a great deal of concern

The industry, which employs 250 000 people (about 16% of the manufacturing labour force) is worried that if stricter import restrictions are not put on these goods, severe domestic unemployment could occur

As the managing director of the country's leading producer of artificial textile fibres, SA Nylon Spinners, Mr Justin Schaffer says "Our job is to provide employment for South Africans, not Koreans, Taiwanese and other foreign residents."

By the end of August, the value of imported fabrics already totalled R151-million, compared with R126-million in the whole of 1979 It is estimated the imported fabrics bill will top the R200-million mark for 1980 as a whole

One need only to look into the past, when similar relaxation in import restrictions occured, to see how grave the implications of such surging imports may be

In 1974 when fabric valued at R190-million was imported, 10 000 employees were made redundant — representing 10% of the industry's work force at the time The over importation of fabric in 1976 — when fabric valued at R156-million was imported — led to 5 000 workers being laid off, while a further 5 000 were put on short time

Which obviously puts the authorities in a bit of a quandry

While the phasing out of import restrictions has done much to keep a tight rein on overall demand inflation the very future of the textile industry, some maintain, is being jeopardised

The textile industry's grouse lies mainly in the fear that their plants will be forced to work well below full capacity, which will lead to laying off employees to cut unit costs

Mr Stanley Shlagman, executive director of the Textile Manufacturers Federation, points out that while official figures put the textile industry's capacity utilisation at 75% to 80%, this does not take into account the estimated R160-million fixed investment in the industry

The fruits of this capital investment will come into effect in the next few months, and Mr Shlagman warns that "the textile industry could easily drop to 60% of capacity in three months"

"This would be disastrous," he adds

Cheaper imports from the Far East have already laid to waste the once booming textile industries of the UK and Germany and it is evident members of the local industry do not want to see a recurrence here

South Africa faces increased low-priced competition from the Far East, mainly because of the Multifibre Agreement (MFA) in Europe and the US

The MFA puts a ceiling on volume, but not value on imports from the Far East, which has led to the Orientals turning their eyes to other countries such as South Africa, to sell their down market fabrics

This has resulted in much cheaper fabrics being available in South Africa, but as yet there has been little assistance to the consumer as all that has changed is the mark-up percentage

Whereas produce from the local textile industry is marked up by about 80%, imports can be marked up by 200%, which has (in the interests of profitability) led to increased usage of the Far Eastern product

Obviously the textile question is a complex and tricky one for the authorities — but it is one which must be attended to soon

TEXTILES (197) FM 5/12/80

Dumping doldrums

The fabric knitting industry is in dire straits Chairman of the National Fabric Knitters Trade Association, Charles Kluk, says the position has deteriorated in the past five months "because of the importation of both knitted and woven lightweight fabrics "

June and July permits of high value issued for knitted fabrics The value ermits issued from January to Sep- ber 1980 was 42,4% higher than had issued in the comparable period in The July to September 1980 period 97 5% higher than the same period in

e industry is asking 'as a matter of ncy that long-term retention of quan- ive control of imports is implemented he knitted fabric industry has already ted reducing staff

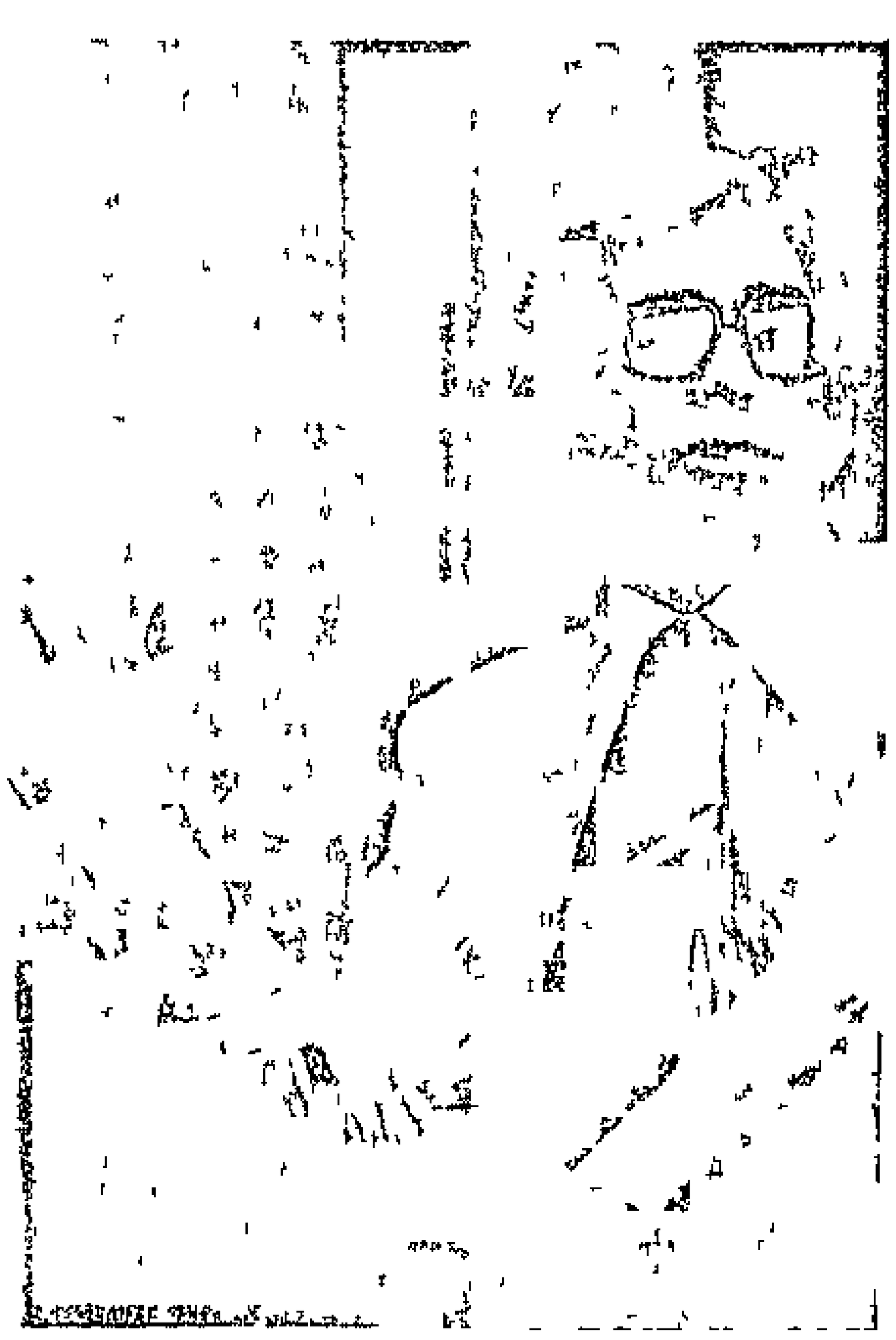
luk stresses tariff control alone is not icient, due to 'the continued necessity pdate tariffs and the time it takes for e duties to be promulgated '

an Schlagman, Textile Federation ex- tive director, claims tariffs on textile orts would be adjusted every six ths if the federation had its way ead, new tariffs introduced in June year were based on applications for tt adjustments submitted almost two s ago Consensus is that the tariffs hopelessly outdated and inadequate

Textile Federation economic spokes- n says knitted fabric manufacturers hardest hit because import volumes on tted fabrics rose 104% for the first six nths of this year Exacerbating the blem is the 17% drop in the imported ted fabric price

This isn t normal healthy competi- , he says ' Recessionary conditions rseas means we're subject to dumping countries like the US, Japan, Germany, nce and Spain '

nitted fabric manufacturing capacity t least 15%-20% under-utilised at pre- t The position is likely to deteriorate ther unless government abandons its ee and easy' granting of import per- s, claims the federation



Schlagman . wants tariffs adjusted more often

The 1977-87 10-year Economic Development Programme, prepared by the Department of Economic Planning projects an annual 6,1% SA textile production growth with textile imports growing at an annual 4,1%

What s happened instead, is that over the last three years local production grew 6,2% on an annualised basis Imports rose 13,6% every year "If we stuck close to the projected figures we would have been fine says the Textile Federation

The federation points out that lack of quantitative controls on textile and clothing imports in Europe has meant that between 1973 and 1979 the European textile industry has closed down 750 000 jobs, trimmed industrial production by 20% and suffered losses of roughly $3 billion

The same trend is beginning in SA Says Kluk ' In May order books were reduced from a forward position of five months to two months Quantitative control was urgently required to avoid laying off workers in the industry A promise was made by the then Minister of Trade and Industries Schalk van der Merwe that not more than 10% above 1979 value of permits would be issued in total '

This has not been done, and, says Kluk, ' the knitted fabric industry has already started reducing staff and is able to supply requirements on most fabrics within four to six weeks

Director General of Industry and Commerce, Dr Tjaart du Plessis, says "It is the declared policy of the department that under our Gatt obligation, import control will not be used as a measure of protection "

He might have added that that policy should allow the free market to allocate sufficiently our resources of labour and capital

FRAME GROUP 197

Low profitability

FM 5/12/80

Activities *Textile manufacturing group There are extensive cross shareholdings between the four listed companies, Consolidated Textile Mills Natal Consolidated SA Wool and Natal Canvas*

Consolidated Textile *Capital structure 10,7m ordinaries of 50c Market capitalisation* R34 2m

Financial· *Year to June 30 1980 Borrowings Nil Net cash R209 000 Debt equity ratio nil Current ratio 2,9 Group cash flow R9,3m Capital commitments R1,1m*

Share market *Price 320c (1979-80 high, 500c, low, 118c, trading volume last quarter 26 000 shares) Yields 20 % on earnings 2,0% on dividend Cover 10,3 PE ratio 5,0*

	'77	78	79	80
Return on cap %	6 8	6 4	7 5	8 0
Turnover (Index)	100	120 8	140 6	185 5
Pre tax profit (Rm)	6 1	6 5	8 0	10 3
Gross margin (Index)	100	87 0	92 8	90 5
Earnings (c)	43 9	41 9	51 7	64 6
Dividends (c)	5 68	5 68	6 25	6 25
Net asset value (c)	830	931	990	1 191

Hope obviously springs eternal in the hearts of investors in the four listed Frame group companies Although almost two years have passed since the death of founder Philip Frame, without any change in financial policy the shares continue to trade at levels justified — unless you happen to be a Joel Stern fan — only if a material improvement in dividends were imminent

Unfortunately, however, this is unlikely With some 88% of earnings retained in the year to June 30 the latest annual reports have prompted the usual cries of "niggardly" and "parsimony" But, given the overall financial circumstances of the group this is less of a discredit to management than it is to the criers who appear to be basing their judgments on a very cursory analysis of the accounts

The fact of the matter is that the profitability of these companies, for whatever reason, is so abysmally low that they cannot effectively be geared with loan capital Contex, for example, the largest of the companies, showed a gross return on total capital employed (with investments at market or directors' valuation) of only 8% last year — probably four percentage points less than the rate at which it could borrow and this at what must be close to the peak of the economic cycle

The decision to fund the group's cash requirements internally is not, therefore, as some people seem to think, a management idiosyncrasy any other policy would simply be irresponsible

The following table, based on Contex figures, shows how last year's cash flow was utilised

USING CASH FLOW

Expenditure	R'000
Fixed assets	4 022
Working capital	4 572
Investments	21
Dividends	711
TOTAL	9 326
Source	
Cash flow	9 304
Cash resources	22
TOTAL	9 326

The position is much the same for the rest of the group except Natal Consolidated, which had about R1,6m in surplus funds and which it used to increase holdings in other group companies, notably Contex and Natal Canvas This might not have been the most productive use of the money, but, at the same time, such surpluses are not a regular occurrence In 1979, for example, cash flow was boosted by the sale of investments to meet funding requirements

It is interesting to note that the four companies together had cash resources of only R1,1m at June 30, of which around R800 000 was earmarked for dividends declared but not yet paid at that date This is hardly the kind of situation one would expect to see if earnings were being unnecessarily retained

The key to the whole problem is obviously profitability Improve that and the way would be opened to the use of loan capital to help meet cash requirements, which, in turn, would impact on dividend potential

But until that happens, distribution policy will — and should — remain conservative

Indications are that there will be no increased payouts from these companies this year The directors are looking to maintained profits for 1981, but warn that a fall-off could be experienced thereafter, presumably as economic activity slackens

The most generous of the yields offered by the four shares is that of Natal Canvas, at 2,3%

Brian Thompson

MANUFACTURING - TEXTILES

1982

FEB - DEC

Working effectively with black unions

Daily Dispatch 2/2/82

DURBAN — Results in the giant C G Smith group are "very close" to budgets, the retiring chairman, Mr Mike Rosholt said at the annual meeting in Durban. He indicated that the budgets had been drawn up "envisaging a slowing down in the exceptional rates of growth experienced over the past few years."

He said Mr Warren Clewlow, executive vice-chairman, had been appointed chairman.

Mr Rosholt said the group was "addressing itself to the developing black industrial relations scene and acknowledged that we as employers have to work for effective negotiations with the increasingly organised and competent black unions."

The nature of future retirement benefits was an issue for such negotiation.

He noted that the majority of black workers in the sugar division had withdrawn from the pension fund and he believed that this was not in their or their families' best interests.

Mr Rosholt said the expected fall off in consumer spending on semi-durables had affected many of the Romatex product lines.

The Nampack results were better than expected and they intended to go ahead with a R35m glass container project.

For the sugar interests good spring and summer rains had fallen which augured well for next season's crop but the world sugar price was still a cause for concern.

Earnings up again

With the tax bill in the cement division down to nil Blue Circle shrugged aside a much higher depreciation charge to end 1981 with earnings up 34% to 109c (1980 81,3c).

A final dividend of 27,5c has been declared making 38,5c (32c) for the year to December — a gain of 20%. Cover has been raised to 2,8 (2,5).

At the interim earnings were ahead by only 17% which means they leapt 41% in the second half.

Blue Circle revalued its assets by R35 700 000 last year and this lifted the depreciation charge no less than 59% to R10 800 000. In addition the interest bill virtually ... fit was actually down 11% to R25-million (R28 100 000).

But thanks to investment allowances on its new Lichtenburg cement kiln, Blue Circle Ltd, the cement division, paid no tax.

As a result the group tax rate plummeted to 7,2% from 37,8% and taxed attributable profit was R22 900 000, a gain of 34%. Earnings rose in line.

Turnover was 23% better at R321 million.

Blue Circle chairman Mr Trevor Coulson said this was the 9th year in which the group increased earnings. He said the group had achieved an average annual compound earnings growth rate of 29,5% in the past nine years.

Textile jubilee

Mooi River Textiles made a pre-tax profit of R5 190 000 in 1981 against R3 750 000 in 1980.

Tax was R1 260 000 (R1 200 000).

The final dividend has been raised from 30c to 75c to make a total of 105c (50c).

A special jubilee dividend of 150c has been declared. This special payment is said to mark the 25th anniversary of the Dutch owned group.

Mooi River has also announced that talks with another unnamed group on some kind of tie-up have been discontinued.

Earnings a share last year were 231,5c (150,1c).

The group is proposing a four to one share split with the 1 700 000 ordinaries being enlarged to 6 800 000.

The rise in earnings last year was 54%.

Turnover was R19 680 000 (R16 370 000).

Colliery profit

ANGLO Transvaal Collieries raised its taxed profit by 32,4% in the six months ended December 31 to R2 251 000 from R1 700 000, equivalent to 133,1c (100,3c) a share.

Dividends on AT Colls fixed investment in Witbank Colliery rose to R2 258 000 from R1 720 000 while other income rose to R20 000 from R6 000 and expenditure fell to R19 000 from R24 000.

The market value of the company's listed ... 1980 while the book value on both dates was R3 256 000.

Platinum projects

RUSTENBURG Platinum Holdings plans to spend a total of R40-million on capital projects in the year to August 31 said the chairman Mr Gordon Waddell.

He told shareholders at the annual meeting in Johannesburg that R14 million would be spent this year on expansion and a further R26 million on the maintenance of capacity.

The R46 700 000 allocated for expansion at Rustenburg would be incurred in due course to meet the additional metal requirements arising from the company's various new contracts with the automobile industry.

Mr Waddell said further applications of platinum catalysts were being developed in the chemical and petroleum industries in an attempt to increase efficiency and reduce energy requirements.

In the past year substantial progress had been made in developing a platinum catalyst for controlling emissions from diesel engines.

This technology was being developed primarily to meet proposed United States legislation but also had application in special ised uses of diesel engines such as underground locomotives.

A further extension of the use of catalysts on cars could occur in Europe after 1986 said Mr Waddell.

Developments in the glass industry were likely to extend the applications of platinum metals and result in increased use said Mr Waddell.

Fuel cells were unlikely to be produced on a large scale during the next five years but "as and when fuel cells prove to be competitive with alternative methods of power generation demand for platinum for this use could become significant."

Working loss continues

An increase in tonnage and an associated drop in working costs were not enough to turn Witwatersrand Nigel's fortunes around in the De- ...

The State-assisted mine milled 82 598 tons of ore during the quarter compared with 76 142 tons in the September period raising gold production to 295,2 kg from 274,5 kg in spite of a fall in average grade to 3,57 g/t from 3,60 g/t.

The directors say, the working loss before sundry revenue rose to R520 761 from R510 603, while sundry revenue was unchanged at R39 000 and there was a tax credit of R15 478.

Capital expenditure, which has been limited to essential projects, fell to R464 351 from R690 075 but the average rate for the past two quarters is expected to continue for the next two.

Wit Nigel received R450 000 in State aid during the December quarter which reduces the net loss for the period to R16 283.

Analysing the first half performance the directors point to the R14 341 a kg gold price required to cover working costs and capital expenditure under State aid conditions, against the actual R13 057 a kg received in the six months to December.

Without State assistance Wit Nigel required an average gold price of R17 034 a kg or $530 an ounce to break even.

Best year on record

The best year on record for Goodyear South Africa, was 1981 thanks to buoyant economic conditions, a record year for motor manufacturers and a steady demand for industrial rubber products. And, although the motor industry expects a tail-off this year Goodyear can expect another excellent 12-month period.

This is the view of the company's managing director, Mr W F Life.

He said all sectors of the motor industry — passenger car, light and heavy duty truck and tractor — reported record sales in 1981 and this naturally and a spin-off on the tyre and rubber industry.

"What we must not lose sight of is the fact that the excellent sales over the past two years — more than 856 000 units — augurs well for the replacement market," said Mr Life.

Turning to the mining industry Mr Life said some operations had been cut back because of economic recessions in other countries.

The major exception was the coal mining industry which had shown rapid expansion which was likely to continue through 1982.

Within these mines ...

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200 WORKERS DOWN TOOLS

OVER 200 workers at a textile firm in Randfontein yesterday stopped working for about three hours while demanding an explanation for deductions made on their wages.

By SAM MABE

The workers, who threatened to go on strike if the deducted money was not returned to them, resumed work after the general-secretary of Textile Workers Union, Mrs Evelyn Seloro, opened negotiations with the management of Patons and Baldwins Textiles

Mrs Solero told **The SOWETAN** that further deductions, which were to be continued over the next few weeks to recover money paid by mistake to the workers for the last 12 months, have been suspended pending the outcome of negotiations between management and the union

Mr C Black, the firm's personnel manager, confirmed that there was a work stoppage yesterday morning, and that negotiations will be going on between management and the Workers' Committee

A worker who refused to be named said after receiving their pay on Friday, they discovered that "inexplicable" deductions had been made on their wages

He said the workers, who started work at 5am yesterday, stopped working at 8am when they started demanding an explanation for the deductions He said the workers had decided that unless a satisfactory explanation was given they would not start working again

MISTAKE

He said management informed them that a mistake made by a computer had resulted in smaller tax deductions being made on the workers' wages When the mistake which started in March last year was discovered, some workers were found to have been overpaid by up to R200

"Some workers' wages had deductions of R5, R10 and R20 We found this highly unacceptable and we threatened to go on strike unless this matter was rectified," the worker said

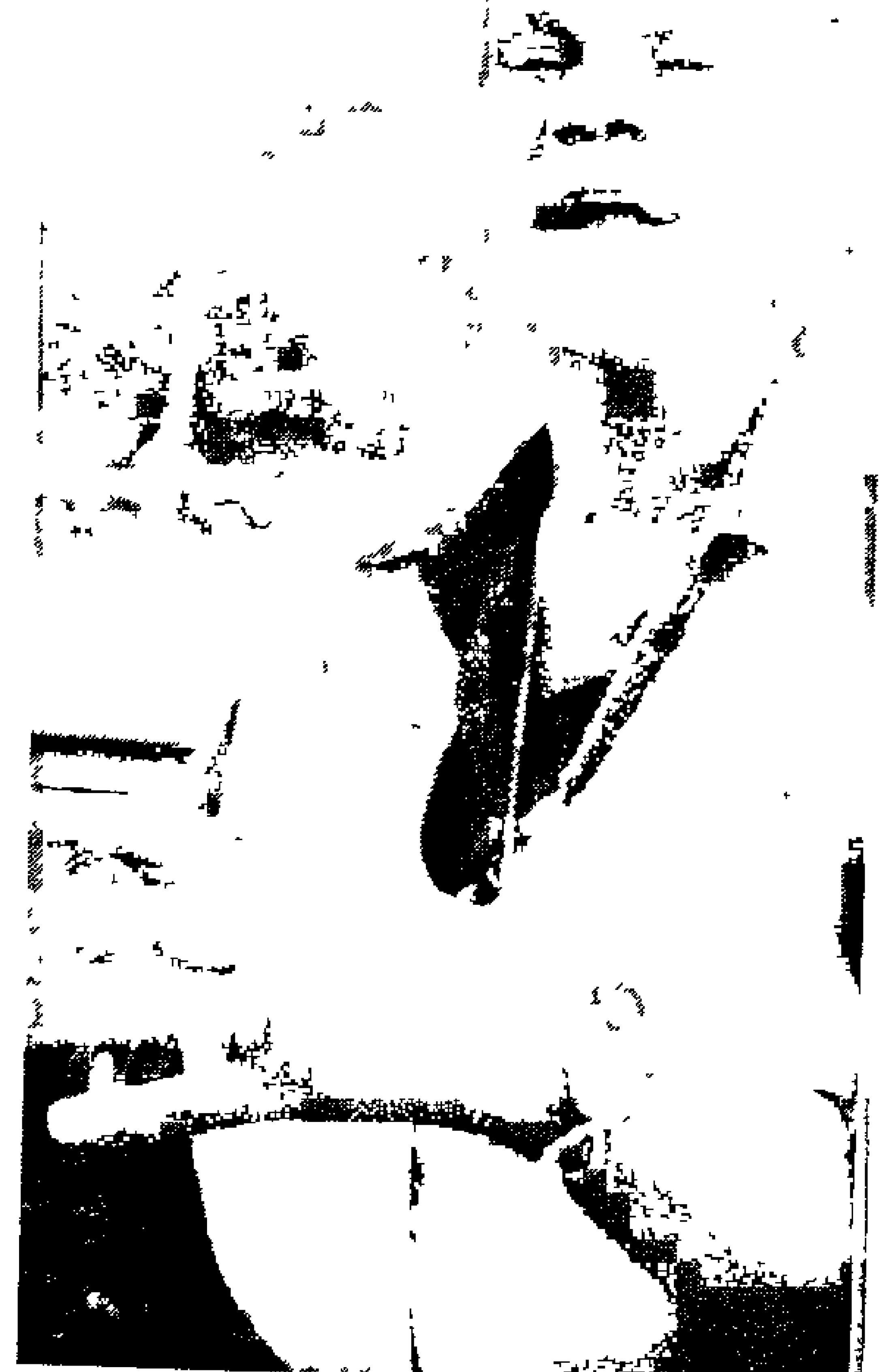
UNION

Mrs Seloro said after a brief discussion with management it was agreed that workers should resume their duties and that management would suspend further deductions while negotiations go on

He said If management had informed the union of whatever mistake they claim was made by their computer, there would perhaps not have been this work stoppage

"In any situation, people would protest if their money is deducted without any explanation being made. What we are working on now, is trying to get a full explanation from management on what happened and from there, we will decide on the next step

"We would hate to go on strike, but what we want from management is a fair deal for the workers, that's all," she said



FAIR DEAL: Mrs Evelyn Seloro.

Mercury 10/2/92 (197)

Frame group buys Natal Cotton Mills

Financial Editor

THE FRAME group has bought blanket manufacturer Natal Cotton and Woollen Mills from Anglo-Alpha. Yesterday, Mr Selwyn Lurie, joint managing director of the Frame group, confirmed the multi-million-rand deal, which comes into effect from February 15.

But he would not reveal the price — 'it will not be disclosed by either party' — and did not yet know where the company would be slotted into the Frame group

There has been speculation that the deal cost R11 million but Mr Lurie denied this.

He said it was too early to make a statement on redundancies, but every effort would be made to absorb people in other companies in the Frame group or Anglo-Alpha should there have to be staff cuts.

Blankets

Mr Lurie said the Frame group would produce about 75 percent of all blankets in South Africa once the take-over was completed The 'monopoly' position had been investigated before the take-over, Mr Lurie said.

He did not expect that the deal would have any major effect on the earnings or net assets of the Frame group

According to the last Anglo Alpha report, the company has 690 employees and has mills at Mobeni and a recently-established mill at Canelands, where it has bought the old Masonite plant

In 1980, turnover at Natal Cotton was R11,4 million, which was a 38 percent improvement on 1979's R8,3 million. Net after-tax income, before interest, improved by 550 percent to R574 000, compared with R88 000

Net assets, at historical value, were R6 million.

Mr A A Nutten was appointed managing director in October 1980 of Natal Cotton, which had been included in the Hippo Quarries take-over a few years ago. He was not available for comment yesterday, nor were executives from Anglo- Alpha

Big expenses

It is understood that Anglo-Alpha, which is largely owned by Swiss interests, had felt that a textile company did not fit in with their other traditional interests in stone and cement.

No confirmation could be obtained that Natal Cotton has had a bad year with heavy expenses involved in the start-up at Canelands and that disclosure of the results to the Anglo-Alpha executive had precipitated the sale

But the last financial report from Anglo Alpha disclosed some problems. Production was to be lifted and changed to 'lighter and finer' blankets

But technical problems arose in the last half of 1980 relating to weaving and finishing of the products and in November 1980, their finishing and dyeing operation gave them three weeks' notice of closure

Alternative arrangements were then made as the new looms were relying on this facility and it was hoped that customer confidence would be regained in 1981

The management expected that the company would strengthen its position in the market place and a diversification into polyester mixture spun yarns was being investigated.

FRAME GROUP

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Additional cover

FM 19/2/82

The Frame group has the blanket industry all but wrapped up Last week, Frame acquired its largest rival, Natal Cotton and Woollen Mills (NCWM), giving it virtual control of the market

Frame has always been dominant in the blanket business but, with the latest acquisition, it is said to now control over 90% of the country's blanket production

Selwyn Lurie, Frame's joint MD, disagrees with the estimate He hotly denies suggestions that the group now has a monopoly and says Frame took a close look at what its market share would be before concluding the deal His figure "Around 75% " According to Lurie, competition with the other blanket manufacturers, Aranda, Pep Industries and a host of smaller operators, who hold the remaining 25% of the market, should still be vigorous

For all that Frame has greatly increased its capacity through the takeover of NCWM which recently established a new factory at Canelands on the North Coast and has expanded blanket production by 40% In addition, the Frame group has undertaken some recent expansion of its own

Although the price paid by Frame was undisclosed, it is rumoured that NCWM's full order book of almost 2m blankets was included in the deal Under normal circumstances this could be regarded as a bonus, but in the current softening market it could present problems

Last year was an exceptionally good year for the blanket industry, with a total of about 12m units sold Although Lurie maintains the market is "still strong," there are signs that sales are beginning to dip as the economy cools

If the situation deteriorates further, there could be some cancellations of advance orders placed through NCWM

Adding to the industry's difficulties is the fact that the main blanket consumers, the country's rural blacks, are becoming more sophisticated in their choice of blankets Preference is turning towards better quality acrylic rather than rayon Manufacturers have thus had to re-gear to meet the changes Recently NCWM has been concentrating on lighter, finer blankets and, at one stage, was even thinking of introducing a fur pile version into its range Until now, fur pile has been available only on import

Manufacturers can, of course, turn to the export market to dispose of any surpluses Demand from Africa is still strong, but political problems present a problem for future growth Zimbabwe, for example, recently bought 3m blankets from Japan because of its reluctance to deal with SA suppliers

One advantage of the recent improvement in the quality of locally made blankets is that there is now no reason why they shouldn't sell overseas Local manufacturers are already believed to be looking closely at Australia and South America as possible future export markets

2 Bord (met inbegrip van teels) met 'n dikte van hoogstens 26 mm van slakwol, klepwol en soortgelyke mineraalwol, indeelbaar by tariefsubpos 68 07 10, van die bestaande skale van reg tot 20 persent *ad valorem* of 500c per m^2 min 80 persent *ad valorem* [RHN-verw T5/2/13/2/1 (B135/81)]

Applikant

Masonite (Africa) Limited, Posbus 671, Durban, 4000

Korting van die reg (in Bylae 3) op

Garing van gekamde skaap- of lamwol (kamgaring) nie vir kleinhandelverkoop bemark nie, indeelbaar by tariefpos 53 07, vir die weef van stowwe [RHN-verw T5/2/11/2/1 (D123/81)]

Applikant

Wooltextile Manufacturers (Pty) Ltd, Posbus 285, Standerton, 2430

Intrekking van die kortingfasiliteite ten opsigte van

Koolswartdispersie vir die vervaardiging van ink (item 306 05/32 07) [RHN-verw T5/2/6/4/1 (E3/82)]

Applikant

Suid-Afrikaanse Drukinkvereniging, Posbus 1057, Kaapstad, 8000

Kyk Algemene Kennisgewing 107 van 19 Februarie 1982 vir lys 3/82

(26 Februarie 1982)

2 Board (including tiles) of a thickness not exc... mm, of slag wool, rock wool and similar minera... classifiable under tariff subheading 68 07 10, ... existing rates of duty to 20 per cent *ad valorum* or 5... m^2 less 80 per cent *ad valorem* [BTI Ref T5... (B135/81)]

Applicant

Masonite (Africa) Limited, P O Box 671, ... 4000

Rebate of the duty (in Schedule 3) on

Yarn of combed sheep's or lambs' wool (worsted... not put up for retail sale, classifiable under tariff he... 53.07, for the weaving of fabrics [BTI Ref T5/2/... (D123/81)]

Applicant

Wooltextile Manufacturers (Pty) Ltd, P O Box ... Standerton, 2430

Withdrawal of the rebate facilities in respect of

Carbon black dispersion for the manufacture of ink (i... 306 05/32 07) [BTI Ref T5/2/6/4/1 (E3/82)]

Applicant

South African Printing Ink Association, P O Box 105... Cape Town, 8000

For List 3/82 see General Notice 107, dated 19 Febru... 1982

(26 February 1982)

KENNISGEWING 146 VAN 1982

DEPARTEMENT VAN NYWERHEIDSWESE, HANDEL EN TOERISME

KOMITEE VAN ONDERSOEK NA DIE TEKSTIEL- EN DIE KLERASIEBEDRYFSTAK

Hierby word vir algemene inligting bekendgemaak dat die Komitee wat deur die Minister van Nywerheidswese, Handel en Toerisme, aangestel is om die Tekstiel- en die Klerasiebedryfstak te ondersoek en verslag en aanbevelings te doen oor—

(a) die ontwikkelingspeil en die struktuur van die bedryfstakke, insluitende die mate van binnelandse mededinging,

(b) die ontwikkelingspotensiaal binne die raamwerk van 'n gesonde ekonomie met die oog op veral werkverskaffing,

(c) die mededingingsvermoe van die bedryfstakke teenoor buitelandse konkurrensie en die behoefte, al dan nie, aan beskerming met inagneming van die landsbelang,

(d) die aangewese metode van beskerming,

(e) die stand van die produktiwiteit in die bedryfstakke en die moontlike maatreels ter bevordering van hul produktiwiteit, en

(f) enige ander aspek wat die Komitee, met die goedkeuring van die Minister, nodig vind om te ondersoek en verslag oor te doen,

alle belanghebbendes versoek om binne ses weke na die publikasie van hierdie kennisgewing hul vertoe in hierdie verband te rig tot—

Die Sekretaris, Komitee van Ondersoek na die Tekstiel- en die Klerasiebedryfstak, Privaatsak X342, Pretoria, 0001

(Verwysing TK6/3/2)

Opmerking —Hierdie kennisgewing vervang Kennisgewing 66 van 1982 wat in *Staatskoerant* 8001 van 29 Januarie 1982 gepubliseer is

(26 Februarie 1982)

NOTICE 146 OF 1982

DEPARTMENT OF INDUSTRIES, COMMERCE AND TOURISM

COMMITTEE OF INQUIRY INTO THE TEXTILE AND CLOTHING INDUSTRIES

It is hereby notified for general information that the Committee appointed by the Minister of Industries, Commerce and Tourism to inquire into the Textile and Clothing Industries and to report and make recommendations on—

(a) the level of development and the structure of the industries, including the extent of local competition,

(b) the development potential within the framework of a healthy economy, particularly with a view to the provision of employment,

(c) the competitive ability of the industries in relation to foreign competition and whether there is a need for protection or not, regard being had to the country's interests,

(d) the appropriate method of protection;

(e) the productivity of the industries and possible measures to enhance their productivity, and

(f) any other aspect which the Committee, with the approval of the Minister, may find it necessary to investigate and report on,

invites all interested parties to submit, within six weeks from the date of this publication, representations in this connection to—

The Secretary, Committee of Inquiry into the Textile and Clothing Industries, Private Bag X342, Pretoria, 0001

(Reference TK6/3/2)

Note —This notice supersedes Notice 66 of 1982 published in *Government Gazette* 8001 of 29 January 1982

(26 February 1982)

[illegible]

Mercury Reporter

WORK stoppages were experienced by five companies in Natal yesterday as more than 1 200 workers downed tools in support of their demands

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

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

An official of the Fosatu- affiliated Sweet Food and Allied Workers Union said the workers downed tools on March 3 following claims of victimisation by a supervisor They returned to work when management agreed to investigate their complaints

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

Due to meet

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

The labour officer of the KwaZulu Department of the Interior, Mr Z A Khanyile, yesterday was due to meet both KwaZulu Shoe Company management and the 700 women workers who downed tools last week in support of their demand for reinstatement of a fired shop steward and recognition of their union

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

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

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

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

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

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

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

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

Hammarsdale mill workers end stoppage

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16/3/82

Mercury Reporter

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

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

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

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

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

Fired

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

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

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

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

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

Refused

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

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

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

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

Meeting

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

At a meeting with union officials this weekend, Dr Frank Mdlalose, the KwaZulu Minister of the Interior, agreed to mediate between workers and management

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

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

Legal

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

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

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

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

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

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

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Cheap imports hit local firms

Industrial week 16/3/82

By Priscilla Whyte and Lynn Carlisle

FOREIGN competition is threatening the R1 900-million clothing industry and firms in other industries report cut backs in production because they cannot compete with "cheap imports".

