

FATTIS & MONIS DISPUTE.

A CASE STUDY OF THE ROLE OF PRESSURE GROUPS IN LABOUR RELATIONS:

By James Leatt (First presented at the Unit for Futures Research Seminar, Stellenbosch, September, 1980)

Not since the nationwide potato boycott of the 1950s has a national boycott threatened. But the dispute between Fattis & Monis and the Food and Canning Workers' Union in 1979 very nearly precipitated one.

This paper sets out to describe the history of the dispute, the nature of the group pressure which it evoked, and the settlement process.

An attempt will be made to draw some lessons from the dispute about the role of pressure groups, the nature of industrial justice, and the effect of "disruptive tactics" such as boycotts. What happens when there is a convergence of black worker interests and consumer power? And what are its implications for managers and unionists?

THE DISPUTE¹

The Food and Canning Workers' Union (FCWU) was established in 1941. It began to organize in the Fattis & Monis (F & M) Belville plant in 1953, and even negotiated an early wage agreement. For a time Union activity at F & M lapsed. A revitalized FCWU began organizing at the plant in 1978, apparently without first making its presence known to management. The FCWU was organized into parallel movements — one for Africans and the other for Coloured workers, though it shares offices and objectives.

In March 1979 the workers petitioned the Union to negotiate for better wages and conditions of service, including a R40 p.w. minimum wage and a 40 hour working week (starting wages were about R17 for women and R19 for men). The Union set out its case to F & M, modelled on a Conciliation Board Agreement for the Fruit & Vegetable Canning Ind. which it had negotiated. (In fact the Union also began that negotiation with a demand for R40 p.w. minimum wage and 40 hour week — it did not achieve either).

F & M did not respond favourably to the Union's demands and the Union applied on 12th April 1979 for the appointment of a Conciliation Board to force management to negotiate. (The Union subsequently withdrew this application because it could only officially represent Coloureds at the Board hearing).

According to the Union, on April 19th Management called workers of the milling section and "told them they would have to choose between the Union and the liaison committee which he had recently started" and "if they chose the Union there would be difficult times ahead for them".

After work on April 23rd, 1979 five Coloured workers were "retrenched because of a 25% increase in mechanization in

one department", according to the Company. The Union argued that two of these workers organized the petition to the Union and all were keen Union members, inferring that they were dismissed because of their Union activities.

The following day five more workers were dismissed on the spot because they insisted on reasons for the dismissals the previous day. On April 25th all the workers asked to see the manager. The Department of Labour was summoned and wished to separate the Coloureds and Africans, but the workers refused. Management refused to address them and finally dismissed them — there were some 88 workers in all. F & M believes the workers were striking illegally and were therefore dismissed after proper warning. The Union alleges that the workers were unfairly dismissed and did not strike illegally.

Some issues emerge clearly from the dispute.

- **Communication** was poor between Union and Management
- **Union recognition** : the Company was apparently unwilling to recognize both the registered FCWU and the unregistered (pre-Wiehahn) African FCWU, preferring its own liaison committee.
- **Worker Solidarity** : clearly the workers were unwilling to be segregated into African and Coloured groups despite existing legal requirements. They were consciously at risk in this.

GROUP PRESSURES

Clearly the framework of the Industrial Conciliation Act was inadequate to handle this dispute. Worker solidarity prevented the FCWU (Coloured) from proceeding within it, and in any event 88 workers had "struck" (Company interpretation) or been "dismissed" (Union interpretation). The Company was rapidly replacing the workers with scab labour.

The workers and the Union had little leverage on the company. Management was saying it would not negotiate, and that the Union's wage demands were inconsistent with government's anti-inflationary policy.

Very soon the Western Cape Traders Association (WCTA) representing 2100 shopkeepers was deploring attempts to set African and Coloured workers off against each other. By early May 1979 Dawood Kahn of WCTA was saying "boycott" was the "only way out" if talks fail.² "Workers are consumers and we have a duty to consumers",³ therefore traders should boycott F & M products.

