

THESE ARE DRAFT MINUTES. THEY ARE CONFIDENTIAL AND RESTRICTED TO MEMBERS OF THE MANAGEMENT COMMITTEE, THE SECRETARIAT AND THE WGSC'S.

**DRAFT MINUTES OF THE MEETING BETWEEN MEMBERS OF THE DAILY MANAGEMENT COMMITTEE, THE SECRETARIAT AND WORKING GROUP STEERING COMMITTEE MEMBERS HELD ON 12 MAY 1992 AT THE WORLD TRADE CENTRE.**

PRESENT:

- PJ Gordhan (Chairperson)
- ZJ de Beer (DMC)
- P Hendrickse (DMC)
- Z Titus (DMC)
- J Zuma (DMC)
  
- E Samuels (WGSC1)
  
- PMH Maduna (WGSC3)
- LL Mtshizana (WGSC3)
  
- M Phosa (WGSC4)
  
- Z Skweyiya (WGSC5)
  
- M Maharaj (Secretariat)
- SS van der Merwe (Secretariat)
  
- T Eloff (Secretary)
- G Hutchings (Minutes)

**1. Chairperson's opening remarks**

- 1.1 The members were welcomed.
- 1.2 It was noted that the following has been previously agreed to between the DMC and the WGSC's:
  - \* A composite report for presentation at Codesa 2 should be prepared reflecting agreements of Working Groups.
  - \* The drafting of the composite report would be undertaken by members of the DMC with one representative from each WGSC as nominated by the WGSC's themselves.
  - \* To facilitate discussion at Codesa 2, a panel consisting of members of WGSC's would be available.
- 1.3 It was further noted that the purpose of this meeting is to agree on the structure of the composite report, taking into account the work of the various Working Groups and to establish the mechanism for the details to be inserted in the composite report. A draft schema for the composite report, prepared by the Secretariat, was distributed to members (Addendum A).
- 1.4 A pack containing (a) the reports of Working Groups that have been completed, (b) the document under consideration by Working Group 2, (c) the report of the GAC and (d) Terms

of Reference of the Working Groups was distributed to members.

## 2. Composite Report

2.1 The following was noted:

- 2.1.1 Reports of Working Groups will be formally tabled at Codesa 2 separately.
- 2.1.2 The composite report is an umbrella document to facilitate discussion.
- 2.1.3 The structure as suggested within the draft schema falls almost exactly into Working Groups, with the exception of issues pertaining to the TBVC States, which are addressed ad hoc. It was agreed that there is consistency within each section.
- 2.1.4 The composite report would deal with agreements only. A further document would address outstanding matters.

2.2 The following was agreed:

- 2.2.1 The need for a composite report is clear.
- 2.2.2 The composite report will reflect substantial agreements contained in the Working Group reports.
- 2.2.3 Working Group reports would be addenda to the composite report.
- 2.2.4 In the process of discussion and clarification of the composite report, Working Group reports would be the main frame of reference.
- 2.2.5 Within the composite report constant reference should be made to the relevant agreements within the Working Group reports.
- 2.2.6 With regard to the Agenda for Codesa 2, under "Agreements Reached" there should be an item where the Plenary adopts the agreements in the Working Group reports.
- 2.2.7 The suggested format for the composite report, as amended, was agreed to (Addendum B).
- 2.2.8 The DMC Proposal on the approach to drafting:
  - \* A person to be delegated from each WG to assist in the production of the composite report by drafting a summary of the section that has relevance for that particular Working Group.
  - \* On behalf of DMC one representative to use this summary for drafting, assisted by another DMC representative as the need arises.
  - \* Final report back to this forum for feedback.

2.3 The WGSC's representatives were requested to begin their relevant summary as soon as possible after the meeting.

2.4 It was suggested that the composite report should be called a Management Report with the

Working Group reports as annexures.

2.5 The following representatives of each WG 1 were nominated to attend to the drafting of the summaries:

- \* WG 1 : E Samuels
- \* WG 3 : PMH Maduna
- \* WG 4 : M Phosa
- \* WG 5 : Z Skweyiya

It was noted that WG 2 was still meeting and would be notified of the content of the meeting.

3. **The next meeting**

All members were requested to check with Secretariat at 15h30 on 12 May 1992 as to when the next meeting of this forum would be held.

