

MINING - LABOUR

1995

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Mines warn of no-work holidays

ARCT 13/1/95

JOHANNESBURG — The economy will lose more than R900 million in foreign exchange and the government will forfeit R155 million in tax revenue if no work takes place on the 12 public holidays this year

According to the Chamber of Mines economic services, companies which supply inputs to gold mines will also lose R437-million in revenue.

The new Public Holidays Bill, enacted last year, will jeopardise struggling mining

operations and force additional costs on the industry

Chamber economist Willem Houtman says, in the latest edition of the mine owners' newsletter, that in some cases closure of marginal production areas or shafts could occur (211)

"The loss will place 15 000 jobs in jeopardy — something which the country can ill afford," he says

However, the Chamber points out if current restrictions, like those barring min-

ing on Sundays, are removed production levels could improve significantly

Estimates show South Africa's gold mines have a shortfall in realisable capacity of some 21 000 tons a year

As much as 14 percent of this capacity could be productively tapped if mining on Sundays received the nod from authorities

At current productivity levels, this increased level of operation would create 28 000 additional job opportunities, the Chamber says — Sapa

Anglo's gold boss makes wage appeal

■ BY DEREK TOMMEY

Leading gold mining chief Clem Sunter has warned that the gold mining industry is in a critical situation. (211)

Sunter, the chairman of Anglo American's gold mining division, said yesterday that a repeat of last year's cost increases could push the cost of producing gold at Anglo's mines above the current gold price. This could jeopardise the jobs of 15 000 of Anglo's 160 000 workers.

He called for modest wage increases accompanied by generous profit and productivity-related bonuses this year.

He also called for discussions with the unions on the lifting of the ban on working on Sundays, which would enable the industry to increase the number of shifts worked by about 30 percent and thereby improve production.

He said it would be suicidal to pay the double-digit wage increases which many people seemed to expect. J.M.H.A. bu.

► 15 000 jobs at risk — Page 13.

Stow 20/1/95

Anglo American's Sunter says industry is in serious squeeze

15 000 gold mining jobs at risk

(211) *Shaw 20/1/95*

■ BY DEREK TOMMEY

The gold mining industry is in a serious squeeze, says Clem Sunter, chairman of Anglo American's gold division

This is highlighted by the disappointing dividends declared by the group's Transvaal mines. Vaal Reef is paying a final of 525c to make a total of 1 245c for the year — down from 1 270c last year — Elandsrand is paying 25c to make a total of 65c for 1994 — 85c in 1993

Western Deep's final is down from 305c last year to 225c. However, owing to a good interim of 275c, the mine's total for the year at 500c exceeds the 1993 payment of 465c. If working costs continue to



Clem Sunter . . . 30 percent increase in shifts.

rise this year at the same rate as last year, and capital expenditure is taken into account, they will exceed the present gold price and put 15 000 jobs in jeopardy at Anglo's mines, he said in Johannesburg yesterday. Anglo's gold production, after reaching 267 tons in

1993, slumped to 242 tons last year — a figure not seen since 1990

To remedy the situation, the industry wants to hold discussions with the unions to end the ban on Sunday working and to move to continuous production

One result would be to increase the number of shifts worked by one third and lead to a rise in gold output

"So we are going to make it the big issue of the year as it will make all the difference to the industry. The results would be quite dramatic," he said

The industry was also aiming for a modest wage settlement to be accompanied by generous profit-sharing and productivity-related bonus schemes

"To contemplate wage increases of double digits, as quite a lot of people are expecting, is suicidal, especially if our cash cost goes through the current gold price," he said

Sunter was speaking at a presentation of Anglo's December quarter gold mining reports

These showed that the group's total working costs rose 1 percent to R2,08 billion, while average unit costs were 2 percent lower at R33 623 a kilogram produced. Available profit was 1 percent lower at R207,0 million

Capital expenditure increased 24 percent from R289,5 million in the September quarter to R359,3 million

Average revenue for the quarter was virtually un-

changed at R44 384 (R44 408) a kilogram

Sunter said that Freegold's Saaplaas No 5 Shaft was to go into production. The shaft is expected to produce some 66 tons of gold during its 19-year life and will provide jobs for about 2 500

Sunter said that following the introduction of the annual 12 days of paid holidays for every worker, the gold mining industry believed that in exchange it should now be treated like the rest of industry and allowed to have continuous production

"It means we would work every single day other than the 12 holidays," he said

"Theoretically, you are talking about working 365 shifts a year, less 12 for public holidays. If you compare that with

the 276 currently worked, it is about a 30 percent increase in shifts

"Obviously that figure of 242 tons of gold produced last year could easily be converted back into the 267 tons of 1993"

Gold was currently trading in a range of \$370 to \$410

Strong demand for jewellery provided a firm base for the price, but the low level of international inflation, together with high interest rates, was curbing investment demand and putting a ceiling on the price

Freegold had available profit of R99,1 million (R98,7 million), Vaal Reef R53,1 million (R47,6 million), Western Deep Levels R23,2 million (R39,4 million), Elandsrand R16,4 million (R7,2 million) and Ergo R15,1 million (R15,1 million)

Blyvoor mine retrenches 3 150

BY DEREK TOMMEY

The December quarter was a bad one for Randgold's struggling Blyvooruitzicht gold mine

In a bid to return to profitability by down-sizing its operations, it has retrenched 3 150 people

Expenditure

Retrenchment costs amounted to R20,2 million, an expenditure that boosted the loss for the quarter to R27,3 million. In the September quarter it had a loss of R3,8 million.

While overall costs were reduced from R64,8 million to R60 million, revenue slipped

from R62,8 million to R51,9 million, and the working loss soared from R1,6 million to R8,6 million.

Blyvooruitzicht's future is still under consideration, says a company spokesman.

A number of options, including merging, selling or further down-sizing operations are being looked at.

Capital expenditure of R3,2 million during the quarter included R1,7 million for the company's contribution for development related to the Western Deep Levels tribute.

The tribute is expected to have a useful impact on Blyvoor's earnings

once it starts mining the area.

East Rand Proprietary Mines had a better quarter.

A reduction in working costs from R85 million to R79,8 million led to the mine increasing working profits from R5,6 million to R8,4 million.

Revenue

After including sundry revenue, it had a taxed profit of R11,3 million (September R8,5 million). But capital expenditure of R12,1 million (September R8,3 million) absorbed these earnings.

First results of the underground exploration programme in the central

payshoot will be available at the end of March.

The programme has been designed to confirm grades in previously inaccessible parts of the payshoots and will also determine if a tertiary shaft is needed to work the deeper areas, or whether a less expensive incline shaft can be used.

Merger terms between Durban Roodepoort Deep and Rand Lease have been agreed on.

Shareholders have to approve the plan and will receive details next month.

The mine, which was on the verge of shutting at the end of June but was resuscitated by new management at Rand-

gold, had a working loss for the quarter of R709 000 (September R15,1 million).

Production underground is to be built up from the 69 000 tons in the December quarter to 40 000 tons a month by August.

Operations at Harmony were affected by the cage accident at the Merrispit No 1 Shaft. Working profit dropped from R18,5 million to R15,5 million.

But taxed profit at R22,8 million was significantly higher than September's R11,9 million when R7,5 million in hedging cancellation costs had to be written off.

SAW 24/1/95

Mines' local hiring is up

ET 7/2/95

MASERU - South African gold mines are increasingly recruiting local labour before workers from neighbouring countries, the Employment Bureau of Africa announced yesterday (21) ~~(22)~~

According to statistics released by the bureau, the number of Basotho mineworkers dropped from 89 940 in 1993 to 89 076 in 1994 - Sapa

New union to be launched

RENEE GRAWITZKY

COSATU's long-awaited farm workers' union will be launched this weekend with an estimated membership of 30 000.

The majority of the members will come from three Cosatu affiliates, the Food and Allied Workers' Union, the Paper Printing Wood and Allied Workers' Union and the SA Clothing and Textile Workers' Union. *BD 9/2/95*

Cosatu farm workers co-ordinator Dickson Motha said over the past two years attempts had been made to involve other unions. Cosatu's main opposition, the Nactu-aligned National Farmworkers' Union, has been operating in the industry since 1988 and claims a membership of 40 000.

National co-ordinator Tumediso Modise said that "if Cosatu is forming a union in a positive spirit with the ultimate intention of uniting workers then Nactu will not oppose it"

Kobus Kleynhans of the SA Agricultural Union said his union had been preparing farmers for the "trade unions coming their way" and were advocating good management practices.

Closed shop unions get two-year grace

BD 9/2/95
(211)

MINING unions which operated closed shops had been given two years in which to drum up membership and so prevent mining houses from withdrawing their recognition agreements, sources said recently.

Mining houses had agreed to a grace period — the so-called "sunset clause" — in which the affected unions could recruit members to ensure their survival.

Two closed shop arrangements exist, one covering the Mining Surface Officials' Association, the Underground Officials' Association of SA and the SA Technical Officials' Association and the other with the Council for Mining Unions which deals with technical staff.

In terms of the draft Labour Relations Bill, released last week, closed shops had been deemed unconstitutional. Closed-shop agreements compel all workers in specified categories to join a particular union.

This meant closed-shop unions did not have to recruit members, but had a captive market. Now, they would have to prove their importance or face extinction.

Federation of SA Labour Unions general secretary Dannhauser van der Merwe said Fedsal's two affected affiliates, the Mining Surface Officials' Association and the Underground Officials' Association of SA, were "open-minded" about the clause as they did not expect an exodus of members once the agreement ended.

This sentiment was echoed by the all-

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white Mine Workers' Union (MWU) which said it had grown in industries in which no such agreements existed and expected to maintain support in the mining industry.

However, an industry source said several lower category officials — especially nurses — held dual membership in officials' organisations and in the National Union of Mineworkers (NUM).

The NUM has been fighting for the abolition of the closed shop, citing its violation of freedom of association. Also, workers transferred out of unskilled categories are no longer covered by the NUM, but wish to retain their membership and have the NUM negotiate on their behalf.

The NUM and the MWU both proposed a multi-union closed shop arrangement in which all workers would be compelled to join the union of their choice. But employers were opposed to this, saying it was not very different from the current situation.

Industry sources said there was considerable debate about what membership level the closed-shop unions would have to prove after their two-year grace period expired. Anglovaal and Gold Fields had stipulated the system requiring 50% plus one member in a bargaining unit, but others believed in recognising unions with a "significant membership". An acceptable membership would depend on the strategic significance of workers.

NUM threat on contract labour

BD 9/2/95 (21)

MINING houses which continue retrenching workers and replacing them with contract labour will face an increased wave of industrial action, according to the National Union of Mineworkers (NUM).

NUM assistant general secretary Gwede Mantashe yesterday accused mines of cutting costs by using subcontractors to do jobs previously performed by mine employees. These contractors often employed retrenched mine workers, but paid them half their previous incomes.

"This will be a core demand in this year's negotiations with the Chamber of Mines," Mantashe said.

Much of the industrial action on mines so far this year had been sparked by the issue of subcontractors. Gold Fields' West Driefontein mine dismissed 142 workers after a violent demonstration against contract labour left one person dead.

Contract labourers were paid about half the salaries received by full-time mine employees and their working conditions were much worse than those offered on the mines, Mantashe said.

The NUM would demand its involvement in determining what work on mines was contracted out, and would only condone specialised functions falling into this category. The union also wanted definable time frames for all contract work.

Contractors would be asked to comply with conditions, including

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compulsory registration of workers so they did not employ and "exploit" illegal immigrants. Unemployment, health and death benefits would need to be negotiated, as would wages.

Mantashe said mining houses were using this practice as a ploy to weaken the NUM as contract labour was not unionised. He claimed Randgold was the worst offender, with all its mines shedding labour and contracting out work.

Randgold director Ted Grobicki denied this, saying Randgold was pursuing previous labour policies.

Gold Fields — whose West Driefontein mine will be the site of a march demanding the reinstatement of dismissed workers today — said it would only respond to allegations of refusing to discuss the issue after receiving a memorandum from the union after the march.

Miners would also march at De Beers' Finsch mine today on the same issue, the NUM said. But De Beers spokesman Tom Tweedy said the company had acted as an intermediary between contractors and the NUM at the union's request and a meeting between the parties was scheduled for next week.

Tweedy said De Beers had the right to remove any contractor found to be in contravention of any employment standards or hurting labour relations in any way, and would "not hesitate to exercise this right".

Asbestos price slump hits Msauli

R (21) CT 10/2/95
JOHANNESBURG — Lower sales due to the oversupply in world asbestos markets pushed Msauli Asbestos' net income 60% lower to R6,027m for the year ended December 1994 from R15,160m a year previously

Sales fell 15% but due to the weakening of the rand exchange rate turnover only declined by six% to R92,459m (R97,999m)

Lower annual production impacted negatively on production costs and operating income fell 40% to R9,251m (R15,359m) Earnings a share came to 93,42c (235c) while Msauli declared a final dividend of 15c (110c) a share resulting in an annual distribution of 30c a share (125c) — Sapa

Cool response to chamber appeal

Mines, unions start talks on holiday work

(211) (173) (132)
BD 14/2/95

THE Chamber of Mines and all representative mining unions have begun talks on public holiday and Sunday work throughout the industry.

It was disclosed yesterday that the matter arose on Friday at a meeting during which the implications of the new Public Holidays Act came under the spotlight.

This follows several appeals from mining house management in the past few months saying more flexible working arrangements were essential for the future viability of the mining industry.

Union reaction has ranged from cautious to hostile.

National Union of Mineworkers (NUM) Gauteng secretary Archie Palane said yesterday the union would not agree to new working arrangements if workers did not benefit.

The NUM would establish a team to research the matter before responding. Previously, when such work was temporarily permitted, employers' promises of job creation and increased time off had failed to materialise. Although production had improved, workers had not benefited from increased profits, he said.

Mine Workers' Union (MWU) organising secretary Flip Buys said the union would respond more fully today. Its initial reaction was to reject the proposal.

Palane said the chamber, which was

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proposing a seven-day working week including Sundays and public holidays, was aiming at having capital equipment manned continuously. A roster system would ensure that workers did not work longer hours in total.

The law prohibits Sunday work on mines not granted exemptions in "the national interest." And an 11-shift fortnight agreement means alternate Saturdays are not working days, leaving expensive capital equipment idle and reducing the number of monthly blastings to 24, instead of a potential 30.

However, the new Public Holidays Act introduces a degree of flexibility as work on designated days is not prohibited, but rather regulated. Parties may, by agreement, work on these days.

Public holidays may also be exchanged or banked to give workers long weekends or longer annual leave. Previously, the mining industry was forced to shut down for five days a year.

Chamber chief negotiator Adrian du Plessis said Friday's discussion on public holidays had raised "the larger question of the optimal utilisation of the industry's capital and labour resources."

"We have invited the unions and associ-

□ To Page 2

Mines

(211)

BD 14/2/95 □ From Page 1

ations to participate at industry level in discussions on the kind of work arrangements necessary to secure the mining sector's future viability."

Industry sources said issues to be discussed in formulating new work organisation included maximum working hours within a determined period; public holiday work and pay; job flexibility and multi-skilling; and reducing absenteeism. However, the pivotal issue would be persuading government to drop the Sunday work prohibition and allow employers and labour to determine work patterns.

These would be raised at the mining summit, a non-statutory body consisting of unions, government and employer representatives. No date had yet been set for the next sitting of the summit meeting, but

unions were expected to reply to the chamber's public holiday proposal by March 1. "We hope to commence talks shortly with an open agenda," Du Plessis said.

Palane said the NUM insisted that the public holiday issue be handled at industry level as it was a condition of employment. The chamber had pursued negotiations at mine level, with no success.

The MWU had a petition with 15 000 signatures opposing public holiday work and all unions would corroborate on ensuring workers benefited from any agreement struck, Palane said.

Du Plessis insisted it was necessary to settle whether work was performed in terms of the Public Holidays Act at mine or company level "with regard to the particular operational circumstances which exist across member mines"

Transnet, union reach agreement at City Deep

(211) (213) (210)
BD 2/3/95

INGRID SALGADO

THERE would be no industrial action at Johannesburg's City Deep container depot in the short term after an agreement between management and the SA Railways and Harbour Workers' Union (Sarhwu) committed them to industrial peace.

Both parties accepted recommendations by a task group established by Public Enterprises Minister Stella Sigcau last month to resolve the labour dispute that caused a container bottleneck. Management and Sarhwu had agreed on short-term recommendations. Longer-term recommendations were under consideration.

Sarhwu's concern had been the use of privately contracted drivers operating from the terminal. Their action caused a back-

log of 6000 containers. The remainder would be cleared by March 20.

The task force recommended that subcontracted drivers continue operating from the terminal. However, five Roadwing trucks banned from the depot would not be allowed to return to either City Deep or Kaserne depot's Kascon in the short-term.

Other recommendations included that:

- Both parties ensure the handling facilities at City Deep and nearby Kascon be provided strictly on a first come-first serve basis; and
- The Kascon facility be reopened to ease the backlog at City Deep.

If a dispute arose independent mediation or arbitration would be used.

Worker involvement is 'necessary' in SA mines

(211)

BDB/3/95

RENEE GRAWITZKY

WORKER participation agreements in SA merely paid lip service to the concept as opposed to allowing for true worker involvement in how work was being done

Speaking at a seminar on workplace change through worker participation, Mark Anstey, director of the Industrial Relations Unit in Port Elizabeth, said worker participation agreements carried no real weight but merely carried "statements of intent"

He said the reason for the success of the German system was its detailed and compulsory nature

He said future SA labour legislation should have a far more powerful thrust on workplace forums and co-determination

Gauteng NUM co-ordinator Archie Palane said worker participatory schemes implemented to improve productivity and relationships without involving workers from the outset were doomed

One of the reasons for the failure of profit sharing

schemes was the lack of worker involvement in the calculation of production targets and the processing of information.

He said that at Gencor's Grootvlei mine the parties were close to signing an agreement intended to improve productivity for the continued viability of the mine

This agreement would provide for

- Building work teams,
- Taking discipline enforcement out of the hands of management,
- The appointment of full-time health and safety stewards,
- Work teams to decide which workers should go on skills training and adult basic education, and
- Production target monitors to be appointed and trained jointly by the union and management on all aspects relating to production, and their involvement in the formulation of production targets.

Less restriction in agriculture urged

BD 6/3/95

PRESSURE is mounting on government to free up agricultural markets and scrap legislation aimed at regulating them.

Pretoria University academics, food company Tiger Oats and the Land and Agriculture Policy Centre rejected at the weekend the redrafting of the 1968 Agricultural Marketing Act, calling for it to be scrapped. The Agricultural Marketing Council completed work on a new Agricultural Marketing Act recently, following criticism two years ago by the Kasser Committee, appointed by government to probe agricultural marketing. The draft Bill is due to be released for comment this week before it goes before Parliament next month. A new Act could be in place by August, council spokesman Gerhard Basson said.

But Pretoria University agricultural economist Jan Groenewald said the new act would "perpetuate discrimination, nepotism, monopolies and political patronage". He called for the draft to be referred to Nedlac before it went to Parliament.

Agricultural economics department dean Johan van Zyl said legislation to regulate marketing had

"harmed consumers and the poor". Van Zyl called for equal opportunities through tariffs and "visible support" through access to land, credit, extension services and streamlined co-operatives.

Tiger Oats executive director Hamish McBain said there was no need for an Agricultural Marketing Act. "But should there be legislation, any marketing scheme should be based on consultation and negotiation as opposed to the present situation where producers can force through decisions that may not be in the overall interest."

Premier group economist David Frost agreed. He accused government of a lack of consultation in redrafting the Act.

Agricultural markets division spokesman John Wixley said "government intervention in the market should be directed at the small-scale farmer and those disadvantaged in the past".

The Land and Agriculture Policy Centre said existing legislation provided undue power for the Agriculture Minister.

Farmers' union rejects land plan



LOUISE COOK

THE Transvaal Agriculture Union has rejected government's land pilot programme, describing it as "structured poverty".

In terms of the programme, details of which were announced last week, the Land Affairs Department has allocated R316m to displaced communities to redistribute 450 000ha of land nationally. Of that total, about 238ha is privately owned.

TAU vice-president Willie Lewies said land redistribution was forced on communities by the state. "It does not reflect reality based on farmers' experience in dealing with local communities."

Research had shown that jobs, schools and available water had rated higher with local communities than the acquisition of land.

DP Land Affairs spokesman Errol Moorcroft said his party supported the programme's basic provisions. **BD 6/3/95**

However, it might be necessary to allocate land on an individual basis since communal systems of agriculture in Africa had proved to be "disastrously ineffective and destructive to resources", he said.

The SA Agriculture Union was not available for comment.

Worker involvement is

'necessary' in SA mines

BD 6/3/95

RENEE GR 17KY

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One of the reasons for the failure of profit sharing

SA 'needs bank to fund tourism'

SA NEEDED a tourism bank to help fund the development of ecotourism among rural communities and to boost the overall tourism industry, the Council of Adventure Travel Associations of Southern Africa said yesterday.

Council chairman Graeme Addison said with international tourist arrivals increasing 45% to 80% in some sectors, adventure tourism was also set to become an important part of this industry, because tourists were "becoming younger, more adventurous and more inclined towards the outdoors".

"From whitewater rafting to ballooning, adventure activities have blossomed in the subcontinent in the past decade. With a change of political fortunes, adventure can now be marketed locally and abroad as a safe and exciting alternative to packaged bus and hotel tours."

But with SA banks ignorant of community-based tourism activities, people wanting to launch ecotourism ventures found their loan and grant applications often turned down.

Addison said his organisation was to make a presentation to the Development

THEO RAWANA

Bank of Southern Africa tomorrow with a view to getting the bank involved by providing expertise, facilitating the provision of capital at reasonable rates and helping in setting up rural committees and community forums for communication.

"A tourism development trust or tourism bank is needed to provide funding, guidelines and facilitation for the many small ventures in ecotourism which could grow into big profit makers," said Addison.

SA needed to free capital for the mobilisation of community resources and the development of human skills. "We need a structure to support ecotourism's growth."

Addison said rural people needed to be part of an international marketing drive to bring ecotourism to SA. "The remote areas of SA are often the most beautiful, containing mountains and rivers where various kinds of adventure tourism can thrive."

"What is needed is an alliance of rural people and business practitioners, so that communities living in the marginal areas can benefit from tourism rather than lose out as in the past."

Miners get study chance at Gengold mines

PAID time off to attend adult basic education and training formed part of an agreement signed by the National Union of Mineworkers and Gengold yesterday.

The agreement covered more than 35 000 workers and provided for a "basic education and training phase in the provision of life-long learning".

Gengold said the full-time classes would be in addition to part-time courses that have been provided on individual mines for the past three years.

The training was intended to give mineworkers an education and base for training, further education and career progression; and to develop skills and knowledge to enable proper participation "in the process of change within Gengold".

In terms of the agreement, this instruction would be available to all mineworkers on a voluntary basis and

RENEE GRAWITZKY

aimed at providing workers with the opportunity to attain "National Certificate on Adult Basic Education and Training 3 Level initially and, thereafter, the level envisaged for the General Education Certificate in the national training strategy".

Basic education and training would be based on clearly identified standards expressed as competencies.

On completion of accredited units of learning, workers could move on to the next course in the certification framework.

The company and union would jointly monitor the implementation of system.

Committees including employer and employee representation, including trade unions would facilitate worker participation in adult basic education and training programmes.

Anglo considers job cuts

KALGOORLIE — Mining conglomerate Anglo American was looking at further reducing its workforce and establishing continuous mine production, gold division chairman Clem Sunter said yesterday. 01/03/95

Sunter told the Australian gold conference in Kalgoorlie the company also planned to create competition between its own operations, and look to possible downstream gold retailing. (21)

Anglo gold mines, the world's biggest gold producer, had shed 40 000 jobs since he became chairman in 1990, without reducing production. The company now employs 160 000. "We're probably able to reduce our workforce even further without actually hurting our production"

But this meant Anglo would have to have smarter management and collapse some layers of management to try to reduce the hierarchy on its mines.

Sunter said Anglo hoped to improve efficiency by establishing continuous mine production in SA.

"We have 78 days (a year) where our mines are not working and all our machinery and everything underground is lying idle. It would make a huge difference to our mines if we could move on to continuous production."

Anglo was also looking at reintroducing profit-sharing plans aimed at improving productivity in its mines.

Anglo wanted to turn each of its shafts into a business unit and to relate the bonus to the gold price and the amount of kilograms each shaft produced.

Sunter said more lateral thinking might be required by gold producers who should possibly look at moving to gold retailing. He said gold jewellery was retailing in most Western jewellery shops at about \$2 500 an ounce.

NEWS ROUND-UP

(211) NUM demands wage increase

SOUTH Africa's 327 000-strong National Union of Mineworkers said yesterday it would push for a minimum basic wage of R1 200 a month for surface workers and R1 325 for underground workers.

"At some mines the current minimum is R300 a month. We demand that the mining and energy industries rectify the injustices," general-secretary Kgalema Motlanthe said.

Wage negotiations between the NUM, which represents black miners, and the Chamber of Mines are due next month. ST 12/3/95

NUM calls for fair wage, anti-discrimination Bill

BY JUSTICE MALALA
LABOUR REPORTER

More than 500 delegates representing the 320 000-strong National Union of Mineworkers (NUM) have called for the implementation of a fair wage structure

At a weekend central committee meeting held in Pretoria in preparation for negotiations with mining houses next month, the union called for a basic minimum wage of R1 200 for surface workers and R1 325 for underground workers

The NUM said members were threatened by retrenchments and therefore an agreement had to be negotiated between management and the union to regulate sub-contracting, which usually led to the retrenchment of workers.

Saying worker participation in decision-making was essential, the NUM added that workplace forums suggested in the draft Labour Relations Act should be

adapted to frame specific demands.

It said although racist laws have been repealed, a workplace anti-discrimination Bill was needed to force "enterprises with a culture of racial domination to change their ways"

The union condemned all forms of corruption said any person found guilty of such behaviour should be removed from public office.

The union also said the sovereignty of the Constituent Assembly must be upheld and called on its members to isolate anyone who perpetrates acts of violence.

The delegates resolved that the union should make whatever resources it had available to ensure massive participation of voters in the October local government elections.

It said migrant workers resident in South Africa as at June 15 1986 should be recognised as permanent residents and therefore eligible to vote in the poll.

Miners 'should be best paid workers'

~~335~~ RENE GRAWITZKY (211)

MINEWORKERS should become the highest paid workers in SA, the National Union of Mineworkers' central committee resolved at its weekend meeting in Pretoria.

The central committee decided that no overall wage guidelines would be set for the industry this year, and individual negotiating teams would formulate demands on the basis of their specific circumstances.

"Core demands" for minimum wages of R1 200 for surface workers and R1 325 underground were included in a strategy document circulated at the conference and endorsed by the 500 delegates.

The NUM this week estimated that there was an average minimum wage of about R830 in the industry and demanded increases be well above a predicted inflation rate of 11%. **BD 13/3/95**

It was decided that wage increases for coal and iron workers should be higher than for gold; the gap between lower and higher paid workers should be narrowed, a single wage structure incorporating skilled and unskilled workers should be created; broad banding should be introduced, and time off should be granted for education and training to improve skills.

Wages as low as R300 a month in the former homelands had to be addressed, it was also resolved.

Delegates rejected the use of subcontracting at the expense of members and called for an agreement to regulate the

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Miners

practice. **BD 13/3/95** (211) (~~335~~)
The union, which now represents 327 000 miners, acknowledged worker participation was crucial "for the new era of industrial relations" However, no final position was adopted as further discussion on workplace forums was needed.

The NUM's campaign on housing and the democratisation of the hostels would continue Its demands were not "for an overnight change" but for substantial progress and commitment to normalise the disparities in housing standards.

NUM president James Motlatsi condemned what he called "bachelor wages" paid to mineworkers and called for the urgent delivery on the RDP otherwise there would be "no transition to a new SA

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but simply a resurrection of the old one but painted, this time, in black"

In his opening address, Motlatsi reiterated his call for the nationalisation of Gold Fields, and a resolution that mines continuing to violate human and worker rights should be rationalised was later adopted.

In his report, NUM general secretary Kgalema Motlanthe condemned the ANC for its failure to transform from a liberation movement to a majority political party. It was a serious weakness that "everybody can claim the right to act and speak in its name without being obliged to be accountable and responsible for their deeds and utterances" This resulted in an organisation unable to lead in the transition period and without strong leadership

Mine holiday talks stall

(211)
 NEGOTIATIONS in the gold mining industry on working on public holidays had stalled, despite the need to reach an agreement before a series of long weekends in April, industry sources said on Monday.

JCI gold division MD John Brownrigg said the group's mines were in "damage control" discussions with the unions to reach an agreement on working public holidays.

Brownrigg said the upcoming holidays in April were adding urgency to the discussions. Over Easter there was a four-day long weekend, and 10 days later there was another five-day long weekend. Mines could not afford 12 paid public holidays a year, and unions realised this.

Production was affected not only on public holidays but on the surrounding days, he said. Although Brownrigg was unable to

BO 22/3/95
 MICHAEL URQUHART

give an exact figure, he said absenteeism on mines had been worse than normal on Monday ahead of yesterday's public holiday.

Chamber of Mines industrial relations adviser Adrian du Plessis said no decisions had been reached yet in industry level discussions. The chamber and the unions were still trying to agree on a date for a further meeting.

The public holidays and general level of labour unrest had led to predictions of a significant decline in gold output for 1995.

Chamber of Mines economist Roger Baxter said: if the trend in the gold mining industry in the first two months of the year continued, the industry could see total gold production decline by 30 tons this year. This could cost SA R1,3bn in foreign exchange.



HOSTILE CLIMATE ... Seakhela Tolope can't prove he is fit to work underground.
 ■ Pic: EVANS MBOWENI

Shape up or ship out, mine tells workers

(211) CP 26/3/95

By JEFFERSON LENGANE

MIGRANT workers of Kloof Mines near Carletonville are faced with forced repatriation if they cannot perform acclimatisation exercises following injuries sustained while working underground

A City Press team visited the mine last Friday and spoke to several workers, including those not yet served with repatriation notices but sporting various injuries.

Seakhela Tolope of Lesotho dislocated his hip joint while working underground in May 1993. His hip is currently supported by a metal plate. For his first operation he was hospitalised for six months.

"I was then sent home in November to recuperate without any compensation. On my return in July 1994 I was stationed at the mines hospital as a cleaner.

"In December I went for a second operation and only got discharged from physiotherapy this month," Tolope told City Press.

He says he was surprised when he was told he had to do the "chocholoza" (acclimatisation exercise) on his discharge to determine if he was fit to go underground.

When he complained that he had not fully recovered and therefore found it both painful and difficult to do the exercise, he was allegedly told he no longer had a job as he was not fit to work underground and should be pensioned.

He says he was told by management not to work while waiting for the completion of the process, said to take at least three weeks.

"The education career of my children is finished if I am fired," said Tolope. "I am the sole breadwinner in my family."

Othositse Gabaitshoke from Botswana lost his right leg in a mine accident in 1974. He was given R300 in compensation and a false leg, and management "promised" that he would work at the mine until retirement. He has continued to work underground since his injuries.

However, last week he was told that he had to undergo an acclimatisation exercise or go home.

"This is an exercise in which you have to step up and down in extreme heat. This is cruel torture to a person in my position - how can I do that and survive?" asked Gabaitshoke.

When City Press spoke to him last Friday he was about to board a bus to Botswana for the weekend.

"I am not sure if I will be repatriated when I come back. With an artificial leg I do not stand any chance of getting employment in my country."

demands apology

appointed guests on Thursday that he had received no prior apology or warning from Duarte Lombard said Peter Mokaba had paid R3 000 after he had also failed to appear.

Lombard told guests that he was not sure who would settle the bill but that the same fine would apply to Duarte.

She said several mess-

ages were left for the SABC's Nico Van Burick, who was involved in liaising with her office, to inform him that she was unable to attend because of her commitment to a function with Queen Elizabeth II.

"The fact that I was unable to attend was confirmed with Van Burick's secretary on Thursday morning."

ne's Day winners

ROMANCE

White miners' unions irate at termination of closed shop agreement

THE Chamber of Mines has cancelled the industry's 58-year-old closed shop agreement, provoking angry protest from the mainly white skilled mine workers' unions which have historically benefited from the arrangement.

Friday's move followed two years of unsuccessful talks between six members of the Council of Mining Unions and three officials' associations, aimed at finding a mutually agreeable way of phasing out the closed shop. It is likely to lead to a major realignment of collective bargaining arrangements in the industry.

Chamber of Mines chief negotiator Adri-an du Plessis said the closed shop agreements, which compelled particular classes of white employees to belong to particular unions, were no longer "sustainable or defensible".

The cancellation comes into effect from July 1. However, all nine affected unions have been guaranteed collective bargaining rights for two years to give them an adjustment period. Agreement was not reached because some unions wanted the guarantee to remain in force in perpetuity. In terms of the phasing out arrange-

RENEE GRAWITZKY
and ALAN FINE

ment, lasting until June 1997, workers covered by the closed shop would have to remain members of the union designated by the closed shop agreements. But they could also now join a union of their choice.

Du Plessis said that this arrangement was proposed to allow "unions and associations a clear and reasonable opportunity to adapt".

The reasons for cancelling the agreements were that they were unconstitutional.

al as they were racially based (applying to whites only) and infringed on the individual's right to associate.

The agreements, defined in respect of particular crafts and skills, had also become too prescriptive, especially with the move towards multiskilling where jobs no longer fitted into particular categories.

Industry observers say the move is likely to weaken drastically the artisans' unions such as those representing electricians, boilermakers and so on, and officials' associations representing the industry's white-collar employees. As union

membership ceases to be compulsory

However, the far right-wing Mineworkers' Union may benefit as artisans of similar political outlook move to it. When De Beers cancelled its closed shop agreement 10 years ago, the artisans' unions lost about 30% of their members. Two thirds of these gave up union membership and the remainder joined the MWU.

The NUM, too, is likely to gain after having fought for the abolition of the closed shop arrangement. Until now, while it has been allowed to recruit skilled workers,

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the closed shop agreement has prevented the union from representing them in chamber collective bargaining forums.

Qualified black miners were therefore not represented in collective bargaining with the chamber because the MWU permits only white membership.

An industry source pointed out that now, six years after the abolition of racial restrictions, 35% of qualified miners and 50% of learners were black.

The MWU currently represents about 5 000 qualified miners, the artisan unions

about 15 000 and the officials' associations around 20 000.

Council of Mining Unions official Ben Nicholson lashed out at the manner in which the chamber had handled the cancellation of the closed shop agreement. He said the unions were currently seeking advice as to the legality of the notice.

The chamber's announcement comes in the wake of the draft Labour Relations Act which says such arrangements would probably not be acceptable in terms of the constitution.

BD 27/3/95

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Legacy of last white mining privileges removed

The Chamber of Mines is to remove the final pillar of privilege for white mineworkers by cancelling closed-shop agreements covering 40 000 skilled and supervisory miners

After two years of unsuccessful

negotiations on an alternative arrangement the chamber has announced it is unilaterally revoking the agreements with the Council of Mining Unions and three mining officials' associations

(211) ~~(151)~~
The decision ends a legacy of white dominance of closed shop supervisory positions on gold and coal mines which dates back to 1937, when the agreements were introduced.

— Staff Reporter.

SAW 27/3/95

Move 'could weaken unions'

RENEE GRAWITZKY

THE Chamber of Mines' decision to cancel the closed shop arrangement could weaken the labour movement, the National Union of Mines (NUM) said yesterday.

NUM assistant general secretary Gwede Mantashe said the union welcomed the opening up of the closed shop, but that it was cautious about doing away with it because it could weaken the labour movement.

The union would have preferred a multi-union closed shop arrangement providing for freedom of association. This would have done away with the allocation of trades and crafts to specific unions, he said.

A closed shop arrangement compelled workers to belong to certain unions. (211) (452)

Mineworkers' Union (MWU) general secretary and Council of Mining Unions (CMU) chairman Peet Ungerer said the two unions were not unhappy with the cancellation of the closed shop arrangement.

However, the criteria for recognition after the two-year transition period of 50% plus one was unacceptable to the unions, which had proposed "significant representivity".

It was strange that they "suddenly had to prove representivity" after being recognised for years, he said. BD 28/3/95

Underground Officials' Association general secretary Renier de Waal said the decision to cancel the closed shop arrangement was rejected as a number of issues had not been resolved.

He did not believe that there would be a "major exodus" to other unions of the 13 000 to 14 000 members covered by the closed shop arrangement.

'Shield communities from mine closures'

BD 29/3/95 (21)

MINES should adopt a targeted assistance programme to minimise the effects on the surrounding communities of a mine's inevitable closure, mineral and energy select committee chairman Marcel Golding said yesterday.

Speaking at the Mining and Research Technology Conference in Johannesburg, Golding said mines should submit a down-scaling plan at the same time that they submitted their environmental management programme report.

He said mines were a wasting resource, and closure was inevitable when the resource ran out.

Mines should have a plan to minimise the effects of their closure on the society which had built up around the mine.

This programme should focus on the retraining of workers, with the emphasis on developing entrepreneurial skills.

Referring to the Leon commission report on health and safety, he said he hoped the report would contain key recommendations on aspects of health and safety which he found unacceptable.

The report should address the contradictions in chapter five of the Minerals Act, between the promotion and exploitation of mineral resources and the enforcement of safety regulations.

MICHAEL URQUHART

The fact that there was no single representative body to govern mining health and safety, that the mining inspectorate was underresourced and that the Minerals Act did not give practical effect to certain internationally recognised rights of employees were also unacceptable, he said.

Speaking at the same conference, mineral and energy senior policy analyst Mike Solomon said the proposals of the Leon commission would probably include the upgrading of the inspectorate and its effective distancing from the Mineral and Energy Affairs Department.

Solomon said the report would probably also recommend the promulgation of a separate mining health and safety Act, as well as a new approach to qualifications in the mining industry.

Minerals policy steering committee chairman Nic Segal warned the conference against beneficiation for its own sake.

Just because a project added value, and the raw material was locally available, did not mean the project would be commercially viable.

He said the availability of technology, infrastructure and other factors would affect the viability of a project.

Incentives offered for holiday work

THE Chamber of Mines has offered workers more than double pay as an incentive to work on the 12 designated paid public holidays

During a meeting with all the mining unions and associations, the chamber proposed a premium of 6% of the monthly rate of pay to workers for working on all public holidays in the industry. *5/29/3/95*

This would be in addition to the 4,2% of monthly pay workers received for an ordinary day's work

Previously the chamber paid a 6% premium to workers who worked on the five designated paid holidays applicable in the industry.

Chamber chief negotiator Adrian du Plessis said this would be ex-

RENEE GRAWITZKY

tended to the 12 days

Although no agreement was reached on working on public holidays or the swapping of public holidays, the chamber proposed that further talks take place between mines and companies at group level.

Mineworkers' Union organising secretary Flip Buys said the chamber agreed to this after expressing opposition to discussion on the issue at individual mine level

The chamber also proposed that a definition of essential services as defined in the Mines and Works Act be agreed to and that work so defined be performed on all public holidays

(21) During the meeting the chamber raised the question of the efficient use of labour and capital resources in the industry and asked the parties to discuss this at central level

The chamber said that depending on the outcome of these talks, the parties could be faced with renegotiating an agreement on the payment of the 6% premium

Du Plessis said that it was necessary to find the efficiencies to sustain a single premium across the industry.

NUM representative Archie Palane questioned whether the efficient use of labour resources also applied to management.

The chamber has sent its proposals to the unions.

JOBS

Aiding and abetting Process of education

By JULIE WALKER

A YEAR ago, confessed a locomotive driver at one of Gengold's mines, he had no difficulty in deciding what to do when faced with a shortage of space to tip his load at the ore stockpile he simply tipped it onto the waste dump

Today, after undergoing Gengold's accelerated training courses in Adult Basic Education and beyond, he understands the consequences of his actions and would never do it again. He has learned, and Gengold has benefited

Faced with a profit-margin squeeze caused by a stagnant gold price and rising costs, Gengold's management realised that the best way to improve underground safety and consequently lift productivity would be to have a qualified miner (holder of a blasting certificate) in charge of every panel on a mine. Currently, a miner looks after up to six panels, each of which is in the immediate care of a team leader — who is often illiterate

It seems absurd that a lad of maybe 20 or so with perhaps barely the minimum 312 shifts under his belt should be responsible for so many lives

Formerly on the mines, those with Standard 8 could try for a blasting certificate but might do that all their lives. Matrics could become learner officials destined for middle management while graduates set off on the path to the top. All this is changing

Gengold chief executive Gary Maude's decision to train the company's own people was timely in that the old government mining training certificate offered through the Chamber of Mines (CMTV) was phased out four years ago

The Pioneer shaft at Buffelsfontein gold mine was no longer used in production so was converted into a training facility. There are also well-equipped classrooms

The biggest task was to find people to train. Gengold ideally seeks 500 more miners from its existing workforce of nearly 40 000. "All those with Standard 8 come forward", Silence, "Standard 5? Standard 3? Can anyone read and write? Does anyone want to learn?"

Gengold found that 2% of the workforce had no interest in further education — mostly older workers

Using a broad-based test it also found that 37.4% were totally illiterate and 37.3% had only survival literacy of Grade 1 to Standard 1 level. Only 12.9% were of conversational standard in English, 9.8% met Standard 6 to Standard 7 criteria and only 0.6% could be called advanced — Standard 8 and beyond

Worse still, 48.9% were completely innumerate and the same amount had only basic skills. Less than 3% were functionally numerate and these were already employed in clerical work rather than underground

So to walk before it could run, Gencor introduced Adult Basic Education and Training (Abet), of which long-service production man John Labuschagne is in charge

The support of the National Union of Mineworkers has been sought and won with an agreement between the two parties specifying that they will be co-responsible for the development of Abet within Gengold. The NUM ensures that for every full-time Abet student Gencor takes on, it sends a part-time student. Gengold aspires to have 80% of its workforce functionally literate by the end of the decade.

(211) ST (BT) 2/4/95

The courses, Abet 1, 2 and 3, offer basic conversational and written skills, in the home language and in English. The drive is to make English the *lingua franca* on the mines. Abet 3 is about Standard 5 level.

Our driver has developed so far that he is able to deliver a lecture in English on the revenue, expenses and profit aspects of his work, and subscribes to the "winning nations need education" philosophy

Once they pass Standard 5, students can enter the training path Gengold originally envisaged

Ambitions varied among students in the Standard 8 class one wants to be a mine captain (overseer), another a teacher. The class had one white member who never got to Standard 8 at school

Several members were wearing glasses for the first time after undergoing an eye test.

The teachers are called facilitators, and the trend is away from the dictatorial spoonfed past towards learning by experience. Students can go from Standard 5 to 8 level in two 11-week full-time courses. Peer pressure is high, and there is a fear of failure among participants

"We can train almost anybody to pass a certificate of competence but that's not the intention," says



TRAINING MINERS FOR THE FUTURE

Peter Robinson, left, with Gencor chief executive Gary Maude

Picture RUSSELL ROBERTS

Peter Robinson, consulting engineer. Free State. "We look for people who have job commitment — attitude is important

"If there is a qualification barrier we educate them to get over it and we ensure that enough practical experience is gained before anyone is thrust into a position of responsibility. It is not enough to have a certificate, we want actual skills"

The aims are to improve productivity and safety, cost control, to overcome negative attitudes and to understand the profit-base of a working area, such as the importance of not missing a blast

"The notion of 'every one is his own safety officer' has not really worked on the mines because not everyone understands. We promote bonuses for teamwork and encourage problem-solving"

Gengold's own standards will seek accreditation in the coming National Qualification Framework — a working plan to develop the

country's education system. The people behind the training are all ex-production men. They comment on the changing attitudes in the mines: those at the top and bottom are all in favour of these advancements and the real challenge is to sell the benefits to the mine overseers and shift bosses

Council steps in to help mine squatters

By Joshua Raboroko

THE Greater Johannesburg Transitional Metropolitan Council has recommended that homeless mineworkers and their families be allocated land on the West Rand to build houses.

Acting Roodepoort Town Clerk Mr Carlie Coetzee said yesterday that the council had provided tents, water and toilets for the families on a veld near Lennox Hospital. The families were evicted from houses at Durban Deep Gold Mine after they were retrenched by the mine last July. They were stranded, homeless miners when the council allowed them to stay on the

veld. The families claimed yesterday that they were being threatened by white farmers who want them to quit the area.

Mr Q Lesela said the family stated the threat of being forcibly removed by rightwingers. Coetzee promised that the council would not allow anybody to evict the squatters. "They are living there temporarily until we find alternative land for them to build homes." He said the council would provide health care in the area. GJTMTC's executive committee chairman Mr Collin Matjila said the council would extend the services to all informal settlements.

Rapid communications crucial to mine efficiency.

(211)

MICHAEL URQUHART

BDB/4/95

WITH mining input costs continuing to rise out of pace with income, mine management was hard pressed to maintain profitability, said ECAM GM Andrew Connold at the recent Mining Research and Technology conference in Johannesburg.

He said a reduction in the size of the workforce was one of the main ways of reducing costs.

With decreasing workforces, mine-wide communication and control systems were becoming more important. Such systems had to have low installation and maintenance costs. Susceptibility to the effects of underground fires and falls of ground also had to be minimised.

Connold said through-the-earth communication systems would allow cost-effective control of equipment and notification of underground staff.

Fire, gas and seismic event detection systems could be linked to the system, allowing more rapid evacuation than the use of a conventional stench gas system.

Should an equipment failure occur, the relevant artisan or engineer underground could be readily contacted and advised of the problem before it became a costly disaster. Equipment such as fans could also be controlled by a through-the-earth communication system.

Connold said because of the cost ineffectiveness of stringing control cables to remote locations in a mine, equipment was often not used optimally. Fans were one example. They were often switched on at the beginning of a shift and switched off at the end, when only short periods of use throughout the shift were necessary.

Such inefficiency added to input costs. A control receiver would allow switching to be performed as and when it was needed, without costly cable installation

Joint mine project delivers 560 homes

RENEE GRAWITZKY (21)

A JOINT Anglo American, community and Free State government housing project delivered 560 houses over the past nine months at a cost of R27 375 a unit in Kutlwanong near Welkom.

Speaking at a news briefing about the project yesterday, Anglo gold division chairman Clem Sunter said the project was "the first in the country to be launched under the banner of the RDP" and represented one of the first joint initiatives involving the private sector.

Housing Ministry spokesman Steven Laufer said any private initiative which brought capital into the housing market was welcome, but clearly this type of initiative could not solve all of SA's housing shortages. For the mining industry this initiative marked a movement away from single-sex hostels to workers gaining the opportunity to be home owners.

The recently released Leon commission acknowledged that housing was a complex issue but recommended a move towards family housing. In the meantime existing hostels had to be upgraded.

A steering committee established to monitor and plan the project and made up of representation from the central alliance, civics, Freegold and the developers agreed that the project should create employment and provide skills training.

Free State premier Patrick Lekota said the government did not only want houses but wanted to create jobs which could be achieved through encouraging foreign investors to the region.

Stocks & Stocks received 80% of the housing contract and local contractors 20%.

Local labour was used with the temporary creation of 800 jobs with a minimum wage of R600 being set and a training centre was established providing brick-laying courses.

The initial phase of the project provided for 747 houses which would be divided equally between Fredies and the community and a further 245 houses would form part of phase two.

Buyers would be entitled to a housing subsidy from the regional housing board of between R12 500 and R15 000 and Freegold would provide for its employees loans of up to R13 000 repayable over 65 months.

Unrest, public holidays cut GFR profit

BY DEREK TOMMEY
MINING EDITOR

About 100,000 workers with the observance of new public holidays at Gold Fields' four gold mines cut the group's working profit in the March quarter by R133.1-million or 29% to R382.3-million.

Alan Munro, executive director of gold operations, describes these results as "disastrous". He also has two other items of bad news.

High costs could lead to the closure of the Driefontein mine this quarter, he reports, and unless Deelkraal's profits improved other means would have to be found to finance the No 1 Tertiary Shaft which is needed to ensure that milling operations continue at the turn of the century.

All of the group's coal and base metal companies had satisfactory March quarter figures. Munro said most mines went

GOLDFIELDS' gold operations executive director Alan Munro describes results as disastrous

into the Christmas break with out the momentum which they had usually built up at that time of the year.

The effect of this on production was compounded by the mines observing the new public holidays on March 21 and New Year's day.

In addition, the attitude of employees on most of the operations was less than satisfactory and in some instances was totally unacceptable, and result in one case in seven days in which no underground production was carried out.

Munro said each mine management was working hard trying to address the factors which aggravate the situation

but they are finding it difficult. One major problem is that there have been coercive approaches by some miners towards their unions and these have resulted in violence and deaths.

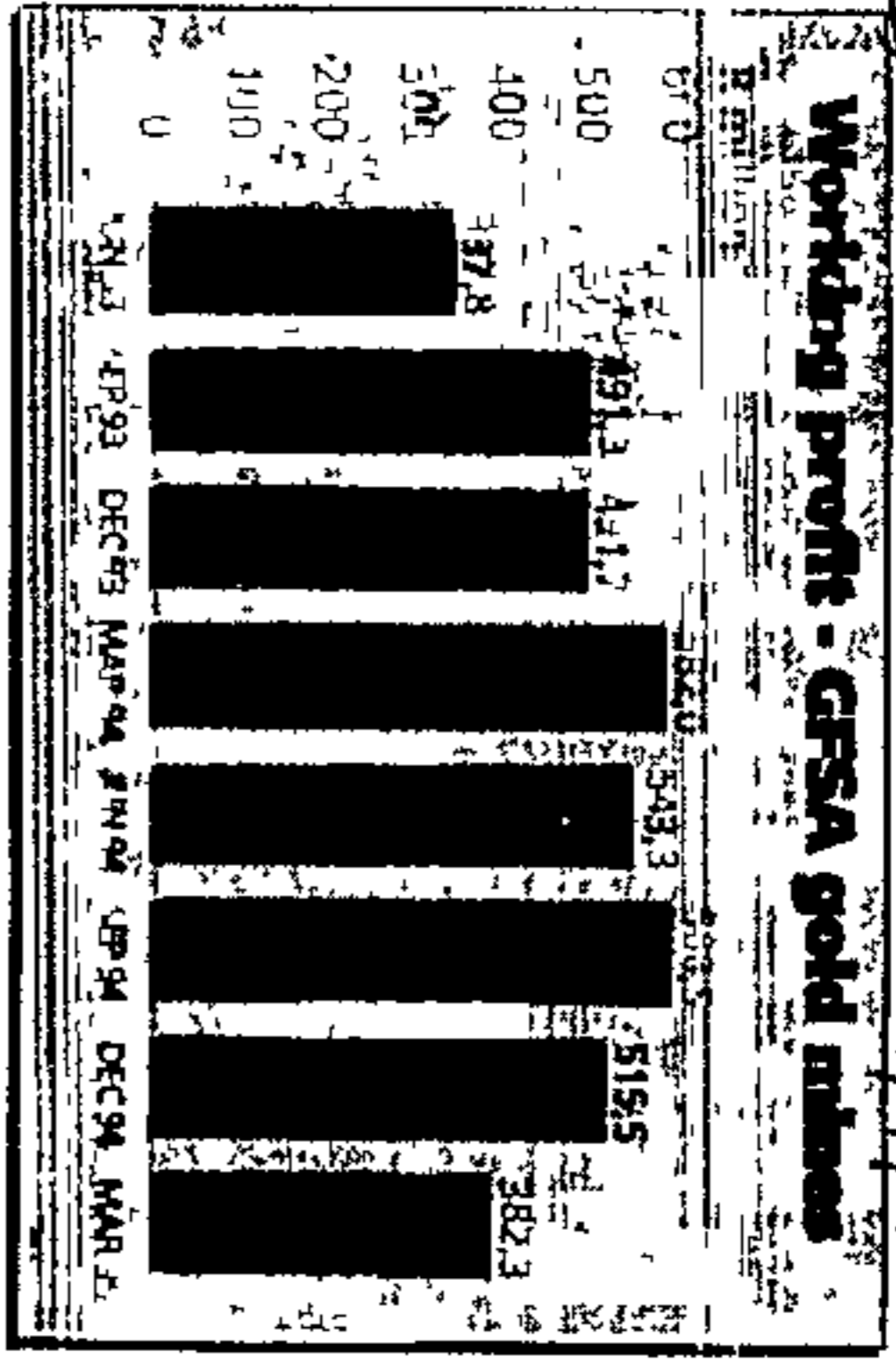
"Recovering from this situation is difficult and we are working very hard on it."

However, each mine management was determined to get the situation back to normal in the interest of the company, the employees and the country as a whole.

Some employees had expectations that were not feasible. Discussions were taking place with the unions about the observance of future public holidays. No agreement had yet been reached.

Munro said Gold Fields was not looking for a palliative but for a long-term solution to the holiday problem.

Gold Fields's tonnage milled dropped by about 5% to 3.2-million tons in the March quar-



ter and gold production fell 2.7 tons to 27,467 kg.

Revenue from gold dropped R113.5-million to R1.2-billion.

The group was also affected by a drop in the average price received for gold from R43 971 to R43 467 a kg. The average yield declined from 9.1 grams to 8.7 grams a ton. "When you are struggling to keep your

mills filled a drop in yield was inevitable," said Munro.

However, the the group's hard times were not borne entirely by its shareholders. The Government also took a tumble. Its tax receipts fell R50-million or 28% to R127.8-million.

Group after-tax profit was R92.5-million lower at R293.3-

million. But capital expenditure was well maintained at R170.6-million — down from R190.2-million in the December quarter. The high level of capital expenditure showed the group's confidence in the RDP, said Munro.

Deelkraal was the mine hardest hit by the labour unrest in the March quarter, reports Munro. An outbreak of violence led to six deaths and prevented underground operations for seven days. Ore milled dropped by 23% to 259 000 tons while gold production fell 42.4 kg to 1 507.8 kg.

Unit working costs soared from R39 768 a kg to R48 849 a kg, resulting in a loss of R5 379 a kg against a profit of R4 211 a kg in December.

The mine swung from a working profit of R8-million in December, to a working loss of R8.1-million.

Capital expenditure was R112-million against R13-million in the December quarter.

At Driefontein contingency plans are being formulated for the cessation of underground operations, says Michael Fuller-Good, general manager of gold operations.

A decision to execute these plans may have to be taken in the coming quarter. Although the mine has started continuous working, it is not able to make any headway at the current gold price.

Production at West Driefontein was affected by the industrial violence among employees. At East Driefontein production was affected by the break over the Christmas holidays and problems in the No 4 sub-vertical ore passes.

Driefontein Consolidated had a taxed profit of R187.2-million (R228.1-million). Capital expenditure was R91.9-million (R94.9-million).

Kloof had a taxed profit of R142.8-million (R158.4-million).

(211) Star 11/4/95

Labour trouble could sink mines

By CLAIRE GEBHARDT

ECONOMICS EDITOR

South Africa's gold mining industry was being threatened by mineworkers' demands, a strong rand and a weaker gold price, economists said yesterday

Gold Fields' disastrous quarterly gold results, which catalogued falling production, plummeting profits and uncooperative employees, combined with a rand gold price that had not risen in step with rising costs, were likely to spill over into widespread unemployment in the longer-term

Yesterday, Anglo American said

CT(BR)13/4/95 (211) ~~211~~
two days of tribal clashes at its Vaal Reefs Number 9 shaft could cost R4,6 million in a "worst-case-scenario", given that the shaft normally produced about 53kg of gold a day, worth about R2,3 million rand at current prices

Gold Fields warned this week that underground operations could cease because of a deterioration in underground tonnage

Azar Jammene, Econometrix director, said many of the industry's problems were the result of the unionisation of the South African workforce

The workforce had so much power that it was destroying jobs,

he said "Labour has to recognise that if it carries on demanding massive wage increases it will price itself uncompetitively on international markets"

From a macro-economic point of view, the gold industry had declined in importance with gold exports now accounting for less than one-quarter of total exports compared to about half in the early 1980s.

"As a percentage of gross domestic product, the share of mining has also decreased to 8,5 per cent in 1994 from about 16 per cent a couple of decades ago," Jammene said

Foreign miners live in fear

ET 17/4/95



JOHANNESBURG Foreigners have never been so unpopular in South Africa, where an unprecedented wave of xenophobia has claimed 21 lives and left almost 200 people injured in the past fortnight

"The South Africans accuse us of taking their jobs. They want to kill all those with a foreign passport," said Mr Miguel Hussein, a Mozambican who witnessed clashes last weekend between immigrant and local workers at the Vaal Reefs mining complex

Fourteen people were killed in the fighting and 56 injured

The previous week, a dozen miners — also from Vaal Reefs — were injured in fighting between locals and immigrants. On April 2, similar

clashes erupted at Primrose mine east of Johannesburg, leaving seven dead and about 30 injured

The incident set off panic among the immigrant miners and 600 Mozambicans packed and left for home

Primrose mine was already in financial difficulties and the management announced this week they had decided to close the facility

Vaal Reefs, which is owned Anglo-American, employs 50 000 people — about half of them immigrants from Lesotho, Swaziland and Mozambique

A management representative said there had always been bad feelings between different ethnic groups "but never to this extent".

Mine officials said the 6 500 men who lived in the hostels had since been separated, with locals on one side and the "alliance of passport holders" on the other

Job cuts in the mining sector could go some way to explain the worsening relations between locals and immigrants

With production costs rising steadily, some mines have laid off up to 35% of their workforce since 1980.

The government has mentioned unemployment as a reason for proposed stricter controls on immigration. "Charity begins at home," Home Affairs Minister Chief Mangosuthu Buthelezi commented last year — Sapa-AFP

Mines could be hit by strikes, Gengold warns

214 211 CR (BR) 20/4/95

By DEREK TOMNEY

MINING EDITOR



TOUGH TIMES AHEAD So says Gengold head Gary Maude

Unsettled labour conditions on gold mines and the high expectations of workers could create a crisis during this year's wage negotiations and possibly lead to strikes, says Gary Maude, head of Gengold.

He said this at a press briefing on the group's quarterly gold mining figures. Gengold operates 10 major gold mines. The figures show the group's distributable earnings dropped in the March quarter by R23,1 million or 41,4 percent to R32,7 million, which

Maude described as unacceptable.

Maude said that, mainly as a result of labour problems, South Africa's gold production this year could fall by 70 tons (currently worth about R3,15 billion). Whether this happened would depend on whether the mining industry could overcome the present unsettled period or not.

There were tremendously high expectations this year for wage increases in percentage terms.

"I think the mining groups now realise that if we let the wage bill escalate too much it will make the situation even worse."

The crunch could come during

the wage negotiations, but Maude emphasised that this was pure speculation.

"I think that a crunch is a possibility, not a probability."

"I sense that last year the mining houses felt that as we had just had an election resulting in high expectations, the industry had to be very careful and was reluctant to have a strike."

"I think there is more desperation in the industry this year because of the terrible quarters we have just had and there being no end in sight to the current situation. This will make the industry more determined not to back off to

the stage where you are jeopardising the mines.

Maude said he was concerned that for two reasons this quarter would be no better than the last one.

One reason was that no one could see an end to the problem.

"There is no clear-cut problem so there is no clear-cut solution. The other is that we have a lot more holidays this quarter than a year ago."

The most important influence in the past quarter, and which is continuing in the current quarter, was the labour situation.

Maude said it was difficult to pin down the problem and to

determine whether it was something the industry could come to grips with, or whether it was so amorphous that it was extremely difficult to tackle.

At Kinross, the mine worst affected in the March quarter, the management reported that an effective nine days of production were lost.

Thus was a result of the holidays and the time in getting back to work after the holidays. Maude said that a one-day holiday usually resulted in a loss of two to two-and-a-half days of production.

See next page

BD 20/4/95

Gengold voices wage talks fears

(211)
THE gold mining industry could be heading for a crisis in approaching wage negotiations, Gengold chairman Gary Maude said at the presentation of the group's quarterly results yesterday

Wage demands were likely to be high this year, but the industry was "desperate" and would be determined not to back off in its bid to keep wage increases reasonable. He said the industry would be looking for a lower basic increase combined with some form of profit sharing

Distributable profit for the Gengold mines slumped 41% to R32,8m for the March quarter as a retrenchment bill of R11,3m at Buffelsfontein and poor results from its Evander mines affected profits.

Buffels retrenched 1 376 employees as

MICHAEL URQUHART

part of efforts to bring the mine back to profitability after faulting wiped out a substantial portion of its reserves

He said the results behind the figures at Buffels were much better than they appeared. The mine had been improving and had made a profit in March.

The Free State mines' results had been good, but in Evander there had been a lot of jockeying for position and local union politicking which had led to a generally unsettled climate.

There would not really be an end to the industry's problems this quarter because it had several public holidays.

● See Page 10

Anglo warns off big wage hike bids

Sowetan 21/4/95 (211)

By Mzimkulu Malunga

CLOSE to 60 000 jobs could be on the line in Anglo American-owned gold mines if unions persisted in making "unreasonable wage demands and disruptions" in the industry, the company warned yesterday.

Reporting on the disappointing results at Anglo-owned gold mines in the first three months of the year, company gold division managing director Mr Nap Mayer said: "The gold mining industry cannot afford abnormal wage increases."

He said if the high wage demands were made then they would have no option but to close some of their ageing shafts, and consequently almost 40 percent of the workforce could lose their jobs.

Gold division chairman Mr Clem Sunter said an additional 10 percent increase in the working costs

would require an average gold price of R1 470 to weather the storm. It is unlikely the gold price will reach this average.

National Union of Mineworkers Press officer Ms Judith Weymont said it was typical of management to paint a gloomy picture of the industry's future as wage talks were about to begin. "It is a psychological ploy by management," she said.

Low level performances by the workforce that worsened during last year's elections, the low gold price and the increased number of public holidays were among key issues cited as having contributed to the poor performance of Anglo's gold mines in the first quarter of the year.

Sunter said he was hopeful that negotiations with both Government and the unions would bear fruit soon.

Wage talks between the NUM and the Chamber of Mines begin next month.

Holidays

could cost R276m

CT 25/4/95

(211) SPECIAL CORRESPONDENT

JOHANNESBURG: Making Friday a national school holiday had set a "dangerous precedent" and could cost mines up to R276 million in lost profits this long weekend, organised business said yesterday.

But the Congress of South African Trade Unions (Cosatu) was adamant that the new holiday system was justified.

South African Chamber of Business economist Mr Bill Lacey said the decision to make Friday a school holiday was "irresponsible", as it encouraged families to turn Thursday's Freedom Day and Monday's Workers' Day into a five-day long weekend.

Chamber of Mines economist Mr Willem Houtman said the mining industry stood to lose up to R276 million in profits if production ceased on all five days. The government would lose millions in taxes and SA would lose over a billion in foreign exchange, he added.

But Cosatu's Mr Neil Coleman accused businessmen of being interested only in squeezing "the last drop of profit" out of workers. He said critics of the new system were "elitist and racist" since the debate had become topical only because black unskilled workers were now guaranteed holidays by law.

Top pay for Buthelezi's adviser

POLITICAL STAFF

THE man who played a major role in advising Inkatha to withdraw from the constitution-making process has been appointed Chief Mangosuthu Buthelezi's special adviser — at a yearly salary higher than the chief justice.

Replying to a question yesterday

Mangope:

West to act

CT 25/4/95 SPECIAL CORRESPONDENT

JOHANNESBURG: The North-West government is to institute legal proceedings to recover over R5 million from former Bophuthatswana president Mr Lucas Mangope.

The move follows recommendations of the Skweyaya Commission of Inquiry into alleged corruption in the former homeland.

The commission reportedly found that Mr Mangope used state funds to acquire personal assets and pay for improvements on his Motswedi, Zeerust home.

The report suggested that some of Mr Mangope's assets be sold to recover state funds.

day from Democratic Party MP Ms Dene Smuts, Chief Buthelezi, Home Affairs Minister, confirmed that Dr Mario Oriani-Ambrosini was receiving a yearly salary, paid by the state, of R336 000 before tax.

Chief Buthelezi said he had been appointed for the period from July 1, 1994 to June 30, 1995.

CT 25/4/95

He was required to follow legislative, constitutional and institutional activities "and processes at national or provincial level" and to advise Chief Buthelezi on "any matter which may be related to my functions, tasks and responsibilities".

Chief Justice Michael Corbett is paid an annual salary of R314 000.

Boesak back in line for senior govt post

POLITICAL STAFF

DR Allan Boesak, cleared by a government probe of misappropriating Scandinavian donor funds, is back in line for a senior government post.

President Nelson Mandela said yesterday that Dr Boesak now "deserved" a senior diplomatic posting.

Reacting to Mr Mandela's remark, well-placed government sources said yesterday that there were senior diplomatic openings in Portugal and Denmark.

However, a UN-linked post was more likely.

Dr Boesak claimed yesterday that he was still in the employ of the Department of Foreign Affairs. But his statement was contradicted by a recent statement to Par-

liament by Foreign Minister Mr Alfred Nzo.

Mr Nzo said in a parliamentary mini-debate "Dr Boesak requested the President to withdraw his appointment to Geneva because of the investigations into the Foundation for Peace and Justice. He is therefore no longer in the employment of the Department of Foreign Affairs."

Of his fitness for future public office, Dr Boesak appealed yesterday for "consistency".

He said there were people in the present government who held office previously in a system that "abused children and tortured people".

There were people who had stolen "millions and millions", but they had never been brought to book.

7-day week solution for SA's mines

(211) STW 25/4/95

■ BY JANINE SIMON

The gold mining industry has the potential to create up to 70 000 jobs within months and boost the gross domestic product by 2% without the investment of a cent, analysts have said.

It could also swell annual tax collections by about R500-million, and add \$1,2-billion a year to foreign exchange earnings.

Industry stakeholders are already squaring up to discuss the changes needed to realise these benefits — effectively, a switch to a seven-day working week — in what could be the beginning of the most far-reaching reorganisation of work on the gold mines in the last 100 years.

According to a 1994 study by Ed Hern Rudolph analyst Graham Graham-Parker, gold mines are using only 73% of their underground capacity, and wasting up to R24-billion of unused capital assets.

The higher gold price, he says, has paved the way to increase underground capacity utilisation.

The most cost-effective way to do so would be to abolish an 1888 law restricting mining on Sundays, and shift the mines to continuous production methods.

With gold mines racked by labour disturbances, plummeting profits and output, mine owners have seized on continuous production as the key to making the competitive enough to survive.

But unions are more reserved: National Union of Mineworkers officials said last week the issue involved major social engineering and was only part of improving productivity.

It also had to be translated into worker benefits and job security, not only profitability.

Mineworkers' Union general secretary Peet Ungerer said members were not unmindful of the mine's problems, but felt there were other solutions.

► **Industry lifebelt**

— Page 21

Holiday agreement reached

BD 26/4/95 (211)

RENEE GRAWITZKY

MINING unions and Gengold's Oryx mine near Welkom have reached agreement in principle on the rescheduling of the 12 public holidays

This development occurred amid claims from the mining industry and the business sector that the forthcoming long weekend could cost the industry R276m

The National Union of Mineworkers (NUM), Council of Mining Unions (CMU) and officials' associations reached agreement in principle on rescheduling public holidays to the mutual benefit of workers and the mine's continued operation.

In exchange for working on "minor" holidays, workers would be eligible for long weekends over Christmas and Easter, Gencor spokesman Andrew Davidson said

Industry sources said they had not had the same level of success in reaching agreement on flexibility in terms

of working on public holidays

At a meeting in March the Chamber of Mines proposed a premium of 6% of the monthly rate of pay to workers for working on designated holidays. The parties could not reach agreement and the chamber proposed further talks on working or swapping days should continue between mines and companies at group level.

Limited discussions have taken place with some of the mining houses with no real progress being made.

NUM's assistant general secretary Gwede Mantashe said mineworkers had legally been granted the right to these holidays and any discussion around working on such days had to be linked to the union's resolutions around the reconstruction and development programme.

The union would consider flexibility in this regard only if mining houses committed themselves to contributing to RDP projects, he said

A JCI spokesman said one of the challenges was finding days on which all employee groupings were prepared to work. "Certain days have specific significance for NUM on the one hand and the CMU on the other" and it was extremely difficult finding overlapping days with no historical or religious significance for both.

The company had therefore proposed swapping public holidays and working on "off" Saturdays.

NUM spokesman Archie Palane said this proposal by the company was an attempt to undermine the union's resolution relating to financing the reconstruction and development programme

entech

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ended 28 February 1995

consolidated balance sheet Figures in R000

	As at 28 2 95	As at 28 2 94
Shareholders' equity	82 449	80 048
Long-term liabilities	1 685	2 468
Capital employed	84 134	82 516
Assets and investments	26 921	13 972
Intangible assets	135 953	134 079
	162 947	148 051
Short-term borrowings	(28 638)	(24 056)
Current liabilities	(50 175)	(41 479)
Payment of capital	84 134	82 516

Parliament hears figures on police

BD 26/4/95

CAPE TOWN — A total of 625 SA Police Service members went on strike last year, causing the loss of 890 working days, Safety and Security Minister Sydney Mufamadi said in Parliament yesterday.

Between March 1 1994 and March 28 1995 a total of 4 226 officers were charged with offences. Of these, 860 were convicted and 81 were suspended from the service, he told Senator Gerhard Koornhof (NP)

Charges included 105 for murder, 203 for attempted murder, 35 for rape, 1 098 for assault, 887 for reckless driving, 219 for theft, 289 for assault with intent to do grievous bodily harm, 72 for culpable homicide, 123 for negligent use of a firearm, two for possession of counterfeit money, three for possession of stolen property, one for statutory rape, 63 for armed robbery, one for operating a brothel, 15 for extortion, 33 for housebreaking and theft, 47 for fraud, one for arson, one for a bomb threat and 29 for

corruption

Thirty-six people were killed during 17 580 vehicle hijackings last year. There were more than 1 200 hijackings each month.

Mufamadi said 1 863 suspects had been charged following investigations by the police vehicle theft unit.

Nearly half — 31 044 — of the 62 354 armed robberies which took place between January and November 1994 happened on the Witwatersrand. The next worst was Natal, with 12 329 recorded armed robberies, and then 5 991 in the Western Cape

The statistics for other police regions for this crime included: 3 230 in Northern Transvaal, 2 890 in the Eastern Cape and 2 326 in the Free State.

In response to a request for details on arrests and charges, Mufamadi said "(Policemen) doing other duties will have to be specially allocated to peruse dockets and registers, thus making it too costly."

— Sapa

Holiday mining at a price

ERICA JANKOWITZ (211)

THE National Union of Mineworkers (NUM) was not totally opposed to continuous mining operations as long as 75% of additional profits accrued to workers in the form of training, housing and improved wages, says union collective bargaining unit head Martin Nicol.

According to the latest Mining News, Nicol told workers that continuous operations in the industry would boost profitability by 28% and could lead to more jobs.

He proposed a proper investigation be launched into the concept before it was rejected by or found favour with the NUM. Ending the 11-shift fortnight currently in force on mines and replacing it with a seven-day mine week and a five-day worker week would increase annual shifts worked from 275 to 353, including the 12 statutory public holidays.

The industry has proposed rostering time off for workers, which would give them greater access to home leave but would ensure continuous mining production.

Internationally most mines operated on this basis, and SA's drive to become world competitive would be enhanced by the new arrangement, Nicol argued.

The union would "fight very hard" to ensure 75% of additional profits went to workers in the form of improved housing and training as well as higher wages.

60 28/4/95

NUM pushes for pay hikes of up to 79%

RENEE GRAWITZKY (211)

DEMANDS for wage increases ranging from 19% to more than 70% have been presented to the Chamber of Mines by the National Union of Mineworkers (NUM).

The demands form part of the union's plan to restructure the wage payment system by introducing "broad banding" to reduce the number of grades, narrow the wage gap between the lowest- and highest-paid workers, and develop a single wage structure incorporating skilled and unskilled workers.

NUM spokesman Martin Nicol said the wage system had to be rationalised to "reflect current norms" and reward workers for the tasks they performed. A core demand was combining the four lowest grades — A1 to A4 — into a single grade.

Demands for minimum wages ranged from R1 204 a month for gold and coal mine surface workers to R1 325 for underground and open-cast gold and coal mine workers. Minimum demands for marginal gold mines ranged from R905 to R1 086 for surface workers and between R1 000 and R1 200 for underground workers.

Most NUM members fell within the A1-4 category, as did more than 50% of workers on gold mines.

Minimum wages on non-marginal mines range from R583 at Gold Fields to R742 at Anglo American. Raising Anglo American's minimum wage for underground workers, for example, from R742 to R1 325, would amount to a 79% increase for workers on the A1 grade.

Other core demands included:

- Establishing a commission by October to investigate job grading;
- Regulating use of subcontractors, with wages paid to their employees no less favourable than those negotiated by unions;
- Establishing workplace forums;
- Increasing employer provident fund contributions to 11,75%;
- Election of full-time safety stewards;
- Implementation of an affirmative action agreement, and
- Joint decision making on hostels.

Negotiations will begin later this month.

Mine union wants big changes

(211) Star 8/5/95

■ BY JUSTICE MALALA
LABOUR REPORTER

The National Union of Mineworkers will present demands aimed at "fundamentally restructuring" the job evaluation and remuneration system in the industry when it starts annual negotiations with the Chamber of Mines later this month.

The union, representing more than 320 000 mineworkers, 80% of whom are in the lowest salary grades, will demand the reduction of the eight lowest grades to four and substantial wage increases for the lowest-graded workers to narrow the wage gap between the highest and lowest-paid workers.

The NUM will also demand the establishment

of a commission of inquiry into job-grading.

In a letter to the chamber, NUM secretary-general Kgalema Motlanthe said the commission would recommend a new job-grading system that was free of race and gender bias.

The union is demanding wage increases ranging between 19 and 79% for the lowest-paid workers to "counteract the legacy of apartheid", negotiator Martin Nicol said on Friday.

The minimum wage demands range from R1 204 to R2 027 a month for surface workers in Anglo American gold mines and R1 325 to R2 254 a month for underground workers. The figure is only slightly higher than for other gold mines.

Demands for coal mine

workers range from a minimum of R1 204 to R2 107 for surface workers and R1 325 to R2 318 for underground workers. Workers in opencast mines should receive from R1 325 to R2 594 a month.

Nicol said coal mines had shown improved profits and could therefore afford to pay workers better.

"There are healthy and wealthy mines which can afford our demands. We will negotiate with those mines which are having financial difficulties about linkages between proper wages and saving jobs," he said.

The union will also demand that each mine agree to establish a workplace forum with clearly defined powers.

FORUM

Shed no tears for loss of apartheid 'work ethic'

ET(ER)9/5/95 (2/1)

All the major gold mining houses have reported a drop in gold output and profit over the last quarter. All have cited labour disruption as one of the reasons.

Anglo American blamed sporadic work stoppages and a "poor work ethic." Goldfields complained that workers were not "co-operative." JCI said that mines could not meet the expectations of the "liberated" workforce, and Gengold warned that the industry could be heading for a crisis in this year's wage negotiations.

The general impression created is that workers are the central source of the problem.

What do mineworkers and the NUM say?

I visited a group of NUM shop stewards at JCI's Randfontein Estates to find out. Their office is in the hostel complex — a group of long, low buildings behind fences and steel turnstile gates. "We stay under apartheid here," said one.

Workers complained that they worked under the same harsh disciplinary code as they did before

The gold mines' surprise at labour disruption reveals a lack of historical understanding

SHOP FLOOR



By KARL VON HOLDT

elections last year, lived in the same compounds were still paid miserable wages, and if they were disabled by an accident were sent home with "peanuts".

The NUM said political and racial tensions were not conducive to high production. "The relation between supervisor and worker is a battle between the Conservative Party and the ANC — it has nothing to do with performance," commented Randfontein NUM organizer Meshack Masumpa.

On one occasion workers went on strike after management replaced a section manager with one they felt treated them less

the private armies of the mining companies, white supervisors and the indunas. Poverty wages for black workers was the goal.

It is no exaggeration to say that this system produced the wealth that made the cities of the Reef. It is wealth that the black mineworkers, and the communities they live in, have never benefited from.

Is it surprising that this industry should now experience "disruption" when apartheid is over?

Yet there is puzzlement, perhaps nostalgia, in a recent Financial Mail article: "Sunter's view, echoed in part by others, is that, somehow, the work ethic has been lost. Clem Sunter is the chairman of Anglo's gold division.

