

# CONFIDENTIAL VERTROULIK

## PROG - TRADE UNION

### LABOUR CONFERENCE

An all-day conference on economy and labour was held in the Board Room of the Sunnyside Park Hotel, Johannesburg on 23rd May, 1973. Participants were 8 leading South African trade unionists and 7 representatives of the Progressive Party.

No formal agenda was observed, but, for the sake of order, discussions centred around 10 major topics.

Brief lead-in remarks on each of these topics were made by selected spokesmen for the Progressive Party, basically outlining its existing policy on each of the subjects up for discussion after which general comment was invited. The following constitutes a brief report of the major points made on each of the topics under discussion.

#### 1. The Trade Union Movement in South Africa.

- \* Lead-in remarks dealt with the undisputed right to autonomous, unhampered and unfettered existence of the Trade Union Movement in South Africa, trade unionism's traditional aversion to involvement in politics, the fact that the Trade Union movement is playing an ever greater political rôle in South Africa and the query whether the time had not come for trade unionists more explicitly to accept the responsibilities inherent in this political rôle.
- \* After some preliminary fencing as to the measure in which the autonomy of Trade Unions was impaired and their freedom inhibited by state control and interference, the trade unionists present agreed:
  - a) That legislation should be radically changed in order to allow the Trade Unions to participate actively in politics.
  - b) That the resuscitation of an active Labour Party would be the most ideal solution from the standpoint of the Trade Unions, but that acceptance of active support for one of the existing political parties would at least be a satisfactory interim measure.

- c) That trade union members should be allowed to opt into active participation in party politics.
- d) That one basic freedom - presently denied them - should be given to Trade Unions: the right officially to organise whatever workers they wish, however they saw fit.
- e) That the breakdown of communications between Trade Unions and the government was reprehensible: a recent letter from TUCSA to the Prime Minister in connection with the admission of Black workers to registered Trade Unions had not even been dignified with a reply.
- f) That the Trade Unions would welcome some political party taking up the cudgels for them on these issues.

\* Towards the end of this discussion, the casual remark was made that, in fact, a measure of dishonesty and hypocrisy was rife in trade union circles since some very clear party political alignments actually existed, but these were not openly admitted.

## 2. The Need to Create Employment for the Growing South African Population.

\* A strong plea was made for far stronger political guidance from one of the political parties as to the relative merits and demerits of (state) socialism as against free enterprise.

\* At present we have the phenomenon of a creeping socialism without really enjoying any of its attendant benefits. This is largely due to the extremely low rate of worker efficiency.

\* Firm and pragmatic guidance was similarly required from political parties on the whole question of unemployment. Ranting about more education and better training facilities for Blacks was far too facile a political approach. There were not even enough teachers to teach Whites. A programme of mass education for teachers was the first thing required - if necessary by resorting to aids such as television and audio-visual training methods.

\* Politicians, similarly, talk far too glibly of the need for increasing the national economic growth rate. It was inevitable that the growth rate would

*They could  
organise parallel  
unions  
include Africans  
in the definition of  
employee in the  
I.C. Act. Repeal  
the Barker Labour  
Relations Regulation  
Act of 1973*

*State  
Capitalism -  
not socialism*

remain stagnant and even decline in certain sectors. What was needed was to increase the growth rate in the most promising sectors to as high as 10% or 12% in order to offset the decline in others.