The situation will worsen as aggressive foreign marketing here — often of products manufactured at a loss for the sake of earning them foreign currency hits local manufacturers some allegedly not competitive because they are "protected industries"

Stanley Shlagman executive director of the SA Textile Federation, attributes the competitive edge of the Far East to their labour costs, being as little as one tenth of these here, and prices of imports bearing little relationship to true production costs

'Unless effective protection is imposed, exports from the East will flood SA at market prices we cannot match," said Shlagman

And the GEC group's R5-million electric motor factory in kwaZulu has been working a four day week since February 1 — due to competition from cheap United States, European and Far Eastern imports

"In spite of the 30% tariff protection which local manufacturers have enjoyed up to now imported electric motors are still coming in at prices which on average are 20 30% cheaper than locally made products ' says Robin Bullen Smith executive director of GEC South Africa

"Many customers have switched to imports and the reduced demand has forced us to cut production at the kwaZulu factory which we have just re equipped at a cost of R2 million ' he adds

Realising the plight of the local industry, an investigation into the clothing and textile industry under Professor W F J Steenkamp is underway and the Board of Trade and Industries is currently processing data on these industries, who combine to employ more about 16%, of South Africa's total labour force

In addition, the agricultural sector employs about 150 000 in cotton production who are entirely dependent on textile and clothing industries to use that crop

But if clothing and textile industries are worried that they will not get adequate protection from Government they should drift to more competitive lines suggests Leon Louw executive director of the Free Market Foundation

There is a problem with existing protected industries that are not competitive This is not their fault because they have been encouraged by protection to set up uneconomic ventures

"We must see we do not create any more of these situations ' says Louw

Control cheap imports plea

D. Dispatch 30/3/82

BY TOM LOUW
Business Editor

EAST LONDON — Leaders in the textile and clothing industries say unfair competition from cheap imports is destroying their profitability

They are asking for protection against such imports, which come from countries, mainly in the Far East, where wages paid are considerably lower than in South Africa

They say that without protection there is a risk of recession in the industry in South Africa, with a consequent threat of retrenchment of labour

A government-appointed committee of inquiry is making an investigation into the whole question, including the scope and nature of any possible protection

Speaking at the national conference of the South African Dyers' and Finishers' Association in East London, Mr Stanley Schlagman, executive director of the Textile Federation, pointed to the promise of considerable growth in the industry as living standards in South Africa improve He asked who was to be the beneficiary of this growth — the domestic producer or the foreign producer

Mr Schlagman said the local clothing industry is especially vulnerable, because the developing countries are particularly keen to export clothing because of its high labour content He said the greatest volume of disruptive competition comes from Hong Kong, Taiwan, South Korea and Macao This is supplemented by Indonesia, Philippines, Mauritius, even the Maldives, and — through Hong Kong — Communist China as well

The threat to the clothing industry and, by association the textile industry as well, is low-price imports arising from increasing capacities and the frustrations of more rigid quotas being applied by North America and the European Economic Community

Mr Schlagman pointed out that the problem is not unique to South Africa In Western Europe and North America it has become serious enough for special provision to be devised under the General Agreement on Tariffs and Trade (GATT) to control cheap clothing imports into member countries This special provision allowed for quotas, which was contrary to all basic GATT principles

The effect of this GATT action was to increase the efforts of the developing countries to find other markets Unhappily, Mr Schlagman said, South Africa was a soft target because duty structures had deteriorated to a level where they were minimally effective and import control was being phased out

He said what was needed for South Africa was a total system of import duty and quantitative control, designed to be flexible so as to allow for supplies from all sources based on real demand and local supply capability The system, he said, must be reactive to changes in these capabilities and demand levels

Mr Schlagman said submissions before the committee of inquiry into the textile and clothing industries would offer various options based on the two industries' belief that a dual system of import regulation is essential since 1918 — DDC

self — DDC

Textile industry optimistic

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D. Dispatch 27/3/82

EAST LONDON — There was cause for optimism in the textile and clothing industries despite the great problems that these industries and the country as a whole faced, Mr Christo Wiese, the chairman of Pep Textiles, said here yesterday

Opening a two day conference for textile manufacturers and suppliers held by the SA Dyers and Finishing Association Mr Wiese said being aware of the problems was the first step in their solution

The theme of the conference, attended by some 60 delegate from all over the country as well as several overseas guests, is "We can make it"

Mr Wiese listed the main dangers facing the domestic textile industry as the threat of low-cost imports from the low-labour cost countries, the demands on the industry in its transition from "needle and thread" to high powered technology and the lack of skilled manpower

In addition South African workers needed to be as productive as those overseas if South Africa were to compete He said the productivity of the average Taiwanese worker was seven times that of the average local worker

"All these problems," he said, are being magnified with the current economic downswing aggravated by the fall in the gold price and the unfavourable balance of payments situation

"But I believe our industry has every right to say we can make it"

Mr Wiese listed the positive factors for change and growth in the textile industry and the country as the vast natural resources, the abundant supply of potentially inexpensive labour, now freed from the shackles of job reservation, developments in white politics towards change and reform, the streamlined and improved economic infrastructure which left South Africa adequately equipped and South Africa's positive situation relative to Europe and the United Kingdom DDR

World focus on Sawtri's research

OB Wool 197 E Post 3/4/82

BELOW: Mr J DIFN...
(left) ...

WORLD textile interest is being focused on research at the Port Elizabeth-based South African Wool and Textile Research Institute (Sawtri) as well as on its international symposium on "New technologies for cotton" to be held in the city from July 26 to 28

The symposium, which is organised by Sawtri and the Eastern Cape section of the Textile Institute, is attracting delegates from all over the world

A total of 47 papers will be presented during the two days Of this number, 27 will be presented by speakers from 10 different countries, six by Sawtri scientists and the remainder by other South African speakers

Much overseas interest in the work of Sawtri is evident from its annual report

Representatives of the Italian manufacturer who signed a licensing agreement with Sawtri on the Sawtri-developed Autocreel have again visited Port Elizabeth

They have signed a licensing agreement on another of Sawtri's developments, the SLD Monitor

Later they invited a representative of Sawtri's machine-development department to visit their factories in Italy to discuss the commercialisation of these machines

Its research on textile dyeing is also attracting overseas attention

"A completely new technology is appearing on the textile scene," says the annual report

"The application of radio frequency heat to various textile wet processes such as dyeing and drying, against the background of dwindling fossil energy resources, is receiving much attention

"In pursuance of its policy of utilising the most modern technologies, Sawtri has taken the initiative by embarking upon research in this field"

197 Tribune 4/4/82

— TEXTILE AND CLOTHING INDUSTRIES CALL FOR HELP

AN URGENT call for some system of import quotas for textiles and clothing to save the industries from a damaging recession ,was made this week by Ernest Wilson, president of the South African Textile Federation

The demand came at the federation's annual meeting in Johannesburg in the light of a 28 percent increase in the issue of import permits in January and February this year compared with the same period last year The total issued in 1981 was 55 percent up on 1980.

Finance Editor

Wilson told me in an exclusive interview in Durban that what was troubling the industry was the dual situation of a turn-down in business allied to the high import allocations

"The request from the industry — and here clothing and textile interests are co-ordinated — is for a double barrelled protection system which is effective," he said.

"The Board of Trade say the tariff should be sufficient and we say that over many years we have noticed that exporters from overseas who are well versed in finding loopholes in tariff positions have consistently found a new fabric, by changing blend or weight, that can be exempt from a particular tariff.

"We therefore need not just tariffs, but some form of quota control. This is borne out by the situation in North America and Europe where they have had their industries decimated by this kind of competition.

"Now they have a new approach to it through multi-fribres agreements (MFA). MFA one and two were a bit of a fiasco. They were originally implemented by the developed countries to give a quota of textile imports to the under-developed nations and this was to go up six percent annually.

"As soon as this arrangement was made the recession began to set in and they had to fulfil these quotas. So they found themselves completely eroded

"With the new MFA three which has just been settled under the auspices of the General Agreement on Tariffs and Trade (GATT) they are going to close the doors on many countries with whom they previously had bilateral arrangements.

"Our fear is that, for instance, when a ship arrives in New York with a load of textiles and the US authorities say it can't be landed because the quota has been exceeded the guys who have sent that out look around and say: 'Let's dump it in South Africa'.

"We have had several examples of this kind of dumping here beacuse of the MFA regulations"

Productivity shock for SA workers

Industrial Week 6/4/82

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By Priscilla Whyte

IN a shock disclosure last week, a leading industrialist said that the productivity of one Taiwanese worker was equal to that of seven SA workers in the textile and clothing industry.

Christo Wiese, chairman of Pep Textiles, was addressing delegates at the Natcon 82 conference in East London

Wiese said "It is disquieting that in the textile and clothing industry the average labour turnover is in excess of 60% annually

He claimed that the Pep Textiles group have managed to contain labour turnover to just over 10%

He says that as SA is a major supplier of foodstuffs to Africa there is no reason that she should not develop into a major supplier of textiles and clothing He cited the example of SA's military self sufficiency leading her to be poised to become an exporter of arms

Jan-Henk Boer, divisional manager of the National Productivity Institute tells Industrial Week "In the first quarter of 1981, 9,1% more workers in the clothing industry produced 11% more in output but in the second quarter of 1981 the wage per worker increased by 11,7% and his output only improved by 2,4% "

Boer says that CLIPA the Clothing Industry Productivity Association is trying to persuade a sample of SA manufacturers to co-operate in a brief survey on productivity

The last detailed studies were carried out in 1972 and 1974

He says a draft report is being discussed with the National Clothing Federation on SA fabric utilisation and the findings should be available within the next two months

What is coming and going!

S. Times 18/4/82

IMPORTS of textiles and machinery are still running at astonishingly high levels considering the downturn in the economy and the slowdown in capital expansion

Value of textile imports in the first two months of 1982 was 59% higher than in January and February 1981 This leap must be much to the indignation of South Africa's textile manufacturers.

Total textile imports for January and February were R171,3-million compared with R107,7-million in the first two months of 1981

Allowing for inflation and probably better-quality imports, the volume increase must be significant as well.

Value of machinery imports showed a 30% advance on the same period last year — up at R849,5-million from R653-million.

Major developments at semi-State organisations like Escom and big mining and industrial groups are obviously keeping the capital goods imports rolling

Imports of vehicles, aircraft, vessels and transport equipment remained high at R376,4-million against R355,8-million in early 1981

By Elizabeth Rouse

On the export side, value of South African mineral products was up at R308,3-million from R249,4-million, while the value of base metals and base metal articles increased to R251,4-million from R219,7-million

Vegetable-product exports — a reasonably large sector — were up at R136,5-million from R125,1-million.

The biggest export category — unclassified goods, which includes metals such as platinum — reflected a downturn to R1 180,4-million from R1 550,3-million.

South Africa's imports from Europe, the US, Asia and Africa continued to grow Exports to Europe, the US and Africa were down because of the slump in commodities However, exports to Asia are on the uptrend, thanks to ore exports to Japan and Taiwan revised his a dirt track running

27/4/82

Workers strike at textile factory

Mercury 197

Mercury Reporter

ABOUT 500 workers from Ninian and Lesters' textile factory in Pinetown downed tools yesterday demanding the immediate recognition of the National Union of Textile Workers, union sources said

A spokesman for the Fosatu-affiliated NUTW said workers had lost patience with management who, they claimed, had continued to stall the signing of a recognition agreement with the union.

He said the workers had downed tools in November last year over a similar dispute and then the management had agreed to sign a recognition agreement with the NUTW by the end of the year Wage negotiations would follow immediately.

The managing director of Ninian and Lester, Mr D Drysdale, confirmed last night that 500 workers were involved in the stoppage, and said there were three issues being disputed.

The first was the dismissal of a worker last Friday, who was 'summarily dismissed for bad behavior'. He said delays arising over the procedural agreement had also prompted the stoppage, but added that both the union and the company had anticipated the agreement to be finalised by yesterday, although 'the strike will now delay matters'.

Finally, he said that the company maintained that wage negotiations would be discussed only once the procedural agreement had been finalised

NATIONAL UNION OF DAIRY INDUSTRY EMPLOYEES

Year	Membership					
	African	Asian	Coloured	White	Total	
1970				..	..	
1971				..	..	
1972				..	..	
1973				428	428	+
1974				..	..	
1975				500	500	x
1976				500	500	x
1977				500	500	x
1978				383	383	≠
1979				450	450	≠
1980				500	500	Star 27/1/81

Address: P.O. Box 541
Bloemfontein
9300

Telephone: (051) 78628

Officials: Secretary: Mrs. A.M. Scheltema

Area of Operation:

Founded:

Registration: Yes

Industrial Council:

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ne Cape Times, Tuesday, April 27, 1982 3

500 Natal textile workers down tools

Own Correspondent

DURBAN — About 500 workers from Ninian and Lester's Textile factory in Pinetown downed tools yesterday demanding the immediate recognition of the National Union of Textile Workers (NUTW) — union sources said

A spokesman for the Fosatu-affiliated NUTW said workers had lost patience with management who they claimed had continued to stall the signing of a recognition agreement with the union

He said the workers had downed tools in November last year over a similar dispute and management had then agreed to sign a recognition agreement with the NUTW by the end of the year Wage talks would immediately follow

The managing director of Ninian and Lester, Mr D Drysdale, confirmed last night that 500 workers were involved in the stoppage, and said there were three issues being disputed

The first was the dismissal of a worker last Friday for "bad behavior" The delay over the agreement and the pay talks were the other factors, he said

28/4/82

Mercury

Textile workers' strike ends

Mercury Reporter

WORKERS at Ninian and Lester's textile factory in Pinetown have agreed to return to work following the completion of a procedural agreement late yesterday after talks between management and the National Union of Textile Workers (NUTW)

About 500 workers at the Pinetown factory downed tools on Monday following a dispute with management over the dismissal of a worker, delay on the finalisation of the procedural agreement and wages

A joint statement released after yesterday's talks said 'the company and the union have completed their discussions on the procedural agreement which were due to be concluded yesterday but had been delayed due to the work stoppages'

'The dismissal of the worker was confirmed after representations were made on his behalf by the union

'The company and the union will enter into discussions on wages once the procedural agreement has been signed,' the statement added

A spokesman for the Fosatu-affiliated NUTW said recognition of the union by the company should follow shortly

Deadline

Three metal industries on the Witwatersrand have also been hit by strikes — this follows last month's wave of 15 strikes in the metal industries in the Wadeville/Germiston area

The Reef metal company, National Springs, this week has been hit by a strike for the second time in five days when about 380 workers downed tools in protest following the dismissal of a colleague

The general secretary of the Fosatu-affiliated Metal and Allied Workers' Union (Mawu), Mr David Sibabe, said yesterday workers had decided not to return to work until mangement had agreed to re-instate all the workers

This follows the dismissal of the striking workers when they failed to return to work by the Monday deadline set by management

After a meeting with management yesterday morning, Mr Sibabe said 'Management told us they could not reverse their decision to fire the worker and also that they would only re-employ workers selectively'

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500 to return to work

CAPE TIMES 28/4/82

(197)

Own Correspondent

DURBAN — Workers at Ninian and Lester's textile factory in Pinetown have agreed to return to work following the completion of a procedural agreement late yesterday after intensive talks between management and the National Union of Textile Workers (NUTW)

About 500 workers at the Pinetown factory downed tools on Monday following a dispute over the dismissal of a worker delay on the finalization of the procedural agreement and wages

A joint statement released soon after yesterday's negotiations said "The company and the union have completed their discussions on the procedural agreement which were due to be concluded yesterday but had been delayed due to the work stoppages

Recognition

"The dismissal of the worker was confirmed after representations were made on his behalf by the union

"The company and the union will enter into discussions on wages once the procedural agreement has been signed "

A spokesman for the Fosatu-affiliated NUTW said recognition of the union by the company should follow soon

● Three metal industries on the Witwatersrand have also been hit by work stoppages

National Springs this week was hit for the second time in five days when about 380 workers downed tools in protest at management's dismissal of a colleague

Not to return

The general secretary of the Fosatu-affiliated Metal and Allied Workers' Union (Mawu), Mr David Sibabe, said workers had decided not to return to work until mangement had agreed to reinstate all the striking workers who were dismissed when they failed to return by Monday

About 1 000 workers at Haggie Rand's Jupiter plant continued their stoppage yesterday It was not known what sparked it off, but a Mawu spokesman said workers had told them last week that they planned to approach the management for a pay rise

About 3 500 workers at Scaw Metals, Germiston, downed tools yesterday after a dispute with management over wages Workers had not returned by late yesterday

One strike ends, 3 continue

Cape Times 29/4/82

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Own Correspondent

DURBAN — Workers at Ninian and Lester's Textile factory in Pinetown returned to work yesterday — but strikes involving more than 4 500 workers from three major metal companies on the Witwatersrand continued

The managing director of Ninian and Lester, Mr D Drysdale, said the 500 workers who downed tools on Monday over the dismissal of a worker, wages and delay in finalization of a procedural agreement returned to work yesterday

Their return follows completion of the procedural agreement after talks with the Fosatu-affiliated National Union of Textile Workers Mr Drysdale said there should be "no problems" in signing a recognition agreement with the union but the agreement had first to be vetted by the board

Wage increase

Meanwhile more than 2 400 workers of the Reef metal company Scaw Metals continued their stoppage in support of demands for a wage increase

The general secretary of the Fosatu-affiliated Metal and Allied Workers' Union (Mawu), Mr David Sibabe, said workers downed tools on Tuesday when management refused to consider their demand for an overall increase of 10c an hour

He said workers at the moment were being paid the metal Industrial Council minimum of R1,13 an hour They had asked this to be raised to R1,23

"Management have refused to discuss an increase at shop floor level and referred the workers to the Industrial Council," Mr Sibabe said

The strike follows this month's calling of a formal dispute by the registered trade unions party to the metal industries' Industrial Council when wage talks with Seifsa deadlocked Black trade unions party to the council had asked for the minimum wage level to be increased to R1,67 an hour

Efforts to contact Scaw Metals management were unsuccessful yesterday

At Haggie Rand's Jupiter plant on the outskirts of Johannesburg, 1 700 workers continued their strike but management said workers should return to work by today

Mr Richard Savage, the executive director of Haggie Ltd, said yesterday that as far as he was concerned there was no reason for the strike which began on Monday

He said management had met workers on Thursday and no grievances were put On Monday, however, they had stood outside the gate and refused to go to work

Dismissal dispute

Mr Savage said a meeting had been held with officials of Mawu, who have a limited membership at the plant, and he hoped workers would return to work today

A stoppage involving 380 workers from another Reef metal company, National Springs, also continued yesterday

Workers downed tools last Thursday in protest at the dismissal of a colleague A spokesman for management said they had started hiring new workers

The spokesman said the workers who were dismissed when they had not returned to work by Monday "had been given plenty of opportunity to return to work"

'Dispute was triggered by dismissal of low productio[n]'

1 500 Natal workers on strike

~~1398~~

197

~~1404~~

Mercury

5/5/82

HAMMARSDALE workers stream into the loca[l]

Mercury Reporter

ABOUT 1 500 workers from Progress Knitting Mills at Hammarsdale refused to start work yesterday morning — while the strikes at Volkswagen and General Galvanising in the Cape continued

Progress Knitting Mills' strike follows a short stoppage last week by 28 workers after the dismissal of two of their colleagues for 'low production'

Workers said yesterday they had demanded the reinstatement of the two workers, but when they returned to work on Wednesday they found this had been done but six other workers had been fired

A delegation had been sent to the management on Friday to discuss the workers' dismissal but they had been told that 'the management reserved the right to hire and fire whomever it pleased', workers said

After the delegation had reported back to the workers the police had arrived to arrest two of the delegation, they said

One of the arrested workers was released on Friday but the other, Mr James Ntshingla, was kept in custody and appeared before Mr P S M Nel in the Camperdown Magistrate's Court yesterday

Mr Ntshingla has been charged with inciting other workers to strike He was granted bail of R100 but was not asked to plead The trial has been adjourned until May 18

Too busy

The workers said they had gathered inside the factory gates yesterday but when they had refused to begin work until the six workers were reinstated, management had told them to leave the factory premises

An official of the Fosatu-affiliated National Union of Textile Workers (NUTW), who claim to represent 1 100 of the workers, arranged for the workers to meet at a church hall in the nearby Mpumalanga township

The Mercury was told that Progress's executive-director, Mr P D Jacobson, was 'too busy' to comment

The 5 600 striking Volkswagen workers at Uitenhage yesterday reiterated their demands for the reinstatement of 316 retrenched workers and that the company be placed on shorter time

Volkswagen's management said yesterday they would consider 'renegotiating some of the grievances', but only when workers returned to work.

At General Galvanising in Parow the situation remained unchanged yesterday after 82 workers downed tools following Thursday's breakdown of negotiations on a workers' committee's constitution

Workers to stay away

6/4/87 Mercury

197

Mercury Reporter

WHILE 5 600 striking Volkswagen workers yesterday informed the management that they would return to work today workers from Progress Knitting Mills at Hammarsdale resolved to continue their stoppage

After a meeting with shop stewards on Volkswagen factory premises at Uitenhage yesterday morning, workers said they would return to work on condition that grievances surrounding recent retrenchments would be negotiated

Negotiations would centre on discussions on workers the union claimed had been 'unfairly dismissed' and the severance pay received by the retrenched workers, a spokesman for Volkswagen said

The entire black workforce of Volkswagen downed tools on Monday for the fourth time in two weeks demanding that the factory go on shorter time in order to facilitate the re-instatement of 316 retrenched workers

At Progress, according to a notice affixed to the factory's main gate all workers in nine departments in the factory had been discharged because of their involvement in an 'illegal strike

But about 1 500 workers at a midday meeting in a church hall in the nearby Mpumalanga township rejected the dismissal notice and resolved to continue the stoppage until the management had re-instated six dismissed workers

The general secretary of the Fosatu-affiliated National Union of Textile Workers, Mr Obed Zuma, accused the management of trying to split the striking workers in an attempt to get them to return to work.

He said the 'discharged' workers, who made up about half the workforce, were from departments 'closely involved in the stoppage'

A spokesman for the Department of Manpower in Durban said that only a magistrate could determine whether the notice could be considered as a legal dismissal but said as the workers had not returned to work they could be considered as having 'dismissed themselves'

The workers at the Hammarsdale textile factory downed tools on Tuesday following last week's dismissal of six workers and the arrest of a colleague for allegedly inciting workers to strike

Knitting mill workers stay on strike

197 IIIA Mercury 7/5/8? IIIA

Mercury Reporter

A STRIKE at Progress Knitting Mills, Hammarsdale, involving the entire workforce entered its third day yesterday with no resolution in sight.

And the 'wave' of metal industries' strikes on the Reef continued with stoppages at the Boksburg National Bolts and Femco at Brits, while only half of the workforce of Anglo American's subsidiary Scaw Metals have returned to work after last week's stoppage.

About 1 500 workers downed tools at Progress on Tuesday demanding the reinstatement of six workers who had been fired last week.

Mr Obed Zuma, the general secretary of the Fosatu-affiliated National Union of Textile Workers, who claim to represent the majority of the striking workers, said he had approached Progress again yesterday in an attempt to discuss the workers' grievances but had been told the management was 'prepared to negotiate only with the workers, not with the union'.

A special meeting was held yesterday of all the union's Hammarsdale shop stewards and a delegation from the striking workers, where the management's refusal to deal with the union was to be discussed.

Progress' executive director, Mr P D Jacobson, was again 'not available' yesterday.

Demands

In Johannesburg, the general secretary of the Fosatu-affilated Metal and Allied Workers' Union, Mr David Sibabi, said striking workers from the Anglo Vaal subsidiary National Bolts had been locked out yesterday.

About 1 000 National Bolts' workers downed tools on Tuesday in support of wage demands.

'The company offered workers an immediate 5 c an hour increase plus another 5 c to be awarded on June 1 but workers rejected this yesterday and talks have deadlocked.'

Anglo Vaal's chairman, Mr David Royston, said they had reinstated their wage offers for an hour yesterday morning but these were rejected by workers again, after which they advised workers that their jobs had been terminated forthwith'.

At the Brits company Femco, a Mawu spokesman said the company has refused to negotiate with the union after 600 workers downed tools on Tuesday in protest at the management's refusal to reinstate 18 retrenched workers.

UNIONS OPERATING IN 1981 GROUPED ACCORDING TO INDUSTRIAL CLASSIFICATION

Unions have been classified according to the Standard Industrial Classification of All Economic Activities. The full extent of the operation of the following general workers unions has not been established:

National Federation of Workers
Orange-Vaal General Workers Union
General and Allied Workers Union

AGRICULTURE, FORESTRY AND FISHING

Black Allied Workers Union
Farmworkers Union
Food and Canning Workers Union
National Certified Fishing Officers Association
Orange-Vaal General Workers Union
Trawler and Line Fishermen's Union

MINING AND QUARRYING

Amalgamated Engineering Union of S.A.
Amalgamated Union of Building Trade Workers
Amalgamated Society of Woodworkers of S.A.
Black Allied Workers Union
Black Mineworkers Union
Federated Mining Explosives and Chemical Employees Union
Iron Moulders Society of S.A.
Mine Coloured Staff Association of South Africa
Mine Surface Officials Association of South Africa
Mine Workers Union
S.A. Boilermakers, Iron and Steel Workers Shipbuilders and Welders Society
S.A. Electrical Workers Association
S.A. Engine Drivers, Firemens and Operators Association
S.A. Technical Officials Association
Underground Officials Association of S.A.

MANUFACTURING

Food & Beverages

African Food and Canning Workers Union
Amalgamated Engineering Union of South Africa
Bakery Employees Industrial Union
Black Allied Workers Union
Boland Inmaakwerkersvereniging (Paarl)
Brewery Employees Union (Cape Peninsula)
Cadbury In-Company Union
East London Meat Trade Union
Food and Canning Workers Union

ARGUS 7/5/82 ~~1404~~ ~~188~~ 197 ~~284~~

Strikes, industrial unrest continue

Argus Correspondent

DURBAN — About 1 500 workers at Progress Knitting Mills in Hammarsdale staved away from work again today

Yesterday an estimated 1 300 workers voted for continued protest action until their demands for union recognition and reinstatement of dismissed colleagues were met, according to the general secretary of the National Union of Textile Workers, Mr Obed Zuma

The Union which claims a membership of 1 100 of the total work force, says it has so far tried unsuccessfully to negotiate with management over the dispute

Management was not available for comment

Unrest also continued in the troubled Transvaal metal industry today with 1 000 workers losing their jobs at a Boksburg firm and another 600 claiming to have been locked out of a plant in Brits

About 1 000 workers at the National Bolts plant in Boksburg lost their jobs yesterday after rejecting management's final offer of an interim wage increase.

The company's chairman, Mr David Royston, said the workers lost their jobs because they rejected the offer

National Bolts was taking on a new work force today

At the Femco metal plant in Brits, the Metal and Allied Workers' Union claimed management had locked out about 600 workers and refused to talk to the union

Workers conducted another stoppage in the plant yesterday in protest against management's policies on retrenchments

Femco management was not available for comment

At Edgars, management was hopeful the week-long strike by more than 600 black personnel would peter out

Workers at Edgars and the group's Sales House and Jet Stores are seeking recognition of the Commercial Catering and Allied Workers' Union

STRIKING workers bused en masse to collect wages.

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Mercury 8/5/'82

Pay-off bid thwarted

Mercury Reporter

PROGRESS Knitting Mills management's attempts to pay off about 600 of the striking workers yesterday were thwarted, when the dismissed workers refused to sign off or collect their wage packets

And about 1 000 workers at the Frame Cotton Corporation subsidiary, Consolidated Textile Mills, at Jacobs, held a sit-in yesterday following dissatisfaction over the introduction of a new shift system, according to one of the workers.

The worker, who asked not to be named, said workers from the spinning department downed tools on Thursday night

Yesterday they were addressed by management, he said, but refused to return to work

Consolidated Textile Mills' management would not confirm the stoppage

The 1 500 Hammarsdale workers who downed tools on Tuesday demanding the re-instatement of six dismissed workers travelled en masse from the nearby Mpumalanga township to the factory after deciding to collect their weekly wages

The Fosatu-affiliated National Union of Textile Workers, who claim to represent 1 100 of the workers, arranged for buses to transport the workers to the factory and informed the police that workers would be congregating at the factory The police agreed not to interfere

Management attempted to seperate workers from the knitwear division of the factory who were to be paid off, from the rest of Progress workers who would receive their weekly wages

But the majority of workers from the knitwear division who had been the subject of a notice fixed to the factory gate on Wednesday saying they had been 'discharged' decided not to sign off or collect their wage packets

The rest of the striking workers who apparently make up about 900 collected their pay and returned to the township About 20 to 30 of the 'discharged' workers also collected their wages

Progress managment broke four days of silence yesterday when they released a statement confirming the dismissal of the knitwear division but added they 'will consider applications for re-employment to fill vacancies that exist'

The statement also said that 'as yet no official approach has been made by the workers concerned themselves to state their grievances'.

Intimidation

At a meeting yesterday workers decided not to elect a worker delegation, and instead delegated the union to act as their representative

Management also claimed 'that a large percentage of workers wish to return to work but are being prevented from doing so through intimidation'.