What kind of "work ethic" is it that has been "lost"? A work ethic driven by force, fear and racism, and based on the powerlessness of those who lacked citizens rights?

Would white workers ever have accepted hostel conditions or minimum pay rates of R583 (Goldfields) or R742 (Anglo) a month?

With apartheid gone it is inevitable — and indeed necessary

— that that ideology's "work ethic" should fall into crisis. A new work ethic is called for in our mining industry — and it can only be established on the basis of entirely new relations between management and workers.

This implies co-determination or joint decision-making. And co-determination can only be achieved with a real shift in power relations in the industry.

The NUM has called since 1991 for the industry and its downsizing to be co-managed by the mining companies, the unions and the state. The companies have rejected this. This year the NUM has included workplace forums in its list of negotiating demands. Will employers accept the challenge?

Mourning the loss of apartheid's "work ethic" will get South Africa nowhere. The challenge is to embrace a new management ethic which accepts co-operation with labour.

Perhaps then we may discover something new in our country — a democratic work ethic we can be proud of.



CRAMPED A mine worker sits in the small hostel room in which he cooks, eats and sleeps

Anglo and unions disagree on public holidays

(2/1)

ANGLO American Corporation and the mining unions were unable to reach agreement on some level of flexibility in terms of the 12 statutory paid public holidays

Anglo spokesman James Duncan said discussions had taken place with the unions to point out "how disruptive to production the public holidays could be if they followed strictly their calendar sequence. Those holidays falling midweek were particularly damaging"

A Mine Workers' Union (MWU) spokesman said it was incorrect to highlight the public holidays as being the cause of lost production

He said there were many other reasons for production loss such as

RENEE GRAWITZKY

labour unrest and the changing of schedules

NUM spokesman Archie Palane said it was regrettable the various mining companies had adopted the approach of exchanging holidays and "turning a blind eye" to the union's proposal to work in on certain holidays in order to give a percentage of workers' wages to the reconstruction and development programme

He said employers would not achieve their objective of improving productivity by merely looking at the question of public holidays

Palane said issues such as skills training and empowering workers af-

fecting productivity

In order to minimise the disruption to production, Anglo proposed the shifting of midweek holidays to a Friday or Monday. Workers would be paid a 6% premium for working in on public holidays that were not shifted, Duncan said

BD 9/5/95
During discussion, it became evident that the associations and unions identified nine "core" holidays which could not be shifted

Duncan said the parties agreed to meet later in the year to discuss next year's public holiday cycle

The MWU said workers were granted 12 public holidays and the company should respect them and workers would make use of them

Grootvlei, NUM seal landmark agreement

Renee Grawitzky

(21) (21)

BD 2/6/95

IN A historic move, NUM and Gengold's Grootvlei mine signed an agreement yesterday intended to improve productivity and to ensure the continued viability of the mine with worker participation, accountability and information disclosure being central to the agreement.

NUM Gauteng co-ordinator Archie Palane said worker participation schemes implemented to improve productivity and relationships without involving workers' outset were doomed.

He said the agreement would for the first time expose workers to how production targets were determined, and when achieved would enable them to participate in the distribution of the surplus.

The agreement went a long way in addressing the legacy of apartheid as workers would be approached to decide on what type of training they needed, he said.

Gengold spokesman Andrew Davidson said this development stemmed from a dispute over hours of work last year.

What had emerged, he said, was an agreement which dealt with daily blasts

undertaken by underground teams and the multitasking of such teams.

He said if teams completed blasting to required standards within six hours they could leave the mine. However, if after eight hours blasting had not been achieved and it had been within their power to do so, the team would have to complete the blast without extra pay.

The establishment of work teams to "motivate to achieve the required planned production targets in a safe manner" is at

Continued on Page 2

NUM (21) BD 2/6/95

Continued from Page 1

the heart of the agreement.

The purpose is to grant workers the opportunity to be responsible and accountable for managing their own areas in order to "encourage employees to strive for the common goal of maximum profitability", to strive for the highest possible productivity and to promote a culture of learning which will lead to proper career paths and skills enhancement.

The agreement emphasises that "safety will enjoy the highest priority and will not be compromised for any reason or purpose". Workers will be allowed to refuse to work in an unsafe area and full-time safety representatives will be appointed, with the authority to stop work if safety standards

are not complied with. Everyone in the team will be responsible for safety with the team co-ordinator being held accountable for safety in the specific work area.

Work teams will be established with an elected team co-ordinator whereby employees will effectively be able to manage the mine through their respective section.

The team will decide on tasks performed by members, identify training needs and be able to replace members who are dismissed or disciplined. The co-ordinator will be responsible for discipline in the team and will be authorised to grant time off or casual leave, once he has ensured daily targets are met and tasks completed.

Production target monitors will be appointed and trained jointly by the union and management.

'Adding insult to injury'

By JEFFERSON LENGANE (211)

"FAVOURITISM" and "racist" practices at Rustenburg Platinum Mines have infuriated employees - who threaten to protest at the group's Johannesburg head office

The miners accuse management of favouritism for not dismissing a security officer who allegedly assaulted a miner, Solomon Maungwa. The security officer was allegedly given a final warning on being found guilty of the assault. CP

Mine sources, mine regulations state that anyone found guilty of assaulting an employee must be "summarily dismissed". 4/6/95

■ What irks the employees most is that after being found guilty of the assault, the security officer laid charges of intimidation and disorderly behaviour against miners who, before the alleged assault on Maungwa, had visited his compound house to complain over alleged harassment of Maungwa's girlfriend.

Maungwa was suspended and two of his colleagues were told to leave the single quarters

■ The mine's industrial relations manager, a Mr Du Toit, said he did not have enough information to comment

ANNUAL wage negotiations in the mining industry commence this week, with the quest for continuous operations — and hence the removal of various legal restrictions, including Sunday work — high on management's agenda

With government having recently rejected a Vaal Reefs application for permission to mine continuously at two shafts because of labour objections, the industry has appealed to labour to support the better utilisation and more flexible use of labour and capital

This, the industry argues, is crucial to the continued viability of significant parts of the industry, especially following the introduction of seven extra public holidays

The appeal comes at a time when government has committed itself to considering legislating for a 40-hour working week

A number of industries are moving towards that goal. Miners are covered by the Minerals Act which stipulates a maximum of 54 hours a week, but the norm is a 48-hour week with one hour extra a day for travelling time underground built into an 11-shift fortnight

Except for a small number of cases in the last few years where exemptions have been granted to marginal mines in desperate situations, there has been no Sunday work in the industry

The debate around Sunday work and the movement towards continuous operations has elicited numerous concerns from the unions, with the right-wing Mineworkers' Union (MWU) implacably opposed to it, predominantly on religious grounds, and the National Union of Mineworkers (NUM) adopting a more nuanced position

MWU organising secretary Flip Buys says the union is "definitely against continuous operations" and will wage a campaign through the churches if Sunday work is introduced. He says the union has a number of problems with the concept, including the potential impact on health and safety and the social life

Unions have many bargaining chips on seven-day issue

RENEE GRAWITZKY

BO 5/6/95

of members, future job security and loss of earnings of members if overtime is not worked

He acknowledges that problems exist in the industry, and says the union is prepared to consider other ways of improving productivity

NUM Gauteng regional co-ordinator Archie Palane says "the industry must come clean on its real agenda." If the industry wished to discuss Sunday work, and if this did imply continuous operations, it opened up a number of crucial issues

Palane says a research group should be established to investigate the underlying problems in the mining industry, for example, issues relating to productivity, skills training and education, labour standards and working conditions

In the past, the NUM has acknowledged that Sunday work might have to be performed in certain instances, and has agreed to allow mines to apply for exemptions from the Mineral and Energy Affairs Department on an ad hoc basis

However, he says, it has become clear to the NUM that an agreed set of rules or minimum standards have to be devised to ensure the provisions are not abused, and workers do not have to work extended hours or periods of time, for example 12 days on and four days off

The union is of the view that a "holistic approach to the issue of continuous work" should be developed which takes into account hours of work, compliance with the Basic Conditions of Employment Act, health and safety effects, and the adjustment of social life and union activities on the mines to accommodate continuous work. It wants an upgrading of hostels and housing, a fair distribution of the extra profit derived from the new arrangements, maximising of the number of week-ends off, and monitoring of mine maintenance, production, and financial statistics. A change should also ensure job creation

Pete Lewis, a researcher at the Cape Town based Industrial Health Research Project, says the mining industry is calling for continuous operations partly in response to international competition and the move by countries such as Canada and Australia towards continuous operations

He says the industry is not taking into consideration the different circumstances of the SA workforce — for example, the migrant labour system and hostels which house between 10 and 16 people in a room.

With continuous roster systems in place, consideration will have to be given to the effects this will have on workers trying to sleep while others are returning from work or preparing to go on shift

Parliamentary standing committee chairman and former NUM assistant general secretary Marcel Golding says the industry has to look at enhancing all factor productivity, with continuous operations being just one possible component

He says that to be effective, continuous operations have to ensure that hours of work are not extended, that it brings increased rewards, that health and safety are not prejudiced and that it is used to improve social conditions of workers in the industry generally

Last week Anglo American gold division head Clem Sunter said his organisation would persist in its efforts to introduce continuous mining at many of its shafts, to extend the life of mature marginal operations and also create jobs

In granting exemptions for Sunday work, the department usually considers whether the operation is an essential service or whether the move would be in the "national interest"

In recent months, it appears, the department has taken a tougher

stance in granting exemptions "It is a prerequisite that the risk of accident or injury to persons must in no way be increased by an exemption," it said

Mines which have been granted exemptions to work on Sundays have been able to move into continuous operations. Although legislation makes no provision for the prior approval of labour, the Minister will now grant an exemption only if labour agrees

In the case of Vaal Reefs, it is understood that some of the unions resisted the move to Sunday work. In the past the NUM, MWU and other unions have agreed, in certain instances, to permit marginal mines to work on Sundays, but recent indications are that the unions may become less inclined to accept such exemptions

An 11-shift fortnight arrangement currently operates in the industry, where employees work a six-day week every other week

JCI spokesman Craig Lawrence says the industry should be deregulated in the area of Sunday work so that it will have the flexibility to develop more innovative shift arrangements. Ultimately, whatever shift systems are implemented will be by agreement and will differ from mine to mine. He says that when JCI's HJ Joel mine embarked on a continuous shift arrangement, hours of work for individuals actually dropped

Gengold spokesman Andrew Davidson says the company will support any national initiative for a shift system producing a seven-day working week. This does not mean each miner would work for seven days, but that the mine would operate continuously

If negotiations on this issue are to come to fruition, these are the issues mine management will have to consider. There is likely to be a national framework agreement setting clear parameters for the industry, which can be adjusted from mine to mine. Any continuous operations arrangement will need to balance the needs of the mine against the needs, requirements and concerns of labour

Retrenchments a gold mining trend

(211) CT(BR)9/6/95

By DEREK TOMMEY

MINING EDITOR

Randfontein's proposed retrenchment of 1 900 workers is a continuation of the trend in the gold mining industry, which has seen 140 000 jobs lost in the past eight years

Behind this downsizing is a bid to cut expenditure in the face of rising costs to remain viable and stay in business

The decision to retrench workers at Randfontein follows a steady slide in the mine's working profit from R90,2 million in the Sep-

tember quarter last year, to R46,8 million in the December quarter and to R39,3 million in the March quarter this year

The Randfontein retrenchment is not this year's first. In the first quarter of the year, Buffelsfontein retrenched 1 376 workers, while a number of other mines have also lowered their staffing rates

The gold mines' labour force has been in a steady decline since it hit a peak of 534 255 in 1986 following the huge devaluation of the rand

This devaluation and a stronger gold price resulted in the South

African gold price jumping 33,6 percent from R16 894 to R22 571 a kilogram between 1984 and 1985, and then rising a further 19 percent to R26 919 a kilogram in 1986. The industry is currently receiving about R45 500 a kilogram

The mines' gross revenues soared 31 percent between 1984 and 1985 and then by 13,4 percent to R17,2 billion in 1986

But since then, rising costs and, in recent years, a static gold price, have put heavy pressure on the industry's profit margins and the labour force has shrunk dramatically. At the end of last year it was

down to 391 288. Though this was 4 500 less than at the end of 1993, it was a drop of 27 percent on the 1986 figure

And the process has not yet ended. Anglo American has warned that it may have to close a number of unprofitable shafts if it cannot contain costs

Such a move could result in further large-scale retrenchments

Industry spokesmen have pointed out that any reduction in mine working costs would not only save jobs, but could lead to more people being employed in the industry

THE MINISTER FOR PROVINCIAL AFFAIRS AND CONSTITUTIONAL DEVELOPMENT

- (1) (a) No On 25 November 1994 Government advised transitional councils to write off service payment arrears up to 31 January 1994
- (b) No With the signing of the Agreement on Finance, Services and Service Rendering on 20 January 1994, national leaders called upon communities to pay for services. One of the aims of the Masakhane Campaign is to urge people to pay for services
- (2) (a) and (b) The information is unfortunately not readily available in the Department
- (3) No This is an issue which local government must decide upon and negotiate with residents

Continuous mining: discussions with organisations (211)

*21 Mr J A JORDAAN asked the Minister of Mineral and Energy Affairs

- (1) Whether his Department is involved in discussions in regard to continuous mining, if not, why not, if so, with which organisations,
- (2) whether any investigation has been undertaken into the financial impact of continuous mining, if so, what were the findings,
- (3) whether he will make a statement on the matter?

Hansford 21/6/95 N740E
THE MINISTER OF MINERAL AND ENERGY AFFAIRS

- (1) The Department is aware of the negotiations at present in progress between the Chamber of Mines and the labour unions in the mining industry concerning *inter alia*, continuous mining. Although the Department is not involved in the discussions it is taking an acute interest in them. The Department considers it to be most important that the parties reach a consensus on this vital issue
- (2) The National Union of Mineworkers has confirmed that it has not done an actual costing on the effects of continuous mining

but is urging a holistic approach so that continuous mining is not introduced without looking at the total effects. The Department is aware that investigations into continuous mining have been carried out by the Chamber of Mines. A summary of the relevant findings so far of the Chamber of Mines study is set out below

- According to the Chamber of Mines there are many factors which indicate the advisability of continuous mining. It would
- permit the productive use of capital in an industry which is even more capital intensive than the manufacturing industry,
 - enable South Africa to compete with her competitors like Australia, the USA, Canada, Brazil and Russia, who have no restrictions on Sunday mining,
 - increase the industry's attractiveness to foreign and domestic investors,
 - improve the industry's efficiency and productivity by reducing the unit costs of production,
 - increase State revenue from taxation thereby enabling the State to provide better opportunities for South Africa's people to improve their living standards,
 - increase South Africa's foreign exchange earnings,
 - assist in overcoming the cost squeeze facing South Africa's deep level, hard rock mining,
 - place our mining industry on an equal footing with the retail, steel manufacturing, distribution, aviation, agricultural and entertainment sectors of our economy which, with a few exceptions, operate freely on Sundays,
 - enable mineworkers to return to their homes even where these are far from their place of work because of the longer off-work periods which continuous mining provides, and
 - it could increase the number of jobs available because of increased man-hours worked, because lower grade

ore would become economically recoverable leading to extended mine lifespans, and because new investment could be generated

Such religious objections as there may be on the part of individual mineworkers can be respected by enabling them to act as their conscience dictates

The beneficial effects which continuous mining can provide are illustrated by reviewing the advantages that certain gold mines have gained after receiving permission to blast on Sundays

The most successful of these mines has been Lorane, which was within three months of closing in February 1993 before gaining permission for Sunday mining. The mine changed its shift arrangements from an eleven-shift fortnight to a cycle of continuous work with the affected workers having three shifts off after working 12. As a result, the closure of the mine with the consequent loss of 6 000 jobs was averted, it avoided the sterilisation of 10 million tons of ore reserve representing seven tons of gold production per annum, 600 additional jobs were created, gold output increased by 25%, development increased from 1 000 metres per month to 1 600 metres per month and total absences were reduced from 2,8% per day to 2,5% per day

- (3) Falls away

Identification/response to critical water shortages: mechanisms

*22 Mr M J ELLIS asked the Minister of Water Affairs and Forestry

Whether any mechanisms for the early identification of and response to critical water shortages throughout the country have been implemented, if so, (a) what mechanisms and (b) in which areas?

N741E

THE MINISTER OF WATER AFFAIRS AND FORESTRY

- (1) Yes
- (a) With respect to domestic water supply in rural areas the Department of Water Affairs and Forestry has, through its

Regional Offices established crisis committees in the most seriously affected areas. These committees include representatives of Provincial and Local Government, non-governmental organisations and civilians. In the provinces worse affected, sub-regional structures were established to ensure that all communities had access to assistance. In addition, a joint structure has been put in place with the Department of Agriculture to address the requirements of farmers for both agriculture and potable water

(b) Northern Transvaal, Eastern Transvaal, KwaZulu-Natal and Eastern Cape Provinces

Weapons issued to traditional leaders in KwaZulu-Natal

*23 Mr D H M GIBSON asked the Minister for Safety and Security

- (1) Whether any weapons were issued to traditional leaders in KwaZulu-Natal by the former KwaZulu police, if so, (a) how many weapons, (b) for what purpose were these weapons issued, (c) to whom were they issued and (d) what controls were kept over these weapons,
- (2) whether it is the intention to recover these weapons, if not, why not, if so, what are the relevant details?

N742E

THE MINISTER FOR SAFETY AND SECURITY

- (1) No weapons were issued to traditional leaders in KwaZulu-Natal by the former KwaZulu police

G3 rifles belonging to the former KwaZulu Government were issued to KwaZulu Government functionaries. The former department of the Chief Minister introduced a permit system for the administrative control of the issuing of the G3 rifles

- (2) An extensive investigation with respect to the factual position regarding the situation in KwaZulu-Natal concerning the said weapons, as well as the relevant legal implications involved, is currently being undertaken. As soon as the investigation has been completed and the relevant fac-

Promoters of volkstaat get sceptical reception

Adrian Hadland

CAPE TOWN — The Volkstaat Council and Freedom Front face a stiff battle to convince constitutional drafters of the need for an autonomous Afrikaner homeland.

This became clear yesterday during an all-day workshop on Afrikaner self-determination held under the auspices of the Constitutional Assembly.

The sceptical tenor of questions and inputs from MPs and academics suggested volkstaat supporters have much to do to motivate and clarify their views into an acceptable format.

One MP said the proposals for a volkstaat, as contained in the council's first interim report published in May, were a "non-starter" that had little chance of gaining national support.

"We are building a rainbow nation," an NP MP told council representatives yesterday. "Now all of a sudden you are telling us you want to be outside this and that you don't believe in our rainbow nation."

ANC MP Essop Pahad said the ANC had serious concerns about both the viability and reasons behind the establishment of a volkstaat. He criticised the council's report for a lack of objectivity, and an ill-defined notion of citizenship, saying that its proposals for the demarcation of the volkstaat failed to examine the financial and other implications.

The volkstaat was also not necessarily the best means of nurturing Afrikaans.

"We agree every endeavour must be made to defend and promote Afrikaans. But this is in our common interest and is

something all of us should do."

Other MPs, mostly from the ANC, said the constitution would protect the linguistic and cultural rights of minorities and that the establishment of a volkstaat would "open the floodgates to the dissolution of the nation state".

The volkstaat concept was not an attempt at secession but was aimed at building "something new for our children", said council member Chris de Jager.

Speaking on international precedents and trends, Rand Afrikaans University professor Deon Geldenhuys said "Afrikaners are still leading a far too comfortable life to be able to convince the international community of a need for secessionist self-determination".

But today's good life could turn into tomorrow's nightmare, he said. "Is preventative action required now to avoid unfulfilled Afrikaner aspirations perhaps later tearing SA apart in violent conflict?"

Sapa reports Wits University international lawyer Prof John Dugard said the refusal to recognise SA's former nominally independent homeland by the international community should serve as a guide for the possible recognition of such a state.

The constitutional committee, meanwhile, announced a subcommittee would be formed to negotiate the more thorny issues confronting drafters.

The function of the committee would be to "seek broad consensus," it said.

One ANC MP said the volkstaat question could well end up being considered by this subcommittee. Meanwhile further discussions would take place on a bilateral basis.

Miners demand cash after court ruling

Own Correspondent

EAST LONDON — More than 1000 Eastern Cape migrant miners are demanding cash payouts from former employer Iscor, following claims they did not benefit from a R1,3m settlement paid to the

National Union of Mineworkers (NUM)

The money was paid to the NUM in 1992 after an Industrial Court ruled in favour of the workers, who were forced to leave their jobs because of ethnic conflict on the mines.

While some workers did not belong to the union, Iscor paid the NUM on the understanding the union was acting for union and non-union members.

KwaZulu/Natal regional spokesman Madoda Vilagazi said: "We did negotiate for workers and non-workers, but I cannot say whether

any of the money did go to non-members." Most of the workers were employed at KwaZulu/Natal coal mines.

Iscor said this week it considered the issue of worker compensation for the 1990 dismissals "concluded" because of its 1992 settlement payments.

The workers said through ANC MP Geoff Doidge they would not stop fighting "until we get what we are entitled to".

Vilagazi said the NUM was "investigating the background to the case" and would respond further at a later stage.

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Mining industry

set for (211) disputes

Star 29/6/95

BY JUSTICE MALALA
LABOUR REPORTER

Annual wage negotiations in the mining industry hit their first snags this week, together with increasing employer resistance to the National Union of Mineworkers' (NUM) demands for a fundamental restructuring of the industry.

Yesterday, 500 workers at Goldfields' Zincor mine near Springs stopped work after wage and benefits talks broke down on Tuesday.

NUM spokesman Judith Weymont said the talks broke down when management refused to negotiate any issues except wages. The union also wanted to negotiate issues such as housing, shift work and housing.

Negotiations resumed yesterday, however. Talks in the diamond industry when the union declared a dispute with diamond giants De Beers following disagreements on subcontracting, increased training, improved leave and improvements for annual leave entitlements.

The union has also stood firm on its 14% wage increase demand while De Beers has offered about 6%.

Negotiations covering the largest sector, gold mining, resume today between the NUM and the Chamber of Mines with the issue of Sunday work set to continue to be the main focus.

Weymont said yesterday the union would not agree to the chamber's pre-negotiation demand that the NUM agree to support its bid to convince the Government to drop the prohibition on Sunday work.

"We are only prepared to discuss Sunday work as part of a more holistic discussion on the mining industry's problems. This would include job grading and training the migrant labour system, contractivity," she said.

Mine dispute is looming

~~21~~ (21)
Renee Grawitzky

BD 30/6/95

THE National Union of Mineworkers (NUM) has indicated that a dispute with the Chamber of Mines is imminent over the negotiation of wages and conditions of employment.

Chamber negotiator Andrea Geldenhuys said that the industry did not feel that a dispute was necessary but not much progress was made during yesterday's talks.

NUM negotiator Gwede Mantashe said the chamber "seem to think that Sunday working is the answer to the industry's problems. All you do is work harder and that will solve problems inherited from apartheid and outmoded ways of operating".

Geldenhuys said today's meeting had been cancelled and the parties would meet next Thursday after they had reported back to their respective constituencies.

Mineworkers warn of strike if pay talks reach deadlock

ARG 11/7/95
JOHANNESBURG — The National Union of Mineworkers has warned of a strike if pay talks with the Chamber of Mines are deadlocked

NUM general secretary Kgalema Motlanthe said yesterday the talks appeared to be headed towards deadlock on the issue of Sunday mining. If they deadlocked the union would consider the option of a combined mediation process.

"Once we have exhausted that level of negotiation (mediation), no doubt we will be prepared to take a ballot (on strike action)," he said.

He said the managers would be betraying the country if they implemented a recent threat to sit out a strike for up to six months.

"If they sit out for six months we will have 400 000 people added to the army of the unemployed."

Instead, the managers should accept the far-reaching structural changes needed to enhance productivity in the struggling industry.

"Unless the industry agrees to a commission that would revamp work organisation, increasing the number of shifts by Sunday work cannot save the industry, particularly the gold-mining industry," Mr Motlanthe said.

The Chamber of Mines was insisting the NUM agree to the principle of Sunday work, he said. The mining houses had tabled "ridiculous" wage

offers of between five and 7,5 percent, coupled with "vague promises" of bonus schemes.

"They load emphasis on the need for productivity bonuses rather than looking at basic wages."

Mr Motlanthe said productivity would increase only when the management addressed inefficiencies in the industry accumulated during the apartheid era. The NUM was not interested in bonus schemes at the expense of a basic wage increase and general reform of working conditions.

Mr Motlanthe said Anglo American's R5-million contribution to the Vaal Reefs mine disaster fund amounted to a public admission that mineworkers' wages were too low. There would have been little need for such a fund had basic wages been enough to provide for families of the dead.

The NUM was demanding an average minimum wage of between R1 200 and R1 400 compared to the current average of R850, he said. Negotiations would continue next week.

The NUM said in a separate statement: "It now seems likely that the NUM will be forced to declare disputes in a number of negotiating forums within the mining industry."

It said it might also declare a dispute with Iscor over a demand for parity between minimum wages in the mining and steel divisions — R638 compared to R1 537. — Sapa

Restructuring seen as inadequate

Renee Grawitzky (211)

WAGE disputes were imminent in the mining and related sectors as a result of the failure of employers to seriously consider proposals relating to the restructuring of the industry, the National Union of Mineworkers said **BD 3/7/95**

The union has indicated that negotiations with the Chamber of Mines and De Beers were heading for a dispute

In addition, the union was also in the process of declaring a dispute with Iscor over the demand for parity between its mining and steel divisions. It claims that the minimum monthly wage in the mining sector is R638 and in steel R1 537.

The NUM said restructuring would require a commitment to training, changes in job grading, effect on the current shift system, affirmative action and whether the current living conditions would be conducive to changes in work patterns

It said "There is an obsession from management with Sunday working and no understanding that the industry needs to rethink its employment practices to be able to compete in the modern world"

Julian Ogilvie Thompson in his 1995 Anglo American chairman's statement said that only a sustained attack on the unsatisfactory productivity would facilitate, in the short to medium term, prospects of sustained growth

NUM rethinks position after proposal

Kevin O'Grady (211)

7/7/95
THE National Union of Mineworkers has "pulled back from the dispute stage" for the moment in annual pay talks with the Chamber of Mines after the chamber tabled a revised proposal yesterday.

NUM spokesman Judith Weymont said negotiations would continue today after the union had studied the document, which the chamber had said changed its approach to "an holistic one".

Weymont said there were "not really any substantial changes — a few nuances

but nothing radical enough for us to continue negotiating"

The union had previously advocated a "holistic" approach that included proposals — rejected by the chamber — for changes in the industry to improve productivity and efficiency.

The NUM and the chamber have also clashed on the issue of Sunday work, which the union earlier described management as having an "obsession" with.

Chamber spokesman Llewelyn Kriel confirmed the parties had met yesterday and that negotiations would resume today

Ingwe signs deal with mining unions

Renee Grawitzky

(211)

THE Ingwe Coal Corporation and eight mining unions — including the NUM — have signed an innovative agreement providing for worker involvement in decisions on non-wage issues.

The agreement, signed in Johannesburg yesterday, commits the parties to a participative relationship in forums from executive to regional and shop floor level. Its goal is to move away from an adversarial approach to joint problem solving.

In terms of the agreement, workers have undertaken not to strike before they have

exhausted dispute-settling procedures

Unions with a large white membership, such as the Mineworkers' Union, the Mine Surface Officials' Association, the Underground Officials' Association and the Amalgamated Engineering Union, are also party to the deal.

An Ingwe spokesman said the company's relationship with the unions had been largely confrontational, stemming from annual wage negotiations at Chamber of Mines level. Ingwe wished to move away from this approach.

BD 7/7/95

Continued on Page 2

Ingwe (211) BD 7/7/95

Continued from Page 1

Ingwe's "participation and communication structures" resembled the workplace forums proposed in the draft Labour Relations Bill, except that they would not be restricted to the shop floor.

A participative arrangement had been operating informally at the company for two years, resulting in the adoption of a broad set of principles covering health and safety matters. The safety agreement provided for all 14 mines in the Ingwe group to implement health and safety system designed by the parties.

This initiative had also resulted in the adoption of an "organisational change process". Its aim was to establish leaner and flatter management structures, reformulate jobs and put into place appropriate pay and grading systems to make the com-

pany more competitive.

At the centre of the joint decision-making process would be a biannual "leadership summit", at which items of concern would be placed on an agenda. These would be discussed or referred to a national forum, consisting of 150 representatives of management and unions at all levels of the company which would meet once a year.

Issues would also be explored at quarterly meetings, which could refer them to the national forum. The forum could, in turn, mandate working groups to address unresolved matters.

NUM spokesman Fleur Plimmer said the union supported the agreement because it gave workers basic rights and set up structures which would allow workers to exercise these rights.

● Picture: Page 2

Bid to save mines talks

cow scan 10/7/95
THE Chamber of Mines yesterday announced it will present new proposals on wages and conditions of employment when it meets the National Union of Mineworkers tomorrow (211)

The move is aimed at salvaging the mining industry's annual wage negotiations which deadlocked a month ago.

Chamber spokesman Mr. Richard Ryan said the proposal was a "comprehensive framework agreement" which included the restructuring of the mining industry, wages and conditions of employment. Actual details have not been released.

NUM and employers are deadlocked on the issue of Sunday work.

~~(23)~~ (21)
Mine workers march

80 11/2/75
ABOUT 700 National Union of Mineworkers' members will march to the NewVaal Colliery near Vereeniging tomorrow in support of the union's demand for restructuring the industry to increase efficiency and to reject the Chamber of Mines' 5,5%-6,5% wage offer, conditional on Sunday work, the NUM said yesterday.

Chamber, NUM revise wage positions

Renee Grawitzky

211
MD 1277195

THE Chamber of Mines and the National Union of Mineworkers revised their positions during wage talks yesterday, with the chamber offering an 8.5% increase for coal miners and 7% for gold miners.

The chamber originally tabled two separate wage offers depending on the union's response to removing the restriction on Sunday work. The current offer excludes Anglo American, Gengold and Randgold.

NUM media officer Judith Weymont said Anglo had proposed introducing an incentive scheme while Gengold and Rand-

gold intended to meet unions outside the chamber negotiations to discuss their proposals. The union had revised its demand to a minimum of 17% on coal and 15% on gold mines, but the percentage increases would be higher for lower paid workers.

She said issues including job grading, the election of fulltime safety stewards, provident fund contributions and information disclosure had not been addressed.

A chamber spokesman said discussions had also focused on key areas relating to restructuring the industry. The chamber had tabled a framework agreement which took some union demands into account.

'No surprises' in mining paper

Michael Urquhart

DD 13/7/95
THE mining and minerals policy document released by the Chamber of Mines on Monday held few surprises, sources said yesterday

The policy document, prepared by the chamber on behalf of industry employers, contained recommendations for the formation of new minerals and mining legislation.

Recommendations included the formation of a tripartite advisory body composed of labour, government and employers to discuss new policy, as well as changes in mining taxes and keeping a single regulatory body in the mineral and energy affairs department.

(211)
The document called for the retention of the current system of mineral rights, minerals beneficiation legislation and migrant labour.

Minerals and energy standing committee chairman Marcel Golding said he was disappointed the document contained little detail on what could be done to improve the industry. He described the document as "not very forward looking". He did not want to comment on details as the document would be going into a debate on a new minerals policy.

A policy which reformed the industry, but allowed it to survive in the long term was needed. The approach to the reform had to be people centred, Golding said.

● Comment: Page 10

Chamber doubles mine wage offer

CT(BR)13/7/95

(217)

By ROSS HERBERT

STAFF WRITER

The Chamber of Mines has more than doubled the pay increase it offered to the National Union of Mineworkers, and has also softened its stance on Sunday work

The chamber moved its offer to a 7.5 percent increase for coal miners and 6.5 percent for gold miners, up from 3 percent, according to NUM's spokesman Judith Weymont. She said the wage offer was

not contingent on Sunday work, over which the negotiations remain virtually stalled. NUM has insisted on negotiating a range of inter-related issues dealing with migrant labour, the hostel system, health and safety, and the provident fund, among others.

"We're happy to talk about Sunday work in the context of everything else in the industry, but not in isolation. If you are going to continue to operate on Sunday, it is going to have a radical effect on

(miners') lives," she said.

Weymont said Sunday work would require major improvements in housing. "They live 16 men to a room with guys stepping over them on their one day off."

NUM and the Chamber met on Tuesday and most of yesterday.

"We're moving at a snail's pace. What we've been experiencing you can hardly call negotiations. When we first started, the chamber refused to talk about anything until we agreed to Sunday work," she said.

Mines: Wage talks fail (211)

CT 14/7/95

JOHANNESBURG The annual wage negotiations between the National Union of Mineworkers and the Chamber of Mines ended in a deadlock yesterday, the union said.

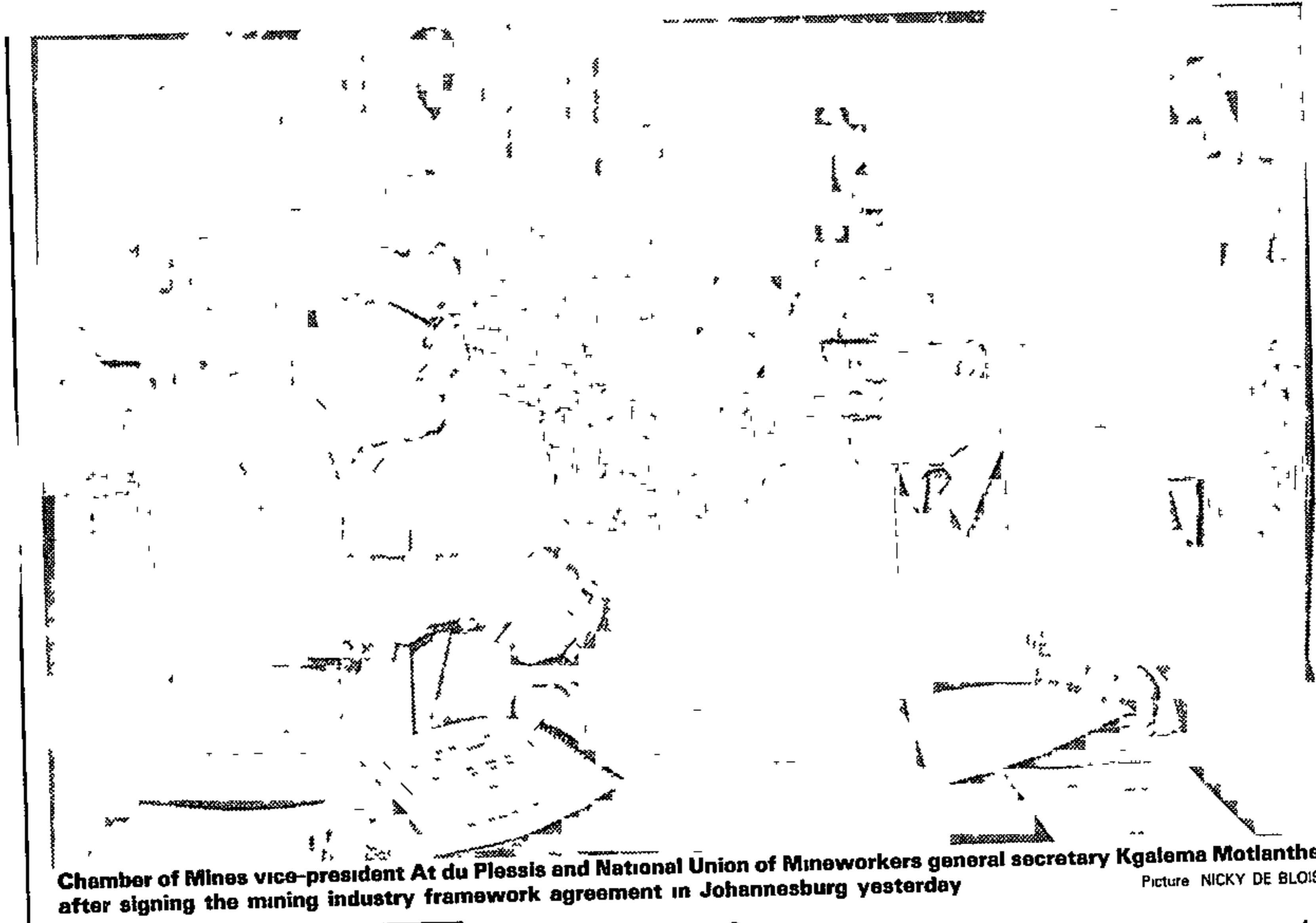
The union is demanding a 17% increase for its coal mine members and 15% for gold mine workers.

Management is offering 8,5% and seven percent respectively.

There had been no agreement over wages, job grading, sub-contracting, leave, the provident fund, and other points, a union spokeswoman said.

The Chamber of Mines did not comment.

Own Correspondent, Sapa



Chamber of Mines vice-president At du Plessis and National Union of Mineworkers general secretary Kgalema Motlanthe after signing the mining industry framework agreement in Johannesburg yesterday Picture NICKY DE BLOIS

Training agreement may affect 350 000

80 14/7/95
Renee Grawitzky

THE Chamber of Mines and the National Union of Mineworkers signed an industry framework agreement on adult basic education and training yesterday which would potentially cover more than 350 000 workers in the mining industry, a spokesman said at the signing ceremony in Johannesburg

During last year's negotiations, the parties agreed to establish a joint working group to develop a framework agreement providing the guiding principles for mine-level agreements on education and training

NUM general secretary Kgalema Motlanthe said the agreement would serve as a foundation to transform the mining industry into a nerve centre for education and training. The objective was to ensure ordinary workers could progress to eventually become general managers.

Chamber vice-president At du Plessis said each employee would have access to training facilities that would provide a foundation for fur-

ther learning, development opportunities and career advancement

The agreement was a balance ensuring the operational needs of the mine were accommodated together with those of employees, he said

NUM education co-ordinator Gino Govender said adult basic education had begun on a number of mines

The framework agreement did not, however, provide for paid time off for training and the union said this was one of the most crucial outstanding issues still to be discussed

In terms of the agreement, programmes would be in line with the requirements of the National Qualifications Framework. Modules would include language and mathematics. The aim was "to contribute towards removing all discriminatory barriers within the industry" with programmes providing for the recognition of prior learning, an integrated approach to education and training, the involvement of all stakeholders in planning and the provision of access, allowing for career progression and the transfer of credits from one provider to another

NUM, De Beers agree to mediation

Business Day Reporter

(211) BD 17/7/95
THE National Union of Mineworkers (NUM) and De Beers, having failed to resolve their wage impasse on Friday, have agreed to refer the dispute to mediation in 10 days' time

Union spokesman Judith Weymont said the parties could not agree on subcontracting, annual leave days, linking service and merit increases to basic wage increases, and the principle of single-digit pay hikes

On Friday De Beers improved its

offer to 7,5% and the NUM dropped its demand to 13,5%. The company's offer would be supplemented by a percentage point with the inclusion of service and merit components as well as a cost containment bonus scheme, De Beers said

Agreement was reached on workers not having to report for duty on Mondays that follow public holidays. The NUM indicated it was "favourably disposed" to a company proposal on employment equity, but required more time to consider it further .

Govt to discuss assets

BY JUSTICE MALALA

The Cabinet is to consider a Public Enterprises Ministry document to restructure state enterprises worth an estimated R100-billion following demands by unions and business for clarity on the issue.

Minister of Public Enterprises Stella Sigcau said yesterday the Government had no intention of privatising or restructuring any of the corporations it was responsible for until it had consulted labour, business and development bodies.

"Sale of the assets is not a major thing, but selling could be the result of the restructuring process. This could involve selling buildings which are no longer being used, but this is not privatisation as such," she said.

Sigcau's ministry is responsible for parastatals such as Transnet, Eskom, Denel and the diamond mining operation Alexcor.

The announcement came after

Cosatu and its affiliates last month resuscitated their campaign calling for a halt to the sale of state assets.

More than 3 000 National Union of Metalworkers of SA (Numsa) members at Eskom and Iscor are to march on the Union Buildings on Wednesday to demand a stop to feared privatisation of some of the parastatals' units.

The union said yesterday Eskom intended to privatise 11 of its business units, including its conference centre, gardening services and security. It said this would adversely affect about 4 000 workers.

Numsa also expressed concern over Iscor's "modernising" plan. It said the plan, which has led to a reduction of workers from 52 000 to 48 000 over the past 10 years, had seen its members forced into early retirement and employees having to carry double their normal workload.

Star 21/7/95
**Row over AIDS,
miners' insurance**

(211)

BY JUSTICE MALALA

The National Union of Mineworkers (NUM) has called for a joint government, labour and management approach to alleviate rising AIDS infection on mines and a review of an insurance company's intentions to increase miners' premiums to lessen the load on their schemes.

NUM general secretary Kgalema Motlanthe said yesterday about 60% of mineworkers would be affected by Old Mutual's decision to increase premiums on the Mineworkers Assurance Benefit Scheme by 34% because of a fear of a rise in AIDS-related deaths.

He said the Chamber of Mines had decided that it would not pay the increase and instead the mineworkers' benefits would be reduced from 36 months' salary for death to 26 months to pay for the increased premiums.

But the chamber said in a statement yesterday that negotiations on the scheme and the new premiums were still continuing.

NUM fears AIDS premiums hike could lead to backlash

By CAROL PATON

THE National Union of Mineworkers has challenged AIDS statistics used by insurance giant Old Mutual to justify a 34 percent increase in death benefit premiums

Gwede Mantashe, NUM assistant general-secretary, said Old Mutual's figures were based on

"national trends and not on actual research conducted in the mining industry"

A breakdown of death benefit claims of the Miners Assurance Benefit Scheme for the six months ending in February showed that only 1,9 percent of deaths could be clearly attributed to AIDS.

According to the union,

Old Mutual has argued that a further 14,5 percent of deaths caused by tuberculosis and pneumonia — both common occupational diseases among miners — should also be seen as AIDS deaths.

Old Mutual also wants deaths due to illness where the specific cause has not been diagnosed (10,6 per-

cent) to be considered AIDS deaths

The NUM has suggested that a study be conducted by the Department of Health to determine the level of infection and following that, an informed response concerning benefits could be made

While the Chamber of Mines would not comment on the premium hike, the NUM said in a statement that the chamber advocated reducing the death benefit from 36 months to 26 months of pay as an alternative to raising the premium. Employers pay 75 percent of the premium and workers 25 percent

Mr Mantashe described the chamber's response as a "don't care attitude" "Employers cannot simply wash their hands of the problem. The high level of HIV among mineworkers is a result of single-sex hostels and the migrant labour system," he said

Old Mutual's proposal for a 34 percent increase also includes reducing the cover offered to terminally ill workers from 12 months to six months once they can no longer work.

The union contended that the intention of this was to exclude AIDS sufferers, many of whom would take longer than six months to die after they had stopped working

The NUM is also concerned that reducing the death benefit because of AIDS-related deaths will cause a backlash on the mines against people who are HIV positive

"This will entrench prejudice," it said

Old Mutual would not comment on the proposed changes to the scheme, saying it was subject to client confidentiality

● Sapa reports that Anglo American announced at the weekend that it planned to retrench 10 000 workers at its Freegold operations in the northern Free State



THE MARCH ... thousands of mineworkers on the move through Johannesburg yesterday to deliver demands to the headquarters of the Chamber of Mines and De Beers. The National Union of Mineworkers is in dispute with the chamber over wage demands ranging from 15 to 132 percent

Picture HERBERT MARILL

Restructuring demands rejected

NUM, industry wage talks freeze

SPAN 24/7/95 (211)

BY JUSTICE MALALA
LABOUR REPORTER

The mining industry seems headed for more trouble in the near future as annual wage talks between various mining houses and the National Union of Mineworkers (NUM) reached deadlock.

The Chamber of Mines, De Beers and Johannesburg Consolidated Investments' Amplats are all in dispute with the union following its presentation of demands aimed at "fundamentally restructuring" the industry.

On Saturday, more than 8 000 NUM members marched on the De Beers offices in central Johannesburg and called for a union strike if their demands are not met.

NUM spokesman Judith Weymont said last week talks between the chamber and the union, involving more than 400 000 workers, reached deadlock on nine issues.

On wages, the union is demanding increases of about 132% for the lowest earners,

AS profits tumble, the mining houses reject demands for higher wages. But only restructuring will cure ills, says NUM.

whom Weymont says earn about R350 a month. Their salaries will come to just under R900 a month if the demand is met.

The union is demanding an average 17% increase for high earners on coal mines and 15% on gold mines. The chamber is offering 7% increases on gold mines and 9% for coal mines.

The deadlock with the chamber includes the issues of lessening salary grades in the industry, disclosure of information to the union, income security, regulation of sub-contracting and restructuring the provident fund to remove apartheid-era disparities.

The mining industry is facing problems of falling productivity

which have led to declining profits. It has called for a Government ban on Sunday work on the mines to be lifted.

The chamber has solicited union support for this demand but Weymont said "Sunday work must not be discussed as the only panacea for the ills of the industry but as part of the whole package to restructure the industry".

NUM has also declared a dispute with JCI's Amplats, whose 25 000 members are demanding a 16% across-the-board increase while management has offered 8%. The union also wants seven days' paternity leave on full pay and a living-out allowance for workers on certain salary grades.

The union has applied for conciliation.

The deadlock with diamond giant De Beers is on sub-contracting, training for trade unionists and wages. The union is demanding a 13,5% across-the-board increase while De Beers has offered 7,5%. The parties have agreed to go to mediation.

'Public holidays mar production'

Michael Urquhart

(211)
26/7/95
THE gold mining industry had to address structural problems urgently if it was to survive, JCI gold division chairman Bill Nairn said at the presentation of the quarterly results for the group's gold mines yesterday against the background of a quarter during which results were generally worse across the industry

JCI's attributable loss more than doubled to R39,9m (R17,8m) for the quarter ended June

Nairn said that these results reflected the impact of three additional public holidays and the day of mourning for the Vaal Reefs disaster, as well as the low morale of the workforce at Randfontein Estates after retrenchments

One of the most important issues the industry had to address was that of continuous working and public holidays. An

analysis of public holidays had shown that before this year, there had been approximately 50% voluntary attendance on public holidays, while changing attitudes had seen zero production on holidays this year

On the four public holidays in the June quarter which were associated with weekends, attendance on the Saturday had been poor, while on the days before and after the holidays attendance was as low as 35%

JCI calculated that the industry was losing an additional 16 to 18 days production from public holidays

Nairn said on a positive note the development programme at HJ Joel was coming to fruition, as evidenced by an increase in the tonnage milled. Joel still had R29m available and would need additional funding. Any shortfall would be met by JCI, but Joel still had to decide how to fund the mine until it built up to full production

● See Page 8

Southern African Miners' Federation president James Motlatsi, left, addresses a news conference on the congress to be held this weekend. He is flanked by treasurer Eino Ntinda.

Picture: ROBERT BOTHA

Mining unions head for Jo'burg

Renee Grawitzky (211)

MINING, quarry and energy union representatives from eight Southern African countries converge on Johannesburg this weekend for the Southern African Miners' Federation congress, held every three years.

The federation — an independent subregional association of mining, quarry and energy sector unions — is represented in Angola, Swaziland, Botswana, Mozambique, Namibia, Zaire, Zambia, Zimbabwe and SA. Eight unions are affiliated to the federation, which has a membership of 1,5-million workers.

President of the federation and the National Union of Mineworkers (NUM), James Motlatsi, said the congress took place against a backdrop of major political changes in the region with all countries, except Swaziland, moving towards a democracy.

The congress' focus would be on the political and economic challenges facing the region.

Motlatsi said mineworkers should begin to explore what role they could play in the economy of the region.

alliance with the IFP"

(21) (211)
Mass meeting

for unions
SAT 28/7/95

■ BY JUSTICE MALALA
LABOUR REPORTER

Representatives of more than 1,5-million mine, quarry and energy sector unions in the southern African region will meet in Johannesburg this weekend to increase regional co-operation and strengthen strategies to fight worker exploitation.

Delegates from nine countries will attend.

The Southern Africa Miners' Federation conference will focus on labour troubles in Swaziland, the establishment of export-processing zones and closer economic co-operation between workers and the participating governments

X

NUM in wage deadlock

(211)

Sowetan 28/7/95

Labour Reporter

THE National Union of Mineworkers has applied for a Conciliation Board hearing ahead of the scheduled mediation on August 7 after two days of mediation this week failed to resolve their wage deadlock with De Beers

NUM spokeswoman Ms Judith Weymont said it seemed mediation would not solve the dispute. She said during the two days of mediation, De Beers had rejected the union's revised proposals for an 11 percent across-the-board increase on minimum wages, a 11,5 for lowest paid and 10,5 and 10 percent for workers at the middle and top of the scale, respectively

Weymont said De Beers was still insisting on reducing annual leave from 21 to 20 days for surface workers and from 26 days to 25 for underground workers with a R5 to R65 a month compensation for the loss of holidays, depending on the worker's grade

Gold mining's terrible toll

BY JEFFERSON LENGANE

ON AVERAGE, each ton of gold produced in South Africa kills one miner and seriously injures 12 others, the minister of minerals and energy affairs, Pik Botha, has told key players in the mining industry.

Botha made the chilling disclosure during this week's third congress of the Southern African Miners' Federation.

"Of the 19 countries listed in an International Labour Organisation table summarising fatal mining accidents per year, 13 have better safety records than South Africa. The only southern African country cited in the comparison is Zimba-

Pik Botha calls for safety overhaul

bwe with a fatality rate per 1 000 workers of 0,73, compared to South Africa's 1,05," Botha said.

He said South Africa must strive to at least equal the record of Zimbabwe and learn from it about ways to reduce the fatality rate.

"There are many monuments to the unknown soldier. I would like to close with a tribute, a verbal monument, to the unknown miner," Botha concluded.

■ The re-elected president of the federation, James Mofutsi, told the congress that Swaziland's prime minister, Prince Mbilini, was "out of order."

This followed reports from the Swaziland delegation which claimed that their government was strongly opposed to trade unions and did not respect the rights of unions to strike. Swaziland's Mining, Quarrying and Allied Workers Union president, Selby

Dlamini, said the authorities in that country were quick to call police and the army in when workers went on strike.

He cited as an example a miner who was shot dead by police during a strike in 1989. The worker was shot twice in the head and had to be flown to Baragwanath hospital where he died.

■ A contentious Industrial Relations Bill is being debated in the Swaziland parliament. The Bill proposes to make workers

and their unions pay for any damage to property during strikes.

Dlamini said the miners also caused problems. "Most mines have no protective clothing and the few that have sell the clothing to employees. This is unaffordable to workers," he said adding that wages on the mines were low.

At the close of the congress the federation issued a declaration in support of the Swaziland union's struggle. "All affiliates represented at this congress give unqualified support to the labour movement in Swaziland against the threat posed to them by the Industrial Relations Bill," the declaration said.

See CP 6/8/95
(211)

Wage talks for miners deadlock

~~(213)~~ (211)
JOHANNESBURG Wage talks in the gold and coal mining industries deadlocked on Saturday, raising the possibility of a strike ballot. The Chamber of Mines and the National Union of Mineworkers had been talking for five days.

CT 9/8/95

Sapa

Mine unions agree to work seven days a week

CT(BR) 7/8/95 (211)

By ANDY DUFFY

STAFF WRITER

The mining industry has secured union agreement to work seven days a week, clearing a crucial obstacle in its attempts to revive its flagging productivity

The Chamber of Mines said at the weekend that the National Union of Mineworkers had agreed to the proposal for Sunday operation, but the two sides still

remained at loggerheads over a wage settlement

The Chamber said the agreement cleared the way for it to make a joint appeal with the union to the government to overturn legislation banning Sunday blasting work

Mining industry managers have claimed that labour disruptions and poor productivity could cut gold production this year to about 550 tons, against 619 tons in 1993, and force heavy job losses

Industry estimates suggest continuous operations could lift production 25 percent, cut costs and save marginal mines

Reaction was muted yesterday, because union agreement on wages remained out of reach. The union had rejected the Chamber's 10 percent and 10.5 percent wage offers for gold and coal miners, and said it would decide this week whether to ballot 300 000 members for industrial action

Mine wage meeting⁽²¹¹⁾ ends in impasse

ARG 7/8/95
The Argus Correspondent

JOHANNESBURG — The National Union of Mineworkers (Num) will canvass its 300 000 members in gold and coal mines on what action to take after crucial weekend wage talks with the Chamber of Mines failed to reach agreement.

The union said yesterday it would start report-back meetings with its members today and a decision would be taken by Thursday whether or not to call a dispute with the Chamber and ballot members for a strike.

The move comes in spite of substantial progress made on the important issue of Sunday work and agreement being reached on improved retirement and death benefits and a framework for new types of negotiations on workplace issues at mine level.

But, no headway was made on wages, lessening of wage grades, and allowing full-time safety stewards on mines, the union said yesterday.

The Chamber said in a statement it had offered NUM a final 10 percent increase on gold mines and 10,55 percent on coal mines and a further increase of between 18 percent and 24 percent for workers in the lowest categories.

The union is demanding a 12 percent across-the-board increase for workers on gold mines and 13,5 percent for coal mines.

Num general secretary Kgalema Motlanthe said "How can the Chamber still refuse us the right to elect full-time safety stewards when already this year more than 560 mineworkers have been killed in the mines? It is beyond belief."

The chamber said it believed its offer was an attractive one under the difficult circumstances the industry found itself in.

The parties agreed to establish a working group, which would include other unions, to negotiate the issue of Sunday work.

Sunday work on mines

(211) Star 7/8/95

■ ANDY DUFFY

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Industry estimates suggest continuous operations could lift production 25 per cent, cut costs and save marginal mines.

Strike ballot in the offing after deadlock on pay ⁽²¹¹⁾ hikes for mineworkers ^{Star 7/8/95}

■ BY JUSTICE MALALA
LABOUR REPORTER

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The union is demanding a 12% across-the-board increase for workers on gold mines and 13,5% for coal mines.

NUM general secretary Kgale-

ma Motlanthe said that despite the agreements, the talks had still failed on crucial issues.

"How can the chamber still refuse us the right to elect full-time safety stewards when already this year more than 560 mineworkers have been killed in the mines? It is beyond belief."

The chamber said it believed its offer was attractive in the difficult circumstances the mining industry found itself in.

The parties agreed to establish a working group, which would include other unions, to negotiate the issue of Sunday work, which the chamber has identified as crucial to the survival of the mining industry.

Changes

The working group has until December to conclude its work. If agreement is reached on the issue, the union would throw its weight behind the chamber's call for legislative changes to legalise Sunday work.

Agreement was also reached on holiday leave allowances, sick leave training for union representatives and the use of subcontractors on mines.

There was also agreement on two-tier bargaining, which means that issues which are particular to a company would be negotiated at the level of that company while those affecting the entire industry would be negotiated at central level.

Sunday work for miners

By Abdul Milazi

THE National Union of Mineworkers and the Chamber of Mines at the weekend finally agreed on Sunday work, proposed by giant mining houses to improve production. The debate on Sunday work has kept mine management and the unions at loggerheads for months and forced the parties to go to the Conciliation Board early last month.

Mining houses demanded that the

~~211~~ (211) Sowetan 7/8/95
annual wage negotiations should deal with the issue of Sunday work first before wages and issues were discussed.

The NUM rejected that and wanted a holistic approach to the negotiation process.

Chamber chief negotiator Frans Barker said the agreement would enable mines to operate seven days a week on a rotational basis.

However, the wage dispute is still unresolved after the NUM rejected

the chamber's new wage offer of 10 percent for gold mines and 10.5 percent for coal mines.

The union earlier rejected the mining houses' 8.5 percent offer and demanded a 16 percent across-the-board increase, which has subsequently been reduced to 12 percent.

Barker said the mines at the weekend offered to increase the minimum wages from 18 to 24 percent in the lowest paid category which will be phased in over six months.

De Beers' offer
withdrawn

ET 8/8/95

(218)
(211)

JOHANNESBURG: De Beers and the National Union of Mineworkers yesterday ended talks on wages and working conditions after De Beers withdrew its offer on contract labour and affirmative action, an NUM statement said

Mediation would continue on August 16 unless a conciliation board was appointed, the NUM said

Sapa-Reuter

Unions agree to talk about Sunday work

Renee Grawitzky

THE Council of Mining Unions notified the Chamber of Mines yesterday that, subject to the approval of its membership, it would agree to enter into discussion on full calendar operations and two-tier bargaining once wage negotiations had been concluded, CMU spokesman Krappies Cronje said

Cronje, who is also acting general secretary of the Mine Workers' Union, said yesterday that this decision followed an undertaking by the Chamber that it would agree to sep-

arate negotiations over wages and negotiations around full calendar operations and two-tier bargaining

The CMU originally declared a dispute with the Chamber after it refused to refer discussion on Sunday work and continuous mining operations to a separate forum outside the wage negotiations forum. At the time the union said it was not prepared to discuss Sunday work in the same forum that wages were being discussed

Chamber negotiator Andre Geldenhuys said the Chamber did not agree to separate negotiations about wages and Sunday work

He said "It was our understanding that at the previous meeting the CMU indicated that it was prepared to talk about these issues without committing themselves as part of the wage negotiations"

He said the unions had clarified their position that discussion on Sunday work should take place outside the wage negotiations forum

Cronje said during the first meeting of the conciliation board last week the Chamber revised its offer to 7,5% for gold and 9% for coal mines. He said the CMU revised its demand from 20% across the board to 15%

20 8/8/95

(211)

De Beers 'model' blocks agreement

Renee Grawitzky

(211)

10/8/81 95
THE National Union of Mineworkers indicated last night it would consider referring De Beers' final wage offer of 10% to its 6 000 members for acceptance on condition that the offer was extended to all mines, including Venetia, and was applicable to workers' actual wages.

During mediation under the auspice of the Independent Mediation Services of SA (Imssa) yesterday, De Beers tabled what it said was its final offer of 10% for all mines excluding its "model" mine Venetia

The company proposed a 9% increase plus a 2% merit award for Venetia mine

The union said mediation had ended after De Beers had retracted its offer on affirmative action and subcontracting. The union said this was after it had agreed to consultation over contracting out work.

De Beer said its position on subcontracting and affirmative action was under review in light of the proposed new labour legislation which would make provision for joint decision-making, with all employees, over these issues.

The union said it would also resist any attempt by the company to reduce the number of days' days annual leave. The union said the company wished to reduced annual leave by one day.

It said the parties concerned would continue meeting in mediation on August 16 if a conciliation board had not been established by that time.

Hostels deal invites worker participation ⁽²¹¹⁾

MD 10/8/95

Renee Grawitzky

AN AGREEMENT laying the foundation for the democratisation of hostels and the broader participation of workers in housing options was signed this week between mining house JCI and the National Union of Mineworkers

The agreement covers 22 000 workers on four gold and coal mines. It stems from an agreement reached at last year's negotiations which outlined principles for the establishment of housing forums, the upgrading of hostels and the involvement of workers in "decision making processes in hostel affairs"

The JCI agreement aims to establish "a two tier system per mine of hostel committees and housing forums" which would "be inclusive of all affected employees"

JCI MD Bill Nairn said the company had decided "to facilitate the availability of suitably developed housing land" after it became evident that home ownership at the lower end of the market was a "multi-faceted problem"

Nairn said one of the housing projects the company had become involved in was on the West Rand where a proportion of a potential 10 000 stands would be made available to JCI employees at favourable rates, and the remainder would be given to the surrounding communities to develop.

The agreement had established structures which would enable those employees

who still wished to live in hostels to "have a voice in a democratic administration"

NUM general secretary Kgalema Motlanthe said the agreement was significant "because over the years we have raised issues of the problem around the migrant labour system and social problems attached to it which always impacted negatively on motivation of the workforce and on productivity"

He said the agreement would go a long way towards stabilising the workforce and addressing the demand for the democratisation of hostels. It was now important to begin integrating mineworkers into the surrounding communities

Hostel residents would be able to elect representatives (one per 250 residents) to a hostels committee. This committee would be involved in "co-determination in areas which do not have financial or legal implications for mine management". The agreement clearly states "the fundamental responsibility for the managing of and maintenance of good order in the hostels rests with management"

Workers would be consulted on issues such as upgrading of hostels, safety and security of residents while joint agreement would have to be reached on issues around hostel communication systems and hostel disciplinary procedures.

Gengold has also recently entered into an agreement with Num on the provision of housing and accommodation.

'Disaster' mine scrutinised ⁽²¹²⁾

Renee Grawitzky

VAAL Reefs East Mines' safety and health co-ordinator on Tuesday told the joint inquest inquiry into the Vaal Reefs mine disaster that apart from the "no entry" sign before the entrance to the prohibited station area there had been no system in place before the accident to stop a locomotive under power

Under cross-examination by the locomotive drivers' representative, Alec Freund, Robert Proudfoot said that from his knowledge the safety devices in place in the station area were not designed to stop a locomotive under power

Freund questioned whether locomotive drivers were taught the purpose of

the safety devices and whether these devices were intended to stop a locomotive under power

Proudfoot said drivers were not taught the distinction between the purposes of the safety devices, or how they were affected if the locomotive was under power or pushed or pulled by hand

Under cross-examination by National Union of Mineworkers' senior counsel Karel Tip, Proudfoot said locomotives under power were not allowed in the prohibited station area because of the risk of it falling into the mine shaft.

Proudfoot said that if the employees had obeyed the rules and done their job properly by keeping the locomotives out of the station

area, together with the safety devices being in place which could or could not have stopped the locomotive, the accident would not have occurred.

Ruegal du Toit acting on behalf of the State raised the point that since the accident there had been an incident where a locomotive was driven under power into the station area.

He questioned the procedure relevant when a locomotive was left on the station area. Proudfoot said a worker should wait for a supervisor or shift boss to come before the locomotive was moved and if no-one else was available then other locomotive drivers should be asked to assist.

There was no supervisor present during the disaster

MD 10/8/95

Miners still undecided

(21) ET 11/8/95

JOHANNESBURG: The National Union of Mineworkers (NUM) said yesterday it had made no decision on whether to call a dispute and call a ballot for its members on a strike ahead of further wage talks with the Chamber of Mines

"There is no decision on a ballot yet and we're going into another round of talks with the chamber today," the union's spokeswoman Ms Judith Weymont said in a statement.

NUM gives talks 'one last best shot'

Renee Grawitzky

BD 11/8/95 (211)
THE National Union of Mineworkers said it would give today's negotiations with the Chamber of Mines "one last best shot".

NUM general secretary Kgalema Motlanthe said yesterday the union did not want a strike as agreement had been reached on 12 out of 15 demands.

The union had a formula it hoped would resolve the deadlock, but it would have to consider a strike ballot if settlement was not reached today. Chamber negotiator Frans Barker said it would approach the meeting in a "positive spirit".

The union wage increase demands stand at 13,5% on coal mines and 12% on gold while the chamber has offered 10% on gold and 10,5% on coal — with JCI offering 9,5% on gold. Randgold's offer differs depending on each operation.

The parties have made progress on full calendar operations. A major outstanding issue is broadbanding or the amalgamation of job categories.

NUM is also demanding the election of fulltime health and safety stewards, which Motlanthe said would go a long way to preventing accidents.

Meanwhile, the all-white Mineworkers' Union said yesterday its members were prepared to strike against the introduction of a seven-day shift cycle. It said the industry had given a false impression by claiming mines would have to close if Sunday work was not introduced.

Mine pay decision awaited

Star 11/8/95 (211)

■ BY JUSTICE MALALA
LABOUR REPORTER

The Chamber of Mines will know today whether the National Union of Mineworkers has accepted its final wage offer for gold and coal mine workers or decided to ballot its members in preparation for a strike

NUM head of collective bargaining Thomas Ketsise said late yesterday reports from various regions comprising about 300 000 workers were being received and an answer on the members' decision would be delivered to the chamber this afternoon

The move to canvass members

came despite substantial progress made on the issue of Sunday work and agreement on improved retirement and death benefits as well as a framework for new types of negotiations on workplace issues at mine level

No headway was made on wages, reducing the number of wage grades and allowing full-time safety stewards on mines

The chamber has offered a final 10% increase on gold mines and 10,55% on coal mines and a further 18-24% for workers in the lowest categories. The union is demanding 12% across the board for workers on gold mines and 13,5% for coal mines

MINE WAGES (211)
 FM 11/8/95
Waiting for the union

Despite encouraging agreement in principle on full calendar operations (Sunday work), a decision by the National Union of Mineworkers (NUM) on whether to accept the Chamber of Mines' final wage offer this week hung in the balance. An answer was expected on Thursday (after the *FM* went to press), said NUM spokesperson Judith Weymont.

Following failure to agree at the first conciliation board meeting on August 4 and 5, after six weeks of intensive negotiation, the chamber finally offered a 10% wage rise on gold mines and 10,5% at collieries, with Randgold having tabled separate, lower, offers on its marginal mines. The union wants

12% and 13,5% respectively. It was this week reporting back to members. If they reject the chamber's offer, the union will declare a dispute, then hold a strike ballot.

It seems doubtful, however, that the union would opt for a strike as this year's offer is higher than last year's while the mines are in even worse shape and the union realises this.

The chamber says it also offered a substantial increase in minimum wages, ranging from 18%-24% in the lowest category to be phased in over six months at most.

The parties have made substantial progress in agreeing on most issues including full calendar operations. This will enable mines to agree at mine level to operate on seven days a week on a rotational basis. Weymont says a union-chamber committee is to be set up which will report by the end of December. If there's agreement then certain mines will be able to apply for exemption from Section 9 of the Mines & Works Act which prohibits work on Sunday.

Other areas of agreement include:

- Increased contributions to the Mineworkers Provident Fund,
- The use of subcontractors on mines,
- Commitment to agreements reached on affirmative action,
- Increased contributions to the Mine Workers Assurance & Benefit Scheme,
- A framework agreement to enable mines and the union to negotiate operational, organisational and workplace issues at mine or company level; and
- Improvements on various other conditions of service.

Partly because of smooth agreement on these issues it seems that Anglo and Gen-gold, which tried to negotiate productivity-linked wage increases did not get far with what is anyway a complex formula.

Aside from wages, the union says the chamber has refused its demand for "full-time health and safety stewards." The chamber, it seems, prefers the idea of "elected mine safety representatives," as the Leon Commission on mine safety proposes, though Weymont maintains the real issue is whether the post will be full-time or not.

The other major outstanding union demand concerns "broadbanding" in terms of which the NUM wants the three lowest job grades "collapsed" upwards into the fourth, while the chamber is prepared only to merge the lowest, grade one, into grade two within six months.

The chamber is "very disappointed" that the union did not recommend acceptance of

the wage offer to its members, which is attractive given the circumstances in the industry.

"The chamber believes that all parties need to take a responsible approach in considering the long-term viability of the industry and the effect on the offer tabled" ■

Miners threaten strike ballot

■ BY ROSS HERBERT

The Chamber of Mines said it made substantial progress during Friday's negotiations with the National Union of Mineworkers. However, talks between the chamber and the white Mineworkers' Union made no progress, with the union saying it would hold a

strike ballot unless the chamber tabled an acceptable offer by tomorrow.

The union is asking for a 15% wage hike, while the chamber is offering 7,5% on gold mines and 9% for coal mines.

Sunday work was not discussed. "We have no mandate from our members to negotiate on Sunday work. If we don't get

(211) Star 14/8/95
an answer from the chamber by Tuesday, we'll move on a strike ballot," said Krappie Cronje, acting general secretary.

The union continued to reject a two-tier bargaining system with wages negotiated centrally and operational issues negotiated on individual mine level.

The chamber on Friday

boosted its offer for coal mines to 11,5%. Amcoal offered 11% and JCI coal 11,5% with an additional 3,5% to help close the wages gap with other groups.

The chamber offered 10% for gold, with JCI gold offering 9,5% plus 1,5% upon agreements at mine level on Sunday work.

Safety representatives accepted

Revised wage offer may end mine dispute

(211)BD/15/8/95

Renee Grawitzky

THE Chamber of Mines has tabled a revised wage offer which the National Union of Mineworkers (NUM) says "could come close" to resolving the wage dispute and averting an industry-wide strike.

The chamber revised its wage offer on gold mines from 10% to 10,5% yesterday, leaving a 0,5% shortfall against NUM's 11% demand. NUM general secretary Kgalema Motlanthe said "It would be foolhardy to go into a ballot situation for a 0,5% difference which separates us on gold."

On collieries all mines have offered 11,5% while the union wants 13,5%.

The revised offer followed the parties' failure to reach agreement at the weekend and the union threats to begin balloting members this week. The union has until Monday to respond.

Motlanthe said "A strike always remains an option — but an option of last resort. The revised offer was not exactly what we wanted when we went into negotiations but it serves as a foundation for an honourable settlement."

The chamber said the offer was favourable, especially considering the industry's financial position. A spokesman said "Settlement is now imperative if we are to move forward to meeting the challenges facing our future viability."

The 10,5% offer on gold excludes mar-

ginal mines such as Randgold which has offered between 6% and 8% depending on the mine. JCI has offered 9,5% plus a further 1,5% on conclusion of mine level agreements on full calendar operations.

Anglo American has proposed — as an alternative to the 10,5% increase — a 10% increase together with the "collapsing" of wage category two into category three. Anglo does not have a category one. If the union does not agree to this then Anglo will revert back to the 10,5% increase and chamber's agreement on broad-banding.

All mines, except Gold Fields and Lonrho's Duker, have agreed to collapse category one into two within six months. If accepted, Anglo's offer could create a wide gap in the mining houses' minimum starting wages. The collapsing of categories boosts the lowest paid workers' increases.

Motlanthe said members had not yet been canvassed on Anglo's alternative offer, but he did not foresee a problem in the differential created by such a move.

All mines except Duker have agreed to the election of full-time safety representatives. Motlanthe said this would go a long way towards preventing accidents.

The chamber said agreement had already been reached on full calendar operations (Sunday work) and a framework deal on two-tier bargaining would allow organisational and workplace issues to be negotiated at mine or company level.

Mining industry nears consensus after offer

(211) STAR 15/8/95

■ BY JUSTICE MALALA
LABOUR REPORTER

The Chamber of Mines yesterday offered the National Union of Mineworkers (NUM) a revised wage proposal to avert imminent industrial action following the union's rejection of its wage offer at the weekend.

The move came as the union started preparations to begin balloting its members for strike action on Friday if there was no substantial movement in the negotiations after the weekend deadlock. The negotiations involve about 300 000 workers.

Chamber of Mines chief negotiator Dr Frans Barker said yesterday the chamber had revised its wage offer for gold mines from a 10% to a 10,5% increase. On coal mines the offer remains 11,5%, with all mining groups agreeing to the increase.

Johannesburg Consolidated Investments Gold offered a total increase of 11%, consisting of 9,5% plus an additional 1,5% if agreement was reached at mine level on Sunday work.

The union is demanding a 12% across-the-board increase for workers on gold mines and 13,5% for coal mines.

On broadbanding Barker said "All groups made substantial offers in terms of which the minimum wages of workers in the lowest categories would be increased by between 18 and 24%. This will be phased in over a minimum of six months."

NUM spokesman Judith Weymont said the new offer was a good foundation for a settlement, adding that the union would consult its members before responding.

In last week's talks, the parties agreed to establish a working group, which would include other unions, to negotiate the issue of Sunday work which the chamber has identified as crucial to the survival of the mining industry. The group has until December to conclude its work.

Agreement was also reached on holiday leave allowances, sick leave, training for union representatives and the use of subcontractors on mines.

They also agreed on two-tier bargaining, which means that issues particular to a company would be negotiated at that level, while those affecting the whole industry would be negotiated at the central level.

NUM to review new wages offer

(211) Sowetan 15/8/95

Sowetan Correspondent

THE Chamber of Mines yesterday offered the National Union of Mineworkers a revised wage proposal to avert imminent industrial action following the union's rejection of its final wage offer at the weekend

The move came as the union started preparations to begin balloting its members for strike action on Friday if there was no substantial movement in the negotiations after the weekend deadlock. The negotiations involve about 300 000 workers.

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Weymont said the new offer was a good foundation for a settlement, adding that the union would consult its members before responding.

Chamber of Mines chief negotiator Dr Frans Barker said yesterday the chamber had revised its wage offer for gold mines from a 10 percent to a 10,5 percent increase.

On coal mines the offer remains at 11,5 percent, with all mining groups agreeing to the increase unlike previously when some groups offered less.

Johannesburg Consolidated Investments Gold offered a total increase of 11 percent, consisting of 9,5 percent

plus and additional 1,5 percent if agreement was reached at mine level over Sunday work.

The union is demanding a 12 percent across-the-board increase for workers on gold mines and 13,5 percent for coal mines.

Barker said the various mining houses had agreed "in principle" to the long-standing NUM demand for full-time safety representatives at all mines.

He said this was subject to all other unions and associations at mine level agreeing to this. The parties agreed to establish a working group to negotiate the issue of Sunday work.

55 000 in wage talks

(21)
JOHANNESBURG — The National Union of Mineworkers will consult 55 000 Impala Platinum Mines and Amplats workers on action to be taken after wage negotiations failed to reach agreement.

ART 16/8/95

1531

THURSDAY, 17 AUGUST 1995

1532

(b) Promotions in the Department of Correctional Services are managed according to fair labour practices.

Migrant labourers on mines

404 Mr J A JORDAAN asked the Minister of Home Affairs

(211)

(1) Whether any records are being kept on the number of migrant labourers working on mines in South Africa, if not, why not, if so, (a) from which countries do these labourers originate and (b) how many labourers originate from each of these countries.

(2) whether consideration is being given to replacing these workers with South African citizens, if not, why not, if so, what are the relevant details,

(3) whether he will make a statement on the matter?

Hansard 13/8/95 N835E
The MINISTER OF HOME AFFAIRS

(1) Records are kept by the mine management and are sent to the Department of Labour. These figures were made available to the Central Statistical Services for inclusion in the last census, in respect of mine hostels which were not visited by the enumerators in the 1996 census the hostels and mine premises will be covered by the census.

(2) The answer to this question does not fall within the Minister's jurisdiction and he therefore refers the hon member to the hon Minister of Labour.

(3) It is therefore not appropriate for the Minister to make a statement.

Central Statistical Service: former head

417 Mr P W COETZER asked the Minister without Portfolio

(1) Whether the services of a former head of the Central Statistical Service, whose name has been furnished to his Office for the purpose of his reply, has been terminated, if so, on what grounds were his services terminated.

(2) whether any other person has been appointed in his place as head of this service, if so, (a) what (i) is the name and (ii) are

the qualifications of this person and (b) what previous experience does this person have in respect of the (i) collection and (ii) processing of statistical data.

(3) whether the Public Service Commission was consulted with regard to this appointment, if not, why not, if so, what are the relevant details.

(4) whether the post was advertised, if not, why not, if so, how many persons applied therefor?

N890E

The MINISTER WITHOUT PORTFOLIO

(1) The former head of the Central Statistical Services elected to take early retirement

(2) (a) (i) Dr F M Orkin has been confirmed by the Cabinet as Head of CSS

(ii) BSc Hons (Mathematics and Physics) (University of the Witwatersrand), First Class Honour in Economics, Politics and Philosophy at Oxford University, MA (Sociology) at Sussex University, PhD (Sociology) (Witwatersrand)

(b) Previous experience Fifteen years conducting and analysing sample surveys, usually national samples, commissioned by various international and national bodies and agencies, including the European Union, HSRC, COSATU, SACOB, etc

(3) The Public Service Commission was fully consulted at all stages, and made a consultant available to assist with the interviews and appointment procedure

(4) The post was advertised in the national press. There were seven applications, of whom three were short-listed.

Extended families of heads of mission

438 Mr C W EGLIN asked the Minister of Foreign Affairs

(1) What is the policy of his Department in regard to the extended families of heads of mission accompanying them to their postings,

1533

THURSDAY, 17 AUGUST 1995

1534

(2) whether the Government gives financial support to extended family members wishing to accompany heads of mission to their postings, if so, (a) how is it determined who such members of extended families are, (b) what is the extent of this support and (c) (i) what is the total current cost to the Government of supporting these family members and (ii) how is this cost made up,

(3) whether any heads of mission currently have their extended families with them, if so, (a) which heads of mission, (b) where are they posted and (c) in each case, what is their relationship with the members of their extended families?

