

Labour Bulletin uncovers management spy network!



by *LABOUR BULLETIN* correspondent

In recent times there have been increasing allegations of unions being spied upon by agents employed by security firms (see for example, *New Nation*, 27 September - 3 October). Although up until now no substantial evidence has emerged to back up these allegations, the *Labour Bulletin* has uncovered shocking evidence of widespread spying on union activities during 1990. Is it continuing today? Our sources believe it is.

Our investigation was limited to the Natal region. Here we uncovered a web of agents employed by Lodge Security Services whose mission was to collect information on union activities. We have in our possession original transcripts of reports written by agents to their bosses at Lodge.

Although these documents all date from 1990, our sources believe spying is continuing.

The *modus operandi* was for Lodge to write to a company offering its services. One such letter in our possession was written by Warwick Freislich, the then Investigations Manager for Lodge in Durban,

to Tommy Smit at the Four Seasons Hotel (Freislich has since moved on and now runs his own debt collecting agency called Shamricks in Durban).

Freislich writes: "The objective of an undercover investigation is to bring to the attention of the management, the attitude of the staff and their feelings about various management decisions, shop steward and union activities. This enables management to act quickly and make right decisions before negotiating with shop stewards and the unions."

"Industrial relations investigations"

Another letter, dated 4 May 1990, was addressed to Brian Spurr of Natal Newspapers. The letter refers to a discussion the day before about the theft of motor vehicles and makes recommendations for its prevention.

The letter then goes on to point out that "in addition to information pertinent to this investigation, the undercover agent also gathers a vast

amount of information concerning trade union activities, labour relations and attitudes concerning staff and management...

"We have found an ever increasing demand for information on Labour Relations and to this end, many of our investigators are committed full time to industrial relations investigations and in this field, we can provide a comprehensive management service informing management of staff and union activities and attitudes thus ensuring that management is kept up to date at all times with worker attitudes to disputes, wage demands and other labour relations issues."

This letter was written by John van Stan, the then Natal regional manager of Lodge Security Services. This was the same John van Stan who told *New Nation* that no agents were involved in surveillance of union activities. They were just concerned with monitoring pilferage!

Reports from agents

Once a firm accepts the services of Lodge, the latter infiltrates agents into the workforce. The agent then writes reports for Lodge. Lodge management sifts through the material and prepares a memorandum for the firm.

One such report from an agent was dated 17 May 1990. It was written by an agent at Pick 'n Pay on the Berea. The report details a report back of a regional meeting on 15 May.

A snippet of the report reads as follows: "Minnie said the points they had on the agenda

were answered by Gordon Hoult, about the back pay. Then Minnie said the comrades told Gordon Hoult they wanted their back-pay of 21 March and if he does not want to give [it to] them he will see what will happen."

We have in our possession reports from agents at the following Pick 'n Pay branches: Hayfield, the Wheel, the Workshop, Queensburgh. The branches at Shelley Beach and Pietermaritzburg have also been infiltrated. We have also established that there are agents at Dunlop (Ladysmith) and Cabana Beach Hotel (Umhlanga Rocks).

Negotiating strategy

There are some reports that are simply entitled "Pick 'n Pay general meetings". One such report, dated 8 April 1990, details the problems faced by the union over negotiations that were being conducted at the time. The report details the positions of the regions.

It tells of Johannesburg, Pretoria, Pietersburg, Western Cape and Krugersdorp supporting one position. Natal, Eastern Cape and parts of the Vaal supported a different position. The rest of the report deals with a COSATU Regional Executive Committee report back. It details COSATU'S opposition to casual labour. It also discusses plans for the stayaway on Monday 9 April. This stayaway was to protest against the Inkatha-linked violence.

It is clear that some of the agents are shop stewards. We

have in our possession an original transcript of a Pick 'n Pay shop stewards' meeting dated 30 April 1990.

The agent was obviously present as she/he was able to describe the agenda adopted and then to present the discussions in fine detail. The sensitivity of the meeting is revealed by some of the items on the agenda:

1 Negotiations

- a Labour Relations Act - overtime ban - store by store report;
- b Victor Sishi's arbitration outcome.

2 Programme of Action

- a Information on current overtime ban;
- b demonstrations;
- c march;
- d sit-ins.

3 Implementation

- a Resources;
- b regular shop stewards meeting;
- c thorough assessment of locals.

4 Recognition Agreement

- a Grievance procedure;
- b parental rights;
- c feed-back meetings.

5 United Democratic Front paper on negotiations

- a Reading and discussion.

We also have in our possession reports written by Lodge to various managements outlining the crucial issues uncovered by the agents. We have two reports, dated 9 and 15 May 1990, written to a Mr Middlebrook at Dunlop Tyres. The reports were prepared by Warwick Freislich.