- \* An example of the anomalies encountered was the Engineering Industry in which, at the moment, only 60,000 workers (Whites, Coloureds and Asiatics) were eligible for trade union membership out of a total work force of 320,000. This, as against the fact that 75% of all skilled work was being done by Blacks.
- \* The point was subsequently made that in our striving for maximum employment - entailing far more effective training of Black workers - we were throwing out the baby with the bath water. Let's have effective training of Black workers, by all means, but do not let us achieve this at the expense of not providing some clear-cut form of protection for White workers. And, please, let the nasty, meaningless, concept of Job Reservation not be used in this regard at all. What is required is an enlightened form of socialist security: a redefinition of the "Rate for the Job" to fit the bill. *What does this mean.*
- \* It was quite realistically and soberly pointed out that, politically speaking, the whole discussion was in a sense unrealistic since it was being conducted against a background of 42% of the White worker force being in the employ of the Government. These people were sold on the idea of socialism in the guise of White Nationalism, would like Black workers only to work for the State under State supervision, are opposed to the idea of training Black workers, would prefer further nationalisation of the labour scene, and regard themselves as securely protected by the Nationalist Government: "I'm all right Jack, and to hell with you!" For the rest one had to deal with a large group of people suffering from a kind of mental blockage as regards race: yes, give the Blacks greater employment opportunities - as long as we keep on regarding them and they continue regarding themselves as hewers of wood and drawers of water. This is the ultimate dilemma with which we are faced in approaching the labour situation.
- \* It was immediately pointed out, however, that this left 58% of the worker population, not employed by the Government, and being forced to cope with an ever more alarming labour situation from day to day. It is amongst these

people that the potential converts are to be found and these were the people who formed the backbone of TUCSA, which essentially represented the private enterprise sector in the labour field.

- \* In fact, a tremendous amount of change was taking place all along the line. It was hardly current knowledge, for example, but in Pretoria, the hub of Nationalism, there was at least one bank which was solely staffed by non-Whites. It did not serve any sensible purpose, however, to publicise these facts. The more publicity, the more public uproar - and the slower the progress towards sound economic good sense.
- \* The 58% residue of White - i.e. enfranchised - workers have to be convinced that all the many ills of our economy must be laid squarely at the door of the Nationalist Party. No one else is to blame, and the red herrings have now become slightly shop-soiled.
- \* The contract labour system obtaining in the mining industry had to be dispensed with and gradually phased out. It was an evil practise standing in direct contradiction to avowed Progressive Party policy. Get rid of foreign contract workers and start employing local African workers: create opportunities for them and start paying them decent wages. Dispense with casual jobs and start creating careers, as well as, incidentally, a permanent and settled labour force, White workers would not object at all. The whole concept of contract labour mitigates against African advancement in industry.
- \* The unexpected profit bonus derived from the leap in the price of gold might well be used to achieve exactly this change of policy and of heart in the management of the mining industry.

3. The Need for Understanding and Co-operation between White and Black Workers.

- \* This discussion was led in by a formidable, sober and therefore depressing survey of facts, figures and statistics (see Appendix) from which only one conclusion could be drawn: that a tremendous fount of frustration was welling up among the Black workers of this country and that almost all real contact had been lost between Whites and Blacks. And without contact, of course, suspicion and rancour flourish.

Xenophobia 77

\* There was no real debate on the subject under discussion since there was unanimous agreement on the desperate need for understanding and co-operation between Blacks and Whites. A few relevant issues touched upon, however, were the following:

- \*\* The word "Black" was still obnoxious and dangerous at the moment and could only lead to further polarisation. For lack of better descriptions, it was still advisable to speak of "Coloureds", "Asiatics" and "Africans".
- \*\* The basic problem was communication. But communication presupposes contact, which is exactly what the Government has deliberately set itself to destroy. Politically it may be highly unpopular, initially, but it was imperative for a party like the Progressive Party continually to keep on hammering away at the absolute necessity of re-establishing contact.
- \*\* In this regard, it must be accepted that the attempt to escape from the potential threat of "Swart Gevaar" cannot be the sole justification for establishing contact. An equally powerful, but far more positive motive must be adduced, and this is to be found in concrete examples of instances in which contact between Whites and Blacks did and do work successfully. TUCSA and the multiracial trade unions are prime examples. Successful contact has been achieved on hundreds of factory floors where Blacks and Whites work shoulder to shoulder quite amicably and without any friction. Such successful industrial relations must be held up to the public as part of a concrete and politically feasible labour policy.
- \*\* The fact must be faced, however, that it is still socially unacceptable for Blacks to be seen and heard articulating. Therefore it was becoming ever more of a priority to bring Blacks and Whites together on an equal footing in factory productivity committees.
- \*\* Underlying many misunderstandings in communication there was still the language problem. The only solution being to make at least one Bantu language a compulsory subject at school.