N922E

The MINISTER OF FOREIGN AFFAIRS

(1) The definitions for "dependants" and "household" appear in Chapter A11 of the Public Service Regulations issued in terms of the Public Service Act No 103, 1994. The Department has approached the Public Service Commission to amend the said Public Service Regulations to extend the definition of dependent family members. The Commission informed the Department of Foreign Affairs in writing on 25 May 1995 that a recommendation has already been made in this regard which will be made known by way of a formal amendment of the Public Service Regulations.

The Department in the mean time, gives financial support to dependants of heads of mission accompanying such heads of mission to their postings and for whom they are fully responsible.

(2) Yes

(a) The information is given by the relevant head of mission and each case is evaluated on the basis of actual dependence of family members and their circumstances.

(b) The dependants who are not immediate family members of transferred officials are treated the same way as dependent children referred to in Public Service Regulation A11.

(c) (i) R121 360,20

(ii)	Ar tickets	R 24 614,00
Children's Allowance		R 3 549,05
Education Allowance		R 92 631,15
Travelling Concessions	Not claimed yet	
Medical aid	R 539,00	
	<u>R121 360,20</u>	

(3) (a)	(b)	(c)
Ambassador		2 nephews
Barbara Masekela	Paris	(sister's children)
		1 niece
Ambassador		(sister's child)
Lindwe Mabusa	Bonn	1 grand-
High Commissioner		child
Stanley Mabuzela	Windhoek	child

Residential restrictions/obligations on South African diplomatic representatives

439 Mr C W EGLIN asked the Minister of Foreign Affairs

(1) Whether there are any restrictions or obligations on South African diplomatic representatives in foreign countries who do not live in official residences in respect of the (a) location of alternative accommodation, (b) cost of alternative accommodation and (c) disclosure of any financial interests they have in the alternative accommodation, if not, why not, if so, what is the nature of these restrictions or obligations.

N923E

The MINISTER OF FOREIGN AFFAIRS

(1) In order to explain the current policy regarding Official Residences, it is necessary to distinguish between residences and Heads of Missions and residences of other diplomatic staff. The Department of Foreign Affairs uses the term "Official Residence" only with respect to residences of Heads of Mission. In this case, the Official

NUM and De Beers fail to resolve dispute

Renee Grawitzky (211)

60 17/8/95

MEDIATION between the National Union of Mineworkers (NUM) and De Beers yesterday failed to resolve the dispute over wages and the union indicated its intention to apply for the establishment of a conciliation board.

A De Beers spokesman said the parties had reached agreement on a number of outstanding issues including affirmative action and the use of contract labour. They were, however, unable to resolve the issue of wages and the reduction in annual leave.

De Beers has offered an across-the-board increase of 10% with a separate offer of 9% plus a 2% merit increase for Venetia, which is in Northern Province. De Beers said the union had indicated the 10% across-the-board increase was acceptable for all mines including Venetia.

The company indicated the reduction in annual leave was an attempt to standardise conditions of employment on all the mines, with the majority of workers losing one days' leave which would be compensated for. Workers in the lowest categories at Venetia would gain more than two days' leave.

The union has strongly rejected the move by the company to reduce annual leave. The union was not available for further comment.

to

SA public voices support for demobilised soldiers

Bonile Ngqiyaza

THE SA public was in favour of providing assistance to demobilised soldiers — both those who fought against and for apartheid — who the SANDF could no longer accommodate, according to a countrywide survey conducted jointly this year by the Institute for Defence Policy and the Human Sciences Research Council.

Project researchers said demobilisation had become a "necessary step" in downsizing the SANDF to an "affordable economic level", from approximately 130 000 to an estimated 90 000 soldiers.

Unlike their counterparts in the statutory forces — the former SADF and TBVC armies — MK and Apla veterans had no pension fund nor social security backup, and would have to "virtually" start new lives "from nothing".

Broken down according to population, language, socioeconomic and political party categories, the results of the survey showed no difference of opinion, nor did perceptions of the legitimacy of the government of national unity influence the result.

However, the response — in relation to whether it should be only those

who fought against apartheid or not — differed, with 6% of the respondents feeling that only those who fought for apartheid needed to be assisted. A greater proportion (17%) expressed a dissenting view.

Indications were that population group proved to be a "significant" factor in deciding whether help should be provided for demobilised soldiers or not with black (57%), coloured (58%), Asian (59%) and white (3%) respondents more inclined to support this.

A breakdown of the respondents into language groups showed that most African language speakers were "more likely" than other groups to be in favour of help for the demobilised, while Afrikaans speakers were "least likely" to hold that view.

In socioeconomic terms, residents of informal settlements, rural and black townships were the "most likely" to be in favour of help to demobilised soldiers.

According to the survey, NP supporters (46%) felt that all those who were soldiers and were being demobilised should be helped while right-wing parties on the whole (54%), were of the opinion that nobody needed assistance with social integration.

The finding was consistent with the majority finding for the rest of the white population (43%).

Respondents who belonged to political parties which had a majority of black support were more in favour of help for the demobilised to be socially integrated.

In relation to who should be the first to leave when the armed forces retrenched people, respondents indicated that the "last in first out" principle — common in the labour relations field — should apply.

Another category (13%) was, however, of the opinion that those "least trained" should leave first.

Assistance to the demobilised was also linked to the legitimacy of the government.

Those who perceived government to be legitimate felt some kind of assistance for the demobilised — even if they were among the first to join the forces — was needed, while those who regarded the government as illegitimate disagreed.

The universe of the sample was designed for all members of the SA population of age 18 and above, and was stratified according to the nine provinces as well as socioeconomic classifications.

Mine management

'needs to be reviewed'

SA's management contract systems at gold mines were " quaint and anachronistic" and needed to be reviewed, Minister of Mineral and Energy Affairs Pk Botha said yesterday. **ED1818195**

"I know this is controversial. But in the age of democracy, decentralisation, individual entrepreneurship and autonomy, the management contract system seems quaint and anachronistic when weighed up against modern values," Botha said in response to questions in Parliament. **ED1818195**

"It seems to me that management needs to change, to rid itself of possibly archaic practices, rigid structures and blinkered thinking."

"Management must take the lead, encouraging productivity by its attitude toward and treatment of the workforce." He said industry should carefully examine management contracts whereby founding houses "tie mines to their apron strings".

"Most of SA's mining houses are more than a century old, settled in ways for... in a different era," he said.

In response to questions by PAC MP Patricia de Lille about whether any mines were to close, Botha said: "Unlike love, no mine lasts forever. All mines must die sooner or later."

He said labour attitudes, development of new mining and refining techniques and the gold price were among the factors influencing mines and that one of the greatest threats to the industry was the steadily escalating unit working costs.

"The tendency is to blame labour for the problem and to cut costs by retrenchments. Agreed, it is undeniable that workers have negotiated significant pay and conditions improvements without corresponding productivity gains." Botha said 11 of SA's 45 gold mines were marginal — where costs represent 94% of total income — at end 1994, and these mines employed 57 600 workers. — Reuter.

(211) FM 18/8/95
MINE WAGE TALKS

Strike averted

A strike in the mining industry is unlikely, according to National Union of Mineworkers (NUM) general secretary Kgalema Motlanthe, who on Tuesday said. "I am quite optimistic; there is a basis for an honourable settlement."

This follows the Chamber of Mines' revised wage offer on gold mines from 10% to 10,5% — 0,5% short of the union's 11% demand (*Current Affairs* August 11). Marginal mines will give smaller increases. Anglovaal's Loraine 8,5% and Randgold's Harmony 8%, Blyvoor 6% and ERPM 8%

Motlanthe adds that all collieries have now offered 11,5%, which seemed acceptable, against NUM's demand for 13,5%. Amcoal had until last Monday been the exception with an 11% offer to coalminers.

A meeting of the union's full negotiating team was due to convene on Thursday to consider the revised offer. They have until Monday to respond, though the good news could well be announced before then.

Motlanthe was pleased by the Chamber's late acceptance of the union demand for full-time safety stewards, which he says is "crucial" for miners' safety, adding that the Chamber had no argument against, given the recent string of mine accidents

On the question of "broadbanding" it has been agreed to eliminate category one, the lowest, forthwith, and to begin a process of reviewing the job grading system.

More progress was made in conciliation board than in wage talks, observes Motlanthe, explaining that all 15 issues raised by the union were resolved by the board. The Chamber, he claims, was ill-prepared and "obsessed" with the issue of Sunday work, which the union has accepted. ■

Conciliation hearing closes gap in mine pay negotiations

The National Union of Mineworkers, which has threatened to strike over stalled wage negotiations, said yesterday that negotiators had narrowed their differences in a conciliation board hearing

However, it gave no indication that a breakthrough was imminent

"Although we are much closer than we were at the start of

the conciliation board (hearing), we are not happy with individual mining houses maintaining renegade positions," NUM general secretary Kgalema Motlanthe said

The union had conveyed its response to the Chamber of Mines latest offers on wages and working conditions through the conciliation board

"We are throwing the ball

back into their court," said NUM spokesman Judith Weymont. The union was unhappy about the lack of response from Gold Fields and coal mining house Duiker

Coal mines are offering 11,5% increases against the NUM's 12% demand. Gold mines have offered between 6 and 10% in response to the NUM's demand for an 11% increase

increase

The NUM said earlier this week that it was ready to start balloting its members for a strike following the deadlock in negotiations

A Chamber of Mines spokesman could not respond immediately to the NUM statement. The chamber acted on a mandate from individual members, he said. - Sapa

Star 19/8/95

(211)

Mining strike looms after offer is rejected

Star 22/8/95

(211)

BY JUSTICE MALALA
LABOUR REPORTER

The mining industry is once again teetering on the brink of what may be the biggest post-April 27 election strike after the National Union of Mineworkers rejected the Chamber of Mines' final wage offer

The union said at the weekend that its approximately 200 000 members affected by the wage talks had found the final offer by management wanting, despite indications earlier last week that the improved offer was close to meeting the union's demands

NUM spokesman Judith Weymont said yesterday the union's negotiators will be meeting today to decide whether to hold further meetings with the chamber, after the failure to reach agreement through the concilia-

tion board

They will also decide whether to ask members to vote on a strike

The stumbling block in the negotiations has been the decision by two mining houses, Goldfields and Duker, to negotiate certain issues separately from the other groups in the chamber. A settlement reached with the chamber will therefore not apply to all companies

Goldfields has refused to make changes in broadbanding and to integrate categories one and two. Duker has not agreed to the installation of full-time safety stewards on its mines

Concerning wages, coal mines are offering 11,5% while the union is demanding 12%

For gold mines, the chamber is offering 10,5% except for JCI Gold which has offered 9,5% plus an additional 1,5% if agreement

is reached on Sunday work

Chamber chief negotiator Dr Frans Barker said yesterday the negotiators would take the union's response to their improved wage offer back to their principals

He said the chamber expected to inform the union of their response today

In earlier talks, the parties agreed to establish a working group, which would include other unions, to negotiate the issue of Sunday work which the chamber has identified as crucial to the survival of the mining industry

The working group has until December to conclude its work. If agreement is reached on the issue, the union would throw its weight behind the chamber's call for legislative changes to legalise Sunday work

Amplats and NUM reach agreement

(211) Sowetan 24/8/95

Low category daily paid mineworkers get wage increase of 11 percent

THE NATIONAL UNION of Mineworkers (NUM) and Anglo American Platinum Corporation (Amplats) yesterday reached an agreement on wages and conditions of employment

The parties agreed on an 11 percent wage increase for daily paid surface and underground workers in the six lowest job categories, monthly paid workers in the four lowest categories, backdated to July 1 1995. The mine also offered a 10 percent across-the-board increase.

The living-out allowance for workers not living in the hostels was

increased to R340. Women will be entitled to three months maternity leave while male employees will have seven days paternity leave.

NUM negotiator Mr Frans Balem said the settlement was fair and crucial towards a stable labour environment.

The parties also agreed to deal with other issues over the next twelve months.

Meanwhile, the Johannesburg

Chamber of Mines has moved from its conditional offer of 9,5 percent to 10,5 percent.

The chamber has dropped its insistence on offering the extra 1,5 percent only if the NUM agrees on Sunday work.

This move has put JCI in line with the rest of the major gold mining houses at the Chamber negotiations.

Only Goldfields has refused to discuss broad banding.

Protester 'wounded in march'

JOHANNESBURG: A woman was wounded when a single gunshot was fired into a crowd during a march organised by the National Union of Mineworkers (NUM) yesterday, an Anglo American Property Services (Ampros) manager said.

"As far as we can gather a single shot was fired into the marchers by an external party or member of the public and a woman was wound-

ed," Mr Piero Farina said.

The NUM members had marched on the Ampros offices here to present a memorandum protesting against the company's plan to hire contractors and its suspension of an employee before a disciplinary hearing, he said.

Mr Farina said the company would continue its negotiations with NUM to resolve the dispute.

(211) ET 25/8/95

Gauteng police spokesman Warrant-Officer Andy Pieke said he had received no information on the shooting but said police would investigate the report.

A NUM spokeswoman could not immediately confirm that a woman marcher had been wounded, and had no details of a shot being fired during the march —
Reuter

JOHANNESBURG
11

Mining boom hinges on wage outcome

BY DEREK TOMMEY

MINING EDITOR

Wage negotiations in the gold mining industry are attracting avid global attention as a successful outcome will greatly increase the attractiveness of gold shares and stimulate the economy

The mining houses and the Chamber of Mines receive phone calls every day from foreigners as far afield as the US, Europe, Hong Kong and Japan, inquiring about progress. Interest on the local front is even more intense.

Success in the negotiations could trigger a gold-mining boom that would boost profit and create

thousands of new jobs

The unions appear to see the negotiations as being mainly about pay. But the hard-pressed mining industry see them as being about ways to significantly increase mining efficiency.

Production

For the past few years the gold mines have been squeezed increasingly between rising costs and a flat gold price.

As a result, large quantities of gold-bearing ore have become unprofitable.

This has resulted in gold production dropping sharply, retrench-

ments, reduced profit, mine closures and threats of further closures.

The industry's aim is to end its predicament by getting the unions to agree to more efficient mining methods to be negotiated in on-mine agreements.

The industry and the unions have moved fairly close on these matters and, in spite of mixed signals from the National Union of Mineworkers, some observers suggest a final agreement between the industry and the mining unions might be just a "push" away.

What the industry wants is "full calendar operations", known as fullco.

This means being allowed to

CT(BR)25/8/95 (211) (214)
operate 365 days of the year instead of the present 287 days

Inefficient

"But we do not intend just continuing to operate with the current inefficient methods for an additional 78 days of the year," said John Brownrigg, the head of gold operations at JCI.

The aim is to improve mining efficiency on a 24-hour basis by working continuous shifts and blasting twice a day.

Mining analysts said that if the industry got the concessions, bottom-line earnings of some mines could rise by about 25 percent.

MINING WAGES (211)

Late hitches

FM 25/8/95

All but clinched a week ago, this year's wage agreement between the Chamber of Mines and the National Union of Mineworkers (NUM) hit last-minute snags this week, just as the union's formal acceptance of the chamber's final offer of a 10,5% rise in gold mining wages and 11,5% at collieries, was awaited

The hitches are "bits and pieces" supplementary to the main deal, according to the chamber, and affect Duiker colliery, which has refused to agree to the appointment of full-time safety stewards, and Gold Fields of SA (GFSA), which is opposed to the general agreement on "broadbanding" the lowest wage category, grade one, into grade two, thereby increasing the minimum wage. GFSA has instead proposed an adjustment of the grade one wage.

Chamber negotiator Frans Barker, who held talks with NUM general secretary Kgalema Motlanthe on Tuesday, says however that "the gap is so small that I am sure an agreement is possible"

NUM spokesman Judith Weymont says the union is basically ready to settle, but won't let go of Duiker and GFSA "even if it means taking the dispute out of the chamber," and holding strike ballots at those two mining houses.

"We are determined to continue putting pressure on them"

Negotiators were reporting back to their principals on Tuesday, ahead of an expected announcement this week ■

Miners sign milestone accomodation package

Renee Grawitzky (211) AD 28/8/95

AN AGREEMENT providing for worker participation in accomodation issues on and off mine premises and allowing for mine workers to choose the type of accomodation they want, has been reached between the National Union of Mineworkers (NUM) and Gengold.

The housing and accomodation agreement covering 35 000 workers on 11 Gengold mines was formally signed on Friday. It provides for the establishment of elected hostel residents' committees, joint housing forums and a central Gengold housing forum.

The agreement acknowledges that mine workers "have been subjected to poor accomodation facilities due to the migrant labour system, as well as to certain legal constraints which were previously applicable to migrant workers". In line with this the agreement, unlike other housing agreements in the mining industry, undertakes to assist foreign workers to obtain citizenship "to be able to participate in national, regional and company housing initiatives".

Albert de Beer of Gengold said the agreement would facilitate the education of workers and the dissemination of housing information. He said workers had been found to be ignorant about options and the issues involved in home ownership.

Gilbert Mphahlele of Num said "We have fought long and hard for this agreement and we now have to ensure that it becomes practice on the ground and has a real impact on workers' lives."



ists to exhibit at the zoo, paints
Picture. NICKY DE BLOIS

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Evidence of accidents at Vaal Reefs

Renee Grawitzky (211) 28/8/95

A NUMBER of documents outlining lists of accidents were presented as evidence on Friday at the Vaal Reefs inquiry.

One accident involved "rolling stock" which fell down shafts and other reported accidents involved all tracks and trammig on Vaal Reefs as well as other mines.

National Union of Mineworkers counsel Karel Tip questioned Hennie Woods, the safety officer at No 2 shaft, about accidents that had occurred at the mine involving cars falling down shafts.

Tip focused on an accident in 1992.

Woods said in reponse to a question by Tip that the

safety devices on 56 level were sufficient for hand trammig and not for power locomotives.

Woods also agreed that the safety philosophy on the mine was that power locomotives would not enter the shaft because they were forbidden to enter the station area.

Woods said each person should be responsible for his own safety.

There were also people who monitored safety. Woods said accidents had occurred after objects had fallen down shafts.

When the locomotive at 56-level fell to the shaft bottom on May 10, detached wheels and damaged battery cells apparently struck the Mary Ann cage at 62-level station injuring employees in the cage.

A document listing nine employees who were injured was also presented as evidence.

Most of the employees suffered from neck and head injuries and burns from the battery acid.

At the beginning of proceedings on Friday, Woods presented evidence about what the driver of the locomotive allegedly said after the accident.

Woods alleged that Mpotha said locomotive 26B was not working and climbed inside locomotive 54B to move it.

Counsel for the driver Alec Freund said this was incorrect as there was nothing wrong with locomotive 26B.

The proceedings continue today.

Gencor AIDS toll one a day

Kathryn Strachan

THIRTY workers at Gencor were dying of AIDS each month, chairman Brian Gilbertson said on Friday

Gencor's medical personnel had estimated that about 20% of the workforce of about 100 000 on its gold, platinum and coal mines were infected with the HIV virus. The figure was probably higher in Richard's Bay where the company had significant investments.

"We are very concerned," he said. "It actually hits home when people working for us are dying at this rate."

There was also a marked increase in

tuberculosis sufferers, a rising number of whom were HIV positive. This increased the cost of treatment and would have a significant effect on health services

"The loss of these skilled people will eventually impact on companies and on the national economy the losses are growing," he said.

Gilbertson said Gencor ran awareness programmes, but these seemed to have been no more successful than they had been elsewhere.

"The question now is how to deal compassionately with the numbers that will

Continued on Page 2

AIDS

Continued from Page 1

become sick and with their dependants," he said. "We don't have any perfect solutions, but we are trying to develop an integrated and comprehensive approach."

AIDS was emerging as a far more life-threatening factor than mine accidents. Pre-employment screening had not been proposed, he said. In any case it did not address the basic problem and the existing infection in the workforce

The government health department's HIV/AIDS programme director Quarrasha Abdool Karim said that with the introduction of HIV infection into SA in about 1987, and with about 2-million people infected, it was not surprising that the country was now starting to see people dying of AIDS-related diseases

Migrant workers and their spouses were three to five times more at risk of HIV infection, she said. Social conditions on the mines such as single sex hostels, the presence of prostitutes, and the distance from a stable family life, all placed migrants at greater risk.

She said despite the high levels of infection, there was still potential for intervention such as awareness programmes and

condom distribution. The problem with awareness programmes in the mining industry was that they had been imposed by management and had not been implemented in consultation with workers — and were therefore viewed with suspicion

An integrated approach and a programme which was sensitive to workers was needed, she said

Kevin O'Grady reports that Cosatu assistant general secretary Zwebnzima Vavi said on Friday that companies responsible for housing labourers in hostels should pay for their medical treatment when they became infected with AIDS and should compensate their families for lost income.

He was addressing a Chemical Workers' Industrial Union conference on health, safety and the environment

The time had come for Cosatu to make a "decisive intervention" on the AIDS issue because "thousands of our members and members of society are on a daily basis being infected with this disease", he said.

"The cruel and inhuman bosses who enjoyed the benefits of apartheid's migrant labour system, single sex hostels and influx control are now turning their backs on the consequences of the life they imposed on workers," said Vavi

Chamber, NUM agreement over wages

The Chamber of Mines and the National Union of Mineworkers (NUM) finally reached agreement on the improvement of wages and other conditions yesterday, ending almost three months of intensive bargaining.

Most importantly for the employers, the deal will see full calendar operations - including Sunday work - become a reality, hugely improving productivity.

The workers, on the other hand, will see their demand for broadbanding - reducing the number of grades at the bottom of the salary scales and improving wages of the least paid workers -

being implemented, except at Gold Fields.

Basic wages on most gold mines would increase by 10,5% and on coal mines by 11,5%. The increase at Anglo American Gold, which responded more favourably to union demands for broadbanding, will be 10%.

It was also agreed in principle to have full-time safety representatives, especially in the light of recurrent disasters on the mines.

NUM chief negotiator Ikaneng Matlala said the union was particularly pleased by the move towards broadbanding, in terms of which minimum wages in the

lowest categories would be increased by between 18 and 24%, phased in over six months.

At du Plessis, representing the chamber, said the employers were pleased that the union had agreed to Sunday work and to allow agreements at mine level, making it possible to operate for seven days per week. "The full calendar operation agreement is very important because wage increases will be funded out of increased productivity. We hope to be able to utilise our assets much more productively."

He said another important achievement for the chamber was

the agreement on two-tier bargaining, in terms of which wages and conditions of employment will be negotiated at chamber level while organisational, operational and workplace issues are handled at mine level.

The parties agreed certain procedures and principles would be adhered to whenever members of the chamber considered subcontracting some of their services. These include that mines undertake to advise NUM representatives of new subcontracting plans and regularly to disclose relevant information - Staff Reporter

(211) Star 6/9/95

NUM and mining houses agree on wage increases (211) and Sunday work

The Argus Correspondent *AR 6/9/95*

JOHANNESBURG — The Chamber of Mines and the National Union of Mineworkers (NUM) finally have reached agreement on the improvement of wages and other conditions, ending almost three months of intensive and often acrimonious bargaining.

Most importantly for the employers, the deal will see full calendar operations — including Sunday work — become a reality on the mines, hugely improving productivity.

The workers, on the other hand, will see their demand for broadbanding — reducing the number of grades at the bottom of the salary scales and improving wages of the lowest-paid workers — being implemented, except at Gold Fields.

Basic wages on most gold mines would increase by 10,5 percent and 11,5 percent on coal mines. The increase at Anglo American Gold, which responded more favourably to union demands for broadbanding, will be 10 percent.

Another important development is the agreement in principle to have full-time safety representatives, especially in the light of ongoing disasters on the mines.

Ikaneng Matlala, the chief negotiator for the NUM, said the union was particularly pleased by the move towards broadbanding, in terms of which minimum wages in the lowest categories would be increased by between 18 and 24 percent, phased in over six months.

St Helena pays less, but it is worthwhile for workers

(211)

Michael Urquhart

A LOWER basic salary for workers and a concentration on incentive bonuses has allowed mature Free State mine St Helena to operate in previously uneconomical areas, creating 600 jobs and re-employing people who had been retrenched from the mine

The incentive scheme, which focuses on face advance achieved, applies to workers in a new contracting company, Creation Mining, which is a wholly owned subsidiary of St Helena

St Helena general manager Mike Fischer said paying a lower basic salary and higher incentive bonuses allowed Creation to mine lower grade areas which had not been economically viable at the higher fixed salary rates

The incentive bonus system had seen an increase in the productivity of Creation workers. Whereas the average face advance for the mine was 9,5m a month, Creation was achieving an aver-

age face advance of 12m a month. This could increase even further as the teams settled down and got to know each other

Local unions had given their full support to the scheme because of the number of jobs created. The concept had allowed the mine to create jobs in an industry which was tending to shed them

Fischer said conditions of employment also tended to be better for Creation workers than for other contract labour. As part of the agreement with the unions, Creation workers were drawn from former St Helena employees who had been retrenched when the mine cut its workforce in 1992

Creation was used on the low grade incline at the No 4 shaft, and workers there were paid slightly less than half what other mine workers would earn. Based on the incentive bonus scheme, the Creation workers could increase their earnings, sometimes to the point where they received more than their counterparts on

other areas of the mine

The incentive scheme was based on a mining team of 11 people. The team would consist of one team leader and 10 others, and would be responsible for all the operations on the panel. Their incentive was then based on the amount of face advance that they achieved each month

It was up to the team to select its own leader, and if the team felt it could do the job with fewer members, then it could elect to reduce the numbers in the team and divide the bonus among the remaining members

Multiskilling was an important part of being able to form flexible teams which could maximise their output. Whereas previously each mine worker had a specific job, such as rock drill operator or sweeper, they were now trained to do all the tasks

Fischer believed the system would have to be increasingly used as SA mines matured and ore reserves were depleted

Mining industry agreement signed

Renee Grawitzky

THE wage deal signed yesterday by the Chamber of Mines and the National Union of Mineworkers (NUM) includes Gold Fields on all issues except broad banding, despite last-minute attempts to reach agreement.

Gold Fields has refused to be party to the clause relating to the collapse of the lowest job category into the next one up. The NUM has reserved its right to pursue Gold Fields' exclusion and could still launch strike action if this was decided on by members.

NUM assistant general secretary Gwede Mantashe said that despite Gold Fields, the union was comfortable with the agreement, which provided for all stakeholders to commit themselves to keeping the industry viable. Chamber negotiator Frans Barker said the agreement set the basis for attending to this.

Wage increases on gold mines range from 6% to 10,5%, with 11,5% for collieries, and JCI granting 10,5% plus an additional 1% payable on the conclusion of mine level agreements on full calendar operations.

Gengold and the union had agreed to "develop jointly an appropriate bonus scheme" which would reward workers for increases in production.

806/9/95 (211)

At the outset of negotiations the chamber put forward demands relating to full calendar operations and two-tier bargaining, considered crucial to the viability of the industry.

The parties agreed to establish a working group to review section 9 of the Mines and Works Act, which restricted Sunday work.

Pending the outcome of these negotiations and the proposed amendment, parties have the option of entering mine-level arrangements on full calendar operations.

The agreement provided for wages negotiated at chamber level and issues relating to workplace and organisation restructuring to be negotiated at mine or company level.

Subcontracting, which had been a source of much conflict, has been dealt with, with the parties agreeing to procedures.

The agreement covers issues relating to paid time off for shaft steward training, the election of full-time safety representatives — except at Duker, which had not agreed to this — nondiscriminatory employment practices, holiday allowances, accommodation, extension of an income security pact and employers' agreement to bear the cost of the increase in contributions to the Mineworkers' Assurance and Benefit Scheme.



Smiles all round after the 1995 Wages and Conditions and Employment Agreement between the Chamber of Mines and the NUM was signed in Johannesburg yesterday. From top right are chamber chief negotiator Frans Barker, collieries representative Derek Wiggill and NUM Highveld representative Frans Mahlangu. Bottom, from left, are chamber vice-president At du Plessis, NUM Free State chairman Director Matlala and NUM general secretary Kgalema Motlanthe.

Picture ROBERT BOTHA

Accord on miners' pay

(211)
for 7/9/95

Impala Platinum and the National Union of Mineworkers have struck an agreement for a pay rise, the company said yesterday.

The package amounted to 10,6%, including basic wages and housing loans.

The company's contribution to NUM members' provident funds will be increased by 2%, in terms of last year's pay accord.

Management and the union are to appoint a joint committee to recommend a financing scheme for employee housing and make suggestions on job grading and productivity incentives.

Sapa

Balloting of NUM members nears completion

Renee Grawitzky

(211)

BD 18/9/95

THE balloting of 6 000 members of the NUM at De Beers diamond mines will be completed this week. The majority have been balloted, with the exception of Finch mine in the Northern Cape.

An NUM spokesman in the Kimberley region said indications were that members supported strike action to back up wage demands. He said the

union was also facing overwhelming pressure from non-union members who wanted to participate in strike action if it took place.

The parties deadlocked over pay, with the company offering 10% on wages covering all mines excluding Venetia, while the union wanted this offer to cover Venetia.

The reduction of holiday leave also proved to be a stumbling block.

Majority of white miners, artisans threaten strike action

Renee Grawitzky

MORE than 80% of white miners and artisans voted in favour of strike action in the mining industry, to force the Chamber of Mines to improve its wage offer and to show opposition to the introduction of full calendar operations

Fred Bond of the white Mineworkers' Union (MWU) said more than 20 000 Council of Mining Unions members voted for

BD 18/9/95
strike action, and against a seven-day working week

Bond said that following the collapse of the Council of Mining Unions, the MWU would proceed with further talks with the Chamber of Mines this week to try to reach an agreement

The Council of Mining Unions, which included the MWU and the Federation of Mining Unions (FMU) collapsed when the MWU withdrew from the coalition

(211) (18)
Within the FMU a new union — the National Engineering Trade Union — was formed after the merger between the SA Boilermakers' Society and the Amalgamated Engineering Unions of SA. It is unclear whether this union has broken away from the FMU

The Chamber of Mines confirmed it is currently meeting separately with the MWU and the FMU, to try to resolve the continuing wage dispute

Clause maintains mine apartheid, says union

(211) BD 20/9/95
Renee Grawitzky

A "SUNSET clause" providing for a two year phasing out of the closed shop arrangement between the Chamber of Mines and skilled mineworkers' unions has led the National Union of Mineworkers (NUM) to declare a dispute with the chamber

The union has rejected the clause as perpetuating racial discrimination on mines and depriving workers of freedom of association and choice. The chamber has said it is currently seeking clarity from the union as to the character of the dispute

Having failed to reach agreement after years of negotiation, the chamber in March unilaterally notified the Council of Mining Unions and the three mine official associations of its intention to cancel the closed shop arrangement with effect from July 1.

The arrangement historically benefited white skilled mineworkers' unions, as classes of white workers were compelled to belong to specific unions

In terms of the cancellation of this arrangement, the chamber agreed to a "sunset clause" It provided that until June 1997 workers covered by the closed shop arrangement would have to remain members of the union designated by the arrangement — but at the same time could join a union of their own choice If workers joined another union during this period they could only be represented in individual disputes, not in collective bargaining.

The NUM claims this clause maintains the status quo with the racist closed shop arrangement. Assistant general secretary Gwede Mantashe said mines wanted to perpetuate racial discrimination.

Chamber spokesman Frans Barker said the sunset clause was a phasing out of the closed shop arrangements, "aspects of which are discriminatory"

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Wage talks

THE National Union of Mineworkers (NUM) and the Durban Rondeport Deep mine began negotiations at the weekend.

The mine, previously owned by Raud Gold has been a marginal mine for several years and faced closure last year. The mine was saved after the Fraser Alexander mining group offered a rescue package.

Brief: Sangwato
(21) SA 26/9/95

Mines to negotiate work on Sunday

Renee Grawitzky

BD 28/9/95 (211)

THE Federation of Mining Unions (FMU) has agreed to discussions with the Chamber of Mines to review legislation relating to the prohibition of Sunday work, designed to facilitate the introduction of full calendar operations in the mining industry.

This forms part of a wage agreement, signed yesterday between the chamber and the four unions belonging to the FMU, covering 11 000 employees, mainly artisans.

The FMU incorporates the Amalgamated Society of Wood workers, the Amalgamated Union of Building Trade Workers, the National Employees' Trade Union and the SA Electrical Workers' Association.

Providing for a 10% increase 10,5% on gold mines and 11,5% on col-

lieries — the agreement does not include more than 6 000 members of the all-white Mineworkers' Union. The MWU is still in dispute with the chamber about its refusal to enter into discussions on the matter of removing the Sunday work restriction. The agreement also provides for two-tier bargaining, with specific issues being negotiated at chamber level. These include basic wages and issues relating to "organisational, operational and workplace" sectors. The agreement provides that issues bargained at the chamber level will not be bargained at mine or company level.

The FMU said members had decided to review their position and had agreed to sign the wage agreement despite the ballot earlier this month when they voted overwhelmingly in favour of strike action.

Retrenchment costs led to bigger losses

Michael Urquhart

(211) 190 28/9/95

LARGE retrenchment costs during the year saw marginal gold mine Blyvooruitzicht, which is part of the Randgold stable, increase attributable losses for the year ended June to R34m from the previous year's R21,9m loss.

However, a change in management had seen some improvement in the mine's fortunes, with the company reporting its first working profit in nearly two years in the June quarter. An imminent merger with neighbouring Doornfontein also showed promise for the future.

Blyvoor said the proposed merger, due to take effect at the end of next month, would provide the mine with reserves for the next eight to 10 years at current gold prices. It would also result in reduced working costs and a lower pay limit.

The merger would improve gold plant utilisation, enable the company

to sell excess assets and reduce its future capex requirements.

The first task of the company's new management had been downsizing the mine, as a shortage of ore had necessitated a downscaling of operations. This in turn had cost R20m in retrenchment costs.

It had also seen a 22% fall in gold produced over the year, although overall running costs had been cut by 40% since the start of the year.

In terms of the merger plan, Blyvoor would issue 20-million shares in exchange for the entire issued share capital of Doornfontein.

Blyvoor chairman Lionel Hewitt said that after the merger the mine would still remain finely balanced between cost containment and grade control. "We should not underestimate the challenges that lie ahead. But the remarkable achievements of the year give us grounds to believe that these challenges will be met."

R2,5m approved by govt to train mine inspectors

Renee Grawitzky

BD 28/9/95 (211)

MINERAL and Energy Affairs Minister Pk Botha announced last night that the Cabinet had approved a R2,5m-a-year project initiated by the department to appoint and train 50 mine inspector candidates over a three-year period in an endeavour to address the shortage within the mine inspectorate.

Botha said: "The present shortage of mine inspectors limits the Government Mining Engineer Division's ability to supervise and control mine safety and health."

Acting government mining engineer Dick Bakker said the project was "a move in the right direction".

The 50 people being employed as assistant inspectors would after three years training be able to measure environmental conditions underground.

He said this did not, however, resolve the problem of attracting young mining engineers to be employed as mining inspectors who demanded market-related salaries.

He said the Public Service Commission was extremely reluctant to assist and pay higher wages to inspectors.

Bakker said: "If the state wants a say in mine safety it has to ensure that conditions are prevalent to maintain safety underground."

The insufficient resourcing and funding of the mine inspectorate was highlighted in the Leon Commission recommendations released this year. At the time the commission said good legislation could be effective only if an adequate enforcement agency was in place.

This issue was also highlighted during the drafting of mine health and safety legislation, and the restructuring of the government mining engineer's mine inspectorate in line with the recommendations of the commission

□ Five mineworkers died in a methane explosion on Tuesday night at Elandsrand gold mine near Carletonville.

Anglo American spokesman James Duncan said seven workers were injured, three critically and one seriously.

The explosion occurred at about 11.30pm in a stope on 88 level, about 2 500m below the surface.

Duncan said it was unclear what caused the methane to ignite after workers detected the presence of the gas.

The National Union of Mineworkers claimed last night that mineworkers had warned the mine of the dangerous levels of methane before the accident happened, but they were told to go back to work.

Representatives of the mine, the NUM and the Government Mining Engineer went underground yesterday morning for an inspection in loco.

Bakker said he was able to measure methane levels which were still dangerously high and evaluate the ventilation conditions which were within the legal standards.

He said because of the high methane levels the inspection in loco had been postponed until early next week.

Duncan said production in a section of 88 level where the accident occurred had been ceased entirely.

New mine wage agreement

(211) Star 28/9/95

A 1995 wage agreement signed by the Chamber of Mines and the Federation of Mining Unions (FMU) yesterday has secured wage increases of 10,5% for gold miners and 11,5% for colliers

The chamber said in a statement that the agreement covered about 11 000 employees, mainly artisans, and left only the Mineworkers' Union with about 6 000 members outside the ambit of improvements in wages and conditions of employment on chamber member mines

FMU chairman Johnny Piet-

erse said yesterday there had been concern on the union's part that, against the backdrop of agreements being signed with other trade unions in the mining industry, "we might find ourselves out in the cold"

This had prompted members to review their positions despite an earlier strike ballot

The chamber's negotiating team chairman Derek Wiggill said "common sense had prevailed"

The agreement commits parties to participate with other rep-

resentative bodies in the mining industry in negotiations aimed at enabling the industry to work full calendar operations. It also covers formalising a two-tier bargaining system

The FMU incorporates the Amalgamated Society of Woodworkers, Amalgamated Union of Building Trade Workers, National Employees' Trade Union and the SA Electrical Workers' Association. Negotiations between the Chamber of Mines and the Mineworkers' Union were continuing

- Sapa

Better mining the aim

(211) CT 29/9/95

JOHANNESBURG· The National Union of Mineworkers launched its policy yesterday "for a non-discriminatory, efficient and prosperous mining industry in SA"

The policy aims to eliminate racism in the industry and promote fair wages and working conditions for miners — Sapa

NUM releases paper on its mining policy

Renee Grawitzky
and Michael Urquhart

(211) BO 29/9/95

THE National Union of Mineworkers yesterday released a mining and minerals policy document concentrating on people-related issues such as racial discrimination, mine downscaling and worker access to more meaningful ownership of mines and safety.

NUM assistant general secretary Gwede Mantashe said the document differed from those published by the other stakeholders in the industry in that "our policy is people-based as opposed to rock-based"

The document is the NUM's contribution to the continuing ongoing minerals policy debate. The ANC, employers and the mineral and energy affairs department have already published documents which set out their approach to minerals policy, he said

A public meeting on the minerals policy process is scheduled for today to allow stakeholders outside the current tripartite group to bring up issues and comment on the debate

Mantashe said the government needed to intervene in the industry, which should not necessarily be left to market forces. For example, companies which owned mineral rights which either had not been developed over a long period should be taxed or have them taken away.

He said mineral rights "should be opened up", not be kept in the hands of a small group of conglomerates.

Poison claims at vanadium mine

(211) WM 29/9-5/10/95

Molefe Matlou

WORKERS at the remote Vametco mine, which produces vanadium on the outskirts of Brits in the North West Province, say they and their kin in surrounding rural settlements are being poisoned by the mine, and that 10 former workers have already died.

"We heard of workers dying, children and old people becoming ill from mine dust blowing into their homes and 'poisoned' underground water," says a newsletter of the Environmental Justice Networking Forum (EJNF) published after the organisation's officials visited the area to investigate the claims

"Just days after we interviewed Mr Albert Modibela (64), he died in the Garankuwa hospital with the same bleeding symptoms as eight other former Vametco workers before him. Mr Modibela had a history of vanadium-related health problems and was offered early retirement by the mine in 1990"

Ironically, Vametco mine used to be owned by American multinational Union Carbide, the company that was responsible for the Bhopal disaster in India in 1985 that killed more than 200 people.

The National Union of Metalworkers (Numsa), which organises at the mine, charges the company has a history of refusing to co-operate with the union around collective bargaining as well as health and safety issues, and that in the past it made use of the fact that it was located in Bophuthatswana to avoid dealing with the union.

Vametco's management was unable to comment on the allegations when approached by the *Mail & Guardian*, saying its managing director, Hen Enslin, was the only person allowed to speak to the media and was abroad this week. However, a briefing document produced by the company claims vanadium is a fairly harmless substance that has no major health and safety dangers

"Allegations have been made that, due to our earlier association with Union Carbide, our plant and operations can cause an incident with catastrophic results like what happened in Bhopal in 1985," says the report.

"The Bhopal process was a chemical process. At Vametco these chemicals are not used. The chemicals used

at Vametco like soda ash and amsul are safe to use and cannot cause explosions. The most dangerous chemical we use is sulphuric acid. This acid is used in many industries and, when handled correctly, can be used safely"

The Vametco document adds that there is no record worldwide of any worker who has suffered permanent health damage because of exposure to vanadium, let alone death

But according to Dr Mark Colvin of the Environmental Law Alliance Worldwide, scientific articles show that workers exposed to vanadium salt experienced a green discoloration of the tongue. Severe respiratory tract irritation occurred in at least 74 of 100 boilermakers after exposure to vanadium fumes. Wheezing, rales and hoarseness were found in workers by physicians. One patient continued to wheeze eight weeks after his last exposure.

The information also indicated that workers exposed to the mineral for a few days developed irritation of the conjunctivae, dryness of the throat, pneumonitis and asthma.

A medical examination conducted in 1992 by the National Centre for Occupational Health (NCOH) at the request of the Legal Resource Centre in Pretoria on 67 former workers of the mine indicated that 41 of them reported chest pain, bronchitis or asthma and one of them had cancer of the larynx.

Workers also complained of wheezing, dryness of the throat, discoloration of the tongue and lung problems. But the NCOH report stresses that the workers had been out of work for more than a year and, as a result, the symptoms could not be positively linked to conditions at the mine alone. NCOH officials say a larger study, focusing on workers currently employed at the mine, was necessary before hard and fast conclusions could be made about the plant's health and safety record

Louis Khompela, the chairman of the civic association at Mothotlung township some five kilometres from the mine, told the *Mail & Guardian* that the Vametco saga has negatively affected the whole community

"The dust blowing off the mine dumps makes children and old people ill, the community has seen what has happened to the workers and we are afraid," said Khompela.

Miners' union seeks big job changes

Star 2/10/95 (211)

■ BY JUSTICE MALALA
LABOUR REPORTER

The 325 000-strong National Union of Mineworkers has called for a new mining and mineral energy policy which will end racial discrimination, improve working conditions and ensure job security

Speaking at the unveiling of the union's proposals for a new policy for the industry, union assistant secretary-general Gwede Mantashe said given the oppressive history of the industry the rewriting of the mining and mineral policy of the country was of supreme

importance

The policy document, which will form part of a body of submissions from various groups which will ultimately be compressed into a white paper, also calls for a transformation of the mining industry to include workers in decision-making

The union proposes that affirmative action be adopted at every mine, that a workplace anti-discrimination Act should be passed and that the Department of Mineral and Energy Affairs should be transformed by an "appropriate affirmative action plan"

It also called for the setting of a minimum wage in specific sectors of the mining industry. Mantashe said the union demanded that in principle mineworkers should be paid the same or higher than manufacturing workers. At present mineworkers receive about 75% of manufacturing workers' wages despite being in the most dangerous industry in the world, Mantashe said.

On housing, the document says "The whole structure of mining towns and settlements must be altered to integrate workers into the local economy and to end the racially discrim-

inatory provisions that apply to black mineworkers. The long-term aim must be to end the migrant labour system."

The document also calls for the implementation of recommendations made by the Leon Commission into Health and Safety on the Mines.

It says there is "an urgent need to end the sterilisation of mineral deposits which companies own and do not develop. Mineral rights should be publicly owned and leased to companies. Leases should expire if the companies do not explore and develop the land leased to them in a reasonable time."

Impala, unions sign accord

Renee Grawitzky

~~2/10~~ (21th)
BD 3/10/95

IMPALA Platinum and four mining unions yesterday signed a health and safety agreement providing for the election of full-time health and safety representatives, paid time off for training conducted by unions and the right of workers to refuse to work in a dangerous workplace.

The signing, in Rustenberg, came one day after the commemoration of National Health and Safety Day. The NUM, the Underground and Surface Officials Associations and Mineworkers' Union signing, covers 30 000 workers at Impala.

The agreement shares responsibility for safety with the company acknowledging its "statutory responsibility and accountability for the occupational health and safety of all its employees", while workers are obliged to "take reasonable care for the health and safety of himself and of other persons".

Renee Grawitzky

THE National Union of Mineworkers has rejected the mineral and energy affairs department's selection criteria for recruiting mine inspector candidates to participate in their three-year cadet system because these criteria would not result in a representative inspectorate. **BD 4/10/95**

The union's health and safety co-ordinator Fleur Plimmer said the union welcomed Cabinet's decision to set aside R2,5m for human resource development and the training of candidates to resource the inspectorate.

She said the union was, however, concerned about the lack of sufficient consultation around the selection criteria of the candidates. Plimmer said the union had

NUM rejects selection criteria

been informed that cadets had to have matric maths and science. She said this largely excluded the union's membership from being considered.

She said the union did not want to lower the standard of the inspectorate, but consideration should be given to "people's experience and competence".

Acting Government Mining Engineer Dick Bakker said "If emphasis is not put on maths and science then the cadets on the three-year training course will not be able to pass the course".

He said this had been discussed with the union and the task was to ensure an effective enforcement agency and not merely to employ

(211) more people.

The union was also of the view that the inspectorate, when restructured, had to be more representative of the society at large and should be restructured as an independent juristic body funded directly from the state's budget and not approved through the Public Service Commission.

NUM assistant general secretary Gwede Mantashe said the various stakeholders had to be involved in the restructuring of the inspectorate.

Bakker said that restructuring would be in conjunction with the Public Service Commission and at "this stage there is no need for any third parties to be involved".

Workers reinstated (21)

MORE than 600 workers dismissed in September last year from the Loxton Exploration diamond mine near Kimberley had been reinstated after a favourable industrial court ruling, the NUM said yesterday

2011/09/15

Diamond miners will go on strike

Renee Grawitzky

(211)

206/10/95

MORE than 5 000 diamond workers will commence strike action at De Beers mines today — after the NUM initially called off its strike on Monday when the company tabled a revised offer on wages

NUM assistant general secretary Gwede Mantashe said workers had already started striking last night after a meeting with De Beers yesterday broke down

De Beers said the union appeared to be going out of its way to go on strike, and has claimed it renegeed on its commitments.

At a meeting on Monday the company agreed to extend the 10% increase on wages to cover Venetia. The company's previous position had been 9% plus a 2% merit increase which was reduced to 1% plus 10%.

The company said the 10% increase across the board was conditional upon the union agreeing to negotiate individual performance award systems for all mines by January 1996 with any outstanding issues being referred to arbitration

The union said last night the company "was purporting agreement on the elements of a merit award system even before negotiations commence"

COMPANIES

Miners' funds keep digging up value for the members

(211)
ST(BT)15/10/95

THE Mine Employees Pension Fund and the Mine Officials Pension Fund, two of South Africa's largest privately administered pension funds, with combined assets of over R21-billion, this week reported a return on total assets of more than 18% for the five years to June

The funds, administered by MPF Management Services, have more than 70 000 active members and 40 000 pensioners. The funds paid out R683,4-million to pensioners in the year to June

Barry Botes, chief executive of MPF Management Services, said he was pleased with the funds' investment performance. Almost 75% of both funds' investments were in shares, 15,5% in interest bearing investments and the rest in property

Mr Botes said returns for the year to June were lower than the previous year, largely due to a sluggish stock exchange performance. But an Alexander Forbes survey showed a combined one-year return of 9,2% by the funds compared with an average of 7,8% for funds with assets of over R2-billion

Over the five-year period, which Mr Botes believed was a more appropriate benchmark for long-term investment funds, the

By **MARCIA KLEIN**

Mine Employees Pension Fund showed an 18,7% return and the Mine Officials Pension Fund showed a return of 18,2%

Mr Botes was concerned about the large number of members who were opting for early retirement. During the year, more than 85% of members who retired did so before the normal pensionable age. There had been two "bad waves" of early retirement, one prior to the election and more recently due to a change in the tax act

MPF Management is keen to conclude some asset swaps, and the first deal should be tied up within the next six months

"We have been investigating asset swaps for some time and have gone overseas to reconfirm relationships"

But Mr Botes said he would approach asset swaps with caution. He said asset swaps should not be done at a discount and should comply with the same investment criteria which applied to local investments. He said that a problem could arise as swaps were done on the basis of reciprocity, "so if the other disinvests, we are forced to do the same"

Pressure has been

brought to bear on some pension funds to involve employees in decision making. Mr Botes did not foresee any problems in this area as there was equal representation of employers and employees on the funds' board of trustees

The board decided on investment policy and the structure of the investment, "but the actual decision to buy share A as opposed to share B is left up to management"

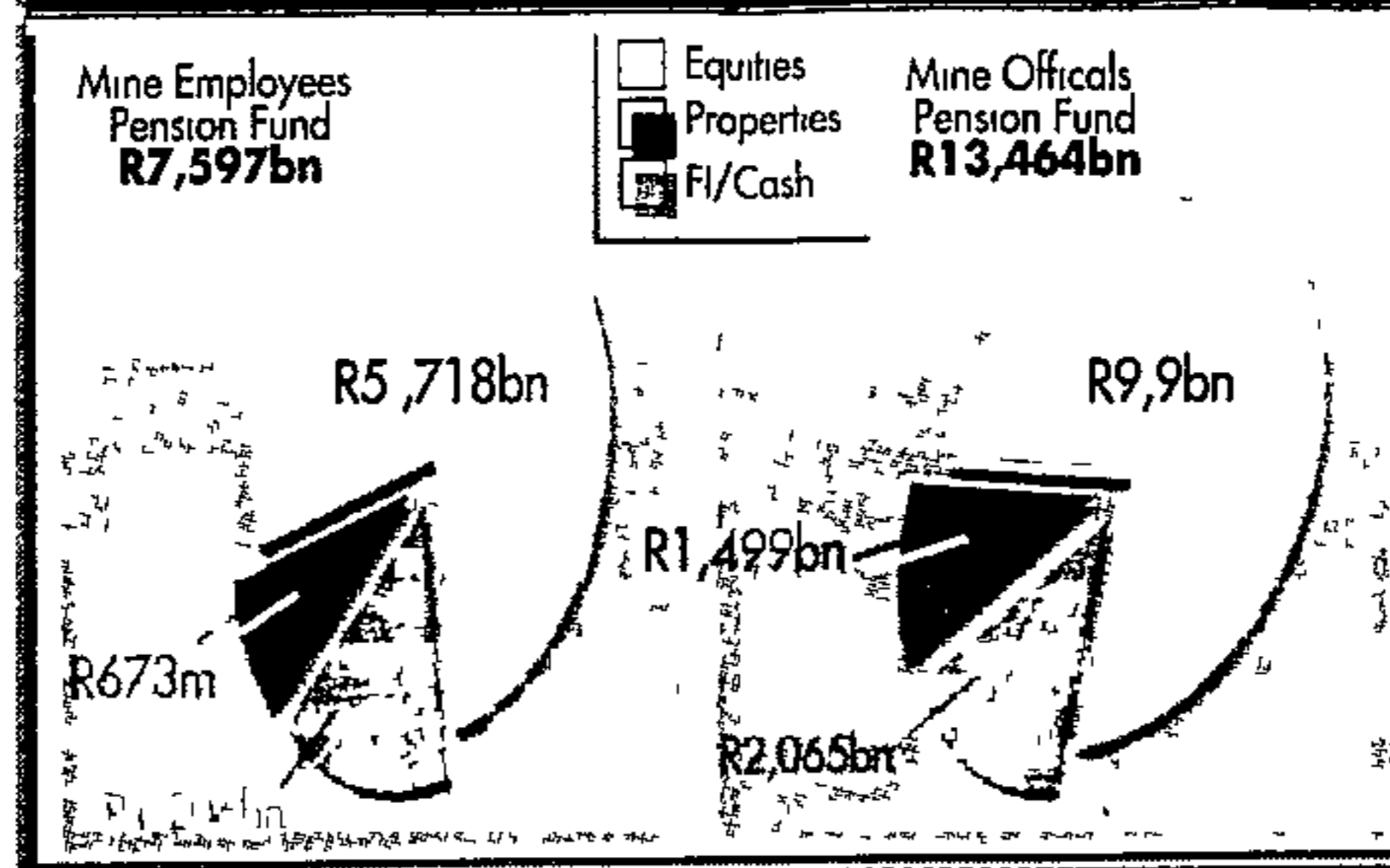
"The board of trustees should not be involved in operational decisions"

Employees realised that the benefits paid were directly related to investment performance

"The performance is the engine room of the benefits," he said

Mr Botes was pleased to see the reduction in the level of inflation. This downward trend, together with expected long bond rates of 14% to 15%, pointed to "an excellent real rate of return" for fixed interest investments

On the equity side, the funds would focus on companies generating income from abroad to reduce dependence on the local economic cycle. In line with an upswing in the property market, the funds had increased their exposure to property



Mine pension funds earn good returns ⁽²¹¹⁾

CT(BA)16/10/95 ~~(200)~~

STAFF WRITER

Two of South Africa's largest privately administered pension funds, with combined assets of R21,2 billion, have achieved above-average investment returns.

The annual reports of the Mine Employees Pension Fund (MEPF) and the Mine Officials Pension Fund (MOPF) show a five-year return to June this year on total assets, excluding direct property, of 18,7 percent and 18,2 percent respectively.

Barry Botes, the chief executive of MPF Management Services, which administers both funds, said that although investment returns were lower than last year both funds performed well.

This is especially so when their results are compared with the performance of other pension funds and with financial indices for the same period.

The Alexander Forbes retirement fund investment managers' survey at June 30 this year shows that the two funds' combined indi-

vidual year return of 9,2 percent compares favourably with an average return of 7,8 percent for fund managers with assets under management of more than R2 billion.

MPF Management Services was rated third out of 15 participating fund managers.

At the end of June this year, 74,2 percent of both funds' investments were in the share market and a further 15,5 percent in interest-bearing investments.

The combined property portfolios of the two funds stood at R2,2 billion, which comprised 10,3 percent of total assets.

Both funds have been in existence for more than 46 years. They jointly serve 70 000 active members and almost 40 000 pensioners.

Botes says present trends for continued growth should be good for the local stock market during the next six to 12 months.

However, he warned that grievances between business and labour should be earnestly addressed to create social and economic stability in South Africa.

Union rejects full calendar working

Renee Grawitzky

(211) BD 19/10/95

THE 'whites only Mineworkers' Union has refused to agree to full calendar operations and two-tier bargaining in the mining industry, but has agreed to the Chamber of Mines implementing an unconditional wage offer of 7,5% on gold mines and 9% on collieries.

Fred Bond of the Mineworkers' Union said the union was committed to the principle of "no work on Sunday as we respect Sunday as a religious day. This is the full and final mandate from our members."

The union advised the Chamber that it "cannot at this time bind ourselves to the principle of full calendar operations".

However, the union at the same time requested to participate in any discussion at company or mine level on the topic of full calendar operations.

Meanwhile the union has announced that following the one-day strike last week at Telkom, the union's members would march to the centre of Johannesburg tomorrow.

A union spokesman said workers were protesting against the company's scrapping of the merit system of promotion. Telkom could not be contacted for comment yesterday afternoon.

'This mine is far worse than prison'

CP 22/10/95

By JEFFERSON LENGANE

RACIST PRACTICES are rife at the Amandelbult Mine, a group of black mine workers claim in a memorandum delivered to the Anglo American Platinum Corporation (Amplants) last week.

The workers complain of being treated "worse than convicts" and allege that the mine is not implementing its affirmative action policy.

The memorandum, addressed to Amplants managing director Barry Davidson, was delivered by Amandelbult Concerned Workers organiser-in-chief Thapelo Rasebonang.

Davidson acknowledged receipt of the document and in

a written reply to Rasebonang said "The contents and allegations in your memorandum have been noted with concern and we wish to advise that all the issues referred to will be fully investigated and I will respond in due course."

Amandelbult is a section of the Amplants group.

In the memorandum workers claim a mockery is being made of the Amandelbult mission statement that "as part of the leading platinum producer in the world (we) will continue to improve in a changing environment by commitment to promoting mutual trust, enhancing self-esteem and dignity among all our employees for a common future".

Among the allegations made in the memorandum are that: "Convicts are treated far better than black workers are treated in this mine. Black workers work abnormal hours under very unsafe conditions and are treated as tools for production."

"Every day black workers are subjected to unfair disciplinary actions and many have been fired. Their grievances against their white counterparts and management are not resolved. This is not the case with whites, who go unpunished for serious offences."

"Black workers are prevented from job choice."

City Press has handed a nu-

number of stop order authorisation forms signed by workers for deductions to be made from their salaries on behalf of the National Union of Mine workers.

The workers claim management rejected the stop orders. The workers also claim white skilled workers are employed in greater numbers than blacks.

The workers claim that a George Sidaza who holds two degrees, one in social science and one in industrial relations, only earns R1 188 per month as a clerk but that whites with lower qualifications earn far higher salaries.

They complain that no black women are hired as secretaries

and clerks, only white women. The memorandum alleges that the mine's affirmative action programme is not being followed as there are no blacks in line for middle and senior management levels and no programme for blacks to be trained as potential managers.

There is no integration of whites and blacks in mine residential areas, the workers say.

"Even schools, transport and other facilities are separated by race."

It is also alleged management does not practise an "open door policy", but a policy of "do as I say or get fired".

The memorandum calls for the removal of 10 mine managers, named as "oppressors"



WE WANT AFFIRMATIVE ACTION ...
Amandelbult Concerned Workers
organiser Thapelo Rasebonang.

'Manager fired for appointing blacks'

CP 22/10/95

211

By DESMOND BLOW

FRIK VAN Rensburg - whose black workers allege he was dismissed as Materials Manager at Anglo American Corporation's Western Deep Levels because certain right-wing senior staff objected to his affirmative action appointments - was ordered reinstated in his job by the Pretoria Industrial Court last week

Van Rensburg (44), who will take up his position again on November 1, declined to comment to City Press this week

Van Rensburg, married with three children, was dismissed from his job after a disciplinary hearing. A number of his white subordinates had complained about his style of management - despite the fact that in the previous two years his "performance appraisal" by his seniors had shown he was well thought of and there were no adverse comments, except that he should be "more assertive"

Van Rensburg started working at Western Deep Levels on March 1 1992. He was in charge of 290 people - most of them black. He was discharged on July 14 1995

The Industrial Court found it unfair that during the disciplinary hearing the chairman had permitted "24 anecdotes" against Van

Rensburg by Western Deep Levels witnesses - but had restricted Van Rensburg's witnesses to only five, when he had wanted to call 200 fellow-worker witnesses who would vouch for him in his job

"Van Rensburg was deprived of his fundamental right to call witnesses to refute the allegations brought against him," said GD Maytham, delivering the ruling

Most of van Rensburg's potential witnesses were black - whereas all of Western Deep Levels' witnesses were white

The chairman of the disciplinary hearing found against Van Rensburg. Van Rensburg appealed against the verdict, but was unsuccessful

However, after being forced to leave his job and his house, he took the matter to the Industrial Court

The Industrial Court found that the hearing had been unfair because the chairman had decided Van Rensburg's version lacked credibility without hearing the evidence in favour of Van Rensburg from his witnesses.

The court also found there was good substance in the submission by Van Rensburg's counsel, Advocate Paul Kennedy, that Van Rensburg's immediate dismissal was not appropriate because the only complaints against him related to incompatibility

Kennedy had pointed out that normally an employer is called upon to first attempt to resolve such a problem before resorting to dismissal, but this had not been done in Van Rensburg's case

"On the facts before me I conclude that the dismissal has been procedurally and substantively unfair," said Maytham

He ordered Western Deep Levels to reinstate Van Rensburg in his employment on conditions no less favourable than those which pertained immediately prior to his dismissal on November 1 1995

■ Potential witnesses who had expected to be called to give evidence in favour of Van Rensburg, but were not called, told City Press that since he had left his job "affirmative action and the initiative to remove racism and discrimination has all but failed in the West Rand Region where Van Rensburg was employed"

In a document faxed to City Press it is alleged that "several black employees at Western Deep Levels and Elandsrand are incensed at Anglo American Corporation's handling of the matter

■ James Duncan, Public Affairs Manager of the Gold and Uranium Division of Anglo American, said that as Van Rensburg was currently involved in litigation with Western Deep Levels, Anglo American preferred not to comment

Some of them had abused the organization's campaign funds and party would be welcomed back into the party.

McDonald's wins right to appeal judgment

Stephané Bothma

BO 25/10/95

PRETORIA — McDonald's has been granted leave to appeal to the Appellate Division against a Transvaal Supreme Court ruling which expunged the hamburger chain trademarks from the SA trademark register. Judge Brian Southwood on October 5 rejected an application by McDonald's for an interdict preventing two businessmen trading as Joburgers Drive-in Restaurant and Dax Prop from infringing its trademark. However, Southwood yesterday granted McDonald's leave to appeal against his earlier decision.

Cedric Pucrin SC, representing McDonald's, argued the judge had erred on 56 points in his earlier finding against the international fast food franchise. Pucrin argued that Southwood had wrongfully ruled that the trademarks incorporating the word "McDonald's" were not well known in SA. He argued that a market survey, ruled not admissible, showed that most of the people interviewed had been aware of the trademark "McDonald's" in relation to fast food services, and should have been accepted as evidence.

Pucrin said the judge had been wrong to ignore all the important questions as to why Joburgers would wish to appropriate numerous trademarks used by McDonald's. The court should have found the use of the trademarks in SA by Joburgers and Dax Prop would be likely to cause deception and confusion.

"The court should have found that special circumstances, such as sanctions against SA, excused McDonald's non-use of its trademarks for a number of years," Pucrin argued. He said the court should have found that the McDonald's corporation had a bona fide intention of using its trademark in SA.

After the ruling McDonald's said that in the interim its trademark remained registered and that plans to open the first two outlets next month were proceeding.

It is not known when the appeal will be heard.

School in Johannesburg yesterday on the casino riot in which he proposed a set of rules for coping with crime. Pictures ROBERT BOTHA

Schools turn to debt collectors

Ingrid Salgado

THERE had been an increase in the use of debt recovery agents in the last year by schools, universities and technicians wishing to recover academic and residence fees, Association of Debt Recovery Agents chairman Frank Thurman said yesterday.

This was probably due to the high cost of legal action to recover debt while agents worked on a "no recovery, no charge basis", Thurman said.

The schools making use of agents were primarily Model C schools while an increasing number of large tertiary institutions were using them. They included Durban-Westville University, Zululand University and ML Sultan Technikon in KwaZulu-Natal.

Thurman said more professional people were becoming involved in school governing bodies and were looking at more cost-effective means of recovering payments.

A leading Durban Model C school said it had taken the agent route because it was a cheaper option than taking legal action.

Education Minister Sibusiso Bengu's spokesman Lincoln Mali said the ministry supported the recovery of debt by tertiary institutions. The alternative was that the higher education system would collapse.

"The principle is one we support because we need to have fees paid for education to be sustainable," he said.

However, from next year government would assist students through the national loan and

He would not comment on Model C schools recovering debt since the schooling system was in the process of being restructured.

Debt recovery agents Procor Credit MD John Kirkham said most agents would refer cases of non-payment back to schools if parents or guardians provided valid reasons for not paying fees.

However, certain institutions were using agents that were not members of the association and did not prescribe to its code of conduct. Agents in the past had a poor image with credit granters.

The association worked closely with the Business Practices Committee to regulate the activities of its members, he said. Transgressions of the code would result in public investigation.

NUM considers enfranchising migrant workers

Renee Grawitzky

THE NUM was considering challenging government over the exclusion of about 200 000 migrant mine workers from voting in the local government elections, NUM president James Motlatsi said yesterday.

Motlatsi said "we have a right to take government to court, but at the same time we will use political pressure" to force the issue. He

said it would be unfortunate if government was pushed into a corner over the issue.

Government has decided that people not registered as voters will definitely not be allowed to vote in next week's poll.

Motlatsi said the union would fight for the right of mineworkers to vote in the same way that they were allowed to do so in the general elections last year.

He said an approach had been

made to the home affairs department to work out a programme for migrant workers to vote. Motlatsi said he thought there would be sympathy for the union's cause.

Motlatsi said the union was pursuing the demand for migrant workers to be granted permanent residence after having worked in SA for five years, in the same way that workers from overseas were granted residency. He said this should apply to all workers.

PREMIUM PROPERTIES LIMITED

Union in dismitte with

Union to sue govt over vote for foreign miners

(211)

POLITICAL CORRESPONDENT

CT 25/10/95

THE National Union of Mineworkers yesterday announced it was taking the government to court to demand that mineworkers from neighbouring countries be allowed to vote in the local government elections

The NUM also said mineworkers with over five years of service should be granted South African citizenship if they wished, NUM president Mr James Motlatsi told a news conference in Johannesburg

Mr Motlatsi said that since the general election last year, the union had written to the government about the matter on numerous occasions, but no response had been received

Claims of strike action over the vote stirs fears

Wyndham Hartley
and Renee Grawitzky

(211)
BD 27/10/95

WELKOM — Fears are mounting in the Free State goldfields that miners from neighbouring countries could precipitate a strike at mines in the area over their disqualification as voters in next week's election.

Welkom's chief electoral officer Petrus van der Merwe said the concerns were about mineworkers in three particular wards who said they wanted to vote. These mineworkers, from countries such as Lesotho and Botswana, did not qualify for registration on the voter's roll.

Van der Merwe said these mineworkers had threatened a strike if they could not vote.

Anglo American Corporation and the NUM have vehemently denied these claims while the union said these statements were inaccurate and "tantamount to scare mongering"

NUM president James Motlatsi said workers at three shafts at Vaal Reefs in Klerksdorp had taken a de-

cision not to vote because not all mineworkers were entitled to do so "This is a boycott not a disruption"

Anglo's CEO for the gold division Bobby Godsell said "We do not want a situation arising where the workforce is divided because of unequal voting qualifications"

In response to earlier claims that Lesotho mineworkers were demanding the right to vote, Motlatsi said it was inaccurate to claim that only Lesotho mineworkers wanted to vote

"All mineworkers want to vote whether they originally come from Mozambique, Swaziland or Botswana. If they voted in the last election, they want to be able to vote now."

Motlatsi said this demand was being discussed "right now" at the highest level within the home affairs and constitutional affairs ministries

Industry sources in refuting the talk of strike action have said there appeared to be a move across the mining industry by branch-level NUM officials to encourage mineworkers to vote even if they were not eligible to do so

90 000 migrant miners given right to seek permanent SA residence

Renee Grawitzky

THE NUM said yesterday President Nelson Mandela had given it an assurance that government would allow 90 000 migrant mine workers to apply for permanent residence in SA.

The move comes too late to permit the mine workers to vote in this week's local government elections — which the NUM had been campaigning for.

However, the union said it hoped local authorities might now decide to postpone elections in mining areas to

allow for mine workers who qualified to be registered as voters.

Presidential spokesman Parks Mankahlana yesterday confirmed that Mandela held talks with a NUM delegation on Friday and Saturday, but refused to comment on any agreements reached as a statement on this matter was to be released by the home affairs ministry.

NUM president James Motlatsi yesterday claimed the union and the migrant workers had achieved a victory as their "primary objectives" had been

achieved.

He said the president had told the union that mine workers from Lesotho, Mozambique, Botswana and Swaziland would, from today, be able to apply for identity documents if they so wished. The documents would allow them to "participate freely in the political activity of SA".

The weekend talks also involved Deputy President FW de Klerk, Constitutional Development Minister Roelf Meyer and Home Affairs Minister Mangosuthu Buthelezi.

The development could have implications for national economies in the southern African region.

Southern African Miners' Federation general secretary Archie Palane commented that the granting of permanent residency would have to be thrashed out with other governments in the region, and past agreements on deferred pay — where a certain portion of a mine worker's income was deducted and given to the government of his country of origin — would have to be renegotiated.

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Residence

Continued from Page 1

30/10/95

However, Motlatsi said: "Local authorities may now decide to postpone elections to allow mine workers to register." He said even if this did not occur, he would appeal to mine workers not to disrupt polling in areas where elections were being held because they could not cast votes.

In response to statements that SA workers at certain mines had taken a decision not to vote, in sympathy with their migrant colleagues, Motlatsi said he would not tell them to vote "By boycotting the elections, you are boycotting your own power," he said.

The union said no final decision had been taken on the qualifying period for applying for permanent residency. Motlatsi said while the union argued for a five-year cut-off period, government had said the cut-off date should be June 13 1986 — which applied dur-

ing last year's election when migrant workers were able to vote.

The union said the home affairs ministry should have automatically "processed" temporary identity documents and voting cards granted for last year's election to ensure that the workers obtained permanent residency.

"No explanation has been given as to why so many mineworkers were deprived of their right to vote in the forthcoming local elections," said Motlatsi.

Sources in the NUM claim permanent identity documents were granted to migrant mine workers in certain regions such as KwaZulu-Natal, but not in Northwest or Free State.

The union said mass rallies would be held today in Welkom and Klerksdorp to advise workers of the latest developments. The home affairs department and the mining houses would have to start facilitating the residency applications of the workers.

No comment could be obtained from the department or the ministry of home affairs.

Constitutional development ministry spokesman Izak Retief said government wanted to reiterate that people would not be able to vote unless they were registered as voters. He said if mine workers qualified for SA identity documents, they would be able to register and vote in future elections.

Retief said the only region where registration was still open because the elections had been postponed until next year was in KwaZulu-Natal.

Continued on Page 2

'Resident' migrant miners want vote

(21) ~~20~~

■ BY HOPEWELL RADEBE

About 90 000 migrant mine-workers from neighbouring states are to be granted permanent residence in South Africa following an agreement between miners and the Government at the weekend.

And the National Union of Mineworkers (NUM) has requested that the local government elections be postponed in some areas to allow mine workers time to register.

Deputy Home Affairs Minister Penuell Maduna said on Saturday that migrant workers who had lived in South Africa since before June 1986 would be given permanent residence, reported Sapa.

Union president James Motlatsi said: "We are seeing the removal of one of the cornerstones of apartheid and the migrant labour system."

NUM spokesman Judith Weymont said thousands of migrant miners who had lived in South Africa since June 13 1986 had been allowed to vote in last year's general election. The union now believed this meant they also had a right to vote in Wednesday's local government elections.

They were being prevented from doing so because the ministry of home affairs had not automatically processed the workers' temporary IDs and voting cards "to ensure that they obtained permanent residence".

She said the ministry and mining houses would begin to facilitate the process of registering the migrant workers, for applications for permanent residence in South Africa, from today. NUM would organise mass rallies of mineworkers in Welkom and Klerksdorp today to discuss the issues, she said.

Migrant miners

ET 30/10/95

to get residency

~~20~~ (21)
JOHANNESBURG: President Nelson Mandela had agreed to grant residency permits to 90 000 migrant miners, ending discriminatory practices that favoured whites, the National Union of Mineworkers (NUM) said yesterday.

"This is a great victory for the NUM and for migrant workers," union president Mr James Motlatsi said

"At long last the black workers who have produced the wealth of this country and have for generations died in the mines are to be treated as equals with white workers."

The agreement had been reached in negotiations with Mr Mandela and other government officials on Saturday, the union said.

It provides for migrant mineworkers to be issued with identification documents and permanent residency status.

This would allow them to participate freely in the political activity of South Africa, the NUM statement said. — Reuter

Thousands of jobs to go at Freegold

Michael Urquhart

ANGLO American's Freegold gold mine is to shed 3 400 jobs over the next six weeks

Anglo's announcement yesterday followed last month's warning from Anglo gold division CE Bobby Godsell that action would have to be taken to restore the mines to profitability. Vaal Reefs and Western Deep Levels had already shed a number of jobs.

Hard on the heels of the Anglo announcement came Anglovaal Minerals' statement that it would close Village Main Reef by the end of the year, with the loss of 157 jobs. Anglo's cuts would affect two of Freegold's 26 shafts: Fred-dies No 5 and Saaplaas No 3.

Anglo spokesman James Duncan said further cuts were likely as Freegold examined all unprofitable areas. The aim was to make all production at Freegold profitable.

The focus at Anglo had shifted from productivity to the broader concept of profitability. Freegold, the largest gold producer in the world, returned a small profit in the September quarter after a loss in the June quarter.

Anglovaal's decision to close Village Main followed a study showing a break-even position on dump retreatment operations could not be maintained beyond December. Closure should continue for a year after that.

National Union of Mineworkers' assistant general secretary Gwede Mantashe said Anglo was using the threat of retrenchments to press the union into accepting full calendar operations.

Anglo shafts

3 450 jobs at

(211)
gold mine

AR 4 21/11/95
JOHANNESBURG —

Anglo American Corporation said today it was shedding 3 450 jobs at its giant Free State Consolidated Gold Mines Ltd (Freegold) in a drive to make the mine profitable.

The cutbacks at the mine — the largest gold producer in the world — follow a decision to cut production at two of Freegold's 26 shafts, Freddie's No 5 and Saaiplaas No 3, the company said.

A total of 1 900 jobs will go at Saaiplaas No 3 and a further 1 550 at Freddie's No 5.

The company started laying off staff three weeks ago and the process is expected to be completed in six weeks — Reuter

Miners may be 'poisoned by arsenic'

A MINING community of more than 1 000 people living near Anglovaal's New Consort Mine near Barberton in Mpumalanga may be suffering from effects of arsenic poisoning, the National Union of Mineworkers said yesterday.

The union reported widespread diarrhoea, stomach cramps, headaches and rashes among the 600 mineworkers and their community, and said that the mine had confirmed drinking water could have been contaminated with arsenic trioxide.

No results from investigations carried out by the departments of mineral and energy, health, and water affairs, had yet been released to workers or their families, said NUM spokesman Judith Weymont.

Anglovaal's Eastern Transvaal Consolidated Gold Mines Ltd was aware of the NUM allegations and was involved, with the NUM, in the authorities' investigation, said spokesman Japhan Gwillim.

He said the company was "very concerned" about the well-being of employees and the community, but could not comment further until the inquiry had reached a decision.

Weymont said water had been contaminated during October when the drought in the area forced residents to take drinking water from boreholes and other sources around the mine.

Most of the workers had experienced arsenic dermatitis, said NUM regional representative Richard Spoor.

Weymont said the mine started monitoring the poison two years ago, but no tests had been conducted on employees in the past six months.

"It is very worrying that workers are only tested every six months given the seriousness of this arsenic poisoning," said NUM regional representative S O Serothwane.

It was not known if the deaths of two young children had resulted from contamination, said Weymont. — Sapa

Social welfare cuts its cloth

means testing would be applied to pensions' applicants in the future.

Williams said that it was planned to access deeds registers to establish whether those granted pensions or applying for pensions were making money from properties other than those in which they lived.

"Some have income which they do not declare, and I don't think the state should support those who can afford to support themselves," he said.

Williams and Patel undertook to continue efforts to equalise the conditions under which pensioners were paid and to eliminate the long queues in certain areas on payout days.

They said that each and every file in the department of welfare and pensions would have to be

reviewed and this would also save money and eliminate fraud. He said that all those who received social assistance would have to reregister in the future.

Cameron McConnachie and Bastienne Klein of the Black Sash in Cape Town said that it was encouraging that the Minister was to target fraud in the welfare system because "people receiving social assistance grants should not be penalised by administrative errors in the department".

They also supported the sentiment expressed by Patel and Williams that welfare should not be the poor cousin of the budgeting process. They stressed that the increase in pensions of 5% was not keeping up with inflation and pensions of R410 a month were not enough to live on.

Wyndham Hartley

CAPE TOWN — There is no more money for "underfunded" social welfare services in the short term, newly appointed welfare director General Leila Patel said.

Addressing Parliament's committee for welfare Patel said yesterday that approaches to Finance Minister Chris Liebenberg had resulted in an undertaking to discuss more money for social welfare services in the future.

But, Patel said, the main source of extra money for services would be from resetting the department's priorities, by eliminating waste and by combating nationwide, fraud in pensions payouts and the administration.

Patel and Welfare Minister Abe Williams said more stringent

BD 22/11/95

Community

may be poisoned

ET 22/11/95

JOHANNESBURG: A mining community of more than 1 000 people living near Anglo-Vaal's New Consort Mine near Barberton in Mpumalanga may be suffering the effects of arsenic poisoning, the National Union of Mineworkers (NUM) said yesterday

The union reported diarrhoea, stomach cramps, headaches and rashes among the 600 mineworkers and the community and said the mine had confirmed drinking water could have been contaminated with arsenic trioxide

"No results from investigations carried out by the departments of Mineral and Energy Affairs, Water Affairs and Health have been given to workers," said NUM spokeswoman Ms Judith Weymont.