Work stoppage at Dunlop

The 9 May report details a work stoppage on Monday 23 April. The work stoppage was over a dismissed worker called Mhlubi. The staff were also unhappy about the company doctor. What the report reveals is that there was a direct link between the agent and someone at Dunlop management. Thus Freislich's report tells us that "the client called operative in a certain way that he had and asked him about how things were going. Operative explained all that he knew to him ... The client then gave operative his home number ... At about 20h05 operative phoned the client and told him that nothing was going to happen the following day. Operative did not explain everything to him except to tell him the main point."

The second report dated 15 May 1990 informs Middlebrook that the information network was widening. The agent at Dunlop in Ladysmith had made contact with a shop steward at BMH clothing. "She always tells operative about what goes on in the COSATU local meetings on a Thursday. Operative will inform the client by telephone if there is going to be a stayaway."

We also have reports written by Freislich to a Mr Robertson of Cabana Beach Hotel and one to Kobus Botha at Pick 'n Pay, Longmarket Street (presumably at Pietermaritzburg).

There is a trend for a number of ex-SAP members to join private security companies (Warwick Freislich is a former

member of the SAP). Like KGB and CIA operatives, with the reduction of the state's security apparatus, SAP operatives have had to find new employment. They know the world of the SAP and are quickly able to arrange for a mutual exchange of information. They have knowledge and probably access to the latest surveillance techniques. They also bring with them a particular 'mind-set', one committed to the undermining of unions rather than the creation of an environment conducive to collective bargaining.

From state security to private security

During the 1980s it was the states's security apparatus that monitored the activities of the union movement and passed it on to the employers.

With the coming of majority rule and the even closer possibility of an interim government, employers will not be able to rely on the state to monitor union activities. Some employers seem to be preparing for this by turning to private security companies.

Already some security companies like Lodge have assembled a network of agents in the Natal region. It is important that unions confront employers involved with security companies and force a withdrawal of agents.

Beyond this, unions need to add a clause into their recognition agreement that prohibits spying and infiltration. Failure to end the infiltration of spies dressed up as shop stewards

will seriously undermine trade union negotiating strength.

Whilst capital is keen to set-up a national economic negotiating forum, some managers are at the same time busy undermining unions on the shopfloor. Unions should use the economic negotiations to demand that bosses commit themselves to ensuring a climate conducive to free and open collective bargaining. A starting point for this would be the immediate withdrawal of all agents. ☆

We spy on pilferers, not unions - Lodge

Edel Ashman, MD of Lodge Security Services, says Lodge is an international company which specializes in controlling loss and theft within the retail trade, and is not interested in labour relations. When some of the reports and letters were read to him, he conceded that sometimes clients want to know why staff are unhappy. "We do encourage staff to phone us up and tell us their problems. Some are not willing to speak to management about this." He said agents gave verbatim daily reports and these are handed to the client who can do what he wants with them. "We have never tried to bring unions down," he said.

We have never asked for information on unions - Pick 'n Pay

Frans van der Walt, general manager for group industrial relations at Pick'n Pay, categorically denies that Pick'n Pay has ever requested or used information on trade unions gained through spying. He says Pick'n Pay has used Lodge's undercover services to investigate pilfering. Van der Walt says he doesn't know why the reports exist, but will investigate. Gordon Hout, GM of Pick'n Pay's of Southern Natal, retired last year.

NUMSA president accused of spying

Report by ARI SITAS and SNUKI ZIKALALA



Maxwell Xulu - is he a spy?

Photo: William Mottlala/COSATU

In mid-November, an announcement on SABC/TV stunned us all in Natal: local worker leader and President of the National Union of Metalworkers of South Africa Maxwell Xulu had been suspended by NUMSA's central committee for being a Security Police informer.

After the news and the shock, phones started ringing, bus and taxi ranks started arguing and everybody talked on and on, in disbelief. In Claremont especially, the township that ministers to Pinetown's labour needs, Xulu's home and power-base, the confusion was at its greatest: "Who? Maxwell? Max? An informer? An impimpi? Working for the Enemy?"

For the last month shop stewards have been puzzling themselves over the "news". Of those from Claremont, active NUMSA and COSATU leaders were and are the most puzzled. They cannot understand, if all this is true, what *motivated* Xulu: "What was the motive? It can't be money ... Maxwell is like all of us, two shirts, a jacket and

a matchbox place. Where's the bonus?"

A concerned youth leader who worked with Maxwell insisted on the need to see the evidence: "He was a trade union person through and through." Adds another civic leader, "Maxwell was not totally sure about the direction of community struggles, he gave us lots of arguments but we respected him, he was independent". And all add that they had heard of documents proving his complicity, but they all needed to see them.

For worker leaders in Pine-town there is a clear dilemma - on the one hand, they have to trust their national leadership; on the other, how could they distrust their local representative?

Xulu, after all, has had a long history as a worker leader. It begins with the post-1973 period after the Durban strikes. He was there at the start as a MAWU member in the days of TUACC, he continued into the days of FOSATU and ended as NUMSA leader in COSATU. At Smiths industries where he works, he was a central figure in the struggles for trade union recognition.

