

REPORT ON THE ANGLO AMERICAN
CORPORATION GOLD MINES

by Martin Plaut

Towards the end of 1973 the Wages Commission of the Students Representative Council of the University of Cape Town undertook a study of the gold mining industry entitled 'A Mining Survey', in an attempt to provide an outline of the history of, and conditions prevailing on the mines as background to the deaths of 12 Black miners at the Western Deep Levels Mine on Tuesday 11 September 1973. The survey came to the attention of Anglo American Corporation who, in March 1975, invited the Commission to visit the corporation. The Commission accepted, and on 18 and 19 August, 1975, three representatives (including the author) met with various members of the management of Anglo American Corporation in Johannesburg. This article is largely based on discussions and interviews which took place during the visit.

Where no other source is cited all information was provided by AAC head office staff, and should be interpreted with care as the commission had no opportunity to discover the basis upon which the data was computed or to discuss and verify the material with the miners themselves.

EMPLOYMENT

In August 1975 the AAC employed approximately 153 000 Black and 17 000 White employees on its mines in South Africa and Namibia, of whom 116 000 Blacks and 12 000 Whites were employed in the Corporation's gold division. A breakdown of the Black labour force in the gold mining industry indicates the industry's dependence on foreign labour.

Country of Origin	%, June 1974	%, June 1975
Malawi	28	9
South Africa	23	33
Mozambique	22	28
Lesotho	20	23
Botswana	5	5
Swaziland	<u>2</u>	<u>2</u>
	100	100

The decrease in the Malawian contingent can be attributed to the ban on recruiting in Malawi in April 1974, ostensibly because of the plane crash, but the corporation suggested that the reason behind the ban was the desire on the part of the Malawian government to use the extra labour for local development and in agriculture and forestry in particular. While this ban had the effect of creating a Black labour shortage of 10% in the gold mining industry, AAC maintained that it experienced no shortage of Black or White labour in August 1975. Malawian labour has been replaced primarily by increasing the proportion of South Africans by means of an intensive recruiting drive in urban and rural regions. In this the corporation is aided by South African legislation which acts to 'lock' Black workers from the 'homelands' into particular job categories. (1)

The violence, damage and loss of production resulting from mine riots (of which there were 30 major incidents between September 1973 and September 1975 in the gold and coal mining industries, leaving 130 Black miners dead and resulting in between 30 000 and 50 000 breaking their contracts and returning home) have been an intense source of discomfort to the gold mining industry. AAC has felt this particularly keenly because of its international status and especially its African connections, the desire to maintain a liberal, progressive image and its extraordinarily high political profile. As a result the corporation has spared no expense

in providing itself with expertise in the field of labour relations by means of retainers and donations to individual academics and organisations both at home and abroad.