Water had been contaminated in October, when the drought in the area forced residents to take drinking water from boreholes and other sources, she added. (211)

"The water supply has proved to be contaminated with arsenic trioxide, human faeces and urine"

Most of the workers had experienced arsenic dermatitis, said the NUM's legal representative Mr Richard Spoor. — Sap (211)

Hard times for miners as lay-offs begin to bite

(211)

By JUSTICE MALALA
Labour Reporter

When Mozambican Albino Baloyi was hired by Village Main Reef in Johannesburg in 1982 after fleeing the war in his country, it marked the beginning of a new and better life for him

But today, after being told the sword of retrenchment hanging over the mine's 157 workers for the past year would finally fall when it closes on December 23, he believes his life has come full circle.

"I do not know what I will do now because jobs are hard to find, even for skilled electricians like myself

"We have not even finished negotiating retrenchment packages with management therefore I cannot plan for the future," says the father of four, who is a National Union of Mineworkers (NUM) shop steward at the mine

The mine, which started in 1889 and is one of the Rand's oldest, has been treating old gold dumps since ceasing operations in 1976 but low grades meant it could not break even beyond December, the owners said on Monday

Baloyi's predicament is shared by more than 3 000 other mineworkers in Anglo American's Freegold division

It announced their positions would be reduced due to unprofitable operations in the division's Free State section

Duncan said job reductions would be completed in the next six weeks

Like many at the mine, Baloyi is resigned to the closure of Village Main

"There is really nothing we can do since the mine dumps are exhausted I will have to begin again from the start," he says.

Nov 22/11/95

ABOUR

Jail for 3 visiting wives

By Abdul Millazi
Labour Reporter

THREE BLACK WOMEN who went to visit their husbands at De Beers' Kleinsee Mine in Namaqualand found that there was nothing new about the "new South Africa" when they were thrown into a jail cell for trespassing four days ago.

The women, from Sterkspruit in the Eastern Cape, were sentenced to three months' jail at the Port Nolloth Court after De Beers accused them of being illegally on company property.

The National Union of Minework-

The NUM has accused De Beers of clinging to outdated apartheid laws

ers criticised De Beers for taking such action and accused the mining house of maintaining apartheid laws.

NUM spokeswoman Ms Judith Weymont said black women were not allowed to live with their husbands despite the fact that the men had worked there for more than 20 years.

NUM regional coordinator Mr Fred Wyngard said "There are empty houses on the mine and yet the company

will not let the wives of their black workers live there.

"It is gross discrimination and women from the Eastern Cape are no longer prepared to tolerate the old apartheid ways."

A De Beers spokesman, however, said the women were arrested after defying a court warning to vacate the company property.

The spokesman said the three

women could not be accommodated in the family units for visitors because they were already overcrowded.

"When they were told this, they decided to camp outside the workers' residence. One was taken to court and was released on warning, but she came back, jumped over a fence and joined the other women," said the spokesman.

The spokesman said the company's 16 family units reserved for visiting families were overcrowded after the wives of 26 workers illegally occupied them in January this year.

"It is sad that the court had to jail them," said the spokesman.

211
Kasselman 24/11/95

Row after De Beers sends workers' wives to jail

(211) MG 24-30/11/45

THE National Union of Mineworkers (NUM) on Wednesday said it would appeal against prison sentences imposed on three miners' wives for trespassing at a De Beers diamond company in Namaqualand.

The women are serving their sentences at a prison in the Northern Cape town of Springbok.

Two children, aged eight months and four years, were staying with their mothers at the prison, according to a warder.

The women, from Sterkspruit in the Eastern Cape, are demanding the right to live with their husbands, but have failed to reach an agreement with the company.

De Beers' actions were draconian, racist and discriminatory, said NUM's Namaqualand co-ordinator Fred Wynn-gard. He said the company was refusing to let the wives of black mineworkers stay in several empty houses at Kleinsee mine near Springbok.

Eastern Cape women were no longer prepared to tolerate the old apartheid ways, he said.

White and coloured employees were allowed to live with their families, but black employees continued to live in single-sex hostels and save their families for about three weeks every year.

De Beers said in a statement management had tried without success to hold constructive talks with the NUM

about the occupation of houses reserved for family members wishing to visit employees from the Eastern Cape.

Spokesman Tom Tweedy said the mine had refrained from taking legal action against the occupants, even though their action effectively deprived the families of other employees of the use of the accommodation.

At the last round of talks involving management, the NUM and the provincial government on October 27, the government had said it would make suitable land available so that De Beers employees could take advantage of its house ownership scheme.

The NUM had not responded to this

offer, Tweedy said, and his head office was approached on November 6 with a view to holding a meeting with its Namaqualand branch to address the matter urgently.

Tweedy said Nium was advised the three women had forcibly gained entry to the company's premises and would face court action.

"NUM has not yet responded to this urgent request," Tweedy said on Wednesday.

He said one woman had arrived at the entrance to the Namaqualand mine and requested entry. This was refused as there was no accommodation available. Twenty-six women were already occupying 16 accommodation units

The woman then forcibly entered the company's premises and was charged with trespassing. She was given a 35-day suspended sentence and a warning not to enter the premises without permission.

In spite of this, she and two other women forcibly entered the premises again, Tweedy said. All were sentenced to 35 days in jail.

The company had offered to allocate more accommodation for visitors, provided it was used for that specific purpose and not occupied permanently "by a minority of the wives of employees".

Tweedy said Nium had failed to act responsibly in the matter. — *Sapa*

10 000 jobs on the line as Cape mines face closure

ESTELLE RANDALL, Labour Reporter

UP TO 10 000 people could be left jobless in Namaqualand as mining companies scale down and stop their operations in the area over the next 10 years

This is when it is estimated financially viable diamond reserves in the area will be depleted

Loss of jobs on the diamond mines could also increase pressure on scarce land if people have no alternative employment to small-scale stock farming

Anwar Carawan, energy affairs advisor to Northern Cape premier Manne Dipico, said the closure of major diamond mines in the area could put up to 10 000 people out of work and indirectly impact on 50 000 people, including families

Between 80 000 to 90 000 people live in the isolated, semi-arid region which is highly dependent on mining, mainly diamonds

The mining sector employs about 41

ARC 24/11/95 (211)
percent of the economically active population

De Beers is the largest employer in the region.

To avert a potentially devastating crisis, the Northern Cape provincial government has initiated a Minerals Development Task Team to explore and formulate plans for alternative sustainable development and economic growth for the region

The task group is the first of its kind and consists of representatives from government, the private sector, labour, business and communities in the area

The Minerals and Energy Policy Centre and the Council for Scientific and Industrial Research (CSIR) have also been drawn in to help formulate policy, Mr Carawan said

Agriculture and ecotourism are seen as the main alternatives to sustain the regional economy but there are also plans to create small-scale mining ventures among local communities

Workers get 12,2pc increase

By Joe Mdhlela
Political Reporter

THE Black Allied Mining and Construction Workers Union has reached a wage settlement with the Anglo Alpha-Ulco Works in Northern Cape, acting general secretary of the union Mr Chris Mashodi said yesterday

The parties have agreed to a 12,2 percent wage increase across the board. The settlement puts the minimum wage for workers in the plant at R1 907 with effect from January, up

from R1 550. In addition, the company has increased the shift allowance to 12 per cent for all shift workers

Housing loans have also been increased to a maximum of R20 000

"This loan facility is over and above the Alexander Forbes home plan loan workers are currently enjoying," Mashodi said

He said the company has also agreed to subsidise bond repayments for all workers

"We are pleased with the settlement, and see it as a good deal for the

workers," he said.

Meanwhile, Bamcwu has expressed deep concern about three miners who were killed at the Messina Diamond Mines near Warrenton last week

Mashodi said the union was concerned about the safety practices within the industry.

"Bamcwu is terribly disturbed by the health and safety situation at the Messina mine. We will do everything to ensure that the safety and wellbeing of our colleagues in the mining sector are assured," he said

Sowetan 24/11/95

Mine ends bid to reunite families

By CAS St LEGER

THE wives and two children of three mine workers have been jailed after losing a battle to stay with the men on a De Beers diamond mine in the Northern Cape

At the heart of their fight are 120 empty houses owned by the mine, where the women wanted to settle with their husbands, who work as cleaners and operators

De Beers said Kleinzee Mine, in Namaqualand, needed the houses for its employees

Only white and coloured families stay there.

The three women have been jailed for three months each. They had struggled on their own in Sterkspruit in the former Transkei since their husbands left to work on the mine about 20 years ago, and decided in October to put an end to their loneliness

Matebello Mokela and her four-year-old daughter, Mfata, Mosakagle Sinxabi, the mother of an eight-month-old girl, Mko-sekhysa; and Nomzwa Manene Mqungqudhu

packed their belongings and travelled to Kleinzee

But their way into the closely patrolled diamond town was barred by security guards

"The women and children were chased away from the gate. They had no permits to enter," said Patrick Mpiti, the National Union of Mineworkers health and safety steward on the mine

He said the three women camped in the veld outside the gate for three weeks. "Then the women came in without security clearance and were charged with trespassing"

A spokesman for De Beers, Tom Tweedy, gave a different version of the events

He said one woman had arrived at the entrance and been refused entry on the grounds that no accommodation was available

"She forcibly gained access to the company's premises and was charged with trespassing. She was given a suspended sentence of 35 days.

"Despite this, she and two other women forcibly entered the company's premises and, having been charged with trespassing and being in breach of the

law, the three were sentenced to three months in jail"

The women, who had no legal representation, were sentenced on Monday in the Port Nolloth court. They were not given the option of fines

The union's Namaqualand co-ordinator, Fred Wyngard, said he was appointing lawyers to appeal against the sentence

Mr Mpiti said De Beers had granted 26 wives accommodation in a disused hostel. They had been allowed to enter because their husbands worked in higher-grade jobs than the

husbands of the three jailed women

But De Beers said the 26 women had illegally occupied accommodation reserved for visiting family members

Mr Tweedy said empty houses in Kleinzee were not available because of the need to employ additional staff for the reopening of a plant in 1996

A union spokesman, Judith Weymont, said white and coloured workers were allowed to live with their families but black workers lived in single-sex hostels, seeing their families three weeks a year

ST 26/11/95 (211)

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ST 26/11/95 (211)

NUM moots Govt survey on payments for former miners

Star 29/11/95

(211)

Many of the more than one million ex-mineworkers in the country have Govt pensions but no retirement benefits and union believes the mining industry should take some responsibility

By JUSTICE MALALA
Labour Reporter

The National Union of Mineworkers (NUM) has proposed that the Government conduct a survey into the number of former mineworkers suffering from occupational diseases or other disabilities who depend on the State for their livelihood instead of the mining industry.

NUM assistant secretary-general Gwede Mantashe told an assembly of nearly 500 delegates to the Chamber of Mines' Health and Safety Conference in Pretoria yesterday that, while such a survey was being conducted, talks by Government, labour and mine bosses on possible corrective measures should begin.

"The industry should be prepared to take some responsibility. How big such responsibility is should be determined in the discussions," he said.

The union estimates that there are more than a million former mineworkers in South Africa, and many of them depend on social welfare pensions without retirement benefits from the industry.

The conference, which is held once

every four years, is aimed at raising awareness on new developments on health and safety and was attended by senior mine personnel, trade unionists and Government officials.

Speaking at the conference, Mineral and Energy Affairs Minister Pk Botha said the Government was in the process of implementing the recommendations

“ Opportunity to change conditions in the mines ”

of the Leon Commission on Health and Safety in the Mines

The recommendations include the establishment of forums on mine safety, mining qualifications, regulations and research.

He said the draft Mine Health and Safety Bill is due to be approved, in principle, by the Cabinet today.

He urged mining officials to take advantage of the new worker-friendliness of the proposed new health and safety legislation.

"Not only will the new Bill, once it is an Act, spare human suffering and unhappiness, it will also make our mines more efficient and more in line with standards world-wide," Botha said.

The legislation, which follows a report of the Leon Commission on mine safety and health, created an opportunity to change conditions in the mines, Botha said.

Mantashe also called for the mining industry's health services to be integrated into the national health service, saying this would reduce costs and the duplication of facilities.

He accused mining houses of being slow to institute full-time health and safety stewards and provide full information to unions about operations.

He said there was also still a lack of trust in mineworkers who refused to work if they believed an area was dangerous.

Educating mine workforce crucial, says Chamber

It was no longer acceptable for mine management to simply impose safety and health guidelines - safety committees had to be set up with workers' participation, Chamber of Mines president At du Plessis said yesterday at the Chamber of Mines' mine safety and health congress in Pretoria.

"Changes will, however, not succeed unless messages are properly con-

veyed," Du Plessis said, referring to adult education on mines. "This makes the education and training of our workforce of paramount importance."

While the industry would not forget tragedies such as the Vaal Reefs disaster and the underground explosion at Middelbult coal mine, the rescue of more than 100 mineworkers at Kloof gold mine, after the collapse of a vertical

shaft, was "surely one of the most successful rescues in our country's history (This) clearly demonstrated that, though accidents do happen, there are certainly more events that largely go unheralded and ignored by the media."

Du Plessis said research and development was critical for mining's future, and not enough attention had been paid to these fields in the past - Sapa.

Training stressed

~~ISA~~ (211)
Michael Urquhart

BT 29/11/95

RANDGOLD would concentrate on worker education in the belief that worker capacity was limited more by a long history of disadvantage than by lack of a work ethic, Randgold chairman Peter Flack said in his annual review.

He said that given the proper training, management and motivation, labour was capable of achieving "exceptional" results.

For Randgold to prosper it was necessary for management and workers on the mines to have a common cause. Group net earnings had improved 371% to R23m for the year to end-September.

Mine conference shows tripartite approach in action

BD 29/11/95 (211)

Renee Grawitzky

WORKER rights enshrined in the draft Mine Health and Safety Bill and the Leon commission recommendations provided the building blocks for the future of the mining industry, NUM assistant general secretary Gwede Mantashe said yesterday.

At the start of a two-day safety and health congress organised by the Chamber of Mines, Mantashe said the mining industry remained the biggest killer of employees while black mine workers were among the lowest paid after domestic and farm workers.

Rights enshrined in the new draft legislation, including the right to information, the right to refuse to work in dangerous situations and the right to education and training constituted major progress for NUM.

However the union had to ensure these rights were applied. The industry had to accept greater responsibility for dealing with the AIDS/HIV epidemic in the mining industry.

A reputable mine safety inspectorate was a crucial requirement for the industry.

Mineral and Energy Affairs Minister Pik Botha said the conference took place "during a crit-

ical window of opportunity in the history of SA mine safety and health". The conference was held one day before the draft Bill was to be approved by the Cabinet.

Botha said new legislation could make a difference to SA's mine safety record but creating a culture of safety awareness and the establishment of mutual trust between management and workers had to be emphasised. This would be "the most effective way of ensuring maximum safety on our mines". The inspectorate had to be "placed on a sound footing" to ensure inspectors remained in the industry. The proposed cadet system which had been approved by the Cabinet to make the inspectorate more representative would now be implemented.

Acting government mining engineer Dick Bakker said the draft Bill attempted to steer away from the "concept of fault-finding and blame-apportioning in accident investigations by making evidence privileged". It was more important to determine the root causes of accidents "so that effective preventative measures can be instituted to avoid repetition".

He said risk assessments had to be carried out on all SA's mines. Chamber of Mines executive committee member Jurie Gelden-

huys said the industry was committed to the tripartite effort and welcomed the active participation of employee organisations in the decision-making process. This included participation on the Safety in Mines Research Advisory Committee (Simrac).

Geldenhuys said team effort on the mines was crucial, and "the empowerment of workers, the inclusion of their voices and views in the decision-making process, also carries with it responsibilities".

Chamber president At du Plessis urged groups involved in tripartite discussions on the future of mining in SA to exercise flexibility and compromise and not "enter discussions with immovable or fixed positions".

Du Plessis said he regarded research and development as critical for the future of mining. "I ask myself if we have paid sufficient attention to research and development in the past. My view is 'No', but I look to our academics and (Simrac) and challenge them not to measure their progress in the number of intellectual reports generated but rather in the successful implementation of research findings. Change is upon us, and if we do not adapt to the altered circumstances, we will flounder and fail," he warned.

Mine policy challenged

Renee Grawitzky

BO 112195
THE Mine Surface Officials' Association and the Technical Officials' Association will argue in the Pretoria Industrial Court today for the Chamber of Mines to reinstate the closed shop arrangement which has existed for some unions in the mining industry since the 1930s

In March this year, after years of negotiations with the unions including the Underground Officials' Association, the chamber gave notice to the unions of its intention to cancel the closed shop arrangements with effect from June 30 this year

The chamber's motivation at the time was that the closed shop arrangements contained racial provisions which were "exclusive to particular crafts and occupations and are an infringement of an employee's rights of freedom of association"

Subsequent to this notification the unions declared a dispute and have applied for a section 43 order for reinstatement. The Underground Officials' Association has withdrawn from the case

Diamond mines 'will bring us jobs'

Somehan 4/12/95 (211)

By Russel Molefe

Plan to mine Madimbo area ignites bad vibes between two clans

TSHIKUNDAMALEMA and Mutele, the last residential areas in the far northeast of the former Venda homeland bordering Zimbabwe, did not get a share of the downpour that blessed almost the whole country recently.

Rain has not fallen there for almost two years now, and the major Mutele River which runs through those areas is so dry that shrubs have grown over it.

But the ravaging drought and scorching heat - the temperature can reach 45 degrees in summer - no longer dominates discussion among the more than 10 000 people living there.

Today the topic is the plan by Duo Corporate Developers, owned by Mr Khehla Mthembu and Mr Richard Bluett, to mine the unique Madimbo corridor nearby for diamonds.

The plan has ignited hostility between the Tshikundamalema and Mutele clans because of their different views of the issue.

The Tshikundamalema clan believes a diamond mine would bring jobs to many people in the area. The clan rejects the idea of introducing ecotourism as an alternative.

Attempts by environmentalists to convince them otherwise backfired when they were chased from the area by armed men. Northern Province Premier Ngoako Ramathodi also left in haste during his recent visit.

Freedom of choice

Headman Mr Josias Mavundadvhi becomes very emotional when he discusses the issue. He believes environmentalists opposed to mining the area were unfairly interfering with his people's freedom of choice.

"We have been told the country is free and people are free to choose what is best for them as long as it is within the law. This is our area and we have chosen what we want it to be mined," Mavundadvhi said.

"The people who want to mine the area came here and were cheered after they explained their plan. Ecotourism will not bring as many jobs as the people want.

"This area is grossly underdeveloped. We want bread, not ecotourism. It is our choice and we will not compromise on that."

The people in Tshikundamalema went as far as removing the fence which surrounded the Madimbo corridor. They argued that their stock was being denied grazing on the land of their own people.

However, Chief Jack Mutele of the Mutele clan said he was not prepared to feed his stomach at the expense of damaging his land beyond rehabilitation.

by allowing mining. He said he does not dispute that there may be diamonds in the area, but "we don't know how long they will support the people." He said his people opted for ecotourism because it would be of lasting value. National roads, hotels, resorts and other kinds of entertainment may be constructed and people from all over the world will flock here to get peace of mind. Definitely, ecotourism will bring a cash-flow," Mutele said.

Lodged a claim for land

"The land which the company wants to mine belongs to the Mutele clan, and the royal family has also lodged a land claim with the relevant authorities. It was taken from us forcefully by whites a long time ago." He said Duo Corporate Developers has not yet approached the people of Mutele on its plans to mine the area.

(contrary to an earlier statement by Mthembu that the affected communities were properly consulted and gave their approval). According to history, the Madimbo corridor belongs to the Mutele clan but was "robbed" of it by white farmers and mining companies that mined graphite at Gumbu. The corridor was taken over by the then South African Defence Force in 1968 and used as a buffer zone to cut off infiltration by guerrillas during the apartheid era. The Northern Province government intends to declare the area a natural heritage site because of its richness in archaeological treasures, which date back to the movements of the Venda-speaking people during the Iron and Stone Ages. Intensive research commissioned by the provincial department of environment and tourism show that the area's unique character lends itself

Chief Jack Mutele ... not prepared to feed his stomach at the expense of damaging his land by allowing mining.



'Thousands' of De Beers jobs lost

Labour Reporter

(211)

ARG 6/12/95

THOUSANDS of jobs are being lost as De Beers scales down its Namaqualand diamond mining operations.

But the mining giant has agreed to soften the effects of the job losses.

Downscaling and closure of large-scale diamond mining in Namaqualand over the next 10 years will lead to the retrenchment of up to 5 000 people.

This would mean loss of livelihood for about 50 000 people, said Anwar Carawan, special adviser to Northern Cape premier Manne Dipico.

He said the government lacked the capacity to plan and develop regionally without help from private enterprise, particularly in a minerals dependent province.

A major challenge to the industry would be to implement mine closures so that all those involved could take part in the process and emerge with some positive solutions, he said.

De Beers would offer investment advice to employees who had accumulated substantial pension benefits but who were too old to find alternative employment or to be easily retrained, he said.

Own homes for hostel mine workers

~~(1276)~~ (211)

Highveld Steel says project in Mpumalanga town

signals new beginning in employee/employer relations / Star 7/12/95

HOUSING REPORTER

The days of living in hostels away from loved ones are over for 22 mineworkers who received keys to their newly built houses in Roosenekal, Mpumalanga, this week

Employees of Highveld Steel, which is part of Anglo American Corporation, had their dreams come true after approaching their

company last year to assist them in finding better accommodation where they would be able to live with their families

Building started in September this year and was finished last month, making it possible for the families to move into their two-bedroom houses this week.

Mpumalanga Premier Matthews Phosa handed over the keys to the houses and also

launched the first phase of an employer/employee initiative that aims at assisting employees to secure their own properties

He said the project would contribute to a better lifestyle and standard of living for the workers

Highveld Steel managing director Trevor Jones said the project signalled a new beginning in employee/employer relations

"We recognise that it is unde-

sirable for employees to be separated from their families

"This project is no normal township development, but the creation of a new rainbow community in an already established town"

The project's completion followed lengthy negotiations between the company, builders, financial institutions and the Government, Jones added

Grim 'present' for miners

(211) Sowetan 8/12/95
By Abdul Milazi
Labour Reporter

ALMOST 200 workers at Anglo Vaal's Village Main Reef gold mine face a grim Christmas and a bleak future as the mine shuts down on December 23

A total of 157 workers will lose their jobs as a result of the closure

National Union of Mineworkers spokeswoman Ms Judith Weymont said workers and management were in dispute over retrenchment payments

The workers are demanding three months' pay for the first year of service and one month pay for every other completed year

The mine is offering one week's pay for every completed year

On Wednesday workers held a protest march to voice their grievances

while management and NUM continued to thrash out their differences

NUM Gauteng regional organiser Mr Mzukisi Shude said "Management has to realise that alternatives have to be found to simple retrenchment

"Jobs must be found in other Anglo Vaal mines, at their head office and other branches. It is arrogant of management to expect to take back only 50 workers after Christmas simply to clean up an empty mine"

The closing of the Village Main Reef means the workers could not get their bonuses

Weymont said the NUM would try its best to ensure that workers received reasonable retrenchment payments

Anglo Vaal management was not available for comment at the time of going to press yesterday

Row brews as mine workers face the axe

Labour Reporter

ARLT 16/12/95 (211)

A ROW is brewing at the state-owned Namaqualand diamond mine, Alexcor, over the proposed retrenchment of about a third of its 1 500 workers

Alexcor chief executive officer Janne Vermeulen said the company had started retrenchment negotiations with the National Union of Mineworkers (NUM) but had postponed these to January 1996 to settle wage negotiations

Mr Vermeulen said the retrenchments were necessary because the diamond price had dropped

NUM spokesperson Fred Wyngaardt said the union had only accepted the company's wage offer of 9,5 percent on December 1 provided there were no retrenchments

Mr Wyngaardt said the company's plans to retrench flew in the face of government promises that restructuring of state assets would not be at the expense of workers in such enterprises.

He said the mine was profitable and accused mine management of proposing the retrenchments as part of a plan by white unions and management to take large retrenchment payouts and leave the mine

The NUM is demanding that the proposed retrenchment be referred to the National Economic Development and Labour Council (Nedlac)

Disaster widows hit by mine pensions rip-off

ST 17/12/95 (211)

By PETER DE IONNO

THE Vaal Reefs disaster, the most gruesome mining accident in South African history, has led to the exposure of a 20-year scam which has robbed miners and their families of millions of rands.

Investigators believe corrupt Mozambican government officials have stolen benefits due to workers crippled or killed on South African mines.

The National Union of Mineworkers and the Chamber of Mines will now urge the government to cancel a 1984 agreement with the then-Portuguese colonial government which stipulates that all compensation and death or disability pensions due to Mozambican migrant mine workers be paid through that country's department of labour.

The scam was cracked when the plight of eight Mozambican families of Vaal Reefs victims was investigated.

Their breadwinners were among 104 men who were crushed when their lift cage plunged half a kilometre underground in May.

Seven months later, the widows have not seen a cent of the insurance payouts of around R60 000 each, or life pensions of about R1 000 a month, paid to the families of the other 96 victims in July.

A team from Rand Mutual Assurance, the NUM, mine labour organisation Teba and Ernst and Young auditors investigating their case discovered massive irregularities in the payment of death and disability pensions to about 1 000 families in Mozambique.

South African mining authorities are outraged by the rip-off, believed to have been going on for at least 20 years. Tens of millions of rands are believed to have been diverted into the coffers of the cash-strapped Mozambican government and the pockets of corrupt officials.

NUM general secretary Kgalema Motlanthe said it could be assumed that no one was being paid what they were due. "The Mozambican government sees this as a cash cow and its bureaucrats are playing God with the lives of their people," he said.

Rand Mutual Assurance was paying R700 000 a month through the Johannesburg office of the Mozambican department of labour.

"We estimate that only about 10 percent of that is being paid out," said Mr Motlanthe.

The investigators' interviews produced heart-rending accounts of official indifference and exploitation of desperately impoverished people.

"I have never complained because when you try to ask a question they are very rude, so you just thank them for what you get because it is better than nothing," said one pensioner.

George Panas, RMA manager of client services, described the system in Mozambique as "scandalous".

"Theft and corruption are the order of the day. Pensioners, many of whom are illiterate, are at the mercy of unscrupulous, unsympathetic officials. Pensioners are lied to consistently. They are treated with indescribable contempt."

Vasco Chacha, left a paraplegic in a rockfall at Welkom's President Steyn mine, tells of erratic payments of his R900-a-month pension. He did not know how much he was entitled to. He says his first payment was equivalent to R1. After three months he received another R6,50.

Pensioners told of officials saying their pensions had been stopped.

The pension scandal has erupted as the Mozambican government reels from the blow of an estimated two-thirds of its migrant miners being granted permanent residence status by South Africa in the run-up to the local elections. Many are expected to move to South Africa with their families.

To Page 1

Along with Lesotho, Mozambique faces the loss of a crucial input of hard currency from the "deferred pay" system. Mozambicans working on South African mines have 60 percent of their wages paid to their government for collection when they return home at the end of the year. They receive no interest. More than R174-million in deferred pay was transferred to Mozambique this year. Anglo American chief executive Bobby Godsell, who is also the Chamber of Mines labour

portfolio holder, said they would push the government to cancel the "colonial" agreement governing death and disability compensation. Mr Godsell, NUM president James Motlatsi and executives from RMA and Teba received a hostile reception from the Mozambican government in Maputo last month when they proposed that the pension payments be handed over to Teba, which administers these payments for workers from Botswana, Lesotho and Malawi. When they met Labour Minister Gulltherne Mavilla and Pedro Talmo, the Mozambique

labour representative in South Africa, the delay in paying the Vaal Reefs widows was blamed on postal strikes in Johannesburg. Mozambican officials who claimed pensions had not been paid because people could not be located reportedly became angry when Teba officials showed that 20 pensioners chosen at random had been found and interviewed. This week Mr Talmo was recalled to Maputo to assist a joint Mozambican-Teba investigation into the scandal. "There is no problem. I can prove that all the money has been transferred to Mozambique," he said.

From Page 1

Maputo scam: System 'needs review'

ET 18/12/95

(200) (211)

PRETORIA: An agreement under which South Africa pays indemnities to expatriate miners through the Mozambican Labour Ministry needs urgent review, says Mineral and Energy Affairs Minister Mr Pik Botha

His announcement yesterday follows allegations of a scam in which the Mozambican government and corrupt officials have pocketed insurance and pensions owed to the country's nationals

Insurance investigators recently uncov-

ered massive irregularities in the payment of death and disability pensions to about 1 000 families in Mozambique

The alleged corruption was exposed when relatives of eight Mozambicans killed at the Vaal Reefs mine reported they had not received their insurance payouts

The issue would have to be taken up with the Mozambican government, Mr Botha said, adding he would consult Foreign Affairs Minister Mr Alfred Nzo — Sapa

Government angry over big mine scam

(211) Sowetan 18/12/95

By Khangale Makhado

A GOVERNMENT delegation is soon to meet Mozambican representatives following reports at the weekend alleging that families of mine disaster victims had been fleeced or swindled of millions of rands.

Minister of Mineral and Energy Affairs Mr Pik Botha said in a statement yesterday that the Government viewed the media reports in "a serious light"

He said if they were correct, the Government would have to urgently take the matter up with Mozambique.

It was reported in a Sunday newspaper yesterday that there was a scam which robbed families of victims who had worked on South African mines. This follows an agreement in 1964 between the then Portuguese government and South Africa.

The scam was cracked after the Mozambican

families of eight victims of the Vaal Reefs mine disaster in which 104 miners died failed to receive their compensation of about R60 000 each.

The agreement stipulated that all compensation and death or disability pensions due to migrant mine workers had to be paid through the country's labour department.

Botha said that while he believed the original agreement was based on the sound and well-intended principle of ensuring that families and dependents received the benefits, he was concerned that they were instead cheated of such benefits.

"We must ensure that the families do in practice receive the benefits due to them, so that wives can sustain themselves and that children can be properly cared for," Botha said.

He said he would request Foreign Affairs Minister Mr Alfred Nzo to take up the matter with the Mozambican government.

Retrenched mineworkers face cheerless Christmas

(211) CT 21/12/95

SPECIAL CORRESPONDENT

JOHANNESBURG: When millions of workers go on holiday tomorrow to enjoy Christmas with their families, mineworker Mr Albino Baloyi will not be experiencing the customary cheer of the festive season

Tomorrow will be the end of the road for him and 156 other retrenched workers at the Village Main Reef Mine here

The gold mine, established in 1889, will finally be shut down after ceasing operations in 1976. It has been treating old gold dumps ever since, but low grades meant it could not break even

"I am going out with no clear knowledge of where I will find myself next year. Jobs are hard to find

"This will be a sad Christmas for all of us," said Mr Baloyi, who is a National Union of Mineworkers

(NUM) shop steward

It will be a sad Christmas not only for the 157 of Gold Reef Main, but thousands of other workers in the clothing and mining industry

More than 100 000 jobs have been lost in the mining industry since 1987

Imports

The SA Clothing and Textile Workers' Union estimates that job losses in the textile and clothing sectors are set to soar to 20 000 next year from 12 000 this year. The losses are due to the huge influx of cheap imported clothing and textiles

The clothing and textile sectors account for more than 27% of employment in kwaZulu/Natal and 13,9% of overall manufacturing employment nationally

In the mining industry, about

3 000 jobs are on the line in Anglo American's Freegold division. The company announced in November that the jobs would be cut due to the unprofitability of operations in the division's Free State section

And at state-owned Namaqualand diamond mine Alexcor, management intends to retrench about 500 of its 1 500 workers

Alexcor chief executive officer Mr Jannie Vermeulen said the retrenchments were necessary because the diamond price had dropped

NUM spokesman Mr Fred Wyngaardt said this week the company's plans to retrench flew in the face of government promises that restructuring of state assets would not be at the expense of workers

NUM official Mr Martin Nicol has said that a national strategy needs to be established to deal with retrenchments in the mining industry

De Beers and NUM to solve housing row

(211) *source Jan 21/12/95*

De Beers and the National Union of Mineworkers have agreed to form committees to address the housing problem at the Namaqualand Mines Division in the Northern Cape

This follows the NUM's continued call for blacks to be accommodated in proper houses like their white counterparts and not in single hostels

NUM and De Beers will hold further talks on January 27

As part of a separate agreement, the three wives of employees who were arrested for trespassing for visiting their husbands last month, agreed to go home

De Beers granted their husbands extended leave to allow them to accompany them back to the Eastern Cape

Retrenched mineworkers face uncertain future

(211) Star 21/12/95

By JUSTICE MALALA
Labour Reporter

When millions of workers knock off tomorrow to enjoy the Christmas break with their families, all that will be in mineworker Albino Baloyi's heart will be sadness, uncertainty, and none of the cheer of the festive season.

For tomorrow, as he collects the meagre tools he uses as an electrician at the Village Main Reef mine in Johannesburg, it will be the end of the road for him and 156 other retrenched workers.

The gold mine, established in 1889, will finally be shut down tomorrow after ceasing operations in 1976. It has been treating old gold dumps ever since, but low grades

meant it could not break even.

"I am going out with no clear knowledge of where I will find myself next year. Jobs are hard to find nowadays. This will be a sad Christmas for us," said Baloyi, a National Union of Mineworkers shop steward.

It will also be a sad Christmas for thousands of other workers in the clothing and mining industry.

The SA Clothing and Textile Workers' Union estimates that job losses in the textile and clothing sectors are set to soar to 20 000 next year from 12 000 this year. The losses are due to the huge influx of cheap imported clothing and textiles in the country.

The clothing and textile sectors account for more than 27% of em-

ployment in KwaZulu Natal and 13,9% of overall manufacturing employment nationally.

In the mining industry, about 3 000 jobs are on the line in Anglo American's Freegold division. The company announced last month that the jobs would be cut due to unprofitable operations in the division's Free State section.

The cutbacks are at Freddie's No 5 shaft, where 1 549 jobs will be lost, and at the Saarplaas No 3 shaft where 1 900 jobs will be affected.

And at state-owned Namaqualand diamond mine, Alexcor, management intends to retrench about a third of its 1 500 workers.

Since 1987, more than 100 000 jobs have been lost in the mining industry.

Alexcor's retrenchment plans blocked

Mungo Soggot

(211) PD 22/12/95

ATTEMPTS by management at state-owned diamond company Alexcor to axe 500 of its 1 500-strong workforce in a quiet privatisation drive have been blocked by the National Union of Mineworkers and government

The company was unavailable for comment yesterday, but NUM assistant secretary-general Gwede Mantashe said the retrenchment plans — due to go through this month — had been put on hold. Mantashe said he did not expect any announcement until later next year.

The job cuts were central to Alex-

cor's plans for partial privatisation, which also include spinning off non-core operations such as its ostrich farming business

Union sources said Public Enterprises Minister Stella Sigcau had recently reminded Alexcor management about the moratorium on restructuring in place since August. A department spokesman could not confirm this.

Sources said the Cosatu uproar after government unveiled its privatisation plans last week had also put a damper on Alexcor's plans

It is understood labour will demand that government guarantee jobs in any privatisation framework agreement

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Focus on miners' housing

(211)

Nov 23/12/95
By ESTELLE RANDALL

LABOUR REPORTER

Namaqualand diamond mines still practise apartheid in company housing, according to black workers who have been barred from family mine housing

Now the National Union of Mineworkers (NUM) and De Beers in Namaqualand have agreed to form working groups to assess present company housing stock

The groups will also examine housing allocation, housing opportunities and infrastructure in areas surrounding the mines, and will survey the needs of workers and their families

The agreement follows two days of mediation between the union and the company this week over the lack of family housing for all mineworkers at Kleinzee and Koningnaas diamond mines in Namaqualand.

Mediation will continue in 1996 after the working groups make their reports next month

Fred Wyngaardt, the NUM's Namaqualand co-ordinator, said the union was challenging the way in which the company allocated housing to its workers. This allocation was based on a grading system formulated under apartheid rule, he said

The single-sex hostel issue came to a head when 23 wives of mineworkers from the Eastern Cape occupied empty houses on mine property in January and three wives were arrested in October for trespassing

The three women were later released on bail after intervention by the NUM and then continued to camp at the mine gate

Since the start of mediation between the union and De Beers, the three wives have agreed to return to the Eastern Cape, using transport provided by De Beers. Their husbands were also granted extended leave.

The women have to return to Namaqualand next year to appeal against the sentences they received for trespassing on mine property

Wyngaardt said the problem would not go away and he was confident that "creative solutions" could be found if the root causes of the problem were addressed

PHOTOCOPIES

DATE	NAME	NO after printing	Number of copies					cash
			Saldru	Co-op	LRP	F/Hare	Other	
Balance	B/F		3783	3970	3875	1376		
			MINING —	LABOUR				
			1996					
			JANUARY —	JULY				
TOTAL	c/forward							

Job creation a part of IFP's manifesto

Farouk Chothia

DURBAN — The IFP election manifesto for KwaZulu-Natal advocates the formation of a business commission to spearhead job creation at local level, and proposes that state land be hived off to the private sector.

The manifesto proposes forming crime commissions to combat criminal activity, and the extension of the SAPS reservist system "to allow for local authority volunteer reserve systems".

The manifesto also commits the IFP to a referendum on whether the death penalty should be reintroduced.

The eight-page manifesto, sent to IFP branches, has not been officially unveiled to the public. The IFP is expected to launch its campaign for the May 29 election in the next few weeks.

The manifesto states local authorities would take the initiative to create opportunities for disadvantaged communities with business plans aimed at boosting local economic activity, and by reducing "unnecessary red tape which inhibits business activity".

The business commission would encourage the "structured" development of tourism to create employment without "adversely impacting on" the environment; secure sites for small businesses at low or deferred charges; implement preferential rating systems for vocational and educational institutions; and identify areas where dere-

gulation would increase efficiency.

The manifesto refers to a single business commission, but the IFP is believed to envisage a commission for each of eight regional councils. In the case of the crime commissions, the manifesto states they would be established in every local authority to "monitor and report on criminal activity in a co-ordinated and comprehensive manner, and to produce effective programmes to combat crime".

Other proposals on crime are tougher sentences; stricter bail conditions, police salaries to be commensurate with responsibility and value of the profession; and removal of officers from desk work to do "active" policing.

The manifesto says that local government has a role to play in resolving historical disparities in land distribution and in maximising the use of available land. Local authorities should be bound "to provide formal justification for any land vacant. If a satisfactory explanation is not provided, the land should be offered to the private sector".

"Massive potential can be unlocked by harnessing currently redundant or unproductive land held by the state or its agents," the manifesto says.

However, IFP-controlled local authorities would "resist attempts by central government to nationalise communally-owned land" as the IFP believed "development of this land must be vested in communities themselves".

Mining 'not for women'

Wynndham Hartley
BD 5/3/96
CAPE TOWN — NP and ANC members agreed on one thing yesterday — women should not be allowed to work at the "coal face" in SA mines.

However, they faced opposition from their own colleagues in the mineral and energy affairs committee during a briefing on the new Mine Health and Safety Bill.

Government mining engineer Dick Bakker, briefing the committee, said that women were no longer prohibited in the new legislation from working underground. He explained that in the past it was specifically outlawed for women to go below the surface unless it was in an administrative capacity or for research purposes.

The ANC's Ismail Mohamed remarked that women were clearly genetically different from men and should not be allowed to work underground. Elizabeth Thabethe (ANC), the only woman MP present, said to prevent women from working in mines would be a breach of the constitutional freedoms which they now enjoyed.

Traditional leaders' council law rejected

Tim Cohen

CAPE TOWN — Legislation was tabled in Parliament yesterday to circumvent difficulties in the creation of a national council of traditional leaders.

The legislation was rejected by the IFP, mainly because it would prohibit council members from simultaneously holding seats in regional and national parliaments.

The creation of the council is provided for in the constitution, but its establishment has been delayed because the formation of regional councils has been stalled in

some provinces by infighting among traditional leaders. Legislation requires that all regional bodies have to be established before a national body can be formed. Council members are elected by an electoral college drawn from the regional houses.

The Council of Traditional Leaders Bill circumvents this problem by providing that each house nominate three members to sit on the national body.

IFP MP Walter Felgate said the prohibition on council members serving as MPs or members of any provincial legislature was one

reason for his party's opposition. The provision would, for example, exclude Inkatha leader Mangosuthu Buthelezi from the council.

Felgate said discussions aimed at formulating rules for the working of the council had started last year. The rules had been endorsed by the parliamentary constitutional affairs committee.

But the legislation contradicted several agreements, including an agreement that members of the council did not have to belong to regional houses. The legislation included other clauses not previously agreed, Felgate said.

NEWS

Deelkraal miners build shacks in bid to change housing policy

By Ross HERBERT

Johannesburg — The desire to escape hostel life and to live with wives or girlfriends in their own homes led mine workers to a struggle with management at Gold Field's Deelkraal mine this week.

Fed up with living in single-sex hostels with 20 men to a room, Deelkraal workers on Monday made their third attempt in three weeks to build shacks on unoccupied land at the mine. They vowed to abandon the hostels and build their own houses unless management changed their housing.

Though the workers were being deliberately provocative, the issue raised the stakes at Gold Fields where industrial relations have long been combative. It also introduced a new variable in the debate over weekend work. Aware that Deelkraal mine is barely profitable, workers said they would work two extra days a month if the profit would be used to upgrade housing.

The fustle began on February 16 when workers began building the first shacks. Company security

forces waited until most of the workers were underground on the day shift then crushed the half-completed structures with a Casspir armoured vehicle. After gathering new materials, workers made another attempt on February 23, according to James Khumalo chairman of the National Union of Mineworkers (NUM) at the mine.

Again the Casspirs came but workers rallied to protect the shacks. "When the hippos (armoured vehicles) came, the men decided to stand around and protect the shacks. They threw themselves in front of the wheels," said John Blom, the regional chairman of NUM.

Later the Casspirs returned to bulldoze the shacks. Workers said company security has not wanted to confront large numbers of workers. But the workers cannot defend the shacks at all times. So the two sides have parried.

Build, bulldoze, rebuild. Each repetition of the cycle has produced more workers determined to have their way. On Monday about 150 workers cut down

trees and scavenged for wood and sheet metal from the mine's vacant spaces. By dusk they had completed one shack and erected the skeletons of two others.

"People are very, very cross. The workers are tired of living in the hostels and they want to live with their wives," Khumalo said.

The situation is a test of wills. Worker anger over living conditions is genuine, but the shack-building drive is designed to step up pressure on management to improve living conditions.

Management is surely loathe to see permanent settlements grow on mine property outside its control.

Workers say they do not really want to live in shacks, but will build them if they are their only option. Either the hostels are upgraded and allowances are granted for living in nearby townships, or the workers say they will persist until they establish their own housing.

"If they are going to stay in the hostel, they have to be upgraded to one man a room," said Blom. A key issue is overnight stays by women. There are only 15 rondavels work-



HOMEMAKERS Workers at Deelkraal mine on Monday night rebuilt shacks that were crushed by armoured vehicles. PHOTO: JOHN WOODROOFE

ers can book for a stay with wives. But no girlfriends are allowed, which means workers must rent a bed in a township or have sex lying in the weed-covered fields.

"Would Alan Munro (executive director of Gold Fields) like to have to go off into the bush to sleep with his wife?" asked one union official.

The pressure seems to have partially paid off. The mine manager Fields' reputation for management

and industrial relations with international investors and analysts

We see there is major opportunity at Gold Fields to add value. But we don't see that driving over ten shacks in armoured vehicles is the way to do it. It shocks me but does not surprise me," said an analyst for Mercury Asset Management, which owns a chunk of Gold Fields shares.

"I think generally the perception is that Gold Fields has the greatest assets but they just aren't managed well compared to the other houses," said Carel Van der Merwe, a gold share sales analyst at Fleming Marun in London.

The NUM headquarters has not sanctioned the action at Deelkraal, but is watching the situation closely. It has made housing a national issue and succeeded in getting the government to change residency rules for foreign workers.

Gold Fields is not alone in facing difficulties over living conditions. De Beers is locked in long-running negotiations over women who have camped outside the gates of the company's Namaqualand mines.

Several have been arrested, but

workers demanded that they be allowed to live in unoccupied housing on the mine.

Nationally, hostels present difficult choices to companies. Building individual housing on mine property raises the possibility that workers will eventually lay claim to their houses and resist leaving even if fired from company jobs.

As children grow up on mine property, will they come to see mine jobs as their right? And how much can the industry afford to pay?

Deelkraal has barely made a profit in the past year, ore is being mined faster than new reserves are opened up and the mine has not generated enough cash to cover new development. But workers laugh at the idea that Gold Fields does not have the money.

Several mining houses offer subsidies for workers to live out of hostels. But Susan Moorhead, the housing co-ordinator for NUM, complains that the amounts offered are generally less than the costs workers incur for rent, water, electricity and food in a township.

"They are the ones who created the hostel system. They can't just discharge their responsibility by offering a small amount and walking away," said Moorhead.

In addition to privacy and poor facilities, food is another evocative issue.

Workers at Doornfontein held a mass meeting last week to protest over hostel food that was giving them diarrhoea. A regional NUM official also became ill after eating the food on a visit. A worker coordinating committee was established to raise food standards.

ERPM workers held a two-day protest in January over what they said was rotten food bought by a catering subcontractor. New purchasing standards were set with worker participation.

Vaal Reef workers complain that they must drag mattresses across the hostel grounds to rooms that they must book in advance for overnight marital visits.

Moorhead said the mines spent an average of R3 a day for food for each worker, compared with the R22 spent for each student at Witwatersrand University.

10 000 mine jobs may go

(211) Sowetan 6/3/96
Five shafts face closure unless costs, the gold price or production improves

By Abdul Milazi
Labour Reporter

ANGLO-AMERICAN CORPORATION yesterday said it was doing all it could to save 10 000 jobs in three of its five marginalised gold shafts that are due to close at the end of the month

AAC spokesman Mr James Duncan said three of the threatened shafts had run out of ore and were doomed to close, while the lives of the other two could be prolonged through rescheduling the mine's programme. Workers presently work for 12 consecutive days and get two days off

Ultimate closure

However, Duncan said although the lives of the two shafts could be prolonged, their ultimate closure was inevitable because they were also running out of ore

"If the shafts don't show any progress, we will have to close them. We will only know how they are doing by the end of the month," said Duncan

Duncan said the programme was agreed upon between organised labour and management last month

This arrangement would last for two months before it is reviewed

The three shafts under threat are Freegold's Saaplaas shafts three and four and Freddie's nine shaft

Discussions at Western Holdings, where shafts three and seven are on the immediate danger list, are continuing in a bid to find other ways to boost production

Duncan said the gold price, cost containment and productivity would play a major role in managing the closure of the shafts

"We cannot do anything about the gold price but we can do something about cost containment and productivity. It's up to all the stakeholders to make this work," said Duncan

National Union of Mineworkers (NUM) spokesperson Ms Judith Weymont said the union was happy with the move to save jobs

She said an agreement to work an additional Saturday was reached at Western Holdings before the January 25 summit, where loss-making shafts were told that they faced closure unless they showed measured improvement before the end of March

POLITICS

Reported dismissal of 25 000 miners denied

BD 7/3/96 (211)
CAPE TOWN — Claims that 25 000 gold miners would soon lose their jobs were false, Chamber of Mines CE Tom Main said yesterday, and he did not know where those figure came from.

Briefing members of Parliament on the mining industry in general and gold mining in particular, Main said it was likely that gold mines would continue reducing staff, but this should flatten out as productivity improved.

Asked whether the industry was approaching the end of its life, he said one should not be too pessimistic. Some gold mines were still very profitable and could have long lives.

The real problem was that marginal gold mines were easily affected by increased working costs and drops in the gold price. However, there was more gold in the ground now than had been taken out in the past 100 years.

The gold mining industry's future depended on responsible actions by the government, management and labour.

SA had become the most expensive gold producer in the world because of its deep-levels and the exceptionally hard ore. In the US and Australia, open pit mines with soft ore made recovery much cheaper. Average production costs for gold in SA were about 36% higher than the average for Australia, the US and Canada.

SA mineral sales totalled R50,7bn in 1994. Total mineral exports were R40,8bn — 47% of total tangible exports. Sixty different minerals were exported to 90 countries, Main said. — Sapa.

(ii) 30	(i) 1
(iii) 75	(ii) 9
(iv) 1	(iii) 37
(b) Convicted	(iv) 6
(i) 1	Northern Cape
(ii) 3	(a) Prosecuted
(iii) 3	(i) 0
(iv) 1	(ii) 12
KwaZulu-Natal	(iii) 88
(a) Prosecuted	(iv) 2
(i) 6	(b) Convicted
(ii) 55	(i) 0
(iii) 99	(ii) 1
(iv) 14	(iii) 8
(b) Convicted	(iv) 1
(i) 2	Western Cape
(ii) 6	(a) Prosecuted
(iii) 39	(i) 1
(iv) 3	(ii) 12
Mpumalanga	(iii) 61
(a) Prosecuted	(iv) 6
(i) 4	(b) Convicted
(ii) 5	(i) 0
(iii) 17	(ii) 3
(iv) 0	(iii) 13
(b) Convicted	(iv) 1
(i) 4	Free State
(ii) 1	(a) Prosecuted
(iii) 4	(i) 1
(iv) 0	(ii) 8
Eastern Cape	(iii) 32
(a) Prosecuted	(iv) 4
(i) 4	(b) Convicted
(ii) 55	(i) 0
(iii) 177	(ii) 2
(iv) 33	(iii) 8
(b) Convicted	(iv) 2

QUESTIONS

†Indicates translated version

For written reply

Gold mining industry

54 Mr G C OOSTHUIZEN asked the Minister of Mineral and Energy Affairs †

Year	Mine	No of jobs lost	Reason
1994	SA Lands (Sallies)	62	Mining unprofitable
	South Roodepoort	102	Mining unprofitable
	Elandshoogte	126	Mining unprofitable
1995	First Weegold	830	Rationalisation after amalgamation with Randgold
	Village Mann Reef	154	Economic ore reserves exhausted
	Balmoral	408	Rising costs
	Stanhope	263	Rising costs
(3) Complete statistics for the first two months of 1996 are not yet available			
Year	Mine	No of jobs lost	Reason
1994	Blyvooruitzicht	2 627	
	Bosveld	120	
	Durban Roodepoort Deep	3 102	
	Primrose	217	
	Freegold	3 851	
1995	City Deep	61	
	Crown Mines	123	
	Eersteling	112	
	Freegold	7 205	
	Oryx	962	
	Stilfontein	117	
	Vaal Reef's	4 179	
	Western Deep Levels	4 182	
(2) It must be borne in mind that the number of persons employed at some mines showed an increase in 1994 and 1995			

THE MINISTER OF MINERAL AND ENERGY AFFAIRS

(1) (a) The average number of persons in service on South African gold mines during 1994 and 1995 was

1994—392 185
1995—379 849

(b) The average number of persons from other African countries employed on gold mines which are members of the Chamber of Mines during 1994 was

Lesotho	80 200
Mozambique	42 686
Swaziland	14 208
Botswana	10 043
Other	275

Complete statistics for 1995 are not yet available

(2) (a), (b) and (c) Gold mines which discontinued production in the relevant years are

Complete statistics for the first two months of 1996 are not yet available

(c) Statistics reflecting how many of the jobs lost were held by employees from other countries in Africa are not available

Oil/gas sources

55 Mr J J NIEMANN asked the Minister of Mineral and Energy Affairs †

- (1) Whether there have been any profitable discoveries of oil or gas sources in the sea south of Cape Town, if so, in what vicinity,
- (2) whether the fields involved will be exploited, if not, why not, if so, by whom,
- (3) whether any further exploration has been done or is being done to establish whether there are any other exploitable sources of oil or gas in the vicinity, if so, what are the relevant details,
- (4) whether he will make a statement on the matter?

NI01E
The MINISTER OF MINERAL AND ENERGY AFFAIRS

- (1) SOEKOR uses internationally tested techniques to determine where exploration drilling will yield the best results. Using these methods SOEKOR determined that the probability of finding any viable oil or gas resources within the offshore areas between Cape Point and Cape Agulhas is minimal and consequently neither SOEKOR nor any foreign company has conducted any drilling in this area. SOEKOR did however discover oil and gas resources in the offshore area south of Mossel Bay known as the Bredasdorp Basin
- (2) Some of the Bredasdorp Basin gas resources are now being exploited by Mossgas and SOEKOR itself is busy finalising its negotiations with overseas contractors for the development of a small oil field, E-BT, located approximately 140 km south-west from Mossel Bay. The Cabinet approved the development of this project during September 1995 at a capital expenditure of USA \$75 million. Details were made known at the time

Proposals from various contractors were considered and a technical project is currently negotiating final details of the development with a number of international contractors

- (3) SOEKOR's own exploration programme is limited to the Bredasdorp Basin and its extent is limited by the availability of funds. During the current financial year, ending 31 March 1996, SOEKOR has drilled only three boreholes, one of which was dry and two of which were oil-bearing. The oil field is small and the viability of exploiting it is being evaluated

- (4) SOEKOR engages in ongoing discussions with a number of international oil companies. The objective is to encourage them to participate in the South African offshore area by subleasing certain offshore areas to them. South Africa competes internationally with other countries for the limited funds available for oil and gas exploration. This means that international oil companies carefully examine *inter alia* the legal framework, the tax regime and the probability of finding oil and gas in a country before they decide to invest. Since Government is committed to openness and transparency, the country will be kept informed should viable reserves be discovered

Except for the Bredasdorp Basin, the remainder of the offshore areas of the Republic of South Africa, stretching from the common border with Namibia in the north-west, around the Cape of Good Hope to the border with Mozambique in the north-east, is under-explored. This area has been divided into 18 blocks.

On 5 October 1994 I opened a licensing round with a promotional seminar in London which was attended by interested oil and gas exploration companies. These companies were invited to invest in offshore oil and gas exploration. Further seminars followed in Houston and Cape Town on 11 and 20 October 1994 where these blocks—except for block 9 where existing discoveries are being developed—were offered for sub-lease.

R10 million worth of geological and borehole data has to date been sold to

interested parties. A major oil company is showing interest in a block situated off the east coast.

Monitoring of communications of MPs/MECs

65 Mr A J LEON asked the Minister of Justice

- (1) Whether the State monitored, recorded or intercepted the telephones and/or any other communications of any members of the (a) Cabinet, (b) National Assembly, (c) Senate, (d) provincial Executive Councils and/or (e) provincial legislatures during the period 1 May 1994 up to the latest specified date for which information is available, if so, what are the relevant details in each case,

- (2) whether in each case the requisite law was complied with prior to such monitoring, recording or interception, if not, why not, if so, what are the relevant details?

NI145E

The MINISTER OF JUSTICE

- (1) All applications for interception or monitoring are addressed to the judge designated to fulfil the functions in the Interception and Monitoring Prohibition Act, 1992 (Act No 127 of 1992). In terms of section 3 of the Act only the following institutions may apply for telephone monitoring and the interception of mail

- (i) The South African Police Services regarding serious offences or where the security of the Republic is threatened
- (ii) The South African National Defence Force where the security of the Republic is threatened
- (iii) The National Intelligence Agency where the security of the Republic is threatened

Section 7 of the said Act provides that any person who is or was concerned in the performance of any function in terms of the Act, shall not disclose any information which he obtained in the performance of such a function except—

- (a) to any person who of necessity requires it for the performance of his functions in terms of the Act,

- (b) if he is a person who of necessity supplies it in the performance of his functions in terms of the Act,

- (c) such information which is required in terms of any law or as evidence in any court of law, or

- (d) to any competent authority which requires it for the institution, or an investigation with a view to the institution, of any criminal prosecution. It is therefore not possible to further respond to question (1)

- (2) According to Judge G Gordon (the designated judge) his office complies with the provisions of the Interception and Monitoring Prohibition Act, 1992 (Act No 127 of 1992) as well as the directives jointly issued by the Judges-President of the Supreme Court of South Africa (which prescribed the manner and procedure to be followed—section (6)

Company tax collected

76 Mr K M ANDREW asked the Minister of Finance

- What was the total amount of company tax collected in (a) the whole of South Africa and (b) each of the provinces in respect of the 1994/95 financial year?

NI156E

The MINISTER OF FINANCE

(a)	R 11 961,3 million	% of total
(b) Province	R million	
KwaZulu-Natal	823 983	6,9
Northern Cape	13 728	0,1
Northern Province	41 708	0,4
North West	40 156	0,3
Eastern Cape	300 427	2,5
Mpumalanga	113 549	1,0
Free State	68 015	0,6
Gauteng	7 884 118	65,9
Western Cape	2 675 651	22,4

Note Divided according to collections by Revenue Offices

Companies pay where the head office is registered and not where the branches are situated or business is conducted and therefore the distribution will not be strictly according to provincial boundaries.

NUM, De Beers tussle over hostel abolition

BY JUSTICE MIALALA
Labour Reporter

As she sits in the disused hostel of the Kleinsee mine near Namaqualand with about 26 other homeless women, Nosakhele Sinxabi dreads the birth of her next child in a few months' time.

Sinxabi, also the mother of a year-old child, and the other black women are the wives of mineworkers at Kleinsee.

After deciding last year that they wanted to stay with their husbands at the mine rather than wait for their holiday visits to the Eastern Cape, the women trekked there and occupied visiting wives' quarters at the mine.

Sinxabi was arrested in October and charged with trespassing while trying to enter the mine. She was sentenced to three months in prison with two other women and her child.

They were released only after lawyers for the National Union of Mineworkers (NUM) intervened and paid bail for them pending their appeal against the sentence.

At the centre of the dispute with the De Beers diamond mine authorities is the abolition of the hostel system at the mine and the creation of family units

for black workers at the hostel, says the union.

NUM asserts that family quarters are given to white employees only while black workers remain in the hostel.

This weekend shop stewards from all De Beers SA mines will meet to draft a plan to take on the company, and one of their main demands will be that the plight of Sinxabi and her colleagues' be resolved.

Family units are still given only to white employees

"Some kind of stronger action, rather than the meetings that have been held all along, may be taken," NUM spokesman Judith Weymont said yesterday.

The union is demanding that the company discuss the installation of mobile homes and the conversion of a hostel complex

into family accommodation.

The union will also hold a central committee meeting next week that will focus on the issue as a prelude to meetings which will be held with De Beers on March 18 or soon thereafter.

De Beers said yesterday it had made a number of proposals on the housing issue to the NUM and awaited the union's response.

The company said housing was allocated according to job grading and not by race.

The union's shop stewards meeting will focus on the two parties' dispute over holiday leave. NUM alleges that De Beers is refusing to give workers leave when it falls due unless they sign an agreement to reduce the leave from 37 calendar days to 21 working days.

De Beers said yesterday it would pay NUM members full compensation in the form of increases in basic pensionable salaries in return for a reduction in annual leave entitlements of five working days for certain categories of employees.

It said about 56% of workers at Venetia and Namaqualand mines, where the scheme is being implemented, had accepted the proposed change.

Star 8/3/96

(211)

One third of mine (200)

workers are foreigners

Star 12/3/96 (211)

About a third of the people working on South African gold mines were from other African countries, Mineral and Energy Affairs Minister Pik Botha said. The average number of people employed on gold mines that were members of the Chamber of Mines in 1994 was 147 412.

NUM to seek help on retrenchments

BD 13/3/96

(211)

Renee Grawitzky
and David McKay

THE National Union of Mine-workers is to adopt a more vigorous approach to challenging job losses, including using independent consultants to test management claims on mines' viability

General secretary Kgalema Motlanthe said yesterday that the union's central committee, besides developing positions on wage demands, would also pursue issues related to retrenchments, including developing the capacity to assess the cause of job losses.

The union had already called in an independent mining expert to the Freegold shafts threatened with closure by the end of this month. Anglo American has warned that 10 000 jobs on the shafts might go unless profitability improves.

The consultant's provisional report showed that large amounts of gold deposits still existed at Saaiplaas 3 and 4 — two of the shafts facing closure.

The union said the shafts were threatened because Anglo American had refused to invest in them, rather than because they were unprofitable.

Motlanthe said that Freegold's management had not been proactive in disclosing the information requested, so the union needed independent capacity in order to test the claims made.

Anglo said earlier this week that the shafts' performance had improved last month, after a meagre January performance in which public holidays had inflicted heavy damage.

Although the heavier work schedule agreed with the unions last month was showing a positive trend, Anglo warned that the public holiday next Thursday could upset the revival.

The union said Anglo had to decide whether it wanted "to run mines or prisons. If it wants to run mines then it has to understand that workers have rights accrued to them in terms of legislation."

Analysts said the future of the shafts had already been sealed. "You don't turn a mine around within two months," one said.

Message

Another suggested that Anglo American was sending a message to the unions shortly before wage negotiations begin in May. "Given the difficulty of ensuring productivity at Freegold, it will tell the unions that double-digit living wage increases are out of the question," he said.

Motlanthe said that the central committee — which starts its annual meeting on Friday — would also focus on practical issues facing the union and what had to be done to ensure "rights on paper" were implemented in practice.

The central committee intended to concentrate on a social plan act and work reorganisation, as well as on training.

Other aspects would range from the adoption of positions around subcontracting to positions on new legislation including the Labour Relations Act, the Mine Health and Safety legislation, and the green paper on minimum employment standards.

Mine union boss questions Cosatu alliance future

JOHANNESBURG — National Union of Mineworkers (NUM) president James Motlatsi called for a reassessment of the alliance between the African National Congress, the Congress of SA Trade Unions and the SA Communist Party

However, he said the alliance had to survive for the moment as it was the best means of advancing the concerns and struggles of the working class

Speaking at a NUM central committee conference in Pretoria, he said the alliance had been forged in the struggle against apartheid but was not "carved in stone"

Some Cosatu affiliates said the alliance tied unions too closely to government policy now the ANC was in power

"They demanded a break from the alliance. Their views

were rejected at the time but they have been revived over the present dispute over government plans to privatise public utilities," he said

Mr Motlatsi said there was a strategic difference between the ANC as a political movement and the ANC in government

ARG 16/3/98
"For this reason the ANC can sometimes appear to have a split personality, pursuing entirely contradictory policies in and out of government"

"The alliance is a strategic issue. The labour movement is not in the alliance for old time's sake. Nor is the alliance a partnership that will last forever"

"But the alliance must survive because I believe that functioning within the alliance is the best way to advance the concerns and struggles of the working class in the current South African conditions," Mr Motlatsi said

However, Mr Motlatsi criticised the alliance for not setting the agenda but instead "responding to somebody else's agenda, in this case the agenda of capital"

(211)
The alliance was also failing to function at all levels

"The alliance is currently failing because it exists only at the top. There is no real coordination of forces at factory, mine, shop, farm and township level," he said.

Another criticism was that the alliance remained inefficient at executive level

"It only meets when there are problems. If no problem seems important enough to warrant a meeting then the alliance, to all intents and purposes, does not exist," he said

"It is therefore a body that responds to problems and does not initiate programmes"

He called for bi-annual alliance meetings at executive level and more often at provincial, regional and branch levels

There should be provision for emergency meetings "when crises occur such as the murder of Nigerian activists or the privatisation issue"

Referring to retrenchments in the mining industry, Mr Motlatsi said he accepted mines were privately owned and they had to take into account the interests of shareholders

"But their concerns are nowhere near as important as those of the mineworkers who have invested their human capital in the mining industry"

"Yet mine owners still treat our members as cheap and replaceable commodities. We in the NUM demand that government ensures that mine owners take more social responsibility for the decisions they make. They must develop a business vision that extends beyond the boundaries of their lavish boardrooms"

Retrenchments affected white as well as black miners

He said the union demanded that employers and government "recognise that the right to work is more fundamental than the right to profit and has to be protected as a matter of priority"

The only acceptable solution was that the mining industry become more diversified, he said — Sapa

NUM proposes new wage strategy for negotiators

BD 18/3/96

(211)

Renee Grawitzky

THE National Union of Mineworkers' central committee has endorsed considering two-year wage agreements, similar to those in the motor industry, with wage increases set at 2% more than the rate of inflation.

This emerged at the 357 000-strong union's central committee meeting at the weekend, when a new approach to the implementation of core wage demands and other resolutions were adopted ahead of wage negotiations in the mining and energy sectors.

A two-year agreement would have to be renegotiated if the consumer price index fell to less than 7% or rose to more than 12%.

Core demands related to wages, ending racial discrimination, an integrated housing policy, joint decision-making in all areas relating to housing and running hostels, health, safety, compensation, security and ensuring that agreements were implemented.

Strong positions were adopted against privatisation in the guise of restructuring assets.

The SA Foundation's growth document, endorsed by big business, was rejected out of hand as it would contribute to poverty and unemployment.

NUM general secretary Kgalema Motlanthe warned delegates that the unemployed would be used to undermine labour standards, and competition for jobs between the employed and unemployed would strengthen employers' hands at the bargaining table.

He estimated that the average wage of NUM members was R1 164 a month, compared with R1 695 for manufacturing workers.

The new wage strategy, mooted at a collective bargaining seminar last month and approved by the central committee, was not intended to form a union-wide position. It was merely a proposal for consideration by negotiat-

Continued on Page 2

Wage strategy (211)

Continued from Page 1

BD 18/3/96
ing teams, he said.
The proposals included minimum wages ranging from R1 320 for surface workers to R1 458 for underground workers while, as proposed last year, four job categories would be grouped into one. Minimum wage increases could range between R264 for surface workers and R292 for underground workers. The union would also consider negotiating wages in categories,

rather than across the board.

The union resolved to implement a programme to resist restructuring at Eskom, Alexcor and Foskor and to challenge government and employers on retrenchments.

The union had also drafted an agreement on the use of contractors to gain "control over contracting".

Strategies were approved to train and develop worker leaders to take up positions in tripartite structures established in terms of the Leon commission recommendations on safety and new legislation, which are to come into effect this year.

Wages and housing among mineworkers' top demands

By ROSS HERBERT

Pretoria — Wage hikes 2 percent above inflation, large increases in minimum wages, radical changes in worker housing and an end to racial discrimination are among the top bargaining demands for this year agreed to by the NUM at its annual central committee congress at the weekend.

The union said it wanted to seek a two-year wage agreement with the Chamber of Mines that would raise minimum wages to R1 320 a month for surface workers and R1 458 for underground workers, a significant jump from the average of R1 164 now received by NUM members.

The union said it would seek a collapse of job categories 1 to 4 into one category paid at the minimum for category 4. For mines outside the

Chamber, the minimum demand would be 25 percent for category 4

Kgalema Motlanthe, the general secretary of the union, said "starvation wages" of as little as R325 a month were still a problem that the union would have to combat at some small-scale mines.

The union said it intended to challenge mine management on a wide range of racially discriminatory practices and demand equal wages for all workers in the same jobs.

"Racist attitudes still lie behind every rule and regulation that exists for black workers in the mining and energy sectors," the union's draft list of bargaining priorities said.

The bargaining document said housing was the area of the most pronounced racial discrimination. It said the union would push for the same

housing rules to apply to white and black workers and it would seek housing allowances apart from minimum wage demands.

Allowances, the union said, should be set so that no worker paid more than 15 percent of salary for housing. One option included working with local government to use housing subsidies for construction of houses on mine property.

The union also intended asking for additional compensation for black workers disabled before 1977.

At the time, disabled white workers got life pensions while blacks got a lump sum, which many workers spent quickly.

Subcontractors should also pay the same wages and follow the same work rules for their workers as apply to NUM members, the union said.

CT(BR) 18/3/96 (211)

Union confronts authorities over crime

By ROSS HERBERT

Pretoria — The labour movement must challenge the government over its failure to fight crime adequately, James Motlatsi, the NUM president, said on Friday.

Speaking to the union's annual central committee congress, Motlatsi also said that the union movement had failed to set the political agenda and was largely reacting to business.

There were two issues on which the labour movement should challenge the government. "The first is crime and the second is their new growth and development strategy."

"I believe the government is not being firm enough in dealing with the crime wave that is terrorising our communities," Motlatsi said.

The government should put more resources into prosecuting networks of

organised crime, eliminating the ability to sell stolen goods and blocking the sale of stolen vehicles.

Motlatsi said the government's present economic strategy had more in common with business than labour.

"I am sick to death of the progressive forces in this country being anti-anything. Let business take a defensive stance. We have the space to be on the offensive," he said.

Motlatsi said labour was failing to influence the government because of a breakdown in the Cosatu-ANC alliance. "There is no real co-ordination of forces at factory, mine, shop, farm and township level."

He suggested that regulations be imposed on the alliance requiring at least two meetings a year at the executive level and more frequent ones at regional and local levels.

The union needed to bolster its

expertise to make it better able to challenge cost-cutting and downsizing efforts in the mining industry.

"NUM should hire its own geologists, mining engineers and experts as consultants to assess the nature and extent of mineral reserves in every case where there is a question mark over continued production. I want us to challenge the employers to provide us with the information on which they base their decisions so that we can work out a joint production strategy."

Some NUM members privately raised questions about how much senior union officials were earning. He said there should be a policy throughout Cosatu that the fees earned by officials for sitting on private boards go to a special fund. Motlatsi told the central committee that members should not expect salaries rivaling those in government or industry.

CT(BR) 18/3/96 (211)

Mboweni meets mining delegation

(211) (21) ~~211~~
Renee Grawitzky

BD 20/3/96

LABOUR Minister Tito Mboweni defended the Labour Relations Act yesterday as being flexible.

Following a meeting between representatives of his ministry and a presidential delegation from the Chamber of Mines led by its president At du Plessis, Mboweni said "anyone who says the LRA is inflexible has a major problem".

Mboweni was responding to questions relating to big business's approach to the LRA in light of the SA Foundation's "Growth for all" document. He said the individual who indicated the LRA was a "miserable compromise" subsequently conveyed to him that business would stick by the LRA agreement.

Mboweni said May 1 was still being targeted, but a number of practical plans had to be worked out and preparations completed. "We may still be on time to do a number of things on May 1"

The meeting between the ministry and the presidential delegation formed part of the normal interaction of government ministers which normally took place at the time of the opening of Parliament.

The parties briefed each other on the state of the mining industry and the need for a mining summit, processing around the LRA and the green paper on employment standards.

Mboweni told the delegation that everyone would be afforded the opportunity to comment on the green paper. He indicated that the chamber's briefing on the state of the mining industry related to production processes, the industry's contribution to foreign earnings and the difficulties the industry faced in terms of increased costs.

The chamber indicated that increased costs could be a result of levies, taxes and new legislation.

Four mines poised to go over to 'full calendar' (211)

BD 22/3/96

David McKay

FOUR of SA's largest gold mines are poised to convert to full calendar operations — a move the industry has vaunted as crucial to bolstering profitability in the besieged sector

JCI, Gold Fields and Gengold said earlier this week they were planning to implement full calendar operations on their mines

JCI's Randfontein Estates and Western Areas and Gold Fields' Libanon and West Driefontein — together they produced 18 738kg of gold and a total net income before capex of R470,7m in the December quarter — said they would move across in the next six to 12 months

Randgold's East Rand Proprietary Mines — which posted a R1,06m pre-capex profit for the December quarter — went over to the system last week. Gengold said its Kinross, Winkelhaak and Leslie were pursuing the issue

Management and the unions agreed on full calendar operations only during wage negotiations last year

Full calendar operations have been seen as one mechanism to close

the gap between the profitability of SA and overseas gold mining

Analysts have cautioned, however, that extending the working week would only revive fortunes if it was tied to a rethinking of management practice

JCI gold and uranium division CE John Brownrigg said the South Deep section of Western Areas would go full calendar within the next six months. Randfontein Estates would shift across in 12 months

JCI had sent a team to sister mine HJ Joel to develop a full calendar model. Joel had been using it for the past two years, and had achieved a 50% improvement in production stopping

Gold Fields had established a steering committee to co-ordinate full calendar policy, and management had been talking at mine level for some time. The group was committed to the system, but there were no plans at this stage to introduce it at Kloof

ERPM said there had been a 100% turnout among the mine's 3 000 underground staff for its first full calendar shift. But Randgold said there were no plans to follow suit on other operations

Gengold said its St Helena operation had been running continuous mechanised ore retrieval on its No 2 shaft with the co-operation of the unions. Its developing mine Oryx had gone full calendar in 1994

The system was "on the agenda" at Kinross, a spokesman said, and could have a limited application at Winkelhaak. Meetings with the unions were under way at Leslie

Anglo American declined to comment, although last month it shifted some of the threatened shafts at Freegold to a "12-days on, 2-days off" shift plan in a bid to save jobs

Anglovaal said it had no plans to push ahead with the system, although its Lorame mine was the first to introduce a seven-day working week, in January 1993.

EXECUTIVE SUITE

Gold Fields puts woman at top

BD 28/3/96 (211)

David McKay

MINING group Gold Fields has given its clearest indication yet that it intends to update company culture with the milestone appointment of a woman to a senior management position

But new coal, base metal and platinum division GM Barbara Day seems largely unfazed by suggestions that her appointment is a benchmark in the mining industry

Day takes over a difficult portfolio, featuring the ailing presence of Northam Platinum, from Helgo Kahle, who has switched to the new position of company representative for West Africa in Accra, Ghana

Day dismisses the gender factor as extraneous, believing that men and women manage in accordance with their management styles

What is Day's management style? "Ask anybody who has worked for me"

However she does admit that, traditionally, women do not generally get on in the mining industry

At the time I joined Gold Fields, women usually followed their spouse's lead. So if the husband had to move to take a higher position, the wife would usually sacrifice her job in order to follow," she says

Day believes Gold Fields, and the mining industry as a whole, encourages long-term plans. "I started at Gold Fields almost 20 years ago in the group's computer department, before moving to personnel. Then it was back to the computer division, then the property section, then into the mineral economics division, and finally to the finance division, where I was manager

"In all this time I have never seen tokenism in Gold Fields' corporate culture, and I do not believe my current appointment is a question of tokenism"

Day graduated from Natal University with a B Sc in maths and chemistry. "I expect the chemistry will now become important again," she says

After university she decided to teach, but soon left the profession to join Anglo American in Welkom. It was from there that Day joined Gold Fields

Day's experience in the Gold Fields fi-



Barbara Day, breaking new ground

nance division could stand her in good stead, as cost effectiveness and productivity are becoming watchwords in the day-to-day running of Gold Fields' mines

Northam Platinum is an example. "I am not pessimistic at this stage about the future of Northam," Day says. "It is a good ore body which has to break even in the short term. Gold Fields set itself a series of tasks — firstly to improve the mine's tonnages and ore grade before turning to the second task of bringing down the mine's operating costs." Northam is now at the second stage

Analysts are doubtful about the mine's chances of reporting slightly improved profits, even though off a low base, when the group reports its results for the March quarter in about two weeks time. But Day is unmoved by what she terms analysts' negativity. "The improved platinum price has assisted Northam, with platinum sales in March being helped by the weaker rand in February," she says

Day admits that her new position involves a steep learning curve. She has never been called on to make the kind of decisions she now has to make

However, there are points of common ground. "I had a clear knowledge of the cash management of all the operations in the Gold Fields stable, particularly their difficulties with inflation and static metal prices." In the cash-strapped environment of the local mining industry, an ability to balance the books will be vital

Gold Fields opened the December-quarter season on a low note with Northam posting a loss of R30,4m and cash resources declining to R56m — hardly a smooth introduction for Day. Gold Fields' base metal division fared little better for the quarter. Zinc Corporation (Zincor) posted a drop in profit from R5,3m to R3,6m, while the copper mine O'Okiep produced a loss of R653 000 from a profit of R8,3m in the previous quarter

Both Zincor and O'Okiep are of particular interest to Day, whose appointment includes chairmanship of both these companies. But again, she is not ruffled by the less than cheery track record in Gold Fields' recent base metals operations. She was also unperturbed that Gencor had embarked on a feasibility study investigating a zinc smelting and refining operation on the Eastern Province coastline

"Gencor's plans to build a zinc smelter may not represent a clash of interests with Zincor because the latter supplies the domestic market while Gencor hopes its smelter will be export-dedicated," says Day

However, she admits there is some concern about Zincor's future feed resources. "Zincor will have to keep its eyes open for possible ore resources. It is not a pressing concern at the moment, but we have to establish long-term strategic reserves"

O'Okiep has come through a difficult period, but Day is adamant that the past two years have been promising for the operation, which recently resumed paying dividends. Although she concedes the copper price does not look promising in the near future, she does not believe it will collapse

Does she envisage immediate changes to Gold Fields' coal, base metal and platinum division? She refuses to be hurried. "It would be foolish to make changes for the sake of making changes," she says

Winkelhaak gold mine cuts 1 800 jobs

David McKay

BO 28/3/96
(211)
GENGOLD's second largest gold producer Winkelhaak had scaled down its operations by axing 1 800 workers, with a drop in gold production to 650kg a month, the company said yesterday

The mine had employed about 7 600 men

The mine closed underground workings which had been operating unprofitably for the past six months due to declining grades. The affected area was between No 9 and 16 level at No 2 shaft, which had contributed almost a quarter of the mine's reef tonnage

Winkelhaak should improve its profitability in the short term,

based on income generated by the remaining three business units, a spokesman said

Another consequence of the retrenchments was that Winkelhaak would be able to self-fund a portion of its cash requirement to access the 13-million tons of deep level reserves at the No 6 shaft

"The management considers it unlikely the affected area can regain profitability, and as a result has taken the decision to close this section with immediate effect"

Consultations with employees and their representatives were continuing in an effort to minimise job losses. Some of the redundant workers would be transferred to the group's other devel-

oping mines, Oryx and Beatrix

There was no indication of what the retrenchments would cost the mine

Gengold was also reluctant to pre-empt its gold quarterly report-backs in three weeks' time by outlining the extent of Winkelhaak's profitability in the quarter

The decision to retrench the workers was not influenced by Gengold's plans to merge its Evander mines Winkelhaak, Kinross and Leslie, the company said. It was unlikely there would be further retrenchments

Winkelhaak reduced its net profit to R6,8m (R10m) and more than halved its earnings a share in the December quarter

NUM lashes out over layoffs

BD 29/3/96 (211)

David McKay and Renee Grawitzky

THE National Union of Mineworkers has reacted strongly to the retrenchment of 1 800 workers at Gengold's Winkelhaak gold mine near Evander

The union said yesterday "it would appear that some workers would be dismissed with less than a week's notice" NUM spokesman Judith Weymont said the retrenchments came in the wake of management's reassurances last week that restructuring would not involve job losses

The union said "then to retrench so many workers without any discussion or plan shows horrendous (and) hypocritical management practices, beyond belief"

The possible retrenchment of 1 800 workers at the mine was not related to the group's plans to merge its Leslie,

Kinross and Winkelhaak mines in the region, a Gengold spokesman said The decision to retrench the workers was made because certain sections of the mine were unprofitable This had nothing to do with the merging of the Evander mines The inland revenue department approved in principle in January this year an application by Gengold to merge its Evander mines and mineral rights into one company This would involve a degree of restructuring of the Evander mines

"We had regular meetings with the NUM and we welcome constructive comments from both sides," he said

□ The 6 000 workers at Amplats' Rustenberg Platinum mines on strike over the demand for the immediate payments of pension and provident fund contributions have been served with an interdict to return to work

in bot

Programme will train black mine inspectors

OWN CORRESPONDENT

A new era dawns for South Africa's mining industry with the start of a special mine inspector training programme, announced in Pretoria yesterday.

