British Leyland

LEYLAND

L

SOUTH AFRICA

and the Metal and Allied Workers Union of South Africa

MEMO TO THE BRITISH LABOUR MOVEMENT

10p

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the Anti-Apartheid Movement

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African workers at British Leyland's South African subsidiary have appealed to the British labour movement for support in their fight for the most basic working right of all – the right to belong to a recognised trade union.

Two years of campaigning by the *Metal & Allied Workers Union,* during which there has been continued harassment sackings and interference by the South African Special Branch, has not ended, despite the complete British take-over last year of Leyland South Africa.

Indeed the South African based management continue to operate much as before, talking about tame government-sponsored 'liaison' committees – which have never won rights for the workers – and refusing to recognise MAWU, despite 100% membership at the Mobeni plant, near Durban.

This 'as you were' policy is perhaps not so surprising, viewed in the light of the £19.4 million*(R35 million) investment which is now being poured into South Africa for a massive expansion programme.

This huge cash injection was first announced by Leyland SA back in 1973 but was subsequently given the go-ahead by the new wholly-British-owned company in 1975.

And, even after the sweeping changes brought by the Ryder Report, Sir Don Ryder confirmed there would be no interference with the South African investment plans. 'No changes in running the South African operation, as a result of recommendations in the report, or on trade union participation and so on, are envisaged,' he told a press conference.

Yet this was the same company, British Leyland, which was founded on the basis of a Ryder Report which uncovered *'a back-log of past massive under-investment' in this country;* recommended *massive injections of government capital;* and spoke of *more realistic manning levels, more mobility and interchangeability of labour.*

Public ownership did indeed bring some cutting-down of operations and investment overseas; British Leyland pulled out of Spain and has run down its Australian subsidiary. But not South Africa.

The South African subsidiary was confident about this from the start. Even before the British Government take-over was finalised, Leyland SA's then deputy chairman, Basil Landau, said: 'Even if the British Government were to take equity in British Leyland and hence have a measure of control over operations, it appears certain that there will be no resistance to the investment required by the...South African subsidiary. In the past, even though a strong outside left wing of the Labour Government has vigorously voiced objections to trade with, and investment in, South Africa, trade and investment have continued at higher levels.'

The question of why the South African programme goes on untouched – 'much of the cash will come from the UK,' said Mr Landau in June – and the question of why the Metal & Allied Workers Union is harassed from its right to recognition, cannot be divorced.

Investment in South Africa, at the expense of industry at home, and the maintenance of an unorganised African workforce are part and parcel of apartheid.

The steady supply of cheap black labour makes South Africa a most profitable area for investment, even at times of world recession. And it thus follows that any attempt by the workers to change their oppressive situation will meet with a battening-down of the hatches. Even, it seems, when a Labour Government is in power.

This point is well illustrated, again by the vociferous Mr Landau, who declared *after the British take-over* that the local company's employment practices had been *'accepted in good faith'* and that there was *no pressure by the British Government to amend them.*

The *employment practices,* apparently accepted so readily, include two years of stubborn refusal to negotiate with the MAWU and 11-12 years of steady exploitation of the workforce, in full and unquestioning compliance with the South African government's apartheid legislation.

While Lord Stokes felt able to inform the House of Commons Select Committee in 1974 that 'we are quite proud of what we have done in South Africa...I certainly don't think that we have got anything to be ashamed of,' Leyland SA's employment practices were being revealed, including the payment of wages well below the poverty datum line. And none of the Leyland witnesses could explain how pay differentials between semi-skilled blacks earning 80 rands a month and semi-skilled whites earning 250 rands could be overcome.

The attitudes of Leyland SA were not particularly scandalous in the context of industrial operations in the land of apartheid – they were merely typical.