#### 4. Threats to Industrial Peace in South Africa

\* A fact we have to face is that the Black worker is increasingly going to be used as a political weapon by Black Power leaders, simply because the Black worker is the only instrument available to Black political leaders.

- \* During recent wildcat strikes, the tendency was for Black workers to spurn trade union negotiators. Their argument was: we have attained pay rises within the course of a mere three days which you people were not able to obtain in decades.
  - \* The crunch of the matter is not political - as yet. It is a matter of the bare cost of living. When a man and his family can simply not subsist any more, he takes the law into his own hands.
  - \* There is another harsh fact to be faced: the mere introduction of more untrained Blacks into industry is no panacea. In fact, in the short term, it decreases productivity. Productivity has become a dirty word in labour circles. What the majority of Whites still fear is the political emancipation of Black men. Consequently his economic emancipation is deliberately inhibited and impaired. The term "productivity" is used far too glibly by politicians: in many circles reference to it is seen simply as the easiest way to delay paying higher wages to indigent Black workers.
  - \* It must be clearly understood that new workers in industry cannot immediately become productive. It is a gradual process and one must exercise patience in awaiting results.
  - \* The suggestion was made that the windfall (a projected R250 million) gained from the recent leap in the price of gold might be far better spent on the effective technical training of Black workers in the present industrial centres than on further development of the Homelands (as recently suggested by the Nationalist political pundit, Schalk Pienaar). This suggestion was greeted unanimously and with acclamation by all the trade unionists present.
  - \* The recent wave of strikes were classic examples of the traditional confrontation between employers and employees. They must be seen as such, i.e. as representing a purely economic issue and not a political one. The temptation to use this phenomenon as a springboard for the attainment of political aspirations should be firmly resisted.
5. The White Worker and Threats to his Job and Income Security.
- \* The grave shortage of labour in South Africa is artificially induced.

- \* The country's work force can be likened to a pyramid: the industrial pyramid. The trouble is that the numbers of those forming the lowest level of the pyramid are deliberately limited. Broadening the base of the pyramid constitutes no threat to those at the top, but in fact pushes them higher as top section of a larger pyramid.
- \* The importation of skilled workers from overseas will still have to continue for a long time - just like the importation of foreign capital. So far from taking the bread out of the mouths of born South Africans they actually play an indispensable role as the true teachers and trainers for the future. Unfortunately this source of valuable teacher material is fast drying up. *is this true.*
- \* Progressive Party policy statements appear to be wrongly motivated. The Black man must certainly be allowed into industry, but without being granted any special privileges in the process merely because he is Black. The reaction from the White worker to this type of suggestion is immediate: my tax payments are, therefore, being used to subsidise this chap, and this in the face of the vast difference between at least our outward standards of living.
- \* A clarion call should be issued by the Progressive Party for the whole of the South African nation to be put to work.
- \* Immigration is drying up because, remuneration wise, South Africa can no longer compete with Europe itself, because there are now plenty of employment opportunities in Europe and because South Africa has become the polecat of the world.
- \* There is also a grave measure of hypocrisy connected with our importation of immigrants. We are, in fact, not bringing in skilled workers from overseas for their skills, but basically for the sake of their "whiteness". In this regard, the surfeit of Portuguese immigrants are notorious examples. In fact, some immigrants are far from properly skilled whilst we have thousands of qualified Coloureds not receiving their just deserts.
- \* It is a moot question whether job protection for White workers has not in fact become simply a protection of White privilege and indolence. Who, for example, has ever taken the trouble to assess the real measure of White "productivity"

being delivered in this country?

