

F.A.W.U. Bulletin

Electronic Newsletter for Members and Staff
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Dairy Price-fixing and SASOL Cartel Activities

The Food and Allied Workers' Union [FAWU] welcomes the confession by Lancewood dairy company on their involvement in this morally repugnant price-fixing conduct of basic staple food, that is milk, both on procurement side or on end-consumer side. We call on them to faithfully and sincerely bear testimony during these Competition Tribunal proceedings currently underway.

While welcoming their confessions, we wish to register our disappointment about the size of the administration penalty of R100 000, just under one percent of their preceding financial year's total revenue, that constituted an out-of-court-settlement and admission of guilt arrangement.

In the same breath, while welcoming the confession by SASOL limited on their involvement in cartel activities we are disgusted that they do so with basic commodities affecting the poor, such as paraffin, and in inputs supplies that are used for production of stable food, such as agricultural chemicals.

This reinforces FAWU's position that SASOL, and its Chemical division in particular, must be re-nationalised because it is an important input supplier to fertilizer manufacturing, of which fertilizer is the single biggest production cost item for farmers. Also, this confirms FAWU's correct proposal that there should be price controls on basic food products, such as cooking oil, bread

and maize-meal as well as raw materials and other inputs going into basic food production .

-January 20, 2009

Premier Foods Prepared To Splash Dollars Whilst Workers Are Suffering

During 2 -6 February 2009, FAWU and Blue Ribbon will be in court again to finalise the Retrenchment dispute that ensued last year after the bakery decided to retrench workers who participated on the Protected Strike for allegations that they could not prove as no disciplinary hearings were initiated by the company, contrary to the basic tenants of the Labour Relations Act. We have been reliable informed by the inside source close to Blue Ribbon that as part of their desperate measures to win the case against them at all costs, Premier is even prepared to fly in from Abroad on a business class tickets an expert witness on polographic test to testify in the court about the reliability of the polography. We are further informed that the expert will not be paid less than \$50 000 a day by the bakery. That goes to show how immoral and insensitive the management of the bakery is to the workers' plight. Whilst those workers who some of them have spent not less than 20 years building the bakery to be what it is today, left the company with no even more than R40 000, for their years of service. It is the same company that refused to give those workers at least 2 (Two) weeks severance pay and instead opted to give them 1 (One)

week severance pay. Fawu will leave no stone unturned in exposing the bakery for what it is.

Worker Facing Eviction Because Farmer Fears Sick Youth

FAWU is utterly disgusted by allegations that a certain farmer in the in the Eastern Cape has attempted to evict a female worker after her child, who is reported to be HIV positive, came to live with her on the farm.

It is alleged that this farmer is apparently afraid that his dog and neighbours will be “infected” by the disease after she came to live with her mother as she could no longer look after herself.

FAWU has called upon the assistance of the Land affairs department for an immediate interdict against the eviction. FAWU, together with other NGO'S and, the Department of Labour is currently looking into the case.

FAWU finds it morally repugnant that a farmer, in this day and age, still treat his employee in such a completely inhumane manner. His display of utter ignorance and negative stigmatisation about the spread of the HIV virus is sad, to say the least.

The parties will meet the farmer on Tuesday, 27 February 2009 to offer him an opportunity to state his side of the story, where upon further action will be taken if the story was found to be true.

[Due to the sensitivity of the matter and an ongoing investigation names of persons and places have been withheld.]

Chokka Fishing Strike Enters Fifth Month

The following Newspaper Article was published in WEEKEND POST Cape -19 January 2009

The increasingly violent wage strike by chokka fishermen, which entered its fifth month last week, is believed to have claimed four lives while continuing to cripple the country's multi-million rand industry hub along the Eastern and Southern Cape coast.

The strike shows no sign of breaking after the first meeting of the year between the Employers Organisation of Cephalopod and Associated Fisheries (Eocaf) and the Food and Allied Workers Union (Fawu), was called off at the last minute on Wednesday.

According to sources close to the talks, the industry management body cancelled the meeting, calling Fawu's demand for a 120 per cent wage increase "totally unreasonable".

Fawu is representing about 1000 striking chokka boat crew.

Police say industry insiders came forward this week with information linking the deaths of two non-striking chokka fishermen from Port Elizabeth's Booyesen Park to the strike.

It is believed the men died after being attacked by strikers two weeks ago.

Police say one man, whose name is still unknown, died at the scene of the attack in Booyesen Park while the other, Stembiso Zameko, was admitted to Livingstone Hospital with serious injuries. He died on Monday.

On Monday last week, two men – believed to be temporary workers – were stoned to death under the N2 freeway bridge in Port Elizabeth's Deal Party by 35 alleged strikers, according to police.

"I have given (the cases) over to the crime intelligence unit to gather more information and confirm they are linked to the strike," said Humewood police station spokesman Captain Garth Rademeyer. "We are continuing to monitor the strike and have deployed undercover police to protect (non-strikers)."

Resolving not to halt the strike, Fawu has also warned of a dramatic increase in accidents out at sea by inexperienced seafarers as managers recruit and train new fishermen.