The new programme starts today

The programme, initiated by the Department of Mineral and Energy Affairs, will produce the country's first black and women mine inspectors

Mineral and Energy Affairs Minister Pk Botha said the programme was in response to the Leon commission on mine safety and health, which recommended that South Africa's mine inspectorate be strengthened

The department found that those willing to do the job were not qualified for it, and those qualified for the task were already employed elsewhere at higher salaries

The solution was to find willing candidates and enable them to qualify themselves for the task, Botha said. The new programme set out to do just that, Botha said.

More than 1 200 applications were received for the three-year course, which will be part theory, part practice. The course starts today

After evaluation, the number of applicants was reduced to 100. After further assessment, a final 50 applicants were chosen for the course.

(211) STAR 2/12/96 (296)

Mavis moves up in the world as she goes down the mine

RIAN HORN

By BOBBY BROWN

(211) Star 3/1/96



Off to work I go ... Mavis Daba (23), the only woman among the 50 candidates selected for SAs first mine inspector programme.

South Africa's first trainee woman mine inspector began work yesterday.

There may be more, as Mineral and Energy Affairs Minister Pk Botha said he would try to convince the Cabinet that laws preventing women from going underground were discriminatory, since both men and women faced the same risks.

The law does allow women to venture into a mine in a managerial or technical capacity, and on these grounds a woman - Mavis Daba (23) - is one of 50 trainees in a mine inspector programme.

"I want them to institute new laws about this," Botha said.

He added that the programme was in response to the report of the Leon Commission on mine safety and health, which recommended that the mine inspectorate be strengthened.

The department found that those willing to do the job were not qualified for it, and those qualified were already employed elsewhere at higher salaries.

The solution was to find willing candidates and enable them to qualify as inspectors.

New law will allow women underground

PRETORIA — Mining legislation prohibiting women underground except in managerial or technical capacities, was expected to be scrapped during this year's Parliamentary session as it was contrary to the constitution, Mineral and Energy Affairs Minister Pik Botha said yesterday.

Addressing the first group of mine inspector trainees at the Pretoria Technical College, Botha said trainee mine inspectors were not affected by the provision because they were acting in a technical capacity.

BD 3/1/96
"Our women trainees, therefore, need not fear that their going underground is illegal," he said.

Three women are among the 50 inspector trainees who set out on the special training programme designed to meet the "urgent need for improved safety and health on our mines".

Referring to the high death and serious injury toll on SA mines, Botha said because of the shortage of inspectors the department had been unable to supervise and enforce safety and health requirements "as we would have liked".

(211)
The trainees are employed by the department, which is footing the R3m bill for the first year of training. The programme is a response to the recommendation of the Leon commission on mine safety and health that the mine inspectorate be strengthened.

"I do not feel afraid of it. I always wanted to enter the mining industry," female student Shandukani Daba said. The 23-year-old from Venda completed an Environmental Health Diploma before applying to join the programme — Sapa.

Gengold to retrench 5 500

(211) CT(BR)
By ROSS HERBERT 4/11/96

Johannesburg — All 5 500 workers at Gengold's struggling Buffelsfontein mine will be retrenched and 2 000 rehired under an agreement reached yesterday between mine management and unions.

The agreement will result in the closure of two of the mine's five shafts, with retrenchments starting today.

Buffelsfontein had a working loss of R18,9 million on turnover of R432 million for the year ended last June, but recently reported working losses of R8 million a quarter.

According to management negotiator Richard de Villiers, the agreement would allow the mine to make a profit and continue operations for a minimum of four more years and possibly eight.

The company hailed the agreement as innovative. De Villiers said some retrenched workers could take shares in the mine as part of their retrenchment pay and would receive training at their homes to help them find new jobs.

Previously such training was only offered at the mine itself, which proved impractical for retrenched workers.

However, Gregory Mcatshelwa, the spokesman for the National Union of Mineworkers, said workers were angry over management's handling of the issue.

"The question is whether management will just choose the good boys. Workers feel angry about the situation," he said.

NUM ready to go to court

By ROSS HERBERT

ET(MR) 5/1/96
Johannesburg Management at Gold Fields' Kloof mine allegedly gives injured mine workers light surface jobs and then fires them two or three months later to avoid paying expensive injury compensation, according to Kgalema Motlanthe, general secretary of the NUM

He said the union intended to go to court over 36 such cases at Kloof

Such allegations are at the heart of the strike, along with complaints that the head of the union at Kloof was unfairly dismissed

Motlanthe said Kloof management had earlier reached an agreement with workers over the issue of dismissal of injured workers, but the mine continued the practice.

Kloof management could not be reached for comment, but Gold Fields spokesman Marion Brower said dismissals were "an issue between the company and individual workers"

Yesterday workers continued to meet management and caucus among themselves over whether to return to work

Mine workers live in fear as 'the Russians' tighten their grip

By Ross HERBERT

Johannesburg — Pay R50 from an already meagre pay cheque or face a beating

That is the choice facing a growing number of mine workers, many earning R900 or less a month, who confront demands for protection money and threats of violence from a criminal gang known as "the Russians", workers report

The gang, which has been in existence for at least a decade, is reportedly aggressively recruiting members and branding out into new activities including drug peddling and vehicle theft

Although its members are predominantly from Lesotho, the Russians extort protection money from all tribes, demanding from R20 to R50 a month

Workers from West Driefontein, Kloof and Elandsrand mines, near Carletonville, and the Vaal Reefs mine in Orkney, said the Russians were a growing threat, causing many workers to fear for their lives

"They are recruiting more and more," said a clerk at Vaal Reefs. He said he was approached to join the gang and was now afraid to leave his hostel compound in case they beat or killed him

On leave in Lesotho, Russian

members are highly visible, wearing red blankets pinned cape-like about the shoulders. They carry shields, spears and knobkieries, often riding cross-legged atop minibus taxis and swinging their weapons at passing cars

But on the mines they are nearly invisible to authorities. "You hear the words, 'them Russians did this, them Russians did that'"

"But you never see them I think (the workers) fear for their lives," said Robbe Lazare, a human resources manager at Elandsrand mine

Determining the extent of the problem is difficult. Police responsi-

Cartels tighten their grip

ble for the Vaal Reefs and Carletonville areas say they have received no complaints about Russian activities. But those accused of criminal activity are unlikely to identify themselves to police as members

or clubs organised to provide transport for migrant workers. The clubs became informal drinking groups and then became involved in procuring prostitutes and dagga

Likewise, workers are reluctant to complain to mine management

Some workers implicate Russians in tribal fighting on the mines

However, workers have plenty of stories to tell and say Russian activities are growing

Their members are predominantly Basotho miners, but include some Pondo miners and people living in townships near the mines

One informal group of mine workers gathered to discuss mine policy dispersed quickly on mention of the Russians. "I know nothing I know nothing," said one West Driefontein worker

"From the Russian gangs, cartels have grown," said Colin Peens, who manages community relations, hostels and education at Elandsrand

The Russians grew from groups

"We've had Russians on the mines for years, but I don't think it's on the increase," he said

Despair as retrenched miners leave

BY JUSTICE MALALA (211)

Labour Reporter

Star 8/1/96
Fear and uncertainty about the future was mirrored on the faces of workers who packed for home at the weekend after an amicable retrenchment agreement with Buffelsfontein Gold Mine

The mine employed a workforce of 5 500, but had not posted a profit for 15 months, and, as a result, was declared marginal

The mine reached an innovative agreement with unions last week – to have all its workers retrenched and then to rehire 2 000 of them to continue with scaled-down operations.

The agreement, the first of its kind in the country, provided for the training of workers in other skills in their home areas and smaller retrenchment packages for those who remained on the mine. The workers received two weeks' pay for every year of service at the mine.

But for Xolani Mguli, who had worked for the mine since 1980, the money he received was just too little to even think of starting his own business or returning home to Xala in the Eastern Cape

"After 15 years of hard, dangerous work I received R9 173,01. What can a man do with that? I have three children back home and this money cannot even send one of them to university for a single year"

Jan Moloto, who got about R14 000 after more than 16 years, said the money was so meagre he would remain on the mine in the hope of being rehired if someone left. "I thought I would return home to Hammanskraal to start a small business or some venture that would benefit me and my people, but it would be a mad plan with such a pittance"

Sidwell Nxosana, who worked on the mine since 1968, said he would probably start a business in eDutywa in the Eastern Cape. "The money is not satisfactory after working for so long, but I am sure I can do something worthwhile with it," he said

Affirmative action agreement signed

Renee Grawitzky

(15/8) (211)
20/01/96

AN AFFIRMATIVE action deal providing for non-discriminatory appointments based on competence, but at the same time granting "disadvantaged" candidates preferential treatment in training and education for five years, was signed between Anglo-Alpha and seven unions yesterday

The affirmative action agreement was signed between Cosatu, Nactu and affiliates of the SA Confederation of Labour, elected representatives of non-union mem-

bers and middle and senior managers in the organisation

Anglo-Alpha Human Resources director Mervyn Foster said the agreement was a "good example of the participative transparency that SA management is moving towards

"We have entered a new era of management strategy."

Construction and Allied Workers' Union organiser Glorious Mkwazi said the agreement took some time but it was a very good document and now the test lay in terms of its implementation.

Mineworkers may not support Cosatu strike

M+G 12-18/1/96 (21)

Jacquie Golding-Duffy

THE Congress of South African Trade Unions cannot count on the support of its main affiliate, the 300 000-strong National Union of Mineworkers (NUM), in its planned anti-privatisation strike on Tuesday.

Although, as a Cosatu affiliate, the NUM is bound to some degree by the federation's decision to strike, ambivalence is being displayed among some key NUM members.

The strike, aimed at what Cosatu terms the "unilateral restructuring of state assets", could fail, with one senior unionist, who wished to remain anonymous, describing Cosatu general secretary Sam Shilowa's militant stance as "mere posturing".

NUM general secretary Kgalema Motlanthe was tight-lipped about the

strike, saying it was "inappropriate to comment", since talks between Cosatu and various other parties could "succeed in reconciling differences" and possibly reach agreement on the objectives of restructuring within the public and other sectors.

"All federation decisions are binding on affiliates," Motlanthe said.

However, should the NUM, as a backbone union of the federation, fail to render its support, Cosatu's "show of strength" will not make an impact.

Cosatu spokesperson Nowetu Mpati said she did not doubt the NUM would support the strike, especially as it participated in the decision-making process. "The strike will continue as planned, and we have distributed pamphlets in all the regions," Mpati said, adding Cosatu's affiliates had pledged "strong support" for the strike.

Anglo says it may close five mine shafts

(211)

Star 19/1/96

By ROSS HERBERT

Anglo American has announced it will close five mine shafts of Free State Consolidated Gold Mines and lay off 10 000 mine workers unless it reaches rapid agreement with unions to improve productivity.

Anglo's gold and uranium division chief executive Bobby Godsell says the company can no longer continue to carry unprofitable operations. He has called for a January 25 summit between the company and all its unions.

Labour Minister Tito Mbo-

weni yesterday called Godsell, asked for a full briefing on the potential layoffs and asked the industry for details on further layoff plans.

"I am extremely concerned about the statements by Anglo American about the possibility of closing five shafts. This would be a tragedy of enormous political, economic and social implications. I expect more jobs to be created. Job losses at this moment should be avoided," Mboweni said.

► **More Reports**

Business Report Pages 1 & 2

Freegold may axe 10 000 workers

BD 19/1/96 (211)

David McKay

FIVE shafts at Free State Consolidated Gold Mines (Freegold) would have to shed 10 000 jobs within three months if current trends in price, cost and productivity continued, Anglo American gold and uranium division CE Bobby Godsell said yesterday.

The mine reported a R5,1m loss for the December quarter.

Godsell said Freegold's future would be discussed with all unions at a meeting next week. "Management would be open to any proposals from this meeting which change the grim realities.... We will look at all aspects of costs, including overheads and areas of productivity such as work on Saturdays and public holidays."

Five shafts — Western Holdings Nos 3 and 7, Freddie's No 9 and Free State Saaiplaas Nos 3 and 4 — risked closure by the end of March. A sixth, Western Holdings No 2, was expected to close in August. Six more shafts — President Brand Nos 2 and 5, Western Holdings Nos 1 and 5 and Freddie's Nos 5 and 7 — were also at risk.

Godsell said management's aim was to ensure the viability of Freegold for stakeholders. Ore resources should see

production continue for the next 20 years, although at reduced levels.

During the December quarter operations at Western Holdings' No 6 shaft were terminated, and production at Saaiplaas Nos 3 and 4 shafts and Freddie's No 5 substantially reduced. This resulted in the loss of 4 500 jobs.

Anglo American also announced a R1bn project to deepen to 4 000m the subshaft system at Western Deep Levels South mine.

Anglo American west rand GM Ken Dicks said Western Deep Levels expected to recover an additional 475 tons of gold at an average recovered grade of 10g/t, generating "an after-tax cash flow in the region of R3,5bn". Additional forex earnings at the current gold price should be in the region of R22,1bn.

The south subshaft's mining capacity would increase from 150 000 to 240 000 tons a month. Full production should be achieved by 2005. After tax capital expenditure would initially be financed by existing operations.

The gold and uranium division reported an 8% increase in available profit to R144,8m (R134,1m). Gold pro-

Continued on Page 2

Freegold

Continued from Page 1

duction fell 2% to 56 476kg (57 213kg) for the December quarter.

Renee Grawitzky reports that NUM general secretary Kgalema Motlanthe said Anglo's announcement reflected a "shotgun" approach. While unions were being advised that 10 000 jobs could be gone by March, Anglo wanted to bargain on Sunday work and public holidays, he said.

The union would hold workshops at Freegold to ascertain what members perceived as problem areas. Solutions had to be based on the real problems, not only those highlighted by manage-

ment. While the union was duty-bound to discuss ways to save jobs at Freegold, Motlanthe questioned the wisdom of this eleventh-hour offer.

Discussion on job savings in the long term should also take place on healthy mines, he said.

Labour Minister Tito Mboweni expressed concern over Anglo's announcement and the effect retrenchment of 10 000 people could have on society.

He called on industry stakeholders to provide government with a detailed submission on long-term planning in the industry and said he would meet Bobby Godsell soon for a thorough briefing on the situation.

See Page 8

Call to soften blow of mine job losses

Mungo Soggot and Renee Grawitzky

MINERALS and Energy Affairs Minister Pik Botha called on the mining industry at the weekend to soften the blow of mass job losses, following Anglo American's warning that 10 000 jobs were in jeopardy on its Freegold operation. (211)

Anglo's warning accompanied latest Chamber of Mines figures which show that 58 000 workers on Chamber member gold mines — 15% of the workforce — lost their jobs last year. BO 22/1/96

Botha said government was "deeply concerned" about the industry's plight, but lacked the resources to help and called on management and unions to settle their differences and come up with a cushion for the industry's victims.

Anglo said last week that five shafts on its Freegold operation could close by March unless the gold price, productivity and labour practices improved. Another would close by August, and six other shafts were also at risk.

Anglo will meet all the unions concerned on Thursday to explore ways to prevent the job losses.

Gold and uranium division CE Bobby Godsell said yesterday that the parties had jointly drafted proposals on how the meeting should be conducted with the aim of "seeking ways to resolve the problem through face to face discussions". Godsell has also agreed to meet Labour Minister Tito Mboweni tomorrow to discuss Freegold.

National Union of Mineworkers president James Motlatsi said the union knew the industry would downscale and wanted to manage this process.

91

New mining committee mooted

Renee Grawitzky

(211)

BD 24/1/96

LABOUR Minister Tito Mboweni and Anglo American gold and uranium division CEO Bobby Godsell agreed yesterday to consider establishing a tripartite interministerial committee including union and employer representation to discuss the future of the mining industry.

Yesterday's meeting came at the request of Mboweni, in the wake of Anglo's announcement of possible shaft closures if fundamental problems in the industry were not addressed.

Godsell and Mboweni were hopeful that if their respective principals agreed to the establishment of such a committee, it could act as a mechanism to revitalise the original mining summit which met in 1991.

Godsell said the mining summit could have made a useful contribution to the current situation if it had carried on. The National Union of Mine-workers has previously indicated that the summit collapsed because of lack of

commitment from employers

In response to union claims that Anglo should have initiated a summit before the state of the shafts had reached a critical point, Godsell said the parties had agreed in October to hold a summit, but "both failed to set a date".

Samantha Enslin reports that NUM president James Motlatsi said the union may encourage government to review Freegold's tax situation or seek other means of reducing costs in a bid to avert retrenchment of 10 000 at Anglo's Freegold mine.

Motlatsi said "the NUM has yet to finalise its position on the job losses .. we are not just focusing on marginal mines but want our position to be all-encompassing".

The question was whether industry downscaling was due to poor productivity or depletion of reserves, he said.

If high costs were undermining production then all costs must be reviewed, and labour was just one. Tax relief and subsidised electricity were among the options being discussed.

MINING LABOUR

RESCUE PLAN AWAITED

(21) PM 26/1/96

Unless unions at Freegold this week come up with an "agreed-on plan of action" that will produce evidence of a turnaround by early March, the message spelt out by Anglo American Gold Division CE Bobby Godsell is clear. Five shafts will close and 10 000 jobs will be lost.

Godsell announced the bad news a week ago when he presented Anglo gold mines' December quarterly results, which included a R5,1m loss at Freegold. "The company can no longer take these losses and the board has therefore identified five shafts which under current price, cost and productivity trends will have to close during the March quarter," warned Godsell.

All unions which represent workers at Freegold, together with its management were due to gather in Welkom for a summit meeting on Thursday to consider the future of these shafts and their impact on the company.

On Tuesday, following a call from a dismayed Labour Minister Tito Mboweni, Godsell met the Minister and provided him with a detailed briefing on the situation at Freegold. No statement was issued afterward but it appears that Mboweni raised the possibility of convening an industry-level, tripartite get-together to discuss issues of mutual concern in the mining industry.

Godsell raised the possibility of making use of workplace forums, an avenue of information disclosure and worker participation created under the new Labour Relations Act due to come into operation on May 1.

The meeting did not change the tenor of management's ultimatum to the unions. The biggest of them, Cosatu's National Union of Mineworkers (NUM), has expressed "deep concern" at Anglo's

"callous" intention to close the shafts. General secretary Kgalema Motlanthe said it indicated "serious mismanagement and a lack of forward planning".

The union says it has been trying for years to get the industry to discuss the idea of a "social plan, recognising that all mines have a certain life span and that planning for scaling down has to start long before it is necessary. It will take more than longer working hours and Sunday work to rectify the problems."

Anglo spokesman James Duncan refutes the union's claims, saying that, since last January, the company has been informing all stakeholders at regular intervals of its difficulties.

"But there is no point in recrimination now. There is a problem and we need a solution. Hence Thursday's meeting, for which we've laid all our cards on the table and at which we genuinely want free and open debate, creativity and ingenuity." Aside from the five shafts mentioned, another six are at risk. The hope is that if a plan of action is agreed on, it can also be applied to these.

Anglo stops short of saying precisely what it will propose at the meeting, except that it believes there are things that can be done about costs and productivity — if not the gold price, though it has re-instituted hedging positions.

It seems fair to speculate that management will at least push for full calendar operations (Sunday work) and the revival of profit-sharing as a component of worker remuneration, which the unions, tellingly, have rejected in the past two years of bargaining. "We believed that high basic increases were simply not affordable," says Duncan, adding "the chick-

ens are now coming home to roost."

For unions, a key question relating to Sunday work is what premium employers are prepared to pay. Management says it is pointless having continuous operations if the premium paid to workers erodes additional revenue. ■

ZULU STRIFE

QUEST FOR PEACE

The agreement by ANC and Inkatha leaders to exhort their followers at an *imbizo* — or gathering of the Zulu nation — to end the civil war in KwaZulu-Natal has improved the prospects of peace in the troubled province. But there is no certainty that it will succeed.

The *imbizo*, agreed to by President Nelson Mandela and Inkatha leader Mangosuthu Buthelezi on January 22 after an earlier meeting between Mandela and Zulu monarch Goodwill Zwelithini, will be preceded by a meeting between the trio and Zulu traditional leaders or *amakhosi*. At the meeting of *amakhosi*, arrangements for the pending *imbizo* will be discussed.

But the announcement of the agreement had hardly been made when Sifiso Zulu, spokesman for Zwelithini's Royal Council, complained that Inkatha leaders were undermining the process with "cheap politicking." He was referring to Inkatha leaders who had earlier expressed fears that the peace initiative was a political stratagem devised by Mandela and Zwelithini.

Zulu's complaint underlines a warning by Alexander Johnston, professor of political studies at the University of Natal, Durban. The professor warns that the deep divisions within the Zulu community and among their traditional leaders will not be excised by a single *imbizo*, even if it does generate a temporary sense of Zulu solidarity.

Bonganjalo Goba, of the Institute for Multi-Party Democracy, makes a similar point. He commends Mandela for his initiative in pressing for the *imbizo* but



warns against expecting too much from a single event. The pending *imbizo* should be seen, he says, as part of a process in bringing all the stakeholders in the Zulu conflict together in a quest for peace.

A crucial stage in the process is the scheduled meeting of *amakhosi* to plan for the *imbizo*. There is a danger of political divisions surfacing even at that preliminary meeting of traditional leaders.

Recalling his role in helping to organise for the *amakhosi* to attend hearings on the place of traditional leaders under the new constitution being drafted by the Constitutional Assembly, Goba states "It was difficult to bring them together at the same place in Cape Town."

Johnston delineates some of the politically divisive issues which may complicate, if not wreck, the peace-making process. They include:

- The dispute over the House of Traditional Leaders in KwaZulu-Natal. Inkatha, the majority party in the province, piloted through the enabling law and is manifestly in favour of the institution. The Royal Council and the ANC oppose it. They believe that the law was pushed through the provincial legislature with insufficient consultation and that its purpose is to bolster Buthelezi and undermine the authority of the king.
- Differences over the status of the king's "traditional prime minister," a role claimed and played by Buthelezi until the king broke away from his tutelage. As the chairman of the House of Traditional Leaders — a position to which he was elected last year after the establishment of the house — Buthelezi insists that he is still mandated by the authority of the chiefs and the weight of tradition to fulfil that role. The monarchy, generally supported by the ANC, either denies the existence of the office of "traditional prime minister" or questions Buthelezi's right to fill it.

Underlying these issues is a deeper conflict over the role of chiefs in the new, democratic order.

Mandela, speaking on behalf of the ANC, has adopted a tough stand, indicating preference for elected representatives over hereditary chiefs in the governance of SA.

The Zulu king has gone a step further. He has called on Mandela to guarantee the neutrality of chiefs by prohibiting them from retaining their inherited offices if they enter the political arena.

Inkatha seems to be much more willing to accommodate chiefs as hereditary

rulers in the emerging new SA.

These differences may well impinge on and undermine the quest for peace. ■

CONSTITUTIONAL AFFAIRS

PRESSING PUZZLE

In its haste to conclude the final text of the new constitution by May 10, the Constitutional Assembly (CA) has set itself a rigorous programme involving thrice-weekly deadlock-breaking debates. These are to be supplemented by "bilaterals" on contentious issues, including powers of the three tiers of government.

Pressure is mounting on Inkatha to return to the CA, and hopes were high that the presence of the IFP's Sipo Mzimela on a fact-finding mission to Germany presaged this possibility.

The issue of international mediation still appears unresolved, however. Inkatha's Walter Felgate this week discounted speculation surrounding Mzimela — though President Nelson Mandela's personal intervention to secure a return may yet bear fruit.

When Inkatha walked out of the CA it left party position papers on the issues — and these views are essentially known. But the bloodshed in KwaZulu-Natal remains the largest stain on progress towards inclusive democracy.

Meanwhile, the CA — now divided into the management committee and a subcommittee — is working through the third edition of the "Refined Working Draft" of the constitution. It is generically related to the "Working Draft" produced for public consumption last year, but is more precise in defining party positions.

The Bill of Rights was under discussion this week. The difficulty of the process was apparent in the Freedom of Expression clause, where the ANC wants "advocacy of hatred based on race, ethnicity, gender or religion" specifically banned in the constitution. Other parties argue this would be redundant since the law outlaws discrimination anyway.

The DP's Dene Smuts argued that the clause was too vague for inclusion everyone had the right to express their views, which should not be "snuffed out at source." In any case, all rights are sub-

ject to limitation, and the expectation of a Race Relations Bill later this year would outlaw categories of "hate speech" through closer definition than a constitution, as an overall framework, needed.

The NP's Sheila Camerer concurred. The ANC's argument was that "hate speech" had to be excluded at the highest level. All parties now await the judgment of a technical panel.

Such issues as the flag and a national coat of arms are unlikely to ruffle political feathers. The national anthem, however, touches deep sensitivities concerning language. These matters do not begin to address federalism, which will surface on January 30. A committee

meeting in February will determine whether sufficient progress is being made to meet the May deadline. If not, an amendment to the constitution will be needed to extend the deadline — not an option favoured by Cyril Ramaphosa.

Even if a final text is agreed and adopted by May, the Constitutional Court is required to certify that the new constitution complies with the 34 constitutional principles agreed on at Auckland Park (including one that underwrites the

principle of a *volkstaat*).

Court president Arthur Chaskalson has written to the CA pointing out this requirement. In a letter dated December 14 1995, he notes "The court will deal with the matter as soon as it is able. If the constitution is passed during the first week of May it seems unlikely that the Court will be able to deal with the certification during its May term. It may, however, be possible to convene a special session of the Court during June."

The DP's Colin Eglon has raised the issue of certain incompatibilities between the interim constitution and the new one. Clauses in the interim document — like that establishing the GNU — expire only in 1999. If the new basic law is passed and certified, it can hardly be placed on ice for three years.

It is fair to speculate that if there is all-party agreement on the refined Bill of Rights, this would become the basis for Constitutional Court determinations. Otherwise the timing of the implementation of the new constitution remains something of a puzzle. ■



Ramaphosa testing time

Last-ditch deal brokered in bid to protect 10 000 Freegold jobs

Renee Grawitzky

AN ELEVENTH hour agreement providing for the possible introduction of full calendar operations and workplace type forums was brokered yesterday in Welkom between top ranking Anglo American officials and mining union leaders in a bid to protect 10 000 jobs.

This joint summit was convened in the wake of Anglo's announcement last week that if "current trends in price, cost and production — including work practices continue", five shafts would

have to close by end-March and a further six shafts were being monitored. At this stage there is no absolute certainty that plans agreed to will prevent the closures. However, delegates at the summit felt confident these plans would go a long way to trying to preserve the viability of the shafts and prevent job losses.

Anglo's gold and uranium CEO Bobby Godsell said the measures agreed to would be implemented within days and sufficient time existed between now and the end of March to ascertain

whether they had been effective. Delegates from all parties broke into groups to investigate three problem areas identified — costs, production and the relationship between management and labour at Freegold.

In an attempt to rebuild relationships on the mines, the parties agreed to re-establish forums at Freegold, at various levels, with agendas to be open. These forums would have the power to enter into agreements which would be binding on all parties. This represented a radical departure from

the previous Freegold forums which existed last year, where according to the unions, agendas were determined by management alone and forums did not have the capacity to enter into binding agreements.

In finding ways to increase productivity at the shafts, it was agreed, among other issues, to include employees in the setting of production targets, which has been agreed to on several other mines in the industry. Employees would also be educated about the impact of their "actions and non-ac-

tions" on job security. Emphasis was also placed on revising the disciplinary code and procedures which affect productivity. Interviews with mine workers at one of the affected shafts yesterday indicated that they believed that the more they produced the sooner the ore would be depleted and the shaft would close.

On costs, the parties agreed to establish a subcommittee to review Freegold's cost effectiveness. A national steering committee would be established to monitor developments

(211) BD. 26/11/96

Gencor transfers staff as mining projects dip

(211) BD 26/1/96
David McKay

GENCOR has closed its engineering and technologies division and transferred most of its 330 employees to a new outsourcing venture

It said the move was because of a fall in the number of large mining projects

Gencor technical services CE Richard Pilcher said yesterday there would be no retrenchments in the division, which consisted of 220 contracted staff and 110 permanent staff

The division's lack of expertise in the international turnkey project arena had necessitated the outsourcing venture, which was with SA-based consulting engineering company BKS Hatch

"Most the division's employees will be transferred to BKS Hatch and if there are any retrench-

ments, it will be by choice" A nucleus of engineering skills would be retained at Gencor

Pilcher said the move would give BKS Hatch, part of the Canadian-based Hatch Associates group, full metallurgical engineering capability from mining through to finished product

The engineering and technology division's employees would benefit from exposure in the international arena

The new business, mining and beneficiation unit had already earmarked international engineering projects worth R3bn for which it hoped to bid

BKS Hatch could also become involved in certain Gencor projects, but would not be given preferential treatment

Pilcher said the engineering and technologies division had been involved in projects worth

R4bn last year, including the Columbus Stainless expansion for which it executed the engineering, procurement and construction management. It operated on a self-funded basis at market-related rates

BKS Hatch has participated in a number of major international projects, including the Richards Bay coal terminal project in which it cooperated with the division. Its parent company also has business units in non-ferrous, iron and steel, rail and transit and industrial minerals projects

Anglo and unions hammer out a truce

By ROSS, HERBERT

Welkom — In an all-day meeting, Anglo American executives and the leaders of the country's seven mining unions yesterday reached agreement on a plan they said would avert the threatened layoffs of 10 000 Freegold workers and which set significant precedents in the company and the mining industry

Bobby Godsell, the chief executive of Anglo's gold and uranium division, agreed to reinstate workplace forums at the Freegold mines around Welkom, whose decisions would be fully binding on management. Committees would also be established at mine, regional and national levels to review all aspects of cost and production.

The committees would come up with short-term solutions to Freegold's chronic productivity problems, Godsell said.

"We want the changes implemented in no more than two weeks from today," said Godsell. Last week, announcing heavy December-quarter losses at Freegold, Godsell warned that large scale layoffs would be inevitable without quick agreement from the unions on improving productivity at the mines. His brinkmanship appeared last night to have paid

off, in the short term at least. A number of key problems and solutions were debated but many details would be left to the committees, he said.

A study of Freegold operations found that only four hours of effective work was occurring in each shift of eight hours and 45 minutes, said Fred Barnes, the chairman of the Mineworkers' Union.

The five loss-making shafts achieved only one blast every three days instead of a target of one blast each a day, he said.

The parties also agreed that problems in the supply and distribution of mining material needed urgent attention. Another key issue raised was discipline among mine staff. James Motlatsi, the president of the NUM, acknowledged a discipline problem, but said "we are also talking about discipline from management. You cannot have a disciplined workforce without a disciplined management."

He said the agreements yesterday were only a starting point. "The relationship between workers and management is not just an issue affecting the five shafts. It is a problem for the entire industry and is an issue we will be taking to the industry as a whole," he said.

□ See Page 18

(211) ET(BR) 26/1/96

Gold mines face uphill struggle as labour issues loom large

By Fiona Leney

Johannesburg — The South African gold mining industry faces six difficult months. The period ahead will be characterised by the thorny issues of labour relations and productivity and will be compounded by an up-and-down gold price, analysts said.

They predict poorer results for the next two quarters, partly because of the effect on output of nine public holidays.

But the continuing tensions between unions and management, likely to come to a head during the second quarter's wage negotiations, are likely to hurt earnings, they said.

The December quarterlies were a mixed bag, said Trevor Pearton,

of Frankel Pollak Vanderrne, but contained few surprises.

Pearton identified the conflict between Anglo-American and the mining unions over productivity as a crucial issue that the industry urgently needed to resolve.

Anglo's December quarterly results were clouded by operations at its giant Freegold mine, which moved into a R5 million loss from a R12.6 million profit in the previous quarter.

Bobby Godsell, the gold and uranium division's chief executive, said the group could no longer sustain the losses and threatened to close five shafts with the loss of 10 000 jobs if productivity was not improved.

Pearton welcomed Godsell's move "Labour has been an impor-

tant issue throughout the past year, but it was swept under the carpet until now," he said.

"Anglo is grasping the nettle at last," Godsell has identified the issues critical to the industry, and he's given a strong signal that he intends to tackle them."

Another industry analyst, who wished to remain anonymous, expressed doubts about the confrontational nature of Anglo's approach. While it could work in the short term and in Goldfields' particular case, he said, there was a risk of destroying sensitive industrial relations throughout the industry.

"This can have disastrous consequences for marginal mines, where just to break even they need a full month's work. One lost day

can make the difference between profit and loss," he said.

Anglovaal's Loraine mine, which posted after-tax losses for the December quarter of R1.8 million from a R1.2 million profit in the previous quarter, was just such an example. Production at the mine was hit by tensions over pay negotiations related to continuous operations.

"What used to be a small hiccup has become a huge one because operating margins are so thin," he said. "If anything, that's going to become more pronounced in the next couple of quarters."

Their reservations contrast with the bullish view of Chamber of Mines economist William Houtman earlier this month. "In many significant respects

the gold mining industry turned the corner during the September 1995 quarter," he said.

Analysts are sceptical whether gold's climb past \$405 an ounce last week can be maintained over the next two quarters.

Hurby Geldenhuys, of EWBalderson, said that a strong gold price could prove a mixed blessing for the mining houses.

"If gold continues strengthening, and mines show a reasonable profit during wage negotiations in the second quarter, management is going to struggle to convince unions that they shouldn't have a 15 percent rise, despite that being far too high above inflation," he said.

Pearton believes that a higher gold price can only delay the

painful but essential productivity reforms facing the industry.

The volatility of the gold price, and Randgold's disappointing results during the December quarter, had taken the shine off marginal operations, some analysts said.

"Full calendar operations were going to be the holy grail of mining last year," one analyst said. "But they haven't come through yet. Sure, productivity will eventually improve; the question is whether it will be enough."

Geldenhuys, however, disagrees. He points to Loraine where, despite a poor performance, shares are selling well.

"The point about a marginal mine is that a very small increase in the gold price can double or triple profit," he said.

FREGOLD'S BLUEPRINT

(211) FM 2/2/96

The Freegold rescue plan being cobbled together in a belated attempt to save 10 000 jobs is likely to become a blueprint for the mining industry

A fortnight ago, Freegold, the world's biggest gold mine (it produces 90 t/year, about 17% of SA output and 4% of world production) announced a loss for the December quarter of R5,1m. Anglo American Corp gold division CE Bobby Godsell said five shafts would be closed and 10 000 men retrenched unless a relief plan could be produced.

Gathering at a summit in Welkom, union and management representatives tried to devise a deal which will buy time and may become a working model for the industry. The early results are impressive: common resolve and plenty of goodwill. Whether these can produce economic success is something else.

By their nature, mines are finite businesses. And Anglo's Free State mines (they were stitched together in March 1986 to form Freegold) are a lot older now than was ever suggested when they were originally opened in the decade after World War 2. Their lives then were predicated at about 25 years.

Three areas have been set down for

examination: production, costs and relationships. Predictably, production is the key area where any short-term rescue will be constructed.

Time spent at the working face, achieving planned blasts, restoring levels of discipline, defining jobs better — together, all should produce more gold. Godsell says Freegold produced 1 t less in the December quarter than a year ago. "That ton tips Freegold from loss into profit."

Costs are still of concern. At Freegold, 54% are employee-related. That explains the need to reduce staff. But Godsell says "All aspects of the cost structure are open for examination. That includes the overhead structure and management fees."

"Freegold cannot," he adds, "sustain or absorb any increase in basic wages this year. It just cannot. If we have to, complements will have to be cut to keep costs within profit limits." By saying this, he is signalling in advance that the annual wages negotiation has already started. But he denies it is a big stick approach. "The facts are irrefutable. They speak for themselves."

The National Union of Mineworkers (NUM) is responding constructively but remains critical of the industry's structure and management arrangements.

General secretary Kgalema Motlanthe says "It is a typical Anglo knee-jerk reaction to the results of a single quarter. Industry practice is fashioned by years of good gold prices and relative comfort. Few of its captains seem willing to contemplate using new methods. In the process, they have sacrificed 160 000 jobs since 1987 and still uphold a system which interposes 18 job levels between a mine manager and the lowest worker."

Despite the criticism, he says the NUM is ready to support and promote initiatives to save jobs and restore profitability. "Though the Freegold issue is tragic, it may turn out to be a blessing in disguise. Even if we don't save all the jobs at stake, it will help to reform the industry. Gold mining is in decline but it would be premature to write it off."

The Freegold debacle and the initiatives it has spawned are likely to change the face of gold mining. The chances are good that wages will be linked, in some way, to working smarter, that the hierarchy will be flattened appreciably, that management fees will disappear and that head office structures will be trimmed sharply. If the industry is to survive, it's probable that nothing less will do. ■

ARC 2/2/96
**De Beers to
resume
NUM talks**

(211)

Labour Reporter

TALKS between the National Union of Mineworkers (NUM) and De Beers about providing family accommodation for all workers at the company's Namaqualand operations, which reached deadlock earlier this week, will resume on February 15

Between 800 and 900 workers at the company's Kleinzee operation and about 200 of its Koinaas workers live in single-sex hostels

Matters came to a head in December last year after wives of Eastern Cape migrant workers at Kleinzee camped outside the mine. The women were arrested and jailed for three months in Springbok for trespassing. The NUM secured their release on bail after two weeks

After publicity surrounding the women's plight, the company subsequently agreed to mediation with the union

The NUM said De Beers had offered to convert a 700-bed hostel into family accommodation, but earlier this week "inexplicably withdrew their offer". However, the company has since indicated its willingness to resume talks

Meanwhile, about 25 women have occupied mine houses set aside for visitors and two mineworkers' wives have continued to camp at the mine gate. One is pregnant

NUM quits hostel talks

(211) Skewerton 6/2/96

By Abdul Millazi
Labour Reporter

TENSIONS at De Beers-controlled Namaqualand Mine in Northern Cape have heightened following the withdrawal from talks of the National Union of Mineworkers over the mine's refusal to house families of black mineworkers in the hostels.

The union has accused De Beers of discriminating against its black workers when providing family accommodation, a benefit enjoyed only by their white counterparts.

Trouble began three months ago when three women from the Eastern Cape, who had come to visit their husbands, were arrested for trespassing after illegally squatting on mine property.

Since then, more than 30 women have forcefully occupied the family houses and are refusing to leave. Two of the three who were arrested have also put up shacks at the mine's gate, in protest against 'lack of family housing for black mineworkers

Single-sex hostels

NUM spokesperson Ms Judith Weymont argued that the problem was the result of apartheid where blacks lived in single-sex hostels while whites lived in family houses.

Weymont said the NUM had entered into discussions with the mine to solve the housing problem, but nothing came of the talks.

Talks were derailed after management refused to repair a disused hostel nearby which could house 700 people. About 800 of the mine's 2 000

workers are black.

Weymont said the NUM would canvass the support of its 5 000 members at all De Beers mines in a bid to find a solution to the housing crisis.

Weymont warned that the NUM would not be held responsible for what the black women would do in the future.

De Beers spokesperson Ms Priscilla Ramabulana said earlier that housing was a problem in the area and developing a residential area to house black workers would be very costly to the mine as it was situated "in the middle of nowhere".

Family members

She said the women who were arrested had been warned to vacate the property, but had returned a few days later to erect shacks on the land

She said family houses were full after a group of women refused to leave when their visiting time expired.

Ramabulana said the mine had a rule where family members applied if they wanted to visit, but most of the women from the Eastern Cape did not bother to do so.

She argued that the mine would be able to cater for visiting families if procedure was followed.

New housing policy

Weymont said other mining houses such as the Anglo-American Corporation and the Johannesburg Consolidated Investments (JCI) were slowly moving towards providing family houses for all workers on some of their mines.

However, she argued that even though many mines had few family

houses for blacks, most stayed in single-sex hostels.

Eskom also made news in November last year when it opened its family houses, previously reserved for whites only, to its black workers at all its power stations nationwide.

According to Eskom, the new housing policy involved upgrading the hostels into single quarters and increasing the housing loan from R13 000 to R22 000.

Workers who wished to buy Eskom houses received a 20 percent taxable discount based on the market value of the house while those who are renting privately received rental subsidy.

Weymont, however, said black mineworkers were still bundled into single rooms in most South African mines, while their white counterparts enjoyed the luxury of a family house

Firms' duty to pensioners under spotlight

BY ANN CROTTY

Johannesburg — Employees and legal experts will closely watch the outcome of the legal dispute between Barlows and Randgold over which is responsible for paying R35 million of medical-aid subsidies for pensioners

The dispute was mentioned in Rand Mines' annual report for last year. It arose after Randgold bought mines from Rand Mines, a Barlows' subsidiary.

This is one of the first times that responsibility for pensioners' medical-aid subsidies has been raised in law. But it could mark the beginning of a flood of cases.

"Early retirement, extensive

retrenchments and steep increases in medical costs have meant that a lot of companies are looking at their obligations on this front and trying to find ways of getting out of them," one labour lawyer said.

Last year, pensioners at Premier Foods were notified in a letter from the Premier retirement fund that their medical-aid benefits had been terminated as part of management's drive to cut back on head-office costs.

"In view of the financial results of the company and the many demands being made, they have had to review their subsidy policy and we have to advise that the policy has been amended to discontinue the payment of the subsidy

in respect of medical-aid premiums," the letter said.

According to the letter, dated July 20 last year, the change applied to the medical-aid deductions for July last year.

Responding to the charge of callousness, Premier Foods management said the termination was only applied "to a small band of 17 or 18 people who were earning very good pensions".

It was not possible to get firm figures on the numbers affected. But it seemed likely to be considerably more than the small band management suggested.

One of the affected pensioners, who had received the subsidy for the seven years he had been a pen-

sioner, was emphatic that he was not on a "very good pension". He said that it was difficult to see why management had said the pensioners' medical aid placed a burden on the company and then limited action to just 18 pensioners.

Premier Foods has thousands of pensioners, among whom there must be hundreds of former managers who spent their working life with the group.

Legal experts said though Premier would possibly not be obliged to pay the subsidy, it had been a tacit condition of employment. Premier had acknowledged an obligation through custom and this could give the pensioners cause for battle.

CT(BR)8/2/9(211) (211)

Miners to lose jobs

By Mzimkulu Malunga

MORE JOB LOSSES are looming in the mining industry despite the fact that the gold price has broken the psychological \$400 mark over the past month, says the South Africa Chamber of Business.

Speaking at a briefing on business confidence for December and January in Johannesburg yesterday, Sacob's director of economic policy, Dr Ben van Rensburg, said projections were that production levels would fall almost 25 percent within the next four years and

this would lead to more lay-offs in the mining industry.

He said recent threats by Anglo American to shut down shafts in the Free State was yet another bleak reminder that jobs were going to be hard to come by.

Van Rensburg said it was a sobering thought that, in spite of the fact that the economy was likely to expand by about four percent this year, not many jobs would be created.

The National Union of Mineworkers, whose members will be affected mostly by the looming lay-offs, says some of the jobs could

be saved with improved efficiency on the mines.

For instance, the mines which Anglo is threatening to shut down in three months time only blast once every three days. But if they blasted twice a day some jobs could be saved.

Num said while the old mines would eventually shut down, the emphasis should be on a social pact to minimise the effects of job losses. Currently, employers were making unilateral decisions to shut down mines without consulting workers.

Labour Market Commission chairman Dave Lewis said one of the

commission's terms of reference was to investigate why only a few jobs were being created while the economy was growing.

LMC is a Government-appointed commission to investigate a range of issues relating to the labour market. It is expected to publish its findings in June.

Lewis said the unemployment the country was experiencing was a consequence of past planning where emphasis was put on capital intensive projects such as Mossgas and lack of support for small business. Due to their labour intensive orientation, small businesses normally create jobs

On the positive side, Sacob said interest rates could fall within the first half of this year. There were already signs that consumers' appetite for credit was slowing down, a factor which could prompt the Reserve Bank to loosen interest rates.

The lowering of interest rates is always good news to people who have purchased goods or property on credit.

On the forthcoming budget, he projected that unpopular choices would have to be made in order to put the economy on a right footing. One of the tough choices would be to increase Value Added Tax (VAT)

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Sowetan 8/2/96

Mining parties agree on leave for education

Renee Grawitzky

(211) BD 9/2/96

THE Chamber of Mines and the NUM yesterday signed an agreement outlining the principles governing paid leave for education and training.

The deal stems from a dispute declared by the union last year after the parties were unable to agree on such provision in the industry framework agreement on adult basic education and training.

The agreement provides for discussion on paid time off for education and training "at the appropriate level" by the parties which should be governed by the guidelines.

The guidelines are in line with the International Labour Organisation Convention 140 relating to paid education and training leave.

They range from ensuring that education and training is based on operational requirements and the constraints of the mine; that the training aims to ensure that employees have the competence to perform their jobs effectively; and that parties jointly identify education and training courses.

However, the agreement does not stipulate the number of days' leave to which mine workers are entitled.

Chamber president At du Plessis said the agreement should not be seen in isolation, as it formed part of a "process of integrated human resource development acknowledging the primacy of education and training".

NUM assistant general secretary Gwede Mantashe said the agreement would enable employers and unions to exert pressure on government to ratify the ILO Convention 140.



Chamber of Mines president At du Plessis and Num assistant general secretary Gwede Mantashe during the signing of an agreement stipulating guidelines for paid time off for education and training.

Picture ROBERT BOTHA

Mineworkers to be paid to study in new NUM agreement

By JUSTICE MALALA
Labour Reporter

More than 250 000 gold and coal miners are to be paid for time taken off work to further their education, according to an agreement reached yesterday by the National Union of Mineworkers (NUM) and the Chamber of Mines

The agreement is the first of its

kind to cover so many workers and is expected to encourage a major turn-out for adult basic education and training on the mines

The NUM said yesterday more than 62% of the estimated 512 000 workers in the mining industry were functionally illiterate

NUM assistant general secretary Gwede Mantashe said the

Star 9/2/96
agreement would go a long way towards allowing miners to gain skills and training over the next few years which would cushion the impact of job losses

"The social plan we have proposed to look at the future of the mining industry is about preparing mineworkers to be redeployed to other industries as mining is a declining industry," he said

(211)
Chamber president At du Plessis said the agreement would be effective immediately and that agreements at some of the chamber's member mines had already been signed

He said the agreement could now become part of the system to be developed by the Mining Qualifications Authority (MQA) under the new Mine Health and Safety Act due later this year

De Beers denies claims by NUM

DE BEERS yesterday rejected as lies the claims by the National Union of Mineworkers (NUM) that the mine allocated family accommodation on the basis of race

In a statement, De Beers said "NUM is fully aware that the company allocates housing according to job grading, which, in turn, is determined by the employee's skill and experience in a particular job

"De Beers is seeking ways in which the housing issue can be resolved in the long-term without having negative consequences on our employees and the region of the Northern Cape when the mine closes in the next century," said the statement"

The statement further claimed that NUM had agreed to resume talks on the housing issue today

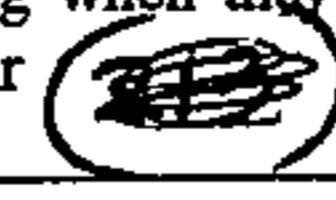
NUM argued that the majority of black workers on the mines were unskilled, which is why they did not qualify to occupy family accommodation under the mine's current housing system

The NUM withdrew from the talks after accusing De Beers of refusing to provide family housing for black workers

Negotiations for family housing for blacks began after three women were arrested for trespassing when they visited their husbands last year

Sowetan 15/2/96

(211)



Miners agree to 'harsh new shifts'

Renee Grawitzky

IN AN attempt to prevent shaft closures, mining unions have signed an undertaking for their members to work 12 days continuously with two days off, instead of a five-day week plus every second Saturday.

This forms part of various mechanisms being implemented by Anglo American and all mining unions to pre-

vent the closure of five Freegold shafts at the end of next month

This interim agreement will be introduced on Freddie's No 9 shaft and Saaplaas Nos 3 and 4 shafts, despite initial opposition from unions because of the effect on health and safety. Sources said this measure had been introduced before but had to be abandoned.

Continued on Page 2

Mines

Continued from Page 1

done because of the severe effect on workers. No guarantees have been given that the shafts will not close.

The new system would be implemented for two months at Saaplaas and for six months at Freddie's despite Anglo's initial insistence on it being implemented for a year, union sources said. Workers would be paid a 6% premium for work on Sunday and a 5% premium for working on Saturday.

The unions said that the mines

would not employ additional workers for the new shifts.

At some mines elsewhere workers worked 12 days with three off.

The white Mineworkers' Union said circumstances forced it to agree to the system while the National Union of Mineworkers Free State regional coordinator Sam Machili said yesterday the introduction of "this harsh new shift system clearly reflected the lengths workers would go to to prevent shaft closures".

The mineral and energy affairs department said the parties would have to apply for an exemption in terms of the Minerals Act to work the system

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BUSINESS REPORT

SOUTH AFRICA'S NATIONAL FINANCIAL DAILY

MONDAY FEBRUARY 19 1996

Randgold starts negotiations with black group on hostel management

By FIONA LENEY

Johannesburg — Randgold is discussing contracting out the management of its mineworkers' hostels to a black business group run by a senior, female ANC member of parliament.

The mining group's head of resources, Richard de Villiers, said at the weekend that Randgold had held three meetings with the group

and they had visited the mines, but that negotiations were in the early stages.

De Villiers said Randgold had approached the group because it saw the potential benefits of involving a representative group in hostel management.

"We would like a company with strong community links to tender for the job."



Peter Flack

A measure of the sensitivity of the project is Randgold's refusal to name the group, understood to be a non-profit organisation. The image of hostels as symbolic of poor working conditions and industrial apartheid, makes the involvement of any black group controversial.

But Randgold said the social benefits of the project were poten-

tially enormous. "The group can access elements of the community that we can't," said de Villiers. "If we can get community leaders to participate in running hostels it would enable them to be better integrated into the communities in which they are placed."

Randgold chairman Peter Flack said the deal would benefit both workers and management. "This has to be a win-win situation. The

group understands our employees need three good meals a day and a decent roof over their heads, and we need to be more cost effective, which means having employees who are happy and well-fed."

He said Randgold would at first hand over one hostel, on an experimental basis.

Flack said he was waiting for the group to select one of the hostels and a candidate to head the compa-

ny which would be formed to run the project. "We are keen to proceed, but everyone has to be happy about it. It is not something we would wish to impose," he said.

De Villiers said union officials had not yet been consulted, because management wanted to get the go-ahead from its potential new partners before proceeding. The National Union of Mineworkers was not available for comment.



SUNDAY WORKERS After their first Sunday shift yesterday, some Freegold miners at the number three shaft at Saarplaas said they accepted the idea of Sunday shifts, provided this preserved jobs

PHOTO JOHN WOODROOF

Miners clock in for first Sunday shift

BY ROSS HERBERT

Johannesburg — Miners clocked their first Sunday shift yesterday under a plan to rescue three unprofitable Freegold mine shafts

In a signing ceremony late on Friday, Pik Botha, the minister of mineral and energy affairs, granted an exemption to the ban on Sunday mining to prevent major job losses. The exemption allows Saarplaas's number three and number four shafts and Freddie's number nine shaft to mine seven days a week.

Workers at all three shafts will

now work for 12 days without a day off, take Saturday and Sunday off, and then return for another 12 uninterrupted days of work

"How can you smile about something like this?" asked Fred Bond, president of the Mine Workers Union, who looked grim throughout the signing ceremony. The agreement was a reversal of the union's earlier opposition to Sunday work.

Nap Mayer, the managing director of Anglo American's gold and uranium division, was optimistic. He said that the new sched-

ule was equivalent to adding a 13th month of production over the year

The deal is temporary, lasting for two months at Saarplaas and for six months at Freddie's. But Mayer said one could not tell whether it would work. "If we have a successful formula though, there is no reason why that formula shouldn't be applied"

Negotiations continued at the other two shafts under threat of closure — Western Holdings' number three and number seven shafts

□ See Page 16

Ministers call mining indaba

BY ROSS HERBERT

Johannesburg — Labour Minister Tito Mboweni and Mineral and Energy Affairs Minister Pik Botha plan to call South Africa's mining houses and unions to a series of meetings to discuss the industry's plans to avert major job losses

"We do not want to interfere with mine management. We do not want to interfere with unions, but we will interfere with both," Botha said last Friday.

Mboweni and Botha said they had decided to adopt an interventionist approach because they felt management and the unions were not doing enough to fundamentally change mining productivity and save jobs.

Their new stance stems from Anglo American's actions over its Free State Consolidated Gold Mine (Freegold) operation.

In January, Mboweni expressed shock at Anglo's threat to sack 10 000 workers at the end of March if significant productivity improvements were not made. After Anglo's announcement, Mboweni asked for a meeting with Bobby Godsell, the chairman of Anglo's gold and uranium division.

Mboweni said yesterday that "the news got out before we had the chance to invite the mining houses." The meetings would be held over the next few weeks.

et(see) 20/2/196
NUM signs education pact

BY JONATHAN LIEB

Johannesburg — The gold and coal mining companies in the Gold Fields Group signed an adult basic education and training agreement with the NUM yesterday.

The education programmes provide adults with the opportunity of gaining qualifications equivalent to the formal schooling system.

A basis for further learning is provided, enabling employees to develop skills and knowledge for future education and training.

Joseph Nkosi, the national chairman of education and training for the NUM, praised the agreement, saying this was "a positive, historical first step since it is the first agreement between the NUM and (Gold Fields South Africa) at the mining house level."

However, the union felt that "the actual achievement will take place at the mine level where implementation will (occur)".

Vuyani Spambo, NUM's regional educator in Gauteng, said this was a good public relations exercise for Gold Fields.

et(see) 20/2/196
Mine Bill to usher in new era

By ROSS HERBERT

Johannesburg — The new Mine Health and Safety Bill, which was presented yesterday to the parliamentary committee on mineral and energy affairs, will — according to unions and industry — usher in a new safer, more co-operative era in South African mining.

Johan Greeff, the general manager of technical support at the Chamber of Mines, said the chamber had disagreements with a few aspects of the Bill, but was satisfied with its overall content.

By greatly expanding worker participation in the regulation and enforcement of health and safety standards, the Bill will also expand the amount of management-union contact, taxing the diplomacy, goodwill and time of both sides.

"The affect will be potentially huge because one can get employee ownership of safety issues," said Karl van Gessel, a consulting mining engineer responsible for health and safety at Anglo American's gold and uranium division.

Union representatives will sit alongside industry and government

on a national mining health and safety council which will advise the minister, and mineral affairs and the government mining engineer.

The council will have permanent committees, with worker representation dedicated to regulation, research, occupational health and mining qualifications.

Every mine with more than 20 employees will be required to have an elected health and safety representative at each workplace on each shift. One of the guidelines requires at least one paid full-time health and safety representative for mines with more than 200 workers.

Of greatest potential significance to daily mining practice will be guidelines that Dick Bakker, the government mining engineer is now drafting with the mining regulation advisory committee. Under the Bill, mines must create their own codes of practice, conforming to the guidelines.

The guidelines are quite specific, stating, for example, that mines should use more expensive dynamic supports capable of absorbing seismic shocks.

Other guidelines, now in draft

form, suggest placement of supports about 1.5 metres apart.

The measurement of airborne dust, the major occupational disease threat underground, would change said Bakker. Instead of computing an average exposure for a whole mine, Bakker will require testing in specific work areas.

The extent to which mines have latitude for bending the guidelines to meet local conditions is unclear. But employees sitting on accident investigations and safety councils will probably look to the government guidelines as a yardstick.

In an effort to promote problem-solving and eliminate the incentive to hide facts on accidents, the law will allow the chief inspector to compel anyone associated with an accident to testify. Those testifying will be shielded from prosecution based on their testimony.

Every mine with more than 50 employees will be required to dis-tribute to all shareholders an annual report on safety and one on health.

And management must link records of employee occupational health with their actual work assignments.

De Beers to house workers of all races

Sowetan 21/2/96 (211)

By Abdul Milazi
Labour Reporter

Mining company averts strike by promising its workers accommodation

THE RISING TEMPER over family accommodation for black workers at De Beers' Namaqualand mine may soon cool off following management's announcement yesterday that it would purchase land to house employees of all racial groups

Tension mounted when talks between the mine officials and the National Union of Mineworkers (NUM) over the provision of family accommodation for black workers deadlocked last month

The union threatened to ballot its members on all De Beers mines for support in the matter, which could have led to a national strike

In a statement, De Beers said it

would purchase serviced plots in nearby Port Nolloth where family houses would be built

The mine said it was also prepared to expand the existing visiting facilities to enable more wives to visit their husbands for longer periods of time

"Provision has been made for the allocation of 40 family units for Namaqualand and Eastern Cape families according to selection criteria determined by the company and the union," the company statement said

Trouble at the Namaqualand mine began when three black women from the Eastern Cape who were visiting their husbands were arrested for tres-

passing

The NUM fought the case and accused the mine of discriminating against black workers, the majority of whom live in single sex hostels while their white counterparts were accommodated in comfortable family houses

This was disputed by De Beers spokesman Mr Tom Tweedy who said family accommodation was open to all workers irrespective of colour

NUM spokesperson Ms Judith Weymont added that another strange anomaly in De Beers' present housing policy was that some married couples who both worked on the mine were forced to live apart

130 000 mineworkers will lose jobs — Botha

Wyndham Hartley

CAPE TOWN — More than 130 000 mineworkers, or 22% of the present 600 000 strong workforce, would lose their jobs before the end of next year, with a major socioeconomic impact on the country, Mineral and Energy Affairs Minister Pik Botha said in Parliament yesterday.

Botha's alarming figures came when answering a question in the National Assembly on the implications for the mining industry in SA of his agreement with Freegold for extended operating hours.

He said the mining industry as a whole was experiencing rising production costs in a commodity market with declining commodity prices. These commodity prices were not expected to rise much above their

(211) BD 22/2/96
present value this century. Mines would have to improve productivity to offset the effect of rising production costs.

The gold industry alone was set to lose 111 000 jobs before the end of next year, Production would drop by 163 tons a year because of closures and rationalisation, he said.

In the country's platinum mines 10 000 jobs would be lost over the same period, 1 200 in the copper industry, 1 500 in chromite mining, and 7 700 in other mineral sectors. Only iron ore and coal mining were expected to remain stable in the short to medium term, Botha said.

The predicted job losses required an economy that would allow ordinary men and women to move into conventional industrial and commercial activity.

130 000 mines jobs to go over two years

(211) ARG 22/2/96
ABOUT 131 000 people will probably lose their jobs in the mining industry in the next two years, Mineral and Energy Affairs Minister Pik Botha has said

Replying to a question in the national assembly, he said the figure represented 22 percent of the 601 294 workers who were employed in 1994

He blamed rising production costs as prices fell in the commodity market

Annual gold production would probably drop to 416 tons by the end of 1997 because of closures and rationalisation.

About 111 000 'gold-mine' jobs would probably disappear before December 1997 unless innovative steps were taken by the stakeholders

This was not limited to the gold mining industry

A further 10 000 jobs would go in platinum mines over the next two years

There would be smaller job losses in copper and chromite mines

Mines would have to improve productivity to set off the effect of rising production costs, which would force many mines to close — Sapa

Freegold deal to 'increase profitability'

STAFF WRITER

Johannesburg — The full calendar operations agreement entered into between Free State Consolidated Gold Mines (Freegold) and seven unions and associations was aimed at ensuring that Freegold's problematic shafts became profitable

Replying to a question in parliament yesterday, Mineral and Energy Affairs Minister Pk Botha

CT(MR) 22/2/96 (211)
said the Mineworkers Union had agreed to be a party to the agreement in return for a 2,5 percent salary increase while the agreement was in force

Freegold had undertaken to place a moratorium on all retrenchments, subject to the respective shafts showing profit and the mine's rights to transfer employees after discussion with the relevant employees' organisation

The agreement would remain in force until April 4 this year, when it would be extended or renegotiated

Responding to another inquiry, the minister said good progress had been made in determining the extent of private sector interest in Mossgas "Contact has been made with over 170 local and international organisations," he said

Of these, 102 had requested further information

NUM, Mozambique look at pension payment delays

BD 22/2/96 ~~21~~ (211)
Renee Grawitzky

THE National Union of Mineworkers met a Mozambican government delegation yesterday to discuss irregularities surrounding pension payments to the families of Mozambican mineworkers who died on SA mines

The irregularities were discovered when a task team from the Vaal Reefs Disaster Trust Fund visited the dependants of mineworkers who died during the Vaal Reefs No 2 shaft disaster in May last year

It is understood that the Mozambican delegation attempted to explain the reasons for the seven-month delay in

the payment of pensions and other contributions

The union understood the difficulties in ensuring the families were paid out but, "every effort should be made", NUM president James Motlatsi said.

The issue of deferred pay was also raised and "ways and means have to be found to give mineworkers the entitlement to their entire salary and not a percentage as happens at the moment"

Motlatsi also expressed his concern over the fact that "our government is now saying that only the men are entitled to permanent residency and not their wives and families. This is not what we agreed to last year"

Govt intervention needed — NUM

BD 23/2/96 (211)

Renee Grawitzky

THE ministries of trade and industry, finance, labour, and mineral and energy affairs have been called on by labour to participate directly in mining industry initiatives to ensure its restructuring to prevent its decline and job losses.

This call comes in the wake of Mineral and Energy Affairs Minister Pik Botha's claims that within the next two years, 22% or 130 000 of the present 601 000 jobs could be lost, unless appropriate steps were taken by the stakeholders in the industry.

National Union of Mineworkers general secretary Kgalema Motlanthe said yesterday that the four ministries had to be involved in industry-wide initiatives "as its decline could undermine and impact greatly on the country's economic growth plan".

The figures quoted by Botha came from a Council for Geoscience report compiled in October last year which attempted to outline current problems and what the "worst case scenario" could be by 1998 if the situation in the industry remained unchanged.

Council director Nok Frick said since the research had been conducted, circumstances in the industry had changed — including developments at Freegold and gold price increases.

Botha, when answering a question in the National Assembly on the status of the mining industry and agreement to work continuous operations at Freegold, said since the Freegold announce-

ments last month, discussions had taken place with representatives of other affected ministries.

They had agreed "that steps ought to be taken to determine what role government ought to play in bringing about a long-term strategic programme to lengthen the life of our gold mines".

In the past ministries had shown no commitment to intervene in the industry, said Motlanthe. "This is a national issue and government must intervene."

He warned that any further delays to speed up the overhaul of production arrangements in the mining industry could lead to a much worse scenario than the one outlined by Botha.

The effect of the removal of tariff protection in manufacturing was comparable to the removal of apartheid in the mining industry, he said. This process was forcing management and especially supervisors who still wished to perpetuate "the old methods and ways" to change.

Chamber of mines president At du Plessis said it did not "share the view that more than 130 000 jobs could be lost" over the next two years. He said the chamber recognised the job losses could occur but not to the extent predicted by Botha.

Anglo American spokesman James Duncan said there were going to be contractions in the industry, but these need to be "managed in a way that is responsible both to shareholders and our employees".

Comment: Page 18

Fewer miners and construction workers: Between August 1994 and August last year the number of miners decreased by 2,0 percent, the Central Statistical Service said yesterday. The total number of miners decreased by 1,1 percent from June 1994 to July last year, and by 0,01 percent from July to August. Construction workers decreased by 2,6 percent from August 1994 to September last year.

(211)

(33)

CT (BR) 23/2/96

(R268 million).

This came from Tavistock's participation in the new coal reserve

The operating profit on a turnover of R379 million was R129 million, a 65 percent increase

NUM seeks foreign help

By ROSS HERBERT

Johannesburg — The National Union of Mineworkers (NUM) is seeking international expertise to challenge South African mine management methods in an attempt to help prevent job losses

The NUM is recruiting mining experts to help it challenge industry plans for downsizing and productivity improvement, the NUM president, James Motlantsi, said. "We need independent expertise to determine whether closures are necessary or whether mines can be run

(211) CT(BR)23/2/96
viably," Motlantsi said. A team of eight NUM officers left last Friday for a six-week trip to England and France to study how European unions have handled productivity and downsizing

Fred Bond, the president of the Mine Workers' Union, said his union intended to press for clearer information on the deployment of management, the nature and extent of management pay and perks, and the percentage of salary bills allocated to management as opposed to lower ranking workers

Fewer Basotho mineworkers recruited in South Africa

BY JOE MOLEFI

Maseru — The number of Basotho mineworkers recruited to South African gold mines dropped slightly last year, compared with the figure for the previous year.

According to statistics released yesterday by the Employment Bureau of Africa (Teba), which recruits labour for the South African gold mining industry, a total of 87 935 Basotho mineworkers were forwarded to the South African gold mines last year, compared with 89 076 in 1994.

Graham Gregory, Teba's general manager in Maseru, said the drop in recruitment figures was due to the fact that "the mining industry has been shrinking, but compared to other labour-supplying areas the drop is not significant".

"Basotho mineworkers are more popular in the mining industry as they are hard workers and also the closeness of Lesotho to the gold mines in Welkom in the Free State is an added advantage. They can travel

ET(PAR) 23/2/96 (211)
home and back to work more regularly," said Gregory.

Last year's total payments to miners was higher than the figure for 1994 by more than R18 million.

The South African gold mines paid out a total of more than R348 million to Basotho mineworkers last year, against R329-million in 1994. Although the number of miners decreased last year, the higher pay-out was due to the large annual wage increase which mineworkers on the gold mines received.

The volume of deferred pay (money retained for the miners until they returned home) totalled R160 million last year compared with R162 million in 1994.

The total remittances (money sent to the relatives of the miners at home) amounted to R96 million as against nearly R82 million in 1994.

Other payments included cash withdrawals by the miners, pensions and provident fund contributions — Independent Foreign Service.

Gencor staff angry over (211) job losses

CT(BR)28/2/96

By JAMES LAMONT

Johannesburg — Staff from Gencor's technical services division who faced retrenchment because of outsourcing to engineering firm BKS Hatch were opposing offers made by BKS Hatch, sources said yesterday

Sources claimed their transfer involved a cut in income of as much as 40 percent. BKS Hatch denied the claims

Employees were insulted by the offers made by BKS Hatch on Tuesday, the source said

The offer coincided with Gencor's announcement of plans for projects worth R8 billion and a 81 percent surge in attributable income at the interim stage

Gencor was retaining a core engineering capability of 20 people. It was handing over more than 110 permanent staff and 220 contract staff from the company's engineering and technology, and special services divisions

Permanent staff would receive retrenchment packages

"They (BKS Hatch) have made Gencor engineering and technology personnel an offer of a 40 percent reduction in packages and fringe benefits. No one is happy with it," said the Gencor source

He said most of his colleagues would decline the new offer

The source said that if he accepted BKS Hatch's offer of employment, his salary would be slashed by 15 percent, his guaranteed benefits by 25 percent and his holiday entitlement would be halved to 15 days

"In the light of Gencor's record profit and the expansion of projects, we think we are getting a rough deal," he said

Employees were expecting official notice of retrenchment from Gencor today.

Deal

Ralph Catterall, the managing director of BKS Hatch, countered the sources' claims

He said income packages offered to personnel were on average 7,45 percent lower than those being paid by Gencor

He said senior people in the division had accepted the new deal and argued that individuals would not face a pay cut of 40 percent

Richard Pilcher, the chief executive of technical services at Gencor said, "All the staff affected have been made offers by BKS Hatch and permanent staff will be retrenched by Gencor"

The decision to outsource Gencor's engineering projects to BKS Hatch was announced to staff last November

Review of miners' status will affect Mozambique

(211) BD 6/6/96

MAPUTO — There are fears that the cancellation of a special 32-year-old customs exemption granted to Mozambican miners working in SA will negatively affect the economy

This is coupled with a move to offer permanent residence to miners who have worked in SA for more than five years, another measure which could affect the Mozambican economy because miners who take up the offer will no longer repatriate their earnings.

Analysts believe the end of the customs tariff and the SA decision to grant residence to miners will affect the economy because migrant labour has contributed significantly to the country's balance of payments.

Despite lack of official figures, it is estimated that migrant labour contributes about a quarter of the revenue of the national Budget. More than 60 000 Mozambicans work on SA mines earning about \$200 a month each. This is 10 times the minimum salary in Mozambique.

"Is it true that we can no longer take our cars and motorbikes to Mozam-

bique?" This was the question which almost all the miners asked a representative of the labour ministry, Pedro Taimo, when told of the cancellation of the customs exemption.

Taimo says many miners are in a dilemma because they have acquired consumable goods and vehicles, but their intention to take them to Mozambique has been made "totally impracticable" by the tax they would now have to pay.

The government says the exemption had enabled the entry into Mozambique of significant quantities of goods which were then sold, causing serious consequences in the economy because tax had not been paid on them.

Migrant labour is regulated by a 1964 agreement between the former colonial Portuguese government and SA, which is still in force.

Last year miners contributed the equivalent of \$66m in foreign exchange to Mozambique.

Migrant labour helps to keep Mozambique's rate of unemployment at about 23% in the cities. — AIA.

(211)

Outcry as diamond miners retrenched

Star 6/16/96
The entire workforce at Don Diamonds mine in Kimberley is to be retrenched after the sale of the mine to a Canadian-based company, the National Union of Mineworkers said.

Don Diamonds has bluntly refused to discuss the issue. It issued a statement to the NUM saying "there can be no negotiations on the retrenchment, and notices are already being handed out"

Kimberley NUM co-ordinator Willie Lencoe said this was an example of "men sitting in distant boardrooms making deals without any concern for the effect on workers"

He said investors were meant to create jobs, not demand retrenchment as part of the package. "We have to resist this kind of fortune-hunting investment"

The NUM said the more than 100 workers had been given until June 30 to leave the hostel and would receive one month's pay in lieu of notice plus one or two weeks' pay for

ET(BR)10/6/96 (211)

Union and De Beers hit stalemate

By James Lamont

INDUSTRIAL EDITOR

Johannesburg — Wage negotiations between the National Union of Mineworkers and De Beers reached a stalemate last week

On Friday, the union declared the talks deadlocked, De Beers said

The company said the union intended to breach the provisions of the recognition agreement between the two parties

The union's declaration follows three meetings with the company since the beginning of last month. It is now doubtful whether a meeting between the two parties scheduled for Friday will take place.

During this year's round of bargaining, the union had revised

its wage demand from 20 to 19 percent but had rejected all the company's other proposals, De Beers said

The company is offering an increase of between 2 and 8 percent, dependent on an assessment of individual performance

De Beers has proposed an agreement on the education of the workforce and the treatment and continued employment of HIV-positive employees and Aids sufferers. It has also agreed to the appointment of full-time safety representatives

The union's demands include recognition of it as the collective bargaining agent of all employees below management level, a stipulation that all employees who are not members of a trade union pay 1 percent of their salary into an

agency shop fund in place of union fees and a demand that the company pay the costs of primary, secondary and tertiary education for employees and their dependants

The union is also seeking additional annual, compassionate and sports leave and an initial R100 000 donation from the De Beers Chairman's Fund to each of the union's seven branches to "empower members and stewards through union education and training"

In its negotiations with the Chamber of Mines and mining houses, the union is seeking to reduce the gap between the wages of skilled and unskilled workers while pushing for above-inflation raises for those who get the smallest increases

(211)

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4 000 job losses in Vaal Reefs profit plan

David McKay

BD 12/6/96 (211)

ANGLO American gold mine Vaal Reefs planned to shed nearly 4 000 jobs, about 8% of its workforce at its North Lease Area, to improve profitability

A mine spokesman said yesterday the job losses, a mix of natural attrition and retrenchments, would take place over an unspecified period

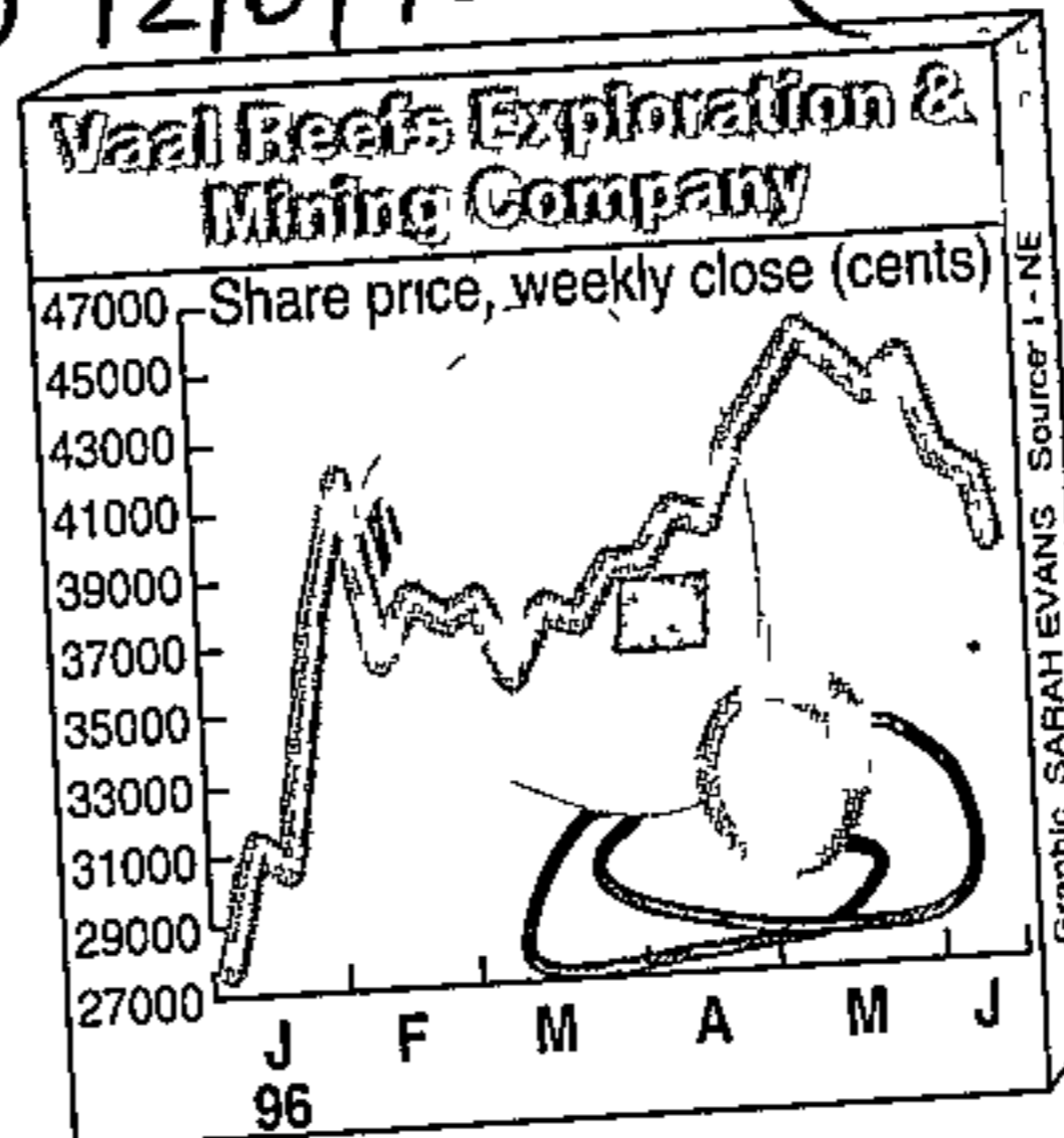
About R18m in retrenchment costs had been incurred for the first quarter this year

He said "a prudent" number of jobs would be lost during the remainder of the mine's 1996 financial year

Vaal Reefs confirmed yesterday there had been about 600 job reductions in the past four months. These had been from the North Lease area with mature shafts. North Lease now employed about 15 500 people

Vaal Reefs was considering a summit, similar to talks held at the group's Freegold mine where a 12-day on, 2-day off system was negotiated with unions

This did not mean the mine was in a similar situation to Freegold where several unprofitable shafts had been in danger of closing, the spokesman said



The mine had decided to step up the permanent equipping of No 11 shaft on its Eastvaal section. This would be completed in 1997, two years ahead of schedule, to generate earlier revenue

It said it did not rule out that capital expenditure for this project and the development of No 10 shaft on the North Lease area, could be

increased beyond the R386m estimated in the company's latest annual report

Meanwhile, Anglo said talks were still under way between Freegold's management and labour on the extension of the new shift system which had saved several unprofitable shafts from closure during the March quarter

Anglo said multi-tasking of labour was an alternative to the shift system if a new agreement could not be found

Labour at some Freegold shafts was demanding increased bonuses for extra shift work, with management arguing this would be unprofitable

The mine increased attributable profit to R86,9m in the March quarter (December R77,6m), despite a 265kg drop in gold production to 17 220kg

Seven-day week for mines may compound problems

(211) BP 13/6/96

David McKay

FULL calendar operations — the much vaunted "solution" to the high cost of gold mining in SA — could compound the problems it is meant to solve, says a UK-based management consultant.