WAGE DIFFERENTIALS

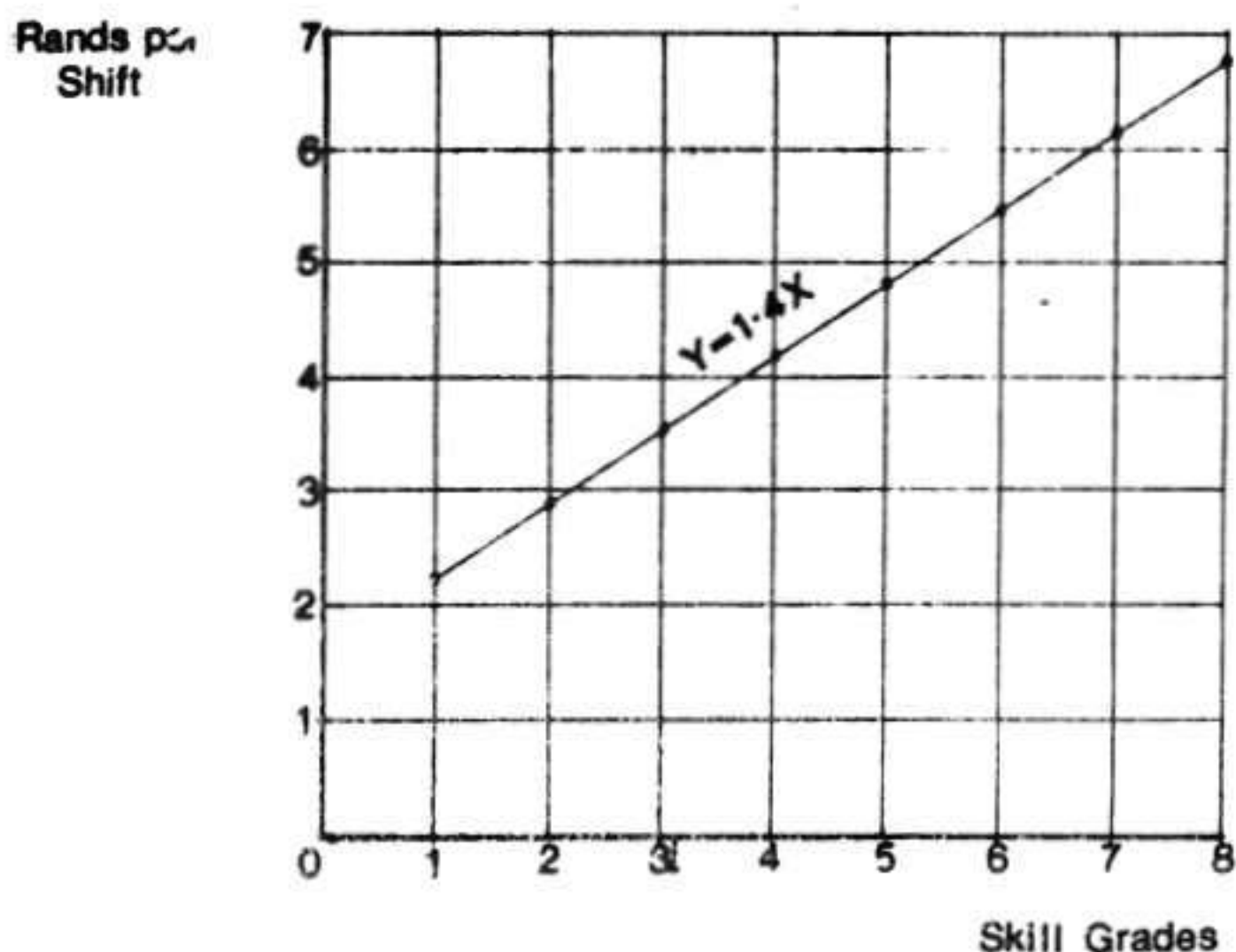
An example of this is provided by the way in which the corporation faced the problem of job grading and wage differentials which were seen as one of the factors behind some of the violence. In August 1974 Professor Patterson of Strathclyde University was brought out to South Africa to implement a system he had developed. The aim was to provide a unified method of job evaluation that could be applied to all mines. In June 1975 the method was adopted not only in the corporation's gold and coal divisions but in the entire gold industry - a necessity if the monopolistic nature of the industry was to be maintained. As one executive put it "to avoid workers playing one employer off against another and that's the last thing we want".

The manner in which Black permanent underground wages were decided upon is indicative of the manner in which the method operates. ('Permanent' in the sense that they were fully operative. Of the 53 500 Blacks underground, 71 367 were in this category). The miners were divided into skill grades as indicated below:

Grade	Number	%	Classification
1	12 331	17,3	unskilled
2	11 226	15,7	"
3	7 031	9,9	"
4	33 815	47,4	semi-skilled
5	1 228	1,7	"
6	571	0,8	"
7	1 770	2,5	skilled
8	3 395	4,6	"
	71 367	99,9	Total, June 1, 1975

Note: All % corrected to the first decimal place.

The grades were then plotted on a graph with wages set so that they approximated a line with a slope of 1,4. It was maintained that in order to keep turnover at an acceptable level the slope should be more than 1,25, while a slope of less than 1,5 was considered by management to be morally 'defensible'. Below is an approximation of the graph:



The pseudo scientific nature of the procedure is indicated by the fact that not all employees are on the same graph. White miners' wages for example, are plotted on a different graph allowing the existing wage differentials between Black and White wages to be maintained.