A POLICEMAN and dog confront a man as more than 1 000 strikers are told to disperse.
Picture by Ian Bissell

Dogs used to disperse strikers

Mercury 11/5/87

197

Mercury Reporter

MORE than 1 000 striking workers, gathered outside Consolidated Textile Mills at Jacobs, were dispersed by police from the Dog Squad yesterday

They had refused to work, in support of about 150 from the mill's spinning department, who have been on strike since last Friday complaining about a cutback in overtime and the introduction of a new shift system which, they claim, involved a drop in wages

Strikers outside the main gate apparently wanted to speak to management and, according to one worker, the company's personnel manager was pelted with stones when he arrived at work

Police, with three dogs arrived at 10 a m after workers had been standing around for four hours

Police said last night the strikers had been told to move off the road as they were obstructing traffic, intimidating passers-by and other workers, and were then told to disperse

When they did not move police with dogs chased them and cleared the area around the mill

Two men, grabbed by dogs and pulled to the ground, were taken to hospital by police, treated and discharged, and later charged,— the only arrests made during the incident

One worker complained that he used to get R67 a week but had received only R51,77 in last week's pay packet

The wage drop for women workers, the strikers said, was even bigger One of them said she used to get R53 but last week got only R21

They wanted to know why only three shifts had been marked on their clock cards when four shifts had been worked

The joint managing director of Consolidated Textile Mills, Ltd, the Frame group's main operating company, Mr Selwyn Lurie, said those involved in the stoppage on Friday had not reported on shift on Sunday night

He claimed that between 20 and 30 of them had stayed outside the factory all night and had prevented 1 250 day shift workers from entering the factory

At Hammarsdale, a strike at Progress Knitting Mills, involving about 1 500 workers, continued yesterday

The Fosatu-affiliated National Union of Textile Workers representing 1 100 of the workers met Mpumalanga town councillors yesterday to discuss the stoppage which began last Tuesday when workers demanded reinstatement of six dismissed colleagues

4 The Cape Times,
11/5/87

Police disperse Natal strikers

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Own Correspondent

DURBAN — More than 1 000 striking workers gathered outside the Frame group's Consolidated Textile Mills at Jacobs, near Durban, were dispersed by police from the Dog Squad yesterday

The strikers had refused to work in support of about 150 workers from the mill's spinning department who had been on strike since Friday, complaining about a cutback in overtime and the introduction of a new shift system which, they said, involved a drop in wages

Strikers outside the main gate wanted to speak to the management and according to one worker, the company's personnel manager was pelted with stones when he arrived at work

Police, with three dogs, arrived at 10am after workers had been standing around for four hours

Two arrests

Police said last night that the strikers had been told to move off the road and disperse because they were obstructing traffic, intimidating passers-by and other workers

They did not do so and police with dogs chased them and cleared the area around the mill

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Shifts

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Strikers turn down return-to-work appeal

[redacted] 197 [redacted] Mercury 12/5/82

Mercury Reporter

STRIKING workers from the Frame group's main operating company, Consolidated Textile Mills, at Jacobs, refused to return to work yesterday after they had been urged to do so by the joint managing director of the company, Mr Selwyn Lurie

More than 1 000 workers downed tools on Monday in support of 150 spinning department workers who have been on strike since Friday last week after a dispute over a cutback in overtime

Gathered

Workers complained the cutback meant a substantial drop in their wages

They again had gathered outside the mills' main gate early yesterday morning and had been informed they would be addressed later by the management

At 10 a m Mr Lurie explained to striking workers that the reduction of overtime, which had affected only the spinning department, had been due to the economic downturn which had forced the mill to cut back production

'Because the mill spins yarn not only for this company but for other factories as well and which no longer require this yarn we have had to cut back'

He said the cutback involved a drop in overtime from 56 hours to 48 hours, 'something we did not like doing but the company was forced to'

'The workers concerned will naturally get less pay because they are working fewer hours

'We should have cut down production to ordinary or straight time but because we have a high regard for our workers we have continued to give some overtime,' Mr Lurie told workers

Pay

He said the management fully appreciated that the majority of the workers wanted to return to work because they had been unaffected

He told the striking workers that if everyone returned to work immediately they would not lose pay for both Monday and yesterday

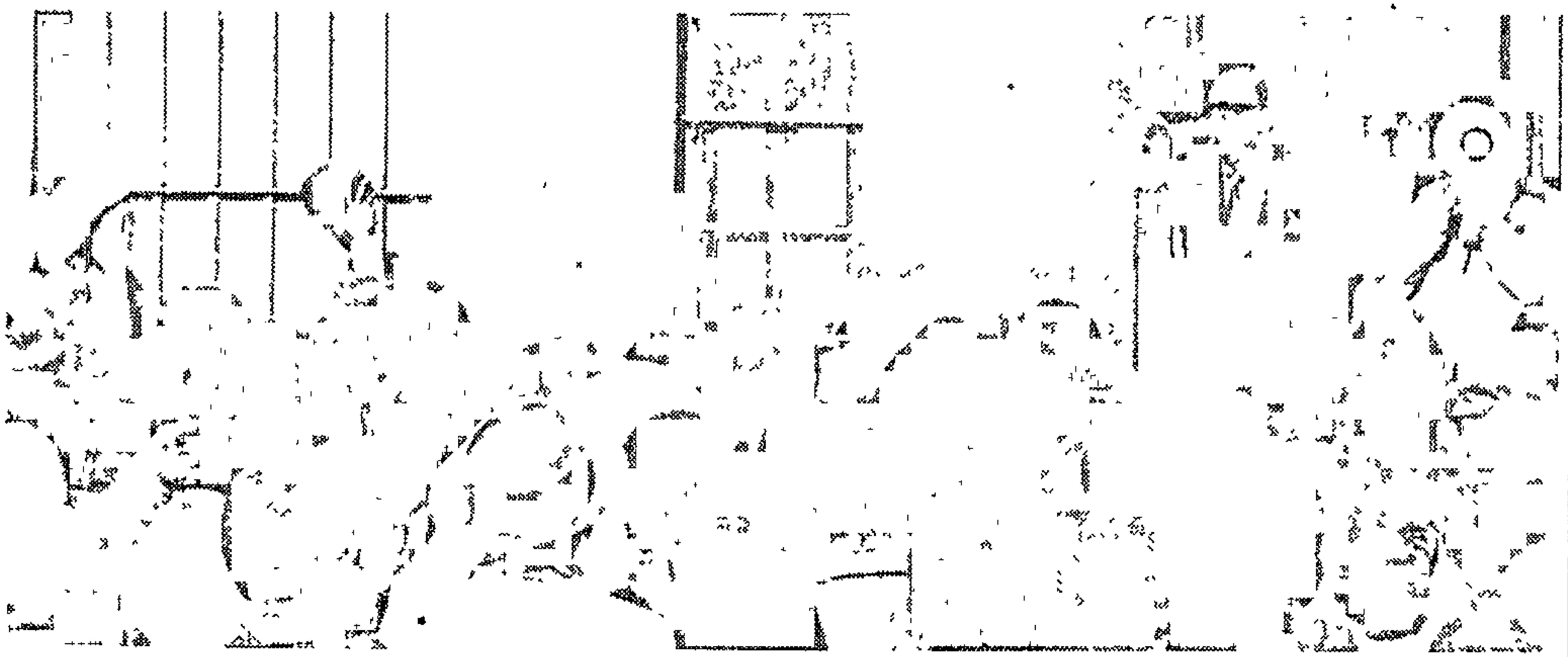
After Mr Lurie's speech the workers continued to mill around the gates

Police kept a low profile yesterday except for the presence of plainclothes policemen from the detective branch

Police said yesterday plainclothes policemen had arrested a worker whom they claimed had been pointed out to them as an intimidator

Workers had crowded around the police van and in the confusion, he had managed to escape

Two other workers were arrested after workers had dispersed



CONSOLIDATED Textile Mills' joint managing director Selwyn Lurie urges strikers to return to work.

Progress workers in bid to meet managers

Mercury 12/5/82

Mercury Reporter

WORKERS from Progress Knitting Mills at Hammarsdale yesterday decided to go to the factory early today in a bid to talk to management following its continued refusal to negotiate with the National Union of Textile Workers (NUTW) — according to union sources

The general secretary of the Fosatu-affiliated NUTW, Mr Obed Zuma, said they had made another attempt yesterday to contact the management to resolve the dispute, but had been turned down

The management last week said they would negotiate only with 'the workers themselves', but the workers have thus far supported the union as their representative

Fosatu has sent Progress a telegram saying they regard the stoppage as a major recognition dispute

Progress management remained unavailable yesterday

Strike of textile workers goes on

Star 12/5/82

Labour Staff

The strike by more than 1 000 Durban textile workers went into its second day yesterday with workers demanding better wages and working conditions.

The stoppage at Consolidated Textile Mills, part of the Frame group, started last Friday when 150 workers in the spinning section called for their wages to be adjusted and for a new shift system.

JOINED

On Monday they were joined by about 1 000 other workers who supported their demands.

Police stood by to disperse the workers although no incidents were reported yesterday.

Management claims that most of the workers are being prevented from returning to work by some of the strikers.

DISMISSED

The Star's Pretoria Bureau reports that 14 of 69 workers at a motor spares firm who went on strike on Monday have been dismissed.

The strike started after some workers, who had demanded payment of an attendance bonus, were dismissed.

The general manager of Jagmar Motor Spares, Mr J Joubert, said the workers had been given a wage increase to cover the previous bonus and those who were fired were the ringleaders of the strike.

1974 affiliated to TU...
other unions formed F...
...iliated by 1977/78 and with

Registration: Yes

Founded: 1939

Area of Operation:

Officials: Secretar...

Address: 201/4 City Corporation Cape Town 8001

Telephone: (021) 433658

Year	African		White	Total	
1980				460	Fosatu Annual Report 1980/81
1979				445	$
1978				..	
1977			347	377	x
1976			201	222	x
1975			305	331	x
1974			294	322	x
1973			320	418	x
1972					
1971				.	
1970					

JEWELL... ...NION

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Strikers go back to work

Mercury Reporter

IN A dramatic turn-about in the week-old strike at Progress Knitting Mills at Hammarsdale yesterday, about 1 500 workers decided to return to work today

This followed meetings between Department of Manpower officials and the National Union of Textile Workers (NUTW), union sources said late yesterday

The workers downed tools on Tuesday last week and had demanded the reinstatement of six workers who had been dismissed after a brief stoppage by one department in the factory the week before

Mr Obed Zuma, the general secretary of the Fosatu-affiliated NUTW, said a meeting between the union and Progress management had been set up by the Department of Manpower at which there was a 'distinct possibility' of settling the dispute

The department proposed that all the workers return to work today barring the six dismissed workers, an issue which would be discussed at a meeting to be held on Monday in Pietermaritzburg, he said

Prevented

Earlier in the day workers had gathered outside the mill's main gate at Hammarsdale in a bid to speak to the management

A number of workers attempting to enter the mill were prevented from doing so by striking workers

Also when a departmental manager, Mr F de Blanche, went to the aid of one of the workers, a tussle ensued and stones were thrown

Progress management said in a statement released earlier in the day. 'When one of management went out to speak to the workers, stones were thrown causing minor damage to the company's property'

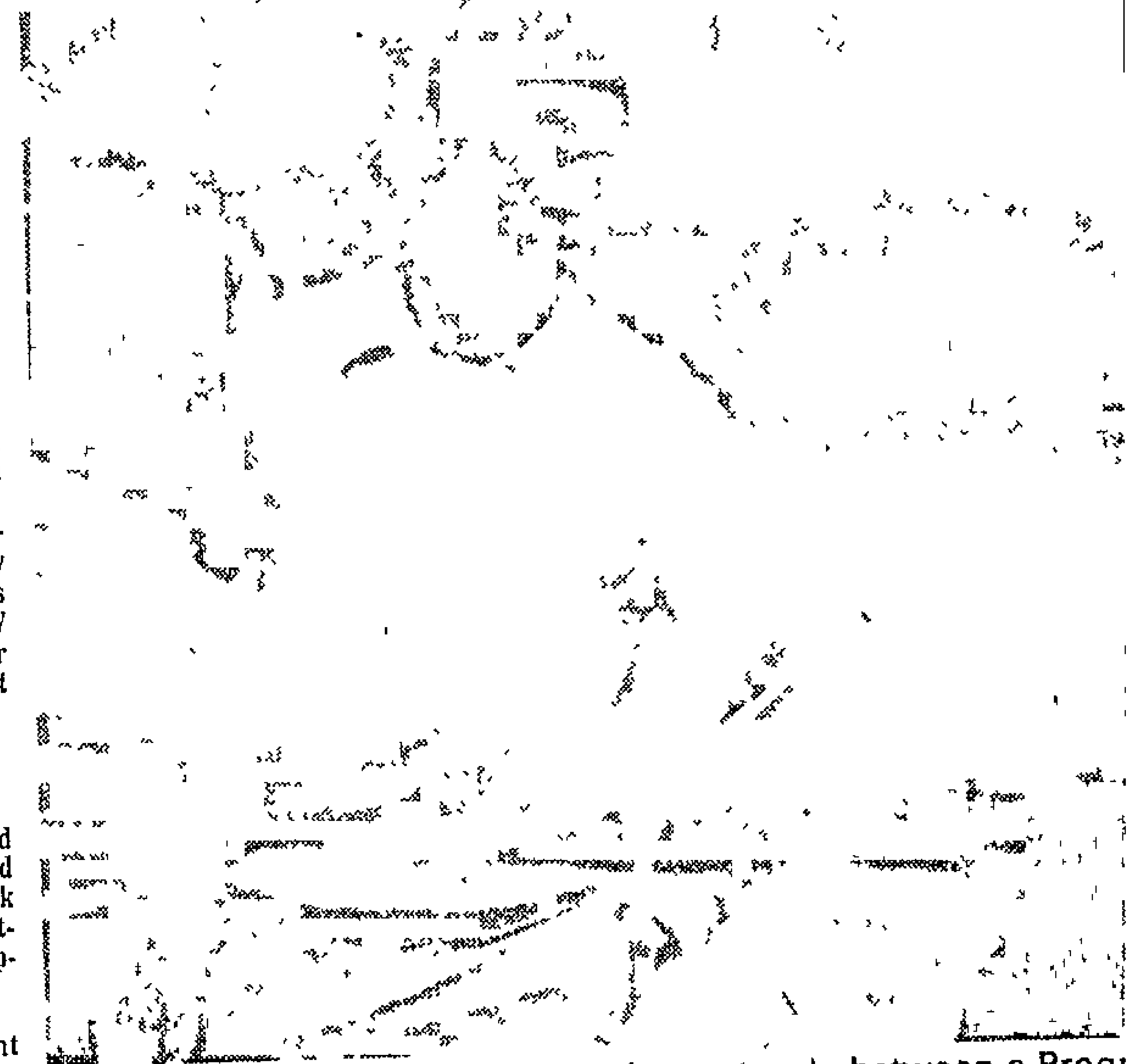
Police said yesterday they were investigating 'one or two' incidents of intimidation, assault and stone-throwing

Pamphlets had been fixed to Progress's main gate and had been distributed in the nearby township saying 'the company has not had any meetings or talks with the NUTW and they will not meet or talk with the NUTW about this strike'

Warned

It said the workers had 'never been dismissed' and were free to return to work and the discharged knitwear workers could re-apply for their jobs

Neither the Department of Manpower nor Progress management could be contacted late yesterday



IN SHE goes .. no, she doesn't — a tussle between a Progr
with a woman

Striking textile workers report for duty

14/5/82 (197)

Mercury

Mercury Reporter

IT WAS work as usual yesterday for about 1 500 Progress Knitting Mills' workers at Hammarsdale and more than 1 000 Consolidated Textile Mills' workers at Jacobs following strikes at both factories this week

The Progress strike began just over a week ago when workers downed tools following the dismissal of six colleagues and the arrest of one worker for allegedly inciting workers to strike

Workers decided to return to work after Department of Manpower officials had held meetings with both parties, and had arranged a further meeting for next Monday between Progress management and the union to discuss the issue of the six dismissed workers and their future relationship

Progress Management also agreed to reinstate all the workers except the six, pending Monday's meeting, according to union sources

Warning

NUTW's general secretary, Mr Obed Zuma, said yesterday the union viewed the settlement as 'a great achievement' and hoped the meeting would pave the way for a good and sound future relationship'

At Consolidated Textile Mills the scene at the main gates early yesterday was very different from the daily gatherings this week of more than 1 000 striking workers, as the mills' day shift went back to work

Their return follows the joint managing director of Consolidated Textile Mills, Mr Selwyn Lurie's warning to workers that if they had not returned to work by their normal shift's starting time today 'they will be considered to have automatically terminated their services'

The strike by the entire black workforce at Consolidated Textile Mills started on Monday when workers downed tools in support of 150 spinning workers who had been on strike since Friday last week after a cut back in overtime

Professor says keep police out of strikes

Mercury Reporter

Mercury 5/5/84

POLICE presence at strikes was sure to inflame the situation, Prof Roux van der Merwe, who holds the Volkswagen chair of industrial relations at the University of Port Elizabeth, said yesterday

'Management should involve the police in a labour dispute only when there is a clear danger to person or property,' he added

His warning comes in the wake of this week's action at a strike at the Frame Group's main operating company, Consolidated Textile Mills, where policemen with three dogs dispersed more than 1 000 workers

The joint managing director of Consolidated Textile Mills, Mr Selwyn Lurie, said yesterday he had not called in the police

The District Commandant of Durban South, Col L Avenant, would neither confirm nor deny that they had been called

Voluntary

Prof van der Merwe, who advises a number of large companies in the Port Elizabeth and Uitenhage area, said 'To call in the police is bad industrial relations

'Industrial relations is a voluntary activity which takes place within the framework of the law and has nothing to do with the police

'Employers should be very cautious about involving the police and if they feel it necessary to call them in, employers must be absolutely sure that there is a definite danger to person or property,' he said

The head of the University of Stellenbosch's industrial relations department, Prof Blackie Swart, supporting Prof van der Merwe, said 'If there is no direct or immediate danger to lives, the police should maintain a low profile'

He added that the same should be applied to the Department of Manpower, which should leave the settling of a dispute to the two parties concerned

The head of media liaison for the police, Col Chris Coetzee, said that for the police to get involved in a labour dispute it had to be brought to their notice that a law had been broken

Col Coetzee confirmed that in most cases it was management who called in the police, so 'if they tried to solve the dispute themselves then the police would not get involved'.

(197)

Stewards recognised

Mercury Reporter

PROGRESS Knitting Mills the subject of a week-long strike by its entire workforce which ended last week has agreed to recognise National Union of Textile Workers shop stewards according to union sources

About 1 500 workers at the Hammarsdale factory downed tools on May 3 following management's dismissal of six workers and the arrest of one worker for allegedly inciting workers to strike

NUTW's general secretary, Mr Obed Zuma said yesterday that after meetings on Monday and Wednesday this week, management had agreed to recognise the union's shop stewards who will be elected by workers on June 4

The union's Hammarsdale organiser visited the factory yesterday to assess the number of shop stewards needed and on Thursday next week workers will be putting forward nominations Mr Zuma said

He said that management had reinstated also the arrested worker, Mr James Ntshingla after the charges against him had been dropped

Mr Zuma added that once the shop stewards had been elected management had agreed to discuss with them the issue of the six dismissed workers

Progress' executive director, Mr P D Jacobson, said he had no comment to make on the agreement because it was 'a private matter'

Workers 'quoted Horwood's address'

4/6/8? Mercury 197

Mercury Reporter

ABOUT 800 workers from Romatex group's Van Dyck Carpet factory at Reunion downed tools yesterday in support of their demand for the immediate refund of their pension money

Workers on Wednesday raised their demand and many of them stopped work but yesterday morning they were joined by almost the entire workforce

Van Dyck management felt that the issue had been sparked off by the Minister of Finance, Mr Owen Horwood's address at the annual meeting of the Association of Pension and Provident Funds in Durban recently where he told delegates that plans for pension fund legislation had not been dropped

'Workers had quoted Mr Horwood's address which had been reported in a local black newspaper,' a spokesman said

The Pension Preservation Bill had been proposed last year but following a wave of pension strikes countrywide and appeals from organised commerce and industry for the Bill to be shelved, the Government dropped the Bill

Workers yesterday told the Mercury 'We are afraid that the Government will take away our money and then only give it to us bit by bit when we are 65 years old'

'We would rather we had the money to put in the bank so that we can get the interest,' workers added

Worker representatives and the branch secretary of the South African Allied Workers' Union (Saawu), Mr Isaac Ngcobo spoke to management about the workers' grievances

They later addressed workers telling them that a meeting had been arranged for June 17 to discuss the pension issue But, they said, workers must return to work by today

The management spokesman confirmed that a meeting of the entire group had been arranged for June 17 but this had been done before the present stoppage

their positions ar...
range to meet with VW management
discuss the issue

VW's manager of public affairs, Mr ...
approach for a meeting to discuss Mr ...
had yet been made by the union.

VW experienced several work st...
after 316 workers were retrenched

17

METAL AND ALLIED WORKERS UNION

Year	Membership				
	African	Asian and Coloured	White	Total	
1970					
1971					
1972					
1973					
1974	3 900			3 900	+
1975	3 900			3 900	x
1976	6 700			6 700	x
1977	7 000			7 000	x
1978				..	
197[illegible]				..	
19[illegible]				8 400	Fosatu Annual Report Nov. 1980/81

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RDM 5/6/81 197

Horwood pension talk stirs up Natal workers

By STEVEN FRIEDMAN
Labour Correspondent

FRESH worker pension unrest, sparked by a speech by the Minister of Finance Mr Owen Horwood, threatens several Natal industries — and Natal unionists and employers fear the unrest could escalate if the speech is not clarified

Workers interpreted reports of the speech to mean the Government was planning to reintroduce a law — dropped last year — to "freeze" their pension contributions

It appears, however, that although new pension legislation is planned — perhaps in 1983 — the "freezing" provision is not in the pipeline

Concern about the speech led to a strike on Thursday by about 800 workers at Romatex subsidiary Van Dyck carpets, where workers demanded the refund of their pension money

The Rand Daily Mail's Durban correspondent reports that strikers agreed to return on Monday, but have warned of further unrest if the issue is not settled by June 17

Natal sources also report threatened unrest at two paper mills and several textile plants They say plants organised by Fosatu's National Union of Textile Workers are not affected as NUTW has negotiated the withdrawal of workers' pension contributions at its plants

And yesterday a Federated Chamber of Industries source said there was mounting concern among Natal employers about fresh unrest and said the FCI was likely to issue a clarifying statement in an attempt to allay worker fears

It is understood that some Natal employers are unhappy with Mr Horwood's speech and believe it has harmed labour relations

The speech was made to a pension industry meeting in Durban last month

In it Mr Horwood said he had instructed the Registrar of Financial Institutions to discuss measures in last year's Bill "which need not be deferred" and to draft legislation "as soon as possible"

He mentioned specifically plans to introduce special frozen savings accounts at post offices, banks and building societies for workers who wanted to make use of them

Informed sources insist the speech ruled out reintroducing compulsory "freezing" The idea of the special accounts is, they say, to allow workers to opt for building up a pension in a "frozen" account if they wish

METAL AND ALLIED WORKERS UNION

Year	Membership: African	Asian and Coloured	White	Total	
1970					
1971					
1972					
1973					
1974	3 900			3 900	+
1975	3 900			3 900	x
1976	6 700			6 700	x
1977	7 000			7 000	x
1978				..	
1979				..	
1980				8 400	Fosatu Annual Report Nov. 1980/81

Address: 1 Central Court, 125 Gale Street, Durban 4001

Telephone: (031) 69215

300 .50

197

D. Dispatch 15/6/82

Banana to open Parliament today

HARARE — Zimbabwe's President, the Rev Canaan Banana, will open the third post-independent session of Parliament in the capital today

This parliamentary session will be the first since the political turmoil earlier this year which resulted in the sacking of Mr Joshau Nkomo and three of his senior Patriotic Front (Zapu) officials from Mr Robert Mugabe's cabinet

It will also be the first time that white parliamentary ranks have been divided since Zimbabwe's independence more than two years ago

The Republican Front (RF) Party of former Rhodesian premier, Mr Ian Smith, will now be on an equal footing with the nine white independent parliamentarians who deserted the RF a few months ago

Two RF parliamentarians are expected to miss this session One of them, Mr Dennis Walker, will probably lose his seat — DDC

Rhodes professor has winning game

GRAHAMSTOWN — A computer science professor at Rhodes University has won a world-wide competition on the design of new electronic games

Professor Alan Sartori-Angus said the game — Cosmic Conquest — was the result of nearly two years' refinement of his original concept of a game he designed for his students

The competition was run by the American computer magazine, Byte, and Professor Sartori-Angus won a prize of $500 for submitting the winning entry There were hundreds of other entries from all over the world

Professor Sartori-Angus said that his game differed from the usual run of video electronic games in that it involved planning and stragegy

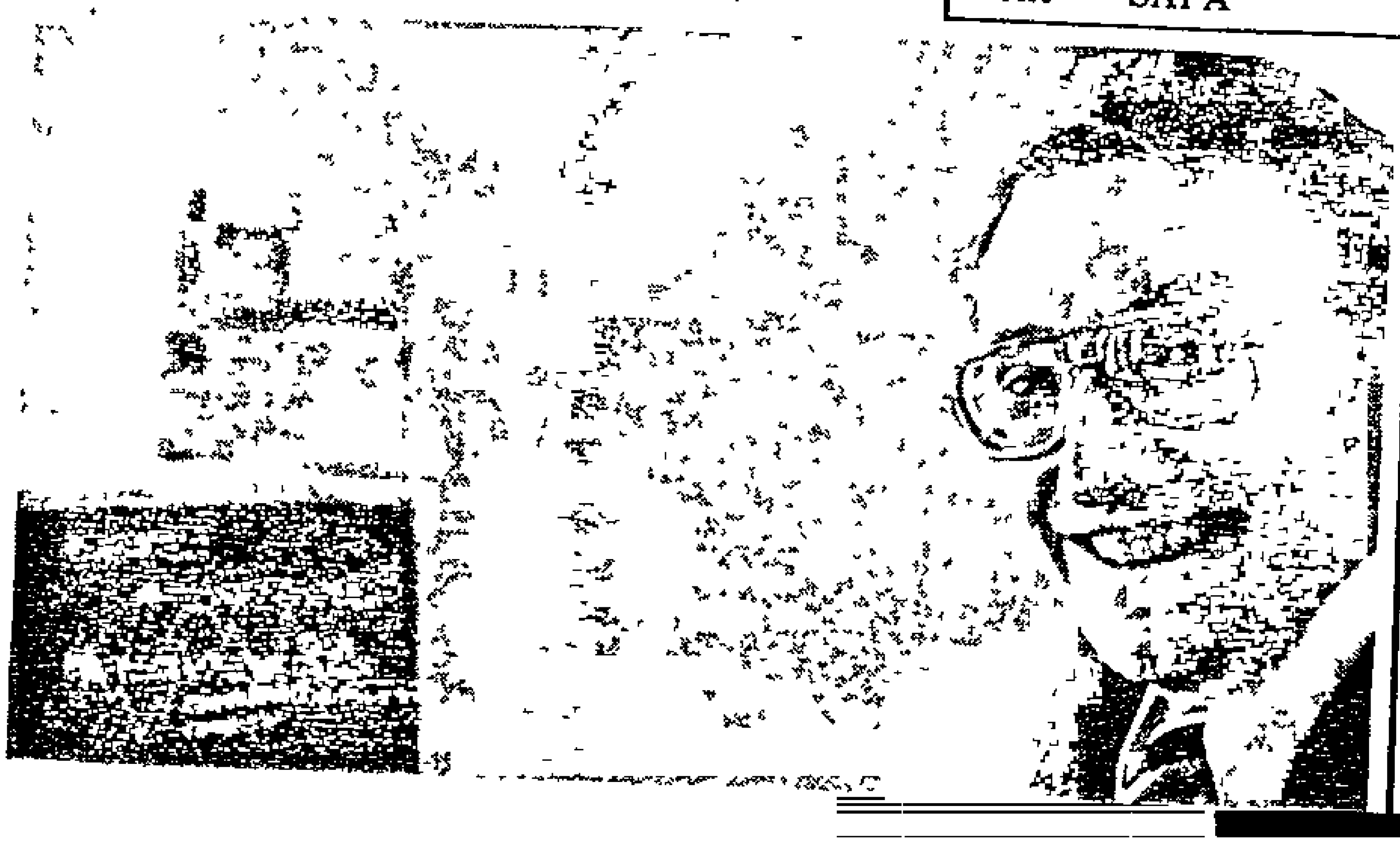
"Video games only depend on one's reflexes, speed of hand and eye," he said "With Cosmic Conquest one has to play against the computer in conquering planets, which can help you to conquer other planets by being taxed to provide legions and space-ships

"However planets can also revolt if over-taxed, and there is always the computer who is also conquering planets who must be considered before each decision

"However time does not stand still and if one deliberates too long the computer, which is constantly on the move, will have you surrounded before you can blink a light emitting decode"

Professor Sartori-Angus holds the copyright to the game and is confident that video game manufacturers will take an interest in it

Cosmic Conquest was designed to be fought on an Apple computer, so there are none of the flashing lights and realistic sound effects of video games However these could easily be simulated if the game is adapted for video use — DDC



Pensions: firm to canvass workers

DURBAN — The Romatex group is to canvass employees on how best to provide for their benefits in the future

The dissatisfaction over draft pension legislation which manifested itself among employees throughout much of the industrial and commercial sector in November 1981, led the group to call for worker representation on a committee to investigate the dissatisfaction among its own employees

Each division of the group was asked to elect employee representatives to the committee and the first of a series of meetings to seek a workable and acceptable system will be held this week

"We are approaching these meetings with no preconceived ideas of what our employees requirements are

"We are told that our current pension fund is a good one but if it is not what our employees want, we have to be flexible enough to change it or to produce, within reason, an alternative which will give our staff what they feel they need," according to Mr Harold Bruce, group industrial relations director

The group has a pension fund which all permanent employees are required to join

"If there is significant dissatisfaction with our present pension fund, then we want employees to tell us what improvements they need or what alternatives they would find acceptable," Mr Bruce said in a statement — SAPA

Court rules on sacked 7 workers

197

RDM 25/6/82

Pretoria Bureau

A FULL Bench of three judges of the Transvaal Division of the Supreme Court has handed down a far-reaching decision establishing the rights of dismissed workers against alleged victimisation

The judgment upholds the right of fired workers to reinstatement if the courts believe this is warranted

The court upheld the appeal of seven workers at a factory in Springs, Stag Packings Pty, against a ruling by Mr Justice Nestadt, who had turned down their application for reinstatement at the company

The workers, who were fired and claimed they had been dismissed because they were members of the National Union of Textile Workers, had asked the court last July to declare their dismissals null and void and order their reinstatement

But in the Rand Supreme Court Mr Justice Nestadt had ruled against them, citing a long-standing common law principle that the courts should not compel an "unwilling employer" to re-hire dismissed workers

In a 20-page judgment Mr Justice Dijkhorst, with Mr Justice Franklin and Mr Justice Ackermann concurring, upheld the appeal by the workers and their trade union

He said the lower court had "falsely elevated" the common law principle to the "status of a rule of law"

The judge said a very important consideration was the allegation that the workers had been dismissed solely by reason of their trade union membership

"If that allegation is established, the respondents will have been proved to have acted illegaly in contravention of the Labour Relations and the Wage Acts," the judge said

The court found that the Acts gave trade unions juristic personality and status by registration and regulation of good labour relations in trade and industry

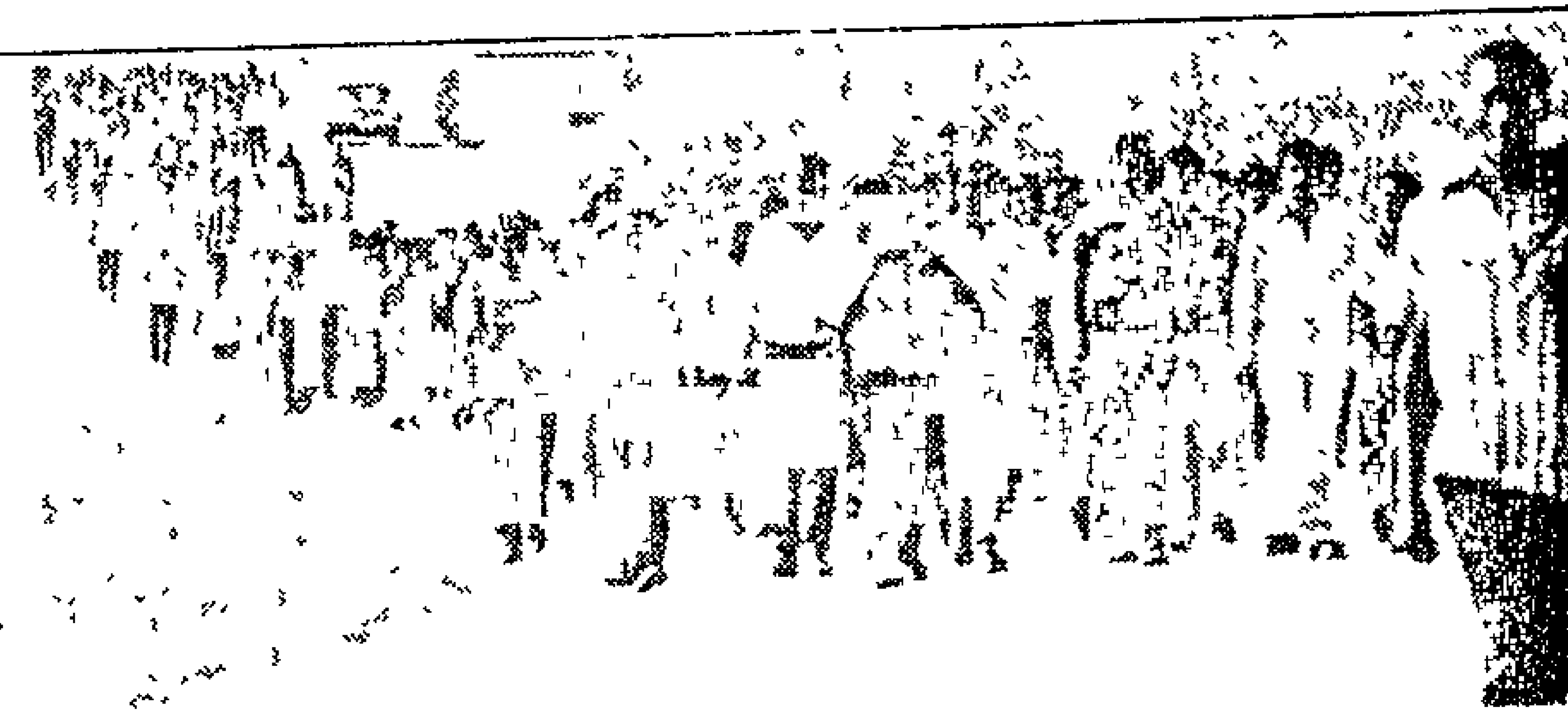
"Both Acts contain provisions to prevent victimisation of employees because of trade union membership It may well be that these objects are frustrated if a remedy of reinstatement is not granted," Mr Justice Dijkhorst said

Mr I Mahomed SC (with Mr M S M Brassey) represented the workerrs and Mr B Galgut SC (with Mr P Ginsburg) represented Stag Packings Pty

Teargas fired as 2 000 Tongaat workers march

(457) (197) (484) (577)

Mercury 2/7/82



DAVID Whitehead workers march to Tongaat

Mercury Reporter

POLICE fired a number of teargas cannisters into a group of marching strikers as they entered the town of Tongaat yesterday

About 2 000 workers from Tongaat group's David Whitehead factory who downed tools yesterday marched from the factory to a meeting at a Tongaat hotel Women workers had been taken by bus to the meeting by the union

The police who had followed the marching workers blocked off a Tongaat side-street and then fired about three teargas cannisters into the crowd Workers streamed up another side-street in an attempt to escape the gas

Brig John Visser Port Natal's Divisional Commissioner confirmed that 'a few teargas cannisters' had been used because workers 'failed to comply with an instruction to disperse'

A spokesman for the Fosatu affiliated National Union of Textile Workers condemned this 'unprovoked attack by the police' and said their 'intervention had inflamed the whole situation'

Earlier in the day a notice issued by the company said that unless the workers returned to work by 'normal shift' today they 'will be regarded as no longer in the employ of David Whitehead'

'Employees who do not return to work will have to reapply for their positions should they wish to do so' but 'the company does not guarantee re-engagement to any employee,' it added

Tongaat group public relations officer, Mr Ron Phillips, said the strike had followed lengthy wage negotiations and the company had approved an average wage increase of 23,6 percent which was due to come into operation yesterday

'The basis for this large increase was the consolidation of the living out allowance to be included in the basic wage' he said

A Fosatu spokesman said the issue had never been the increase but had been the incorporation of the living out allowance into the increase

'The company's enforcement of an unacceptable and highly confusing principle of incorporation has led to the strike' he said

There was a long standing grievance held by weekly paid workers that other staff — paid monthly — received R100 a month housing allowance whereas they only got R20

Mr Phillips said the company had laid on police protection for the buses in order to enable those workers who want to return to work to do so

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

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4 Do not write in the left hand margin

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

Workers stage two wage strikes

Star 3/7/82

Labour Reporter

Two disputes over wages — one in Durban and another in Alberton — broke out this week with workers disputing management moves to alter systems of payments

At the David Whitehead textile plant in Durban, which is part of the Tongaat group, more than 2 000 workers staged a strike on Thursday in protest against a management decision to incorporate a living-out allowance with their basic wage

Many workers, however, did return to work yesterday

At Cobra Ceramics in Alrode, Alberton, about 200 workers went on strike on Wednesday after they had disputed a company decision to add wage increases on to their bonus rates and not on the basic wages

197 NS2 1987 RDM 3/7/82

Workers reject final pay offer

Mail Correspondent

DURBAN. — About 900 workers from Tongaat group's David Whitehead factory have decided not to return to work as "management refuse to budge", union sources said yesterday.