**COMPOSITE REPORT**

**1. Introduction**

**2. CODESA 1**

- + Declaration of Intent
- + Democracy
- + Essence - Democratic Institution

**3. Essential issues for which Working Groups were created**

- + How/by whom drafted
- + How/what conditions created for election of this body
- + By what mechanism
- + TBVC states

**4. Overview of agreements reached before CODESA 2**

**5. Interim Parliament/Government of National Unity**

- + Phases
- + Ist Phase - Levelling
- + TEC }  
+ Sub-councils } Structure  
+ Decisions } Composition  
+ Independent Commissions } Powers  
Other

- + Meetings
- + Implementation & time frames
- + Role of TBVC states

**7. Levelling: Proposals**

**8. Implementation/Time Frames**

**9. Management Committee Recommendation**

**SUGGESTED FORMAT FOR THE COMPOSITE REPORT**

**1. Introduction**

**2. CODESA 1**

- + Declaration of Intent
- + Democracy
- + Essence - Democratic Constitution

**3. Essential issues for which Working Groups were created**

- + How/by whom will the Democratic Constitution be drafted
- + How/what conditions created for election of this body to the Draft Constitution
- + By what mechanism will we move toward the creation of such a body and create these conditions
- + The role and future of the TBVC states in this context

**4. Overview of agreements reached before CODESA 2**

**5. Interim Parliament/Government of National Unity**

- + Interim Constitution
- + Elections
- + Interim Parliament
- + Government of National Unity
- + Re-incorporation - TBVC

- + Role of existing Government
- + Constitutional Principles

**5. Transitional Executive Structure**

- + Phases
- + Ist Phase - Levelling
- + TEC } Structure
- + Sub-councils } Composition
- + Decisions } Powers
- + Independent Commissions } Tasks
- + Meetings } Other
- + Implementation & time frames
- + Role of TBVC states

**7. Levelling: Proposals**

**8. Implementation/Time Frames**

**9. Management Committee Recommendation**

**C B M K S B**  
**CONSULTATIVE BUSINESS MOVEMENT**  
**KONSULTATIEWE SAKEBEWEGING**

**MEMORANDUM ON NEGOTIATIONS AND PEACE**  
**PREPARED AS CBM INPUT TO MEETINGS WITH THE ANC/IFP/SA GOVT**

**CONFIDENTIAL**

**1. INTRODUCTION**

The Consultative Business Movement is a voluntary association of senior business leaders drawn from 100 major corporations who, in their wish to act as a catalyst and facilitator, are bound by a common vision of a democratic and prosperous South Africa. Over the years, through debate and process right across the political spectrum of business and political persuasions, we have become acutely aware of the issues, feelings and needs in our country. We come to this meeting not as a principal nor purporting to represent business, but with major concerns and a deep interest in helping ease the transition.

Through its work at CODESA, in the Peace Process and in its role as Interim Secretariat of the Macro Economic Forum, CBM believes that it is in a position to appreciate and interpret some of the forces at work. CBM is concerned to address the medium to long term process of negotiations rather than merely reacting to short term crisis. CBM requests that this input be received in this spirit.

**2. NEGOTIATIONS : CORE ISSUES**

**2.1 Commitment to negotiations, the danger of polarisation and the need for interim government as soon as possible**

As was shown in the referendum, business has committed itself to and invested in a negotiated political settlement. After the perceived failure of CODESA 2, the business community is concerned with the state of negotiations and the uncertainty generated by this. CBM fears that the substantial polarisation that is now being witnessed, may endanger the very negotiations process itself. Substantial concerns also exist in the business community about the way in which this is affecting the economy and therefore the future of the country.

In order to restore the image of negotiations and the peace process, and the confidence of the national and international community therein, it is important both to see public commitment and visible movement. There is a danger that in the struggle for political supremacy the process itself is polarised, undermined and breaks down. Negotiation partners should make visible the distinction between political enemies/opponents and process partners.

Due to the uncertainty of the present situation and its consequences on the economic and social life of South Africans and the cycle of killings, poverty and unemployment of communities, it is imperative that an interim government in which responsibility and power are shared, is installed as soon as possible. Without this, violence will escalate and the very survival of business and the economy be at stake.

**2.2 The economy**

On the assumption that no government can govern or survive a failed economy, it is relevant to comment that, political issues aside, the South African economy is in a parlous state. Industry is having to retrench to preserve, companies across the board are failing, adding tens of thousands to the ranks of the unemployed - and the position is worsening by the day.