Then **students** from the University of the Western Cape (UWC) and various teachers training colleges came out in support of

workers and the boycott. The powerful South African Council of Sport (SACOS) came out in support of the boycott, calling on schoolchildren to join it.

Mr. Peter Moni of F & M head office in Johannesburg expressed alarm at the growing boycott saying that until the Conciliation Board met the company could do little. He called for a meeting of employers of the National Chamber of Milling "to change our approach to labour".⁴ A mass meeting at the University of Cape Town signalled white student support and solidarity.

The 14000 strong Union of Teachers' Association of S.A. (UTASA) came out in support of the boycott when its President, Mr. Franklin Sonn said:

"Fattis and Monis will do well to remember that the workers who have received such unfair treatment at the hands of the company are the parents of our pupils and their plight has a direct bearing on the children at our schools".⁵

By the end of May many organizations⁶ supported boycott action against F & M. These included black traders, teachers, students and pupils, SACOS, trade unions, the Labour Party, Inkatha, with the Black Alliance, churches, women's organizations, white students, etc. Some of these organizations attempted to mediate, but to no avail.

Negotiations began when the W.P. African Chamber of Commerce implemented a boycott of bread from the F & M subsidiary, Good Hope Bakery. The meeting between the Company and the Union broke down over the issue of reinstatement (the Union demand) or re-employment in different jobs (the Company offer).

Late in June a body was formed to co-ordinate boycott action – Community Action Committee representing its organizations. In Johannesburg the S.A. Institute of Race Relations held a meeting where representatives of influential groups including the Labour Party, Inkatha, Committee of Ten (Soweto), the Black Sash and SACOS discussed the boycott. Similar support was coming from Durban.

However, powerful national organizations remained uncommitted, preferring to negotiate. These included the National African Chamber of Commerce (NAFCOC) and the South African Council of Churches (SACC). The Trade Union Council of S.A. (TUCSA), after considerable debate, voted to reject a call to support the boycott (71 against 63 for, 12 abstentions). The Federation of South African Trade Unions (FOSATU) also decided against boycott action. A nationwide boycott was however within reach, constituting a powerful leverage on the company. F & M acknowledged that the boycott had bitten deep into its profits and was also seriously impairing its public image.

Some issues emerge clearly from the group pressures exerted by the largely black consumer.

- **Black solidarity** : the range of groups which supported the boycott was impressive, incorporating all black population groups and many interest groups.
- **Community organization** : reading through press accounts of the growing support of the boycott, one is impressed by the organizational skills, swift communication, and level of information available to interested parties.
- **Worker solidarity** : the dispute lasted nearly seven months during which time the affected workers received R15 p.w. plus a meal a day from the FCWU

(which received large sums of money to meet this commitment). Yet the workers remained united. They were often questioned by the police, received pre-dawn visits from Administration Board officials, weathered powerful pressures from the Ciskeian Government and the company to negotiate on an individual basis with the Company.

- **Poor Public Relations** : the Company was poorly advised by public relations consultants who seemed set on turning each new event in the dispute into a confrontation which gained adverse publicity (in the eyes of blacks) for the company.
- **The Union Dilemma** : the union, having acceded to the use of public pressure for a boycott, often found itself in the position where pressure groups called the tune. It experienced a conflict of roles as an instrument of negotiation and a lever for exerting pressure.

THE MEDIATION

Early in August 1979 the South African Council of Churches (SACC) was approached to support the boycott. Bishop D. Tutu, its General Secretary, offered first to mediate in the dispute. He had a brief meeting with Mr. Peter Moni of F & M before leaving for overseas. I was invited to come to Johannesburg for a meeting with members of the SACC Presidium and representatives of the Company. The upshot was an agreement that I should attempt to mediate in settlement negotiations.