Striking workers, who downed tools after a dispute over the inclusion of a housing allowance into the proposed wage increase, were told on Thursday unless they returned to work by yesterday "they will be regarded as no longer in the employ of David Whitehead".

In a notice given yesterday to officials of the Fosatu-affiliated National Union of Textile Workers, the chairman of the Tongaat Textile division, Mr Richard Payn, said the company had made its last wage offer and therefore workers ought to return to work.

Early yesterday workers outside the company's premises were dispersed by security guards with four dogs.

The workers regathered and watched as police vans patrolled the road and as buses bringing workers were escorted into the company premises.

Mr Ron Phillips, from Tongaat's public relations department, said 525 workers out of 900 who should be working had gone to work yesterday.

A union spokesman yesterday disputed this saying that only about 300 workers had entered the factory premises.

The striking workers held a meeting in a local hall and decided that "as management refuse to budge, they also refuse to budge", a union spokesman said

Workers stay out

197 Mercury 3/7/82

Mercury Reporter

ABOUT 900 workers from Tongaat group's David Whitehead factory have decided not to return to work as 'management refuse to budge', union sources said yesterday.

Striking workers, who downed tools after a dispute over the inclusion of a housing allowance into the proposed wage increase, were informed on Thursday that unless they returned to work on Friday 'they will be regarded as no longer in the employ of David Whitehead'.

The striking workers held a meeting in a local hall and decided that 'as management refuse to budge, they also refuse to budge', a union spokesman said.

Textile workers on strike

(147)

JUDW 4/7/83

Mail Correspondent

DURBAN — About 1 000 workers from Dano Textile industries at Hammarsdale downed tools in support of their demand for the re-instatement of a fellow worker, union sources said yesterday

A spokesman for the Fosatu-affiliated National Union of Textile Workers (NUTW) said a loom tuner was dismissed on Friday after a disagreement with a factory manager

Hearing of this, Friday's day shift stopped work and the night shift did not turn up

He said workers had decided to continue the strike and had issued two demands — the re-instatement of the dismissed worker and the recognition of NUTW

Dano Textile management were not prepared to comment when contacted yesterday

Mercury 19/7/82

197

Tools downed after dismissal

Mercury Reporter

ABOUT 1 000 workers from Dano Textile industries at Hammarsdale have downed tools in support of their demand for the reinstatement of a fellow worker, union sources said yesterday

A spokesman for the Fosatu-affiliated National Union of Textile Workers said a loom tuner had been dismissed on Friday following a disagreement with a factory manager

Hearing of this, Friday's day shift stopped work half an hour before they were due to clock off and the night shift did not come on shift, the spokesman said

The workers claimed they were told by personnel officers to return on Monday to discuss the matter, he added.

But when workers gathered on Monday at the factory gates they were told unless they returned to work by 9 a m they would be considered to have dismissed themselves, the spokesman said

He said workers had then decided to continue the strike and in a subsequent meeting had issued two demands — the reinstatement of the dismissed worker and the recognition of the union

The spokesman said the NUTW had approached Dano Textiles for recognition on Monday and company management had agreed to meet a union delegation on Friday

'We asked them if the meeting could be brought forward due to the urgency of discussing the strike but the company said the workers had already dismissed themselves,' he said

Dano Textile management were not prepared to comment when contacted yesterday that Mr Muothe wanted to your evidence to accept — on Monday

Textile workers stay out

Mail Correspondent

DURBAN — About 1 000 Dano Textile workers yesterday decided not to return to work until after Friday's meeting between their union and the company

The workers downed tools last week after the dismissal of a colleague They have demanded his re-instatement and recognition of the National Union of Textile Workers (NUTW)

According to a NUTW spokesman the company agreed to meet a union delegation on Friday to discuss the issue of recognition But it is not known whether the company would agree to discuss the worker's dismissal

NUTW says Dano Textile issued an ultimatum on Monday stating that if workers did not return to work they would be considered to have dismissed themselves

The strikers said yesterday they refused to accept dismissal by the company and decided not to collect their pay packets

Dano Textile would not comment on the strike yesterday

End strike or be sacke

By STANLEY UYS
London Bureau

LONDON — All Britain's striking train drivers will be sacked next Tuesday and the entire 17 430km rail network, with 17 000 trains, closed down on Wednesday if the 11-day strike is not abandoned by then

Transport Secretary Mr David Howell yesterday described the situation as a "disaster" but the British Government is backing British Rail to the hilt in its tough action

Unless the Aslef union's strike collapses now under the impact of British Rail's shock tactics, a head-on collision not only between Aslef and BR but also between militant sections of the trade union movement and the Thatcher government is almost certain

Aslef's 2 000 drivers on the London Underground have set the pace by announcing that if Aslef drivers are sacked they, too, will go on strike, paralysing all rail transport in the capital

Some militant union members have been waiting for just this opportunity to "have a go" at Mrs Thatcher They believe they might be able to bring down the Thatcher government in the way militant miners brought down the last Conservative go[...] under Mr Edward [...] 1974

But Mrs Thatcher [...]ly confident that [...]tants are misjud[...] mood of the country [...] they have over[...] "Falklands factor" surge of patriotism [...] strike feeling in the

Few people, she [...] really want another [...]ed bout of indus[...] similar to the "w[...] content" which hel[...] down the Labour [...]ment in 1979

The government [...] the majority of [...] 11 500 000 trade un[...]cluding many Aslef

Fire blamed on Swapo

WINDHOEK — Swapo terrorists were believed to be responsible for a fire on Tuesday that razed a shop near Onayena in Owambo, northern SWA, an Owambo Administration spokesman said yesterday

He said the tracks of about 20 terrorists were found leading away from the gutted building

A follow-up operation was launched by the security forces — Sapa

Worrall confirms

Political Reporter

DR DENIS Worrall confirmed yesterday that there had been differences of opinion between him and the Minister of Internal Affairs, Mr Chris Heunis — but only on "very unimportant" issues

Dr Worrall has been replaced as chairman of the President's Council (PC) constitutional committee and appointed ambassador to Australia

It has been widely speculated that the move followed clashes between him and Mr Heunis on matters involving constitutional change

Mr Heunis has been appointed Minister of C[...] will be [...] reform

Dr Wor[...] yesterday [...] had with M[...] when two [...] strong-[...]"

He said [...] for Mr H[...] Heunis, th[...] Botha, or [...] Cabinet [...]pointment [...]

He confi[...]

National Party sp[...] a 'threat' to the vol[...]

CAPE TOWN — The political split in Afrikanderdom earlier this year was, for the Afrikaner, a disaster worse than the present economic recession, Professor G G Cillie, chairman of the Afrikaanse Federasie van Kultuurverenigings (FAK) said yesterday

Speaking at the annual meeting of the FAK, Prof Cillie said the political division threatened the continued existence of the Afrikaner volk

"At a time when the onslaughts on our culture and on our nation increase in intensity, we can ill afford to be divided on real or supposed principles," he said

Prof Cillie said the FAK could make a contribution to restore the lost unity

"The FAK must contribute its part to ensure that the current Afrikaner [...]ences do not develop [...]surmountable persona[...] ferences They must p[...] our people from tak[...] low Afrikaners to [...]

Turning to the Af[...] language, the topic of [...]sion at this year's [...] Prof Cillie announced the FAK would retain [...] on coloured members

"From educated and circles the suggestion made that we must try [...] the coloured people for [...]kaans by membership [...] FAK

"The executive dis[...] the matter and decided they could not rec[...] such a suggestion at [...] stage We would nevert[...] like to help if there are [...]oured people who want [...]ganise their Afrikaans [...]tural activities" — Sa[...]

Dano strikers reject call to return

Mercury 20/7/82 (197)

Mercury Reporter

DANO Textile Industries' workers rejected the company's call for their return to work yesterday and pledged to continue their week-long strike, union sources said.

About 1 000 workers downed tools at this Hammarsdale factory on July 9 demanding the reinstatement of a dismissed colleague and the recognition of the Fosatu-affiliated National Union of Textile Workers.

After a meeting between the company and the union, workers withdrew their demands because of Dano Textile's agreement to recognise the union at the end of the strike, union sources said.

But, at the meeting the company said although it would be prepared to re-employ the striking workers on Monday, it would not be able to re-employ all of them, according to the union.

Hammarsdale firm tries to settle strike

Mercury

Mercury Reporter 21/7/82

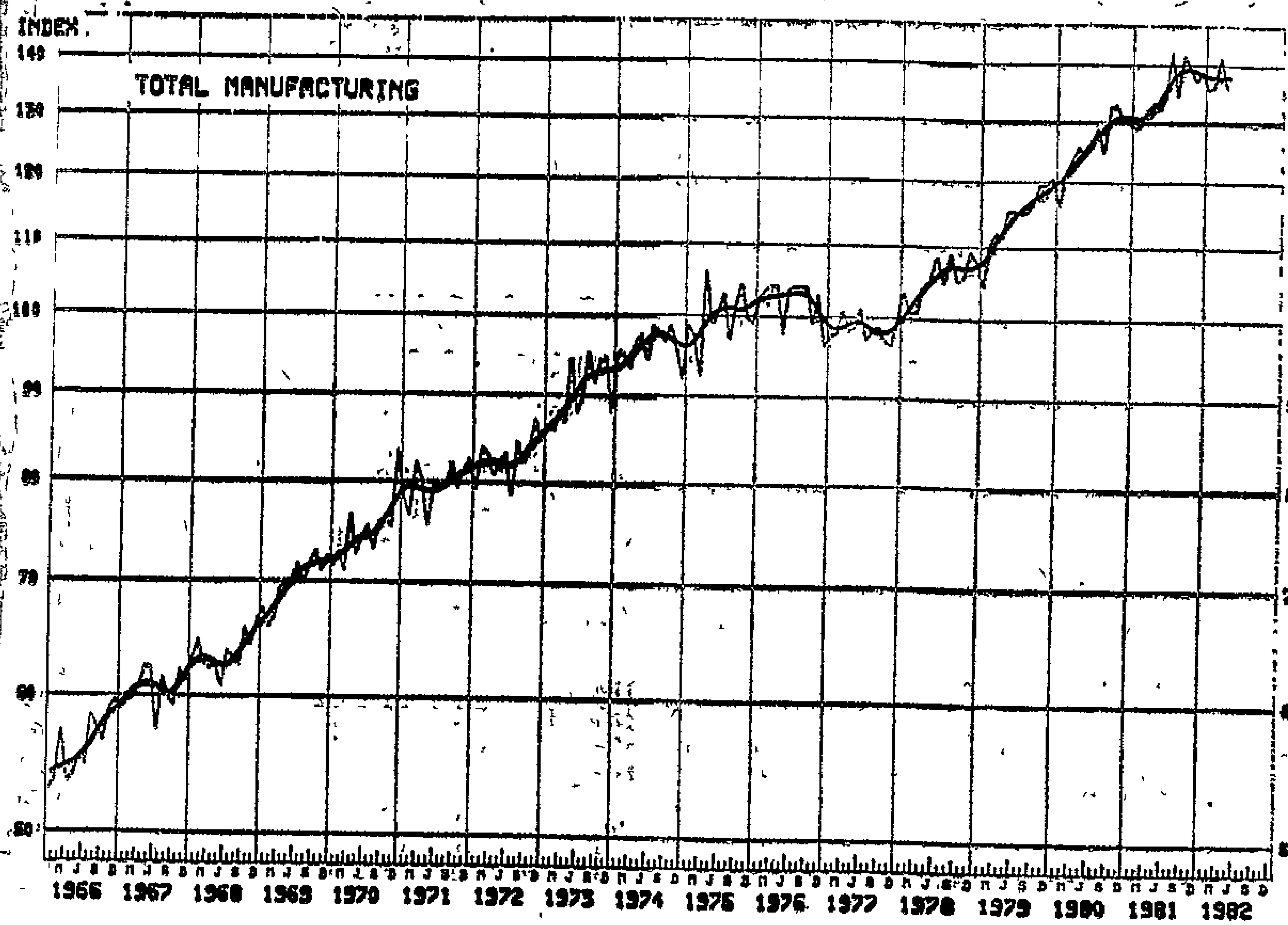
DANO Textile Industries at Hammarsdale met the Fosatu-affiliated National Union of Textile Workers yesterday in a bid to settle the week-long strike by more than 1 000 workers

Dano is believed to have 'considerably softened' on the retrenchment issue, but the union declined to reveal details until discussions with the strikers today.

Although the workers have withdrawn the two demands which sparked off the strike, they refused to return to work when the company revealed that it would not be able to re-employ them all.

According to union sources, the company had said at an earlier meeting that it would have to retrench about 300 workers

Dano declined to comment when contacted yesterday.



INDUSTRIAL output began levelling off in the first half of this year, as this Central Statistical Services graph shows. The bold line is the trend cycle while the dotted line represents monthly output figures seasonally adjusted. However, in spite of the slower growth of manufacturing in this period, output was still running almost 5 percent higher than a year earlier.

SANS EXPORTS TO TOP R6-MILLION

197

ARGUS 21/7/82

SOUTH AFRICAN Nylon Spinners, one of the country's major textile organisations, expects its foreign sales this year to top R6-million, the managing director, Mr Justin E Schaffer, says.

Finance

Because of the downturn in the local economy — and traditionally the textile, clothing and fibre industries are among the first to feel its effects — SANS has been actively developing export markets

Mr Schaffer says the textile industry has reached a stage of the business cycle similar to that experienced in the mid 1970s

After experiencing high economic growth and heavy consumer demand, met partly by imports, it is now experiencing the effects of the economic downturn and a reduction in consumer demand.

HIGH RATES

The high interest rates are an additional incentive for retailers and clothing manufacturers to de-stock and reduce inventories.

When the downturn takes place local manufacturers are hurt most as orders placed six or nine months ago overseas cannot be cancelled, while local supplies can

"The commissioning of our R40-million extension at our Bellville works late last year, came at just the right time. Although fibre producers and textile manufacturers, particularly in Europe, are depressed, the new generation of fine filament high quality yarns we are producing are in demand

COMPETITIVE

While we have found the export market highly competitive in terms of price and service, we have been successful in terms of quality and service — not just price."

While exports may assist in the short term, a long term, Government-backed policy on the future of the fibre, textile, garment and distributive sectors is essential if profitability is to be achieved, and re-investment and increased employment opportunities raelised

Recently representation was made to the Government by the Textile and Clothing Advisory Council with a request that a study group be formed to investigate all facets of the textile pipeline so that a policy can be formulated that can be beneficial to all

A 14-man committee, appointed by the Minister of Industries, Commerce and Tourism, was later set up to produce recommendations on a number of factors

These include the level of development and the structure of the industry, including the extent of local competition, the development potential within the framework of a healthy economy — particularly with a view to the provision of employment — the competitive ability of the industries in relation to foreign competition and whether there is a need for protection or not and what form that should take

It is hoped that the study group which is accepting evidence from interested parties now, will complete its finding by the end of the year.

Star 22/7/82 197

Textile dispute resolved

Labour Reporter

A dispute at a Durban textile firm was resolved yesterday when management agreed to reduce the number of planned retrenchments.

About 1 000 workers went on strike at Dano Textile Industries last week over the dismissal of a colleague

After talks with the National Union of Textile Workers, the firm agreed to take the man on again

But the union also protested the planned retrenchment of several hundred workers, a union spokesman said.

In the agreement reached yesterday, Dano Textile agreed to retrench only between 70 and 80 workers who would be given first option of re-employment when positions became available, the spokesman said

The NUTW is seeking a recognition agreement at Dano.

Company officials declined to comment on the dispute.

26/7/82

'40% F?

Textile union to fight for fired workers

Sowetan

197

IN PROBABLY the first labour unrest battle over retrenchments, the National Union of Textile Workers (NUTW) is to take South African Fabrics of Rossburg, Durban, to the International Court over some of the harshest retrenchments executed by any textile employer this year.

Joshua Raboroko

This was confirmed to The SOWETAN yesterday by the union's general secretary, Mr Obed Zuma, who said that they have already served papers and are waiting for a response from the State

When the company retrenched 60 workers, it gave the union 36 hours' notice of the dismissals, selected workers for retrenchment without taking length of service into account, and introduced overtime for remaining workers at the same time

Some of the dismissed workers had worked for the company for more than 20 years The union will ask the Industrial Court to rule that the company has engaged in unfair labour practice

COURT

The union will ask the court to order

- that all retrenched workers should be reinstated,
- that the company should not retrench workers without giving the union 30 days' notice, and allow the union a reasonable opportunity to negotiate a fair procedure for retrenchments which may be necessary

SA Fabrics is a subsidiary of a British company and the union also wants an official complaint with the International Labour Organisation (ILO) over the issue

Mr Zuma also said that SA Fabrics knows "quite well that they would not do this kind of thing in Britain Why do it here"?

In Britain, retrenchments such as those by Fabrics would not only be unfair, but also illegal, labour experts say

CONDUCT

In terms of codes of conduct for multinationals operating in South Africa, all parties to the ILO have agreed that subsidiaries will operate their factories here in accordance with internationally accepted standards

This will be the first time that the Industrial Court will have to state its position on retrenchments and it remains to be seen whether it will impose the same regulations in South Africa as are commonplace overseas

CANDIDATE MUST enter in 1) the number of each question 1 (in the order in which it has wered), leave columns (2) and

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NOTE

1. Enter at 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

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed
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Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

Mercury 27/7/82 197 1A

Many Dano workers return

Mercury Reporter

THE majority of Dano Textile Industries' staff returned to work yesterday, ending the Hammarsdale company's two-week stoppage

The estimated 1 000 strikers agreed to return last week when the company cut by a third the number of workers it initially had said it would not be able to re-employ, according to union sources

It is understood the company also agreed to recognise the National Union of Textile Workers once the strikers were back at work

A union spokesman said most workers had gone back yesterday but a number had been told to return on Wednesday

He said it was not yet clear how many of the strikers had been retrenched

Dano declined to comment yesterday.

39% A

More stop work at the Umfolozi mill

197

Mercury 28/7/83

Mercury Reporter

ABOUT 400 workers at the Umfolozi sugar mill stopped work yesterday over wage and other grievances, according to the mill's general manager, Mr I Bales-Smith

The strike is the mill's second in less than a month — the entire workforce downed tools on June 7 over the dismissal of two colleagues

Mr Bales-Smith said the strike which involved the mill's day shift seemed to have been sparked off by a small group of workers in the transport section who had decided 'they were not going to work'

He said a number of grievances had been raised by these workers prior to the strike and these were being investigated but yesterday they had raised further grievances

'The major worker demand is one for more pay,' he said,'but they had also asked that certain grades of workers be reclassified'

Mr Bales-Smith said the strikers had been told that the company 'has undertaken to look at the various problems when they return to work'

But the workers made no move to return to work yesterday and it was likely that the night shift would join the strikers, he said

It is understood that the general secretary of the National Sugar Manufacturing and Refining Employees Union, Mr Selby Nsibande, also addressed the workers but he could not be contacted for comment

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

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

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2b	8	
3b	12	
Examiners' Initials		

NOTE CAREFULLY

1 Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering
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Textile managers should 'work harder'

(197) RDM 28/7/82

PORT ELIZABETH. — Management in the South African textile industry will have to work harder and longer to improve productivity in the face of a growing threat from exporting countries

This was said in Port Elizabeth yesterday at a symposium on new technologies for cotton by Mr J R Hearns, international director of research at Werner International of Belgium

He said the South African consumption of textiles would increase because of population growth as well as an increase in per capita use In theory the industry should therefore expand

The expected lower rate of increase in consumption world-wide and particularly in the industrialised countries would force producing countries to seek new outlets, however, and South Africa would become a prime target get

In addition the European Economic Community, the United States and Japan would probably become more restrictive, he said, and this would add to incentive for other exporting countries to look elsewhere

"Put another way the competition, particularly in made-up goods, is going to get keener"

He said South Africa was a hard currency country and the gold rand was a magnet for exporters

In South Africa's favour were its supply of indigenous raw material, wages comparable with those in the highly competitive Far East countries (but higher than those in Parkistan, China, India and Thailand) and competitive energy costs

"But the fact is that the challenges to come will be much more severe than anything experienced to date"

He emphasised that with stronger competition from overseas producers quality would have to be improved further and marketing techniques sharpened

The country's textile and clothing industry could continue to grow and maintain its share of the market provided material, inventory and equipment use as well as labour and machinery productivity were properly developed and controlled — Sapa

Union turns the screw

Sowetan 28/11/83(?)

By JOSHUA RABOROKO

THE Durban-based Dano Textile Industry has decided to solve the dispute between workers and management by agreeing to reduce the number of workers it had planned to retrench

This has been confirmed by the Midland (Natal) branch secretary of the National Union of Textile Workers, Mr Jabu Gwala, who said the union "welcomed the move"

About 1 000 workers went on strike at Dano last week over the dismissal of a colleague and the union intervened on behalf of the workers

After talks with the union the management agreed to re-employ the man, according to union sources

During the talks the union also protested to the management about the proposed plans to retrench several hundred workers

In the agreement between management and the union, it was promised that only between 70 to 80 workers would be retrenched

Mr Gwala said that the firm also promised that those who would be retrenched would be given preference when new vacancies were available

The Dano management declined to comment on the issue

300 strike over firing of colleague

197

Labour Correspondent

NEARLY 300 workers at an Edenvale knitting plant, AA Fabrics, have been on strike since Friday over the sacking of a colleague and other grievances, worker spokesmen said yesterday

The workers charged that management was firing members of Fosatu's National Union of Textile Workers (NUTW) and refused to deal with it They alleged the company favoured the rival Garment Workers' Union of SA

A company source confirmed reports of a strike, but official comment from the firm's managing director, Dr H Prader, could not be obtained

Workers who approached the Rand Daily Mail yesterday said they had downed tools after a colleague with 15 years' service had been sacked for swearing at a supervisor

"We don't accept the way he was fired — it was just an argument over a job and the worker who was fired taught the supervisor his job," they said

NUTW shop stewards had taken the issue up with management but had been told they would all be fired unless they came back without the man who was fired

They had refused to return unless all were taken back

The workers alleged that Friday's sacking followed the firings of several other union men

RDM 28/7/82

37% F

Umfolozi mill workers return to jobs

The Mercury 30/7/82

Mercury Reporter

STRIKING Umfolozi sugar mill workers yesterday ended their two-day stoppage over wage and other grievances

The mill's general manager, Mr I Bales-Smith said the day shift had started work yesterday morning and the night shift was expected to follow suit.

This followed the issuing of an ultimatum by the company which stated that if workers did not return to work by 6 a m yesterday it would 'close the kitchen and canteen facilities and commence dismissal procedures', according to a company statement

Workers were told that previous employees would 'not necessarily be re-employed' as their jobs 'probably would be filled by others', it said

The ultimatum added that workers who were re-employed might be employed in different job categories and would lose certain long-service benefits

The company, though, did undertake to investigate the strikers' demand of clocking facilities for transport workers and the revision of certain jobs to see if upgrading was needed

But, workers were advised, the company was not prepared 'to consider any wage increases as such matters were negotiated at the industrial council'

The general secretary of the National Union of Sugar Manufacturing and Refining Employees, Mr Selby Nsibande, said the strikers had told him at a meeting on Wednesday that they felt their jobs were incorrectly graded 'but wages was not an issue'

He said he told workers that a sub-committee consisting of an industrial council official, company representatives and himself would begin to investigate the grading system at the mill next week 'Workers had then decided to go back.'

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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

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1 No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed

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Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

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200 ~~strikers~~ have 'fired themselves'

197 RDM

29/7/82

By STEVEN FRIEDMAN
Labour Correspondent

MORE than 200 workers who went on strike at an Edenvale knitting firm AA Fabrics had "dismissed themselves" and been told they could re-apply for their jobs, the company's managing director, Dr H Prader, said yesterday

He also rejected several allegations made by strikers at the plant

Dr Prader said the company had begun recruiting new workers, but had agreed to hold off on this for one day — yesterday — to give fired workers a chance to return He said he had agreed to this at the request of the industry's industrial council, which has intervened in the dispute

"Not many of the strikers have returned But the longer they refuse to come back, the more replacements we will have hired and their jobs will no longer be available," he said

The plant was currently running on a skeleton staff, he added

Workers downed tools on Friday in protest against the sacking of a colleague Worker spokesmen charged that several workers, all of them members of the National Union of Textile Workers (NUTW), had been fired at the plant

They accused management of favouring the Garment Workers Union — affiliated to the Trade Union Council of SA — and acting against NUTW members and said they would not return until their colleague was rehired

Dr Prader said the company had always adopted a "totally neutral" stance to the rivalry between the two unions and had not favoured the Tucsa union

The worker who had been fired had sworn at his supervisor after "he had twice been asked politely to carry out instructions," Dr Prader added

"We then informed the NUTW shop stewards and the workers downed tools."

He also rejected suggestions that several workers had been fired because they were NUTW members

"I can only think of two firings in the past few months They had nothing to do with union membership and in one case we didn't even know the man was a union member," he said

Discussions with NUTW had been taking place since the strike in an attempt to find a solution, Dr Prader said

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Examiners' Initials		

NOTE CAREFULLY

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Textile firm tells 60 workers to go

197

3/8/83

E.P. Post

Post Reporter

ABOUT 60 workers at the Veldspun International textile company in Uitenhage were told to leave after refusing to do the work of 25 of their colleagues who were retrenched last month, according to a union spokesman

The local secretary of the Federation of SA Trade Unions (Fosatu), Mr Makaya Sam, said today the workers had refused to move from the knotting to the picking sections last week in protest against the retrenchment of 25 "pickers" a fortnight ago

On Monday, management warned four of the workers in the knotting section they would be sacked if they continued to refuse to do picking work

The four were laid off, and workers in the rest of the department refused to do picking work They were then told to leave and return for their pay today

Officials of the National Union of Textile Workers, a Fosatu affiliate, held talks with management on the issue yesterday, Mr Sam said

They were told the company would reach a final decision today

The dismissed workers have decided not to collect their pay packets until the outcome of the union's talks with management are known.

Asked for comment today, a company spokesman said "We do not deal with the Press Whatever we do here is our business"

Man crushed to death

3/8/82

197

Mercury Reporter

Mercury

AN Indian worker was crushed to death in the machinery at Alitex Textile Mills, North Coast Road, Briardene, Durban yesterday

According to a spokesman for the company the man, who may not be identified until his next-of-kin have been informed, was killed when his coat caught in a warping machine

... programme on the Afrikaans

the birth

Anger at new push for road through park

Municipal Reporter

Johannesburg City Council's management committee [illegible] of public opinion according to Mr [illegible] chairman of the Cheltondale/[illegible] Residents Action Committee

He [illegible] criticising attempts by the management committee to override a council decision [illegible] go ahead with construction of a road through Cheltondale Park

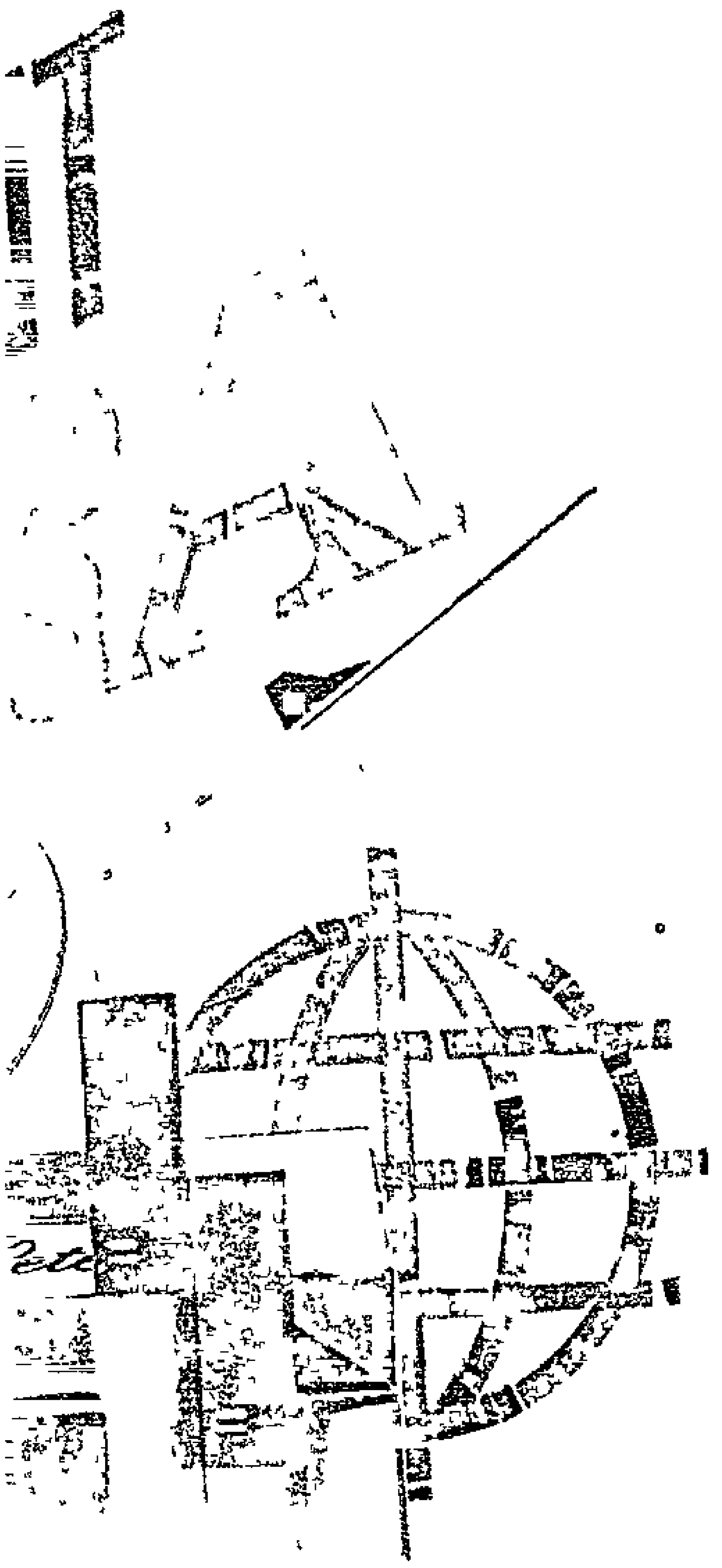
Residents intend to take the matter to the Supreme Court [illegible] the committee persists in attempts to build the feeder road to serve the Hypermarket in Norwood

The row, which dates back several years ended in victory for the residents when a management committee recommendation that the road be built was defeated by a majority vote at the council meeting in April

But in terms of local government legislation the management committee is entitled to reintroduce the recommendation

It was indicated that "new factors" will be presented for the council to consider

It is understood that the matter will be placed on this month's council agenda



Natal employers slammed

Natal Wit 4/8/81 197

Labour Reporter

Some Natal employers are trying to smash union organisation in their plants according to a trade union federation.

