



Anti-Apartheid Movement

for freedom in southern africa

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GEC is Britain's largest electrical engineering and electronics company, and overall, Britain's twelfth largest company. In 1977, it made a pre-tax profit of no less than £278.3 million, exported from the UK goods valued at £524 million and recorded orders amounting to £936 million, mainly in power engineering, telecommunications, electronics and automation. The group held worldwide assets of £1,520.7 million and trading and manufacturing subsidiaries in 30 countries.

GEC worldwide operates in five principal spheres: Power engineering; Industrial; Telecommunications, electronics and automation; Components, cables and wire; and Consumer products.

In each of these spheres, GEC has important links with South Africa. So important, indeed, that South Africa's Financial Mail, in a special article on the company, commented approvingly that "GEC has become very much part of the South African way of life".

Indeed, while her South African involvement in relation to worldwide operations is small, it is crucial to the South African economy.

GEC(SA) is the largest company in the South African electrical industry and the sixth largest employer of black labour, employing over $4\frac{1}{2}$ thousand black workers. In 1976/7 its investment was said to run to 'several score million rand', though the company would provide no exact figure. The 12 subsidiaries for which GEC(SA) is the holding company, operates nine plants, mainly on the Reef, but also in KwaZulu. In addition, the company is involved in five joint ventures with firms like Plessey and Standard Telephones and Cables. Taken together, these companies are primarily engaged in the production, distribution and maintenance of consumer goods like telephones and domestic appliances and capital goods such as turbines, locomotives and electrical switchgear.

In private industry, GEC and its constituent companies have probably put in more mine winders in South Africa than any other firm and have 13 new installations on order at the moment. GEC also manufactures washing machines, heaters, frying pans, kettles, fans and so on. Names like Morphy Richards, Coldspace, Gala and Tropicana are familiar in many South African households.

Though not involved in South Africa with television receivers, wholly-owned subsidiary Marconi has supplied 12 transmitters to the South African Broadcasting Corporation.

The firm's Annual Report 1977 declares that sales of Rectifiers to South Africa had contributed to a doubling of its order book in the field and a £4 million order for South Africa for stores programme control equipment

The most significant role of these companies, however, is in providing South Africa with equipment which enhances its military capacity and in providing South African state corporations with sophisticated technology and equipment, comes directly from the UK.

In the last five years, orders with South Africa's state corporations - South African Railways, ESCOM, the electricity supply commission, the South African Post Office, the state Steel Corporation, ISCOR, and others - have amounted to over £200 million worth of transport, power engineering and telecommunications equipment, of which 75 percent has been supplied from the UK.

The GEC/Plessey subsidiary, Telephone Manufacturers of South Africa, for instance, presently accounts for almost 70 percent of sales of switching equipment to the South African Post Office, while African Telephone Cables, in which GEC has a 30 percent stake and accounts for 75 percent of telephone sales. Indeed, the Post Office has often been the first to receive new products (Key management from Telephone Manufacturers have been sent by GEC to its industrial staff college in Rugby).

In a special scheme with ESCOM, GEC are supplying three 600 MW turbo-generators for a new power station at Duvha following "efficient performance" of three previous units.

More recently, in October, 1977, GEC, which has supplied the electrical equipment for virtually all South African Railways' 3,000 locomotives, secured an order for over 100 Class 6E1 locomotives, and only a short time before contracted to supply 25 3,700 kilowatt locomotives; and in November, a R9 million deal with the Post Office for the supply of telecommunications equipment was announced.

Military and Military-Related Equipment

GEC companies have important links with the British Post Office, British Rail, British Steel and Electricity Boards. Equally, they are major suppliers of a wide range of military hardware for the Royal Navy and British Army. Prior to nationalisation, the group maintained a 50 percent holding in BAC and was a major armaments sub-contractor. Just one subsidiary, Marconi-Elliott, accounted for four fifths of the UK military computer market. In all, 20-25 percent of total group turnover in 1976 was estimated to come from military sources.

In this category too, GEC has been a major supplier to South Africa. Since 1971, for instance, GEC has been involved in four major contracts in the fields of electronic surveillance, monitoring communications and data processing and nuclear power generation.

One of these was to supply the South African Defence Force with closed circuit television. More recently, Marconi Communications Systems Ltd. has accepted an £8 million order from the South African Defence Department to supply a long-range communications system, the Troposcatter. This will be bigger than anything built by Marconi before and will require special development. It is believed that the system will be used by the army "to extend its

anti-guerilla technological strength by bringing into service battlefield sensors which transmit data on movements in the area". It is more than likely that the equipment will be used to counteract the activities of SWAPO, the national liberation movement of Namibia (illegally held South-West Africa). In the face of public criticism, GEC have warned of the need for boosting exports and preserving British jobs. In the early seventies, GEC, along with the British Nuclear Design and Construction Ltd. and the British Nuclear Power Company, (GEC was involved in both) also held tentative negotiations to supply a Koeberg nuclear reactor to the Electricity Supply Commission of South Africa. This was eventually abandoned, but the possibility of GEC further committing themselves and the British Government to the expansion of South Africa's nuclear programme still remains.

Wages and Conditions

Prior to 1973, GEC policy was to pay its lowest paid employees the minimum rate laid down by SEIFSA, an employers federation for the industry. This meant that the highest wage for an African was below the Poverty Datum Line. With the Parliamentary investigations of that year the company gave an assurance that they would increase wages for African employees who then, while comprising 51 percent of the total work force, received only 22 percent of the wage bill. In 1976, the firm said that the lowest paid African employee with more than three months' service received £91 per month. Thirty-six percent of African employees were said to be in receipt of this minimum wage, although GEC did not provide figures for 25 percent of its work force.

The only existing channel of representation for African workers are government preferred 'liaison committees', although at least 300 black workers were reported last year to have joined the Engineering and Allied Workers' Union.