But even now that Leyland in South Africa is completely British-owned – and *British Government-owned* at that – the punishment of MAWU shows that the company is still refusing to consider putting into effect the most basic *legally permissible* improvements. In doing so, the company is flouting guidelines on African employment practices recommended and endorsed by none other than its new owner, *the British Government.*

The Select Committee's guidelines recommended that the British companies in South Africa should help rather than hinder African unions.

Section 7 of the Code of Practice states: *'Practices which hinder the development of African unions should be avoided.* African trade unions are not unlawful and although they possess none of the normal trade union rights, there is nothing to prevent a company from recognising and negotiating with a trade union representing African workers.' And further, the Code states: 'The lawful development of collective bargaining with African employees should be encouraged.'

The Anti-Apartheid Movement has always believed that the Code of Practice, which is not binding in law, can do little to improve the situation of the workers of South Africa, ignoring as it does the whole issue of how the apartheid laws and labour practices create ideal conditions for highly lucrative investment.

The experience of British Leyland's operations in South Africa confirms once more the case for the ending of British investment in South Africa. The practice of British-owned operations in South Africa has always been to bolster the apartheid regime.

British Leyland in South Africa appears only too willing to employ all the apparatus of the apartheid system in order to promote its profits.

As an initial step, we believe it is essential that the new programme for investment of British capital be halted and that serious consideration be given by trade unionists and management of British Leyland and by the British Government of complete withdrawal of investment in South Africa by British Leyland.

*At the new rate; £23.4 million at the old.

Appendix I

BRITISH LEYLAND AND THE METALWORKERS UNION

The two year history of the Metal & Allied Workers Union is an eventful one. It is the story of a constant struggle for recognition, against an unmoving management.

A strike at one plant, to try to gain recognition, resulted in sackings and victimisation; attempts at recruitment in another led to the arrest by security police of a union leader.

Recognition has still not been granted. And it was reported only in January this year that a Leyland SA spokesman had reconfirmed this entrenched position. He told the Johannesburg *Star* (10 January) that his company felt it would be contrary to *South African Government* policy to negotiate with a black trade union.

Asked to comment on the fact that some South African employers recognise black unions and allow them to negotiate basic agreements, he said: 'We are aware that there are a very limited number of companies that recognise black trade unions. But we believe that negotiations through *liaison committees* are more effective than through black trade unions as presently constituted.

Successive South African governments have never recognised African unions, but they have not been able – yet – to stop them coming into existence. The wave of strikes by African workers in Natal in 1972/3 was followed by the formation of several African trade unions. One of them was the Metal & Allied Workers Union (MAWU).

Such unions do not choose to be limited to Africans only – but members of other races (whites, coloureds and Indians) are allowed to belong to registered unions, recognised by government and employers; therefore African unions are unofficial and thus they stand alone.

MAWU was formed in April 1973 and within three months membership at Leyland's Mobeni plant at Durban had risen to 95% of the total workforce.

Mobeni manufactures heavy vehicle and industrial machinery. The union then approached Basil Landau, Leyland vice chairman, formally requesting representation.

As MAWU reports in its memorandum to the British TUC, the reply was 'disheartening'. Leyland 'regretfully reserved' the right to negotiate either formally or informally with MAWU 'while present circumstances prevail' – those circumstances being that, in terms of the Industrial Conciliation Act African unions may not be afforded *legal* recognition. But that does not prevent African unions being informally recognised and negotiated with by firms – as Leyland well knew.

The Mobeni workers then tried to revitalise the 'works committee' which had been set up at Leyland some time before, by promoting more coordination between the union and the works committee – but this attempt was also rejected by Leyland.

The company instead tried to set up a management-dominated liaison committee, but the workers continued to insist on representation by the union.

By March 1974, Leyland's persistent refusal led to a unique strike – the first for many many years where the sole issue was the demand for recognition. African workers who go on strike risk great penalties – arrest, fines/imprisonment, dismissal and possibly endorsement out of the urban area, i.e. loss of the right to be in the city at all and of the right to seek work there.