As Hyman points out the entire concept of job evaluation as an objective, value free means of evaluating pay scales is highly suspect. These scales are generally based on payment rated according to

the degree of responsibility, skill, effort and conditions, with the two former categories assigned a weighting more than double the latter two. This effectively entrenches the values implicit in managerial ideology within a statistical technique. "In effect the criteria of job evaluation encapsulate, with all the accoutrements of "science" and "objectivity", the principles of status hierarchy described by Lypton and Hamilton: skilled are elevated above unskilled, white-collar above manual, and managerial and professional above subordinate occupational groups" (Hyman, R. *Inequality, Ideology and Industrial Relations*. British Journal of Industrial Relations, No. 1 March 1976). It is hard to conceive of a more transparent case of reification.

AAC has recently made much of its increases in wages (Optima, 2, 1975). Gross remuneration of Black underground workers have increased from R38,00 p.m. to R90,20 p.m. in the period June 1972 to June 1975, an increase of 137,4%. They fail to point out that in the corresponding period the gold price had increased from R46,81 to R112,24, an increase of 139,8%. (South African Reserve Bank Quarterly Bulletin, September, 1972, September 1975). Nor do they mention that the 22 500 Black surface workers on the mines are paid according to a different scale which begins at R1,40 per shift as compared with R2,20 for underground labour. The mean wages for Black underground and surface labour are R84,00 and R48,00 per month respectively.

DEFERRED PAY

Not all wages are paid out to workers immediately as deferred pay exists in two forms: one voluntary and one compulsory. Voluntarily deferred pay is held by the industry for the miners until the end of their contracts. Interest accruing to the voluntarily deferred pay is not paid to individual

depositors as the Chamber of Mines considered it would be too costly to administer each sum separately. The interest is instead paid into the Deferred Pay Interest Fund which was set up in 1918 and is administered by two government officials and three members of the Native Recruiting Company to donate the proceeds to 'general welfare work'. On 31 December 1973 a sum of R10 257 289 had been deposited by 117 389 depositors, an average of R87,03 per person. Interest accruing from this was R376,381 for 1973 representing a return of 3,7% at a time when commercial banks offered a return of 5,5% on three month deposits, despite the fact that they had to bear the costs of administering the accounts separately. The question must be asked as to precisely what use the above funds are put, as they form a substantial pool of cheap finance. Compulsory deferred pay exists for miners from two countries - Malawi and Mozambique. The Malawian scheme allows 60% of wages to be deferred after the first six months. The Mozambique deferment was set up in terms of the Mozambique Convention and requires that 60% of pay be deferred from the commencement of the contract.

WORK HOURS

26 shifts are worked a month consisting of 8½ hours working at the rockface and theoretically 9½ hours if measured going from and returning to the compounds. In practice these hours may be considerably lengthened. This is particularly prevalent on the night shift as Black workers experience difficulty in returning to the surface. What tends to happen is that White miners simply leave for home after 5½ - 6 hours leaving the Blacks to straggle back in small groups. The cage operators refuse to raise them to the surface resulting in Blacks having to wait as much as four to five hours beyond their shift. Matters are made worse by the refusal to raise Black and White miners together. It is not unheard of for Black miners to miss the last cage and have to sleep underground until the following shift.

LIVING CONDITIONS

Living conditions have been seen as a further cause of tension and AAC has decided to spend R250m on housing over the next 6 - 7 years. Considerable attention is being given to providing more acceptable conditions but the chief cause of frustration, the fact that the housing is almost exclusively for men only, has not been removed. At present only approximately 1½% of all Black miners are housed with their families on mine property, despite the fact that mines may legally house 3% of all Black labour in married quarters. For Black workers with permanent urban residence rights the mines may build as many married quarters as they wish, but as few workers in this category are recruited (a position that may alter given the increased wages and the present recession) the provision has little practical effect.

LABOUR RELATIONS

The corporation has, since 1974, introduced a dual system of communication, a system which allows no confusion to occur between the instructions that emanate from above and recommendations from below. The downward channel is described as 'briefing groups' designed by the Industrial Society of London and the upward channel is the traditional mine one of tribal representatives superceded in some cases by works committees. The briefing groups are a formalised means of transmitting instructions down the hierarchy with regularised (generally once a month) meetings of small groups of employees of a particular rank who are addressed by the members of line management, to whom they are directly responsible, before, in turn, each addressing their subordinate groups. The whole process is subject to careful monitoring by means of written records and check by senior management on their subordinates' briefing procedures. The aim of this method appears to be the tighter control of information within the organisation. Its expressed purpose is to destroy what might be called the informal counter information networks which are developed by employees

as a means of opposing management decisions. In the briefing manual the 'grapevine' is seen by management as being 'irresponsible, consistently vicious' and 'invariably gets facts wrong'. 'Misunderstandings' are seen to lead to poor management-staff relations, work commitment is lost and there is resistance to change. Perhaps most important, the solidarity which develops between the first line supervisor and workers is seen as a target for attack. It would appear that these spontaneous forms of worker resistance are the primary reasons for initiating this innovation.