Each party was asked to appoint a negotiator, acceptable to both parties, to act on its behalf. After some difficulty this was achieved and I met with the negotiators to map out a policy:-

It was agreed (a) that we should not rehearse the past history of the dispute – we were not looking for blameworthy culprits but a formula for negotiation:

(b) that neither party should issue press statements during negotiations since these would only escalate the conflict;

(c) that as mediator I should keep a very low profile, acting as a facilitator. The Company was very concerned about third-party involvement in the dispute;

(d) that the Union should present a framework of negotiation as an opening move to give the company specific aspects to respond to;

(e) that a considerable legacy of mistrust had developed which meant both parties were angry and embittered;

(f) that the stage had now been reached where "posturing" and "unbending attitudes" had to be dispensed with in the interests of the workers and the Company.

The issue of third-party involvement in the dispute was a lively one. The Company's negotiator was accustomed to operating within the framework of the Industrial Conciliation Act (ICA) whereas the context of this settlement effort was a virtually nationwide boycott of company products. So the boycott issue overshadowed all else.

My task as mediator was not helped when at a delicate early stage in negotiations Bishop Desmond Tutu in a press conference overseas challenged Denmark to boycott South African coal as a means of exerting pressure for change on South

Africa! The Company was clearly and understandably suspicious about the possibility that should negotiations break down I could invoke SACC support for a boycott of its products, and thus precipitate a nationwide boycott to gain further leverage. I had to make it plain that I was not and could not be a member of the SACC (only churches can), nor was I in any way obliged to follow Bishop Tutu's boycott policy. Indeed, I saw my role primarily as a bridge-builder seeking to interpret the aspirations and difficulties of each party to the other, keeping open the channels of communication we had established through the negotiators, and convening such meetings as were necessary which I would attend as an observer.

After considerable discussion among the affected workers the Union met with the negotiating team to outline its framework. This was surprisingly moderate :

- (a) all workers presently unemployed as a result of the dispute should be **re-employed**, not re-instated in the same jobs as the Union had previously demanded. (A considerable concession).
- (b) workers should be re-employed in the same plant since they had helped build it up.
- (c) the company was to give assurances that workers would not be dismissed for trivial reasons.
- (d) Union was ready to negotiate a time-span during which re-employment would occur.
- (e) re-employment should be at wage levels earned at the time of the dispute.
- (f) all workers and Union would not make new wage demands for affected or already employed workers for a period to be negotiated.

The negotiating team agreed to set up a meeting between representatives of Company and Union, each party having not more than four representatives, excluding negotiators.

I convened a meeting on 15th October between the Union and the Company. The Union was represented by its General Secretary of the FCWU, Mr. Jan Theron, the negotiator Mr. Alan Potash, the Secretary of the AFCWU, Mr. O Mpetha and two Union executives (both of whom were affected workers) Miss S. Saaiman and Mr. Friday Mabikwe. The Company was represented by Mr. Terblanche, Manager of its Belville plant and the negotiator, Mr. Jack Roos. As we could not get agreement on who should be chairman we met without one. I was surprised to discover that the Company did not have a larger delegation, especially that Mr. Peter Moni, the Johannesburg-based Managing Director was absent.

The discussion began when Mr. Roos tabled the Union's framework, commending it as fair. Then Mr. Terblanche made a surprise move. He acknowledged the value of the framework for settling the dispute, but argued that there were two issues — the labour dispute, and the consumer boycott of F & M products, and in the Company's view the **boycott** issue must be settled first. (Even their negotiator was unprepared for this!) The Union responded saying it supported the boycott in principle but had not initiated it, it was initiated by others. Although the Union had no control over the boycott it undertook publicly to call a halt to it if settlement was reached. The Company argued that the boycotters were demanding unconditional re-instatement of the workers while the Union was prepared to negotiate for conditional re-employment! What would be the reaction of the boycotters?

I pointed out that in effect the Company was proposing that the boycotters agree on the terms of settlement **before**

the interested parties had themselves agreed to settle! Obviously boycotters would make more radical demands than the Union could. The Company should negotiate with the Union.⁴ If the workers agreed on the settlement terms the boycotters would no longer have sufficient cause to continue the boycott. Settle first, then go to the boycott organizers.