The Department of Labour advised that the workers should be fired because they were striking illegally. Lord Stokes, then chairman of British Leyland, was in the country at the time but refused a request to address the fired workers. Leyland SA also made threats about closing down the Mobeni plant and transferring operations to Blackheath in the Cape.

Some days later, most of the workers were re-engaged but subsequently 65 workers were laid off, including many MAWU officials. Ultimately the management was obliged to recall some of them but, according to the TUC memorandum, 'management were careful not to re-employ workers who were strong and influential union supporters'.

The spirits of the workers, however, was not dimmed by events and the MAWU stop stewards, although still not recognised as such, are in a position now to discuss all issues which affect the workers, even though their capacity to seek improvements is very limited.

In November 1974, Alfred Mthewa, Secretary of MAWU, went to Leyland's Elandsfontein plant, near Johannesburg, to recruit new members for MAWU. He was picked up by members of the Security Branch early one morning, taken to offices in Germiston and threatened with a variety of charges.

All pamphlets, already distributed by Mr Mthewa to the workers, were confiscated and a MAWU assistant in Johannesburg was also detained and interrogated at Germiston.

In its report, MAWU says: 'It is obvious here that the Security Branch were called in at the request of the Leyland management in an attempt to block the organisation of the workers at the Elandsfontein plant into the Metal and Allied Workers Union. The action of the Security Branch in detaining the Secretary and in confiscating pamphlets from workers was clearly designed to intimidate workers.

'The fact that this tactic was not successful, as the secretary returned the following day to reassure the workers and to boost their morale, does not in any way lessen the serious implications of the action taken by management at the plant.

'Leyland had been one of the first British firms operating in South Africa who, when under attack for the role they were playing in maintaining exploitation in South Africa, had claimed that their presence and their policies were acting as a force for positive change in South Africa. Added to this should be the fact that they had previously made statements indicating that they did not stand in opposition to their workers becoming members of the union. Clearly their actions *directly and unambiguously contradicted their stated intentions.*'

As a result of the Security Branch's intervention, MAWU's recruitment was forced to become more discreet. Nevertheless, it went on quietly at plant level and led to the dismissal of Mr Francis Mabotsa, who had given a fellow worker a MAWU membership form.

The MAWU memorandum claims that, despite other reasons given, 'it was made quite clear to the workers that Mr Mabotsa, who had worked in Leyland Stores Department for three years, had been dismissed for recruiting.

'It was virtually impossible to devise counter-tactics to this move because at this stage only a handful of workers were members....The dismissal of Mr Mabotsa actually did succeed in creating a setback to our organisational drive.. ..some contacts began to avoid the organisers to the extent where they were reluctant to meet the organisers at home.'

What is clear and undeniable is that the majority of Leyland's South African workforce, who have demonstrated their preference for representation through a union, are being daunted by intimidatory acts of victimisation by the Leyland Corporation. Thus their appeal to the labour movement outside for support in their campaign.

Appendix II

BRITISH LEYLAND'S OPERATIONS IN SOUTH AFRICA

Leyland Motor Corporation South Africa is the 39th largest company in South Africa. In 1974 it had total assets of R78.2 million, and a turnover of R91.7 million. It employed 5,600 people and made a net profit that year of R4 million. (*Financial Mail*, Top Companies Special Survey, 27/6/1975, p 1143)

The company was formed in 1964 and until 1975 was a 79% owned subsidiary of British Leyland International. In October 1974 British Leyland Motor Corporation announced that it intended to make an offer for the remaining 21% of the shareholding.. This minority shareholding was acquired by BLM Finanz AG in February 1975, and the company's listing on the Johannesburg stock exchange was terminated from that date (*Financial Mail*, 14/2/75, p 575).