- \* Some disagreement arose (among the trade unionists themselves) as to the correctness of the generalisation that, where the rate for the job applies people of colour are left with more take-home pay than White workers. The days when Coloureds, on average, paid only R3.00 per week for housing were over and any argument based on such a supposition was fallacious.
- \* It was pointed out, on the other hand, that, at present, all races do not pay income tax according to the same assessment rates and that this was wrong in principle. The Progressive Party might do well by starting to insist publicly that all South African citizens who are taxable should pay the same income tax. This is the right principle and sound political policy.

6. The Implications of the Entry of African Workers into Industry as Regards the Position of Trade Union Members.

- \* Trade unionism constitutes the ultimate protection of organised labour. A basic prerequisite, however, is that Trade Unions should have the right to organise fully and freely.
- \* All the trade unionists present were unanimous in their belief in Trade Unions as such, not in Trade Unions organised along racial lines. Consequently the concept of exclusive Black Trade Unions is frowned upon - something the Progressive Party might well play up more audibly.
- \* This raised the question whether, ultimately, the existing Trade Unions might not become flooded by Blacks. This was a risk that had to be realistically faced and incidentally also underlay the trade unionists' marked aversion to the idea of a General Workers' Union for Blacks. The establishment of such a body would put paid to all possible co-operation with the registered Trade Unions and came far too dangerously close to the idea of a general Black political party.
- \* Among the conservative wings of the trade union movement there was still considerable opposition to the idea of Black membership. Existing legislation



however, allowed for the splitting of Trade Unions if elements within them so desired, so that truly independent Trade Unions could reach their own decisions in this regard. Thus the possibility of evolution did exist. In fact, there was a considerable measure of insincerity on this score rife among the conservatives. The truly realistic thing to do was to accept that neither separation nor integration could or should be rigidly enforced within the Trade Unions - and certainly not through outside interference.

- \* Once again, then, it was stressed that the Trade Unions should have the right to determine their own destiny, that it was their prerogative - not the Government's - to work out their own organisation and modus operandi. ]

#### 7. Black Workers' Committees

- \* Black Workers' Committees have become the labour issue on which the Government have nailed their colours to the mast.
- \* Even under the Bantu Labour (Settlement of Disputes) Act 48 of 1953 which, unlike the Industrial Conciliation Act, does not exclude Africans from being regarded as "employees", such grave limitations are placed upon their rights in "labour disputes" that, in fact, they are legally excluded from the definition of "employees".
- \* The Workers' Committee system had been devised to provide a veneer of legality to grossly discriminatory labour practise and has, in fact, proved to be an abysmal failure. In February, 1972, the Minister of Labour reported to Parliament that only 12 Regional Bantu Workers' Committees had been established throughout the country, whilst in March 1972 only 18 were functioning. These Committees had dealt with only about 400 wage disputes since 1956. There can only be one conclusion: the Workers' Committee system has failed utterly. What is to replace it?
- \* The trade unionists were unanimous in their scornful rejection of the whole system: the Bantu Settlement of Disputes Act was completely inadequate as a regulating measure for African workers.