The Union agreed this was the best approach. The alternative meant that third parties would be invited to stake out ground for settlement of a Company-Union dispute! The Union argued that its own credibility as a Union was at stake if it could not achieve a negotiated settlement. It was as much in the Union's interest as management's to settle. A union is not primarily a boycott organization. And boycott organizers would have no cause if a settlement was reached.

The Company now played its full hand by indicating that Mr. Moni was waiting in the wings! The meeting recessed to allow Mr. Terblanche to consult him. When we reconvened the Company reiterated its view that boycott organizers should **first** be approached before details of settlement could be discussed. In spite of strong advice to the contrary Mr. Moni insisted on 'testing the waters' by going to the chief boycotters, Mr. Howa of SACOS, Mr. Allie of WCTA, and Mr. Mandla of WPACOC with the question: "Are you prepared to accept a settlement with which the workers agree?"

Mr. Theron cautioned that the traders' association would understand the need for compromise in the interests of a settlement, but SACOS was likely to take an absolute position - unconditional reinstatement or nothing! Indeed, given the political climate and overseas attitudes, SACOS may be forced to state that the Union had sold out to the Company! Both the Company and the Union were on the same side when it came to their primary interest in a settlement. A boycott organization has another objective, namely the application of pressure to bring about political change in South Africa. At this point the interests of the Company and Union and those of some boycott organizations diverge.

The long meeting broke up with the labour dispute hardly discussed. The Company insisted on discussing terms with WCTA and WPACOC, and probably SACOS. If these parties were agreeable a further settlement meeting could be arranged.

As anticipated the traders agreed to the Union policy but SACOS refused even to see Company representatives! Mr. Howa of SACOS had previously said the boycott would end if the workers were unconditionally reinstated and not victimized in any way.⁷

In the interim the Ciskeian government officials had somehow received the names of the remaining 56 affected workers and put pressure on them individually to negotiate with the Company, while management organized visits to each worker (excluding eight top union members) offering them jobs. SACOS maintained its uncompromising stance. There was general dissatisfaction. Does the Company want to settle? On his own initiative Mr. Theron intervened by visiting SACOS to ask for space to settle on workers' terms.

The dispute at this stage (Early November 1979) appeared to be escalating. Once more both parties were using the Press to argue their cases, and the Company seemed intent on bypassing the Union by negotiating with individual workers and with the Ciskeian government.

Only my direct intervention with the assistance of Mr. Potash, and I suspect a more perceptive newly appointed public relations consultant for the Company, saved the day. On November 6th we began lengthy negotiations on a detailed settlement which finally was agreed by both parties. One of the Company's major dilemmas was how to treat the labour

employed to replace the Union workers. The terms of the settlement were even better than those initially proposed by the Union! As someone put it "when you settle too late you settle for too much".

The basic terms of settlement can be summarized :—

1. the company recognized the Union's right to negotiate,
2. all 56 workers to be re-employed at Belville plant in a phased operation taking about two weeks,
3. no reduction in wages and a guaranteed upgrading,
4. workers and Union were not to pursue new wage demands for one year,
5. no back pay demands,
6. affected African workers to be treated as having service suspended so as not to fall foul of urban residence laws. The Company was to apply for renewal of contracts for black workers.
7. no dismissals for one year except for intoxication or theft, and careful procedures for dismissal were set out, including consultation with Union.
8. the Union was to take positive steps to assist in bringing to an end the boycott of the Company's products.
9. the Company was to assist replacement labour financially and to find new jobs where they had to be retrenched.

The protracted, headline-making dispute was over! And the boycotters subsequently called off the boycott of F & M products.