He lived through the years of crisis when in all the unions membership was dwindling; he was there as a shop steward to help it grow again. He spent every last minute helping increase membership in the early 1980s. He became the backbone of the Pinetown local. He was one of FOSATU's



Moses Mayekiso: 'I trusted him a lot'

Photo: Shariff/Labour Bulletin

major public figures: from small meetings to mass rallies he was there, capable of arguing and convincing. It was no surprise when COSATU was formed that he became its first national treasurer. His time was divided between the national leadership of NUMSA and of his federation. In this context, his suspension was one of the most dramatic decisions NUMSA could ever take.

When the *Labour Bulletin* interviewed Xulu, he was both reserved and cautious in his replies, but he was also despondent. He said that he was going to challenge the decision to suspend him. He showed us a letter disputing the correctness of the way his suspension happened. He

argues that decisions were taken behind the scenes in the corridors of NUMSA's offices. He pointed to power struggles within the organisation and he identified a "white intellectual" in NUMSA who plotted his undoing because of policy differences.

He said that he invited his fellow office-bearers to check his accounts and scrutinise his income to see whether he was receiving money from the "system". He also mentioned that, when his constituency asked for proof, all they were given were reports, but never the "documents".

This of course raised the issue of evidence: are there documents that "incriminate" Xulu? And was the suspension handled in a democratic and legitimate way?

NUMSA co-operatively provided us with minutes of the CEC meetings of 8 and 9 November. There it is recorded that a lengthy report was presented to the meeting about Xulu's role as informant of the Security Police. He informed on meetings of the trade union, COSATU and other organisations. The CEC noted that there was evidence of such activities in documentary form and that Xulu had to be requested to resign all positions in the union, and that he be suspended with immediate effect from all positions and from membership of the union until the next NUMSA Congress.

What is the nature of the

evidence, and what is the union's response to Xulu's protests? The *Labour Bulletin* interviewed NUMSA's general secretary Moses Mayekiso.

Mayekiso responds

"I have been working with Maxwell for years," he told us, saying further that their friendship started from the days of MAWU and carried over into NUMSA. "We as office bearers of NUMSA have always worked very closely, especially when dealing with problems, and there was trust between us. *I trusted him a lot.* That is why when I came across this information I could not believe it. It took me a lot of time to accept it." Although he felt there was no animosity between him and Xulu, he had to admit that the evidence he was presented with was convincing. "The document that we have," he said, "deals with his informing the security police about our activities in the union, meeting with political organisations and with some Trusts."

The fact that *Southscan* and the *Weekly Mail* possessed copies of the documents and were to publicise Xulu's involvement, forced NUMSA to act swiftly and decisively. He dismisses Xulu's claims that this was a basic power struggle between "white intellectuals" and Maxwell. Despite tensions, Maxwell knew that he had great support in the union.

Mayekiso recognised the

difficulty of convincing members without distributing the documents widely. According to him though, there are others involved in the revelations and the leadership is starting to gather information about a broader network of spying in NUMSA and COSATU ranks.

For Mayekiso, who suffered untold hardships in the hands of the state's police structures, there was a sense of sorrow instead of anger. "This [suspending Xulu] was the most difficult decision of my life."

Whatever the outcome, Xulu's is a tragic story. If he was indeed a Security Police informer, whether for money or any other sinister motives, how does that tally with his life as a worker leader. If he was not, equally tragic would be the suffering he will have to undergo to prove his innocence.

For his comrades in the Pinetown local and beyond, a serious question remains. It is precisely the legitimate and democratic structures of the union that have found him 'guilty', a union they built with a democratic mandate that binds them together. They cannot but solve the issue through the structures. And this becomes a test of inner-union democracy. Are there confidential matters that can be kept away from membership, if so, when, and what are the limits?

Beyond the tragedy of the Xulu case, however, is the broader issue: that trade

unions have been 'spied upon', 'infiltrated', 'criminalised' and fought against, as NUMSA protests to the Minister of Law and Order, by a state that has endorsed their legitimate existence.

H J Kriel, the Minister of Law and Order, in response to NUMSA's protests about infiltration, wrote back that, "it is an internationally accepted principle not to comment on allegations and speculation concerning the possible identity of police informants or agents. This is also the policy of the SA Police, which is legally bound to both investigate and prevent crime. I wish ... to state clearly that the SA Police does not involve itself with the legitimate activities of any person or organisation - including trade unions. ... After due consideration of your allegations and demands I have decided that it is not in the national interest to depart from the established policy in this regard."

Who defines legitimacy and its limits, and whose national interest is being served in such instances, is of course an issue that is never discussed.

However, for many workers the matter is still hanging. Mayekiso has indicated to the *Bulletin* that the CC will be meeting in February and that Xulu has the right to appeal. Hopefully he will appeal and the matter will be solved conclusively in union structures. ☆