- \* Why should specific legislation be imposed exclusively on Africans? The only argument advanced in substantiation was the danger of Communism. In fact, the Workers' Committees have not avoided illegal wildcat strikes, simply because the Committees were talking to all the wrong people. Its only real value as an Act is that it has been largely ignored.
  - \* If properly applied, the Act would lead to a totally chaotic situation in the South African industry. Guesses as to the number of Workers' Committees that would have to be established ranged from 6.000 to as many as 50.000: an unwholesome Irish stew of a situation that was simply not on in any practical sense.
  - \* In this regard, it was pointed out that in the late 40's, a successful experiment was made with Workers' Committees in Iscor. It broke down, however, because of a continuous change of personnel and a resultant collapse of continuity and complete frustration on the part of the workers.
  - \* Often, too, there was complete lack of cohesion, since workers employed by the same (building) organisation would be used on a number of different sites.
  - \* A final penetrating observation was that, ultimately, Workers' Committees would inevitably tend to form themselves into Trade Unions, in any case.
8. The Practical and Political Implications of the Present Labour Situation in South Africa and the Desirability of Trade Union Rights for Black Workers.
- \* Progressive Party policy in this regard was briefly summarised. The Party sincerely believed that the present situation cannot continue; that workers of all races should be given the opportunity to develop and sell their skills on the most favourable market; that the manpower shortage was assuming truly critical proportions; that full economic development can only be achieved if South Africa starts being regarded as a single economic unit; that White nationalism must start learning to accept and live with Black nationalism; and that, as a corollary, the Progressive Party was in favour of Black membership of White Trade Unions.

- \* Among the trade unionists present there was general agreement that Progressive Party policy basically coincides with TUCSA thinking.
- \* It was important, however, how the case for Trade Union rights for Africans be presented to the public. It should be presented simply, clearly, concisely. One should be wary of left-wing thinking which was in favour of Blacks not co-operating with White trade unionists since, then, they were allegedly bound to come off second best. There existed to-day a general consensus amongst Whites - even White workers - that Blacks should receive more realistic wages. The Progressive Party should not be negative in stressing this fact. A completely new situation had arisen since the recent Durban strikes. The whole thing should be played positively, building on common agreement and without any implied insult to White workers by blaming them for everything that is amiss. There should be a decided switch in the emphasis of Prog. politicking: what was being advocated was also, very decidedly, in the interests of White workers.
- \* As regards job reservation, the least said, the better. The whole thing has too many emotional connotations. In fact, it has long been a dead duck, not really amounting to anything. By and large, it represented merely a traditional attitude. Stress should be laid on the fact that change in this traditional attitude was also to the benefit of the White worker. In the past the TUCSA made the tactical mistake of blowing up job reservation out of all perspective - which gave the Government the opportunity to justify it for purely emotional reasons. The whole thing is best ignored completely: it will die a completely natural death.
- \* To-day, even Government-supporting Trade Union members were starting to regard Black workers as a threat outside their own unions. It was no longer so much from the rank and file but from certain rightist Trade Union leaders that opposition was to be expected to the advancement of African workers. As far as the ordinary worker is concerned the Durban labour unrest has proved to be a clincher and has exercised a profound effect on his attitude.
- \* What is in fact holding back the progress of Africans in industry more than anything else is the inability of Trade Unions to organise them.
- \* The only substitute existing at present is the "four charming old gentlemen" comprising the Native Labour Settlement of Disputes Board who, though representing

75% of the total labour force, are hopelessly out of touch with the times and in fact do not even really understand the problem at all.

- \* If correct propaganda be made with regard to the admission of African workers to the registered Trade Unions, there should really be no problem at all. The fact is that 95% of the total White worker force are quite indispensable and irreplaceable. Only the remaining 5% present a problem and would have to be given a guarantee at the highest level that every White worker replaced by a Black worker would be subsidised by being placed in another job with equal pay.

9. The "Rate for the Job".

- \* Tremendously enlightening expositions on this subject were offered by a few of the trade unionists present. Unfortunately, everything that was said defies adequate summary.
- \* Historically, the "rate for the job" had nothing whatsoever to do with the colour of a man's skin, but had its origins in England where the common usage was to speak of "equal pay for equal work". This was when the danger of unemployment was ever present. As times and circumstances changed, however - in Europe there is over-employment at present - the concept became somewhat ridiculous and the term "rate for the job" was coined.
- \* In South Africa, the whole issue has become complicated and obscured by a phenomenon which does not apply in Europe: the problem of job fragmentation. What this briefly amounts to is that, in South Africa with its vast shortage of labour, many jobs are no longer done, as was previously the case, solely by the journeyman responsible. To-day a single job is frequently broken up into as many as 12 or 15 sections commanding various percentages of what was previously the wage for the whole job. This is basically what causes the problem and gives rise to a considerable measure of confused thinking - and, very often, arbitrary and discriminatory assessment of the rate for a particular job.
- \* A distinction has to be drawn between the statutory rate for the job, which is the minimum rate applicable in Iscor, Escom and all Government departments, and the standard or "going" rate (minimum and maximum) which is applied by private enterprise.