Proudfoot SA, a subsidiary of the 50-year-old UK parent company Proudfoot, is urging mining houses to exercise caution when implementing a seven-day-week shift programme.

Sales and marketing executive director Peter Gilbert says the plan could merely bring the existing problems of the average mine — usually a woeful litany of cost inefficiencies and poor labour morale — into yet greater relief.

Gilbert says the fundamental manner in which some mines are managed needs to be changed — a step which may prove that week-long shifts are unnecessary.

"For example, management could change the structure of the working panels, and bring the unions into improving the profitability of the mine."

"Secondly, the multitasking of drilling teams underground would instil a new feeling of pride in the work that is being done and improve profitability," he says.

An intelligently structured remuneration package, including bonuses for extra work, would also help to alleviate some of the problems associated with SA gold mines' disgruntled labour force.

Several major mines, such as JCI's Randfontein Estates and Western Areas and Gold Fields' Libanon and West Driefontein, are on the brink or have already implemented the full calendar system. And there are indications that more are to follow.

But Gilbert says many of these groups have not yet completed a

full study into the implications. He cites, for instance, the extra strain on underground equipment due to a seven-day working week.

"Many mines are not aware of where the bottlenecks are likely to appear as a result of throwing rock onto the belts seven days a week. We have not yet seen formalised programmes to upgrade the mills in order to cope."

Similarly, there would appear to be a paucity of studies on how full operations could affect mine safety, while little attention appeared to have been given to blasting patterns and clean-up in terms of the proposed structure.

In short, Gilbert says, mines are ill prepared to manage the change, despite the fact that the hopes of many marginal mines have been pinned on it.

Gilbert says part of the blame has to be directed at the top echelons of the industry. "The old-

fashioned hierarchical management structure, does not facilitate the communication which is necessary to the profitable management of SA's gold mines."

Management focus was almost exclusively on increasing tonnage while reducing costs. "Now management has no viable alternative to this formula — no safe port for which to head," he says.

The effect was that middle management of the so-called marginal mines were under pressure to adopt a simplistic formula of increasing tonnages while dropping costs — another quick-fix solution to a deeper management problem. As a result, there was no time in which to make well-judged business decisions.

However, middle management had to carry some of the blame for the ailing state of the SA gold industry, particularly in respect of underground working conditions.

In visits to SA gold mines undertaken by Proudfoot, it was found that some miners had worked 20 shifts without seeing a supervisor. Supervisors complained of not being able to motivate the staff or exact discipline in fear of being confronted by labour.

Gilbert says he is not naive about the effects on the gold mines of the political climate of SA, or the fact that many ore bodies were coming to the end of their payable lives. However, the aim of addressing some of the management pitfalls — many of which were historical — was based on a long-term scenario.

This would include to avoid "the current mistake" of too much attention on full calendar operations. It was not an automatic solution to ensuring the future of the mines. What was needed was a fundamental shakeup of management protocol.

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GILBERT

Negotiations delay full working week

(211) MD 18/6/98

David McKay

GOLD Fields of SA had made little progress implementing full calendar operations on its Libanon and West Driefontein gold operations, the group said last week.

The group, which said in March it hoped to have a seven-day working week on the mines within six months to a year, said negotiations with labour over the issue were dragging on.

Gold division MD Alan Munro declined to detail the sticking points, but it is understood a short-term agreement is not on the cards. He said the need for full calendar operations at Libanon was "desperate," and "highly desirable" at West Dries.

Libanon, part of the group's Kloof division, sustained a R11m working loss for the March quarter, as lower tonnage cut gold production to 2 131kg from 2 300kg in the December quarter and costs jumped. West Dries' production slipped to 5 939kg for the quarter, from a previous 6 123kg.

"Full calendar operations should have been implemented at Libanon and West Dries yesterday — in fact last year," Munro said.

Such operations have been seen as one measure to cut the gap between the profitability of SA mines and international rivals. Munro said provisions for them would have to be implemented at all the group's gold mines in future.

JCI previously said it hoped to introduce full calendar operations on two mines — Randfontein Estates and the South Deeps section of Western Areas.

Gold and uranium division CE John Brownrigg said last week that the South Deeps section looked like it would implement them in the next six months. Randfontein Estates was focusing on implementing its business process re-engineering.

The process, tested at one of the mine's shafts since October, was aimed at increasing advance rates through a devolution of authority.

Another mining group was also pursuing agreements on full calendar operations, including Gengold's Kinross, Winkelhaak and Leslie gold mines — three of the four mines Gengold has now merged as Evander Gold Mines.

Randgold's East Rand Proprietary Mines recently started them and has enjoyed a 100% turnout among the mine's 3 000 employees.

(211)

Anglo, NUM in impasse

Secretary 16/96

By Abdul Milazi
Labour Reporter

THE National Union of Mineworkers and Anglo American are to go to the Conciliation Board on July 1 after wage negotiations at a uranium and gold reclamation company dead-locked on Wednesday

Management has offered a nine percent across-the-board wage increase as against NUM's 17 percent demand

NUM spokeswoman Ms Judith Weymont said yesterday that although the parties had reached agreement on setting up committees to look at productivity, adult education and training and a 40-hour working week, there was no sign of a wage settlement

NUM organiser Mr Korda Manqina said "Management seem set on maintaining the apartheid wage gap"

Chamber tables miners' wage offer

Rene Grawitzky

BD 24/6/96 (211)

THE Chamber of Mines has tabled opening wage offers of between 4% and 6% in its negotiations with the National Union of Mineworkers

Union general secretary Kgalema Motlanthe said yesterday that the lowest offer was, in effect, 3%, as Gengold's 5% offer provided only for a guaranteed 3% with the remaining 2% conditional upon agreement on a number of unelaborated issues.

The chamber said the offers ranged from 4% for Gold Fields and Johannesburg Consolidated Investment workers to 6% for those of Anglo American and Anglovaal

Randgold's failure to put forward an offer on the basis that it was not a group was rejected by the union, Motlanthe said. Randgold undertook to reconsider its position before the next meeting of negotiators later this week.

The offers form part of the chamber's response to a number of union demands ranging from a minimum wage of R1 320 for surface workers to R1 500 for underground workers. Minimum demands for marginal gold mines ranged from R974 to R1 178.

Central to the union's demand over the past two years has been an attempt to restructure the industry wage structure by introducing "broad-banding" to reduce the number of job grades.

Chamber spokesman Frans Barker said the opening offer was made in the context of broader employer proposals on increasing productivity and cost reduction. He said mining houses wanted broad-banding discussed either at mine or company level.

Barker said the chamber had agreed in principle to the establishment of a bargaining council for the industry, and would consider a demand for a two-year wage agreement

Skills-based grading at heart of Numsa demands

Renee Grawitzky

BD 25/6/96 (211)

ABOUT 260 000 workers in the metal industry could go on strike in the next few weeks if unions and employers are unable to resolve a wage dispute declared yesterday by the National Union of Metalworkers of SA (Numsa) and five other metal unions

The Steel and Engineering Industries' Federation of SA said the unions had declared a dispute after rejecting its final offer of 7,5%

The employer body had then declared a counter dispute

Other issues at the heart of the conflict related to Numsa's demands for the introduction of a new skills-based grading system

Numsa said the introduction of a five-grade system would be linked to training to ensure the creation of a multiskilled workforce

"The incentive for workers was that as they received more training they would move to higher grades and so re-

ceive higher wages," the union said

Numsa said its strategy had recently received support in the World Competitiveness Report, the International Labour Organisation report and government's latest macroeconomic strategy document

The union said significant progress had been made on the proposed new grading system

However, there were outstanding issues. These related to its proposals that workers on the lowest grade should earn 60% of the lowest artisan rate of R19 an hour, and the phasing-in period of the scheme

Numsa general secretary Enoch Godongwana said that throughout negotiations the key question was getting a satisfactory "price for change"

Politicians and academics, he said, could exhort workers to be more productive for as long as they liked, but "real change comes when a worker on R6,74 an hour is given an incentive, not a philosophy"

NUM demands wage hikes ranging between 18% and more than 100%

Renee Grawitzky (211)
PB 3/5/96

MINING industry negotiations covering more than 400 000 gold and coal mine workers get under way next week with the National Union of Mineworkers tabling wage demands ranging from 18% to more than 100% for bottom wage categories at mining houses paying the lowest minimum wage.

The demands form part of the union's bid to restructure the wage curve by introducing broad-banding to reduce the number of job grades. The

aim is to close the gap between the lowest and highest paid workers and develop a single wage structure incorporating skilled and unskilled workers.

In a change from past practice, the union has proposed a two-year wage agreement. Pay adjustments for the second year will be calculated as 2% plus the annual percentage increase in the consumer price index.

The combining of the four lowest grades — A1 to A4 — into a single grade on the gold mines is central to the union's demands.

During negotiations last year, Anglo American agreed to collapse A1 to A3 into a single grade, while all other mining houses — except Gold Fields, which resisted any restructuring — agreed to incorporate A1 into A2. Randgold's ERPM, Harmony and Bivoortzicht mines agreed to merge A1 into A3 by June this year.

This year's NUM minimum wage demands range from R1 320 for surface workers to R1 500 for underground workers. Minimum demands for marginal gold mine range from

R974 at Randgold's ERPM to R1 178 at Harmony and Loraine. Minimum underground wages on non-marginal gold mines range from R646 at Gold Fields to R1 026 at Anglo American.

Anglo American said the union's demand of raising the minimum for underground workers to R1 500 would amount to a 50% increase.

Other core demands include the establishment of a national bargaining forum in the industry in line with the new Labour Relations Act and an employer contribution of at least 1% of

pre-tax profits to an education and training fund to finance training courses, emphasising collective bargaining and industrial relations.

Other demands include financial assistance and rehabilitation for disabled workers and changes to the rules of the Mineworkers' Provident Fund to bring about a national mineworkers' fund; an end to subcontracting, increased maternity and paternity leave; and full paid leave for employees nominated by the NUM to participate in various tripartite forums.

NUM gears up for talks

By Abdul Milazi (211)
Labour Reporter

ENDING discriminatory regulations and racially based wages on the mines tops the National Union of Mineworkers' list of demands in the coming annual wage negotiations

NUM spokesman Ms Judith Weymont said "In the short term, anomalies must be addressed, especially those that give better conditions to white workers who do the same jobs as blacks or less responsible work"

Weymont said structural racism still existed in every regulation governing black workers in the mining and energy

sectors

Sowetan 2/4/96
"South Africa is a political democracy but that democracy has not extended to the workplace"

She added that the NUM central committee agreed a week ago that the union, together with other Cosatu affiliates, should embark on a national campaign to highlight the denial of basic human rights to workers by employers in the mining and energy industries

"It was also agreed that NUM should demand that bosses contribute one percent of their tax profit to an education fund, to which the union will have access for education and training activities," said Weymont

New JSE listing a boon for miners

By **PATRICK PHOSA**

A major black empowerment initiative has been put in place with the listing on the Johannesburg Stock Exchange of the Mineworkers Investment Company's Mathomo Group Ltd, which has raised R25-million through a private placing

Mineworkers Investment Company chairman Kuben Pillay said yesterday it was important that Mathomo Group Ltd, which was listed yesterday, "had the majority of its shareholding in the hands of mineworkers"

"This is a unique model where you have benefits flowing directly to mineworkers and their dependents

"It serves to encourage equal opportunities for the disadvantaged communities and the development of small business enterprises," Pillay said

Mineworkers Investment Company, which is the investment vehicle of the National Union of Mineworkers, has 29% of the shares, while its partner, Charne Group of Companies, has another 29%

The balance is held by

banks

The group has 85 retail stores located on the mines, in mining hostels, industrial complexes, power stations and commercial centres

It designs, procures, markets, wholesales and retails recognised brands, sporting equipment, mattresses, blankets and workwear, Pillay said

He said the group's distribution network comprised its 85 outlets, as well as retail chains such as Sales House, Jet, Markhams, Smart Centre, John Craig, Stuttafords, Edgars and Truworthis

(211) (30) Star 3/4/96

Investing union billions in partnership with black business

Labour Reporter

Ramaphosa left to work in the ANC

In the past the unions were seen as the destroyers. Now they are becoming the creators of wealth and building working people's capacity to play a constructive role in building companies," he said.

Mr Golding said the formation of Mic and its joint ventures had not caused any tension within the NUM.

Mic was started because the union saw the need to play a constructive role in the economic reconstruction of South Africa.

Mathomo comprises Select Sports Wholesalers (Pty) Ltd, Eric Andrews Sports (Pty) Ltd and Burke Russell Macnab Investments (Pty) Ltd.

The company has 85 stores on mines, in mine hostels, industrial complexes, power stations and

ESIDES its involvement in the BMathomo Group, the National Union of Mineworkers' investment

arm, the Mineworkers' Investment Company (Mic), has also formed a joint investment company with the South African Clothing and Textile Workers' Union (Sactwu).

The company, South African Amalgamated Union Investment Company, is exploring the option of a stake in Vodacom, the cellular phone network company.

More details about the company's operation would be given

later, said Marcel Golding, chairman of Mic and an ANC MP.

Mic earlier secured a 25 per cent stake in Pepsi through New Age Beverages as part of a joint venture with Sactwu's investment company.

Sactwu was one of the first South African trade unions to establish an investment arm - Sactwu Investments - with a minority share of Real Africa Investments which was listed on the Johannesburg Stock Exchange in 1994.

In January this year Sactwu entered into a consortium with major black businesses to form

Tsogo Investments which in turn formed Tsogo Sun - a partnership with the Southern Sun Group.

The partnership plans to develop a R2,4-billion Century City Hotel complex on 200 ha alongside Cape Town's proposed Olympic site in Milnerton.

Tsogo Sun has applied for a gambling licence but said the planned complex would go ahead irrespective of whether it was granted a licence. It estimated that the development could generate between 10 000 and 15 000 permanent jobs.

While the NUM and Sactwu appear to be making progress with

their business ventures, an attempt in 1994 to establish a Congress of South African Trade Unions (Cosatu) company, failed.

The Cosatu Holding Company entered into an abortive attempt in 1994 to form a gambling consortium with black business groups such as the Foundation for African Business and Consumer Services (Fabcos), and the National Federated Chamber of Commerce (Nafcoc) as well as Sun International.

The idea of a gambling venture had limited support within Cosatu, leading to the federation pulling out of the consortium which subsequently collapsed.

However, another trade union federation, the National Council of Trade Unions (Nactu), has made investments in New Africa Investments Limited (Nail) and MTN.

Nactu is also part of Tsogo Sun, the joint venture between Tsogo Investments and the Southern Sun Group, which is planning to build a R2,4-billion business and entertainment complex in Milnerton.

Nail is the largest black company on the JSE and is said to be interested in acquiring Anglo American's 48 percent shares in Johnnic.

These include an industrial portfolio valued at about R8 billion and which has minority holdings in SA Breweries, Toyota and the Premier Group. Anglo's Johnnic shares also include 43,2 per cent ownership of Omni Media which controls Times Media, publishers of the Sunday Times and Business Day. Nail already has a stake in the country's largest daily newspaper, The Sowetan.

Recently there has been speculation that leading trade unions could be negotiating for a stake of Johnnic, possibly in a joint venture with Nail.

Black gold

How unions are muscling in on the money game

Having helped to secure democratic government, trade unions are responding in new ways to the clamour for economic empowerment. The listing on the Johannesburg Stock Exchange of the Mathomo Group is one of several similar moves by unions aiming to give workers a stake in the economy.

ESTELLE RANDALL
Labour Reporter

THE Johannesburg Stock Exchange listing of the Mathomo Group Limited signals a more assertive approach from trade unions to compete in the economy

Mathomo is the product of a joint venture between the Mineworkers' Investment Company (Mic) the Charrie Group of Companies and the Standard Corporate Merchant Bank

Mic was started in July last year as the investment arm of the National Union of Mineworkers (NUM). It is wholly owned by the Mineworkers' Trust, which the NUM established to ensure a separation between union business and the business of making money. The Trust's function is to reinvest wealth generated by the Mic into social programmes, including provision of bursaries to mineworkers and their families, and improving the infrastructure and services in areas where mineworkers have a substantial presence.

Mic chairman and African National Congress MP Marcel Motlanthe said Mathomo's listing represented workers trying to get a stake in the South African economy and contributing to black empowerment.

Before his election as an MP, Mr Motlanthe was acting general secretary of the NUM.

commercial centres which sell popular brand-name clothes, shoes, sports goods, mattresses, blankets and workwear.

Its labels include Bear International, No Rules, Sengul, Instinct, and Lemon and Soda, and it markets Pierre Cardin active-wear under licence.

The stores, whose main customers are workers in the mining and energy sector, sell their goods on a retail basis through direct monthly wage deductions from workers' wages and directly to mines on a wholesale basis.

Apart from its 85 stores, Mathomo also distributes through retail chains such as Edgars, Sales House, Jet, Markhams, Stuttards, Truworths, Smart Centre and John Craig.

Non-executive members of Mathomo, who do not draw salaries from the company, include NUM general secretary Kgalema Motlanthe who is also a director of Mic and chairman of the Mineworkers' Provident Fund with assets of more than R2,2 billion.

TORCHBEARER:

The National Union of Mineworkers is in the forefront of attempts to give workers a stake in the economy.



by
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tr

Sunday work to dominate talks

BD 16/4/96 (211)

Renee Grawitzky

THE introduction of full calendar operations in the mining industry seems set to dominate discussions this year as the parties grapple with formulating a common approach to the removal of the Sunday work restriction from legislation.

It would appear that a difference of opinion exists between the Chamber of Mines and the National Union of Mineworkers over the interpretation of last year's wage agreement — which outlined a process to provide for the amendment of Section 9 of the Mines and Works Act to permit Sunday work and the implementation of full calendar operations

The chamber was arguing that the agreement provided for the establish-

ment of a working party, which included representation across the industry, to agree on wording to amend the legislation and thereafter make representations to government. Mines could individually negotiate the implementation of full calendar operations

The union's view was that before agreement could be reached on the wording, an industry-wide framework agreement providing for guidelines to introduce full calendar operations had to be agreed to.

Union spokesman Martin Nicol said. "Lets get rid of Sunday work, but it should be done in such a way which will protect the rights and interests of workers" Mineral and Energy Affairs Minister Pik Botha had indicated that such a change had to ensure the protection of workers, Nicol said

BUSINESS WATCH

Edited by Charlotte Mathews

At the coalface

(211) (100) CT(BR) 16/4/96

Affirmative action programmes need not negatively affect the bottom line — even in the near term. An innovative productivity-based remuneration scheme at Gengold's Beatrix mine underlines this.

Howard Laycock, the mine's general manager, said yesterday that the programme, introduced last year, involved the training of panel miners to assume more responsibility after earning a blasting certificate.

The idea is to achieve a cost-effective, safe, quality blast, resulting in improved productivity, safety and enhanced advances of the face.

Though the programme is still in its embryonic stage, the panel miners' average face advance had averaged about two metres more than the mine's overall average, Laycock said.

The panel miners were outperforming the rest of the mine in terms of safety results.

Panel miners are paid a basic stopping rate, with a bonus on top of that based on productivity and output, and additional incentives for items over which they have control.

At a 20-metre face advance they can double their basic wages with the bonus. Penalties are applied for slip-ups on safety and sweepings.

Brownie points go to Gengold and Beatrix — points that shareholders will be pleased to dole out if the programme continues to produce the desired results.

East Daggafontein

Shares in East Daggafontein, which treats slimes dams, have bounced up strongly in the past couple of weeks. Now at R13,75, they have drifted slightly below their year's peak of R14, more than 50 percent better than their low of R9 in January.

There appear to be two main reasons for the shift.

First, shareholders are being asked to swap their shares for a new

structure, a linked unit consisting of a combined debenture and share. Because debenture interest is declared before tax, this will increase the distribution substantially, particularly for unit trusts and non-residents owing to their zero tax rates.

As part of this restructuring, a special distribution totalling R1,34 a share is being declared. That would imply that the shares would rise by at least that much up to the date of the

with those in the US. Marilyn Visser, a director at Simpson McKie, said that the correlation between South African gilts and US bonds was "still very strong".

"The correlation is lost when the relative values of South African equities and bonds start coming out overwhelmingly in favour of bonds," Visser said. "Then local fund managers say they cannot ignore bonds here."

"Of course, the converse can also be true. The relationship can break down when gilts here look expensive compared to equities."

"That's a bit of a quirk because of exchange controls. Local fund managers who do not have the opportunity to invest freely in overseas markets must look at comparative values here."

Nail

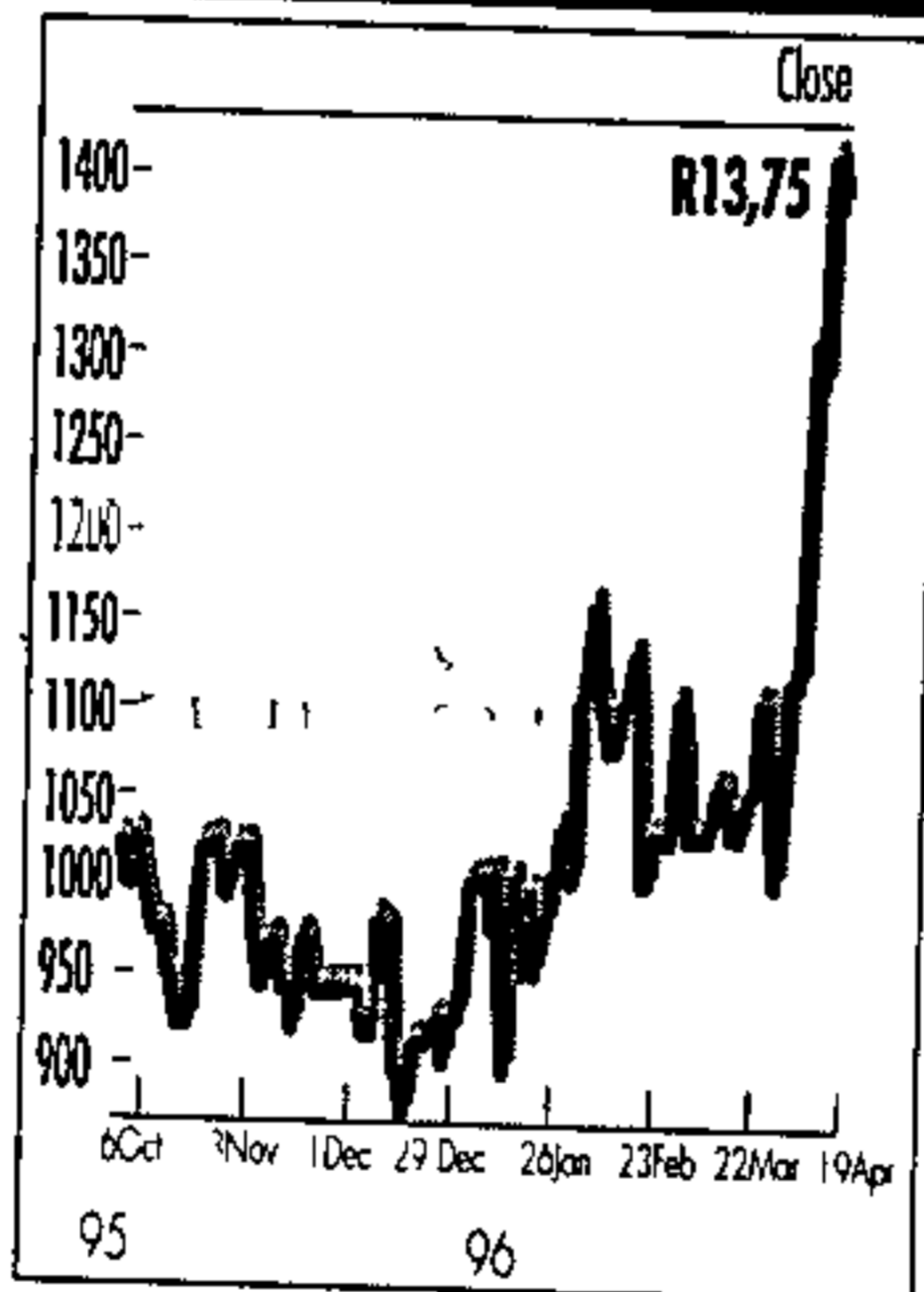
Just two days after the announcement that he was joining Nail and heading a combined Nail-NEC bid for Anglo's stake in Johnnic, it seems Cyril Ramaphosa is already being treated as MD of Johnnic.

Analysts say that assuming a combined deal is accepted, these sort of details will not be approached for a considerable time.

While the position of chairman or managing director of Johnnic seems certain to go to Ramaphosa, carving up Johnnic between the various parties involved in the combined bid — Nail, trade unions and black businessmen — will depend on the funds that each brings to the deal.

Indications are that the unions could be looking to put in about 50 percent of the required funds with the remainder split between Nail and NEC's black business partners. Such a deal would please the unions and Nail, and Nail might be prepared to take a smaller stake because its man would be holding the top position.

East Daggafontein



distribution. Analysts say that the second reason is that the company has declared its intention to seek out new projects to extend the life of the company.

Pieter Bieber, the chairman, says as sentiment turns in favour of the shares, a rights issue to finance this expansion will be more successful.

Bonds

Just when you thought it was safe to watch the United States bond market, South Africa bucks the global trend of following US bonds.

US analysts said yesterday that for the past two years global bond markets have shown a high correlation

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De Beers in court on Friday

Business Day Reporter

BD 17/4/96 (211) ~~211~~

THE National Union of Mineworkers (NUM) is to take De Beers to the Industrial Court this Friday on charges of unlawful and unfair practice for allegedly breaching employment contracts at the Venetia and Namaqualand diamond mines

Reuter reports the union said yesterday that De Beers had reduced certain workers' annual leave by six days. Papers were served on the company yesterday.

The union was seeking to have De Beers' lockout over leave declared unlawful.

The NUM said workers had been given letters by De Beers, when they applied for annual leave, laying out changes to their employment contracts.

"Our members have been forced to sign under duress. We re-

gard this as unfair labour practices," NUM assistant general secretary Gwede Mantashe said

De Beers said last night it would oppose the application

The company claimed that more than 70% of employees had accepted a proposal — which the NUM rejected during negotiations last year — which involved aligning leave conditions in return for an additional wage increase at operations where the mineworkers' union was recognised

This had required reduced leave of five days a year at the Venetia and Namaqualand mines, De Beers said.

Agreement on the proposal could not be reached with the NUM, the company said

De Beers had been left with "no alternative" but to implement a lockout to persuade workers to accept the proposal

Four troubled shafts remain operational, but 'not out of the woods'

Freegold saves 10 000 jobs

(211) CT(BR)19/4/96

By JOHN SPIRA

Johannesburg — Anglo American announced yesterday that four of Freegold's five threatened shafts would remain operational, saving about 10 000 jobs — for the time being, at least.

Bobby Godsell, the chairman of Anglo American's gold and uranium division, said that other than the Freddie's No 9 Shaft, which would be closed down shortly, "significant progress" had been made at Freegold's four other troubled shafts. Freegold has 24 operating shafts.

He said the closure of the Freddie's No 9 shaft would affect 1 200 employees, but only about half of that number were likely to be retrenched.

However, he added that Freegold was "far from out of the woods", pointing out that new work schedules were in an experimental phase at many shafts.

"A number of Freegold shafts face closure in the not too distant future because of ore depletion.

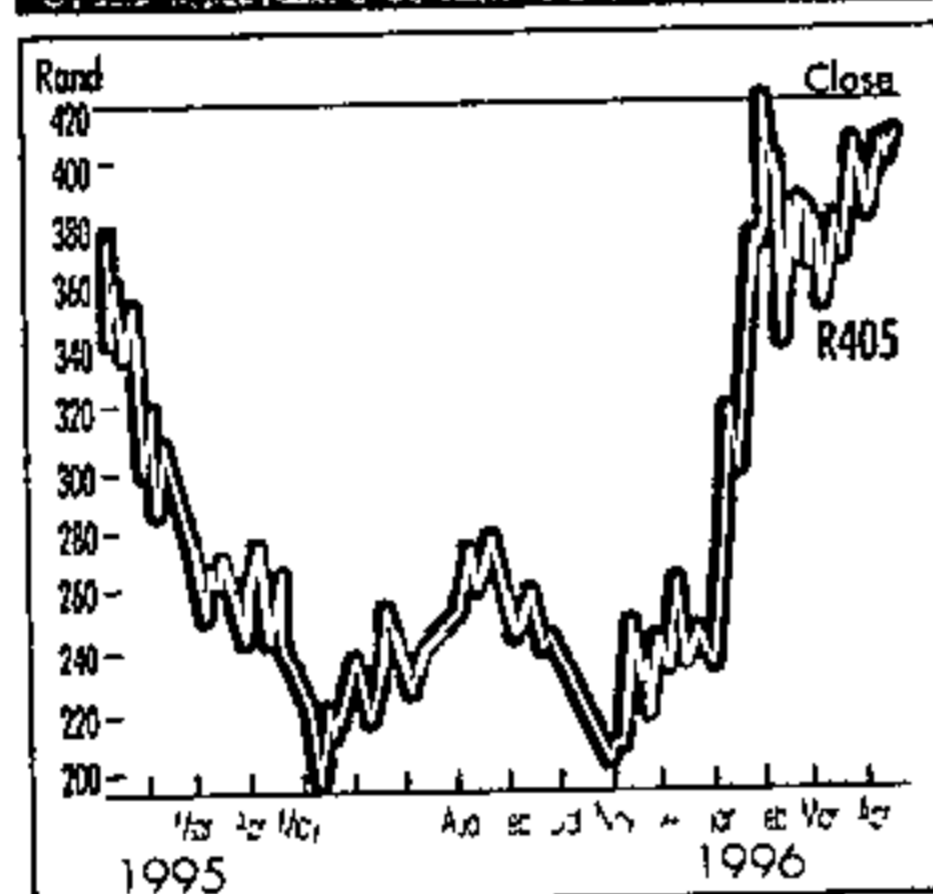
"Of concern here is to explore with employees, unions and government at all levels if we cannot find ways of promoting economic opportunity for the mine workers who lose their jobs for this reason."

Anglo enhanced the cheer of the Freegold announcement with the news that the gold and uranium division had achieved a 66 percent hike in the March quarter's available profit, which rose from the December quarter's R135,5 mil-

Profits at Anglo American gold mines

	TAXED PROFIT		AVAILABLE PROFIT	
	Quarter to 31/3/96 (Rm)	Quarter to 31/12/95 (Rm)	Quarter to 31/3/96 (Rm)	Quarter to 31/12/95 (Rm)
Freegold	86,1	51,7	56,4	(5,1)
Vaal Reefs	175,3	54,4	86,9	77,6
Western Deep	77,7	82,2	43,1	34,2
Elandsrand	45,1	36,6	22,8	12,8
Ergo	18,3	18,8	16,2	16,0

Vaal Reefs share price



lion to R225,4 million, boosted principally by a 5 percent improvement in the gold price received.

Though gold production declined 4 percent to 54 478kg, average gold revenue rose from R46 273 to R48 599 a kilogram sold. Working costs declined about 1 percent to R2 175,4 million, but unit working costs were 3 percent higher at R39 931 a kilogram. Capital expenditure for the quarter was 5 percent higher.

The star performance came from Elandsrand, which increased available profit 78 percent to R22,8 million on the back of im-

proved production, a better grade and a higher gold price.

Gold production was up 8 percent to 4 050kg, the yield rose 9 percent to 7,67g a ton and revenue increased 7 percent to R48 921 a kilogram. Gold profit advanced 61 percent to R59 million.

Freegold achieved a remarkable turnaround, from a December quarter loss of R5,1 million to available profit of R56,4 million.

Though the average grade was up more than 4 percent at 4,46g a ton, tonnage milled declined 9 percent to 4,8 million tons, resulting in a 5 percent decline in gold production to 21 448kg.

Despite revenue a kilogram being 4 percent higher at R48 724 a kilogram, gold revenue declined marginally to R1 055,4 million. Cost of sales was 2 percent lower, leaving gold profit 28 percent higher at R67,4 million.

Management's objective is to produce quarterly profit in the new financial year at least equal to those of the March quarter.

Freegold has declared a final dividend of 45c (145c) a share.

In spite of heavy rainfall, Ergo raised available profit 2 percent to R16,2 million. A 9 percent decline in gold production to 2 997kg was partially offset by a 7 percent rise in revenue a kilogram sold.

But cost of sales dropped 2 percent and with tax down by more than half to R4,5 million, taxed profit was more or less in line with the December quarter's figure. Ergo has declared a final dividend of 65c (60c).

At Vaal Reefs, available profit grew 12 percent to R86,9 million. Tonnage milled declined 3 percent to 3,2 million, grade rose 1 percent to 5,37g a ton and gold production was 2 percent lower at 17 220 kg.

Despite higher costs gold profit was more than 14 percent ahead at R246 million.

The royalty payable to Southvaal increased 27 percent to R86,8 million. Sinking activities at the Moab lease's No 11 Shaft continued on schedule.

Leaning on the gold price, Western Deep Levels increased available profit 26 percent to R43,1 million.

Tonnage milled was 13 percent lower at 1,3 million owing partly to the closure of the No 3 plant, which had been treating surface material. Though yield rose more than 8 percent to 6,57g a ton, gold production declined 6 percent to 8 763kg. The directors said the grade might not be maintained.

Taxed profit gained 10 percent to R91,5 million.

□ See Pages 18 and 19

Anglo set to close its Freegold shaft

David McKay

BD 19/4/96
ANGLO American's troubled Free State gold mine Freegold would close its Freddie No 9 shaft which could see up to 600 job losses in the next few months, gold and uranium division senior manpower consultant Viv du Plessis said last night

However, gold and uranium division chairman Bobby Godsell said yesterday a number of other shafts at the mine had returned to profitability and could save thousands of jobs.

But the Freddie shaft, unlikely to become profitable, had to close

Freegold had attempted to save the shaft during the March quarter after an agreement with labour to increase the number of shifts.

The exercise had proved unsuccessful. The shaft's problems had been compounded by a lack of payable ore reserves, Godsell said

About 1 200 Freddie employees would be affected by the shaft closure

(211)
over the next three to four months, but half would be transferred or accounted for by natural attrition, Godsell said

Shafts returning to profitability included two at Western Holdings. The renamed President Steyn No 6 and No 5 shafts had been saved, as had Freddie No 5 and No 7 shafts

Three shafts on Western Holdings and Saaiplaas which were under pressure in the last quarter, with a workforce of 6 400, still had to attain a sustainable level of operation

The future of two President Steyn shafts which had incurred losses in the March quarter, employing 5 400 people, had also become questionable.

Renee Grawitzky reports 5 000 workers staged an underground sit-in at Elandsrand yesterday. The National Union of Mineworkers said workers were protesting against "management's refusal to reassess racist and dangerous work practices"

See Page 11

Dismissed miners' hearing continues today

CT (BR) 22/4/96 (211) (211)

By JAMES LAMONT

Johannesburg — A court hearing to decide whether East Rand Proprietary Mines has to pay compensation for dismissing miners to diffuse faction fighting on its premises two years ago, resumes in the Pretoria Industrial Court today.

A court session on Friday to determine whether the mine should pay compensation for the unfair dismissal of about 300 Zulu miners after disturbances at about the time of the elections in April 1994 was held over for argument until today.

The Randgold mine has argued that it is not in a financial position to pay the miners more than the retrenchment packages given to them at the time of their dismissal.

"The court has been convened to decide whether further compensation should be paid. If we have to pay additional compensation it would be unfair and we cannot afford it," said Richard de Villiers, Randgold's industrial relations manager.

If the demands of the former employees are met, the mine stands to pay out between R2 million and

R4 million in additional damages. The prosecution has argued that between 120 and 150 of the 300 dismissed miners have not been able to find employment.

The mine's original retrenchment package offered two weeks' pay for the first year of service and one week's pay for every subsequent year. The miners' service averaged 10 years.

The mine is believed to have cash reserves of R38 million.

In September the court found the mine was responsible for the unfair dismissal of the miners.

Fewer Basotho head for mines

Maseru — The number of Basotho mineworkers recruited to South Africa's gold mines during the first quarter of this year has dropped by more than 1 000, compared with the figure for the same period last year

Statistics from the Employment Bureau of Africa showed that 23 507 Basotho mineworkers were sent to the gold mines from January to March this year compared with 24 617 in the same period last year

Graham Gregory, the bureau's general manager in Maseru, said the retrenchment of Basotho mineworkers and declining recruitment had had an adverse effect on the Lesotho economy since the economy was dependent on the money miners sent home to their relatives — Independent Foreign Service

CT(BR) 22/4/96

ERPM 'cannot afford compensation'

By JAMES LAMONT

(211) ET (BR) 23/4/96

Pretoria — Legal representation for East Rand Proprietary Mines (ERPM) argued at the close of an industrial court hearing yesterday that the mine is not in a financial position to pay compensation for the unfair dismissal of about 300 Zulu miners

Judgment in the hearing, into whether ERPM has to pay compensation for dismissing miners to diffuse faction fighting two years ago, is expected soon

Gerrit Pretorius, the advocate representing ERPM, said in court yesterday that what funds the mine had were earmarked for other uses

He said monies could not be paid out as compensation without harming present operations

"If we pay them, we may have to retrench other employees," said Pretorius

However, the advocate for the former employees appealed to the court not to make a judgment on what was financially good for the mine's business

"This is not a mine that cannot afford to pay substantial payment of damages," said Stephen Kuney

He said the quarterly results for Randgold, which owns 31 per cent of ERPM, had not been presented because they might undermine ERPM's case

The results for the quarter ended March 31 this year, released yesterday, recorded a profit after tax of R4,3 million compared with R3,9 million for the previous quarter, he said. Working profit rose to R2,1 million from R1,4 million

In addition, Kuney said, R38 million in reserves, a rights offer worth R553 million in 1993 and a dividend in 1994 of R12 million indicated ERPM's financial health

The mine's original retrenchment package offered two weeks' pay for the first year of service and one week's pay for every subsequent year. The miners' service averaged 10 years and average pay was R600 a month

An additional settlement is likely to be between four and six weeks' pay, which legal representation for ERPM estimates at R300 000

However, should the former employees' full demands be met, which include damages for unemployment and transport costs, the mine would have to pay out between R2 million and R4 million

The industrial court found last September that ERPM was responsible for the unfair dismissal of the miners and ruled that compensation payments should be decided on. ERPM intends to appeal against the ruling

IT'S A FACTION THING



LINING UP The ERPM industrial dispute could have wide implications for corporate South Africa

Gold's dust

CT(BR) 24/4/96
(211)

JAMES LAMONT

When does a political issue become a labour one? And to what extent is business responsible for the actions of its workers?

From the evidence presented in the Pretoria industrial court this week in a dispute between dismissed miners and East Rand Proprietary Mines (ERPM), the distinction is delicate.

Pending the court's judgment, the mine could pick up a bill for compensation, in addition to retrenchment packages already paid out to 300 retrenched Zulu miners, as a result of disturbances on its Boksburg premises before the elections in April 1994.

The management retrenched its Zulu-speaking miners to diffuse tensions between Zulu- and Xhosa-speaking workers, supporters of the Inkatha Freedom Party and the ANC respectively. The mine had sought mediation between the antagonists, but after three and a half months it decided it had no alternative.

The mine lost a protracted legal battle with the union representing the dismissed miners, the United People's Union of South Africa in September last year, when the court found against ERPM's argument that it had to make the dismissals because it could not guarantee the lives of its workers.

That was unfair dismissal, the court ruled, though it advised that the miners should not be reinstated.

And now, should the same court rule in favour of compensation, ERPM could pay for the racial fighting in which a number of miners died. The mine management continues to question how it can be held responsi-

ble for failed mediation for troubles which, it says, international mediation could not resolve. The mine's legal counsel describes the hostilities as a microcosm of events in KwaZulu Natal and intends to appeal against the court's September judgment.

The legal counsel for the mine believes this case is the first of its kind and, therefore, could establish a significant precedent.

The troubles began in April 1994 during a time of uncertainty ahead of the national elections and in the wake of the Shell House killings. Tensions between Zulu- and Xhosa-speaking miners led to Zulu miners moving out of a formerly integrated hostel.

The mine management decided the best course of action was to offer the Zulu miners a two-month paid home stay, in the belief that by the time they returned from leave — in June and after the elections — hostilities might have subsided.

That was not to be. Miners returning to the Cinderella hostel on June 16 were attacked and two were killed and several injured. The Zulus were once more banished from the hostel. The mine felt it could not meet the Zulus' principal demand that they be lodged separately from Xhosa-speaking miners or transferred to another mine in the Randgold group. Randgold controls 31 per cent of ERPM.

Mediation, which included the participation of the national peace commission, followed but no resolution was reached. On July 11, the mine decided to dismiss the miners on the grounds of operational requirements — the safety and security of workers and production — and they were given a retrenchment package.

A political problem — from which the

National Union of Mineworkers and management alike stood aloof — had become a labour one.

The September industrial court judgment accused the mine and the union of naivety in not identifying the nature or the gravity of the situation. It also charged that the mediation process had been cut short and the management had not exhausted all alternatives.

The mine management has argued that it cannot be judged to have failed where others still have not succeeded.

In the latest hearings, concerning what compensation should be paid, ERPM has argued that it is not in a financial position to sustain damages, just as it could not afford the upheavals in 1994.

Its legal counsel has indicated that what money the marginal mine has, is earmarked for operational use and that a compensation payout would jeopardise the livelihoods of the 7 500 workers employed there.

Stephen Kuny, the advocate for the miners, said the judgment should not be influenced by a financial opinion in the mine's interests. Compensation has yet to be decided, but possible payments from ERPM could average seven weeks' pay, about R300 000 in total. The dismissed miners have expected sums between R250 000 and R5 million.

The imminent judgment will be a landmark decision. Should the mine be relieved from payment, what will stop any South African business pleading economic hardship in its defence or of dealing in a similar manner with what must be a problem in much of corporate South Africa?

The price of KwaZulu Natal carries beyond its boundaries.

Mine shift system 'no cure-all'

(211) (204) BD 25/4/96

David McKay

NEW Anglo American gold and uranium division chairman Bobby Godsell does not believe the recently adopted shift system at some shafts at the group's embattled Freegold mine is the panacea for SA's shrinking gold mining industry

He warned there was a danger of becoming too emphatic about the shift system at Freegold.

It had suited some Freegold shafts, but would clearly not suit other shafts, he said, waving away any suggestion it could be implemented easily as a solution at other marginal shafts in the future

There is something about Godsell — a kind of good-humoured but wily scepticism — that rules out quick-fix solutions. For example, he is equally cautious about the much vaunted "full calendar operations", hailed by some market watchers as a sure thing for future profit-taking

While full calendar operations were on the increase in the SA gold mining fraternity — JCI's Western Areas and some Gold Fields mines are known to be interested in the idea — Godsell was of the opinion it did not suit certain mines in the Anglo stable

What Godsell is proposing, however, is a change in the mindset of gold mine management away from volume-chasing to a profit-orientated approach

"Historically, SA mines have chased volumes. When the gold price was high, volumes were high. And when the gold price fell, it was a matter of survival," he said

"SA mining has to realise that it must become profit-driven — a profound philosophical change from the way mines have been run since 1930

"I want to get out of the retrenchment busi-

ness," he said

He believed a change in the basic understanding of how mines were managed would enable him to do that

Volumes at Freegold's Saaiplaas No 3 and 4 shafts and at Western Holdings No 3 and 7 shafts were cut by half when it was realised that they were endangering the chances of a dividend declaration and future capital development

Management at Freegold has expressed a willingness to extend the two-month-old shift structure at Saaiplaas No 3 and 4 shafts. There is every reason for doing just that

Without the newly implemented "12 days on, two days off" shift system, these shafts would have been closed with the loss of several thousand jobs.

Anglo American announced at the division's December quarter that these shafts, and a group of others at the mine, were producing at losses which could not be sustained. It was suggested that 10 000 jobs would be shed if the endangered shafts closed.

One ray of hope on this grim prospect was the group's willingness to review any possible ideas that would save the shafts

The solution, hammered out between the NUM and the group in a one-day intensive summit — proved to be a coup for good management-labour relations

Labour agreed to work a shift system in which 12 consecutive days were worked, not including public holidays, followed by a two-day break

The preferred reward was job retention

The plan proved a success — at least for the March quarter

One of the key questions asked at the summit asked how cost efficiencies at some of the Freegold shafts could be maintained

The aim, Godsell said, was to have each employee operate at a face advance of 6m to 7m a month



Anglo American gold and uranium division chairman Bobby Godsell wants to get out of the retrenchment business

"Talks were decentralised and looked at every possible avenue, including changing the mine design

"The unions showed a genuine willingness to co-operate," he said

At the March quarter report-back, Godsell told analysts and the media that most of the shafts had been saved.

Freddies No 9 shaft

was the one casualty, with the result that half of the 1 200 jobs there would be lost over the next two to three months

Godsell said there were lessons to be learned from this last-ditch attempt to save some of the Freegold shafts

For instance, the exercise confirmed that Freegold was a series of remnant orebodies — some closer to extinction than others — that would have to review its profitability levels constantly "There are no more than three to five large and consistent orebodies at the mine"

Of course, this did not put an optimistic slant on the mine in the long-term. As it aged, travelling times were longer while tramming and

hoisting costs increased, he said

However, Godsell said that he had a better understanding of the mine as a whole and believed its shafts could remain profitable for some time to come

Godsell took over the reins of divisional chairman from Clem Sunter on March 1. At the time of his appointment, analysts said Godsell's background in labour relations was crucial

They cited his experience as a director of the group's industrial relations department and as head of its corporate communications department as a vital part of the corporation's new approach to its gold mining activities

"Anglo has realised that it has to do something positive to over-

come its productivity problems and deal with the unions more adequately," one analyst said

The SA gold mining industry, in its heyday, produced 70% of total world gold production. This figure has reduced to about 25% of world gold production now, accompanied by the highest average costs in the world. It had, consequently, reduced its total workforce from half a million people to about 350 000 by mid-1995

The Chamber of Mines reported early this year that gold production for last year had fallen 10,5% to 522 376,7kg from 1994's production figure. This represented a loss of revenue and foreign exchange of about R2,8bn, the chamber said

Mining industry could face billions in payouts over occupational disease

By DAVID ROBBINS

Hundreds of thousands of ex-miners could be suffering from occupational disease, and compensation payable, in terms of the law could run into several billion rands.

This disturbing evidence of the high burden of mining-related disease in South African rural areas has emerged from a recent scientific study in the former Transkei.

When the results are extrapolated over all areas in southern Africa from which mining labour has traditionally been drawn an alarming picture emerges.

However, Bobby Godsell, chairman of Anglo American Corporation's Gold and Uranium Division, has warned against the

dangers of extrapolation.

"I say emphatically that we need to be extremely cautious. The study needs to be supported by other research. In particular, I would like to see a controlled study done in a rural area where no recruitment to the mines took place. This could help to show how much disease - in particular tuberculosis - should be attributed to mining and how much to other causes."

Godsell has nevertheless referred to the study as "an important event in the life of the mining industry in South Africa."

"We are distressed at what the study has revealed," Godsell said. "There is clearly a serious problem which the industry will have to address. But I don't know whether it's

ever possible to fully compensate for the past in a mature and declining gold mining industry, the choice may well be between redressing past injustices and protecting present jobs."

The preliminary results of the study, undertaken by the Epidemiology Research Unit (ERU) last month, indicate that about 55% of a sample of ex-miners in the Libode district of the Eastern Cape suffer from pneumoconiosis (dust diseases, including silicosis) with or without tuberculosis, to a degree that would allow for compensation in terms of the Occupational Diseases in Mines and Works Act.

Details of the research are contained in a preliminary report to be published in the

South African Medical Journal next week. In mid-1995, researchers Anna Trapido and Nokuzola Mqoqi visited hospitals in and around Umtata to assess the level of compliance with the act, which stipulates that mineworkers are entitled to an annual medical examination, and to compensation if miners are found to be suffering from an occupational disease.

Trapido and Mqoqi found little awareness of these statutory provisions on the part of doctors and health administrators.

Their subsequent study, which examined a random selection of miners taken from the recruitment records of the Employment Bureau of Africa for the Libode magisterial district, confirms a huge burden of untreated

and uncompensated occupational diseases. The ERU study made provision for a full hospital examination, including x-rays and lung-function tests, of about 500 ex-miners over a 12-day period last month.

The results show that of the first 150 men examined, 13% had tuberculosis only, 23% had tuberculosis plus pneumoconiosis, and a further 32% had pneumoconiosis only.

These results were confirmed by a second medical opinion at the time, and are currently being re-examined by the certification committees of the Medical Bureau of Occupational Diseases.

Professor Tony Davies, the recently retired chief director of occupational health and the doctor who did the random sample

and volunteer examinations at Libode, estimated that around 85-million in compensation would be required for the men he examined. When these results are extrapolated to the total population of miners recruited in Libode between 1969 and 1980, the estimate leaps to around R70-million.

ERU director Dr Brian Williams has pointed out that if the miners from this single magisterial district were to be compensated according to the law, nearly all of the national compensation fund of about R80-million a year would be consumed. "It also probably means that compensation payable across all mine recruitment areas in South Africa and some neighbouring states could easily amount to several billions of rands."

Star 27/11/96

(21)

Digging up the past links between mines to rural suffering

(211) (212) Star 29/4/96

New evidence fuels the debate over occupational diseases, finds Health Writer

David Robbins, in the first of a series of three articles focusing on this sensitive issue

For a long time arguments have simmered about the level of disease in Southern African rural areas which for more than a century have supplied South African mines with their vital supply of labour

Anecdotal evidence has indicated the burden placed on these rural communities by the mining industry is extremely onerous

On the other hand, some scientists have argued the causes of high disease levels in the rural areas (including South Africa's former homelands) should be sought in the socio-political and developmental realities of the rural areas, rather than in a single industry

But now there is fresh evidence of a more scientific kind: a random-sample study of ex-miners in the Libode magisterial district in the old Transkei homeland carried out by the Epidemiological Research Unit (ERU), which is a small unit (with an annual budget about R3-million)

It is indirectly funded by the Department of Health through a levy on the mining industry as laid down by the Occupational Diseases in Mines and Works Act (ODMWA)

The function of the ERU has, since its inception in 1979, been to carry out research into mining diseases

According to documents in the files of the National Centre for Occupational Health (NCOH), the research carried out in previous years was "first class" but "largely restricted to white miners"

No surprises here, since the ODMWA itself restricted compensation for occupational diseases suffered by black miners to only 10% of that paid to white miners

The law was changed in 1993, and at the same time the ERU was entrusted with the task of developing its work "in ways that will effectively address the problems of health and safety for all miners"

This is the context in which the Libode study was carried out

In mid-1995, researchers Anna Trapido and Nokuzola Mqoqi vis-



Just for the record... Anna Trapido bases her research on a rural community.

ited hospitals in the Umtata area to assess the degree of compliance with the ODMWA, which stipulates ex-mineworkers are entitled to a six-monthly benefit examination and to compensation if suffering from an occupational disease

Little awareness of these statutory provisions on the part of doctors and health administrators was found

Trapido, who holds a biological anthropology degree from Cambridge in the United Kingdom, takes up the story "We wanted to assess the burden of occupational disease in a rural community, and we were greatly assisted in this by the discovery of complete recruitment records for Libode, a magisterial district situated between Umtata and Port St Johns"

The records were those of The Employment Bureau of Africa (Teba), which had recruited 11 706 miners from Libode between 1969 and 1980

To accurately determine the prevalence of disease, Trapido needed to take an analysis of 400

men "In fact, we doubled up to 800 to account for possible deaths"

The sample was randomly selected according to accepted scientific procedures. Then the process of tracing the former miners began

"The communities, as well as the staff of Teba in Umtata, were astonishingly helpful," Trapido says

"In fact, they were able to account for all 800 men

Results present a sombre picture for the industry

"Although 446 were found to be dead and a further 116 were still working in the mines, the remaining 238 were brought to St Barnabas Hospital in Libode where willing staff assisted with the task of preparing them for the

ODMWA benefit examinations"

In addition, a further 264 "volunteers", with a minimum of 10 years' experience in high-dust mining jobs, were also examined

Working at a rate of more than 40 examinations a day, Prof Tony Davies, the recently-retired chief director of Occupational Health, examined 500 ex-miners in 12 days

His diagnoses were verified by a second opinion provided by Dr Clifford Panter of NCOH

The results present a sombre picture of the burden of disease, much of it undoubtedly caused by the mining industry, on a rural community

In its submission to the recent Leon Commission on mining, the Chamber of Mines referred to an "alleged" burden of disease which would require rigorous scientific research to substantiate

The results which have now been published from Libode detail the condition of the first 150 men to be examined, 105 of them from the random-sample Teba registers, and 45 from the 264 "volunteers"

They show 13% had tuberculosis, and a pneumonia

All these being verified by a committee of Occupational Diseases (MBOD)

According to compensation records, 200 shifts in 10 years who are suffering from silicosis (dust disease)

If tuberculosis compensation is higher than for silicosis, the affected miners

Actual cash compensation is related to length of service, however, average would be about R30 000

Prof Davies works out to compensation amount in the area

If the population between 1969 and 1993 leaps to around 1 million

According to Dr Brian Libode results guide, a figure of around 100 000 compensated living in rural areas

Dr Lettie adviser to the committee said the chairman see the writer commenting on

"We must findings of the committee of MBOD"

"When it certainly Grange said

In spite of approach, the more than 100 000 considerable food intake mining"

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(2012) Star 29/4/96

Writer

sensitive issue

They show that of these 150, 13% had tuberculosis only, 23% had tuberculosis plus pneumoconiosis, and a further 32% had pneumoconiosis only

All these results are currently being verified by the certification committee of the Medical Bureau of Occupational Diseases (MBOD)

According to the ODMWA, compensation must be paid to miners who have worked at least 200 shifts in high-risk work and who are suffering from pneumoconiosis (dust diseases like silicosis)

If tuberculosis is also present, higher compensation is paid

Tuberculosis on its own is only compensatable within a year of the affected miner leaving the mines

Actual cash amounts involved in compensation vary according to length of service and other variables, however, a reasonable average would be between R10 000 and R30 000

Prof Davies estimates that this works out to about R5-million in compensation for those men examined in the study

If the results are applied to the full population of recruits between 1969 and 1980, the figure leaps to around R70-million

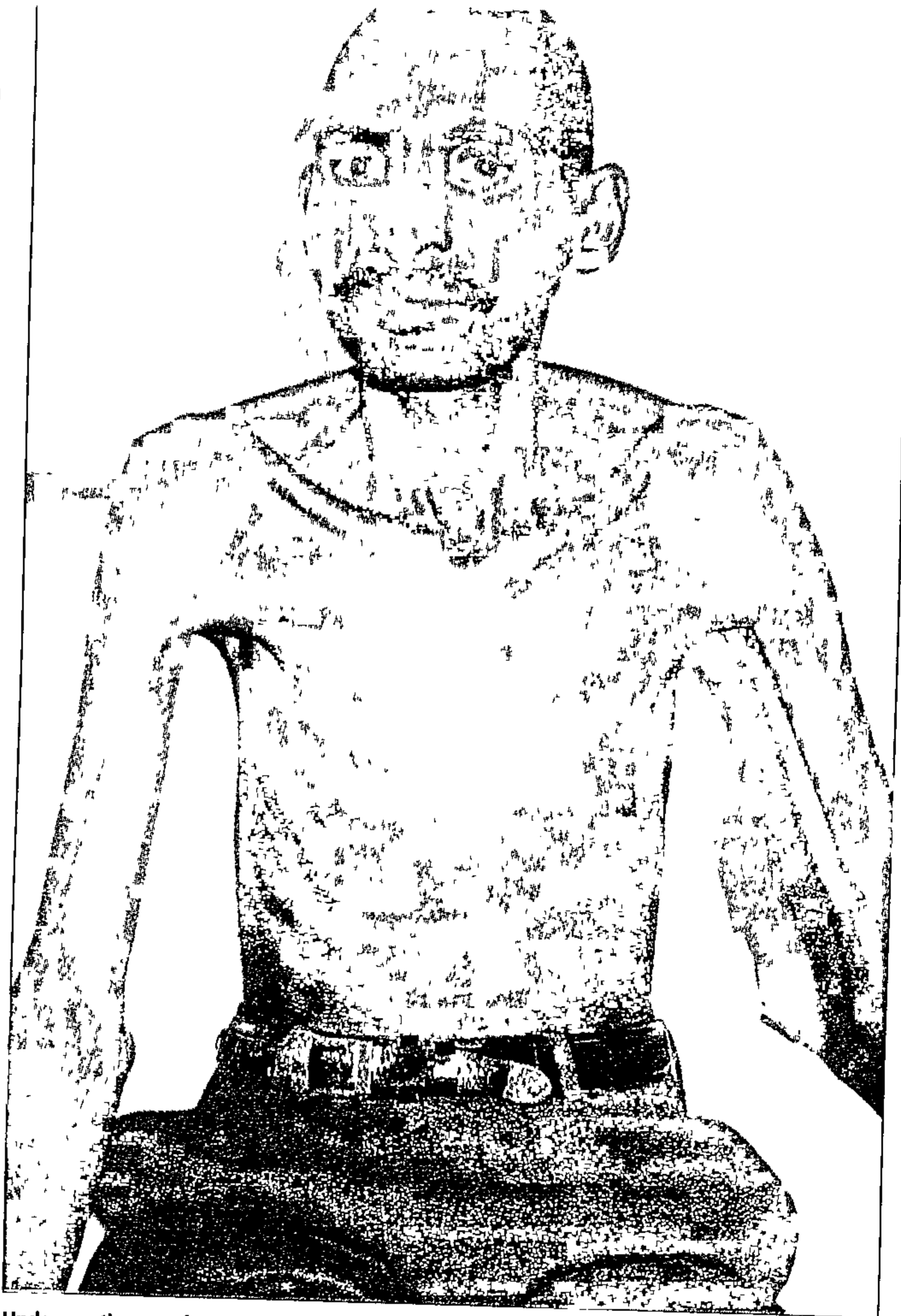
According to the ERU's director, Dr Brian Williams, if the Libode results are taken as a general guide, a figure of "several billions of rand" could be required to compensate diseased ex-miners living in rural areas all over southern Africa

Dr Lettie le Grange, medical adviser to the Chamber of Mines, said the chamber would need to see the written-up research before commenting on it

"We must also wait for the findings of the certification committee of MBOD

"When these are to hand, we'll certainly consider the facts," Le Grange said

In spite of this cautious approach, the ERU research seems more than likely to provide considerable food for thought for the entire mining industry



Under scrutiny ... a former miner waits to be examined during the Libode study on occupational diseases in southern Africa

Dr Brian Brink, Anglo American Corporation's health manager, was invited with other high-ranking mining officials to Libode while the ERU study was in progress

"There can be no doubt,"

Further research needs to be done, says Anglo chief

Brink says, "that the research has been carefully prepared and executed, and we are going to have to live with the results

"When it comes to occupational disease, we must be accountable"

Bobby Godsell, chairman of Anglo's gold and uranium division, says steps are already being taken to match individual miners at Libode with their mining medical records

"The study illustrates how imperative it is to maintain effective disease monitoring during employment and how important the exit medical examination is

"We are using this study to redouble our efforts to provide a quality service in these areas

"It's in everyone's interests - the individual miner's, society's, and also our own - that we do"

However, Godsell stresses that to extrapolate from this one small study to the southern African region as a whole is dangerous

He said "I say emphatically that we need to be extremely cautious"

Godsell also thinks that the Li-

bode study needs to be supported by other research which might help to illuminate some of the "causative assumptions" made

"In particular, I would like to see a control study done in a rural area where no recruitment to the mines took place

"This could help to show how much disease - in particular tuberculosis - should be attributed to mining and how much to other causes such as poverty and unhealthy living conditions"

In spite of these reservations, however, the possibility is that many southern African rural communities are shouldering a debilitating burden of occupational disease

The questions is What can be done about it?

■ See *The Star* tomorrow for the second article in this series

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Mines, unions at loggerheads over disease-study findings

Star 29/4/96

By DAVID ROBBINS
Health Writer

Reports that hundreds of ex-miners from a single magisterial district in the former Transkei are suffering from an occupational disease that would allow for compensation has sparked a series of warnings from the various parties involved

The National Union of Mine-workers' health and safety coordinator Fluer Plimmer, quoted in a weekend newspaper, put the blame for the situation on the mining industry for allowing unhealthy work conditions

Research conducted under the auspices of the Epidemiological Research Unit (ERU) has established that more than 50% of ex-miners recruited between 1969 and 1980 in the Libode district of the Eastern Cape are suffering from pneumoconiosis (dust-related diseases), some

with and some without tuberculosis, to a degree that would allow for compensation in terms of the Occupational Diseases in Mines and Works Act

The ERU's director Dr Brian Williams pointed out that, if the results of the study were extrapolated across all rural areas from which miners have traditionally been recruited, billions of rands could be owing to tens of thousands of diseased miners all over southern Africa

Williams added that, if the miners from Libode were compensated in accordance with the law, nearly all of the national compensation fund of about R80-million a year would be depleted

However, Bobby Godsell, chairman of Anglo American Corporation's Gold and Uranium Division, has warned against the dangers of extrapo-



Anglo's Bobby Godsell ...
"further research needed".

lation.

"I say emphatically that we should be extremely cautious. The study needs to be supported by other research

"In particular, I would like to see a control study done in a rural area where no recruitment to the mines took place

(211)
"But I don't know whether it's ever possible to fully compensate for the past," he added. "In a mature and declining gold mining industry, the choice may well be between redressing past injustices and protecting present jobs"

The study was done by researchers Anna Trapido and Nokuzola Mqoqi who, in mid-1995, visited hospitals in and around Umtata, and found little awareness of the statutory provisions

They subsequently examined a random selection of miners - taken from the 1969-1980 recruitment records of The Employment Bureau of Africa for the Libode magisterial district - and found a large burden of non-compensated occupational disease

■ See Page 19 for the first in a three-part series of articles on this important health issue

Mine disease and expendable cheap labour

Star 30/4/96 (211)

The history of apartheid is written in the bodies of the ex-miners of Libode, but there are lessons in the research, reports Health Writer David Robbins

If the latest research into mining-related diseases in the Libode district in the old Transkei homeland is even partially representative of the situation in other rural areas, South Africa could be facing a formidable crisis.

The Libode Study found that 55% of a random sample of ex-miners recruited in the 1970s were suffering from occupational lung disease for which they are entitled to compensation.

While arguments have developed over whether the results of the study can be reliably extrapolated across the retired miner population in general, the results have shed a chilling light on that process which has turned so high a percentage of rural youth into men who are physically impaired and often very ill indeed.

The nature of this process needs to be baldly stated: it concerned (some might say, it still does concern) the expendability of cheap labour. The process is not unique to South Africa. It's as old as mining and industrialisation itself, but there can be no doubt that racial discrimination has added its own deadly dimension here.

"The history of apartheid is written in these men's bodies," says Dr Brian Williams, director of the Epidemiology Research Unit (ERU) responsible for the Libode Study, referring to the hundreds of ex-miners suffering from occupational and compensatable disease in Libode.

Nothing expresses the cruel reality of apartheid in the mining

industry more clearly than the law itself. Before 1994, the Occupational Diseases in Mines and Works Act (ODMWA) made provision for compensation for occupational diseases. But the law specifically stated that black miners in line for compensation would receive only 10% of the amount laid down for their white counterparts.

Of course, ODMWA is now amended to get rid of such odious racial connotations. But is the suitably deracialised act workable? The answer is that it probably isn't. It's certainly not working at the moment.

That's another reason the Libode Study is causing such alarm.

Let's look at the detail. ODMWA makes provision for ex-miners to receive a benefit examination every six months for life. It also provides for their travel and accommodation expenses to enable them to be examined at a Medical Bureau of Occupational Diseases (MBOD) facility.

Clearly, these provisions have remained in the act without regard to the realities surrounding the plight of black miners who outnumber white miners by at least 10 to one, and who live in the country rather than in town.

Take as an example the 11 706 miners located through Teba (The Employment Bureau of Africa) records for the Libode Study. Assuming that a third of these men have already died, that leaves about 8 000 entitled to a free examination.

Since the main facility for benefit examinations is in Braamfontein, Johannesburg (there's another in Welkom), transport and accommodation costs for 8 000 men would probably run into millions. And that's just for one examination for miners from one magisterial district from just over one decade of recruitment (1969 to 1980).

Now consider the capacity of MBOD's examination facilities. During 1994/5, tens of thousands of certificates of fitness were issued and periodic examinations conducted, but there were just over 13 000 full benefit examinations performed. That's an average of about 50 a day. Working at this rate, the Libode 8 000 would take around 30 weeks to examine.

Although the ODMWA makes provision for ex-miners to go to any government doctor for a free medical, in practice - due usually to more urgent pressures on these doctors' time - very few rural miners are ever examined. And the MBOD itself estimates that in the Eastern Cape alone there are 750 000 ex-miners entitled to benefit examinations.

The conclusion is unavoidable. The act was originally written with only white miners in mind, and the very process of deracialising it has made it unworkable.

Even before we start talking about compensation, therefore, we need to talk about the steps required to use the Libode Study as a basis for a wider view of the

training for the contracted doctors in the field, and also coping with dispute resolution. This last function is likely to become increasingly important as more claims for compensation begin to place a financial squeeze on the compensation fund."

But Rees says it's also important that, while MBOD services are being extended, work on extrapolating the findings of the Libode Study to the entire southern African region should go ahead.

One of the keys to the authenticity of the Libode Study was the availability of reliable recruitment records at the Teba offices in Umtata. The good news now is that Teba has been responsible for mine recruitment all over southern Africa for a long time and its records are immaculately kept.

Rees says that such records could provide valuable information with regard to numbers of ex-miners and where they are concentrated and consequently, where doctors should be contracted to provide the required medical examinations.

The Epidemiology Research

Unit's Williams says matching the trends revealed at Libode with the basic information in the Teba records could help with the groundwork necessary for establishing an overall picture at which the Libode Study has so far only hinted.

Bobby Godsell, chairman of Anglo American Corporation's gold and uranium division and responsible for the Teba portfolio on the Chamber of Mines, refers to the

records maintained by the bureau as an extremely valuable resource.

"Teba," he says, "is one of the few organisations I know of which provides access for rural people to the rest of South Africa, and vice-versa. The bureau has in the past demonstrated its willingness to co-operate with the public authority, and I'm sure it would be well disposed to help now."

But Godsell stresses that the information contained in the Teba records would not be sufficient to achieve a credible extrapolation from the Libode Study. "Access to mine records would be necessary to establish, for example, the job categories of individual miners."

Nevertheless, both Rees and Williams believe that a start on the process of scientifically reliable extrapolation should be made as soon as possible.

"South Africa is fortunate in having a great deal of good basic information," says Williams. "Teba is one source, mine records are another. Obviously, scientifically proven methods of using this basic information must be used. I believe there is enough reliable information and expertise to fill in a lot of the detail in a fairly short space of time."

As the debate progresses, one thing appears to be reasonably certain: the Libode Study has set in motion a process which will be impossible to stop, and which has as its ultimate focus an increase in the demand for compensation.

The opportunities and difficulties inherent in this situation grip the imagination. But there are more questions that demand answers.

What created this problem of occupational disease in mines in the first place? And what is being done to improve conditions for the present generation of miners, and for those of the future?

■ The final article in this series will appear in *The Star* tomorrow.

ANDREAS VLACHAKIS



Alarming ... Dr Brian Williams, director of the Epidemiology Research Unit, which conducted the Libode Study

total situation, and also the infrastructure required to get hundreds of thousands of ex-miners examined - as is their legal right.

Dr David Rees, acting chief director of the national Health Department's occupational health directorate (which controls the MBOD), talks about engaging the provinces in the planning and administration of extending existing services. This would be done by contracting local doctors in or near the rural areas to provide examination services for hitherto neglected miners.

"Perhaps over a specific period, say 10 years, and within a realistic budget, we'll be able to offer fairly large numbers of ex-miners at least one examination," Rees says. "This will probably result in a sharp increase in compensation. But it is not our brief to consider this aspect. These people have an entitlement, and we shouldn't be inhibited in fulfilling our obligations by the possible financial consequences."

Although new legislation in the form of the Mine Health and Safety Bill will under the functions currently being undertaken at the MBOD examination facilities (the responsibility for performing the remainder will now rest with the mining houses and the Department of Mineral and Energy Affairs), Rees is anxious to maintain a strong MBOD in Braamfontein.

"We need, however, to redirect to the underserved areas some of the resources liberated by a reduction in functions," he says. "The key issue is to retain the budget despite a new act which reduces the number of functions. This will provide us with the resources to deal with the problem in the rural areas."

"Braamfontein should be retained as a centre of expertise fulfilling the certification function, providing crucially important

Libode study must be used to prevent the current generation of miners being riddled with disease

By **DAVID ROBBINS**
Health Writer

Recent research at Libode in the Eastern Cape has graphically illustrated the likely burden of mining-related disease placed on rural communities throughout southern Africa

Examinations on ex-miners recruited in the 1970s in Libode has revealed that more than 50% could be compensatable, and if these results are extrapolated over southern Africa as a whole, the compensation costs will run into billions of rands

But what has caused this heavy disease load in the first place, and what is being done to improve the situation for the country's present and future miner populations?

Health problems in the mines take many forms – not least those to do with sight, hearing and physical capability – but our focus must remain on the lungs. At Libode, alarmingly high levels of

pneumoconiosis (including silicosis and obstructive airways disease) and tuberculosis were found in the ex-miners examined

Pneumoconiosis is indisputably a mining related disease. It is caused by long exposure to dust in generally restricted environments, and it's "progressive" which means that it can continue to develop long after the exposure has ceased. It needs to be added, though, that obstructive airways disease (similar to emphysema) can also be caused by smoking.

The source of tuberculosis, on the other hand, is more difficult to pin down. While doctors agree that the presence of pneumoconiosis, especially silicosis, predisposes the sufferer to TB as well, it's difficult to tell whether the latter disease can be said to originate on the mines, where stress and close living conditions might aid the spread, or in the wider world beyond the fence.

It's probably a combination of both, says Dr Gavin Churchyard,

head of internal medicine at Anglo American's Ernest Oppenheimer Hospital in Welkom. He points to studies which show that well over 90% of new mining recruits have already been infected in their home environments or previous jobs by the TB bacillus.

Taking these considerations into account, what is being done on the mines themselves? How many of the current generation of miners will end their days riddled with occupational lung diseases?

When the early miners first scrambled into their hand-dug holes, there could have been little thought for safety or health. As operations progressed and became more formal – and as miners began to die – these things demanded more attention.

But awareness of the real problems dawned gradually. It was only in the 1950s, for example, that the increasingly obvious links between dust and pneumoconiosis gave rise to the practice of wetting the stopes

Legislation followed which increased protection for those who toiled underground. Dust control measures have been tightened up through this legislation, as have been the general responsibilities of the mining companies.

In South Africa, however, the process was

skewed by racial considerations. The Medical Bureau for Occupational Disease (MBOD) was established to keep a check on the health of white miners – during and after their careers. Black miners were supposed to be x-rayed on the mines at regular intervals.

On the best mines, they were. But not a lot of pneumoconiosis was picked up, simply because so much of it developed after the men had stopped mining.

The presence of TB in a black miner traditionally resulted in his dismissal and repatriation. It was

only in the early 1980s that the law changed to place the responsibility for treatment on the mine.

Today, no miner is supposed to be sent home until his TB is cured or at least is being treated. And from the good mines, no miners are

A glance at the

Men need care after they stop mining

facilities at

Anglo's Ernest Oppenheimer Hospital confirms that a high standard of health care and occupational disease monitoring is

being routinely carried out. New recruits are extensively examined before they join the mine. No men suffering from TB are taken on – unless of course they have worked on an Anglo mine before.

Thereafter, all miners are examined once a year, a process which includes x-rays and lung-function tests. Finally, a full-scale exit examination ensures that

miners who are completing their careers are sent home healthy.

But will all this prevent a repetition of the Libode results? The mine doctors I spoke to at Ernest Oppenheimer Hospital are sceptical. As Dr Cohn Eisenstein, a medical consultant to Anglo's

Gold and Uranium Division, puts it: "You have to realise that there are two distinct responsibilities. One is on the mines, the other is beyond the fence. The structures are in place to prevent a repetition of Libode. But responsibility passes beyond our control once the miner leaves our employment."

Then, as we have seen, pneumoconiosis is probably left to "progress" (there is no effective treatment) without anyone noticing sufficiently to consider the miner's legal right to compensation. And what happens with TB is anyone's guess.

"Health systems in the rural areas simply aren't geared to look for occupational disease," says Eisenstein. "The question now is

not to cast around looking for somewhere to lay the blame, but how we can start to bridge the gap between the responsibility on our mines and the responsibility, presumably of the state, beyond."

This gap between the two responsibilities is indicated by a glance at the TB control programmes currently being carried out at all Anglo's gold mines in the Free State. It is in the results of the programme that the gap is most clearly illuminated.

Although new recruits are free of active TB, the incidence of disease among a population of about 70 000 miners currently stands at 1 000 per 100 000 (1%). Does this mean that something terrible happens to these men on the mines?

Churchyard, who is also chairman of the TB control programme on the Free State mines, says hostel living is having some, but not a significant, effect on the transmission of the disease.