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National Consultative Group/Nasionale Konsultatiewe Groep: Angus Bond (PG Bison), Dave Brink (Murray & Roberts), Peter Campbell (Nampak), Neal Chapman (Southern Life) (National Co-Chair), Leon Cohen (PG Bison), Charles Davies (Norwich Life), Theuns Eloff (Executive Director), Ted Garner (Tongaat Hulett), John Hall (Barlow Rand), Murray Holmeyer (Argus) (National Co-Chair), Ernst Kahle (Munich Re-Insurance), Chris Liebenberg (Nedcor), Don Masson (Segefin), Ken Maxwell (JCI), Brian McCarthy (McCarthy Group), Jack McKenzie (Caltex), Ian McRae (Escom), MC Pretorius (T & N Holdings), Mike Sander (AECT) (National Co-Chair), Justin Schaffer (Abbey Holdings), Chris Snejman (Union Spinning Mills), Mike Spicer (Anglo American Corp), Noas Steenkamp (Gencor), Clive Tutton (Gentyra), Arie van der Zwan (Southern Life), Peter Wrigton (Premier Group).



International bankers and multi-national have adopted a wait-and-see attitude, and the indicators which will govern their actions concern political and economic stability.

It should be realised that business simply has little or no cushion any more. Ours is an economy in crisis facing total collapse.

### 2.3 Mass action and its effects on the economy

While understanding the need for quick movement in the negotiations process, signals from the business community strongly indicate their conviction that the effects of the planned mass action will have devastating long term economic consequences. These consequences include the following:

- \* Devastating effects on the local economy
- \* Retrenchments and disciplinary actions
- \* Business closures
- \* Negative and possibly irreversible impact on international business confidence

With the economic dialogue progressing well, it would be unfortunate should the mood generated by these events jeopardise that process.

While business supports initiatives aiming at solidifying the negotiations process and the rights of citizens to express their political views, it cannot accept risk to life and disruption of productivity. On the basis of no intimidation and no disruption of production, one can examine creative options for converting what stands the danger of being a highly destructive form of mass action, to another form that could serve the purpose of negotiations, democracy and thereby ease the transition. Such creative options to avert production loss could include, for example, making up lost time in lunch time or over time, with the co-operation of business.

In this way, the process is controllable and contained. The danger is averted that in the course of rolling mass actions, mass action gains a momentum of its own and that in the context of all political parties feeling cornered and the potential for violence increasing, control could be lost over the process. This graphically reflected by the Goldstone Commission Report on the President Steyn tragedy.

In this scenario, Government has the opportunity to approach the planned mass action in a rational way, granting citizens the right of peaceful demonstrations, while at the same time maintaining law and order in an evenhanded way.

### 2.4 Conduct of political parties and the need for clean government

In the perception of the business community, confirmed by the second interim report of the Goldstone Commission, there exists a danger that the national interest is being subsumed by the race for political power.

CBM is particularly disturbed by:

- \* The recent revelations of misconduct by the security forces and the mismanagement/corruption in Government departments.
- \* Inflammatory political statements/actions and lack of disciplining of members of political parties.

Actions to address these questions, coupled with public accountability and accurate reporting in the media, could in itself be a restraining influence.

## 3. PEACE AND VIOLENCE : CORE ISSUES

For a climate of free and fair elections in which political parties can organise free of intimidation to exist, efforts to strengthen the peace process are required.

#### **Commitment to the Peace Process**

Particular areas in which visible movement needs to occur are:

- \* Commitment of suitable senior officials to the peace process, especially at regional and local levels.
- \* Commitment of public funds for the effective staffing and execution of the peace process.
- \* Consultation with local and regional structures before instituting actions such as declaration of unrest or any other envisaged actions for which consultation needs to occur.
- \* Rapid implementation of the recommendations of the Second Interim Report of the Goldstone Commission by all political parties, as well as the security forces.
- \* Consideration of a peace monitoring mechanism which enjoys the support of all parties and which judgements would have credibility.

#### **4. CONCLUSION**

CBM believes that the negotiation process, progress in regard to the Peace Accord and the development of the Macro Economic Forum are all interdependent and interlinked. Should it prove impossible to find the path to interim government, CBM fears for progress in regard to all three processes. An attempt to obviate the need for conflict should be made as, inter alia, the polarisation and damage in respect of lost lives and the deepened economic crisis, could jeopardise the ability of any future government to rebuild the economy and meet the needs of its citizens. Just as business needs to show sensitivity to the needs of political parties, so the same sensitivity for the needs of business and the economy for which it is co-responsible, should be shown.

CBM believes that there is an urgent need to use the narrowing window of opportunity to find points of reconciliation and common ground in the negotiations process. CBM is willing and wishes to explore a package of win-win solutions to open the way for an interim government as soon as possible.