The older form of tribal representation begins with every 16 men in a room electing an isibonda who is subject to approval by management. His function is that of a room prefect and he is responsible for allocating cleaning and cooking duties and discipline. Above the isibonda is the tribal representative (better known as a 'police boy') who is responsible for 20 - 30 rooms. These men carry sticks, walk a beat, break up fights and ensure discipline is maintained. They are apparently decidedly unpopular as during major disturbances they fled for their lives and in the coal division their rooms were set alight. Above the police boys are the indunas, who represent ethnic groups, settle minor differences and negotiate with the compound manager.

The works committee system (although not a legally defined works committee) was introduced experimentally on the Western Deep Level mine about three years ago and is now being instituted more widely.

WORKS COMMITTEES

The works committees are structured according to job categories, every 10 - 15 men of one skill electing a representative onto a committee of between 20 and 26. One member of this committee is elected onto a general communication council called the 'Big 50' consisting of 48 representatives plus 2 Black personnel officers. 4 men are elected from this onto an Advisory Communication Council which meets with management. The lowest committees meet every month, the Big 50 every two months,

and the Advisory Communication Council 'as and when necessary'.

At meetings a secretary - normally the committee organiser - notes in a book the remarks, grievances and suggestions of workers which are then sent to the departmental personnel officer. It was reported that the committees operated fairly successfully with workers taking considerable trouble to present well-reasoned problems and issues such as leave, hostel conditions and general problems at work. Local management response, on the other hand, was felt to be 'not very good'. Often suggestions and problems relating to work were merely dismissed as 'rubbish' while others were simply neglected. One of the main problems was that even when suggestions were accepted, there was no feedback to the committees. Other issues, particularly relating to wages, although reaching the Advisory Communications Council cannot be dealt with even within the corporation as they are dealt with by the industry as a whole. Apart from removing minor difficulties the committee system appears to have little viability. Despite their existence management was unable to anticipate the riots and when they occurred the system was abandoned by both sides as neither placed much trust in the committees' efficacy.

The other channel of upward communication is via a system of informers. Although disapproved of by Head Office, their existence was acknowledged. Informers operate directly with the compound managers and other officials and indirectly via the police, who maintain a separate chain. AAC management expressed, on several occasions, a willingness to deal with a Black trade union (a considerable change from the attitude of the gold mining industry in 1946) provided it was properly constituted, but maintained, quite correctly, that it was not their task to initiate such a movement. They insisted, however, that management will place no obstacles in the way of its formation.

SECURITY FORCE

With the escalating violence in mine compounds the corporation has moved in two directions. On the one hand it has extended the velvet glove of increased wages, better communications and housing facilities, and on the other hand it has provided itself with the mailed fist of an effective security force which has grown to the point that it amounts to, as one executive put it, a private army. It was impossible to arrive at its exact size, but it was described as 'very considerable', with its equipment including a helicopter. Its dog handlers are trained by the South African Police and the purchase of tear-gas vehicles are being considered.

For lesser problems AAC has drawn up a comprehensive disciplinary code with penalties ranging from a reprimand to dismissal. In practice it is acknowledged by Head Office that the code is little consulted and rough 'justice' is dealt out on the spot by Police boys in the compounds and by White miners underground. It is reported that although frowned on by Head Office, the practice of manacled men to fixtures when they are disorderly or drunk continues as a means of discipline. The corporation appears to be changing the means of labour repression from one of overt coercion associated with primitive accumulation to the more sophisticated means of organisation more appropriate to an advanced market society. However, as in all transformations of this sort, the preceding patterns of communicative interaction, possessing a partially independent dynamic of their own, evidence themselves in residual forms which exhibit a resistance to their objective redundancy.

FOOTNOTES:

- (1) Budlender, G., *Responsa Meridiana*, Vol.3, No. 2, August, 1975.