The point which Churchyard

and other mining doctors make is that the mining population is not isolated. Miners pass to and fro between their compounds and the communities outside. They also go home to the rural areas for their annual holidays.

And now, of course, the ability of HIV to accelerate the spread and progress of the disease is exacerbating an already serious problem which festers in the gap between the responsibility given to the mines, and that which must be assumed for the world beyond.

The way ahead will be fraught with difficulties. South Africa has a right to know whether the work at Ernest Oppenheimer Hospital is representative of the mining industry as a whole. South Africa also has a responsibility to ensure that those entrusted with the governance and execution of mining take steps to bridge the gap between the efforts of the mining houses on the one hand and those of state health to improve the general level of rural care on the other.

Award for man who works only for others

Kathryn Strachan

SHADRACK Molokoane's efforts to get compensation for a group of asbestos mine workers, who had become sick from exposure to it, were recognised this week when he won the BP/Soul City Health Worker of the Year award

The irony is that Molokoane is not a health worker

He is an unemployed Gamathabatha resident who, five years ago, realised people who had been exposed to asbestos needed assistance in getting compensation

Nearly all the men in the 14 villages around the Mafefe mine in Gamathabatha, near Pietersburg,

worked in the asbestos mine, and there was a high incidence of asbestosis — an incurable disease where the lungs become coated with deadly asbestos

The asbestos mine was closed last year, but the damage it caused will remain for a long time

While diseased miners were eligible for government compensation, many struggled getting through the three-month bureaucratic process of getting X-rays and all the necessary documentation and medical certificates needed for this compensation.

Molokoane's ongoing task is to lobby for compensation to be extended to all people in the neigh-

bouring villages who were exposed to asbestos in the air and got sick

"Most of the community, including the children, living near the mine have this asbestos disease, but there is no compensation for them

"We are trying to create awareness about them," he says

His other project is setting up creches in the villages

Molokoane has also arranged a system where community health workers go from house to house visiting the affected people at home

With funding from the Independent Development Trust he was able to get a vehicle and an office for his task, but he still has no income for himself

BD 7/5/96

(211)

Avmin, unions negotiate retrenchments at ET Cons

David McKay

(211) BD 8/5/96

ANGLOVAAL Minerals (Avmin) was poised to axe a portion of its 2 000-strong work force at high-cost gold mine Eastern Transvaal Consolidated Mines (ET Cons), head of operations Jurie Geldenhuys said yesterday.

Geldenhuys declined to say how many jobs would be cut, but said the group was in negotiations with the unions and an announcement was imminent.

Workers at the mine's Sheba operation would be mostly affected by the retrenchments, which form part of a two phase plan introduced by the group at its March quarter results to match operating costs to revenue.

ET Cons reduced gold output in the March quarter to 760kg from 893kg in the December quarter — a decrease aggravated by heavy rains and below expected grades at its Sheba and Consort mines.

Costs per kilogram of gold produced increased to R43 216/kg from R37 254/kg in the December quarter. Once ET Cons had matched costs to revenues, it would investigate developing alternative ore resources as part of the second phase of its plan.

Another mooted plan was the possible sharing of synergies between ET Cons and Gengold's neighbouring Fairview mine. But Geldenhuys said there was "no prospect of this happening soon".

He said the company was still experiencing "work to rule" and overtime ban labour disputes at some of its mines. These issues were being addressed, but made retrenchment negotiations at the mine "extremely delicate".

Agreement on the number of retrenchments was close to conclusion — the main issue to be worked out was the procedure of the retrenchments.

One analyst estimated between 10% to 15% of the work force could be retrenched for the mine to recover its cost efficiencies to about R40 000/kg. Geldenhuys said ET Cons hoped to "hold its own" in the current quarter, but it had to act quickly.

A spokesman for the National Union of Mineworkers confirmed negotiations were underway.

The union said it always hoped to negotiate a position so that retrenchments became unnecessary — such as transfers of retrenched workers to other mines.

However, Geldenhuys said transfers of the labour force to save jobs was not likely as Loraine and Hartebeestfontein had recently conducted their own rationalisation schemes.

About 1 400 jobs were cut at the sorting section at Harties during the December quarter.

Avmin lifted pre-capex income 59,5% to R55,4m for the March quarter after a strong performance by Hartebeestfontein.

COMPANIES

15% of mine's workforce to go

David McKay

(211) BD 9/5

ANGLOVAAL Minerals (Avmin) would axe more than 15% of its 2 500-strong workforce at its Eastern Transvaal Consolidated Mines, the company said yesterday.

Operations director Jurie Geldenhuys said ET Cons would also investigate other ways of cutting cost structure, possibly by reducing some of its management overheads.

The mine is managed from its head office and through another "head office" at nearby Barberton.

Geldenhuys said the mines most affected by the retrenchments were New Consort and Sheba. Retrenchments would also take place at Agnes, he said.

"We said at the March quarter results that 1996 would be very tough for ET Cons," he said.

ET Cons reported a drop in gold production to 760kg for the March quarter from the 893kg reported in the Decem-

ber quarter. Costs rose to R43 216/kg from R37 245/kg.

The National Union of Mineworkers said another meeting with mine management had been planned for Monday. Issues to be discussed included ways of improving the cost structure of the mine including the exploitation of other reserves, and the fact that gold theft was rife at the mine, she said.

Geldenhuys said gold theft from ET Cons was particularly serious because of the high level of visible high-grade reef at the mine. The issue was compounded by the multitude of conduits leading to and from the mine, he said.

Reuter reported that gold smugglers had infiltrated every SA mine and robbed the country of 20 tons of bullion worth R1,5bn a year. This was against a backdrop of falling gold production by SA mines which had fallen from 610 tons in 1993 to 587 tons in 1994 to 522 tons last year — the lowest level since the 1950s.

Workers look to state for their salvation

(211)
By Sapa-Panos

ET (BR) 15/5/96

Johannesburg — The working lives of many miners made redundant by the crisis that rocked the South African gold mining industry in the past few years could change radically if ambitious new plans for the industry were implemented by the government

Over the past five years, South Africa's gold mines, once the mainstay of the country's economy, have been plagued by low productivity, diminishing reserves and labour unrest

In 1994, production dropped to less than 600 tons for the first time since 1958 and continued to slump last year

Gencor, the fourth largest gold producer in the world, is looking at other African countries and elsewhere for expansion

More than 180 000 workers have lost their jobs in the industry over the past eight years

If the trend continues, another 130 000 will be made redundant by 2000, according to Mike Solomon, a researcher at the Minerals and Energy Policy Centre in Johannesburg

Aiden Edwards, the president of South Africa's Mineralogical and Technology Research Unit, predicts that within five years up to a third of the country's gold mines will close down

The government is worried by this prospect

Nedlac, the extensive discussion process between itself, organised labour and industrialists has been set up to chalk out an official policy aimed at making gold mining an important contributor to the reconstruction of South Africa's post-apartheid economy

A discussion document produced last November by a Nedlac steering committee made up of representatives of the three groups said, "to continue playing its rightful role in the reconstruction and development of the country, the industry must first be developed, optimised and sustained, especially in earning foreign exchange, creating jobs and acting as a base for further industrial development"

One of the main items in the plan is the formalisation and protection of the rights of small-scale miners

It is estimated that small-scale miners produce up to 20 percent of the gold in Africa

In the sub-Saharan region, more than 1,5 million people work in the informal mining sector. In Zimbabwe alone, the figure is put at 100 000

Informal mining operations, centred in the Northern Cape, the Northern Province

and Mpumalanga, are highly dangerous. No one has carried out a survey yet of how many retrenched miners depend on these operations for survival

The new policy document says these illicit mines have been able to absorb the shockwaves that retrenchments from the formal sector have sent through depressed rural communities

According to the document, the government aims to strengthen the work the small miners do, rather than outlaw it

"A flourishing small business sector usually increases competitiveness in an economy and is an efficient vehicle for the creation of jobs," the document says

"The development of small-scale mining and of mining in underdeveloped regions would also increase the portfolio of minerals being produced and could lead to the exploitation of resources that would otherwise have been sterilised"

There are several hurdles in the way of evolving a policy that will address the concerns of small miners

The paper points to an "anti small mining tradition" among the four big mining houses. Informal miners are said to be often harassed and arrested by security guards sent in by the big companies

The mineral rights law in South Africa, which allows large companies and the state to control access to most of the country's valuable ore, is another obstacle

"Some large companies include in their rights holding deposits that are amenable to small-scale mining and the government itself should play a constructive role in making mineral rights available to small-scale operators on state-owned land," the paper said

A third area of concern is the appalling health and safety conditions that exist in small mines. Miners buy stolen mercury on the black market, often in Swaziland, and the number of miners suffering from the symptoms of mercury poisoning has been rising, according to doctors

The paper suggests proper government inspection of small mines

The paper has sparked off widespread debate in workshops arranged for the various stakeholders

The Eyethu Small Miners Association, which represents workers in the Barberton area, has contributed its members' ideas about how the extraction of gold can help improve their livelihoods

At the end of July, the views of all these groups will be incorporated into a Green Paper, which will be followed by further discussion. By October, a White Paper for mining policy is to be submitted to parliament and the cabinet for approval.

Kaplan & Stewart forecasts record-breaking boom in golds

By John Spira

DEPUTY EDITOR

Johannesburg — A boom in gold share prices over the next few months, which would take the gold share index to record levels, is a distinct possibility says stock-broking firm Kaplan & Stewart

The firm, pointing to the remarkably high rand gold price of about R55 000 a kilogram, believes the price is pausing for breath before resuming its upward trend

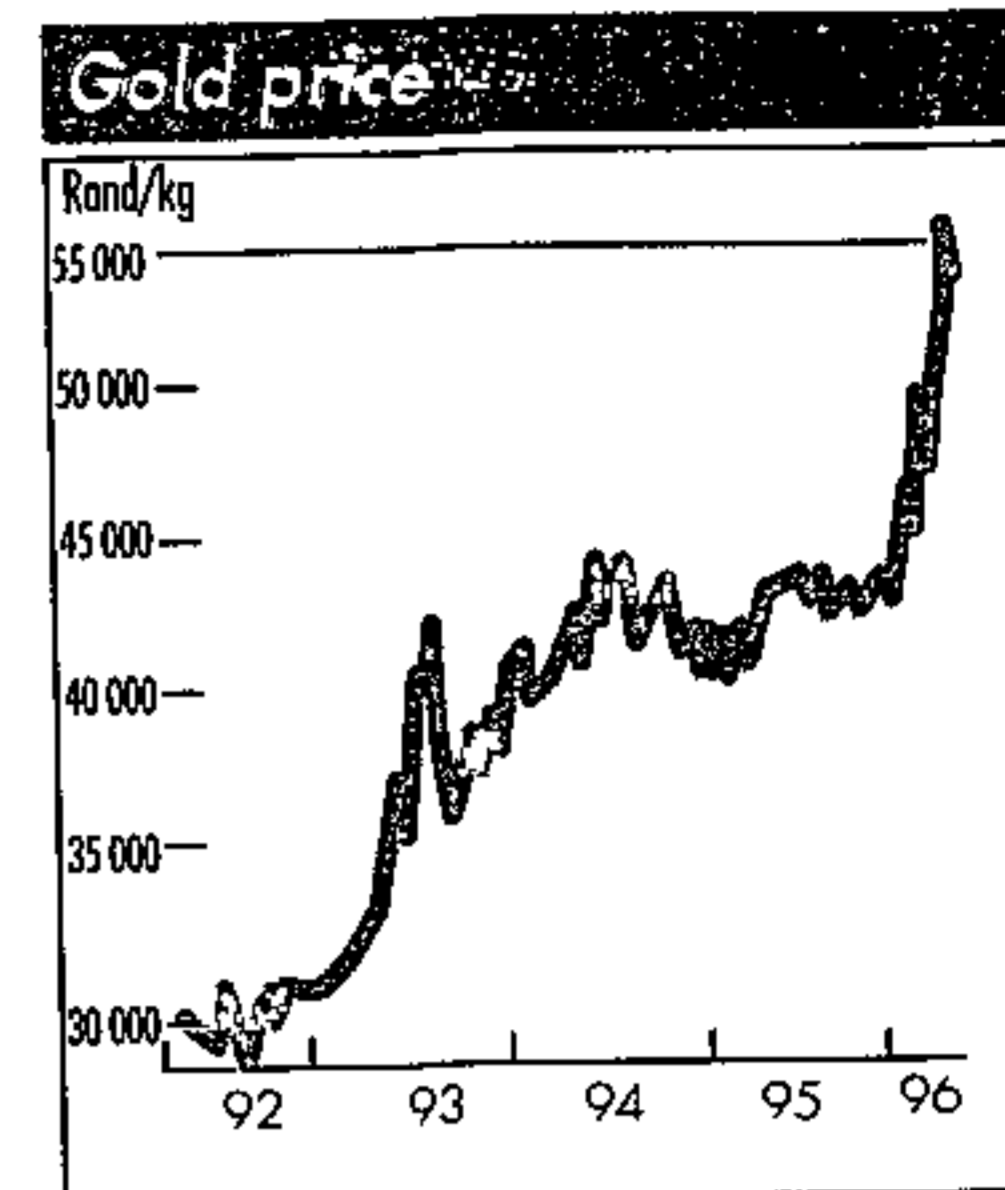
"This (resumption of the upward trend) can be effected in two ways — a further weakening of the rand from the present R4,40 a dollar ratio, or a hardening of the gold price, which is bouncing between the \$390 and \$394 levels"

Kaplan & Stewart says that if gold reached \$420, the rand price, at current exchange rates, would be R59 415 a kilogram. If the exchange rate weakened to, say, R4,75 a dollar, the rand gold price at \$420 would surge to R64 140 a kilogram

The average gold price received during the March quarter was R45 591 a kilogram. At the end of the quarter it was R48 809 a kilogram. "It is apparent that revenues of R55 000 to R60 000 a kilogram will have a dramatic impact on profitability"

The firm predicts that several mines will turn around their falling dividends

"Much more important, though, the



higher revenues will result in a lowering of pay limits, which will have a favourable effect on available ore reserves and available stope face"

Most favoured shares are Vaal Reefs, Winkelhaak, Freegold, Harmony and Harties. However, "all gold shares will benefit and undue repositioning at this stage may not be fruitful"

The firm analysed the effect a price of R55 000 a kilogram would have on dividends for the 12 months to June this year and, for some mines it would indeed be dramatic, with the principal beneficiaries being Harmony (254 percent), Freegold (247 percent), Western Deep (172 percent), Vaal Reefs (153 percent), Kinross (141 percent) and Leslie (100 percent)

Union to challenge De Beers

(211)
From Sapa

CT(BR)21/5/96

Johannesburg — About 50 National Union of Mineworkers members and De Beers employees will travel to Kimberley to attend the company's annual general meeting today and challenge management on a number of issues, the union said yesterday.

The workers had obtained proxies to attend and vote at the meeting through the Community Growth Fund.

They would challenge the company over De Beers' housing policy and the struggle for family housing at Kleinsee mine in Namaqualand, and call attention to the occurrence of asbestosis among employees, especially at the Premier Mine in Cullinan.

The workers would also discuss the imprisonment of three women with their babies last October for trespassing at Kleinsee mine.

Housing policy high on De Beers' agenda

BD 21/5/96
Bonile Ngqiyaza

channels finances from trade unions, pension and retirement funds, and international investors into major SA firms monitored for their social responsibility and accountability

DE BEERS' housing policy and attempts to get the company to recognise the rights of workers to live with their families will be high on the agenda of the company's annual general meeting in Kimberley today

The occurrence of asbestosis among workers will also be raised by more than 50 National Union of Mineworkers members and shareholders in De Beers Consolidated Ltd, who had obtained proxies to attend and vote at the meeting via the Community Growth Fund, a union spokesman said

Judith Weymont said that the workers held 190 000 shares with a market value of R27,1m. The growth fund

De Beers, Weymont said, was approved by the fund in June 1982 and had been regularly monitored to determine if it still met its criteria

They included health and safety, training, affirmative action, worker participation, racial discrimination and industrial relations

Weymont said that the De Beers housing policy and the struggle for family housing at Kleinsee mine in Namaqualand would be high on the agenda, as would the issue of three women who were imprisoned with their babies last October for trespassing at Kleinsee.

Their appeal was scheduled to be heard at the Cape Town Supreme Court on Friday

Weymont said the occurrence of asbestosis among De Beers workers — especially at Cullinan's Premier Mine, where many had recently been compensated after working with asbestos and cement for a number of years — would also be discussed

Ingwe to begin seven-day working week

David McKay

(211) ~~(211)~~

BD 28/5/96

SA's largest coal producer, Ingwe Coal Corporation, planned to move to a seven-day working week at most of its coal mines to rein in costs and increase earnings, the company said yesterday.

In what is believed to be a first for the industry, Gencor-owned Ingwe will introduce full calendar operations at its second largest mine, Optimum, in Mpumalanga, in the next few weeks.

Operations senior manager Rick Mohring said other coal mines, including the Douglas and Middelburg col-

lieries, would follow suit, pending talks with labour. Optimum's main savings would be in creating more time to deal with coal haulage. Distances had increased 17% to 20% as the mine aged.

It would not have to buy new coal haulers, which would have cost about R8m. Up to 35 jobs would be created.

Ingwe had operated draglines seven days a week for 15 years, but would now be able to drill, blast, haul and load coal on Sundays, Mohring said.

Mineral and energy affairs ratified Optimum's change to full calendar operations as "in the national interest".

Freegold's shift deal falters over bonuses

(211) BD 29/5/96
David McKay

THE innovative shift system which helped save several thousand jobs at Anglo American's Freegold operation has stumbled, following a dispute over wage bonuses for affected workers

Anglo said yesterday that the shift system, in operation since February on the troubled Saaiplaas 3 and 4 shafts and No 9 shaft at Freddie's, should have been renewed on May 1. But an agreement to extend the system had been stalled as management and labour struggled to agree on a wage bonus for the extra time

The National Union of Mineworkers said it had called for a wage bonus of more than 6% for Sunday work. An Anglo spokesman said such demands would cut even deeper into the shafts' profitability — the reverse of what the shift system was supposed to achieve.

Anglo was confident negotia-

tions would end in agreement. The outlook was positive, the spokesman said.

However, the delay means Freegold has missed out for one third of the June quarter on the shift-linked productivity gains which helped lift its March quarter performance.

Though Freddie's No 9 had stayed in a loss and was closed, the other shafts returned to profit in the three months to March. The higher gold price and other productivity gains also helped stave off the threat of 10 000 job losses.

Anglo said Freegold's production, expected to fall 16% this financial year to 78 tons, would drop to 60 tons between next year and 2002.

Within 10 years, it was likely to have only three major producing shafts — President Steyn No 4, Freddie's No 1 and Saaiplas No 5.

The union said Anglo had to ensure good retrenchment packages and plans to retrain workers.

Vaal Reefs disaster memorial unveiled

(212)
Renee Grawitzky

BD 8/7/96

A MEMORIAL stone bearing the names of 104 mineworkers killed in the mine disaster at Vaal Reefs No 2 shaft on May 10 last year was unveiled yesterday at Orkney cemetery.

The accident occurred when a locomotive smashed into the shaft as a cage carrying mine workers was travelling underground.

Among those who paid tribute to those who died, Anglo American gold division head Bobby Godsell said the memorial stone — in the shape of No 2 shaft's head gear — "would honour those who died... Yet their memory and the price they paid deserves more than an obelisk".

The memorial stone bears a quote from Job: "There is a mine for silver and a place where gold is refined .. the earth from which food comes is transferred below as by fire"

Godsell outlined a number of initiatives taken since the accident to "diminish the chances of death on our mines".

National Union of Mineworkers president James Motlatsi and co-chairmen of the No 2 shaft disaster trust fund Walter Sisulu and Helen Suzman commended Anglo for their initiatives.

Motlatsi said the union had no problems with negotiations on health and safety or Anglo head office. However, problems, occurred in implementing agreements underground "We must respect those working on SA gold mines" who contributed to keeping the economy going, Sisulu said.

Sisulu and Suzman outlined how the trust fund, established after the disaster, was being managed and how the income of R12,5m was being used to benefit the families of the dead.

Suzman said nothing could compensate for loss of life. However, the disaster had ensured the education of victims' children and widows, and better safety measures to avoid disasters in future.

2 miners killed at Vaal Reefs

JOHANNESBURG: Two (212)
mineworkers were killed in an
underground accident at the Vaal
Reefs gold mine near Orkney in the
Free State yesterday, an Anglo
American spokesman said.

CT 26/7/96

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MINING - LABOUR

1996 - 1997

Impala Plats and NUM close to reaching wage agreement

By GOBA NDHLOVU

Wage negotiations between the National Union of Mineworkers (NUM) and Impala Rustenberg Platinum Mines reached a critical stage late yesterday

After protracted negotiations, the two parties decided to return to their principals to sell an agreement reached

around the negotiating table

NUM negotiator and regional co-ordinator, Mahlakeng said that after negotiations yesterday, Impala management made an offer which NUM thought it could recommend to its membership

The offer is 10% for the lowest paid miners,

decreasing to 9,5% ,8,5% and 7,5% for those earning higher salaries

Mahlakeng said there was really nothing to rejoice about, but his team of negotiators thought they could approach the workers with such an offer

Report-back meetings will start at 7 30am at the various plants

today and the union's negotiators will meet management again at 11am, he said

"I think we shall settle some time today," said Mahlakeng

■ Earlier, Sapa reported that workers at Rustenberg's Impala Platinum Mine had rejected a management plea to return to work while wage talks continued

Star 6/8/96

(21)

INSIDE MINING

Hope of productivity-based mining wage deal dwindles

(211) CT(MR) 8/8/96

It looks like the mining industry's chances of achieving a productivity-based wage deal are dwindling as negotiations last week went into the dispute stage between the Chamber of Mines and the National Union of Mineworkers (NUM)

Dissatisfaction with the chamber-negotiating system was made clear at the Gengold June quarterly presentation when Tom Dale, Gengold's managing director, said the industry's negotiating forum combined the worst aspects of centralised bargaining with the worst aspects of decentralised bargaining

Richard de Villiers, Randgold's human resources director, says the chamber is "too adversarial and inflexible a forum in which to negotiate a productivity deal which requires a more co-operative approach"

"We would prefer to negotiate outside of the chamber but have been unable to get agreement with the NUM on this"

It's no surprise Gengold and Randgold are the two mining houses most vociferously opposed to the chamber bargaining system, because they run most of the industry's marginal mines which are the closest to the edge in terms of survival

Hefty, across-the-board pay increases like last year's 10,5 percent hike could be life threatening if the rand-gold price entered another stagnant period like the one between 1988 and 1992, when it sat at R32 000 a kilogram while inflation ran at 15 percent a year. The mines responded by reducing their total workforce from 500 000 to 350 000 over a five-year period through downsizing and retrenchments

Industry sources voice a number of other criticisms of the

chamber-negotiating system

Amongst these are that insufficient distinction is made between the gold and the coal mines in the initial bargaining stages

They have very different cost structures and profit margins are higher on coal

There's also an opinion that the chamber's negotiating stance can be influenced to an unhealthy degree by individual large mining houses. The fingers are being pointed at Anglo American Corporation and Gold Fields in particular

Anglo was widely held to be the driving force behind last year's generous settlement which was justified because of the agreement over full-calendar (fullco) operations

At du Plessis, a chamber industrial relations consultant, said at the time the chamber would never have settled above 7,5 percent without the fullco clause

A year later precious little has been achieved on fullco and Viv du Plessis, Anglo gold division's human resources consultant, told a different story at the June quarterly press conference when he suggested last year's pay award would have been at that level, fullco or no fullco

In some circles there is the belief that Anglo will go out of its way to avoid a strike for political reasons and because it can afford to pay high wage awards, as all its mines are in strong operating positions. Gold is now a minor contributor to the overall fortunes of the Anglo empire



BRENDAN RYAN

In the year to March it accounted for a mere 9 percent of Anglo's total investment earnings

Du Plessis says Anglo does not overly influence the chamber

"There are six mining houses and all their views are presented in the negotiations. Anglo's mines settled last year at 10 percent compared with the industry average of 10,5 percent"

Gold Fields has strongly held principles on remuneration policy which commentators say can affect the negotiations, given the chamber's lowest common denominator approach. Chamber sources reckon Anglo's influence is overstated and the split offers get around the Gold Fields factor

Dale says the only way the South African gold-mining industry will survive is to improve its productivity to restore its competitive edge. He says the potential exists to double and treble stope face productivity rates

Such gains will lower paylimits, making it feasible to mine greater volumes of low-grade ore which will extend the mines' lives and restore growth to the industry. That's what will keep mineworkers employed when tough times return

Dale views a productivity-based remuneration system as crucial because it supports this core objective for the industry

But the union's reticence is understandable. It does not trust the mining houses, and the system of centralised bargaining through the chamber is working just fine in terms of delivering inflation-beating pay awards

Problem is that if nothing changes and tough times return, even more mineworkers will be out of a job

Union, JCI sign job grading deal

Reneé Grawitzky

BD 14/8/96

THE National Union of Mineworkers and Johannesburg Consolidated Investment signed a job grading agreement yesterday which will facilitate the redesign of jobs, a crucial element of the company's overall restructuring process

At industry level, a job grading committee has been set up and continues to meet outside the wage negotiations between the union and the Chamber of Mines

JCI said the agreement "supports mature and constructive industrial relations" and provided an opportunity to redesign jobs, which was crucial in meeting the

challenges of the industry JCI said this would enhance productivity and "more effective utilisation of labour"

The redesign of jobs would result in changes to the content of jobs Job descriptions would in turn require regrading The agreement says redesigning will "take account of concepts such as career development, adult basic education and training, affirmative action and multi-skilling"

The union said the agreement would ensure the union's involvement in job grading and would open up training opportunities and "job enrichment for members who have been disadvantaged in the past"

MANAGEMENT

Job grading rings in mining changes

(211) B015/8/96

David McKay

JCI's job grading agreement signed with the National Union of Mineworkers this week is a keypin in the group's plans to ensure profits from its gold mines over an extended time, it said yesterday.

But the full significance of the agreement is seen against the group's larger plans to bring business process re-engineering (BPR) to all its mines from September.

Gold and uranium division human resources manager Craig Lawrence says BPR rings in some fundamental changes to SA gold mines' past management methods. "The old hierarchical structure is being disherited in favour of a flatter structure with responsibility on-mine," he says.

Cost pressures and low productivity levels in the past prompted the group into finding ways to ensure its long-term survival. Lawrence says there were no international "best practices" model to follow as SA's deep-level gold mining was relatively unique.

Therefore, the group came up with its own solution which it named BPR — a concept championed by gold and uranium MD John Brownrigg along with the call for less or at least restructured public holidays.

The job grading agreement with NUM which aims to bring greater on-mine responsibility is an important step. As a result, the mines need greater understanding of what each job is worth so that they can broaden the responsibilities, Lawrence says.

The job grading also allows closer monitoring of individual performance,

and in recognition of union demands, it enables the mine management to accurately judge remuneration and bonus packages for each job.

Other aims of BPR are increases in stope advance rates and multitasking — concepts which have become vital pass words in claiming higher gold production on gold mines.

JCI has been preparing and testing its BPR programme since 1994, injecting about R8m into the project, with Randfontein Estates shaft Cooke No 1 acting as the pilot shaft. "In selected use of BPR methods at Cooke No 1, advance rates have been increased from an original 9m a month to above 30m a month with some teams," Lawrence says. The standard or target for the mine is 24m a month.

Following the completion of the test shaft in September, the programme will be rolled out at Randfontein and the group's other gold mines, Western Areas and HJ Joel, he says.

Lawrence says one of the main challenges in implementing BPR is the general resistance to change by labour.

In anticipation of labour concerns, the job-grading structure agreed with the unions allows for greater transparency of management intentions.

It also provides the mine's workforce with higher exposure to the decision making process.

The success of the BPR does not depend on the implementation of full calendar operations (fulco) — a term which describes seven-day continuous mining.

However, BPR paves the way for a more successful fulco should this be finally agreed with the labour unions.

Amagoduka, 50 years on

(211) CT(BR) 16/8/96

Guy Oliver

LABOUR EDITOR

To the more cynical, the National Union of Mineworkers' celebration of the 1946 miners' strike tomorrow, with the same demands on the table as 50 years ago, could be seen as an admission of failure on the part of Cosatu's largest affiliate

But if there is an air of disillusionment within the 357 000-strong union, it is difficult to detect. Preparations for the celebrations, which will be attended by at least 10 000 miners, have something of a carnival atmosphere. Free pap and wors are on the menu to soak up the beer, one organiser said.

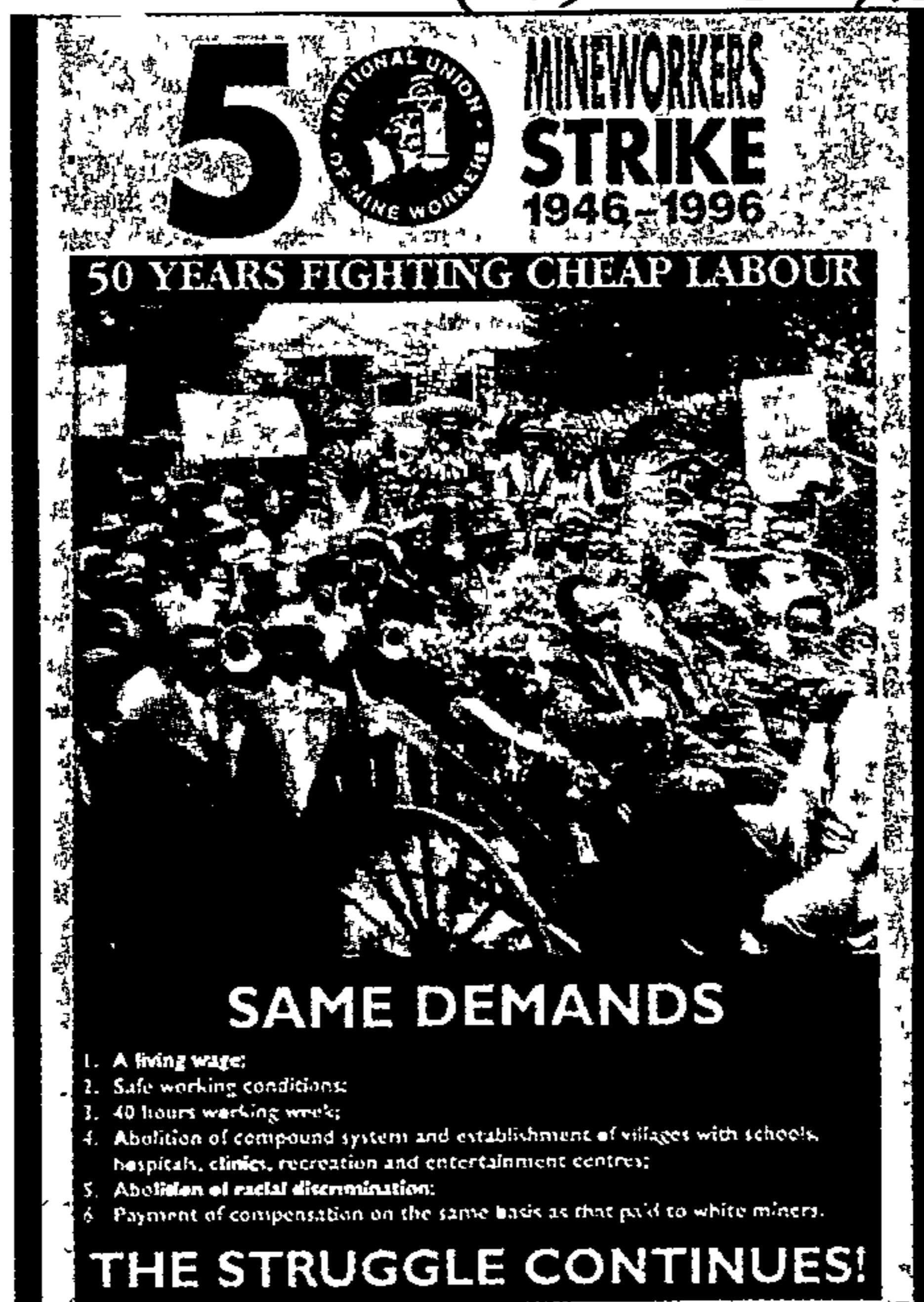
That the NUM even exists is a tribute to the more than 50 000 dead, the hundreds of thousands diseased by poisonous dust, the more than a million permanently injured and the millions torn from their homes to live in high-walled compounds and dig coal and gold from South Africa's rich soil

The bond between the ANC and South Africa's miners was not yet forged in 1914, when Sol Plaatje, the movement's first secretary, general paid tribute to the "200 000 subterranean heroes who by day and night, for a mere pittance, lay down their lives to the familiar fall of rock and who, at deep levels ranging from 1 000 to 3 000 feet in the bowels of the earth, sacrifice their lungs to the rock dust"

The bond was formed by the 1946 strike organised by the African Mine Workers' Union

The demands that led to that strike have been reproduced on countless posters for tomorrow. They are a living wage, safe working conditions, a 40-hour working week; the abolition of compound systems and the establishment of villages with schools, hospitals, clinics, recreation and entertainment centres, the abolition of racial discrimination, and the same payment for black and white miners

Kgalema Motlanthe, the NUM general secretary, said this week that the demands were "on the brink of being addressed, or we've gone a long way towards them". The new Mine Health and Safety



Act, which will come into operation when the Labour Relations Act is promulgated, will give workers the right to information and participation in health and safety

Motlanthe enjoys the symbolism attached to the NUM's head office in Johannesburg. While other businesses adorn their walls with awards and celebrations, this one has unnamed miners staring from walls, the camera's flash glinting off the sweat of mine stopes. And Motlanthe does see the NUM as a business. It has 357 000 subscribers. It employs 150, provides salaries, education assistance, auditing, marketing and other services

"Why do you assume that because I am a unionist I have no clue about business?" Motlanthe says. "It is only now that it is starting to dawn on (management) that we understand the working of the system as much as they do"

The seeds for the 1946 strike were sown during a 1941 meeting of the Transvaal ANC, when a pro-

positional was made to form a miners' union. It was a defining moment in South African labour history. But creating a union from 340 000 rural workers recruited on limited contracts, who understood little of the city and were steeped in tribal lore and custom, against the opposition of the Transvaal Chamber of Mines and a ruthless anti-unionist state, was no light decision

In 1946, The Star reported "There is a total stoppage of work at West Springs, Van Dyck, Van Ryn, Vlakkfontein, New Kleinfontein, and Modder B, and a partial stoppage of work at Brakpan, City Deep, Robinson Deep, Nourse Mines and Sub Nigel. Generally, natives are remaining quietly in their compounds"

The strike was a defining moment for the miners. "They were not only regarded as sub-human by the employers, but also by people residing in townships and mining towns. You found people who resided in townships which in essence were mining

towns regarding them as migrants, amagoduka," Motlanthe says

The triumph of 1994's political emancipation has brought new problems. There is speculation that the Namibian experience, where the National Union of Namibian Workers, a Swapo affiliate, was allowed to wither after independence, could be repeated here

The situation here differs in that, though the ANC and Cosatu have an incestuous relationship at times, they serve different constituencies, as has been illustrated by the tensions between them over the party's new macroeconomic policy. "Yes there are tensions, but the working out of those tensions can only produce progress," says Motlanthe

Racist attitudes persist on the mines, though Motlanthe says this is changing. Mining houses, confronted with upgrading the conditions of black miners, shudder. "They see as a solution the depression of the benefits and conditions of the white workers to levels far lower than what they are enjoying now. It is a problem that will radicalise white workers and sober them up"

Nevertheless, with the end of apartheid, white miners have begun approaching the NUM. According to Motlanthe, the only thing keeping most white miners from joining the union is its lack of a funeral scheme

Recently, the NUM has had to come to terms with capitalism, for the sake of black empowerment. The Mineworkers Investment Company, its investment arm, has bought 60 percent of Durban's Royal Food Services. The contradictions of workers exploiting workers was dealt with openly

"All workers prefer to take their money to financial institutions and walk away with a clear conscience that they will never exploit anyone. And yet the reality is that the same money can be invested where they are employed themselves, where they themselves complain about exploitation," says Motlanthe

Royal Foods cater for the mines and they tender just like any other company. "If our members say they are feeding us cow dung, then we will boycott the food."

Motlanthe ANC posting 'ill-timed'

Reneé Grawitzky

(211)
50 19/8/96

THE decision by the National Union of Mineworkers not to release general secretary Kgalema Motlanthe at this stage to take up the ANC secretary-general position was not based on attempts to resist the ANC, but dictated by the current problems within the labour movement.

NUM assistant general secretary Gwede Mantashe said yesterday the union's national executive committee took this position in July based on the fact that the labour movement was not in the best state and it would send incorrect signals to members if labour

continued releasing leaders.

Mantashe said there was no leadership crisis in the ANC so there was no pressure on Motlanthe release.

It was important for the NUM to have strong leadership and crucial that leaders took into account the feelings of members. Union leadership could not release individuals mid-stream between congresses.

As alliance members individuals were often called on to take up political positions, but in this instance the timing was not right, Mantashe said.

Any decision around Motlanthe's future would be decided at the union's national congress in March next year.

Chamber makes its final offer

(211) BD 19/8/96
Renée Grawitzky

THE Chamber of Mines tabled final wage offers ranging between 6,75% and 8% for gold mines and between 8,5% and 10% for collieries during a two day conciliation board meeting with the National Union of Mineworkers last week

Conciliation board chairman and Independent Mediation Services of SA national director Thandi Orleyn said the wage offer for gold mines did not include Randgold who stated that their previous offers were final.

It is believed that although Randgold did not table a re-

vised position during the meeting, the increases tabled previously are within the range of 6,75% and 8%

As has become practice during industry-level negotiations within the Chamber of Mines, the mining houses have again tabled different offers, some of them linked to safety bonus schemes, productivity and profit-sharing schemes

The union declared a dispute two weeks ago.

Orleyn said the conciliation board would meet again on Wednesday

See Page 4

Bargaining heats up in mines wage negotiations

(211)
By Guy Oliver

LABOUR EDITOR

CT (MR) 19/8/96
Johannesburg — Conciliation talks between the Chamber of Mines and the National Union of Mineworkers (NUM) will resume on Wednesday after two days of talks last week

The union declared a dispute with the chamber at the beginning of the month over wages and working conditions.

Union officials hunted at the 50th anniversary celebrations of the 1946 mineworkers' strike that the union might call for a strike

Charles Nqakula, the union's secretary-general, told more than 10 000 miners at the Johannesburg rally that union members might strike if their demands for 13 per cent wage increases were not met

"History has a way of repeating itself," Nqakula said at the rally "In 1946 (miners) showed their muscle (in a strike) and on August 1 1987 the National Union of Mineworkers embarked on another 21-day mass-action campaign. Now our resolve is still as resonant and relevant as ever"

He handed a list of demands to a Chamber of Mines spokesman, who said they would be given to top executives and a management negotiating team.

"(The) NUM is a very strong union, and we believe that miners deserve decent wages," the spokesman said.

"But we are concerned also that it will become too expensive to retrieve gold and coal from the ground"

Thandi Orleyn, the national director of the Independent Mediation Service of South Africa, said at the weekend that the chamber had made a final wage offer to the union

"The final offers for gold mines are between 6,75 percent and 8 percent. In the case of coal mines the final offers are between 8,5 percent and 10 percent," she said

Mine union conflict unresolved

By Jonathan Rosenthal

Johannesburg — The conflict at Gold Fields' East Driefontein gold mine, which erupted last week between members of two rival unions, had not been resolved last night as about 2000 workers remained in their hostels and refused to go underground, fearing for their safety, Gavin Hepburn, the mine manager, said last night.

The conflict between the National Union of Mineworkers and the United Workers' Union of

South Africa (Uwusa) resulted in three deaths underground last Friday.

Hepburn said that Uwusa, which is not recognised by management, had "agreed in principle to mediation" with the National Union of Mineworkers. This would "hopefully start on Tuesday morning." Police had scaled back their presence and the military, which had been supporting the police, had withdrawn. "The situation at the hostel is peaceful but still tense," he said.

C

Call for more
shifts on mines

(211) BD 22/8/96

MINERS had to work more shifts if the SA mining industry was to survive, Gold Fields of SA CE Alan Wright said yesterday.

Speaking at a presentation of Gold Fields' year results, he criticised rising working costs at the group's mines and the slow progress being made on full calendar operations.

"The costs on our mines are increasing at a rate equivalent to the price of the product we are selling," Wright said.

"We reached agreement in principle with all unions but I do not believe we are any further down the path to full calendar operations than we were a year ago. If we do not change to full calendar operations we are going to lose our industry in SA.

"Unit working costs were up 21% year-on-year. As we go deeper it costs more .. we are also being pushed into higher wage agreements"

Gold Fields, a member of the Chamber of Mines, has yet to sign an agreement with the unions on 1996/97 wages and working conditions

Wright urged the industry to reach rapid agreement on full calendar operations to compete with global mining companies — Reuter.

Gold Fields reconsiders men's only hostels

(211) MTG 23-29/8/96

Joshua Amupadhi

MINING giant Gold Fields has finally admitted its men's only hostel system may be at the root of violence which left 28 workers dead in the past month on three of its mines. Gold Fields representative Marion Brower said the company has begun setting up forums — a move to integrate workers regardless of ethnic origin.

Brower said the forums would bring together workers to discuss integration as a means to quell violence between the predominantly Zulu union, United Workers' Union of South Africa (Uwusa), and the National Union of Mineworkers (NUM). However, she said though Gold Fields wanted to solve the violence urgently, management at the different operations "moved at their own pace".

NUM said the violence among workers, which management has put down to conflict between Zulus and other groups, was a result of an outdated Gold Fields policy of allocating workers to hostels along tribal lines. Nearly all of Gold Fields' 90 000 miners around the country live in the hostels. Brower said "most of the Gold Fields

mines [hostels] were traditionally segregated", but workers could now request to move.

The death of NUM East Driefontein branch treasurer Lesaoana Rapopo from gunshot wounds last week sparked off violence between Uwusa and NUM members underground. Seven miners died during conflicts last week, bringing to 20 the number who have died violently in the past three weeks.

This Monday another four miners were killed in violence underground at Leeudoorn, another of Gold Fields mines, near Carltonville. Similar conflict was also reported at Northam, near Thabazimbi in the North-West province.

The regional co-ordinator for NUM in Carltonville, France Baleni, accused mine management at East Driefontein of deliberately stalling the integration process by "giving Uwusa the final say. Consultations with all workers should not hinder progress. And mine management is only pretending to be facilitating talks [between NUM and Uwusa] but they are the ones contributing to the violence."

Uwusa representatives could not be reached for comment this week.

Mineworkers' Union urges A-G to probe alleged breach of contract

ARG 28/8/96 (211)

JOHANNESBURG - The National Union of Mineworkers has asked the attorney-general in Kimberley in the Northern Cape to investigate an alleged contravention by Dancaal diamond mine of the provisions of the Basic Conditions of Employment Act. NUM spokeswoman Judith Weymont has said

"If the mine is found guilty, the attorney-general should institute criminal proceedings against it," Ms Weymont said

NUM alleged that the mine was paying miners R10 a day and owed each of the about 400 miners in excess of R20 000

Ms Weymont said the 400 miners were Mozambicans employed under a practice known in the mining industry as "deferred pay"

"They have been employed by

the mine for 10 years on contracts agreed to by the Mozambican government at a rate of R40 a day. A proportion is paid to the Mozambican government until the miners returned home at the end of the year," Ms Weymont said

"At the beginning of May 1993 the mine management unilaterally decided to reduce workers' pay to R10 a day and breached the contract with the workers and with the Mozambican government"

Ms Weymont said the NUM was taking the company to court for breach of contract and recovery of wages owed to individual members of the union

Kimberley NUM organiser Itumeleng Mayoyo said thousands of rands in workers' money kept in the mine safe had gone missing. He said the mine was refusing to

accept responsibility for the missing money

"Workers were encouraged by mine officials to keep their money with the manager because there is no bank near the mine. The mine failed to keep any record of the money in safe keeping and they are refusing to refund the workers the money they deposited"

Dancaal mine spokesman Paddy Oshann said he was too busy to respond to the media, and all questions should be faxed to him

However, the fax was out of order yesterday. "I will not respond until my fax is working," Mr Oshann said before hanging off

A mine source said miners were earning wages varying from R10 to R43 a day. All miners received a R19 daily ration - Sapa

Row over 'R10-a-day' miners

(211) SD 28/8/96
THE National Union of Mineworkers has accused Dancarl diamond mine in the Northern Cape of paying miners R10 a day and owing each of the about 400 miners more than R20 000.

The union asked the attorney-general in Kimberley to investigate an alleged contravention of the provisions of the Basic Conditions of Employment Act, NUM spokesman Judith Weymont said yesterday.

Weymont said the 400 miners were Mozambicans employed for 10 years on contracts agreed to by the Mozambican government at a R40 a day rate

"A proportion would be paid to the Mozambican government until the miners returned home at the end of the year," Weymont said. In May 1993 mine management reduced the fee to R10 a day, breaching the contract with workers and the Mozambican government. The NUM was taking the company to court for breach of contract and recovery of wages owed to individual members of the union. — Sapa.

LABOUR ET (PM) 28/8/96 (211)
Union sues Dancarl over labour practices

The National Union of Mineworkers (NUM) has approached the attorney-general's office in Kimberley to investigate Dancarl Diamond Mine for alleged contraventions of basic employment conditions.

The union said yesterday that about 400 Mozambican workers had been employed on 10-year contracts on an agreed rate of R40 a day, with a proportion deferred to the Mozambique government for collection at the end of each year during the workers' home leave.

Judith Weymont, the union spokesman, said the management had unilaterally decided to reduce workers' pay to R10 a day in May 1993 and had broken its contracts with the Mozambican government and the mineworkers. She said the union was taking the company to court for breach of contract and suing for the recovery of wages, estimated at R20 000 a worker. Dancarl, which is owned by BKH Mining, declined to comment. — Guy Oliver, Johannesburg.

Mine teams given acclaim

BD 30/8/96 (211)

Reneé Grawitzky

INCREASED productivity at Impala Platinum Mines in the past year has been attributed largely to the introduction of the self-directed work teams headed by a crew captain, who has replaced the traditional white miner.

Impala said yesterday the introduction of the crew captain had resulted not only in increased productivity and efficiency in the stope, but had led to increased decision making by workers and more equitable distribution of bonuses.

In the past the miner was a white contract person who had 100 people working under him and he was the only one eligible to qualify for a blasting certificate. The change in legislation had allowed black workers to qualify for blasting certificates.

The crew captain now supervises a team of 12 workers. Together they decide on all issues relating to safety and productivity and are

able to determine their production bonuses each month.

If the team achieves more than above a certain level, a production bonus kicks in and is shared by the whole team, whereas previously the miner received — and never shared — a production bonus based on the productivity of the workers under him. Impala spokesman Anne Dunn said if the whole industry went this route, it could be revolutionised.

The introduction of the crew captain with a blasting certificate and supervising a team of 12 ensured that the mine had at least one person per panel with a blasting certificate.

Impala indicated that positive spin-offs of such a move had been reported in the area of safety and productivity as these employees had been given increased training and responsibilities.

The union said "employees would demonstrate to management they could produce efficiently if given the incentive".

No wage deal with white unions

Reneé Grawitzky

BD 30/8/96

THREE predominantly white Transnet unions meet management today in an attempt to reach agreement on the ongoing wage dispute — despite earlier speculation that a wage deal had been struck.

The three — Technical Workers' Union, Footplate Staff Association and the Employee Union of SA — representing an estimated 23 000 workers, declared a dispute with the company after they rejected a wage option approved by four other Transnet unions representing the majority of workers.

The agreement struck with the four unions provided for an across-the-board increase of R233 plus a non-pensionable allowance so that all employees would not re-

ceive less than a 7,5% increase.

The unions and management were supposed to meet in advisory arbitration last week, but instead the unions came up with a number of counter proposals which they indicated was the basis of a deal.

Transnet management indicated that they would consider it but gave no undertaking that an agreement had been reached contrary to reports earlier this week.

Transnet Group IR manager Con Jooste said: "There is no deal and incorrect perceptions have been created by previous reports which implied that Transnet had struck a deal in the face of threats of strike action."

The deal with the other unions was costed at R270m which was the amount Transnet made available for wage increases this year.

COMMENTS

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Workers get shots against meningitis

(21) ~~(21)~~

MEDICAL CORRESPONDENT

Star 30/8/96

West Rand mines have chosen to immunise their workers against meningococcal meningitis and the Gauteng health department will be immunising high-risk ambulance drivers and health workers, the department announced yesterday.

The decision to immunise selected people was taken with the assistance of community health consultants from Wits and Pretoria universities, the South African Institute of Medical Research, the World Health Organisation and the Centres for Disease Control in Atlanta, said Gauteng's director for Aids and communicable diseases Dr Liz Floyd.

The West Rand meningococcal meningitis outbreak has claimed seven lives and infected 44 people, mostly in the mine hostels and in Bekkersdal, with a scattering of cases elsewhere.

The province had concluded from the expert advice that blanket immunisation was unnecessary and ineffective, but focused immunisation should be considered, the department said.

Immunisation was necessary in a community when the number of new cases per week exceeded a rate of five per 100 000 residents, sustained over three weeks.

In Far West Rand mines, the ratio at one stage rose above this level, said the department.

In Bekkersdal, the ratio had stayed below five per 100 000, said the department.

Mining unions launch labour caucus in line with new Act

Reneé Grawitzky

(211) BD 4/9/96

Mining unions including the Cosatu-aligned National Union of Mineworkers and the white Mineworkers' Union launched the mining labour caucus yesterday to ensure proper labour representation on the tripartite structures established in terms of the new Mine Health and Safety Act

The move towards increased

unity between unions from opposite ends of the political spectrum was prompted by the new law — which is supposed to come into effect on October 1 — which provides for the establishment of numerous committees which could affect the resources of all unions

Union sources said the implementation of certain sections of the Act could be delayed, as they relied on the new Labour Rela-

tions Act being in effect.

Labour ministry spokesman Zintle Filtane said yesterday that the new Act would come into effect before the end of the year.

The new Mine Health and Safety Act provides for the establishment of the Mine Health and Safety Council and the Mining Qualifications Authority, on which labour, government and the mining industry will be represented

Implats act to up production

~~(211)~~ (211)

By Abdul Milazi
Labour Reporter

IMPALA Platinum Mines and the National Union of Mineworkers have set a benchmark for the mine industry through their participative management approach, improving production by six percent from last year

Implats chairman Mr Michael McMahon said "this improvement has been driven largely by self-directed work team programmes"

McMahon said Implats had flattened the traditional mine hierarchy, reduced the number of supervisors and phased in the "crew captains" system

Although implemented two years ago, the new concept was officially adopted when Implats and the NUM signed an agreement last month

The agreement covered conditions of employment, wages, housing, travelling allowances, annual leave, pension and medical schemes, production bonuses and job grades for the crew captains

Sowetan 6/9/96
Paved the way

McMahon said "The crew captains take responsibility for a team of up to 12 people and are trained in blasting. The new concept has also paved the way for a uniform promotional route for all workers."

McMahon said the increased supervision and additional training given to these workers had a significant spin-off in terms of improved productivity and safety

NUM regional organiser Mr Nelson Radebe said the new concept proved that workers could produce efficiently when given the necessary incentives

Implats' Wildebeestfontein South Mine general manager Ken Field said the agreement had set a standard

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Strong NUM 'essential to mine peace'

Reneé Grawitzky

MINE violence since the 1980s had become about maximising union solidarity — punishing those who refused to collaborate and resisting management attempts to destabilise the union by using scabs, vigilantes or “the Russians”, NUM president James Motlatsi said yesterday.

He said faction fights since 1982 had been mainly about issues caused either by strikes or the struggle to maintain and extend the influence of the union in the face of hostile management tactics. “The establishment of the union altered the complexion of faction fighting,” he said.

This became clearly evident in the pattern of violence from 1985 until after the 1987 strike. The height of mine violence was reached after the 1987 strike because “different groups adopt-

ed different attitudes to the strike and strikers were unforgiving about those who had not supported them”.

Mine violence was “symbolic and divisive” and had to be addressed. It symbolised an “utterly unacceptable attitude that undermines the whole idea of community, of living together with respect for each other’s religion, language and culture. Where we allow violence and killing to determine everyday relationships, there is anarchy”.

Motlatsi said violence could also be a form of union bashing. The union had evidence to show how mine security forces allied themselves with non-unionists in the 1980s. On causes underlying all violence in the mines, he said the first related to the culture of violence that dominated society and the second factor related to a wide range of issues that could spark off violence, including the hostel and mi-

grant labour system.

Motlatsi said the continued existence of hostels would ensure perpetuation of fertile ground for violence.

He said there had been fights between ethnic factions among mineworkers as long as there had been mining. However it was previously often difficult to distinguish between faction fights and strikes, as strikes were usually disorganised and violent affairs involving fights between strikers and scabs who represented different ethnic groups.

Faction fighting divided and weakened the work force. “Mine managers know this and, not surprisingly, over time they have often instigated tribal conflicts by using various devious tactics to divide us”.

Over the past 10 years the ethnic composition of the labour force had changed, with the foreign complement

falling from 80% to more than 50%

This had created a greater ethnic awareness among foreign ethnic groups. “Noises understandably looked to their home groups for protection. Some, such as the Sotho, joined the union for greater protection. The more the members of particular tribes banded together the more they were likely to argue over such matters as liquor and women”.

The NUM, he said, had a role to play in resolving violence. The union had to ensure the removal of tribalism from the organisation and had to impose its own non-racial morality in the mines. This could be achieved only if the union fully organised the work force. The union had to put pressure on government and management to tackle the material causes of mine violence and ensure the NUM became the dominant moral force in the industry.

(211) 80 10/9/96

Chamber tables final offer to NUM

Reneé Grawitzky

BD 10/9/96

(211)

THE Chamber of Mines has tabled a final wage offer ranging between 6% and 10% for gold mines and between 8,5% and 13% for collieries during tough negotiations with the National Union of Mineworkers (NUM)

The offer was tabled during week-long negotiations held under the auspices of the Independent Mediation Services of SA (Imssa)

The NUM is expected to finish receiving feedback from its regional structures today on whether members have accepted the chamber's offer

If the union's regional structures receive approval from members on the final offer, the parties would be in a position to sign a comprehensive wage agreement later this week

In contrast to last year's settlement,

the final wage offer tabled for both gold and coal differs vastly depending on the respective mining houses

It is understood that the union has made some progress in realising its objective of reducing the number of job categories. Last year the wage agreement hung in the balance as Gold Fields refused to give in to the union's demands on broad-banding. However, it is understood that the final wage offer tabled this year includes a commitment by Gold Fields to collapse its lowest job category — category one — into the next one up — category two

This commitment would ensure that all the mining houses no longer had job category one, with the lowest category being job category two

Some mining houses, including Anglo American, have even collapsed category two into category three

Chamber reaches accord with NUM

(211) CT (PR) 12/9/96

By Guy Oliver

LABOUR EDITOR

Johannesburg — The National Union of Mineworkers and the Chamber of Mines yesterday reached an agreement on wages and working conditions in South Africa's collieries and gold mines, thus averting a potential strike.

The wage and conditions of employment agreement, effective from July 1 this year, emerged from a conciliation board hearing. The union, representing about 194 000 employees, had declared a dispute last month.

The union was demanding an average 25 percent increase (see tables), but had acquiesced in view of the restructuring of the miners' provident fund, Director Matlala, the union's chief negotiator, said.

Agreed before the conciliation board, but only released yesterday, was the restructuring of the mineworkers' provident fund, assurance and benefit schemes.

The two funds will be merged by July next year, with the longer-term objective of "minimising the cost of death and funeral benefits and enhancing retirement benefits", the agreement said.

Thomas Ketsise, a union official, said "employers have been contributing more in developing white workers than black workers, but with this agreement we will establish parity between white and black workers on training, retirement and death benefits."

The tone of the agreement was



AGREEMENT Director Matlala, the National Union of Mineworkers' chief negotiator, and At du Plessis, the president of the Chamber of Mines, share a joke after signing the industry's wage and working conditions agreement at the chamber's office in Johannesburg yesterday.

PHOTO JOHN WOODROOF

Gold Mines	Collieries
Anglo American (Gold and Uranium) 9,5% to 10%	Amco 9,25% to 10,75%
Avmin 8,5% to 10%	Duiker 8,9% to 13% (increase encompasses an alignment of certain rates)
Gengold 8,5% to 10%	Gold Fields (coal) 9,5% to 9,75%
Gold Fields (gold) 8,5% to 9,5%	Ingwe 9,25% to 10,75%
JCI (gold) 8,01% to 9,51%	JCI (coal) 8,38% to 10%
Randgold associated mine increases vary from mine to mine and are in the range of 5% to 10,4%	Kangra 9,25% to 10%

set by the preamble "Inequalities cannot be addressed without the implementation of practical steps to correct the past by changing the future."

The divergence of the wage agreements was an indication of how difficult the negotiations had

been, Frans Barker, the employer body's chief negotiator, said.

The parties agreed in principle that it was desirable to establish a statutory bargaining forum and a working party for a two-year wage review cycle, which would benefit the industry by providing

stability and an end to the time-consuming annual negotiations, Barker said.

Though both sides were upbeat about the deal, Kgalema Motlanthe, the union's general secretary, expressed reservations amid the backslapping about the present bargaining process which "isn't really working like a well-oiled machine."

Motlanthe said this could be the last occasion on which coal and gold mining negotiations were settled by such a combination of agreements.

Barker could not comment on such a separation, but said this could be an issue discussed in a statutory bargaining forum.

Mining industry agreement may be the last deal in traditional forum

Reneé Grawitzky

THE mining industry wage deal signed yesterday between the Chamber of Mines and the National Union of Mineworkers could represent the last agreement signed between the parties in the traditional bargaining forum.

Both parties indicated that in the current circumstances the overall package agreed on was honourable. However, it became evident during the protracted and very tough negotiations that the bargaining system within the

chamber would have to change as it could not accommodate growing differences between the mining houses and between gold and coal mines.

The parties agreed not only to consider further the union's demand for a two-year wage agreement but to consider further the establishment of a statutory bargaining forum.

The wage deal brokered by mediators from the Independent Mediation and Arbitration Services (Imasa) ranged between 5% and 10,4% on gold mines and between 8,38% and 13% on

collieries. The increases differed not only between mining houses but between mines and job categories.

The minimum wage for underground gold-mine workers will be R752 while the minimum for underground workers on collieries will be R684.

At the start of negotiations a number of mining houses attempted to link a portion of the wage increase to productivity or profit-related schemes. Meetings were held between the respective mining houses which could continue. However, the result of one

such process will form the signing of an additional agreement between the union and Anglo American today. The agreement is expected to facilitate the review of work practices on mines.

On a broader scale, the parties committed themselves to continue reviewing the job grading system. However, such a review would go beyond job grading and would take into account restructuring and reorganisation at mine level.

Although after two years of demands around broadbanding, Gold

Fields agreed to collapse job category 1 into job category 2, certain requirements have been stipulated.

New workers for a period of three months or workers in so-called "sheltered employment posts" who had no skills or experience would be paid 87,5% of the category 2 minimum rate.

Although the wage increase agreed to might not have been exactly what mine workers had expected, the union had made great strides in pursuing a

Continued on Page 2

Mining (211) 20 12 19 196

Continued from Page 1

number of core demands

These related to continued attempts to ensure removal of discriminatory practices in the industry which manifested themselves in various forms, including disparities in the provision of retirement, death and funeral benefits.

The parties agreed to restructure the Mineworkers' Provident Fund and the Mineworkers' Assurance and Benefits Scheme and to merge them by next year. The merged fund would be a defined contribution fund for retirement, death and funeral benefits.

Instead of the industry agreeing to an education and training fund to finance training courses emphasising collective bargaining and industrial relations issues, the parties agreed to joint development of industrial relations training programmes with costs paid by individual employers.

Other issues agreed to related to increased paternity leave from three days unpaid to seven days unpaid, granting of paid leave for NUM representatives participating on tripartite structures and agreement by certain mining houses to pay of lump-sum benefits to workers with statutory occupational diseases and injuries.

Picture: Page 3

De Beers heads off a strike as late agreement is reached

Renee Grawitzky

A WAGE strike by thousands of members of the National Union of Mineworkers was averted at the 11th hour yesterday when De Beers agreed to drop its demand to abolish a premium paid to some five-day workers when a public holiday fell on a Saturday

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The agreement provides for a 9,5% increase for workers in A band and 9,25% for those in B band which effectively increases the minimum basic wage to R1 341 a month

The parties agreed to defer the public holiday issue to a separate forum between the union and the three affected mines

Besides resolution on wages and the public holiday issue, the agreement focused extensively on health and safety related issues and on education and training

The parties agreed to an HIV/AIDS policy which addressed worker rights and benefits, conditions around testing, counselling and education programmes

Anglo management and miners reach

René Grawitzky

ANGLO American and the National Union of Mineworkers (NUM) have committed themselves to a course of action — within the next six months — to restructure mine operation to ensure increased productivity for survival into the 21st century.

An undertaking signed yesterday and intended to enhance ef-

iciency by reviewing the current work practices of workers and management has been hailed by mining analysts as crucial to the survival of the industry.

An analyst said this was a "ground-breaking" agreement as there was a commitment from the union leadership and senior executives to drive the process and ensure its success.

He added it was time that

someone in the industry was prepared to stand up and be counted.

The process to be followed is based on the success at Elandrand. Depending on circumstances, it could mean job redesign, boosting skills levels and "working calendar" changes.

Full calendar operations are only one of a number of options to enhance productivity. Other issues could include addressing

workplace discipline, remuneration and ensuring a "new set of worker/management attitudes".

During a briefing yesterday, gold division chairman Bobby Godsell said the entering of a "fully fledged partnership" between labour and business would need the willingness of both parties to explore "an open agenda" to ensure SA attained a competitive edge. Over the past 10 years SA

(211) 80 13/19/96

had gone from being one of the lowest-cost producers to the highest-cost producer of gold.

He said the focus of restructuring would be at mine, shaft or even section areas to take into account specific circumstances and ensure greater flexibility.

Godsell said this did not imply there would not be vigorous collective bargaining at industry level, but this would be complemented

by equally vigorous engagement at mine and shaft level.

NUM president James Motlatsi said: "Our members will now have an opportunity to contribute to ensure the mine remains productive."

This would necessitate full information disclosure from the planning stages with workers participating from the outset in such processes, he said.



Anglo American gold division head Bobby Godsell, left, and National Union of Mineworkers president James Motlatsi at the signing of the agreement to promote changes to increase productivity

Picture ROBERT BOTHA

agreement

NUM, Anglo sign landmark pact

(211) Sowetan 13/9/96

By Mzimkulu Malunga

THE NATIONAL UNION of Mine-workers (NUM) and Anglo's gold and uranium division have signed a landmark agreement to review the way work is done on Anglo's mines

Detailing the objectives of the agreement yesterday, NUM president James Motlatsi and the chairman of Anglo's gold and uranium division, Bobby Godsell, said the accord was mainly geared to saving jobs

The aim is to review, among other things, the working calendar and remuneration practices

The two men said the agreement would complement processes that were already under way, such as reviewing job grading, looking at possibilities of continuous blasting, intensification of education and training as well as prioritising issues relating to health and safety

The spin-offs from the successful implementation of the programme, said Godsell, would not only be an improvement in productivity and wage levels, but could lay the foundation for a "fully-fledged partnership"

"We cannot leave the future of South African gold mining industry in the hands of speculators, the gold price and the rand-dollar exchange rate," he said

The agreement was also aimed at improving efficiency at Anglo's mines and minimise downscaling - which often results in job losses

Motlatsi said although the implementation of the agreement was going to be done at plant, shaft and section levels, the union was not signalling a deviation from its commitment to collective bargaining

Agreement may lead to improvement in high productivity and wage levels



Facing up to challenges of the 21st century...NUM's James Motlatsi and Anglo's Bobby Godsell are looking to the future.

"We are still committed to collective bargaining but whether we like it or not, when it comes to productivity issues the situation differs from mine to mine," he said

Self-regulatory

His words were echoed by Godsell who said he hoped the collective bargaining framework set within the mining industry was going to be strengthened so that the industry could continue to become self-regulatory

If implemented, the agreement will mean the start of the new era on the mines where cooperation would be the key and confrontation would be thrown out through the window

Godsell said if the cooperative spirit that was demonstrated by both

NUM and Anglo when the company's several marginal shafts in the Free State were threatened with closure because of rising cost, could be extended to the rest of the mines, the future of South African gold mining could be bright

He said Anglo's hope was that the agreement would also set the ball rolling for productivity levels on all Anglo mines to match that of Elandsrand mine near Carletonville - which he described as "a mine for the 21st century"

There is not as much gold under South Africa's ground as the one that had already been mined for more than a century, the question was how to mine it in a profitable manner, he added

Gold thieves cost SA mines R1,5bn

(211) CT(BR) 17/9/96

From Reuter

Cape Town — Mines yesterday called for a revision of a draft law to ensure that police could continue to use entrapment in their fight against gold theft, which costs the mines about R1,5 billion a year

"The trapping system should be retained as a lawful method of combating crime," the Chamber of Mines, representing the owners of most of the country's mines, said in a submission to parliament's justice committee

The committee is holding public hearings on a package of bills designed to bolster the fight against organised crime, fraud and the drugs trade

The Criminal Procedure Amendment Bill proposes to regulate the use of entrapment to make it legal in terms of the country's new constitution and to protect the civil rights of the victim

The chamber estimated that up to 30 tons of unrefined gold worth about R1,5 billion was stolen from South African mines every year

The chamber said the losses, which were equal to about 34 percent of the industry's operating profit last year, affected shareholders directly because the full cost of production had been paid on the stolen gold

"From these figures, it is apparent that the theft of gold represents a very real threat to the viability of the gold mining industry itself," the chamber said

The chamber supported provisions to prevent abuse of the trapping system

Y NEWS

INSIDE BUSINESS

Anglo-NUM pact signals end of an era

(211) CT(BE) 18/9/96
Anglo American Corporation may have unwittingly triggered seismic activity recently, which could reverberate all the way to its 44 Main Street headquarters

Last week, Anglo's gold division and the National Union of Mineworkers (NUM) said they planned to review all work and management practices at Anglo's five gold mines, with a view to improving productivity and securing jobs

Bobby Godsell, the chairman of Anglo's gold and uranium division, said the review was aimed at changing "the way people interact on a daily basis on the gold mines, how performance is measured, how information is shared and how discipline is applied"

The two parties said their intention was that the review should be conducted at company level "as it is at this level where concrete issues of productivity improvement can be addressed"

Anglo and the NUM hope to have made significant progress within six months, but a really thorough review could take much longer. Changing a culture is not

an easy task, more so if it has been in existence for many decades. The mining industry is one of the most conservative workplaces

The industry developed and thrived when labour was an abundant and cheap resource

Today that is no longer the case. Though the NUM would argue, justifiably so, that mine workers are still underpaid, the position of the South African gold mining industry has swung from the low end towards the high end of the cost curve. Part of the reason is that mines have become deeper and it therefore costs more to extract gold from the bowels of the earth

So, transforming a well-entrenched way of life within six months is a tall order. The biggest hurdle that Anglo and the NUM will have to overcome is the re-orientation of management and labour to the new environment

Change is pain, and part of the pain will come from the fact that



JABULANI SIKHAKHANE

the change will at a minimum put pressure on traditional reporting structures

If the plan is to succeed, workers will have to be able to challenge management practices and question why work is organised in a particular manner and not another

The traditional role of management setting the agenda and giving orders of what is to be done and how it will be done, will have to end. Anglo will therefore have to assist its managers make that transition. Some managers may fall by the wayside

Even then, tensions will arise, at least initially, as labour and management get to grips with the new order. A transition infrastructure will have to be developed to handle this. This will increase the workload of management and labour representatives on the mines

The other issue is that changing the culture will require new ways of communication. The operational information to be shared will have to be packaged in a language that both management and labour can understand. Experience shows that during

each stage of the communication chain, interpretation is added such that by the time information reaches the end of the chain it has changed to a lesser or greater degree from the source

Also crucial is how the new order will affect the traditional relationship between the mining house and the gold mining company. Typically, these ties have resulted in a steep management structure and a long chain of decision-making, thus slowing progress and entrenching conservative attitudes

How much flexibility will mine management have in dealing with problems? Even within the mine itself, how much leeway will be given to underground teams to deal with difficulties they encounter?

Essentially, this is an experiment about trust, and conducting it deep down under the ground implies not only that it will be hard but also that its results will be meaningful

It may not work, of course, but I suspect Anglo and the NUM have started a tremor whose ripples will spread throughout South African business

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Fragmented union unable to reach settlement

Reneé Grawitzky

(211)
BD 19/9/96
A WAGE agreement was reached at the end of last week between the Chamber of Mines and the whites-only Mineworkers' Union. However, agreement with the Federated Mining Unions (FMU) still hangs in the balance after a majority vote in favour of striking. The agreement with the Mineworkers' Union was similar to the agreement reached with the National Union of Mineworkers.

The settlement ranged between 8,5% and 10% on gold mines and 9% to 9,5% on collieries.

However, during negotiations with the FMU, which represents mainly artisans and maintenance workers, problems developed. The FMU not only faced internal divisions during the negotiations, but also threatened industrial action. The FMU was supposed to notify the Chamber yesterday whether it had accepted the final offer, but one of the four unions making up

the FMU, the SA Electrical Workers' Association, broke ranks and announced its intention to withdraw from the federation.

SA Electrical Workers' Association spokesman Ben Nicholson said it was unlikely that a strike would be called for.

However, the general secretary of the largest union in the FMU, the National Employees' Trade Union, said workers, especially on Amcoal collieries, were threatening strike action.



Mine unions in joint peace rally

(211)
Renée Grawitzky

BD 20/9/96

IN A public display of reconciliation, the majority of East Driefontein's 12 000-member workforce gathered yesterday at a peace rally at the mine organised jointly by the NUM and the United Workers' Union of SA (Uwusa).

The peace rally, held yesterday at the mine, follows closely on the heels of the NUM peace rally held on Sunday where NUM president James Motlatsi denounced violence and urged workers to assist in ending violence.

Despite initial concern, it was reported that the rally went off relatively peacefully.

Both the NUM and Gold Fields reported that over the past week the level of violence had dropped significantly.

Sapa reports that the peace rally was disrupted barely an hour after it began, when about 2 000 NUM members staged a walkout after the introduction of 25 people who would serve as police reservists at the mine. The members refused to rejoin the rally despite pleas from NUM branch chairman Elias Monyemoratwe.

Today the major stakeholders will present written statements to the chairman of the commission of inquiry into mine violence at the three Gold Fields mines.

Judge John Myburgh was appointed last week to head up the commission which is expected to begin sitting next week.

The parties have been requested to present written statements containing information relating to their version of how the various incidents occurred at each mine; their theories about the causes of the violence, steps taken to avoid or reduce the level of violence and proposals to end violence in the future.

MINING WAGES

SEAMS OF MATURITY (211)
FM 20/9/96

Hailed by the industry as mature, sophisticated and pragmatic, this year's wage agreement between the Chamber of Mines and the National Union of Mineworkers marks a trend towards decentralised bargaining, based on union recognition that circumstances differ at the various mines

Wage talks, which started in mid-June and took three months to conclude, were difficult and protracted. The chamber's opening offer was below 5% and the union initially demanded a 25% wage rise. Settlement ranged from 5%-10,4% on gold mines and from 8,38%-13% at collieries

The average minimum wage in the lowest job grade now ranges from R800/month-R1 000/month — excluding food, accommodation, medical and now increased provident fund benefits paid by employers

Though there were fewer items for negotiation this year, they were particularly complex — specifically over the restructuring of the Mineworkers' Provident Fund and the Mineworkers' Assurance & Benefits Scheme

These are to be merged by a joint working party into a defined contribution fund by next July. All the industry's retirement funds will be restructured based on the principle of equity

The settlement also includes

- A framework agreement on industrial relations-related education and training at group or mine level, financed by employers,
- Paid leave to union representatives on specified mining industry tripartite bodies such as the Mine Health & Safety Council, Mining Qualifications Authority and the Minerals Policy Steering Committee,
- Seven days' unpaid paternity leave per year,
- Continuing the activities of the job grading committee, specifically over the issue of "broadbanding,"
- Establishing a working party to consider the possibility, proposed by the NUM, of a two-year wage review cycle. This will be a major innovation if it happens and will depend on its impact on

labour costs against that of the gold price, exchange rate and new employment standards legislation, and

- An in-principle agreement that the chamber and its collective bargaining partners institute a statutory bargaining forum, to which end a working party is to make recommendations

A bargaining council, which is strongly advocated in the Labour Relations Act, would institutionalise the chamber's collective bargaining arrangement with the unions and could take on a dispute resolution function

According to the chamber's chief negotiator, Frans Barker, it would not exclude greater decentralisation. "It might create the opportunity for an agreement to centralise certain issues and decentralise others"

In this vein, Anglo American gold division chairman Bobby Godsell and NUM president James Motlatsi have formally committed their sides, "as a matter of urgency, to do everything (they can) to facilitate and promote a review of work practices of workers and management on Anglo American group gold mines"

The objective of this review is to enhance all current work practices, including the working calendar, remuneration practices and all other issues that affect operational efficiency ■

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Gold Fields 'will not alter recruitment system'

(211) BD 2/10/96

Reneé Grawitzky

GOLD Fields did not plan to alter its system of recruiting individuals from a specific ethnic group for particular jobs, gold division MD Alan Munro told a commission of inquiry into mine violence at three Gold Fields mines yesterday.

Munro said over the years certain ethnic groups made certain jobs "their own" after having gained experience and skills in those jobs.

He was responding to questions by the NUM and commission chairman Judge John Myburgh about whether resentment could build up between workers if certain groups were identified as being linked to particular higher-paid skills.

Munro said it had become accepted in the industry that, for example, people from Lesotho were skilled shaft sinkers, and if such work was required, shaft sinkers would be recruited from Lesotho.

He rejected the notion of employing workers from only two ethnic groupings. The way to address violence was not to restrict recruitment from certain groupings. The company believed in recruiting a spread reflecting the country's demographics.

Munro said he was not opposed to the migrant labour system as such, even though it was undesirable. It was accepted across the world that certain jobs required separation from families.

Housing in the mining industry was not a problem, he said, as it was the one industry that provided some form of accommodation for all workers. Economic constraints, however, would determine whether the company could move away from single sex hostels. The number of workers in a room in the hostels of the three mines covered by the commission ranged from 12 to 17. He rejected compulsory integration in hostels as called for by the NUM and said people should be able to choose where they lived.

Munro also rejected a call by the NUM that there should be a further inquiry into the mining industry as a whole.

Myburgh urged Gold Fields and NUM to formulate their own solutions to the violence instead of relying on those imposed by the commission.

Gengold mines' earnings offset 9% Wage

(211) RD 15/10/96

Reinie Booysen

MINING group Gengold took a 9% mid-year wage increase on the chin in the September quarter by lifting bottom-line earnings for the five Gengold mines 1,8% to R57,4m, after increased output and a higher average gold price.

Total operating income for the mines increased 3,6% to R116m, as the average gold price rose 2,8% to R54 400/kg, and gold output

(including production from Oryx) climbed 6% to 10 104kg.

St Helena, which was threatened with closure two quarters ago, saw a substantial improvement, while Winkelhak broke even, after losses in the June quarter caused by substantial re-trenchment costs.

Oryx, whose future had been in the balance, resumed gold production, but geological obstacles, including a problematic dyke, were hampering progress.

At Beatrix, the group's largest gold producer, distributable income rose to R37,4m (R34,4m) Working costs totalled R118,2m (R108,1m) and capex fell to R34,3m (R43,7m).

A hedging position which fixed a portion of the gold sales at R49 370/kg left the average price received at R53 365, against an actual gold price of approximately R55 000/kg for the quarter.

The No 3 shaft expansion remained on schedule, while the plant expansion was completed, taking milling capacity to 230 000 tons a month. The long-term yield from Beatrix was put at "just less than 6g/t".