Leyland SA is therefore now wholly owned by its British parent company. In South Africa, Leyland SA is the holding company of a further 41 subsidiaries ranging in activities from foundry-development to vehicle sales, and including property and finance companies. The main activity is the assembling and manufacture of cars at the Blackheath plant near Cape Town, and of commercial and heavy transport vehicles at the Mobeni plant in Durban and the Elandsfontein plant in the Transvaal. Leyland SA assembles and distributes Leyland, AEC, Triumph, Rover, Jaguar and BMC motor vehicles. It also markets through its own networks the Japanese Daihatsu, in which Leyland has a third share.

During the financial year ended 30 September 1974, Leyland SA's sales of passenger cars amounted to R14,171,000, its sales of light commercial vehicles (up to 5,000 kg) amounted to R3,411,000, and heavy commercial vehicles came to R2,184,000 — a total of R19,766,000 ((£11,183,659).

Despite the fact that unit sales were 17.2% down on 1973 (due mainly, management claimed, to overseas supply difficulties during the first half of the year), the consolidated profit of R4,111,000 (£2,326,615) was 2.5% higher than the previous year (*Financial Mail*, 22/11/74).

The value of sales soared in 1975. In the first six months of the year, Leyland SA, with a 5.8% share of the market, sold 3,631 commercial vehicles worth R19.2 million (£10,862,145). In the passenger car market, it took 6.12% of sales, selling 6,534 cars worth R24.49 million (£13,856.510) (*Financial Mail*, 7/11/75).

In June 1975 it was disclosed that Leyland SA accounted for 27% of British Leyland's CKD material efforts. While the group had run down its Australian operations and was in the process of pulling out of Spain, in South Africa — according to its managing director, Peter Murrough — Leyland was well established. It enjoyed a profit — 'which we would like to see bigger' — and outside of Britain it was the biggest manufacturing operation of Leyland in the world. 'It is most unlikely that British Leyland would ever discard these interests,' Mr Murrough stated (*Daily Telegraph*, 23/9/75, and Johannesburg *Star*, 27/9/75).

Indeed, so sure of its future in South Africa is Leyland that in 1975 it announced plans for a R35 million four-year expansion and modernisation programme. Much of this money was to come from the UK parent company, declared Leyland SA's managing director — at the same time that the British Government was baling out BLMC. The South African expansion would include extensions to the engine plant at Blackheath in the Cape (at a cost of over R3 million) which would make it the largest engine plant in the country. A further R3 million would be spent on new tooling facilities for new models over the next 18 months, on further factory extensions and other manufacturing facilities. In 1976 estimated expenditure was to be R19 million, and in 1977 another R3 million. A further R2 million would be spent on installing the company's own computer equipment. Leyland's deputy chairman was confident of the future: 'There is no doubt the next five years will see a satisfactory growth in the market' (*Financial Mail*, 20/6/75).

Advertisement in Johannesburg Sunday Times showing Britains "vital contribution" to South Africa's commerce at a time of world economic crisis

LEYLAND ARE INVESTING R35 000 000 MORE IN SOUTH AFRICA

Leyland South Africa are spending an additional R35 million to enable them to carry out a massive expansion programme of their Blackheath car plant. This investment is an indication of Leyland's confidence in our motor industry's future and a vital contribution to our commerce in a time of world economic crisis. With this decision, Leyland invite you to celebrate with them by offering you each an investment dividend.

For 21 days, starting on 10th February, Leyland will give you a cheque for R200 when you buy a Triumph Chicane, R150 when you buy a Leyland Marina, and R100 when you buy an Austin Apache. And that's on top of the deals our Leyland dealers are offering right now as part of an aggressive sales campaign.

After your purchase the salesman will ask you to fill in the voucher that entitles you to your money. The voucher goes to Leyland and, a day or two later, a three figure cheque is waiting for you at your dealer's. Use it for whatever you like. It's your money! A holiday, a hi-fi, a fur coat, a camera. Or, of course, the cheque can be endorsed by you as an extra payment on the car.

The offer closes on 1st March. So get down to your Leyland showroom and take a look at the luxurious Triumph Chicane, powerful Leyland Marina and roomy Austin Apache. And start thinking how to spend your money!

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