This accusation was made at the regional congress of the Federation of South African Trade Union (Fosatu) which was held in Durban last weekend

Delegates also accused employers of provoking strikes to retrench workers, and of changing employment conditions

The congress called on the Tongaat Huletts group in particular to state its position on recognition agreements with unions

DISMISSALS

A dispute at the group's David Whitehead plant was cited and delegates claimed that workers were later re-engaged under worse employment conditions than before

SA Fabrics and Vleis Sentraal were also criticised over dismissals and retrenchments

Such actions were destroying the prospect of establishing new and more stable forms of collective bargaining in South Africa, the congress said

Sun-struck

WAHINGTON — Two comets orbiting near the sun were sucked in to its fiery surface last year, the US Naval research Laboratory said yesterday — Reuter

In court - but

Jilted man suicide b[illegible]

After hearing the evidence of Michael John Robinson and the telling comments of the magistrate, Mr P J du Plessis it was apparent that the 31-year-old mechanical engineer was lucky to be alive and well enough to appear in a Rand burg court

A disappointment in love which the magistrate prosaically referred to as woman trouble, led Michael Robinson to swallow brake fluid in a suicide bid Doctors saved his life after he was taken to hospital

This was on June 17 After spending the night in hospital he was discharged and next day decided to drown his sorrows in a more conventional way

He drank enough liquor to achieve a blood/alcohol content of 0.34 — high enough to send a man into a coma — and then drove his car into the back of a Kombi on the N[illegible] col Highway. Luckily no one was killed or injured

He was arrested and charged with driving under the influence of alcohol and pleaded guilty when he appeared in court

He was found guilty and made a strong plea in mitigation of sentence, bearing in mind that [illegible] drunk [illegible] just [illegible] R800 [illegible]

Rugby VIPs can k[illegible]

By Michael Shafto

Mr John Smith, president of the England Rugby Union and his wife can keep the presents they received from the Transvaal Rugby Union — with a clear conscience

That is the news today from Ellis Park where harassed TRFU general manager Mr Robert Denton confirmed that the value of the gifts given to overseas VIPs who attend the international opening of the stadium was not more than R100

The Star's London Bureau today quoted Mr Smith as saying he would return his gift, in accordance with the strict amateur code of the International Rugby Board if its value was more than R100

"No gift presented to officials from overseas countries exceeded that limit," said Mr Denton "The necklaces for the wives cost R90 "

60 PE textile workers won't accept offer

197 ~~250~~ ~~1421~~ ~~373~~

Z.Post 4/8/87

By SANDRA SMITH

ABOUT 60 workers dismissed from the Veldspun International textile company in Uitenhage have refused a management offer to re-employ them on condition they signed a document acknowledging their jobs included picking fabrics

The workers were dismissed on Monday after refusing to do the work of 25 of their colleagues in Veldspun International's fabric picking section who were retrenched last month

Officials of the National Union of Textile Workers met representatives of the company's management yesterday to discuss the issue, and were told the workers would be re-employed on condition they signed the document

At a meeting last night, the workers rejected this condition

The local secretary of the Federation of SA Trade Unions (Fosatu), Mr Makaya Sam said "The workers felt that if there were to be conditions, they would like to include some of their own which would be binding on the company"

Management had asked for workers in the mending section to return to the factory today and the rest on Tuesday. This was also rejected by the workers, who decided they would return to work together.

Mr Sam said union officials would attempt to meet management representatives today.

Veldspun management was not available for comment

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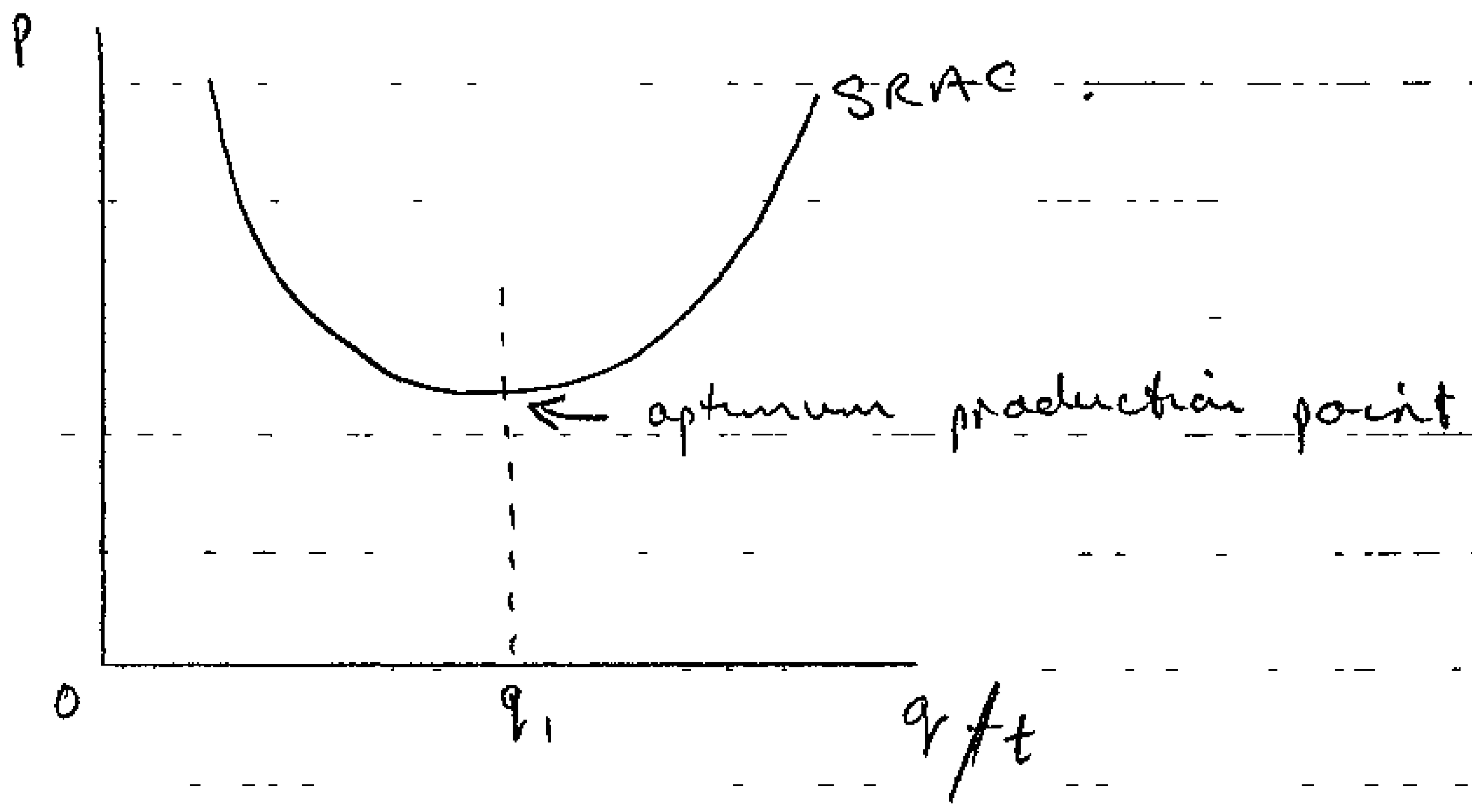

~~short run is period short enough so that no factors can be varied~~

SRATC is "U" shaped because of Law of decreasing marginal (average) costs. ✓

this law states that as production is ↗, marginal costs decrease up to a point Then as you ↗ production marginal costs ↗ also.

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∴ you will produce where SRAC are the lowest

Workers refused entry

197

E.P. Post Reporter 5/8/82

ABOUT 50 workers who arrived late at the Veldspun International textile plant in Uitenhage today were not allowed into the plant, and two night shifts downed tools last night.

This follows the dismissal of 60 workers at Veldspun this week after they refused to do the work of 25 of their colleagues in the company's fabric picking section who were retrenched last month

The 60 have refused a management offer to re-employ them on condition that they sign a document acknowledging that their jobs include picking fabrics

An official of the National Union of Textile Workers said the dismissed and locked-out workers would hold a meeting today

Textile firm sacks 300 employees after strike

E. Post 11/8/82

197

Post Reporter

ABOUT 300 workers at a Port Elizabeth textile company, Union Spinning Mills, have been sacked after a strike yesterday

The workers, members of the National Union of Textile Workers (NUTW), downed tools yesterday when a list of grievances presented to management was ignored

The union's president Mr G Ngqawana said the workers grievances included low pay and the recent dismissal of 22 of their colleagues

The strikers demanded a minimum wage of R2,50 an hour and the reinstatement of those dismissed

Mr Ngqawana said union officials had been told by management those who downed tools yesterday had dismissed themselves

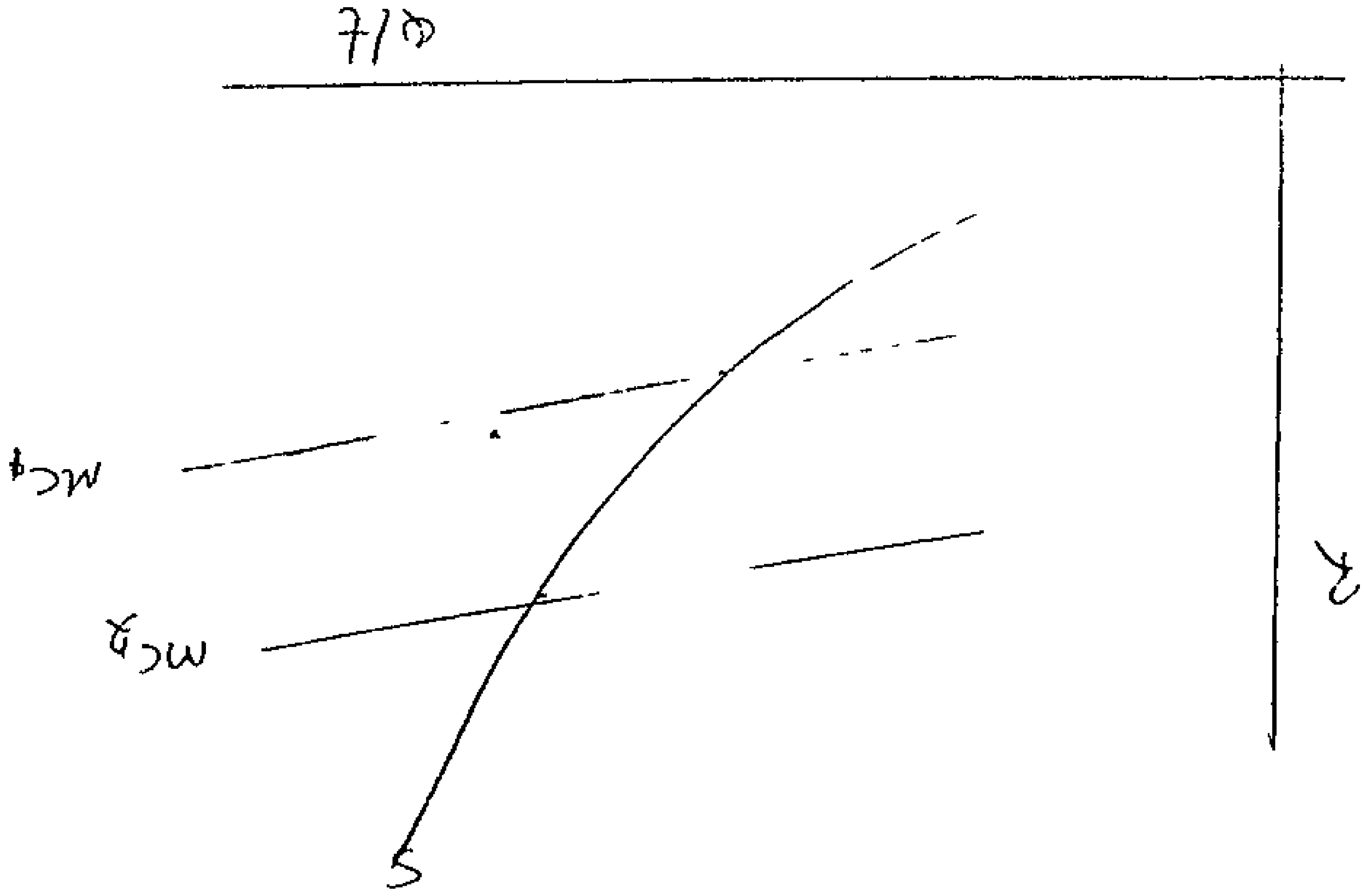
A management representative also said it did not recognise the NUTW, and only dealt with the Textile Workers' Industrial Union, a Tucsa affiliate

The dismissed workers gathered at the factory gates today, and were told to disperse by police in camouflage uniform, Mr Ngqawana said

A secretary at Union Spinning Mills today told the Evening Post management did not wish to comment

The firm is essential to economic theory as it provides a model for combining a certain amount of all the four factors of production.

The industry supply curve is S, the marginal cost curves are MC1 and MC2



FM 13/8/82

RECOGNITION CASE

Legal relationship

197

Is a recognition agreement concluded between a trade union and a company legally binding? The way has been paved for the

an Supreme Court to give a ruling on ssue

ring the past three years, about 200 gnition agreements, which regulate the ionship between unions and employ- iave been negotiated Many employers unionists have assumed that these ements can be enforced in civil courts, ugh they operate outside official ctive bargaining systems and are not ifically provided for by labour ation

st month the National Union of Textile ers sought an order in the Durban Su- e Court requiring the textile firm Da- Vhitehead & Sons, a subsidiary of the aat-Hulett Group, to reinstate certain stewards who were not re-employed a strike The union claims the com- has not adhered to the procedure laid in the recognition agreement con- d with the union

e company argues that it is not bound e agreement because the union and its stewards have not fulfilled their ations in terms of the agreement The ide of Whiteheads is that in the ab- of a statutory provision regulating egal effect of recognition agreements, binding effect on employers, unions inion members must be determined on provisions of each particular ement

iteheads says that in principle it is strongly in favour of collective bargaining and the role of unions in establishing a stable and fair employment environment But it believes that where a union and certain union members act in breach of a recognition agreement, the company must be free to place in question the enforceability of such an agreement by the union

As a result, in the course of the proceedings, counsel for the company argued before Mr Justice Booysen that the particular recognition agreement concluded between the company and the union was not enforceable as law

This argument has attracted widespread interest from unions, employers and labour academics The case focuses attention on the legal enforceability of only one particular agreement — and the form and content of such agreements vary considerably However, the court's ruling is being awaited with great interest because it could possibly set an important precedent

In the past, most employers and unions have placed little emphasis on the legal enforceability of recognition agreements To them, recognition has involved the creation of a relationship, rather than the negotiation of a contract However, legal enforceability has been regarded by some as desirable because it provides a channel through which disputes can be resolved when the relationship enters a crisis

The case will resume on September 20

Union accuses Barlow Rand

E. Post

(197)

19/8/82

Post Reporter

THE National Union of Textile Workers (NUTW) has accused the Barlow Rand group of breaking its code of employment and of being indifferent to unfair labour practices in its subsidiaries

The NUTW has also criticised the group's "failure or refusal" to intervene in the dispute at Veldspun in Uitenhage, where the union says the firm locked out more than 1 000 workers illegally.

They were fired by Veldspun when they walked out after 60 employees — who refused to do the work of 25 colleagues who were retrenched — were sacked

Veldspun International is a subsidiary of Romatex, in which Barlow Rand has a majority holding

The NUTW has accused Veldspun of seeking to provoke a confrontation by insisting a group of its members do the work of those retrenched

A Romatex spokesman said the company would respond as soon as possible

He said "We consider the NUTW's statement contains a number of errors of fact, and Barlow Rand has not yet received the telex from the union"

Rally of trade unions

E Post
21/8/82
197

Weekend Post Reporter

MEMBERS of trade unions affiliated to the Federation of SA Trade Unions (Fosatu) are to hold a rally in Uitenhage tomorrow

The meeting has been called in solidarity with more than 1 000 Veldspun workers who were dismissed after a walk-out

Representatives of community, sport, church and youth organisations have been invited

The meeting will begin at 10am in the Lyric Cinema in Rosedale

Boycott threat to force rehire

(197)

Star 24/8/82

Labour Reporter

Protesting Eastern Cape textile workers have called for a boycott and a general strike to force a Uitenhage firm to rehire about 1 000 workers dismissed earlier this month

The men were dismissed from the Veldspun International plant after they stopped work in protest against the retrenchment of 60 colleagues

Many are members of the Fosatu - affiliated National Union of Textile Workers, which organised a weekend meeting in Uitenhage of the federation's affiliates to discuss the dispute

Suggestions for a general strike, a boycott of white businesses and community support were voiced at the meeting

The textile union accused the firm of refusing to negotiate on the issue

2 000 laid off as downturn hits textiles

Cape Times 28/8/82

188 197 3&4

Labour Reporter

THE textile industry has been hard hit by the economic downturn and one local firm — Hextex in Worcester — has laid off 175 workers

Mr Norman Daniels, general secretary of the Textile Workers' Industrial Union, says most textile firms in the Western Cape have gone on to short time and an estimated 2 000 workers have been retrenched throughout the industry

Employers say the situation is "very, very bad" and worsening by the day, with order books shortening considerably

Mr W Wilson, managing director of Hextex, said 175 out of a staff complement of 1 750 had been retrenched over the past few weeks and more redundancies were likely before Christmas

The names of the retrenched workers had been taken and it was hoped their jobs would become available again next year

"The situation is being aggravated by a surfeit of imports Most of the textile industry is in the same downturn," he said

Many firms not replacing staff

Mr Daniels said that because of appalling trading conditions in the industry, most firms were cutting back on the number of working days and shifts Many were either not replacing or laying off staff

Sections of the garment industry have also been hit, but according to Mr C McCarthy, secretary of the Cape Clothing Association, consumer spending in the cut-and-sew industry has remained high

The knitting industry, on the other hand, had been hit by imports

"But I don't know of any firm that has retrenched workers The number of people employed has diminished, but this is because they have not been replacing workers

"In such a large female-employing industry, the staff turnover is very high — mainly because of pregnancies — and staff numbers can be reduced without firing workers, which is a last resort"

Textile group reassures on retrenchments

197

3/8/82 D. Dispatch

EAST LONDON — The Da Gama group of companies, the largest employers of labour in the Border area, were not retrenching any staff but were not replacing staff that left, the company's managing director, Mr Casey Joosse, said yesterday

Mr Joosse was asked to comment following retrenchments at a textile company in the Western Cape where 10 per cent of the total workforce of 1 750 had been affected

He said the general down-turn in the economy was accompanied by the high cost of money which now stood at 20 per cent

He said there was not a single textile company in the country that had as much work now as it had at this time last year

"We do not retrench as a matter of policy and we are using this time to get the entire factory on a more efficient footing — repairing machines that had needed to be repaired, improving training methods and getting our staff better trained to handle their jobs" he said

He added that every problem presented opportunities and since the present time was a problem time it needed to be approached positively for optimum achievement of goals

Mr Joosse felt the other problem, which many people did not seem to realise, was that the government was creating its own inflation by raising general sales tax and adding surcharges

"And the point here is that you cannot run the economy in this country as you do in many other countries

"The priority here has to be the creation of emplomen opportunities"

He said the company had cut down on weaving, which involved the mere production of fabric, because it was not working to full capacity

As they dealt mainly with wholesalers who supplied small shops there was no point in pushing up production when stocks in shops were not moving as fast as they had been doing, he said

Mr Joosse said textile mills were geared to carry large stocks of raw materials to manufacture goods but not to carry manufactured goods

"As soon as they are manufactured they must be moved to the markets But then the customers say they are going to need this but not yet"

He said the textile industry would not be as heavily affected as the car industry in any down-turn in the economy

The head of the Frame Group here, Mr Sydney Frame, would not comment on whether his company had cut down on staff and production because of the down-turn — DDR

X

8/9/82 7618 197 1960112

Textile dispute hearing

Star Labour Reporter

A conciliation board hearing will be held in Durban in two weeks' time on a dispute between the National Union of Textile Workers and the management of SA Fabrics.

The Fosatu affiliate has accused the firm of breaking an obligation the consult the union before any retrenchments.

LAID OFF

About 60 workers were laid off in July and the union said workers had little security of employment if the firm was unwilling to discuss retrenchments well in advance.

The union is likely to declare an unfair labour practice if the conciliation board hearing fails

Boycott in the balance

(197) Star 9/9/82

Labour Reporter

A meeting between Barlow Rand and the National Union of Textile Workers will decide whether a consumer boycott of the group's Uitenhage textile plant will be put into effect

More than 1 000 workers at the group's Veldspun plant were dismissed when they struck in support of 60 retrenched colleagues

Workers have organised pamphlets urging the boycott of white-owned businesses in Uitenhage but are awaiting the outcome of talks before acting

(MA) (WOR) (197) (BV) RDM 17/9/82

Workers, students may act on textile sackings

Labour Correspondent

WORKERS in Uitenhage have decided to boycott white shops in the town in support of demands for the reinstatement of fired strikers at a local textile plant, Veldspun International, Fosatu unionists said yesterday

The boycott move may be part of a union and student campaign on the Veldspun dismissals Wits students are believed to be planning a campaign around the fact that Veldspun is a subsidiary of Romatex a member of the Barlow Rand group, and that the Barlow Rand executive chairman, Mr Mike Rosholt is chancellor of the university

The Veldspun dispute centred around the refusal of about 60 of the company's workers to do the work of 25 retrenched colleagues Fosatu's National Union of Textile Workers alleges that the workers were fired as a result and that when about 1 000 of their colleagues downed tools in protest, they were also fired

The union called on Barlow Rand to intervene in terms of its internal labour code

Yesterday, Fosatu unionists said the federation's regional committee in Uitenhage had decided to launch a boycott of white-owned shops in the town to support the reinstatement demands

If the dispute was not resolved by October 16 — the date of Fosatu's next central committee meeting — Fosatu would discuss further action against the company A Fosatu-sponsored boycott campaign could be launched they added

It is understood that Wits students have invited Mr Obed Zuma, general secretary of the National Union of Textile Workers, to address a meeting, and might invite Mr Rosholt to do likewise

A Barlow Rand spokesman said yesterday that Mr Rosholt was going abroad and referred queries to Romatex, whose spokesmen could not be reached

MONETARY

CLOTHING (197)

Tighter belts

FM 17/9/82

The clothing and textile industry has struck chilly times Textile sales for the 1983 winter dropped 12% on last year's figure to R416m And 1 000 of the 4 700 worsted weaving industry workers have been laid off

"There are prospects of more, very substantial lay-offs by the end of the year," says Textile Federation director Stanley Shlagman

Clothing manufacturers are faring somewhat better Their sales should rise from R1,1 billion to R1,3 billion next year, but in real terms this represents a levelling off, says John Lingenfelder, deputy director of the National Clothing Federation (NCF)

Clothing output for February-May 1982 was about R12m lower than the R450m for the same period last year, he says

And NCF president Hugh Yorke-Mitchell says capacity utilisation of clothing factories could fall from 93% in 1981 to 85% in 1982

"This winter we worked to capacity and delivered all our orders," he says "There must be a shrinkage in orders as we have just come from a red-hot period"

Retailers have so far had the least to complain about, although they admit that competition is harder and margins are under pressure

Against expectations, their winter sales for January to May 1982 were about R85m up on last year's figure of R997m And they are confident that summer turnover could better previous years', although the growth rate will probably slow down

Most are shelving expansion plans in favour of upgrading older stores Foschini and Hepworths have called in US design consultants to advise on their refurbishing plans

New clothing tariffs, based on a price and mass formula, have also hit retailers of imported goods They have been further hampered by the 10% import surcharge, although local manufacturers obviously welcome it

Small retailers which buy marked-up goods from importing wholesalers have suffered most as increasing costs are squeezing their own margins

Textile manufacturers will show off their latest ranges, for summer 1983/1984, at a textile fair in Cape Town this week Their order books could indicate prospects for the entire industry

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Examiners' Initials		

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o... rial may be brought into the examination room
question you are answering unless candidates are so instructed

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

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

19|9|82

S. Express

Pay row: students name Rosholt

197

● Mr Mike Rosholt .. actions questioned

By ARLENE GETZ

WITS university students have criticised what they call 'starvation wages' paid by a company linked directly to their recently-elected chancellor

A pamphlet published by the university's economic research committee — a Students' Representative Council sub-committee — has questioned the actions of Mr Mike Rosholt's company towards Veldspun, a Uitenhage textile factory

Veldspun, the scene of a recent labour dispute over wages and retrenchment, is a wholly-owned subsidiary of Romatex, a textile manufacturing company controlled by Barlow Rand, of which Mr Rosholt is executive chairman

"Mr Rosholt is the symbolic head of both Wits University and Barlow Rand Limited," the pamphlet stated

"Despite high-sounding 'codes of employment practice' and an assurance that chief executives of subsidiary companies have to account to him personally on their progress in implementing the code, the stark reality is that a company in the Barlow (and Rosholt) stable pays starvation wages, refuses to have meaningful negotiations with a majority union, and is practising massive retrenchments."

The SRC has invited Mr Rosholt to discuss the issue on Thursday, but he will be overseas at that time

SRC chairman Lloyd Vogelman, will however, informally meet Barlow Rand's Mr W Clewlow, chairman of the Romatex holding company, C T Smith.

CAPE TIMES 20/9/82

Accord heads off court action

KEEP

DEB

197

Labour Reporter

A SUPREME Court action testing whether recognition agreements are legally binding has been headed off by an agreement between the company and the trade union involved

The National Union of Textile Workers (NUTW) and the Natal textile firm David Whitehead said in a joint statement yesterday that their dispute had been "amicably" resolved

The court action by the NUTW followed a strike at the factory on July 1 The union charged that the company had broken the recognition agreement which the union said was legally binding

The withdrawn Supreme Court hearing was scheduled for today

"Both parties have agreed to settle their differences in the interest of future relations and the well-being of their employees," the statement said

The union and the company have agreed that the recognition agreement is legally binding and that a strike ballot will be held in future disputes if a strike is anticipated

The company agreed to re-employ 45 dismissed workers and the union accepted that the present wage rates would hold till June 30, 1983

GENERAL NEWS

Wits students slam Rosholt over sackings

197

1004

Labour Reporter

Wits students have slammed the chancellor of their university Mr Mike Rosholt, who is also chairman of Barlow Rand, over a labour dispute at a Barlow company

The SRC has issued a booklet calling for support of workers from the Veldspun textile plant in Uitenhage who were dismissed earlier this year during a dispute that centred on retrenchments

Veldspun is owned by Romatex which in turn is controlled through a majority shareholding by Barlow Rand.

The booklet says Barlow Rand has a "high-sounding" code of labour practices which was developed by Mr Rosholt

He was in a "conflict of interest" position over the dispute, student sources said.

Workers in Uitenhage last week launched a consumer boycott of white firms in protest against the veldspun management.

Talks were held between Romatex officials and the National Union of Textile Workers but failed to resolve the dispute.

The NUTW has a recognition agreement with Veldspun and there have been previous disputes over the issues of wages and retrenchments.

About 1 000 workers lost their jobs during the latest dispute when some refused to do the work of colleagues who had been dismissed.

Veldspun engaged several hundred workers to take the place of dismissed workers soon afterwards

In a fact sheet printed by the SRC, Barlow Rand's code of employment practice is criticised or in actual wages and working conditions.

It says: "The stark reality is that a company in the Barlow (and Rosholt) stable pays starvation wages, refuses to have meaningful negotiations with a majority union, and is practising massive retrenchments, mostly of union members"

Barlow's position in the dispute placed a stigma on Wits and academics, the sheet said It called on students to redress the balance and support the Veldspun workers.

Sacked shop stewards paid out

197 Labour Reporter

EIGHT shop stewards who were dismissed after the strike early in July at the Tongaat-Huletts subsidiary David Whiteheads, were yesterday paid out a total of R17 100 in an out-of-court settlement.

The Fosatu-affiliated National Union of Textile Workers had applied to the Supreme Court for the reinstatement of the shop stewards The hearing was due to continue yesterday and today 21/9/82

But last week the company and the NUTW finally agreed on an 'amicable' out-of-court settlement after nearly a month of negotiations

Although the shop stewards have not been reinstated, in terms of the settlement they yesterday received cheques ranging from R1 350 to R3 905 — the equivalent of about five months' wages

Union claim 'misleading' says Barlows

S Post 22/9/82 (197)

JOHANNESBURG — The Barlow Rand group says the National Union of Textile Workers' and a student group at Witwatersrand University have made biased and misleading claims about a dispute at Veldspun International

The Economic Research Project, a student group at Wits, issued a booklet calling for support for workers from the Veldspun textile plant in Uitenhage who were dismissed earlier this year in a retrenchment dispute Veldspun is owned by Romatex, which in turn is controlled through a majority shareholding by Barlow Rand

The booklet said the head of the Barlow group and Chancellor of the University, Mr Mike Rosholt, who developed a "high-sounding" code of labour practice for Barlows, was in a "conflict of interest position"

Today Barlows said the occurence at Veldspun must be seen against a backdrop of a recognition agreement reached between the NUTW and the firm two years ago

"At that time, the union officials acknowledged that strikes were not the way to resolve disputes and expressed confidence in their ability to control the membership They therefore agreed that the union would not represent striking workers"

The NUTW's charge that Barlows had "broken its code of employment and been indifferent to unfair labour practices at its subsidiaries", was unsubstantiated

Replying to criticism of Mr Rosholt, Barlows said the union allegations "bristle with inaccuracies"

Far from 'brutal retrenchments' Veldspun had gone to great lengths to retain staff in the economic downturn

Barlows counters union's claims

22/9/82 197 Star

The Barlow Rand group has accused the National Union of Textile Workers and a student group at the University of the Witwatersrand of making biased and misleading claims over a dispute at one of the group's major companies Veldspun International

The Economic Research Project (ERC), a student group at the university, has issued a booklet calling for support of workers at the Veldspun textile plant in Uitenhage who were dismissed earlier this year during a dispute that centred on retrenchments

Veldspun is owned by Romatex, in which Barlow Rand has a majority shareholding

In a statement issued this morning Barlows says the occurrence at Veldspun should be seen against the background of the recognition agreement concluded between the NUTW and the company two years ago

"At that time union officials acknowledged that strikes were not the way to resolve disputes

"They therefore agreed that the union would not represent striking workers"

Union sends letter to director

E.Post 23/9/82

1400 197 188

By SANDRA SMITH

IN an open letter to Barlow Rand's group personnel director, Mr R T Hofmeyer, today, the National Union of Textile Workers (NUTW) has criticised a statement released by the company yesterday

The Barlow Rand statement said the union and a student group at the University of the Witwatersrand had made biased and misleading claims about a dispute at Veldspun International in Uitenhage

Veldspun is owned by Romatex, a Barlow Rand subsidiary

The letter from the NUTW's acting general secretary, Mr J Copelyn, said "If you allow your subsidiaries to suppress workers with the vigour, recklessness and disregard for human consequences as in Uitenhage, you cannot proclaim you are uplifting the quality of life of workers

"If you allow your subsidiaries to pay wages as far below the poverty line as at Veldspun, neither can you proclaim your progressiveness in this field nor can you expect the reduction of bonus earnings of workers to pass by without serious resistance from those workers

"It appears from your Press statements your 'solution' is that the workers concerned should suffer in silence, their association should disown them and you should be free to continue to proclaim your progressiveness to the world around us

"If we are in any way misreading your intention please clarify

"If not, shame on you "

SRC: We have the right to quiz Rosholt

197 Star 23/9/82

Reports by Tyrone August

The SRC president has criticised the Barlow Rand company for not sending representatives to a Wit student meeting to discuss a labour dispute involving the university chancellor, Mr Mike Rosholt

"Because Mr Rosholt is not only Barlow's executive chairman but also our chancellor, he has a responsibility to the students of the university," said Mr Lloyd Vogelman.

"As members of this university we have every right to question his business practices, which in this case we believe certainly do not comply with Barlow's own labour code.

"I am saddened that Barlow Rand has dismissed allegations about its practises as inaccurate, but has not bothered to come to this meeting to refute them "

Mr Vogelman said Mr Rosholt, who is overseas, was not elected by "the people who comprise this university" — the students and campus workers — but represented "big business"

He added that the election of Mr Rosholt as chancellor illustrated to the majority of South Africans "that Wits was more concerned with profits than people."

The public relations head of Barlow, Mr Reginald Hofmeyr, said yesterday that the company was informed at a late stage about the meeting.

Barlow Rand did not think it worth attending as the students had prejudged the issue

Students fuel labour row

More than 300 students attended a meeting at the University of the Witwatersrand yesterday to discuss a labour dispute at a Barlow Rand subsidiary in Uitenhage

"The activities of the Barlow Rand group are a reflection on the union, as our chancellor, Mr Mike Rosholt, is the head of Barlow and the university," a student spokesman said

The acting general secretary of the National Union of Textile Workers (NUTW), Mr John Copelyn, said about 800 workers of Veldspun International were retrenched in July.

"These retrenchments were fairly ruthless," he said "There was no consultation with the union. 80 percent of our members at Veldspun are out of work

"They have had no relief since they have been unemployed".

"We appealed to the Barlow group to intervene, but had no response until action by the economic research committee of Wits this week".