SOME ISSUES ARISING FROM THE DISPUTE

1. The Triumph of Experience over Dogma

Reinhold Niebuhr⁸ has shown that in the West some of democracy's most cherished gains have been achieved against prevailing ideology or dogma, rather than as a consequence of it. For example the right of workers to bargain collectively, including freedom of association and the right to strike, was achieved in the USA only after a protracted struggle - finally won 1935. At the turn of the century the US Supreme Court ruled that it was the constitutional right of an employer to fire an employee because he was a union member. The F & M dispute ante-dates the Wiehahn report and reveals that the right of workers to associate and bargain collectively is a deeply cherished one. It was achieved outside the existing framework of the ICA and was against the wisdom of prevailing dogma which holds that in the workplace people are Coloured or African **first** and **workers** in a secondary sense. No one who had anything to do with the dispute could fail to be impressed by worker solidarity which transcended race and ethnicity.

2. Justice as more equitable balance of power

Justice in the field of labour relations involves a continuous search for more equitable balances of power.

Management can institutionalize that search by recognizing the important role of unions in this process. F & M took a long time to recognize this and the FCWU did not assist matters by a confrontational stance in response to non-recognition.

I had the feeling that management had a zero-sum concept of power, namely that power is a fixed sum which is diminished if it is shared. And so the Company attempted to hold onto

its power by refusing to recognize union activity in the mistaken belief that power shared is power lost.

Moreover, union recognition also implies that the Union has the right to interpret and state its case in its own terms. The company tended to interpret Union proposals as absolute and unbending when in fact they were opening bids to begin negotiation. Justice demands that management and union definitions of the situations are the raw material out of which agreements can be negotiated so that power imbalances can be corrected.

3. The Use of "Disruptive Tactics"

L. Douwes Dekker⁹ has convincingly shown that "effective change in a situation of power imbalance requires two strategies, namely the power strategy and the attitude to change strategy".

However attitude change is not sufficient in itself since men do not change attitudes merely because of moral persuasion and greater education of their perceptions. This is why there is acceptance of the right to strike, the last-resort power strategy in industrial relations. The right to strike is a hard won power strategy in Western democratic experience. It signals a grave imbalance of power, real or imaginary, which can explode into violence.

In the Fattis & Monis dispute we witnessed the large-scale use of another power strategy than strike action, namely the **boycott**. The legal strike is a "disruptive tactic", so too is the boycott. Douwes Dekker explains that society should accept such tactics because:

"the role disruptive tactics (involves) understanding that between violence on the one extreme and co-optation or collusion at the other extreme, lies a range of tactics which facilitate bringing about necessary changes towards justice. Disruptive tactics are therefore to be seen as a form of dissent and as involving a consciously planned choice of action in a situation where deadlocks or crises have occurred".¹⁰

A great deal of concern has been expressed about the use of disruptive tactics like boycotts in the F & M dispute. I suspect that pressure groups will play an increasingly significant role in **labour** relations because the black community perceives that the power imbalance between employer and worker in South Africa is greater than is usual in industrial societies because workers are black **and** disenfranchized. The boycott is a disruptive tactic aimed at correcting power imbalance when a crisis and deadlock occurs in the workplace. Managers and Unions will have to reckon with this phenomenon by attempting to deal with conflict and dispute, and by not ignoring early warning-signs of the existence of conflict.

The search for more equitable balances of power in the workplace is never easy; the solidarity between black workers and consumers evidenced in the F & M dispute make it an essential quest for all who are interested in justice among managers and unionists. □

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NOTES:

1. Most of the Data used in writing this paper comes from the author's own diary of events. I also wish to thank the Union for giving me ready access to its files on the dispute. I have also made use of Company material relating to the dispute.
2. **Argus**, 7. 5. 1979
3. **Financial Mail**, 11. 5. 1979
4. **Argus**, 14. 5. 1979
5. **Cape Times**, 24, 5, 1979
6. An incomplete list of sympathizers and/or supporters of the boycott follows:
Cape Town Municipal Workers Association
Kolbe Society, U C T
Metal & Allied Workers Union
W.P.C.A.
W.C.T.A.
S.A.C.O.S.
Labour Party
General Workers Union
United Womens Organisation
Muslim Students Association
W E P C O C (NAFCOC)
Nyanga Residents Association
Guguletu Residents Association
Belville Technical College
Hewat Training College
U-W C