- \* Part of the problem is that there is no standard or fair measure of appraisal as to the proper rate for the job. Such appraisal should not be left in the hands of employers, placing the workers at their mercy - Philip Frame is an excellent example - but must be done by the organised Trade Unions. Trade Unionists themselves never talk about white-collar workers as distinct from blue-collar workers, but only about the interests of industry itself. All that ultimately matters and the only solution to the rate-for-the-job conundrum is real trade union rights for all workers.
- \* In reality, it would take at least five years for the first African worker to qualify as a journeyman, so that it must be stressed that the transition will be a slow and evolutionary process. At all costs, standards of work must not be reduced and if even only the statutory or prescribed rates can be attained, a lot will already have been achieved. The Progressive Party can do a lot to help TUCSA to achieve this moderate aim.
- \* It was finally pointed out that, in certain cases (e.g. the Motor Industry), the so-called "rate for the job" could even debar men of colour from fair advancement.

#### 10. General

A variety of topics were touched upon under the heading "General". Even if somewhat disjointed, the following is a brief record of this free-for-all discussion:

- \* The S.A. Confederation of Labour was a thoroughly "verkrampste" organisation. Nevertheless the Progressive Party should at least attempt to make contact with some of its leading representatives in an effort to gain some understanding as to what makes them tick. Similarly, contact should be made with the Railway Unions and the Afrikaanse Handelsinstituut. Even among these people there was an element of change. A consensus of opinion was gradually emerging concerning the fact that we are faced with a sick society. The only serious disagreement that still obtained was as to the correct type of medicine to be used to cure the disease.
- \* What was wrong with the Progressive Party in its approach to the enfranchised worker was still basically only its unfortunate image: overshadowed by the

Oppenheimer millions and the unreal sophistication of the Houghton drawing-rooms. The Party is still generally regarded as the champion of the privileged classes as against the vast mass of underprivileged White workers and voters.

- \* In essence, it was largely a matter of ill-judged emphasis: the obsession with racial inequalities rather than mundane bread and butter issues; the hair-trigger readiness to speak out in defence of students' rights and grievances as against the tardiness to say anything positive in favour of the much maligned White working class. (White mineworkers, for instance, were a waning breed - there are only some 15,000 of them left, a mere 6% of all workers on the mines - yet they were a constant butt of criticism. Why, did not the Chamber of Mines come in for some criticism for grossly underpaying Black workers despite the huge profits that were being amassed?)
- \* To put it quite bluntly: the Progressive Party was still making the fatal mistake of allowing itself to be seen as the party of the privileged. Unless drastic efforts are made to correct this false impression, it had no hope whatsoever of gaining real credence and credibility among the electorally powerful White working class.

W.B. DE VILLIERS.

/15 Appendix....

APPENDIX

Some Facts and Figures

1. There is hardly any need to stress the importance of understanding and co-operation between White and Black workers since our whole economy is dependent on African labour. As at May 1971 the extent of employment in Manufacturing Industry in South Africa was :-

		<u>Average earnings.</u>
Whites	283.000	R352
Coloureds	204.200	R 88
Asians	77.300	R 94
Bantu	662.600	R 60

2. Extent to which Commerce and Industry in Johannesburg is dependent on African labour:-

The 1960 census showed that 54.3% of total number of employees was Bantu and this had gone up to over 60% by 1972.

3. There were 267058 African males and 180822 African females in full time employment in Johannesburg as at 30.6.71.

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