Fears have also been raised that increasingly desperate industry bosses are sending crew into waters which previously would have been deemed unsafe to fish in.

On December 22, the chokka boat MFV Kingfisher sank in heavy seas off Cape St Francis, leaving six of the 19 crew members dead and eight unaccounted for.

Although an investigation is under way, several life-jackets – which experienced fishermen say are mandatory in rough seas – were found separate from the bodies of the dead crew, indicating they were not used.

Fishermen who have chosen not to strike, say they fear for their lives.

“I am scared and my wife is alone at home when I am working, but I have no option because we need the money to survive. People here have been praying for safety,” said a Bay man who did not want to be named.

Chokka fishermen are paid R4/kg for their catch, which varies according to the market price of chokka. Before the strike, fishermen who failed to make a catch returned home with as little as R50 after 21 days at sea.

Fawu is asking for a 21-day catch basic salary of up to R150 a day as well as a commission of R7/kg which kicks in after a yet-to-be determined weight.

But according to insiders, managers cannot afford to pay a fixed wage, let alone a higher commission price per kilogram, as the global economic slump has seen the price for chokka – a big export to Europe and Japan – slump by 50% since January last year.

“When the strike started, they wanted a 280% wage increase, but at that time we had already experienced a 60% drop in our price for squid,” said Eugene van Niekerk, chairman of the SA Squid Management Industrial Association. “We are experiencing our lowest prices for squid in more than five years and our expenses are the highest they’ve ever been thanks to higher prices and inflation. The downturn in Europe (the biggest chokka export market) has seen demand for our product bottom out.”

The current chokka price – called the beach price when it is off-loaded at factories – was lower than the cost of bringing in a catch, he said.

“If we had to give them what they’re asking, the whole industry will go under and all the fishermen will be sitting without jobs. Until they come with a realistic approach, we can’t even talk to them.”

But Fawu provincial secretary Mbalisi Tonga rejected the claims, saying: “We believe they can afford it, more so because we are willing to negotiate our R150 basic salary request, but their approach has been one of intransigence. Having no basic salary is unfair, because the crew are reporting for work. Why should they shoulder the blame for low catches?”

Related to the story above, FAWU issued the following statement late December 2008:

Squid Fish Boat- the King Fisher- Accident, Squid Fishers Strike and Scab Labour

It is with great anger to note that vulnerable workers have died on board squid fishing vessel, the Kingfisher, while the vessels owner may be sitting safe in a plush mansion with a family. This accident brings forth three critical issues to mind:

- 1) The employment of scab labour during industrial action will never be a solution to address the dispute in question. Our members in the squid fishing sector, in the Eastern Cape, have been on strike for about five months now. Instead of meeting workers demand, vessels owners are employing poorly trained workers and skippers thereby risking their lives.
- 2) The working and living conditions on-board fishing vessels are horrible and should not be tolerated any longer. Government must ratify the 2007 international labour organization (ILO) fishing convention and promulgate Sectoral Determination
- 3) The health and safety standards and precautionary measures are being ignored by fishing vessels owners, who usually insist that boats should go to sea even if the weather is clearly hostile.
- 4) The exploitation of migrant labourers, particularly the undocumented, from southern Africa, especially Zimbabwe.

Given this, we call on government and relevant authorities to investigate the incidence, including gross negligence, such as non-inspection and lack of adequate health and safety equipments, and law-breaking offences, such as human trafficking and illegal fishing.

In addition, we call on the Department of Labour to intervene in resolving this five-month old strike in the squid fishing sector. Coupled with this, we believe this incidence makes it urgent for

government to promulgate a Sectoral Determination and to ratify the International Labour Organization (ILO) Fishing Sector Convention as early as January 2009.

Chokka Fishing Strike: Latest

The five-month old strike is still going strong according to provincial secretary, cde Mbalisi Tonga. After a meeting held on Tuesday, 21 January, that included a representative from the Department of Labour, not much has changed between the two parties' stances.

The main problem, as identified by cde Tonga is that the employer refuses to budge on the issue of a basic salary. FAWU still demands a basic salary of R120 per day and R6.50 commission on every kilogram caught.

Cde Tonga was unable to pronounce on allegations of violence as some of the issues are sub-judicae/ under investigation by the police. He also states that as far as he knows none of the union's members have engaged in any acts of violence or intimidation.

Fining of Foodcorp Pty Ltd On Bread Price-fixing

On 6 January 2009, FAWU welcomed the move by FoodCorp company regarding its admission of guilt and payment of fine for their involvement in the morally repugnant price-fixing scandal.

We call on FoodCorp to sincerely witness and give testimony at the Competition Tribunal so as to get the other two culprits,

Pioneer Foods and Premier Foods, to be successfully prosecuted and severely punished.

These two companies, by insisting on a due process, they are effectively wasting the company's money and as a union, a stakeholder in both, we reserve our rights, including on demanding repayment of this completion case related costs by senior management to the coffers of the company, as this is wasteful and fruitless expenditure.

We use this opportunity to call on the President of the Republic to sign the amended Competition Act into law without delay. The amended version will get individuals personally held liable and for punishment to go just beyond 'a slap in a wrist' for companies.

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