The Black Students' Society pledged support for the dismissed workers. "The dispute at Veldspun is but one incident of the general exploitation of the working class," it said

RDM 23/9/82

Barlow Rand suggestion an 'insult'

Veldspun lay-offs: union 'didn't agree'

(197)

By MARTIN FEINSTEIN
Education Reporter

IT was an "insult" for the giant Barlow Rand group to suggest the National Union of Textile Workers (NUTW) had agreed to the retrenchment of workers at the Veldspun textile company in the Eastern Cape, union organiser Mr John Copelyn said yesterday

He was speaking to more than 180 students at a meeting at the University of the Witwatersrand to protest against the firing of more than 1 000 workers after they had gone on strike at Veldspun, a Barlow Rand subsidiary

The meeting was called by the Economic Research Committee, a student group which, in a pamphlet, has taken the university chancellor — Barlow Rand executive director Mr Mike Rosholt — to task over the Veldspun dispute

Mr Copelyn was reacting to a Barlow Rand statement on Tuesday in which the company said the union had approved the layoffs and that student intervention in the dispute would be "counter-productive"

He said the NUTW had been presented with the layoffs as a *fait accompli*, and had not approved them in any way

Veldspun's dealings with the union had not resembled real negotiation, Mr Copelyn said, and yet Barlow Rand had said the student pamphlet was damaging to negotiations

"What negotiations?" he asked

He said Barlow Rand had only responded 'seriously" to the union's representations once the dispute had been publicised by students and the Press

On Tuesday Barlow Rand said the union had signed an agreement with Veldspun that it would not represent striking workers, and that strikers would be subject to "instant dismissal"

But Mr Copelyn said there was also an agreement that disputes would be referred to an outside arbitrator

"Veldspun management has carefully arranged things so that there cannot be arbitration " he said

He also claimed that untrained workers who replaced the dismissed Veldspun workers were doing dangerous jobs

He said a man in a dye shop had turned a tap the wrong way causing an explosion which killed him and injured four others

The company has confirmed that one worker has died since the dispute but has denied that this was the result of inadequate training Company executives say the dead worker is a woman, not a man They also deny that four workers have been injured

Barlow Rand declined an invitation to send a representative to the meeting

Wits SRC president, Mr Lloyd Vogelman, said "As members of Wits we have every right and duty to question whether (Mr Rosholt's) business practice is the kind of which we can approve "

Section A

(13) (4) We find c… ly when there are a few fir… the situation is such that, one firm … crease ~~or~~ decrease its prices without … t consideration the effects on his …

GEN

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Barlow's statement rejected

Star 24/9/82

The National Union of Textile Workers sent a telex to the Barlow Rand group yesterday rejecting a Press statement Barlow released about a labour dispute at its subsidiary Veldspun in Uitenhage

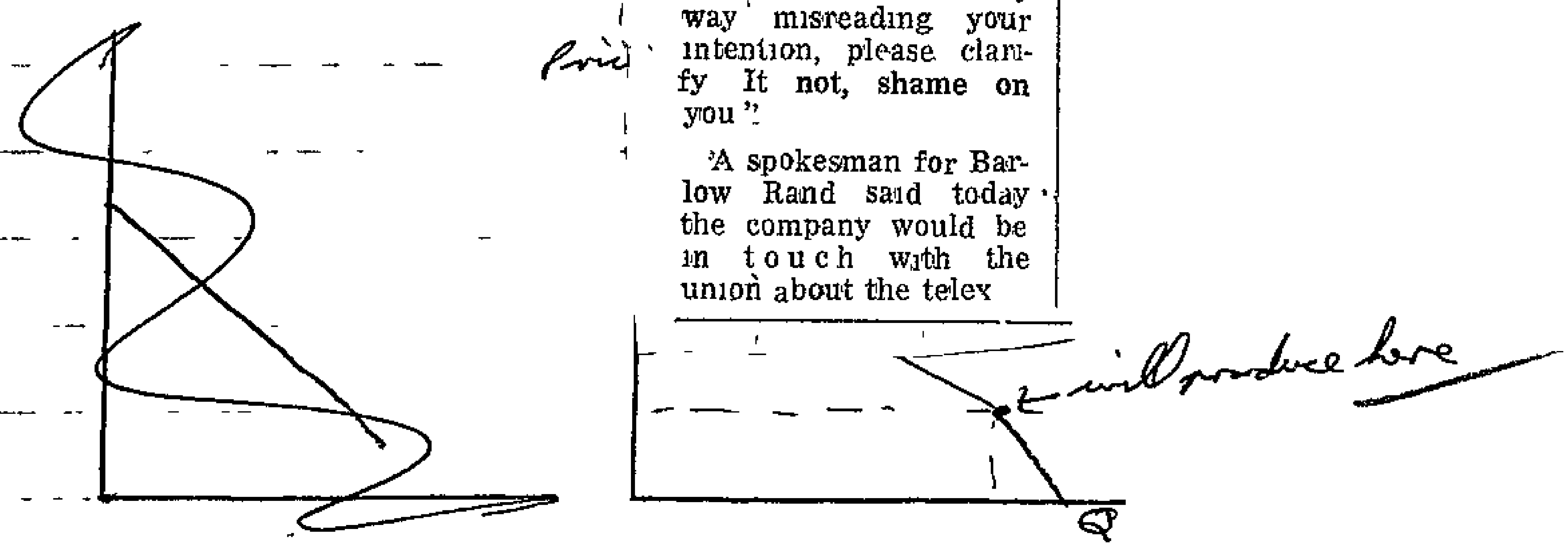
"We are still, after six weeks, awaiting your reply to what solution you see to the Veldspun situation," said the telex, addressed to Barlow's industrial relations director, Mr. Reinald Hofmeyr

"It appears from your Press statement your solution is that the workers concerned should suffer in silence, their association should disown them and that you should be free to continue to proclaim your progressiveness to the world

"If we are in any way misreading your intention, please clarify It not, shame on you".

A spokesman for Barlow Rand said today the company would be in touch with the union about the telex

We find that the … faces a "kinked" demand curve … because, – if one firm in the oli… ses its prices, – the others won't fol… hereas if one firm decreases its p… then the other firms will follow, … in an oligopoly will produce at … the demand curve to the left of the … ll be more elastic than the demand curv… e kink.



Now, if there is a price war, – then in an oligopoly the price to the consumer will decrease while quantity produced will increase.

Oligopolies are more efficient than monopolies in that the price charged is less and the quantity produced is more.

In the case of "market share drives", – the firms are trying to squeeze each other

Cape Times 24/9/82

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Union attacks Barlow Rand press statement

Own Correspondent

JOHANNESBURG — Fosatu's National Union of Textile Workers yesterday sent a telex to the Barlow Rand group rejecting a press statement in which Barlow Ranb gave its account of the dispute at its Uitenhage subsidiary Veldspun

The telex, addressed to the Barlow industrial relations director, Mr Reinald Hofmeyr, and released to the press, attacks the statement and adds "If we are in any way misreading your intentions, please clarify If not, shame on you"

The telex, sent by the union's acting general secretary, Mr John Copelyn, accused Barlow Rand of allowing Veldspun to "supress workers", pay wages "far below the poverty line", "unilaterally" retrench workers and of closing all doors to arbitration of the dispute

Mr Hofmeyr said yesterday that he had replied to the union acknowledging the message and adding he would "be in touch" with NUTW on its contents

Earlier this week, Barlow Rand issued a press statement reacting to union and student criticisms of its role in the dispute in which more than 1 000 workers downed tools in protest at retrenchments at Veldspun and were dismissed

It said a company survey had found that nine out of 12 Uitenhage and Port Elizabeth textile firms paid lower wages than Veldspun

It also charged that the union had agreed to the retrenchments that had led to the dispute, but had then endorsed a strike by its members in protest against them

Barlow Rand also said NUTW's recognition agreement with the company emphasized that the union would not represent striking workers and that strikers would be instantly dismissed It said the union had broken the agreement

In the telex, Mr Copelyn said Barlow Rand "cannot have it both ways"

"If you allow your subsidiaries to supress workers with vigour and disregard for human consequences you cannot proclaim you are uplifting the quality of life of workers

'If you unilaterally retrench workers in conflict with your proclaimed policies, you cannot rescue yourself by trying to suggest that the union which challenges its unfairness has 'agreed' to it

"If you allow your subsidiaries to close all doors that would have allowed the original dispute to be referred to arbitration, you cannot honestly be heard to say our members have breached the agreement"

Mr Copelyn said NUTW was "still, after six weeks, awaiting your reply to what solution you see to the dispute It appears from your press statement that your 'solution' is that the workers concerned should suffer in silence"

UNION RECOGNITION

Agreement stays

FM 24/9/82 197

Good sense seems to have finally prevailed in the out-of-court settlement reached between the Natal textile company, David Whitehead & Sons, and the National Union of Textile Workers (NUTW)

As a result of the settlement, an attempt by the company to challenge the legal enforceability of the recognition agreement concluded between it and the union has been dropped This is good news for employers and unions who have signed recognition agreements in recent years

The case between David Whitehead (a subsidiary of the Tongaat-Hulett group) and the NUTW focused attention on the legal enforceability of only one particular agreement But the court ruling was awaited with great interest because it could have set an important precedent affecting over 200 agreements

Many of the employers and unions who have signed such agreements have assumed that they can be enforced in civil courts, despite the fact that they operate outside official collective bargaining systems and are not specifically provided for by labour law Signatories have placed little emphasis on the legal enforceability of agreements in the past But many have regarded this as desirable because it provides a channel through which disputes can be resolved

In July the NUTW sought a court order requiring David Whitehead to reinstate certain shop stewards who were not re-employed after a strike, claiming that the company had not adhered to the agreement concluded with it Whitehead argued that it was not bound by the agreement because the union and its shop stewards had not fulfilled their obligations in terms of the agreement In the course of the court proceedings, counsel for the company argued that the agreement was not enforceable as law

In a joint statement released this week the company and the union announced that both parties agreed that the agreement will be legally binding, that the company will re-employ 45 workers who were not re-engaged after the strike, and those shop stewards not re-engaged have accepted a settlement "in the form of reasonable and fair termination payments" (which, according to informed sources, amounts to R17 000 for eight shop stewards)

Tongaat dispute settled amicably

JOHANNESBURG—The problems experienced recently at the David Whitehead factory in Tongaat, when a strike took place on July 1, and which was followed by court action by the National Union of Textile Workers, have been amicably resolved

This was said in a joint statement issued by the two parties in Johannesburg at the weekend

The Supreme Court hearing scheduled for September 20 and 21 has therefore been withdrawn and both parties have agreed to settle their differences in the interest of future relations and the well-being of the employees

Binding

The main features of the settlement were.

Both parties agree that the recognition agreement between them will be legally binding,

In future disputes a procedure is to be agreed upon involving the holding of a strike ballot in the event of a strike being anticipated,

Those shop stewards not re-engaged have accepted a settlement in the form of reasonable and fair termination payments;

The company will re-employ 45 of those employees not re-engaged after the strike; and

The union accepts that the present wage rates paid will hold until June 30, 1983

The recognition arrangements provided for in the agreement will once again operate and both parties hope to build a constructive relationship in the future. — (Sapa)

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Mercury 26/9/82

Dispute to be taken to Fosatu

ARGUS 27/9/82

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Argus Bureau

PORT ELIZABETH — A trade union representing workers dismissed after a walkout at Veldspun International Textiles is to take up the dispute at national level with its parent group, the Federation of South African Trade Unions

The acting general secretary of the National Union of Textile Workers Mr J Copelyn said from Durban today that this step the first of its kind by the union, followed a meeting on Friday with Veldspun representatives at which no progress had been made

The meeting — one of several — followed a dispute at the company's Uitenhage plant two months ago

BOOKLET

The dispute was highlighted last week when an industrial group was mentioned in a booklet produced by a group of University of the Witwatersrand students, the economic research committee

The booklet said "A company in the Barlow stable pays starvation wages refuses to have meaningful negotiations with a majority union and is practising massive retrenchments mostly of union members"

About 60 Veldspun workers were allegedly fired for refusing to do the work of retrenched colleagues About 1 500 workers struck in support and were said to have terminated their services, but those who returned were taken back until 800 were left

MISLEADING

A Barlow Rand spokesman said this week that claims by student and union critics were biased and misleading

An attack on Mr A M Rosholt, the group's executive chairman and chancellor of Wits, was "in very poor taste" and a "slur on his integrity"

The union has told Barlow Rand in a letter that if it allowed its subsidaries "to suppress workers with the vigour, recklessness and disregard for human consequences as in Uitenhage, you cannot proclaim you are uplifting the quality of life of workers"

Mr Copelyn said the union's prime concern at Friday's meeting had been the position of the sacked workers

EARNINGS

He said a wage issue had led to the sacking The 60 workers had refused to do the work of retrenched staff because they would lose substantial earnings The company had made it clear it did not accept earlier proposals, and would consider new ones

Mr Copelyn would not speculate on what course of action Fosatu might decide on

A spokesman for the Romatex Group, which owns Veldspun, confirmed that no progress had been made in resolving the dispute, but said the door was open for further talks

He said attitudes in the group had hardened because of "inaccurate allegations" by the students and the union

Veldspun was working with a full labour complement for current needs, comprising workers who had been loyal, and replacements

The union was the one with the problem, as hundreds of its members had lost their jobs, he said

RDM 29/9/82.

Cloth workers gain support

Labour Correspondent

SHOP stewards at Barlow Rand metal companies on the Witwatersrand are to support workers at Barlow's textile company Veldspun International, whose firing after a strike sparked a campaign against the firm

The support was announced in a message to the Veldspun workers' union from the Barlow Rand shop stewards' council of the Transvaal branch of the Metal and Allied Workers' Union

The dispute follows the firing of more than 1 000 staff who struck in protest at retrenchments, leading to a union and student campaign accusing Barlow Rand of violating its employment code

The company has said that the union approved the retrenchments, and has violated its recognition agreement with Veldspun

The shop stewards' council represents workers in all Barlow Rand Transvaal factories organised by Mawu

The message of the shop stewards says "We have learnt with shock of the intransigence shown by the management of Veldspun and of Barlow Rand in your dispute We wish to pledge our solidarity with you because your cause is also ours We also wish to assure you of our support As you know, there is no struggle without casualties, so do not be discouraged" cner said the stove ... were coughing and ... down to this in my ... he had referred the ... ment

Star 29/9/82

Metal unions back anti-Barlow stand

Labour Reporter

Shop stewards at metal firms belonging to the Barlow Rand group have announced their support for their textile industry colleagues involved in the Veldspun dispute at Uitenhage

The joint shop stewards' council of the Transvaal branch of the Metal and Allied Workers Union at Barlow Rand plants said it was shocked at the intransigence shown by the group in the dispute

The council promised its solidarity to the members of the National Union of Textile Workers

After NUTW officials met the managements of Veldspun and Romatex in Port Elizabeth on Friday, a union spokesman said management's attitude was completely intractable the meeting ending with no progress towards settling the dispute

The NUTW sent another telex to the industrial relations head of Barlow Rand, Mr Reinald Hofmeyr warning him about the latest deadlock

The union spokesman said it was considering taking up the issue with the Federation of SA Trade Unions [illegible] com mittee when it meets next month

Fosatu affiliates have in the past taken up the national body only major issues such as the Co[illegible] and Hen[illegible] disputes [illegible] this report [illegible] the [illegible] the Veldspun dispute is increasing

The Barlow Rand group has a majority holding in the Romatex operation which in turn owns Veldspun The dispute arose after about 1 000 workers were dismissed [illegible] the firm over the issue of retrenchments

Students at the University of the Witwatersrand have criticised their Chancellor Mr Mike Rosholt who is also head of Barlow Rand

PO in drive for more staff

Next year may be tough for job seekers, according to employment agencies, but the Post Office has launched an early drive for every man it can get.

Thousands of telephone subscribers, many of them pensioners, are getting invitations through the mail, addressed: "Attention 1982 school leavers," inviting applications for jobs with the Post Office

The circulars offer a large variety of jobs, free training, full salaries during training, a bonus which amounts to almost a 13th cheque and many bursaries which must be applied for before October 15

The Post Office is looking for pupil technicians, clerks and Telcom trainees

Young men who have not managed to pass standard eight are sought as postmen and telephonists

70 black pupils get study help

Star 29/9/82

Seventy Standard 8 Soweto pupils who have been selected for their potential for careers in civil engineering are to receive sponsorship and assistance from the civil engineering industry

The pupils were selected from 250 who attended a three day career-oriented course in Soweto in June

The sponsorship is part of a pilot scheme aimed at developing pupils of promise to matriculation stage and at encouraging them to undertake a suitable civil engineering course at a university, technikon or technical college

The pupils will attend a further three-day course at Thaba Jabula High School from today The course will include a workshop aimed at helping creativity and improving perception in engineering

There will also be a feedback session with discussion

Director of the project, Miss Lente Louise Louw said support for the scheme had been extremely encouraging and moves were under way to broaden its scope next year

New cheese in UK

The Star Bureau

LONDON — Britain's first new cheese since Stilton was invented 300 years ago has been launched at the Savoy Hotel in London

The Minister of Agriculture, Mr Peter Walker, said the new creation, Lymeswold, had outsold French brie in a test-marketing campaign

It was developed by the Milk Marketing Board — at a cost of R10 million — to attack brie, the flagship of imported cheeses

Lymeswold (there is no such place outside the fevered imaginations of advertising men) is soft and mild when sold, but becomes "full flavoured" with keeping

Mr Walker said even his dog liked it

WHAT'S ON

TODAY

The Flora Linn Club has Ray Richardson talking on silk flowers from 7.30 pm at Hill High School Plunkett [illegible] Road The Hall [illegible] queries 26 5718

The [illegible] logical Museum consultative University of the Witwatersrand [illegible] is in Senate House Basement [illegible]

There [illegible] exhibition [illegible] Mall [illegible] Avenue [illegible] Saturday at [illegible] show there [illegible]

A chess tournament for primary school children [illegible] and Burden of Dreams the Making of Fitzcarraldo For details telephone [illegible]2116

Elly Ameling is the soloist with the National Symphony Orchestra of the SABC tonight at 8 pm in the Johannesburg City Hall Bookings may be made

pm today at the Nunnery Theatre at Wits Admission is R1, unreserved

There is a three-day colloquium presented by the Wits Division of Comparative Literature starting at 3 pm today in the Wartenweiler Library Basement Ad[illegible] Tuesdays to Fridays, and it ends on October 9

"Death of the Dinosaurs" is the programme at the Planetarium, Yale Road, Braamfontein It starts at 8 pm, and tickets cost R2 for adults, R1 for children, and pensioners are admitted free of

Fired workers rethink

PORT ELIZABETH — Veldspun International the Uitenhage textile company has indicated in talks with union officials that it might consider re-employing about 1 000 dismissed workers

The chairman of the Uitenhage branch of Fosatu, Mr Sam Mpushe, said yesterday, officials of the workers' union, the National Union of Textile Workers, had met company representatives on Tuesday to discuss the dispute — SAPA

Veldspun might consider taking back workers

S. Post 7/10/87

Post Reporter

VELDSPUN INTERNATIONAL, the Uitenhage textile company had indicated in talks with union officials that it might consider re-employing dismissed workers

The chairman of the Uitenhage branch of Fosatu, Mr Sam Mpushe, said today that officials of the workers' union, the National Union of Textile Workers (NUTW), had met company representatives on Tuesday to discuss the dispute

The workers were dismissed in August when they downed tools after 60 colleagues were sacked for refusing to do the work of retrenched workers

Mr Mpushe said both parties were anxious to resolve the problem soon, and would meet again next week, when the company would present proposals for the possible re-employment of those dismissed

The dispute shot to national prominence when the NUTW accused Barlow Rand — the major shareholder of Romatex, which owns Veldspun — of ignoring unfair labour practices of its subsidiaries

The Students' Representative Council of the University of the Witwatersrand also called on their Chancellor, Mr A M Rosholt chairman of Barlows, to intervene in the dispute

Meanwhile, at a community meeting in Kwanobuhle last night, it was decided to step up the boycott of white businesses in Uitenhage, which was launched to protest against the workers' dismissal

However, the president of the Uitenhage Chamber of Commerce, Mr M E Gillmer, said today that the boycott was having no effect on the businesses

He said the dispute was a "purely domestic affair" and that the Uitenhage business community would not intervene "unless it becomes a total boycott", in which case the matter would probably be discussed with Veldspun

Textile union members in court

E. Post 13/10/84

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Post Reporter

TWO members of the National Union of Textile Workers (NUTW) — a shop steward, Mr T Toga, and former shop steward, Mr W Grootboom — appeared in the Uitenhage Magistrate's Court today charged with intimidation

They were not asked to plead and no evidence was led

They were released on bail of R50 each and the case was postponed to October 27

Mr W J Smit was on the Bench Mrs L Baker appeared for the State Mr P J Schoonraad appeared for the accused

Attempt to end Veldspun dispute

E-Post 14/10/82

Post Reporter

REPRESENTATIVES of Barlow Rand, Romatex and Veldspun International met officials of the National Union of Textile Workers (NUTW) yesterday in an attempt to resolve the dispute at the Veldspun textile company in Uitenhage

More than 1 000 workers were dismissed in August when they downed tools Their action followed the sacking of 60 colleagues who refused to do the work of retrenched workers

The issue rose to national prominence when the NUTW accused Barlow Rand — the major shareholder of Romatex, which owns Veldspun — of ignoring unfair labour practices of its subsidiaries

The NUTW's national organiser, Mr J Copelyn, said today that negotiations were "at a delicate stage" and the union hoped to get written proposals from Veldspun to put to its members during the next week

It reported back to the dismissed workers today

Talks may end dispute at textile plant

D.Dispatch 5/10/87

(197)

PORT ELIZABETH — A meeting between officials of the National Union of Textile Workers (NUTW) and the management of Veldspun International was held in Uitenhage this week in an effort to resolve the two-month-old dispute at the company

In August, about 1 000 workers were dismissed after they downed tools in sympathy with 60 others who were fired for refusing to do the work of 25 retrenched colleagues At the time the company said they regarded the workers as having dismissed themselves by breaking the terms of their contracts

Most of the workers have still not collected their termination pay They insist they are on strike and have not dismissed themselves

Last week the union said it appeared the company would be willing to re-employ workers but had indicated that shop stewards might not be taken back

The NUTW officials were mandated by a meeting of Veldspun workers to demand that all workers, including shop stewards, be re-employed

Yesterday a company spokesman said nothing had been resolved at the meeting and it was "very probable" that at least one more meeting would take place

A spokesman for the NUTW declined to give details of the talks — DDC

(14-4) (197) ~~225~~ RDM 19/10/82

Union moves to block exports

Labour Correspondent

THE 100 000-member Federation of SA Trade Unions is to ask the Zimbabwean Prime Minister, Mr Robert Mugabe, to ban imports of all fabrics and yarns made by companies in the Barlow Rand group

Fosatu's move is a reaction to the dispute at Uitenhage Barlow Rand textile plant Veldspun International, where about 1 000 members of Fosatu's National Union of Textile Workers have been fired after a protest strike over recent retrenchments

Fosatu's weekend central committee meeting also resolved to set up a meeting of shop stewards in Barlow Rand factories where it has members to plan common strategies towards the group

Barlow Rand industrial relations director Mr Reinald Hofmeyr said yesterday that Veldspun management and the NUTW had met last Wednesday and agreed "that every endeavour be made to re-establish a sound working relationship between the parties'

He said the Fosatu resolution "seems to be a strange way of working towards this goal" The resolution supports NUTW's stand at Veldspun and its demand that the fired strikers be reinstated, and also endorses a Uitenhage call for a boycott of white shops in support of the fired workers

The resolution instructs Fosatu s general-secretary, Mr Joe Foster to write to Mr Mugabe asking him to prohibit the imports "in consequence of (the company's) intractable stand on the Veldspun workers"

GENERAL NEWS

Fosatu to seek ban on Barlow

Star 20/10/82

By Tony Davis, Labour Reporter

The Federation of South African Trade Unions has decided to take action against the Barlow Rand group as a result of a labour dispute at one of its subsidiaries in Uitenhage

At the federation's central committee meeting near Johannesburg at the weekend, members announced their support of their textile affiliate — the National Union of Textile Workers — in the Veldspun dispute

The committee resolved that

- Fosatu general secretary, Mr Joe Foster, would write to Zimbabwe's Prime Minister, Mr Robert Mugabe, urging him to ban all imports from the Barlow Rand group
- Shop stewards in Fosatu affiliates at Barlow firms would establish a joint policy of industrial relations with their employers.

The committee supported the call to reinstate all the workers who were dismissed at Veldspun during a dispute arising over retrenchments

The NUTW has held several meetings with Barlow Rand officials and Veldspun management in recent weeks in an attempt to resolve the dispute

The Fosatu central committee also criticised the Government on the issue of racial registration for its affiliates

Fosatu affiliates would remain unregistered if the Industrial Council Conciliation Act was to be administered in a "racially divisive manner" the committee ruled

The committee also criticised the Government over a pending Natal Supreme Court case in which four Fosatu affiliates are appealing against their racial registrations

LABOUR CODES FM 22/10/82

Penalties of progress

116 152 197 57

The dispute between the Barlow Rand textile company, Veldspun International, and the National Union of Textile Workers (NUTW) must make some employers question the wisdom of adopting and publicising an enlightened code of employment practice

About 1 000 Veldspun employees, many of whom are members of the NUTW, an affiliate of the Federation of SA Trade Unions (Fosatu), were dismissed several weeks ago They say they went on strike in protest against the company's retrenchment policies Management, on the other hand, maintains the strike contravened a recognition agreement signed with the NUTW two years ago

Similar disputes have occurred between a number of unions and companies this year, but what has made this one significant is the strategy used by the NUTW in the vigorous campaign it has launched since the dismissals. The NUTW and Fosatu leadership, aided by students at the University of the Witwatersrand, have accused Barlow Rand of violating its well-publicised enlightened code of employment practice

Barlow Rand executive chairman Mike Rosholt, who is also the recently-elected chancellor of the university, has been singled out for special attention by students A pamphlet distributed by the university's economic research committee clearly aims to embarrass Rosholt, who has consistently spoken out in favour of progressive labour policies

Barlow spokesmen have questioned the accuracy of many claims made in the pamphlet and have clearly been nettled by the students' and the union's tactics

Pressure groups

However, it seems likely that increasing use will be made of such tactics as more employers adopt employment codes And, as one experienced industrial relations practitioner points out, the more a company publicises its code, the greater the danger of the code being used by unions and other pressure groups as a stick with which to beat the company

"I don't want to knock codes," says Unisa labour academic Johan Piron, "but if you adopt a code, you have to live up to it, and be seen to be living up to it" He and other industrial relations practitioners agree that it is essential to educate lower levels of management to accept and implement a code

Barlow Rand industrial relations director Reinald Hofmeyr concedes that in a large corporation, which has a vast array of operating units, it is likely that there will occasionally be problems in administering a code Emphasising that he is not referring to the Veldspun dispute, he says "Not all companies can move as fast as others"

Although the adoption of a code can yield problems, Hofmeyr is convinced that the advantages far outweigh the disadvantages Rosholt's decision to adopt the code was a courageous one, he says, adding that Rosholt places great emphasis on an enduring commitment to improve employment practices

"We are convinced that the code has had a significant effect on improving the living standards of the disadvantaged people within our group as well as their families" One of its most important effects so far has been in raising pay in traditionally low-wage industries, he says

"People can use the code as a means to attack us, but if we had to draw up a code again, we would not hesitate to do so."

Workers offered old jobs

197 | 82 | 32 | 6 | 1983 | 22 | 4 | 18

PORT ELIZABETH — The Uitenhage firm Veldspun International, a member of the giant Barlow Rand group, has offered to rehire 214 of the more than 1 000 workers dismissed earlier this year in a strike over retrenchments

In terms of the proposals their re-employment would be staggered, with some only resuming work next year, according to the national organiser of the National Union of Textile Workers, Mr John Copelyn

Workers have not yet decided whether to accept the offer and will make their decision at a meeting late next week

The decision to make the offer was taken after prolonged negotiations between the union and Barlow Rand, Romatex and Veldspun

The Federation of SA Trade Unions (Fosatu), recently resolved to ask the Prime Minister of Zimbabwe, Mr Robert Mugabe, to stop the importation of Barlow Rand textile products — Sapa

6/...

4. Joint Action for Industrial Mission to Migrant Workers. This practical scheme proposes to bring together the churches in Lesotho and the OFS Goldfields to look at their ministry to migrant workers in the new perspectives of UIM as a pilot project.

5. The Investigation and Research project is conducting, in close co-operation with the Ecumenical Research Unit, a survey into Race Relations so as to pick up discrepancies in attitudes and behaviour and how these contribute to conflict and consensus in Church and Society.

6. So far the work of consultation has led to the establishment of a Contact Group of eight ministers pioneering UIM at the local level of their parish in Transvaal, Natal and Eastern Cape. It has also brought a request from Works' Committees for literacy training and advice on problems relating to work.

CONCLUSION:

The Committee is asked to endorse the directions and priorities indicated or suggest alternative priorities. The Pilot Project in Urban and Industrial Mission is proceeding gradually and the Executive Committee has been given regular progress reports. The response of people approached or presently involved is enthusiastic and all engaged feel that a valuable contribution to their effort is being made.

Prepared by: DALE

in Consultation wit

19th May, 1975.

Cotton dust can kill, claims union

RDM 26/10/82

Labour Correspondent

FOSATU's National Union of Textile Workers (NUTW) has launched a nation-wide campaign to alert workers to a lung disease which, it charges, has killed "thousands of workers throughout the world" and urging them to demand safeguards against it in the factories

The union says the diseases, "brown lung", is caused by contact with cotton dust, that textile workers are particularly prone to it, and that some South African workers have contracted it

It lists six demands which it urges its shop stewards to raise with employers "to safeguard the health of workers in cotton factories" According to the latest issue of Fosatu's journal, Fosatu Worker News, the "brown lung" issue has already been the source of conflict at a Springs cotton factory

NUTW has produced a booklet, "Cotton Dust Kills", written by a Cape Town doctor and published by Wits University's Centre for Applied Legal Studies, to alert workers to the campaign It is also distributing posters with a similar message

The six demands which worker leaders are urged to take up are

- That the lungs of workers at cotton factories be tested,
- That only the union's doctor conduct the tests so workers "will be sure they will be told the results and that they will not be used against them",
- That dust levels be measured in factories with union co-operation and shop stewards told of the results,
- Factories must provide "efficient exhaust ventilation machines" to reduce cotton dust,
- Machines and factories must be cleaned with vacuum cleaners rather than with compressed air or sweepers,
- That workers affected by brown lung be moved to dust-free departments and not be dismissed

At the Springs factory, the union says that after a dispute over which doctor would test workers, NUTW's own doctor tested workers in the townships

The results, it says, have been sent to "one of the best lung specialists in the country" to see whether there is brown lung in the plant

DD.

Textile union warns on dust

26/10/82 (197)

JOHANNESBURG — The National Union of Textile Workers has launched a nation-wide campaign to alert workers to a lung disease which, it charges, has killed "thousands of workers throughout the world", and urging them to demand safeguards against it in factories

The union says the disease, "brown lung", is caused by contact with cotton dust Textile workers are particularly prone to it, and some South African workers have contracted it, the union claims

It lists six demands for shop stewards to raise with employers "to safeguard the health of workers in cotton factories"

According to the latest issue of Fosatu's journal the "brown lung" issue has already been the source of conflict at a Springs cotton factory

The textile union has produced a booklet, Cotton Dust Kills to alert workers to the campaign It is also distributing posters

The six demands which worker leaders are urged to take up are that the lungs of workers at cotton factories be tested, that only the union's doctor conduct the tests so workers "will be sure they are told the results and that the results will not be used against them", that dust levels be measured in factories with union co-operation and shop stewards told of the results, factories muct provide "efficient exhaust ventilation machines" to reduce cotton dust, machines and factories must be cleaned with vacuum cleaners rather than with compressed air or sweepers, workers affected by brown lung must be moved to dust-free departments and not dismissed — DDC

Cape Times 28/10/82 (197)

Textile firms to lay off 660

By GORDON KLING

ABOUT 660 workers are to be laid off at Western Cape textile factories in the next few weeks, bringing retrenchments in the ailing industry during recent months to almost 3 000

The managing director of the Unisec group's Paarl-based Berg River Textiles, Mr Bob Ankers, last night confirmed that an entire shift at the factory would be closed down with the loss of 560 jobs "in the early part of November"

SBH Cotton Mills in Epping would have to retrench about 100 workers on November 8, said managing director Mr Endre Harkanyi

"The problem is too many imports, especially from the East — Thailand, Korea, Taiwan, Hong Kong"

Mr Ankers denied speculation that workers would not receive severance pay, but said it was possible they would not get a portion of the year-end bonus

Describing the retrenchments as a "disaster for Paarl in particular and the Western Cape in general", the general secretary of the Textile Workers' Industrial Union, Mr Norman Daniels, laid the blame on the economic slump and textile imports

"Maybe we have no control over the downturn in the economy, but it is criminal in my opinion to allow the imports to continue when they are wiping out the jobs of our people

"Jobs are being lost and workers are on short-time in the industry throughout the country," said Mr Daniels, who estimated that more than 2 000 retrenchments had occurred in the months before the latest cut-backs

"I'm told that the factories' order books are virtually nil"

Mr Ankers said he could not put his finger on the cause of the deep slump in demand for textiles

"Everybody in the clothing trade seems to be busy, but nobody is buying textiles

"I think what is happening is that there is massive de-stocking, to dangerous levels, and this is going to be a real problem because for the mills to react quickly on new orders is virtually impossible"

The secretary of the Industrial Council for the Clothing Industry, Mr Hardy Nel, said "We are maintaining our employment levels at the record 62 500 of the last few months, but logically it would take some time for a drop in orders at the textile manufacturers to come through to us"

Clothing retailers yesterday noted that business had dropped off substantially in the past few weeks

"At this particular stage it would be foolhardy to take too optimistic a view of the economic climate and we certainly are not optimistic about business in the next six months," the assistant managing director of Woolworths/Truworths, Mr Mike Stakol, said

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

(1)	Internal (2)	External (3)
Sect III		
1(a)	5	
1(b)		
2(a)	1	
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	11	
Examiners' Initials		

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.

1. The answer... marked. The left ha... used for rough work, but no credit will be given for such work
2. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
3. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
4. Names must be printed on each separate sheet (e g. graph paper) where sheets additional to examination book(s) are used.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

EDSON 1525

Thousands may lose their jobs

ERO32 29/10/82 197

By SANDRA SMITH

THE number of workers retrenched in the South African textile industry — many of them in the Eastern Cape region — is expected to reach between 6 000 and 7 000 within the next six months, according to Mr Stanley Shlagman, executive director of the Textile Federation.