- High School Students
Witwatersrand Liquor & Catering Trade Employees Union.
Eastern Province Sweet Food & Allied Workers Union
Metal & Allied Workers Union
S A Institute of Race Relations
Black Sash
F O S A T U
Chemical Workers Industrial Union
Swedish Confederation of Trade Unions
I U F
Gwerkschaft Nahrung Genuss (German Foodworkers Union)
Womens Movement for Peace
U C T
Saldru Wiehahn Seminal
University of Natal (U N B)
Witwatersrand University Students
Cape Teachers Professional Association
National Union of Laundry Cleaning & Dying Workers (Cape)
Western Province Sweet, Food & Allied Workers Union
National Union of Motor Assembly & Rubber Workers of S.A.
Chemical & Allied Workers Union
Inkatha and Inkatha Womens Movement
7. **Argus**, 13. 10. 1979
 8. Reinhold Niebuhr, **The Irony of American History**, ch.V.
 9. L.C.G. Douwes Dekker "Industrial Peace and Industrial Justice – Are these attainable in the 1980 Decade?" (paper read at S.A. Institute of Race Relations, 23rd January 1980, UCT).
 10. **ibid**, p.10

The Apartheid Regime : Political Power and Racial Domination.

ed. Robert M. Price and Carl G. Rosberg. (David Philip, Cape Town)

Reviewed by Francis Antonie

The apartheid regime or order poses problems of interpretation: at one level, that of the perceived, it can be regarded as a conflict between the rival claims of Afrikaner and African nationalisms. This is the dominating theme of this collection of papers, the end product of a colloquium on contemporary South Africa held at the University of California, Berkeley, in 1978.

The opening variation on the dominant theme concerns White politics, with papers by Andre du Toit (on Afrikaner nationalism), Hermann Gilliomee (on the Nationalist Party and the Broederbond) and Heribert Adam (on the failure of political liberalism). While no dramatic new insights are made, these first papers serve as a valuable framework for the succeeding contributions and as a reminder of the stark realities of white hegemony and more specifically of Afrikaner political power.

Two papers on African political movements provide the counter variation. Roland Stanbridge's largely historical paper – "Contemporary African Political Organisations and Movements" – unfortunately, fails to draw a clear distinction between strategies for revolution and a theory of revolution for South Africa. Lawrence Schlemmer's paper also draws on much historical material but focuses specifically on Inkatha.

Inkatha is perhaps not necessarily important intrinsically. Rather, as Schlemmer argues, its potential ability to achieve mass mobilisation could allow it to adopt the strategy, originally proposed in the 1940s by Dr. A. B. Xuma of the A.N.C., whereby the government would be induced to make fundamental change. The importance of this strategy of mass mobilisation is, for Schlemmer, crucial..... for "(in) South Africa, this is perhaps the only peaceful strategy likely to achieve significant results." (p.125)

Martin West in his paper on the urban African population gives a thorough review of both its present state and the relevant legislation, stressing the importance of this population in contributing to the destabilization of the present situation.

On the other hand, Francis Wilson, in his review of current labour issues in South Africa discusses, inter alia, worker resistance in the agricultural sector and submits that this resistance "may yet emerge as more significant than changes elsewhere in the economy" (p. 164). In the section dealing with wages, Wilson argues convincingly that the narrowing of the gap between White and Black wages in the gold mining industry between 1971 – 1976, should be seen not only in terms of internal unrest (the Durban strikes and their ripple-effects) or the rise in the price of gold, but also in terms of the changing international stage, specifically, "the abrupt calling off of the supply of labour from Malawi and the uncertainty regarding labour from Mozambique as a result of the fall of the Portuguese empire." (p. 157).

Philip Bonner, in an otherwise thorough historical survey and critical review of the Black Trade Union movement since World War II surprisingly omits mention of FOSATU. While its draft constitution was approved in October 1978 – too late for the conference – one would have hoped that his revised version of the paper might have included a reference to this important new development.