And he claimed that competition from imported goods from overseas was largely to blame for the textile industry's problems

He said the expected retrenchments would represent 10% to 12% of the industry's labour force

The expected retrenchment of 600 workers in Western Cape textile industries in the next few weeks will bring to almost 3 000 the number of workers already laid off

Mr Shlagman said today the Eastern Cape section of the industry could also be expected to lay off workers in the near future

He agreed with two major unions in the industry that one of the main reasons for the retrenchments was the importation of textiles from the Far East

"We can stoically accept the fact that the industry is being affected by the downturn in the economy, but it is ridiculous to magnify the problem with imports," Mr Shlagman said

An adjustment to import rates was being sought, but this was taking a long time to implement and there was still an inducement for other countries to export to South Africa because of low import duties

"We should be more concerned with keeping our own people in jobs than in providing employment for Taiwanese, Koreans and workers in Hong Kong," Mr Shlagman said

● The Taiwanese Embassy in South Africa has described the claims that locals workers are losing jobs because of low import duties as "absolutely untrue and misleading"

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WARNING

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ESRAL 29/10/87

Terms for rehiring accepted

197

By SANDRA SMITH

MEMBERS of the National Union of Textile Workers (NUTW) who were among more than 1 000 people dismissed from Veldspun International in Uitenhage decided yesterday to accept managment proposals for the reinstatment of 214 of those laid off

A dispute arose and attained national prominence when the workers were sacked in August and the NUTW accused Barlow Rand of allowing its subsidiaries to adopt unfair labour practices

Barlow Rand is the major shareholder of Romatex, which owns Veldspun

After lengthy negotiations the group offered to re-employ up to 214 of the workers over a period of four months

The NUTW's general secretary, Mr Obid Zuma, said today the workers had accpted the proposals with reservations

He said at a meeting with management representatives the NUTW had been told a list of those to be re-employed would be included in a letter setting out the proposals

However, this had not been received by the NUTW and at yesterday's meeting a decision was taken to take the matter up with management representatives

A letter from Veldspun, Romatex and Barlow Rand had said those to be re-employed would be informed by the company

Mr Zuma said workers feared certain employees would be victimised and they therefore wanted to know who Veldspun intended taking back

He said there was also uncertainty about the fate of sacked shop stewards, as it was believed they would not be considered for re-employment

Rdm 30/10/82

Veldspun accord to end controversial dispute

By STEVEN FRIEDMAN
Labour Correspondent

THE dispute between Barlow Rand's Uitenhage textile company, Veldspun International, and Fosatu's National Union of Textile Workers, seems set for settlement — at least for the moment

The dispute was sparked when about 900 workers at the firm, which recognises NUTW, were fired after striking in protest at retrenchments

This led to a lengthy campaign which included a Fosatu call to workers to boycott white shops in Uitenhage and a request to Zimbabwe's Prime Minister, Mr Robert Mugabe, to ban importation of Barlow Rand textiles to his country

Students at Wits University held a meeting and issued pamphlets in which Mr Mike Rosholt, Barlow Rand executive chairman and Chancellor of Wits, was criticised

Recently the company offered NUTW a package whereby 214 workers would be re-hired in stages, which would mean that some would be re-employed next year

Workers met to discuss this offer on Thursday Mr Harold Bruce, head of industrial relations at Romatex, Veldspun's holding company, said yesterday he had been informed by the union that workers had accepted the offer in principle

He added, however, that NUTW had told Romatex that "a few details need to be ironed out" and a meeting to do this was planned for Wednesday Mr Bruce said he was confident the dispute would be settled at the meeting

The NUTW general secretary, Mr Obed Zuma, confirmed that workers had accepted, but he said that, when the offer was made, management had agreed to give the union a list of workers who would be rehired This had not been done by Thursday, he said

Mr Bruce said he could "see no problem" about providing the list

It is understood that, while an agreement is almost certain, workers have reserved the right to press for more reinstatements and continued calls for negotiation on this issue are likely

D. Dispatch 30/10/82

Border textile plants to close early

BY TOM LOUW
Business Editor

EAST LONDON — Locally based Da Gama Textiles has told its employees that the strongest possible cost-cutting measures must be implemented to reduce losses and safeguard the company's future viability

The company has announced the following measures -

- The East London and King William's Town plants will close earlier for the Christmas break They will be shut down from December 10 to January 10 Certain sections, such as engineering, will not be affected.
- Monthly-paid employees will be allowed to offset the extra days involved in the closure against their annual leave
- For weekly paid employees, the additional early closure days will be unpaid
- The 1982 Christmas bonus for monthly paid workers will be paid, and the sick leave bonus for weekly paid workers will also be paid
- The annual salary review for monthly paid staff will be postponed until the end of June 1983, when the position will be reassessed
- All black employees within their salary bands will receive a 10 per cent increase Those outside the maximum for the grade will be adjusted individually and informed accordingly
- Da Gama will not recruit any more weeekly paid employees and the 1983 monthly paid headcount is being reassessed

The chief executive of the company, Mr Casey B Joosse, told me that like many other companies, especially in the textile field in South Africa and overseas, Da Gama is suffering serious declines in orders, and prices continue to soften

The current cost-cutting exercise at Da Gama will be carried out across all areas in the company, and all 1983 expenditure budgets have been prunded severely

At the same time, Mr Joosse expressed concern that the inflow of imported textiles has continued at an undiminished rate. He said the industry as a whole is hoping that it will be given some relief in this regard

Turning back to the current cost-cutting exercise at Da Gama, Mr Joosse said "We are keeping all our 1982 promises But salary increases and Christmas bonuses next year are going to depend on the profit situation of the company at the time.

"We are doing our best to avoid retrenchment As the biggest employers in the Border we feel we have a social responsibility"

U'hage textile firm ~~may~~ re-employ shop stewards

E Post 3/11/82

By SANDRA SMITH

A SPOKESMAN for Veldspun International in Uitenhage, where 214 of more than 1 000 dismissed workers are to be re-employed, said today sacked shop stewards had as much chance of getting their jobs back as any other workers

He was responding to questions raised at a meeting of the dismissed workers last week to discuss the company's offer to take back some employees

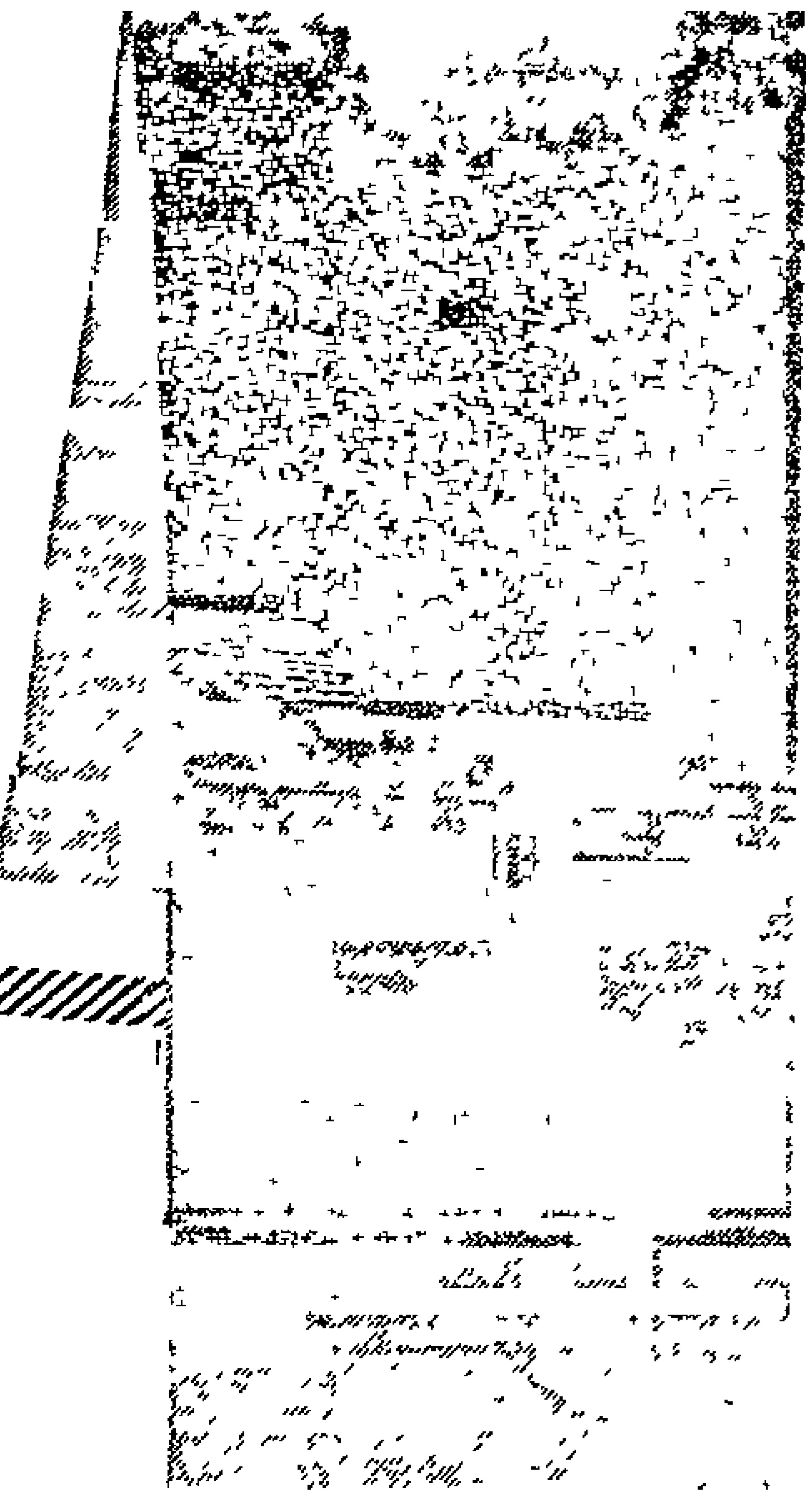
There was uncertainty about the fate of shop stewards who were among those dismissed in August after workers went on strike when colleagues who refused to do the work of retrenched employees were laid off

Workers also instructed officials of the National Union of Textile Workers (NUTW) to ask why as was agreed, Veldspun's management had not provided the union with a list of those who would get back jobs

NUTW officials met management representatives today to discuss the issues and for the ~~union~~ to convey the workers' acceptance of Veldspun's proposal to re-employ 214

While the meeting was in progress a company spokesman said it had been made "absolutely clear" that membership of or a position in any union would not be a factor for consideration in the re-employment The only factor would be suitability for the posts available

Veldspun had no objection to providing both the NUTW and the Textile Workers' Industrial Union (TWIU) with a list of those to be taken back. However, they would not be given a list before the people were themselves informed



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investigating and no arrests have

boys go on rampage

at St John's Hostel in Tamboers-
n, went on a rampage this week
s and allegedly slashing the tyres
l's car after their "house parents"
were fired

The three carriers which applied for the route — SAA Comair, and United Air — were told of the decision yesterday, about six months after it was expected

The airlines maintained that the fast growing communities on the lower Natal south coast and the large tourism industry, boosted by the opening of the Wild Coast Holiday Inn and casino on the Transkei Natal border, needed a scheduled service by medium-size airliner to the Reef

The managing director of Holiday Inns Mr Nigel Matthews, said he was furious and hoped the carriers would re-apply, as no appeal is allowed

"Holidaymakers and residents deserve a better deal than this We had been counting on a scheduled operation and will now have to increase the number of charter flights," Mr Matthews said

The managing director of United Air Mr John Morrison, said the decision was "a major blow and makes no sense"

The company had applied for the service for seven years and was already operating charter flights with its four engine Viscount

Town clerks of communities on the lower south coast of Natal were holding an emergency meeting last night and might try to enlist the aid of members of Parliament to reverse the decision

No member of the NTC was available for comment last night but airline executives believe the commission decided there was not enough traffic to warrant a scheduled service

Re-hire proposal accepted

STAR 30/10/82

Labour Reporter

Workers dismissed by the Veldspun textile plant in Uitenhage have tentatively accepted a management proposal to re-engage 214 who were sacked during a dispute in August

About 1 000 workers were dismissed during the dispute which arose from the issue of retrenchments

Veldspun is owned by Romatex which is controlled by the Barlow Rand group

Barlow's chief executive Mr Mike Rosholt has been criticised for the actions of the Uitenhage subsidiary

At a meeting this week former Veldspun workers accepted terms negotiated by the Fosatu-affiliated National Union of Textile Workers which included the re-employment of 214 of their number

However, workers are expected to press for further hirings at a later stage

The proposals provide for 60 to be rehired immediately 50 in the middle of next month about 50 in the middle of January and the remainder in February

Workers rejected a management provision that Veldspun would contact workers who would be re-hired

They demanded the union meet Veldspun again and secure a list of those affected

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Scope: censor plea

CAPE TOWN — The Directorate of Publications had appealed against a Publications Committee decision that the October 15 edition of Scope magazine (Vol 17 No 42) printed by Republican Press Durban, is not undesirable

that "How a Baby is made," by Per Holm Knudsen, is undesirable

Five novels in the "Crusaders' series — Volumes, 2, 3, 4, 5 and 10, by Chick Publications, Chino, California, as well as 'varsity," volume 41, No 12 October 6, 1982, by the

was an offence to import or distribute the following undesirable publications (names of authors or producers in brackets)

Satan His Psychotherapy and Cure by the Unfortunate Dr Kassler, JSPS (Jeremy Leven).

RDM 1/11/82

End to Veldspun dispute soon

(19)

THE Veldspun dispute, which led to a union and student campaign against Barlow Rand in general and company chief Mr Mike Rosholt in particular, should be settled this week

Veldspun and the National Union of Textile Workers are ready to sign a deal which will see the rehiring of 214 of the 900 workers fired during a strike Whatever its merits, the dispute has been something of an embarrassment for Barlow's, whose high-profile commitment to enlightened labour practices has made it an obvious target of campaigns such as that at Veldpsun

But signs are that this week's deal will only call a temporary halt to the dispute — workers are likely to push for more rehiring soon

For their part, Barlow's men say their high-profile approach will not change

RDM 1/11/82

(197)

Company warns its staff about move to cut costs

Mail Correspondent

EAST LONDON — Da Gama Textiles, based in East London, has told its employees that the strongest possible cost-cutting measures must be implemented to reduce losses and safeguard the company's future viability

The company has announced the following measures

- The East London and King William's Town plants would close earlier for the Christmas break — they would be shut down from December 10 to January 10
- Monthly paid employees would be allowed to offset the extra days involved in the closure against their annual leave
- For weekly paid employees, the additional early closure days would be unpaid
- The 1982 Christmas bonus for monthly paid workers would be paid, and the sick leave bonus for weekly paid workers would also be paid
- The annual salary review for monthly paid staff would be postponed until the end of June 1983, when the position would be reassessed
- The company would not recruit any more weekly paid employees and the 1983 numbers of monthly paid staff was being reassessed

The chief executive of the company, Mr Casey Joosse, said that like many other companies, especially in the textile industry in South Africa and overseas, Da Gama was suffering serious declines in orders, and prices continued to soften Since April the company's mills had been operating on a reduced time basis

The current cost-cutting exercise at Da Gama would be carried out across all areas in the company, and all next year's expenditure budgets had been pruned severely

Mr Joosse said "We are keeping all our 1982 promises But salary increases and Christmas bonuses next year are going to depend on the profit situation of the company at the time

"We are doing our best to avoid retrenchment As the biggest employers in the Border, we feel we have a social responsibility "

~~HWA~~ ~~152~~ (197) Stas 4/11/82

Textile workers find 'truce'

Labour Reporter

The long dispute between the Veldspun Textile plant in Uitenhage and the National Union of Textile Workers seems to have been resolved though unionists describe it as an uneasy truce

Officials of the Fosatu affiliate met the Veldspun management again yesterday to discuss the programme of re-engaging about 214 workers who were dismissed in August over a retrenchment dispute

About 1 000 workers were dismissed originally, and it is understood that the NUTW will still try to press management to take on more of the former workers in the future

Sixty workers were taken back this week More are being rehired later this month and early next year

But the NUTW is still critical about the method used to re-engage workers

Veldspun is a subsidiary of Romatex which is a part of the Barlow Rand group

The dispute has seen

- A proposed Fosatu appeal to the Zimbabwe Prime Minister, Mr Robert Mugabe requesting an embargo of Barlow Group products
- A boycott of white businesses in Uitenhage
- Student criticism of the head of Barlow, Mr Mike Rosholt

RETRENCHMENTS [redacted]

Easing into recession

FM 5|11|82 (197)

Retrenchments are occurring over a broad spectrum of industry in Natal

But many employers have chosen a sympathetic approach, and are working closely with the unions, considering staff cutbacks as a last resort only

Options being explored in order to avoid retrenchments include cutting back on overtime, working short weeks, giving workers early leave or unpaid leave, getting rid of temporary staff, and not replacing workers who resign

According to Roland Freakes, director of the Natal Chamber of Industries, most sectors have begun to feel the chill winds of recession But unemployment levels are rising most significantly in the textile, clothing, footwear, furniture, heavy plant and motor accessories industries

In Hammarsdale, home of the textile and knitting industries, about 10% of the workforce has been laid off in the past six months An estimated 2 000 textile workers have been made redundant in Natal since the beginning of the year

Selwyn Lurie, national chairman of the Textile, Yarn and Fabric Manufacturers' Association, confirms that retrenchments are on the increase, but he says where possible employers are trying not to lay off workers He warns, however, that the situation could deteriorate next year We re right in the middle of it now People will be taking decisions shortly '

Freakes says the employers more thoughtful" approach to retrenchment follows increased contact with trade unions and the fear of the social upheaval that could result from mass unemployment There is a general realisation that we must try to retain employment levels," he asserts

Severance pay negotiations, common in retrenchment situations, "suggest that employers have concern for employees who have to leave and want to offer them something over and above their normal notice pay"

However, John Copelyn, acting general secretary of the National Union of Textile Workers, says it is more union activity than social conscience that contributed to the employers' change in attitude According to Copelyn, several successful unfair labour practice claims, and strikes or threatened strikes over retenchment issues, have had a major part in changing employer/employee relationships

More retrenchments seem inevitable as the recession deepens next year and employers and unions will find themselves negotiating more frequently on the procedures to be followed Says Copelyn "We will continue to insist that our members are properly treated in the event of cutbacks in the workforce"

Textile factory cuts staff

Argus 5/11/82

197

Argus Correspondent

PAARL. — Five hundred coloured and black workers at the Berg River Textile factory in Daljosafat have been retrenched and are unemployed from today

Forty five white employees of the factory have also lost their jobs

Talk of a additional 2 000 workers going was described by Mr Bob Ankers, managing director of the factory, as unfounded

Berg River Textiles is the biggest factory employer of white, coloured and black workers in Paarl

DROP

In an interview, Mr Anker blamed the dismissals on a considerable drop in turnover in his factory as a result of textile imports into South Africa from Taiwan

Textile imports during the first four months of 1982 were equal to the total amount of imports last year, said Mr Ankers

He had warned Dr Dawie de Villiers, Minister of Trade and Commerce, that heavy imports from Taiwan would result in South African textile factories facing the unfortunate position in which they would be forced to reduce staff

RECIPROCAL

But Dr de Villiers argued that it was necessary for South Africa to have a reciprocal trade with Taiwan which imported goods from South Africa, Mr Ankers said.

The unemployment following on the dismissals could mean a monthly loss of R200 000 to Paarl shops and businesses Mr Ankers also feared that the crime rate could suddenly show an increase

"Five hundred people suddenly finding themselves idle with little prospect of other employment can become a menace to themselves and their surroundings," he said

SKS 5/11/82 (197)

Textile plant retrenches

PAARL — One of Paarl's largest factories retrenched 550 employees today.

The plant, Berg River Textiles Limited, belongs to the Unisec group.

Berg's managing director, Mr E R B Ankers, said the flood of textiles into South Africa from Taiwan had had an adverse effect

Mr Ankers said he estimated 4 000 South African textile workers had lost their jobs — Sapa.

Cheap textile imports cost jobs

Argus 5/11/82

197

Labour Reporter

THE textile industry is suffering tremendously because of cheap imports from South East Asia, according to Mr Norman Daniels, general secretary of the Textile Workers' Industrial Union (TWIU).

Mr Daniels was commenting on large-scale retrenchments from various textile mills around the country.

About one quarter of 130 000 workers in the textile industry in South Africa had lost their jobs since the beginning of the year, said Mr Daniels

"In Paarl alone, there are at least 1 000 unemployed textile workers walking the streets"

Retrenchments

Commenting on the retrenchment of 550 workers today from Berg River Textiles in Paarl, Mr Bob Ankers, managing director of the company, said that cheap imports were the major reason for the retrenchments

—Mr Ankers said one reason why imports from the East were so much cheaper was that the South African textile industry paid a "fair day's wage" compared with "the sweat shops in the East"

Mr Ankers estimated that at least 6 000 jobs in the industry had been lost since the beginning of the year

Short-time

"If you take into account the number of man hours lost through firms switching to short-time we are talking of the equivalent of 13 000 jobs," Mr Ankers said

Mr Ankers said management had negotiated severance pay with the TWIU, but that the extent of unemployment being caused by retrenchments was "extremely traumatic"

Another textile mill, SBH cotton mills, retrenched 50 workers today

A spokesman from SBH said he could not predict how many more workers would be retrenched in the coming weeks

Effects

The effects of cheap imports over the last three years were being felt now, he added,

The value of permits issued to importers from January to September this year was R310-million

SBH paid "generous" severance pay to retrenched workers, said the spokesman

CAPE TIMES 5/11/82

550 textile employees laid off

197

Own Correspondent

PAARL — The "huge quantity" of textile products being allowed into the country from abroad, has caused the Berg River Textile Company of Paarl to retrench 550 of its employees, Mr E R B Ankers, managing director of the company, said yesterday

The workers will all be retrenched today

Mr Ankers said that at a meeting addressed by Dr Dawie de Villiers, Minister of Industries, he had asked about the large textile imports from Taiwan

Dr De Villiers had replied that as Taiwan bought goods from South Africa, South Africa had to buy goods from Taiwan

Sigma cut back on staff

197

Sowetan 11/11/82

A TOTAL 371 Sigma Motor Corporation employees were retrenched yesterday, and an additional 114 will be made redundant at the end of this month, according to a statement released by the company yesterday

The latest retrenchment at the firm brings the number of those who have lost their jobs at the corporation to 900 this year, said Mr P Botha, liaison officer for Sigma

In a statement, the spokesman attributed the trimming down of their workforce to the decline in motor sales, resulting from a weak national economy

Millions unclaimed in funds for workers

Mercury 1/11/82

197

Labour Reporter

MILLIONS of rands have accumulated in provident funds round the country because of members' failure to collect their money, and fund officials say they don't know what to do about it

Provident funds were formed by industrial councils in a number of industries to provide assistance for workers when they reached pensionable age

Unlike pension funds, they require small subscriptions — about 50 c a week — and pay out a lump sum when an employee leaves the industry

But thousands of workers every year fail to collect their money which, after a short period, is forfeited either to the fund or to the industrial council

Mr J H Thomas, the general secretary of the Industrial Council for the Clothing Industry (Transvaal), said each year about R60 000 was not collected from the provident fund 'largely by people who have worked in the industry for a couple of weeks and then thrown it up'

Large amounts

'The individual amount not claimed by a worker is usually very small but occasionally we come across amounts of R600 to R700,' he said

All the provident funds contacted by the Mercury sent off notices to the members' last addresses, placed adverts in the local papers, sent lists to the various factories and, in one case, on printed reminders to members on every pay envelope But the lists of unclaimed money grew every year

Mr Thomas said the fund often had problems tracing a member because employers did not register a worker when he had worked for a short time in the firm 'and in their records he is down as "John" with no address'

Left

Mr Mark Ansell, secretary of the provident fund for Natal's clothing industry, said about 2 000 people a year left the industry without collecting their money

He said the problem was much more noticeable in the clothing industry because it had a 'fluid' workforce with about 9 000 workers 'coming and going every year'

According to the general secretary of the Textile Workers' Industrial Union, Mr Norman Daniels, the problem could be located in the waiting period prescribed by most provident funds

The funds usually laid down that members could not withdraw their moneys until a year had passed from the time they have left the industry

Mr Daniels said black workers tended to leave the industry and go back to their farms and it was thus difficult for them to come back to collect their money

C Herald 13/11/82

545 workers get the axe

197

THE unemployment ranks in the Western Cape grew dramatically at the weekend when 545 workers were retrenched by Paarl's biggest employer, Berg River Textiles

According to the company the Taiwanese are to blame

The managing director of BRT, Mr Bob Ankers said countries in the East, most notably Taiwan, were being allowed to flood the South African market and as a result his plant had suffered a considerable drop in turnover

Retrenchments were the result of this drop, he said

Mr Ankers was not aware what percentage of the market was being cornered by Taiwan

"But what I do know is that imports during the first four months of this year were equal to the total for 1981 he said

Garments for infants (three years old and under) were a prime example of the extent of the flooding, Mr Ankers said

In certain cases there were no import duties and in others a mere 15 percent

GARMENTS

"This has resulted in there being 58 million infant garments a year on the market If you consider that there are only 2 5 million infants in South Africa it means that for each infant there are 23 garments and that's absolutely absurd," Mr Ankers said

Mr Norman Daniels, general secretary of the Textile Workers Industrial Union said the workers laid off face a bleak Christmas.

"They will not be able to get any unemployment insurance benefits before then," he said

ASSIST

His union would assist where possible, Mr Daniels said, but what the workers really needed were jobs

"It is sad to note that the Taiwanese are being kept in their jobs at the expense of our people," Mr Daniels said

Biker's wife in accident

A Mitchells Plain woman, on her way to see her husband who was seriously injured in the Buffalo Rally, escaped death at the weekend when the car she was travelling in overturned near Plettenberg Bay

She is Mrs Hazel le Bron of Vaalrivier Way, Portlands

Her husband, Mr Keith le Bron, was admitted in Livingstone Hospital in Port Elizabeth after he was involved in a bike accident during the rally

7 000 jobs gone in textile industry

197

RDM 18/11/82

DURBAN — The textile industry in South Africa has retrenched more than 7 000 workers this year

This is said to be due to a combination of the economic slowdown and the "dumping" of foreign fabric

And the Opposition spokesman on industry and commerce, Mr Andrew Savage, has called on the Government to halt the dumping He said this forced local textile firms to cut back production

"We cannot allow dumping in South Africa, particularly at a time of recession

A number of employers had complained that the dumping was forcing them to cut back staff "in one of the country's most labour-intensive industries"

Mr Savage said "It is necessary to set up adequate and effective machinery to ensure that local industry is not unfairly treated

"But at the same time we can't allow local industry to hide behind protective measures which allow them to become inefficient and uncompetitive"

The Director-General of the Department of Industries and Commerce, Dr T A du Plessis, said there were set procedures in the case of dumping The industry concerned should approach the Board of Trade and Industries, after which a dumping tariff could be applied

He said he was unaware of any complaints

Textile firm's huge layoff follows slump in demand

(192)

By KEITH ROSS

E Post 18/11/82

EAST LONDON — A "sudden and severe" downturn in demand has caused Da Gama Textiles to lay off 1 368 workers in King William's Town and East London

Most of the retrenchments — 1 100 weekly paid workers and 65 salaried staff — are at the King William's Town factory

The managing director of the company, Mr Casey Joosse, said today his company been taken unawares by the speed and severity of the downturn in demand

Mr Joosse said the plant at King William's Town had been more seriously affected because it specialised in industrial fabrics

"It makes everything from backings for abrasive papers to fabrics that go into pipes," he said

"The downturn in demand for these products reflects the general industrial recession

"Our East London plant, which produces fashion fabrics such as sheeting and curtaining, has not been as badly affected"

Mr Joosse laid part of the blame for the downturn on cheap fabrics imported from the Far East

"External trade is all very well, but why should we help to give a textile worker in Taiwan or Hong Kong wages to take home when our own people are being thrown out of work altogether?" he asked

The Mayor of King William's Town, Mr Eric Weyer, expressed his concern about the retrenchments at Da Gama — the largest employer in the area

The workers at Da Gama Textiles appear to be largely unuionised, although the SA Allied Workers Union (Saawu) does have a small group of members at the plants

Because of its low membership and the fact that it is not recognised by management, the union did not wish to comment on the retrenchments today

● Four Eastern Province textile companies said today they did not intend to retrench in the forseeable future, despite predictions of widespread lay-offs in the area

Spokesmen for Gubb and Inggs, which processes raw wool, and Union Cotton Mills in Uitenhage said there was no indication at present that they would need to cut down on their combined workforce of more than 10 000 people

A spokesman for Industex, which employs 1 500 people, also said retrenchments were not forseen, although the company is working short-time

A spokesman for Valley Textiles in Middelburg, which employes about 470 people, also does not expect to retrench in the near future, although staff who have left or been fired have not been replaced

...off 1500 men

...r had already cut ... production ... 7,4 to 5,7 million ... liquid steel ... he said ... to match ... production ... requirement ... overtime ... manner ... filled by ... transfer ... 1 500 workers ... we ... workers to ... the Newcastle and the Sishen ... Western Cape operations

If economic conditions continued to deteriorate ... further ... it would be inevitable Mr Kruizee said.

... for the ... Workers ... at Iscor said that ... the ... lay-offs ... contacted ... We wanted to ensure that members ... receive severance ... and ... a guarantee of re-engagement when vacancies occurred Mr B E Khumalo said.

Bawu also alerted the Unemployment Insurance Fund to try to divert money here to help provide for these workers.

White employees from Iscor have not been exempt from the lay-offs although the vast majority of unskilled personnel are black.

Iscor has also not renewed the annual contracts of some black workers.

Star 18/11/82

10 500 textile workers soon jobless — Texfed

197

EAST LONDON — The Da Gama textile company would cut its labour force by 1,368 at its factories in East London and King William's Town, the company announced yesterday.

The Textile Manufacturers Federation (Texfed) ... the Government that nationwide 10 500 jobs would be lost in the industry between now and the new year.

It points out that all major companies are closing for four to five weeks over Christmas.

In the case of Da Gama, most retrenchments are at King William's Town — 1 000 weekly paid workers and 65 salaried staff. At East London the figures are 179 weekly paid and 24 salaried employees.

All will end their employment with Da Gama on December 10, when the Christmas break begins a week earlier than usual.

The managing director of Da Gama, Mr Casey Jooste said the retrenchments were caused by a continuing decline in the volume of orders, reduced profits and a generally depressed outlook.

"The company deeply regrets the necessity for making a decision of such gravity, which will have an impact on the lives of many loyal employees," he said.

"However, the state of the economy, future outlook and recent trading results have made it necessary."

Texfed is putting to the Government a case for action to curb the inflow of cheap textile imports mostly from the Far East.

In the first six months of this year, imports of worsted fabrics were up 40 percent, cottons 31 percent, and polyester cotton 22 percent.

Mr Jooste asked "Why should we help to give a textile worker in Taiwan or Hong Kong wages to take home when our own people are being thrown out of work?" — Sapa

...to fight the fat

... from ... morning ... fight at ... people ... companies ... m.

Russia it is common for people to ... fitness classes. In ... and Japan it is ..."

... two halfhour sessions of free exercises will ... 6.45 am next ... and Thursday ... YMCA on the ... of Rissik and ... streets.

... trainer will be ... force PT instructor Shane Smith who has offered ... continue the classes twice a week, if next week's sessions are a success.

Mr van Heerden expects at least ... men and women to take part.

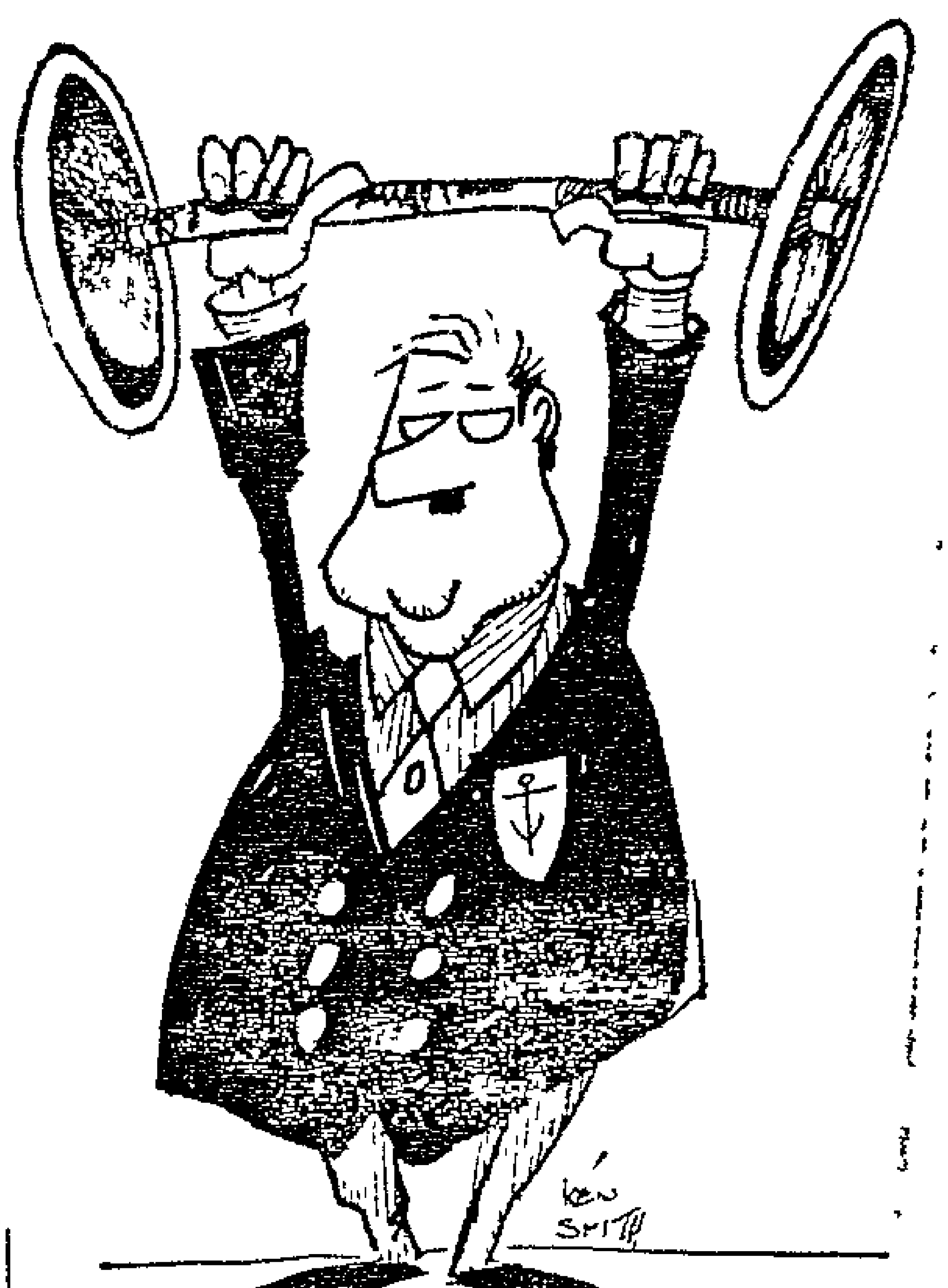
"We hope this will be a way of nudging executives in the right direction.

"We think it will be convenient, catching them just before they go to work," he said.

If the sessions were successful he would ask the city council to hold regular keep-fit classes throughout the area.

Fifteen minutes before next week's classes equipment will be available on which executives will be able to check their heart rates.

"But the exercises will not be strenuous," said Mr van Heerde.



Nuclear power site not chosen yet — Escom

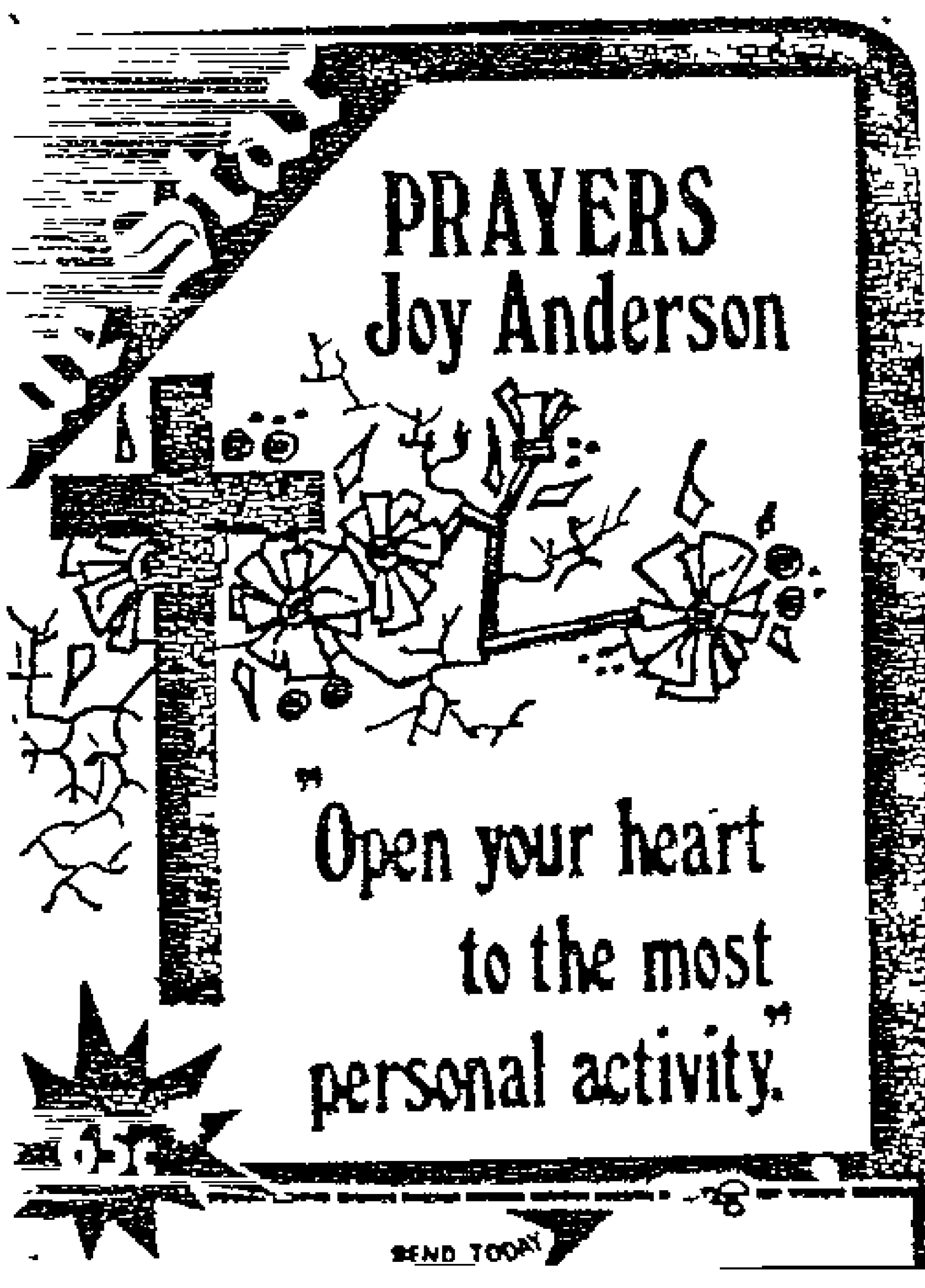
55

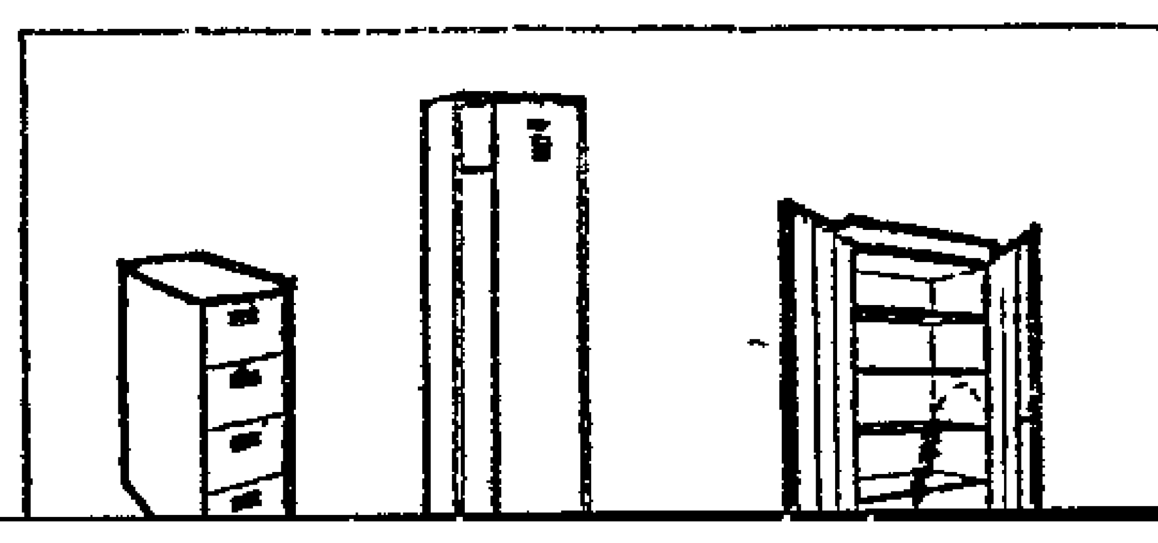
Star 18/11/82

Escom yesterday denied reports that Port Alfred in the Eastern Cape or any other site had been chosen for South Africa's second nuclear power station.

French industry heads have urged their government to approve a second nuclear power contract with South Africa.

"As far as nuclear power station sites are concerned we are not even near the selection."





Chetty stays off roll of

1 368 lose jobs at textile plants

EAST LONDON — The Da Gama Textile Company is to lay off 1 368 workers at its East London and King William's Town plants.

At the same time, the Textile Manufacturers' Federation (Texfed) has warned the government that 10 500 jobs will be lost nationwide between now and the new year It points out further that all major companies are closing for four to five weeks over Christmas

In the case of Da Gama, most of the retrenchments are at King William's Town — 1 100 weekly paid workers and 65 monthly paid staff At East London the figures are 179 weekly paid and 24 monthly paid employees

All will end their employment with Da Gama on December 10, when the company closes down — a week earlier than usual — for Christmas

A statement issued by the managing director of Da Gama Mr Casey B Joosse, says the retrenchment has been made inevitable by the continuing decline in the volume of orders, reduced profit margins and a generally depressed future outlook.

The statement says the company regrets making a decision of such gravity for many loyal employees

"However," it continues, "the current state of the economy, future outlook and recent trading results have made it necessary to abandon our policy on retrenchments in order to safeguard the financial position and future of the company"

By TOM LOUW
Business editor

Texfed is putting to the government a case for action to curb the inflow of cheap textile imports, mostly from the Far East.

It points out that demand at retail level is still good It is two per cent up on last year, which makes it roughly 28 per cent higher than the 1976-79 plateau

At the same time, order books of local textile manufacturers are down by 39 per cent.

The reason for this is cheaper imported fabrics In the first six months of the year, imports of worsted fabrics were up 40 per cent, cottons up 13 per cent, and polyester cotton imports up 22 per cent.

Mr Joosse put the point plainly yesterday. "External trade is all very well, but why should we help give a textile worker in Taiwan or Hong Kong wages to take home, when our own people are being thrown out of work altogether?"

The Mayor of King William's Town, Mr Eric Weyer, said he was "deeply concerned" at the number of lay-offs at Da Gama's King William's Town plant

"We are going to keep a close watch on this situation," he said "We are all very concerned at the unemployment in this area"

A spokesman for Ciskei's Department of Manpower Utilisation said a statement on the retrenchments may be issued today

● Our Durban correspondent reports that Romatex is not likely to make any "meaningful new investment" in the fabrics sector until the government clarifies its policy on protection for the industry

Chairman Mr Jack Ward said in the annual report the compulsion to buy local raw materials at high prices and the widening gap between local wage rates and those in the competing developing countries were their main problems

● The Tongaat Hulett group has been hammered by declining world sugar prices and the crisis facing the local textile industry

The group has reported half year earnings 11,5 per cent down on the pro-forma result of both groups a year ago

Its textiles division has "experienced extremely difficult trading conditions in recent months and will not reach the same level of earnings as last year

● In another development Iscor has announced it is to lay off 1 500 workers — almost all of them unskilled labourers — within the next few months

Iscor's managing director, Mr F P Kotzee, said the corporation's Newcastle steelworks and its Sishen iron ore mine would be the worst affected

Mr Kotzee noted that "owing to the slackness in the domestic and overseas steel markets" Iscor had been forced to decommission some of its production units

Bleak job prospects, Page 6

More retrenchments could be due if Iscor's position continues to worsen, the corporation announced last night

D. Dispatch 18/11/82

Paper No

(to be copied from the heading on the Examinatio

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University

Govt talks on retrenchments

(197) D Dk Patel 19/4/82

BY TOM LOUW

Business Editor

EAST LONDON — The management of Da Gama Textiles has held discussions with officials of the Ciskei Department of Manpower on the retrenchments announced this week

The managing director, Mr Casey B Joosse, said yesterday 'The Ciskei people are trying to work with us to make things as manageable as possible'

Most of the weekly paid workers who are being retrenched live in Ciskei

Mr Joosse said the reaction all-round has been positive, arising from the knowledge that the Da Gama situation is only part of a nation-wide problem in the textile industry

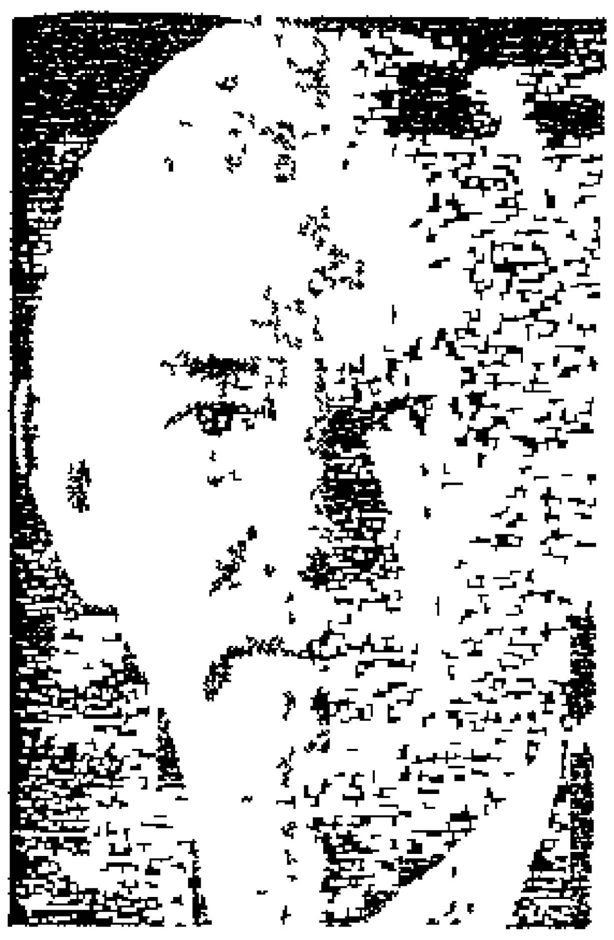
He confirmed that all employees retrenched will receive redundancy pay This will amount to a minimum of three months salary for monthly-paid workers and three weeks wages for those on weekly pay

Retrenched employees will also be paid additional leave and their Christmas bonuses, and long-service employees will receive an extra amount

Mr Joosse said pension contributions will be refunded, plus interest and the retrenched workers will also be paid out the company's contribution to their pensions

Those who qualify for unemployment insurance benefits will receive them, because Ciskei has "kept up its end of the scheme"

Even after the retrenchment of 1 368 people Da Gama will still have a big complement of staff Mr Joosse said the work force will still number more than 5 000



MR A M Rosholt executive chairman of Barlow Rand, has been appointed to the head office board of Old Mutual

Gold rallies

GOLD was fixed at $417 an ounce in London this morning up nearly nine dollars from yesterday's close of $408,25 Reuter reports

It rallied in New York yesterday to close at $412, following an injection of reserves into the banking system by the Federal Reserve Board, which raised hopes that a cut in the US discount rate might be announced

In London today dealers said prospects of a cut in the US discount rate continued to aid the market

London gold fixings were

	Dollars an ounce	Rands a kg
Today 10 30 am	417 00	15 410 30
Yesterday 3 00 pm	408 50	15 096,18

Imports hit 10 500 jobs

ARGUS 19/11/82 197

More than 10 500 jobs will have been lost in the clothing industry this year as a result of competition from foreign imports Mr S Schlagman, executive director of the Textile Federation said today

He made an urgent appeal to the Government to grant the industry greater protection against foreign competition

The textile industry had been expecting some downturn in demand and had prepared for it But mainly owing to large-scale imports of clothing and textiles the situation had become much more serious

MAN-HOURS

By the end of December man-hours worked in the textile industry were expected to be down between 30 percent and 35 percent on last year while production this year is likely to be down at least 25 percent on last year

Mr Schlagman said unemployment and short time were widespread in the industry and all major companies would be extending the annual shut-down by two to three weeks

The industry now estimated that 10 500 jobs would be lost by the re opening in January, which will have serious consequences for the Western Cape, the Eastern Cape-Ciskei and the Durban areas

Trained and productive labour will be out of work

IMPORTS UP

Although consumer demand this year has been unchanged, imports of wool fabrics in the first half of the year were up 44 percent while imports of cotton and synthetic fabrics were up 13 percent and 18 percent at a time when local order books were down 39 percent

Clothing imports between January and May were up 44 percent in value and 30 percent in volume

RETRENCHMENTS

Mr Schlagman said the downturn in the local industry had been caused by the Government's inability to curb imports owing to the inadequacy of existing protective measures

The Argus Bureau in East London reports that 26 percent of the work force of the Good Hope Textile plant in King William's Town will lose their jobs next month Good Hope Textiles is the largest mill under one roof in the southern hemisphere

The retrenchments on December 10 will affect 1 279 weekly-paid black workers (1 100 at Good Hope Textiles) and 89 monthly-paid workers (65 at Good Hope Textiles and 24 at the Cyril Lord plant in Mdantsane outside East London)

An estimated 6 500 people will be affected by the retrenchments

Downturn quickens

WASHINGTON — Production in wealthy industrial countries has been falling faster and faster this year with drops in the United States and Japan dragging the total figure down

The International Monetary Fund estimates that output in the 19 leading non-communist countries fell 1,9 per cent in January, 2 4 per cent in February, 2,1 per cent in March, 3 1 per cent in April, 3,4 per cent in May, 4,4 in June and possibly by 5,2 percent in July - Sapa-AP

RDM 19/11/82

197

Black jobless — the heart of the crisis

Howard Preece  **Economic Spotlight**

MORE than 7 000 workers have lost their jobs in the textile industry this year. The total could reach 10 500 by the end of December.

Iscor's redundancies for 1982 will be about 6 500

That pattern is reflected across the country

Unemployment is reaching critical proportions in South Africa again, and the situation is bound to get worse over the next year or so at least

Mr Harry Oppenheimer warned the Financial Mail investment conference yesterday of "high and rising unemployment with a real risk of industrial disturbances and political instability"

But what are the dimensions of the problem? How far will the jobless total ease as and when the economy moves back into a strong growth phase?

Or is there a risk of structural change, of a shift to permanently higher and (by convention) more menacing levels of unemployment in South Africa throughout the 1980s and beyond?

Is such a change, in fact, taking place?

The statistics, official and unofficial, about the present situation are inadequate as far as the crucial area — that of the blacks — is concerned

According to the Reserve Bank, there were only 18 958 registered unemployed whites, coloureds and Indians in July this year

These figures could well be an underestimate, but in any case the real crisis lies outside these three groups

The Reserve Bank says that in the first months of this year the unemployment rate for blacks was 7,1%

Were that the end of the story, however, the problem would be modest by present international standards

After all, the unemployment rate in Britain is now about 14% with one school-leaver in two unable to find work

The jobless rate is above 10% in the United States and 12% in Canada

Across Europe the level is rising with an estimate that there will be a record 12-million unemployed in the Common Market countries next year

For the Western industrialised countries as a whole the total number of people out of work could well top 32-million in 1983

Rates are still comparatively low in some countries — less than 2,5% in Japan — but even left-of-centre governments in France, Austria and Sweden are facing mounting difficulties

In the Eastern bloc countries the unemployment situation is sometimes more disguised, but given the pitiful economic record that most of them have the severe strains on living standards are evident

The economies of third world countries are in an appalling state

So, as I say, if black South Africa had an unemployment rate of only 7,1% this country could feel relatively satisfied

Unfortunately, however, matters are more complicated

In the first place, some unemployment has been "solved" by the expedient of excluding the so-called national states — Transkei, Bophuthatswana, Ciskei and Venda — from the statistics for South Africa

But whatever the merits or demerits of the whole policy of grand apartheid may be, there are still tens of thousands of people out of work in these four areas

Any businessman who is worried about unemployment in South Africa is hardly likely to be satisfied by a planner's assurance that those areas are no longer part of the problem

The second point is that the Reserve Bank's statistics are calculated in relation to the "economically active black population"

Thousands of blacks fall outside these figures because their very existence in the urban areas is technically illegal

What then is the "real" level of unemployment?

Publicity has been given to recent claims variously by Dr David Webster and Professor Jeremy Keenan of the University of the Witwatersrand that total unemployment in South Africa is in the 2 500 000 to 3-million region, or at least 24% of the effective working population

But I have seen nothing substantial enough from either of them to persuade me of the depth of their inquiries

Both seem to be relying on some rough and ready adjustments to the earlier calculations of that far more impressive figure, Mr Charles Simkins of the University of Cape Town

(On the other side, Professor Brian Kantor of the University of Cape Town argued to his own satisfaction last year that there was virtually no "involuntary unemployment" in South Africa, but that engaging eccentricity does not seem to have caught on)

Even Mr Simkins is stuck with the problem of the "informal" sector of the economy — workers who want no official record (or dare not have one) of their operations, and even their existence

On his calculations, however, there were about 2 300 000 unemployed in 1976 — but his definition of "unemployed" includes "underemployed"

Mr Simkins reckoned then that 200 000 new jobs a year would be needed merely to keep pace with the rising number of people on the employment market

But in spite of the hectic boom from late 1978 to early 1982 jobs do not appear to have been created at the pace that might be supposed

Turnover in the Barlows group, for instance, almost trebled between over 1978-81

Inflation played a big part in that, but so did acquisitions

Total employment in the group, however, over the same period was up from 138 000 to 196 000

SA Breweries turnover in 1975 was R1 160-million with slighty more than 46 000 staff

Last year turnover was up to R3 057-million, but the number of workers had only risen to 56 500

Again, even after stripping inflation from the figures, employment is not rising in these groups in the same proportion as sales

That is good for productivity, of course, although it does show the structural problems of unemployment

Most important of all, perhaps, was the 1979 finding of the Government's Economic Development Programme

This argued that if there was an average annual real economic growth rate of only 3,6% for 1978-87, unemployment would be up to 21,9% by the end of the period

With 8% growth in 1980 South Africa is ahead of that game at present

However, the sharp downswing this year, coupled with the prospect of negative growth in 1983 and a slow recovery in 1984, makes a 3,6% rate for the EDP period a possibility

For all that it is no use, I believe, simply trying to pump money into the economy in a short-term anything-goes bid to bring down unemployment

What is needed is a critical look indeed at all the trappings of apartheid that play so important a role in the employment position — and a whole series of looks of microeconomic policies that might stimulate job creation without provoking a further and ultimately self-defeating general inflationary surge

Frame Group cutting back

D Dispatch 19/11/82

EAST LONDON — The Frame Group textile factory here has no formal retrenchment programme the group's joint managing director, Mr Selwyn Lurie, said yesterday

On Wednesday, Da Gama textiles announced that 1 368 employees in its King William's Town and East London factories would be laid off from December 10

Mr Lurie said the Frame Group was cutting back on staff through a redundancy programme

"We are just not replacing staff who leave," he said

"We are also cutting down on working hours'

Mr Lurie said the textile industry being a labour intensive industry was particularly hard hit by the economic recession

He said he was not surprised at a Textile Manufacturers' Federation (Texfed) warning that 10 500 jobs in the industry would be lost between now and the new year

The regional director of the Textile Industry Workers Union Mr Gladstone Stoto said he did not think Frame Group would retrench large numbers of workers

Although the TIWU represents workers at Frame Group, it had no members at Da Gama textiles, Mr Stoto said

A spokesman for the South African Allied Workers' Union (Saawu) said that although the union had members at Da Gama factories, membership was low

Star 23/11/82

Da Gama has big plans in Ciskei

Financial Correspondent

EAST LONDON — The giant Da Gama textile mill here which retrenched 1 368 employees last week is to establish a big new industry in Ciskei

Da Gama would invest R4 million while the Ciskei National Development Corporation would put R2 2 million into the factory to be built in Mdantsane, said Mr Casey Joosse, chief executive of Da Gama

The industry — Da Gama Home Fashions — would produce finished textile products such as sheets, curtains, and pillow cases, he said

CONSOLIDATED

Saying that the timing of the new industry was unfortunate, Mr Joosse added it should not be related to the recent retrenchments, which were caused by the economic downturn.

Da Gama Home Fashions had begun production in three areas in East London in May last year and would now be consolidated in the new factory and expanded, Mr Joosse said It would ultimately employ between 400 and 450 people

The new industry was aimed at a totally different market to the existing mills, which produced mainly industrial cloth

Finished products would be aimed directly at the consumer market

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3 Names must be printed on each separate sheet (e g graph paper) where sheets additional to examination book(s) are used

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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

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Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

Da Gama to establish factory in Mdantsane

D-Dispatch 23/11/82

(97)

BISHO — The Da Gama Textile Company, which announced the retrenchment of more than 1 300 of its workers last week, is to establish a made-up curtaining and linen industry in Ciskei

The industry Da Gama Home Fashions is currently located at three different sites in East London and will be brought under one roof in Mdantsane by March next year

Speaking at a press conference here yesterday the managing director of Da Gama Mr Casey Joosse said the timing of the announcement of the new development was "rather unfortunate' but there was no connection between it and the retrenchments

Da Gama Home Fashions he said was started in May 1981 and represented an investment in the future security of the Da Gama group

The industry would concentrate on the market for finished textile products instead of supplying the total production of woven fabric as material to chain stores

At its four sites in East London the industry presently employs some 200 workers and a further 250 workers are expected to be employed when the industry moves to Mdantsane

Mr Joosse, replying to a question, said it was unlikely that some of the retrenched workers would be employed at teh Mdantsane plant, which will be operated mainly by female seamstresses

The construction of the R2,2 million new factory at Mdantsane started last month and the total investment in the industry will be some R6 million by the end of next year

The curtaining and linen industry was expected to show strong growth next year and 10 per cent of total fabric take-off was expected to occur in home fashions

The garment industry is labour intensive and is remarkably absent in the Border area

"We believe this extension is the very first step towards establishing the industry in the area

Announcing the relocation of the industry at Mdantsane yesterday, the managing director of the CNDC, Mr Frans Meisenholl said it was "extremely encouraging" that Da Gama did not require loan capital from the corporation for its new venture

The company, he said, only required assistance with its factory building and was setting a good example of what was really needed in Southern Africa

"The time is long overdue for the private sector to invest more of its own capital in Ciskei and rely less heavily on financing from the authorities" — DDR

See also P17

Economy cripples textile industry

Sowetan 22/11/82

197

THE Textile Manufacturers' Federation is to make an urgent application for aid to the Government following a severe slump in the industry.

The giant Da Gama textile group laid off 31 workers this month and a further 1 368 will be retrenched next month A spokesman for Texfed has also warned that 10 500 jobs in the industry will be lost by the end of the year

Mr Casey Joosse, chief executive of Da Gama Textiles, said that temporary relief of imports was imperative Texfed was trying to arrange a meeting with the Minister of Finance, Mr Owen Horwood, to discuss aid to the industry

In the biggest cutback in Da Gama Textile's 36-year history, 26 percent of the Good Hope textile plant's workforce in King William's Town, will lose their jobs next month Good Hope Textile is the largest mill under one roof in the southern hemisphere

The retrenchments on December 10 will affect 1 279 weekly paid black workers (1 100 at Good Hope Textiles) and 89 monthly paid workers (65 at Good Hope Textiles and 24 at the Cyril Lord plant in East London)

An estimated 6 500 people will be affected by the retrenchments

Mr Joosse expressed deep regret over the retrenchments and added that he sincerely hoped that no further lay-offs would be necessary this year.

"We hope that we will be able to see through next year but I can't be confident about predicting the future

"I hope that this is the end We have closed down whole sections."

Mr Joosse said the state of the current economy, the future outlook and recent trading results had caused the massive retrenchments

The continuing decline in order volume had reduced profit margins and the generally depressed outlook for the future had made the retrenchments inevitable

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Textile workers laid off

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protective measures.

Despite repeated approaches to the authorities, they have turned a deaf ear to the
situation in which
thousands of workers
have lost their jobs could
have been avoided"

Mr Frank
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Man-hours down

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tile Federation, said
more than 10 500 jobs
would have been lost in
the clothing yarn sector of
the industry by the end of
1982

Man-hours in the textile industry were down between 30 and 35 percent and major employers would extend the Christmas shutdown by two to three weeks

Da Gama Textiles laid off 1 368 workers in King William's Town and East London this week There have also been big staff

About 9 000 garment workers had been retrenched or not replaced in the Transvaal and several thousand more in Natal

Criticism

He said a downturn in employment could be expected after Christmas

At an NCF meeting on Thursday the federation's president, Mr Hugh Yorke-Mitchell, criticized the textile industry for calling for "massive import duties

He said that if duties were increased, local fabric prices would increase In the current economic climate, clothing manufacturers would not be able pass on increases

A spokesman for Barlow Rand's giant textile subsidiary Romatex said staff had dropped by more than 2 000

Mrs Ann van Rooyen, whose husband Mr Henry van Rooyen was shot dead when he tried to foil a robbery in his Mitchells Plain neighbourhood earlier this month, holds a R100 cheque sent to her by Cape Times readers. With Mrs Van Rooyen are two of her children, Myrtle 14 and Benald

Nurse may have been pushed — patholo

LEEDS — A Saudi pathologist told an inquest on a British nurse, Miss Helen Smith, in Leeds yesterday she might have been pushed from the sixth-floor balcony of a block of flats in Jeddah, Saudi Arabia

The pathologist, Dr Muhammad Kheir, said a Dutch seaman, Mr Johannes Otten, found dead beside Miss Smith outside the block might also have been pushed from the balcony in May, 1979

The Saudi authorities have said the couple died accidentally but Miss Smith's father says his daughter was murdered

Asked by a lawyer for the party host, Dr Richard Arnot, if there was anything criminal involved in the deaths, Dr Kheir told the inquest "There was no strangling, no beating and no throttling She may have been pushed"

Dr Michael Green, a forensic scientist who carried out a post mortem examination on Miss Smith's body in June 1980, told the inquest the body showed signs of having been beaten or raped

Dr Kheir, who carried out the first
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Da Gama Industrial to open Ciskei factory

197 week 30/11/82

DA Gama Textiles is to establish a factory in Ciskei

Frans Meisenholl MD of the Ciskeian National Development Corporation (CNDC) said that the R2,2-million contract for the new factory has been awarded to Stocks and Stocks

Meisenholl said that he found it extremely encouraging that Da Gama did not need loan capital from the CNDC to establish this new venture

"This is concrete proof that the company does not only pay lip e service to the concept of decentralisation

Destocking by retailers hits Romatex

197

Dec. 1982

Argus Correspondent

DURBAN. — Large stocks of imported fabrics and hessian were still flooding the South African market and prospects for the textile industry in the year ahead were gloomy, Mr Jack Ward, chairman of Romatex, said here.

He told the annual meeting the company did not expect "any material improvement in the mills and fabrics divisions in the short term".

In the first two months of the new financial year the group had performed much as was predicted in the annual report for the year to September 30, when Mr Ward said he did not expect any improvement in profitability in 1982-83 because of economic conditions.

In an interview after the meeting, he said the big retail groups such as OK Bazaars and Edgars were destocking because of reduced consumer demand and this was affecting every division of Romatex, but more especially its large carpets and floor coverings business.

REMAIN FRIENDLY

There appeared to be little or nothing the Government could do to curb imports apart from maintaining the level of duties which already applied.

Most imports of fabrics and cheap footwear stemmed from Far Eastern countries, with Taiwan in the forefront, and South Africa had to remain friendly with them to protect the export markets which would emerge when the world economies recovered.

He was confident that in the longer term the group would return to a high level of profitability since its strong capital base — it is a member of the giant Barlow Rand conglomerate — would allow it to take advantage of any opportunity which presented itself.

In the year to September 30, Romatex reported taxed profit of R29,1-million, compared with R34-million a year earlier, but maintained the dividend at 56c.

Textiles

Call for protection 'dangerous'

ARGUS 2/12/82

197

MR Kobus Roetz, top, has been appointed general manager and Mr Jerry van Vuuren assistant general manager of the Trust Bank's personal banking services division

MORE than 90 percent of the clothing sold in South Africa today is locally manufactured, says Mr Brian MacLeod, director of the Cape Town Chamber of Commerce

This is his comment on a suggestion that more tariff protection is needed to reduce imports of clothing and textiles from the Far East.

More than 1 000 textile workers in the Western Cape have lost their jobs in recent weeks and Mr Mike Getz, chairman of the Cape Clothing Manufacturers Association, has disclosed that employment in the clothing industry has dropped

DEMAND FALLING

Mr MacLeod said the downturn in the economy was "having its expected impact on unemployment as invariably happens when, as a result of falling demand for goods and services, inventories have to be reduced and industry itself has had to cut production "

But it would be a dangerous course for the industries concerned to look for a solution to their problems through tariff protection, particularly when demand for imports was falling

"South Africa cannot allow its cost structure to rise unnecessarily With an inflation rate double that of many of its trading partners, South African producers will soon find themselves priced out of world markets ",

Local industry should "look less toward protection and rather improve its efficiency through greater productivity and training, particularly at management level "

(197) D. Dispatch 1/12/82

Garment firm plans expansion

EAST LONDON. — In spite of the recession and retrenchments in the textile industry in South Africa, Ark Garment Industries have increased their staff and have expansion plans for 1983

In a statement yesterday, Mr R Harris of Ark Garment Industries said "It is a very unnatural recession created by the government and followed up by the media We have been able not only to maintain our existing staff, but to increase it during 1982, with healthy prospects of expansion during 1983"

He said the growth of his company was due to an accumulation of several factors

With increased productivity and a good employer/employee relationship he was finding that his company was achieving a high rate of productivity and a high standard of quality

"As a result of these factors, as well as passing on our decentralised benefits to our customers, we are offering high quality merchandise at very competitive prices which is enabling us to get our share of the market"

Mr Harris said he was also pursuing the possibility of export and felt confident that his export contracts would begin in the first quarter of 1983 — DDR

~~225~~ (197) (4OA) Star 15/12/82

60 textile workers retrenched

Labour Reporter

About 60 textile workers were laid off when a Springs firm closed for the holiday season last week

A Fosutu National Union of Textile Workers spokesman said about 60 workers were given notice when they collected their pay at Braitex last Friday

Although the NUTW has a recognition agreement with the fabric manufacturing firm, it does not have a retrenchment agreement

The union spokesman said little advance notice was given of the lay-offs.

No one in management at the firm was available for comment because of the closure