Gengold MD Tom Dale said the proposed merger between Beatrix and Oryx would only go ahead if Oryx achieved the same risk profile that Beatrix had. Management was trying to expand the resource base by incorporating adjoining properties. "It's important that Beatrix, as the industry's lowest cost producer, should secure them," said Dale. Kinross saw working costs increase to R274/ton milled (R262), and with the tax bill sharply higher at R4,2m (R13 000), distributable income had dropped to R10,9m (R21,9m). Dale said that further improvements were required.

GENGOLD September Quarter	Tons milled 000s	Yield g/ton	Gold produced kg	Costs per ton milled R	Costs per kg gold produced R	Price received R/kg	Net profit R000s	Profit after capex R000s	EPS after capex cents
BEATRIX	590	6,5	3 825	200,4	30 905	53 365	71 731	37 419	39,8
KINROSS	594	6,4	3 801	182,0	28 434	51 941	78 114	34 416	36,6
LESLIE	403	5,8	2 321	273,7	47 530	55 153	16 606	10 939	60,8
ST HELENA	382	6,0	2 279	261,7	43 863	53 988	26 074	21 970	122,1
WINKELHAAK	117	5,5	638	257,0	47 135	54 899	5 368	2 421	15,1
	114	5,4	616	260,9	48 274	52 497	3 685	2 683	16,8
	192	6,1	1 168	311,3	51 180	55 174	7 210	6 632	68,9
	180	6,1	1 094	309,5	50 917	53 147	5 183	4 146	43,1
	318	5,4	1 715	289,1	53 610	54 978	4 228	12	0,1
	310	5,6	1 738	323,4	57 678	53 620	(4 117)	(6 816)	(56,0)

were being made to increase gold production to 1 000kg a month.

"If we don't get to 1 000kg, we are going to permanently down-scale the mine," he said.

Leslie's distributable income dropped to R2,4m (R2,7m) as capital expenditure rose from R1m to R2,9m to fund new self-rescuers.

Dale said Leslie's costs a kilogram of R47 135 exceeded the target, and the declining gold values in the ore were worrying.

increase

Union at Gold Fields mine in negotiations deadlock

Northam could face more trouble

GUY OLIVER

Johannesburg — The result of a National Union of Mineworkers strike ballot expected today will determine whether Northam platinum mine begins the fourth quarter in the same grim vein in which it finished the past quarter.

The union at the Gold Fields mine has reached a deadlock in wage negotiations after a third quarter racked by violent conflict.

Northam is not party to the Chamber of Mines wage agreements, wage negotiations are conducted at mine level. The union has about 3 400 members at the three-year old mine, from a workforce of about 5 350.

Northam was one of three Gold Fields mines hit by mine violence resulting in the death of 42 miners and injuries to 203 others. The others were East Driefontein and Leeudoorn.

Union members reached a deadlock late last month after non-unionised workers accepted

the 10 percent wage increase offered by the management

Mahlakeng, the union's Rustenburg co-ordinator, said that though the union had demanded 15 percent, it was willing to accept 10 percent if the management moved towards parity with other mines. He said the R556 monthly minimum wage was a few hundred rand below other mines, and the union had refused a 1 percent quarterly profit scheme because Northam was a new mine and it was not making a profit.

The wage deadlock has further increased volatility at the mine following the findings of Judge John Myburgh's commission, which called the Northam union leadership maverick.

Myburgh recommended suspending the branch committee, especially Joseph Moloko, the branch chairman.

One of the consequences of the violence at Northam, which is one of the few Gold Fields mines to have integrated all its hostels, was the eviction of 660

Zulu-speaking miners. The commission found that the workers were evicted for ethnic reasons, and it considered Moloko a key instigator in the bloody affair.

Mahlakeng said yesterday that Moloko remained active as the branch chairman and was part of the wage negotiation team. He said Moloko could not be suspended until the union had completed its own investigation into the allegations.

Myburgh said in his report to President Nelson Mandela that "it is impossible for management to deal with a branch committee on the issue of the return of the Zulu-speaking employees when members were involved in inciting the violence which caused (their) eviction."

"The mine management and the branch committee, led by Mr Moloko, are in the process of negotiating wages. That is an untenable situation."

Michael de Kock, the Gold Fields spokesman, said the company had advised the union's head office about Myburgh's rec-

ommendation that Moloko be suspended from his duties. He declined to comment further.

But the troubles that haunt Gold Fields have been brought on by the mine company itself, according to analysts. One analyst told Reuters that "all other (mining houses) give you an indication of what their strategy is. Gold Fields doesn't seem to have a plan. We can't keep moaning about it not being a perfect world. Everybody knows that, and other companies manage to perform."

On Monday, Gold Fields said Northam had recorded a net loss before capital spending of R7.39 million in the September quarter, after turning a profit of R8.17 million the previous quarter. The mine produced 75 365oz of precious metals and concentrates in the quarter.

Peter Janisch, the mine's chairman, said during the presentation of the results that the mine hoped the labour tensions would not lead to a strike, but the mine would be prepared for it.

Nedlac launches labour workshop programme

FROM SAPA

Johannesburg — The National Economic Development and Labour Council (Nedlac) announced in Johannesburg yesterday that it had launched a R2 million programme of labour-management workshops to meet the challenge of South Africa's workplace.

The aim was to enhance co-

operation between workers and management to boost the country's competitiveness and employment creation by improving industrial performance and productivity, the council said.

The workshops would be operated in co-operation with the National Productivity Institute and crafted with the participation of labour, business and the trade and industry and labour

departments, Nedlac said.

The productivity institute has committed R1 million in initial funding and this was expected to be matched by the trade and industry department.

Strategies

Jayendra Nardoo, Nedlac executive director, said "there is an urgent need to devise workplace

strategies which will allow South African industries and companies to develop in an internationally competitive, labour and skills-intensive fashion." The programme will be in three phases, with the first starting at Badplaas in Mpumalanga province tomorrow.

Phases two and three will begin in February and September next year.

Anglogold fights to save jobs

(211) *Research 18/10/96*

By Mzimkulu Malunga

THE gold and uranium division of the Anglo group, Anglogold, says it is doing its best to minimise job losses as it downsizes its Free State mines

Yesterday, the division's chief executive, Bobby Godsell, said apart from an average of 400 workers who leave the group's Free State mines voluntarily, about 200 workers would probably lose their jobs as a result of the downsizing of some shafts

Most of them were surface workers made redundant by the closure of some of the hostels. Even in that situation, he said, some of the jobs could be saved if people opted for alternative underground work on offer

Anglo employs more than 60 000 people at its Free State mines. Early this year the company was on the verge of retrenching 10 000 workers as costs escalated and profits plunged

But after joint efforts by management and the National Union of Mineworkers, most of the shafts threatened with closure were saved

Downsizing

Godsell said the downsizing should be viewed in the context of the age of the shafts. He said most of Anglo's Free State mines were old. But his company would continue to explore new gold reserves and possibilities of opening new mines in the area

Although Anglogold's revenue

increased by four percent to R54,9 billion in the third quarter ended September 30, the company's shareholders would not necessarily be smiling all the way to the bank as profits declined by three percent

The decline in profits was attributed to the annual wage increases which came into effect during the quarter in question

As was the case in the previous quarter, the star performer in Anglogold stable was Elandsrand – situated near Carletonville

Godsell also announced that Anglogold – which is to be known as Amgold – has been restructured in order to "create a united management team"

NUM, Anglo move on improving productivity

(21)
Reneé Grawitzky
SD 2/11/96

THE regional leadership of the National Union of Mineworkers (NUM) and Anglo American's Vaal Reefs operations have agreed on a set of guidelines to be used in giving effect to an undertaking signed at national level to increase productivity.

After the signing of the industry wage agreement in September, the NUM and Anglo entered into an understanding to work towards increasing efficiency by reviewing work practices with the objective of enhancing productivity.

The parties set a deadline of six months in which to get the process going at Anglo's five main operations.

Vaal Reefs management, addressing the release of Anglo's gold quarterly review last week, said a workshop held with the NUM's regional and branch leadership at the end of September had resulted in the parties agreeing to a revised structure for the effective operation of the company.

NUM regional secretary Hoyce Pundulu said the workshop had been to deal with the restructuring of Vaal Reefs mine. The question of productivity would be dealt with at a meeting in November.

Vaal Reefs north and south mines have merged into one mine with six business units, he said.

The union agreed to establish one branch committee for the whole of Vaal Reefs. Vaal Reefs management said that this structure would ultimately be responsible for negotiating an umbrella agreement on productivity.

Vaal Reefs chief operating officer Dick Fisher said bargaining would take place at two levels - the company and business unit level.

The separate business units would negotiate detailed agreements to give effect to company level umbrella agreements on productivity. The union would be able to elect a full-time shaft steward for each business unit.

Pundulu said such a process required open disclosure of information by management to ensure that workers were involved from the outset in the planning stages to improve productivity.

Traditionally, he said, the union and workers were only brought on board when problems existed, but not usually in the planning stages.

SA BUSINESS DIGEST

Northam makes minimum-wage concessions, possibly averting strike (211)

The National Union of Mineworkers and the management of Northam Platinum Mines were close to averting a strike yesterday after the management made concessions on a minimum wage, Mahlakeng Mahlakeng, the union's regional co-ordinator, said. About 96,8 percent of the union's 3 300 members at Northam voted in favour of a strike last Wednesday, but talks had brought the two sides close to an agreement, though a final decision was yet to be sealed, Mahlakeng said. "We are unable, however, to confirm if we have called the strike off or if we are still going on strike."

The union and the management at the mine, owned by Gold Fields of South Africa, reached deadlock over wage increases on September 26. The union had demanded a 15 percent pay rise but was prepared to accept the management's offer of 10 percent. The union said the point of contention was wage parity, because Northam's minimum wage of about R556 was well below that of other mines. But Mahlakeng said the management had conceded points on the issue. He said a final decision on whether or not a settlement had been agreed was due at about 7pm yesterday. —
Reuter, Johannesburg

ET(BR)22/10/96

Revised wage offer likely to satisfy Northam miners

CF (92) 24/10/96 (211)
FROM REUTER

Johannesburg — The National Union of Mineworkers (NUM) said yesterday that workers at Northam Platinum were debating management's latest wage offer and a planned strike at the mine was likely to be averted.

Mahlakeng Mahlakeng, the NUM's regional co-ordinator, said that workers were due to discuss Northam management's latest revised wage offer at a meeting today.

"The workers will be having another meeting tomorrow and see what they can make of management's further offer," Mahlakeng said.

He said the chances of the

workers going on strike were slim.

"The possibility of strike action at the moment is very slim. It is a very, very small hiccup, but a final decision has to be taken by workers tomorrow."

The majority of Northam's 3 300 union members voted to strike last week after mine management and the union deadlocked over wages on September 26.

The union had initially demanded a 15 percent pay hike but was prepared to accept management's offer of 10 percent.

NUM said the point of contention was wage parity, as Northam's minimum wage of about R556 was well below that of other mines.

Gold mining 'enters new era of productivity'

ANDI SPICER

MINING AND RESOURCES EDITOR

Johannesburg — Employment at South Africa's gold mines will stabilise at about present levels after their recent steep falls, Kelvin Williams, AngloGold's marketing director, said at the Nikkei gold conference in Tokyo yesterday.

He said the industry had entered a new era of productivity it had "turned a corner and (was) about to enter a period of productivity and blue-sky opportunities,

which will change the face and nature of this industry"

South Africa produces 500 tons of gold a year, the lowest level of production since 1956. It employs 347 000 people, down from a peak of 534 000 in 1986 when it produced 640 tons of gold.

Williams said that though there had been a substantial reduction in jobs, labour costs still constituted between 50 percent and 55 percent of the working costs in South African gold mining.

The reduction in employment numbers had been partly due to the rising cost of labour and partly due to other factors, including improved mining methods, he said.

He emphasised the increased role of the management of labour relations and health and safety at work.

"The industry is mining at lower grades and at deeper levels than at any time in its history. While no threat of nationalisation exists from the new government, the industry is faced with

political circumstances in which the government is determined to make substantive changes which will impact in legislation controlling health and safety at work.

"This will extend employee rights in the collective bargaining and related workplace issues."

He said management and labour were moving towards a "positive environment" to tackle the "common problems of productivity and viability in the industry."

Labour was "showing signs of recognition of the need for serious effort in the drive for productivity, and of the need for a responsible and active role in the health of the industry for the future."

"The challenges lie not merely in the general area of better utilisation of working time or the area of a longer working week. It lies in the wholesale and thorough training of all employees on a syllabus broader and more far-sighted than the job-specific training available in the past."

(211) CT (Be) 25/10/96

Union acts on mine housing²¹¹

sewetlan 8/11/96

By Abdul Milazi

SOUTH AFRICA'S mining industry can provide housing for the millions of black migrant workers at a very low cost, if mine bosses are willing to work together with the workers

National Union of Mine-workers (NUM) general secretary Kgalema Motlanthe says contrary to belief, it will not cost mining houses billions of rands to put up family housing for their employees

"NUM has proposed that workers will use public holidays to work into a fund which will finance decent housing," says Motlanthe

Mining is South Africa's major employer and most important foreign exchange earner but its housing system for black workers has been the centre of controversy since the turn of the century

Trade unions have attributed the spate of ethnic violence on the mines to the single-sex hostels which are structured along tribal lines

Motlanthe says mining companies already own large tracts of land that could be used to build houses and employees will provide some of the required labour and basic funding

"We came up with this idea before the elections, expecting the number of public holidays in the mining industry to increase from four to 12 days

"Workers agreed to work on holidays and the money would go into a fund that would finance the building of the houses"

They took the idea to the Congress of South African Trade Unions with the expectations that it would be adopted by other affiliates in the federation

"We thought it would be the most appropriate way of dealing with the RDP (Reconstruction and Development Programme) We believe that we have to control our own destiny, instead of being victims who have to be assisted"

The idea of family housing was accepted by 50 percent of the NUM members, while the other half preferred bachelor flats

"The contributing factor to this

Black mine workers have been isolated from the mining towns



Lonely and away from home ... NUM's housing policy aims to put an end to scenes like this.

stance is job insecurity among workers from rural areas These workers think it will not make sense to build a house in the urban area and bring their families up only to be retrenched three months later," says Motlanthe

The mining industry first had housing subsidies for whites only and later based the criteria for qualifying for the subsidy scheme on seniority and this covered only excluded blacks

Heavy security

Black mine workers, he says, have been isolated from the mining towns and were not taken as part of the residents "They were kept in the hostels which had 24-hour security and ensured that the employer still had control over them even during their leisure time"

Whites, on the other hand, were housed in family houses or bachelor flats outside the mine and away from the heavy security situation blacks are subjected to

He argues that black workers had nothing to do while languishing in prison-like confinement, which led to tension and frustration "This situation becomes so electric that petty arguments turn into ethnic clashes and erupt into violence"

NUM's housing unit is currently developing housing policies and training shop stewards to deal

with the problem on the mines

In areas like De Beers' Namaqualand mine, NUM has been battling to get the mine management to upgrade the hostels and provide family housing for years, to no avail

De Beers says the mine has only a 10-year lifespan and it would be pointless to build a township and then abandon people when the mine closes

However, NUM's development unit is already taking care of retrenched workers by teaching them business skills and helping them start their own businesses

"We started cooperatives, hoping to absorb those thousands of unemployed workers, but the transformation from being workers to (business) owners was not easy The process took a lot of resources and time"

However, Motlanthe says the cooperatives could not accommodate all retrenched workers in rural areas and this created divisions

"We then took a new approach to negotiate a training fund with any employer wherever retrenchments are planned With these funds we have established development centres in areas like the Eastern Cape and Lesotho," Motlanthe says

● Yesterday we reported NUM's membership to be 35 000 The union in actual fact has more than 350 000 members

COMPAN

Zambian copper miners kept at work because it is cheaper

Mines cannot afford lay-offs

CT (BR) 11/11/96 (211)

JAMES LAMONT

INDUSTRIAL EDITOR

Ndola, Zambia — Zambia Consolidated Copper Mines (ZCCM) is unable to lay off sections of its bloated workforce because its cash flow is too weak to pay retrenchment packages, company sources said at the weekend.

A senior ZCCM official said thousands of the 50 000 local labour force on Zambia's nationalised copper mines were willing to take retrenchment packages, but the parastatal did not have the money to pay them off.

A source close to the Zambian Privatisation Agency said 7 000 workers had been 'sensitised' to retrenchment, but it was cheaper to continue employing them. He said it cost the mine \$2.3 million a month to employ the workers it had already earmarked for retrenchment.

He said the government had expected a loan from the World Bank to fund the retrenchments, but the finance had not yet been forthcoming.

Ronald Penza, the finance minister said this week ZCCM would retrench between 10 000 and 15 000 workers and identified retrenchment as an obstacle to privatisation. "We need to address firstly and upfront the issue of retrenchment. That is one aspect of the programme that could delay the privatisation programme," he said.

The Privatisation Agency and



NOWHERE TO GO Empty barrows symbolise the empty coffers at ZCCM

PHOTO BY WOODROOF

ZCCM, which accounts for about 70 percent of Zambia's export earnings, have identified nine asset packages that will be prepared for sale in the next two years.

They have acknowledged the urgent need for foreign capital and expertise to boost copper production from a low of 300 000 tons last year and revive the depressed copper belt. In the boom of the 1970s, the mine produced

700 000 tons of the metal.

Thirty-eight companies, with strong representation from South Africa and North America, have prequalified for the sale of the majority interests and are required to submit their bids by February 28. Among them are Anglovaal, Anglo American, Iscor, Gencor, Metorex, Randex and Eskom.

Anglo American, as Zambia Copper Investments, holds a

27 percent stake in ZCCM that it is likely to convert into a stake in the Konkola Deep mine. The Konkola ore body is estimated at 440 million tons.

Last year Zambia privatised 130 state companies. But after the elections on November 18, privatisation is expected to accelerate and apply to the key restructuring of ZCCM, Zamtel, the telecommunications utility and Zesco, the electricity utility.

Miners' missing pensions to be paid

Reneé Grawitzky (211) (211)

THE Malawian government indicated yesterday that retired workers previously employed on SA gold mines, who did not receive pension payments from 1992-1994, would be refunded

This emerged after reports in a Malawian newspaper last week that a government audit had shown that between 1992 and 1994 that country's former and present governments had spent \$2m from a fund established to ensure 22 000 former migrant workers received their monthly pensions

Malawian Labour Minister Kaliyoma Phumisa said yesterday that certain ministries, such as external affairs, had used the money instead of it being paid out to the pensioners.

Phumisa said that since 1994, funds received by the ministry were being paid out to retired migrant workers

Before June 1994, Rand Mutual Assurance paid over a cheque, with a

ED 19/11/96
schedule of the beneficiaries, to the Malawian consulate in Johannesburg, which was then responsible for directing the funds to the Malawian labour ministry Rand Mutual Assurance said once the money was paid over to the consulate, Rand Mutual's responsibilities ended

Teba, the Chamber of Mines' recruiting arm took over the responsibility for distributing the funds in Malawi in June 1994.

As a result distribution no longer went through the consulate in Johannesburg or the ministry in Malawi

Teba MD Roger Rowett confirmed that since June 1994, a Teba office in Lilongwe had been handling the payments

Rowett said personnel in Lilongwe had assured head office that payments were now reaching the accounts of the beneficiaries

The Chamber of Mines said it would monitor the situation.

Mine jobs threat

as toll set at 20

~~21~~ (21) ARG 4/12/96
Johannesburg - The death toll in the disaster at Roberts Victor Diamond Mine in the Free State has been confirmed as 20 - with mine management saying two miners at first feared dead were not on duty at the time.

But in a new blow for 200 surviving workers, the mine warned that they could lose their jobs

"The newest concern for the 200 surviving miners is whether the mine will be able to operate again and to provide them with employment," the mine-owners, Botswana Diamondfields, said in a statement yesterday.

"The owners and mine management intend to bring the mine back into production - but the timing and cost must still be assessed," the statement said, without elaborating.

The mine - at Dealesville, about 60km west of Bloemfontein - was hit by an underground mudslide last week after heavy rain.

Rescue teams abandoned their search for bodies last Thursday after it became too dangerous to continue, because mud was still flowing into the mine

Twenty-two miners were feared dead but the mine said one had been found to be off sick on the day and a second was believed to be absent without leave in Mozambique

The dead were from South Africa, Lesotho and Mozambique - Reuter

There's no glitter in a black gold miner's life

(211) *SAW* 18/12/96

Gold miners' wages were below the poverty datum line, while annual increases rarely exceeded the inflation rate, a report on work and living conditions on South Africa's gold mines revealed yesterday.

The document, released in Pretoria, said the average monthly wage of black miners was R845 in 1991, compared with R4 253 for whites.

It said wage policy did little to change the situation - wage increases were below the inflation rate. Although supplemented by a gold price bonus and a productivity bonus scheme, the annual pay rise usually hovered around the inflation mark.

The report said about 5% of miners could afford to take part in housing schemes.

About 95% of them therefore lived in single-sex hostels with between eight and 24 miners to a room.

"A significant proportion of South African mineworkers remain tied to a system which amounts to enforced migrancy," the document said.

Mining houses spent as little as R5 a day per head on food.

Releasing the report in Pretoria, researcher Professor Eddie Webster from the University of the Witwatersrand's Sociology of Work Unit said there had been a steady decline in the availability of work.

The industry had retrenched about 40% of its black labour force between 1987 and 1993.

While it was agreed that a significant reduction of the industry's labour force was necessary, restructuring brought a catastrophic degree of suffering to hundreds of thousands of dependants.

Webster said the social costs of downscaling should not be

passed on to rural economies.

"The men and women who built the industry should not be the ones to pay the costs of its downscaling," he said.

The report said nearly two miners died underground every working day in the 1990s, adding that serious diseases, including tuberculosis, were widespread.

"The overall figures may well be worse," the document said. "There are indications that accidents may be under-reported, while the fact that most former mineworkers return to remote rural areas inhibits data collection regarding the incidence of occupational diseases."

It added that employers still tended to view new safety measures as an additional cost rather than a fundamental part of business.

"The failure to take all possible precautions to protect workers from injury and death appears to stem from the industry's reliance on

what it regarded as unskilled and easily replaceable temporary workers. "Much that could have protected workers has been left undone."

The report said the prevalence of Aids in the mining industry was likely to be higher than the national average. "Researchers in the field estimate that in the mining industry HIV prevalence will peak at between 25 and 40%."

The report proposed that wage revisions be accompanied by skills training, a revision of grading and the removal of what it said were racial hierarchies. It also urged that adequate retrenchment packages be introduced.

Labour Minister Tito Mboweni said some of the recommendations in the report commissioned by the Labour Ministry were already being acted upon. - Sapa.

Report calls for shake-up of industry

Call for probe of basic wages in gold mine industry

(211) BD 18/12/96
Renee Grawitzky

A RENEWED call has been made for an investigation into basic wages and conditions of employment in the gold mining industry

This forms part of the far-reaching recommendations in a report released by the labour department. The report was compiled at the department's request by the Sociology of Work Unit of Wits University

Industry sources said the call for an investigation into wage levels brought into question the future of collective bargaining and government's commitment to centralised bargaining

Labour Minister Tito Mboweni said the purpose of the report was to ensure that the public had a better understanding of the conditions in the "somewhat hidden industry"

The report, he said, would be fed into a broader investigation into working conditions in the industry, approved by cabinet in the wake of the Myburgh recommendations into mine violence

The report focused on the social costs of downscaling, restructuring the labour market, housing, wages and skills, health and safety and AIDS

Wits sociology professor Eddie Webster said the key aspect of the report was to highlight the social costs of downscaling, which had led to a dramatic decline in employment. It estimated that the industry retrenched 40% of its workforce between 1987 and 1993. The impact of this would be felt both within SA and regionally

"Downscaling should ensure that workers who built up the industry should not have to bear the social costs thereof." The report recommended the introduction of mechanisms to facilitate the promotion of diversifying local economies to ensure employment and growth in the wake of downscaling

The industry was pulled in incompatible directions — "the first demanding significant change, the second demanding short-term cost-saving". The industry, although remaining a significant contributor to the gross domestic product, faced immense pressure to become competitive and efficient

Development under apartheid pro-

Continued on Page 2

Mining

(211)
BD 18/12/96
Continued from Page 1

vided a "severe constraint to its international competitiveness in a post-apartheid era". Such inefficiencies would remain until the industry was in a position to "deploy a skilled, participative and well-paid workforce in an efficient labour process"

In view of average wages remaining below the poverty datum line, the report called for a revision of wage rates, regrading of jobs, removal of racial hierarchies and skills training

The provision of housing had to be altered to meet the needs of a stabilised workforce with long-term objectives of ensuring the provision of a range of housing options together with financial mechanisms to support and supply such housing

Miners in housing talks

(211) Soweran 19/12/96
Separate housing corporation proposed

By Joshua Raboroko

GOVERNMENT, MINE BOSSES and trade unions are to meet early next month to finalise talks on a proposal to use Government subsidies to upgrade mine hostels and to expand housing options for thousands of workers

The meeting is a sequel to proposals by the Government, Chamber of Mines and the National Union of Mineworkers to overhaul the hostel system in South Africa

The proposal signals to employers and local authorities that innovative approaches to housing will be supported

This has emerged in preliminary discussions between the Government, Chamber of Mines and the NUM aimed at upgrading and converting hostels to family quarters, or new family units to be rented to workers

It is understood that there has been a pro-

posal to establish a separate housing corporation, to which hostels owned by mining houses, would be transferred

The Housing Ministry yesterday said the hostel upgrading policy of 1995 had been amended to provide funding of R15 000 per family and R3 750 an individual

These amounts were linked with the national housing subsidy norms and were payable to owners of rented hostel accommodation

This means that hostel dwellers would qualify for a home-ownership subsidy if they choose to buy or build their own houses

It said employers could use "institutional subsidies", as proposed by the Government's task team, to enable workers to buy homes

In a statement yesterday, Chamber of

Mines president Mr Nick Segal said the chamber was pleased to participate in designing an approach that would benefit those it was aimed at

Diversity

The huge diversity of circumstances among mining companies needed to be taken into account such as different practices on remunerations for housing and the management of hostels

A few pilot schemes would not be sufficient to highlight those diversities and it was important to recognise that no single model could be universally applicable he stressed

The NUM said it would consider the proposal which could go a long way towards improving living conditions for workers

Wits report on mining slammed by Chamber

(211) Nov 23/12/96

BY GÖBA NDHLOVU

The Chamber of Mines has sharply criticised a government report on the mining industry

The report, on the existing working and living conditions of gold miners in South Africa, was compiled by the University of the Witwatersrand's sociology-of-work unit at the request of the Department of Labour

Dr Nick Segal, president of the Chamber, said the report focused mainly on the past

"It creates an insinuation that the mining industry remains committed to practices prevalent in the apartheid era. This is simply not true," he said

Segal's reaction to the report released last Tuesday was the second critical response. The managing director of Impala Holdings, Steve Kearney, also criticised it

"Unfortunately the dominant thrust of the report focuses on the past, with minimal acknowledgement of the many recent positive developments that now

characterise the industry," Kearney said

Segal said the report summarised past research into the mining industry and presented a critical, provocative and, in numerous instances, unwarranted view of the industry

While it gave some recognition to present industry initiatives, it was negative in its tone and content

He criticised the data used in the report as "hopelessly out of date" in many cases

His impression was that the authors did not seek to understand recent progress made in workplace restructuring, training and education

With regard to wages, he said the report was grossly misleading. The same applied to important advances made in the improvement of health and safety in the industry

It ignored the new proposed Mine Health and Safety Act, a law framed by labour, government and business in order to improve conditions, he said

Gold Fields sees better industrial relations

Reneé Grawitzky

GOLD Fields mines were in the process of implementing the Myburgh commission's recommendations to cut mine violence, with indications that the industrial relations climate at the mines was improving, gold executive director Alan Munroe said yesterday.

During the presentation of the December quarterly results, he said the improvement in the industrial relations climate could be partially attributed to the constant and increasing interaction between Gold Fields and the National Union of Mineworkers (NUM) at head office level.

He said managers at mines affected by mine violence were working with the unions to implement the Myburgh recommendations.

Judge John Myburgh, who headed the inquiry into the violence at Leeuwarden, East Driefontein and Northam platinum mines, proposed a number of recommendations which, bar two, were approved by cabinet.

Munroe said implementing the recommendations — which included the integration of hostels, the adoption of a weapons policy and the appointment of a committee to deal with the sale return of Zulu-speaking workers to Northam and Leeuwarden — was not an easy task but was being done.

(211) 2017 1197

East Driefontein mine manager Gavin Hepburn said the parties were involved in ensuring the integration of the hostels. Change, he said, was being effected by the unions and management, with management receiving cooperation from the NUM and the United Workers' Union of SA.

Leeuwarden mine manager Willem Delpert said that after the violence management and the unions realised they had to work together. The hostels, he said, were as yet not fully integrated but the process was under way. The Zulus had also returned to the mine.

See Page 11

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B
OFFICIALS

Office of the Master of the Supreme Court, Pretoria and the Magistrate's Office Veraniging WERTHEIM BECKER, P.O. Box 2277, Houghton, 2041. Ref: Mrs. Gordon.

LIQUIDATION AND DISTRIBUTION ACCOUNT
In the Estate of the late Ida Censor, Identity No: 090107 0018 006, Estate No: 13840/95. Last Address: 3 Roma-lador Avenue, Sandhurst Ext.4, Sandton. The First and Final liquidation and Distribution Account in this Estate will be open for inspection for a period of 21 (TWENTY-ONE) DAYS from the date of publication hereof at the Office of the Master of the Supreme Court, Pretoria and

STATE BUILDING CORNER MARKET & KRUIS STS JOHANNESBURG

PH30\DX388 Jhb SALE IN EXECUTION IN THE SUPREME COURT OF SOUTHERN AFRICA (WITWATERBRAND LOCAL DIVISION)

CASE NUMBER 96/23159
In the matter between: NEDCOR BANK LIMITED Plaintiff and CHAD PETER RAHME First Defendant
COLETTE GABY RAHME Second Defendant
IN EXECUTION OF A JUDGMENT of the Supreme Court of South Africa (Witwatersrand Local Division) in the abovementioned suit, a sale without reserve

STREET, JOHANNESBURG on 23 JANUARY 1997, at 10h00 of the undementioned property of the Defendant on the Conditions to be read out by the Auctioneer at the time of the sale, which Conditions will be for inspection prior to the sale at the offices of the Sheriff, JOHANNESBURG STREET, 32 VON BRANDIS STREET, JOHANNESBURG.

TERMS 10% (TEN PER CENT) of the purchase price in cash on the day of the sale, the balance payable against registration of transfer - a guarantee to be furnished within 14 (fourteen) days from date of sale AUCTIONEER'S CHARGES, payable on the day of the sale, to be calculated as follows: 5% (FIVE PER CENT) on the proceeds of the sale up to a price of R30 000,00 (THIRTY THOUSAND RAND) and thereafter 3% (THREE PER CENT) up to a maximum fee of R7 000,00 (SEVEN THOUSAND RAND). Minimum charge R280,00 (TWO HUNDRED AND SIXTY RAND) DATED AT ROODEPOORT THIS 27TH DAY OF NOVEMBER 1996.

DATED AT THIS 27TH DAY OF NOVEMBER 1996
VAN DER BIJL
FLORENDA PAUL
REF. MR. KOEHLER
SHERIFF OF THE SUPREME COURT
ROODEPOORT
182, PRIGG LINDHAVEN

PH30\DX388 Jhb SALE IN EXECUTION IN THE SUPREME COURT OF SOUTHERN AFRICA (WITWATERBRAND LOCAL DIVISION) IN THE MATTER BETWEEN NEDCOR BANK LIMITED Plaintiff and CHAD PETER RAHME First Defendant COLETTE GABY RAHME Second Defendant IN EXECUTION OF A JUDGMENT of the Supreme Court of South Africa (Witwatersrand Local Division) in the abovementioned suit, a sale without reserve

Agency retrains retrenched miners

Reneé Grawitzky

THOUSANDS of people in rural communities affected by the downsizing of the mining industry have become self-employed in recent years through the intervention and assistance of the Mineworkers' Development Agency

Labour commentators saw the work of the agency as being the type of work that unions should be engaged in, but which had been partly obscured by the high media profile given to union investment companies

The agency, a subsidiary of the National Union of Mineworkers, originated from a development unit established in 1988 to initiate job creation programmes for the retrenched miners and communities that relied on income from the industry. The agency was recently registered as a section

21 company

Agency head Kate Philips said this move did not represent a parting of the ways with the NUM. It reflected the need of the agency to develop a focused approach as a development agency, which was not the same as that of a union. The development unit initially concentrated on setting up co-operatives. These were successful to some degree, but not as a strategy for large-scale job creation.

The main thrust of the agency, she said, was to facilitate and empower members of communities to become self-employed through a programme of economic co-operation.

It would also ensure that rural communities were exposed to a range of income-generating possibilities, as opposed to the phenomenon of "copycat entrepreneurship".

One of the biggest constraints on rural economic development was the lack of easy access to affordable raw materials, a crucial trigger for local economic activity, she said.

The agency has established a poultry supply unit at its development centres at Mhala in Northern Province to ensure rural entrepreneurs benefited from central buying.

Over the past two years, the agency had trained more than 5 000 people in various skills to assist them in setting up individual businesses

Philips said although such initiatives were mostly marginal economic activities, it was crucial that a culture of production was initiated in the rural areas. "We found that there was a need to start at the level of products and markets that people understood — basic production for local consumption"

(211)

BD 16/1/97

The big breakthrough was for people to realise that they had to do it themselves. Once they had been empowered and gained confidence, they could move into more sophisticated markets with the objective of producing products for export out of the rural economy, she said.

The development centre in Mhala in Northern Province had begun packing Marula nuts and planned to start production of Marula beer, which would supply the worker-controlled beer hall at Premier Mine

The agency has set up development centres in Lesotho, Eastern Cape and Northern Province. Plans were under way to open the first urban centre in Welkom in March, which would target employed miners for the first time. The centres were financed jointly by the union and the mining industry

AVGOLD December Quarter	Tons milled 000s	Yield g/ton	Gold produced kg	Costs per ton milled R	Costs per kg gold produced R	Price received R/kg	Operating Surplus/ (Deficit) R000s	Capex R000s
GROUP	1 682	4,85	8 149	223	46 095	56 488	101 798	28 502
September	1 697	4,98	8 447	226	45 425	54 201	72 096	23 938
HARTIES DIV	1 199	5,00	5997	219	43 715	56 584	94 429	7 561
September	1 231	5,10	6 273	216	42 410	54 207	71 799	8 079
ETC DIV	85	7,28	617	364	49 973	56 170	3 085	3 678
September	85	6,71	573	385	57 384	52 520	(3 069)	2 357
LORRAINE DIV	398	3,86	1 534	208	53 838	56 240	4 284	838
September	381	4,20	1 601	222	52 958	54 779	3 366	533

Closure of shaft results in loss of 640 jobs at Randgold's ERPM

David McKay

THE closure of a loss-making shaft at Randgold-managed East Rand Proprietary Mines (ERPM) could cut its December quarter operating profit by two-thirds to R6m in the current quarter

Mine manager Ferdi Dippenaar said yesterday that the mine had opted to shut its L-shaft, hitting total gold production and resulting in the loss of 640 jobs

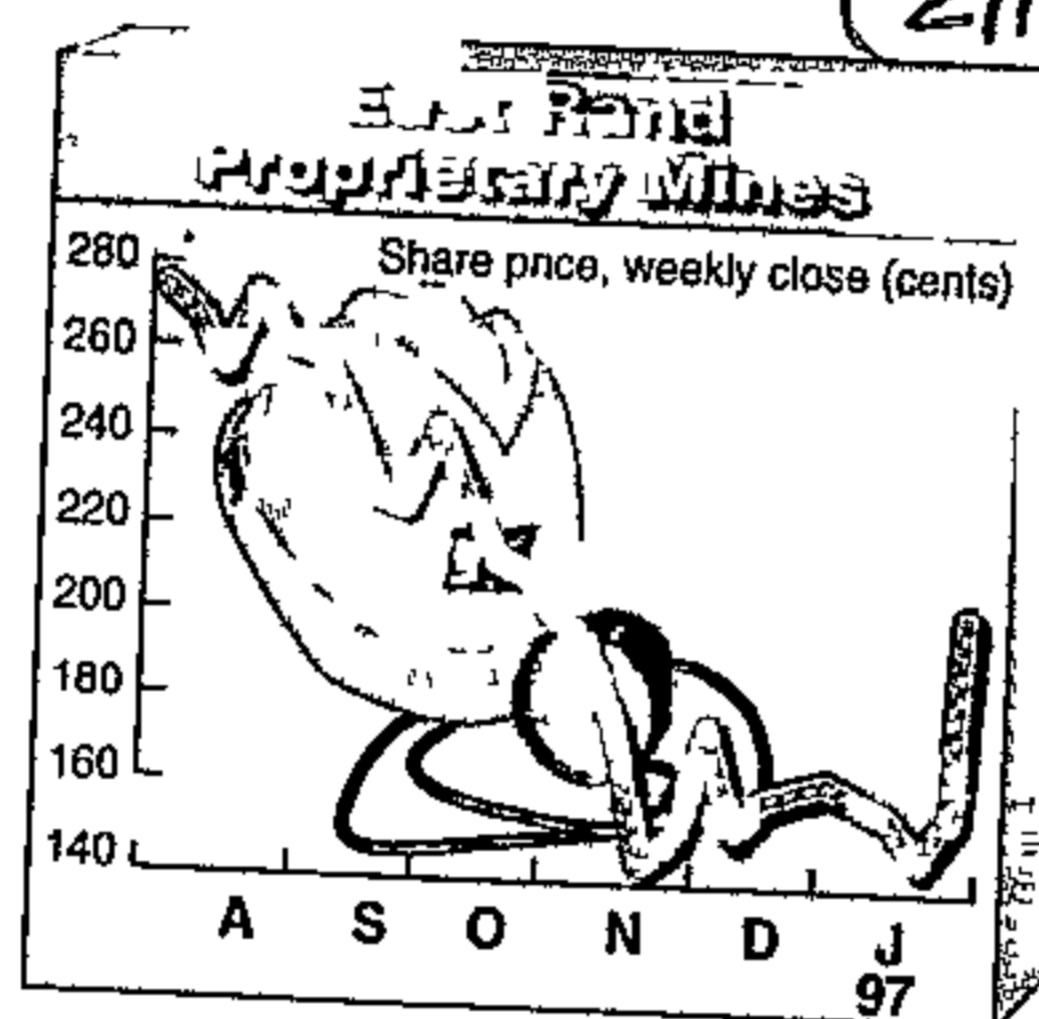
The mine had achieved taxed profit of R18,7m in the December quarter on lower costs and higher gold production, which rose by 107kg to 1 892kg compared to the September quarter. Dippenaar said the closure of the shaft would take about 210kg of gold off the mine's production in the March quarter.

This is equal to about R11m in revenues calculated at the average gold price of R56 000/kg received by ERPM in the December quarter.

There was a possibility the mine would be forced into the red as retrenchment costs had been calculated at R9m, but this was a "worst-case scenario".

A cleanup of the bottom of the L-shaft could recoup some of the production losses. Dippenaar said about 70kg-80kg of gold in waste ore, worth about R4m in potential revenue, could be retrieved.

The mine was also likely to be affected by a further fall of overall grade — which declined to 6,39g/t in the



(211) BD 29/1/97
December quarter (September 6,46g/t)

However, it was better to close the shaft immediately to minimise long-term losses. This was particularly true as the gold price had fallen sharply from the beginning of the year.

Dippenaar said ore reserves accessible from the L-shaft would not be lost as these could be accessed from another shaft (FEV shaft) at lower cost. He predicted that this would see the mine return to the black from the June quarter.

ERPM's good performance in the December quarter was part of an overall triumph for the mines in the Randgold stable.

Aggregate taxed profit rose 69% to R126,6m in the quarter.

Despite the outlook for the mine, the share price ended 30% stronger at 204c on the Johannesburg Stock Exchange yesterday in what some analysts said was a speculative play. An analyst said the share was reacting to gold price gains.

White union defies government threat

(211) CT (BR) 31/1/97

THABO LESHILO

Johannesburg — The white Mineworkers' Union (MWU) was determined to remain racially exclusive in spite of government threats to deregister it, AC Van Wyk, the acting secretary-general, said yesterday

Sipho Pityana, the director-general of labour, yesterday threatened to deregister the union because of its determination to remain true to its apartheid colours, against the laws of the country

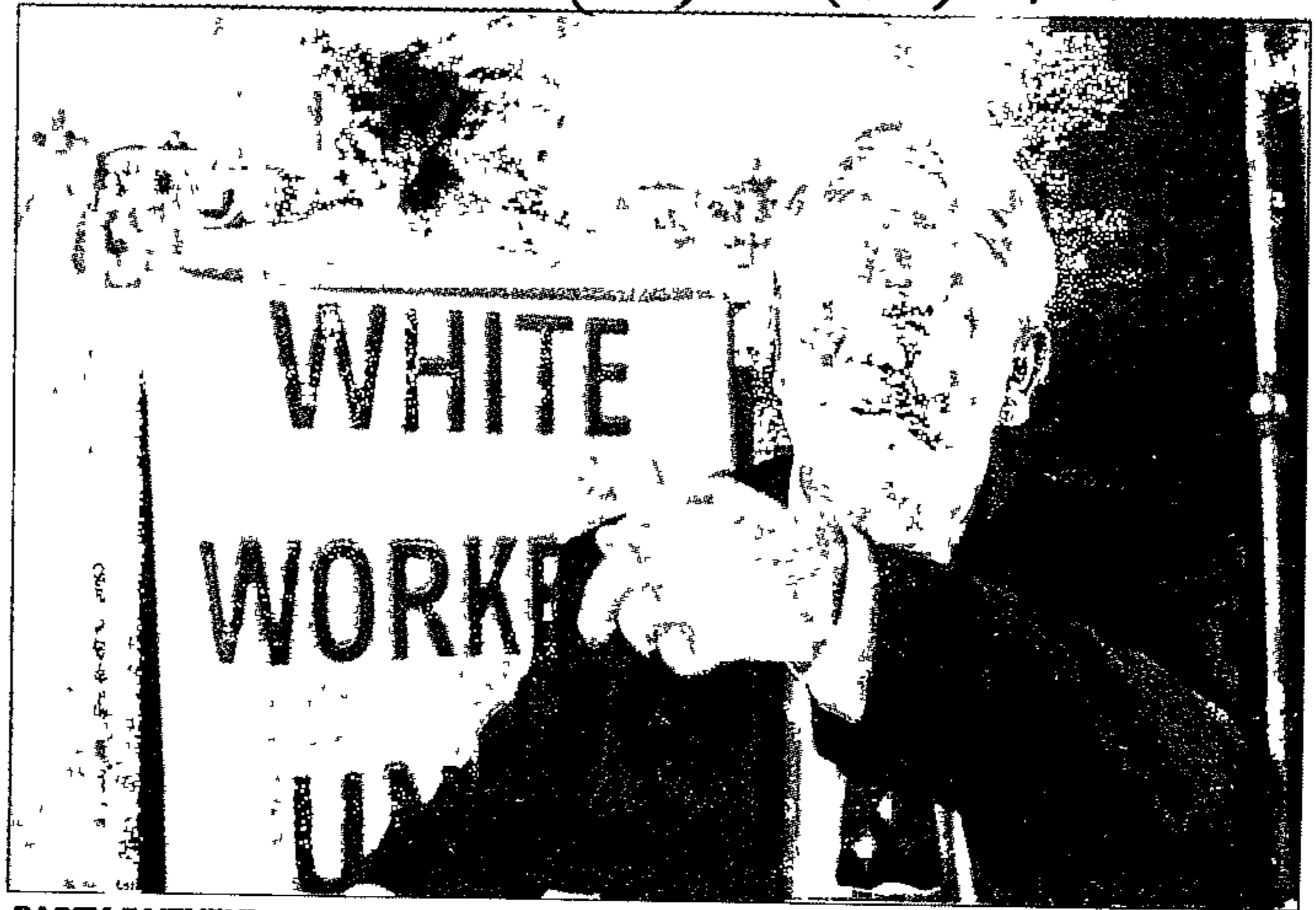
Van Wyk said after the union's two-day conference in Johannesburg "We will remain a de facto white union

"We will do everything in our power to preserve the Afrikaans culture, religion and language in the workplace"

The conference resolved to protect white workers "who are burdened by affirmative action" and to protect "Afrikaner culture" Van Wyk said the question of opening membership to blacks was not even discussed.

Pityana said there was no room for racially exclusive unions in South Africa's new dispensation "The new Labour Relations Act is seeking to affirm the meaning of that intent in the realm of the workplace"

Takalam Madima, a labour expert and advocate, said the MWU could not legally remain



PARTY FAITHFUL AC Van Wyk, the acting secretary-general of the Mineworkers' Union, speaking after the union's two-day conference in Johannesburg

PHOTO JOHN WOODROOF

exclusive as it would discriminate against others

Professor Clive Thompson, of the institute for development and labour law at the University of Cape Town, said Pityana would be obliged to deregister the MWU by law

If deregistered, the union would not be entitled to demand access to employers' premises or permit stop-order facilities. The union would also not be en-

titled to disclosure of information by employers or institute workplace forums.

"Most importantly, they cannot be a member of the bargaining council being mooted for the mining industry," said Thompson

Van Wyk said MWU would call a "national day of action" to demonstrate the union's belief in racial exclusivity. He would not specify the kind of action

The MWU represents mainly skilled employees in mining, telecommunications, engineering and local authorities. Van Wyk put the union's strength at 60 000 members

Van Wyk said the MWU had the right to remain "de facto white" in the same way that the National Union of Mineworkers was "a de facto black union" and the Conservative Party "a de facto white political party"

A new generation of qualified miners emerges

M+C (RM) 21-27 Jan 97 (211)

Fay Davids

In the mining industry, the proof of the pudding is in productivity. And in an industry where production hit a 40-year low last year, the story of a newly qualified miner at Gengold's Beatrix mine is inspiring.

In a 24-shift month he achieved a face advance — the rate at which a mine develops — of 30m when the industry average for the same period is just 10m.

Half South Africa's gold reserves have been mined since gold was discovered in 1886, and much of the rest requires deep mining to retrieve.

"The strength of hard-rock mining is in the people and they are the key to increasing productivity," says Gengold's managing director Tom Dale.

Gengold is spending between R50-million and R60-million a year on a programme to train a new generation of miners. Apartheid job reservation on the mines meant that black miners could not get blasting certificates.

Gengold's education project is open to all miners and offers them adult basic education up to standard seven, from where they are offered the chance to study full-time towards a blasting certificate. The adult basic education requirement is essential as a study by the mining house conducted three years ago found that 95% of its black employees were functionally illiterate.

To ensure commitment from workers, attendance at the adult basic edu-

cation programme is voluntary and must be taken after hours. But the programme is free.

"We think we can double labour productivity with this programme," says Dale.

Every four months, 80 qualified new miners hit the rock-face on Gengold's mines. The group estimated that it needs 1 000 miners to meet its productivity targets and that the entire project will be completed in two years' time.

Not all miners who enter the literacy project will end up as qualified miners with blasting certificates. But their standard seven certificates do fit into the National Qualifications Framework, which makes for greater portability across other industries.

Dale says the "higher density of educated, trained miners" will also reduce the number of accidents on mines.

JCI's Randfontein mine is pioneering a similar change in labour practices. Joint decision-making underground has seen face advance treble. In a survey of workers at Randfontein, 83 of the 93 sampled said they preferred the new underground method of work, 92 out of 98 said they felt they were involved in decision-making. Workers said better bonuses, team-work and multi-skilling were all important pluses to the new ways of work.

Analyst Dennis Tucker of the firm Fleming Martin Securities says JCI is "altering management and working practices that are more than 100 years-



New development: Certain mines have set productivity targets for miners

old — and that's something special."

Anglogold is also looking to its workforce to keep its mines profitable. Together with new deep-mining technology and mineral-rights swaps, improved production is vital to the country's richest gold-mining company. For the first time, Anglogold has set productivity targets for miners. On average, the company wants a 16% hike in production for this year. The targets have been set by the National Union of Mineworkers and management.

Anglogold's chief executive Bobby Godsell says "We have for the very first time set public labour productivity improvement targets. It's probably the most vital aspect of our business. We can't determine the grade of gold in can't determine the grade of gold in

the ground but we can manage the efficiency with which we get it out of the ground."

Productivity targets carry bonuses when workers meet or exceed them. Mining houses say that many miners take home anything between double and five times their wages. The union was not available to confirm or comment on productivity bonuses or changed work methods on gold mines.

But researcher Pete Lewis, who works for the Industrial Health and Research Group, warns that there is a "direct conflict between productivity bonuses and health and safety." Most productivity bonus agreements have built-in safety clauses that penalise unsafe work practices. Lewis says this

may lead to underground accidents being concealed.

Randgold's results for the last quarter outshone other mining houses. The mining house was not available for comment on its new work practices, though an analysis of the company's results suggests it is opting for flattened management structures.

The group is also reaping the benefits of a project to reduce the number of lost blasts — unproductive blasting practices. Buffels mine, for example, has reduced lost blasts by 98%.

Fleming's Tucker has been tracking the changing work practices across the gold-mining industry and calls them "brilliant."

He says "At last miners are being offered some dignity by multi-skilling and training."

Closure of Gefco mine may mean 300 job cuts

(211) 00 24/2/97

David McKay

INDEPENDENT asbestos producer Griqualand Exploration and Finance Company (Gefco) could cut about 300 jobs when it shuts its struggling Northern Cape asbestos mine this year.

The company said at the weekend that world demand for a type of blue asbestos — crocidolite or amphibole asbestos — was declining, prompting it to halt production as "it would no longer be able to operate profitably".

Labour at the mine would be scaled down gradually, with about two thirds facing severance by March. The balance of the employees would only be retrenched by year's end as some could be temporarily employed elsewhere.

Finance director Piet van Zyl said the company had not put in a provision for retrenchment costs as about 9 000 tons of available stocks would be sold over the next 18 months.

He said these stocks would create revenues which would provide funds for retrenchments. Van Zyl said the company was also involved in litigation with a businessman operating in Gauteng who had contravened a restraint of trade clause.

The clause effectively prevented the businessman from trading in brick manufacture and distribution in the Gauteng area following Gefco's successful bid last year to buy his brickworks.

However, Gefco believed the businessman had built a new brick-making plant in the Vaal Triangle.

Gefco bought the brickworks last year to shore up decreases in earnings from its asbestos business.

But brick sales were below expectations due to stagnation in the building industry, Van Zyl said.

Conditions

In addition, prices had remained under pressure due to an oversupply.

Brick output had been hampered by exceptionally wet conditions last year and Van Zyl said the company would move into value-added brick sales to diversify the business.

Gefco said the brick-making business was unlikely to make a large contribution to profit this year.

The company saw net profit after taxation slip to R4,5m from R4,8m in the year to December.

Use of contractors 'disturbing' union

Reneé Grawitzky

(210) (211)

THE National Union of Mineworkers has — in the wake of the death of four contract workers in an explosion at Gencor's Oryx gold mine at the weekend — again highlighted the use of contract workers in the mining industry

Union health and safety co-ordinator Fleur Plimmer said yesterday it was disturbed by the rising trend in mine accidents involving contractors directly or indirectly

The union urged all mining groups to revisit contracts between themselves and contractor companies and to evaluate the safety performance of all contractors before hiring them

Gencor said yesterday the four contract workers died in an explosion on Saturday about 1 800m below the surface. The company said the union, mine management and the mine inspectorate had gone on an underground inspection yesterday. However, the official investigation would be held tomorrow.

A report from the mineral and energy affairs department indicated an instruction had been given to transport the explosives out of the haulage as the face of the development end had not been blasted that shift. It appeared that the accident occurred while the transporting of the explosives was in progress.

Chief inspector and mineral and energy affairs acting director-general Dick Bakker said in terms of the new Mines Health and Safety Act, which comes into effect on January 15, representatives of the health and safety committee and the health and safety representative would be involved in the inquiry

He said in terms of the new act the parties would concentrate more on the causes of the accident in order to take preventative action.

LABOUR Tito Mboweni ducks Mine Workers' Union racial exclusivity

No action against white union

CT(BR) 12/3/97 (211)

MPHO MANTJII AND
JONATHAN ROSENTHAL

Johannesburg — Tito Mboweni, the labour minister, expressed sympathy and understanding yesterday for unions that wanted to stay racially exclusive after a meeting with the white Mine Workers' Union in Pretoria.

He said it was "understandable" that, "given the history of the country", many organisations were still racially exclusive.

"The Mine Workers' Union is an independent organisation which we don't want to interfere with," Mboweni said.

In January the union said it was determined to remain racially exclusive in spite of government threats to deregister it. But after Mboweni met a delegation from the union yesterday, he said the question of racial exclusivity was "not the primary focus of our discussion".

AC van Wyk, the acting general secretary of the union, declined to discuss the issue of racial exclusivity, saying it would be dealt with as part of a "package" of changes. But in an about-face from his January state-



NEW APPROACH AC van Wyk and Tito Mboweni at yesterday's meeting at which they discussed 'general labour issues'

PHOTO: LINDSAY YOUNG

ments, Van Wyk hinted yesterday at the possibility of "improving" the union's constitution.

Van Wyk said the union would meet with the labour department's registrar to discuss the possibility of reviewing its constitution to comply with the requirements of the new

Labour Relations Act, which outlaws racially exclusive unions.

He also said the union was interested in participating in Nedlac.

Mboweni said the department was thrilled that the union wanted to be part of the devel-

opment in the new dispensation.

Mboweni deflected a question at yesterday's press conference on whether the union would admit black members.

"We didn't go into that sort of detail," he said.

The main focus of the meeting was not to discuss the racial

composition of unions but general labour issues.

Van Wyk had said at the union's two-day conference in January "We will remain a de facto white union".

The union maintained that its objective was to preserve white culture in the workplace

Mboweni meets white unionists

By Shadrack Mashalaba

THE Ministry of Labour and the whites-only Mynwerkers' Unie (MWU) held an historic first meeting in Pretoria yesterday

Labour Minister Tito Mboweni said the meeting was part of his ministry's programme to meet with trade unions, employers' organisations and other interested parties around the country to discuss programmes and issues affecting labour and unions

"Among other issues the meeting

discussed was the five-year plan of my department, the new Labour Relations Act, registration of unions, affirmative action in the workplace and the issue of inclusivity within Nedlac (National Economic Development and Labour Council)," said Mboweni

Affirmative action

He said affirmative action formed part of the whole transformation process and added that it should be recognised that racial groups which were excluded in the past also possessed skills

Addressing the meeting, MWU acting general-secretary Mr A van Wyk said the main thrust of the discussions was to know one another and find out what the Minister had in mind about future relations with labour movements

Asked why his organisation still represented whites only, Van Wyk said the meeting was not to discuss racial issues but about building a better future with the Ministry of Labour

The MWU is currently not represented in Nedlac

Shadrack Mashalaba 12/3/97

211

13/12/97

Plan to educate miners mooted

South African

MINEWORKERS should be made more aware of the extent of capitalist oppression, National Union of Mineworkers president James Motlatsi said at the union's ninth congress in Pretoria yesterday

He said the union should, to this end, launch an education campaign with the help of international experts. Such a campaign would help the NUM develop a strong politically conscious foundation from which to serve its members.

Motlatsi told the congress the struggle was not only between mineworkers and mine owners, but between classes.

He said NUM leaders had to recognise trade unionism for what it was — a social movement fighting for working class rights.

He said the NUM could benefit much from the experiences of trade unions in countries like Britain, Germany, the United States and Scandinavia.

"I suggest that the national executive committee decides at an early meeting to plan an education project and invite foreign specialists to give us comradely assistance."

The union had to be strengthened and made more efficient. Although many successes had been achieved, there was no guarantee that future governments would be as friendly towards trade unions as the African National Congress.

"It is for this reason that we must give priority to building and strengthening our organisation so that it is a more effective fighting force."

The NUM's growth would in future depend on its efficiency. It therefore needed loyal, committed organisers and national officials, specialist staff members and hard working employees at all administration levels.

The mining industry, which employed about 500 000 people, continued to create great wealth, much of which went to the Government in the form of taxation. It was, therefore, incomprehensible why black mineworkers were paid and treated like Third World peasants, Motlatsi said - *Sapa*

New initiative by Labour for mining sector

(211) *Sowetan 14/3/97*
NUM to adopt a 10-year plan that will
take organisation into the 21st century

By Shadrack Mashalaba

LABOUR MINISTER Tito Mboweni said his ministry has begun initiatives aimed at transforming the mining industry in South Africa

Addressing the ninth general congress of the National Union of Mineworkers in Pretoria yesterday, he said initiatives, which are aimed at improving conditions for all mineworkers in South African will be embarked on by both the Government and all the major stakeholders

The congress is seen as the landmark in the history of the NUM as it will adopt a ten-year plan which will take the organisation into the 21st Century

Mboweni said his ministry's initiatives will focus, among others things, on the Labour Relations Act and Employment Standards, which are aimed at bringing about a general transformation in the working environment, encouraging a shift to a better trained, better paid and a more productive workforce

"The mining industry faces a dual crisis, that of demand, coupled with declining gold price and the deteriorating labour conditions

None of these are easy to resolve unless

the initiatives of the ministry become a success through cooperation," he said

Mboweni said the new law on conditions of employment will set minimum conditions of employment for all workers and assist those who do not have strong organisations to negotiate on their behalf

"We have taken into account findings of the Myburgh Commission which looked at the violence in the mines - a problem that requires a long-term solution," he said

Emergency resolution

He said in line with the commission's recommendations they were looking at the formation of another commission that will address the problems, whose details are expected to be announced soon

National Union of Mineworkers president James Motlatsi asked his union's congress on Wednesday to adopt an emergency resolution condemning the German government which, he said, was about to fire 30 000 mineworkers

"If the retrenchments are not halted the congress will have to stop its deliberations and members will organise a series of marches to the German embassy in solidarity with the German workers," he said

NUM congress retains top brass

(211) Sowetan 17/3/97

By Abdul Milazi

THE NATIONAL UNION OF MINeworkERS (NUM) leadership remained unchanged when all top office bearers were re-elected unopposed at the union's ninth congress in Pretoria at the weekend.

For NUM president James Motlatsi, his deputy Senzeni Zokwana, general secretary Kgalema Motlanthe and deputy Gwede Mantashe, it was a one-horse race to reclaim their positions at the helm.

Their re-election means that they have been given a mandate to take the NUM through another decade to 2007 - not an easy task considering the 10 year plan

The challenge is for them to implement the union's new 10-year plan

drafted at the congress

The greatest challenge facing the NUM in particular and unions in general, is formulating strategies to survive the fast-changing work environment and labour market.

Among plans for the union's survival, the congress resolved to strengthen the capacity of NUM branches to handle 10 percent of the national membership subscriptions by 2000.

The congress also resolved to develop the capacity of the branches to handle and manage information systems and to establish branch-based resource centres like libraries. It was also decided that the position of full-time shaft steward be merged with that of branch secretary and the position of full-time safety steward be merged with that of branch health and safety secretary.

In a bid to strengthen the branches, each branch committee member will be given a portfolio and branches will now be required to develop their own programmes and campaigns to compliment and supplement those undertaken by the national office.

It was also resolved that communication within the union's structures needs to be revived and improved, while skills training of local office bearers will receive particular attention.

The congress also resolved to train and develop regional leaders for national leadership positions. The programme is expected to be fully operational by 2000.

NUM programme to stem 'army' of the unemployed

(211) Sowetan 18/3/97

By Shadrack Mashalaba

THE National Union of Mineworkers (NUM) has started a self-employment programme in a quest to stem the growing "army" of unemployed mineworkers who have been retrenched.

The self-employment programme, which was developed by the union's Mineworkers Development Agency (MDA), will be run in conjunction with other training schemes like the One-Up Business training programme.

The two initiatives represent a powerful combination of practical skills and basic business training to the unemployed mineworkers to encourage self-employment, job creation and community-based social and economic upliftment.

Over the last eight years

250 000 mineworkers, most of whom are migrant labourers, have been retrenched and are living in abject poverty in impoverished rural areas.

As a result of their plight, the NUM started a programme in 1988 for former miners and by the early 1990s had altered its focus to self-employment programmes.

The NUM has assisted in establishing development centres in Lesotho, Mpumalanga, Eastern Cape and three centres are currently being mooted.

These centres offer economic services such as supply of raw materials, links with credit agencies, product development and marketing services together with the One-Up Business Training programme.

Their aim is to assist people to create jobs.

Future of mineworkers depends on Govt action

(21) Sowetan 20/3/97

By Abdul Milazi and Shadrack Mashalaba

THE future of mineworkers and the success of trade unions in the industry depend on state intervention to redress the legacy of apartheid

It is with this in mind that the National Union of Mineworkers (NUM) decided at its ninth national congress in Pretoria last week to continue to devote more effort on influencing the Government in formulating policies on mining

The NUM, under the leadership of its current president James Motlatsi and general secretary Kgalema Motlanthe, has made great strides in improving the workers' lot in the past few years

The NUM was involved in determining the form and content of the new Health and Safety Act, persuaded the Government to grant permanent residence to its members who voted in the 1994 elections and participated in the drawing up of a new policy on energy and mining

Tragedy and triumph

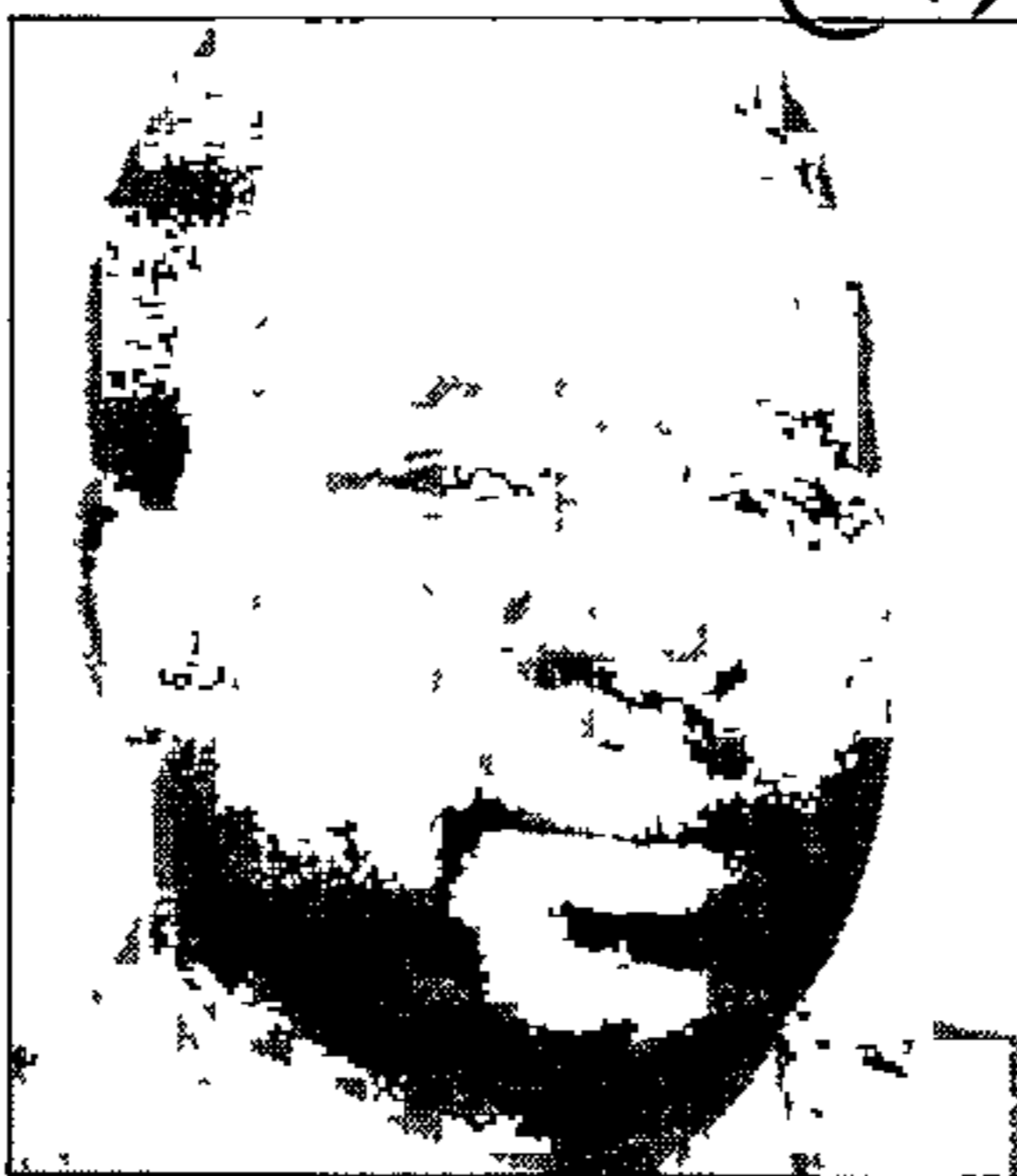
The three years of democratic rule have been marked by both tragedy and triumph for the NUM and mineworkers in general

The high accident rate on the mines was worsened by two major disasters at Vaal Reefs and Rovic mines in 1995 and 1996, respectively, and racial clashes which cost hundreds of lives

On the plus side, black migrant workers with long years of service were finally recognised as potential citizens if they so wished and a range of government recommendations and legislation suggest that a new era has dawned in the mining industry.

The congress resolved that the toughest challenge was countering the current brain drain and that a new strategy should be formulated to strengthen the NUM to ensure its survival

To achieve this, the NUM committed



New challenges confronting the mining industry require a vision that will be shared by all union members, says Labour Minister Tito Mboweni.

itself to recruit more than 400 000 members in three years

This appears too ambitious in view of the continuing decline in the level of gold reserves in local mines, coupled with declining prices and what management of mines terms "rationalisation, downsizing or right-sizing" of mines to boost productivity

If ever the union is to increase its membership, it will require a lot of unqualified determination and commitment to achieve its mission

Addressing the NUM congress last week Labour Minister Tito Mboweni said there were challenges that confronted the mining industry which required a vision that would be shared by all union members

"The mining industry is faced with a crisis inherited from the past regime. The declining price of gold and rising costs as a result of falling reserves is a concern for the future of the sector in general," Mboweni said

He said local mining was developed through policies that encouraged cheap

labour, lack of human resource development, breaking of families and using mines as fertile grounds to breed violence

Another area of contention in improving the lives of workers is the Employment Bill which is expected to be tabled in the Cabinet shortly

Once approved by Cabinet it will go to the National Economic Development and Labour Council (Nedlac) for further discussion and Mboweni has already cautioned that there are bound to be areas of differences "The key is how do we manage these differences. Let there be no doubt of our commitment to the Bill, that it should be resolved at Nedlac"

When it is passed into law the Bill will go a long way to improving the conditions of employment in the country, especially for mineworkers who work under hazardous conditions

The challenge for the NUM is a tough one and Motlatsi said it himself at the congress "The union faces a tremendous challenge in building and renewing capacity at branch level"

Brain drain

The rebuilding process actually began in 1995 with the launch of the Leadership Development Schools, aimed at training members for leadership positions following the major brain drain of 1994 when many union leaders joined the Government

In the same year the NUM and the South African Communist Party embarked on a joint leadership training project, with a strong focus on analytical skills and class consciousness

Motlatsi said the NUM was planning to develop its own experts in policy formulation to rid itself of its current dependency on legal practitioners

"This is a new area in which the union needs a long-term plan to develop the expertise necessary to ensure effective worker participation in tripartite structures instead of relying too much on lawyers and consultants"

MDA scheme keeps miners One-up on retrenchment

ANDI SPICER

ET(BR) 25/3/93

(21)

Johannesburg — The Mineworkers Development Agency (MDA), an organisation established by the National Union of Mineworkers (NUM), is spearheading an extension to its job-creation and enterprise programme to help retrenched miners

"Over the past eight years, more than 250 000 mineworkers have been retrenched. As a result of the migrant labour system these people often return to impoverished rural areas with little hope of finding a way to earn a living," the MDA said

Development centres have been established in Mhala, Mpumalanga, in Maseru, Lesotho and Mount Ayliff in the Eastern Cape. Another three centres are being planned

Although the NUM started a job-

creation scheme in 1988 for ex-miners, the emphasis now is on providing self-employment skills through the One-up programme

The MDA said the programme combined practical skills and basic business training. More than 100 people are trained every month, and a "micro-enterprise" start-up fund is available for ex-miners to begin small businesses. The development centres provide links with credit agencies and product development and market services as well as the bulk supply of raw materials

"One of our objectives was to assist people into self-employment and thereby create jobs for other community members and aid local economic development as a whole. This is obviously a journey rather than a destination," said Kate Phillip, the co-ordinator of MDA

Miners' union loses appeal against firing of 387

(211) 80267/97

BLOEMFONTEIN — An appeal by the National Union of Mineworkers against a majority judgment of the Cape Labour Appeal Court on the dismissal of 387 striking workers has been dismissed, with costs, by the Bloemfontein Appeal Court.

The case arose from the dismissal of 387 striking employees of the marginal Black Mountain Mineral Development Co (Pty) Ltd, at Aggenays, on September 20 1991.

The Industrial Court found that the dismissals did not constitute an unfair labour practice.

An appeal against that finding was dismissed in the majority decision of the Cape Labour Appeal Court on August 18 1994.

Appeal Judge Scott found yesterday that the ultimatum delivered on September 17 1991 that called on all striking workers to return to work for their next shift which started after 5pm on September 19 1991, failing which their employment would be terminated, was not an unfair labour practice.

Once the right to strike was accepted, as it is, so that the employer is in

effect precluded from resorting to dismissal as a purely retaliatory or punitive measure, the position of the employer would be untenable unless it were acknowledged that in circumstances such as the present, a stage was reached when the power play inherent in strike action had failed to bring about a solution.

The circumstances referred to were that wage negotiations had been in progress for more than four months and the strike had lasted 25 days.

To protect strike action beyond that point would be detrimental not only to

the interests of management and the union, but also to the interests of the community at large.

The delivery of the ultimatum by the employers did not amount to an unfair labour practice within the meaning of the act.

The judge found that nothing had been shown to have occurred between the delivery of the ultimatum and its expiry that would have rendered the consequent dismissals unfair.

Chief Judge Ismail Mahomed with Appeal Judges Grosskopf, Nienaber and Marais concurring — Sapa

anglogold

Dead miners 'abandoned' by Rovic

By Abdul Milazi

MALERATO Olifant of Phahameng, Free State lost her 17-year-old son Shadrack in the Rovic Mine accident which claimed the lives of 16 mine workers a month ago

Shadrack's remains and those of his colleagues have not yet been recovered. They were trapped in a rock fall and the mine has not recovered them.

"The Government has desert-

(211) *Sowetan 27/3/97*
ed us, it has not even informed us what has happened to the remains of our children. The mine (management) never gave us any information after their failure to recover the remains," said Olifant.

Spokesman for the National Union of Mineworkers (NUM) Ben Molapo shared Olifant's sentiment, saying the inquest into the accident was being handled shabbily.

He said that relatives of the

victims attending the inquiry could not understand what was said because the proceedings were conducted in Afrikaans. The proceedings began on January 15 this year.

"When we asked the commission's presiding officer Nick Groblier why there were no interpreters, he told us that the commission was only obliged to provide interpreters for witnesses," said Molapo.

Relatives were brought to the

hearing for the first time yesterday at the NUM's expense.

NUM deputy regional secretary Revonia Moroakgosi said "What this means is that the dead miners are paying for their relatives to attend these inquiries."

Rovic Mine shaft inspector disputed earlier claims by witnesses that the mine's safety measures were inadequate and that there were no warning stations, which are normally used as safety zones during accidents.

Mine workers demand 25% pay hike at De Beers

Reneé Grawitzky

(211)
BD 10/4/97

THE National Union of Mineworkers (NUM) has tabled an opening demand of a 25% wage increase for about 5 000 members on De Beers mines

There are early indications that good progress has already been made in the negotiations which began last month. The union is also finalising its demands to be tabled with the Chamber of Mines next week. The demands — to be finalised at a weekend workshop — could be based largely on the core demands tabled during the union's March national congress. The union said the core demands could be amended slightly, and accompanied by some additional demands.

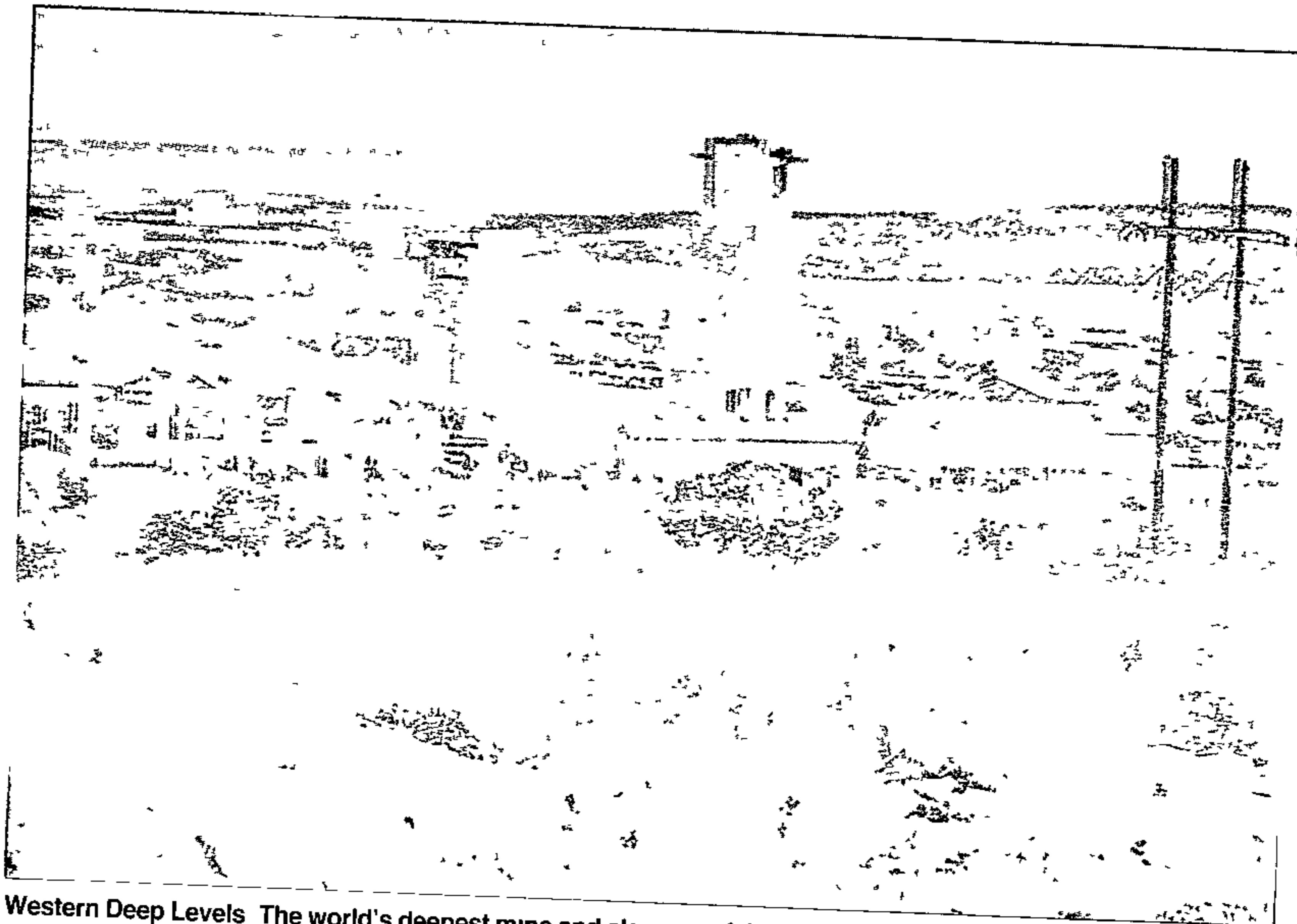
At the outset of negotiations with De Beers, the union also tabled a demand that 50% of trustees of the De Beers pension fund should be workers trained in all aspects of the administration of the fund.

NUM has also demanded a protection scheme to provide death benefits to nominated beneficiaries or worker dependants. Other demands call for the rectification of disparities identified during an audit on racially based conditions of employment by May 1.

The four month-long negotiations between the chamber and NUM last year resulted in a wage increase ranging between 5% and 10,4% on gold mines and between 8,38% and 13% on collieries. This increase brought the lowest basic minimum wage for gold underground workers to R752, and for coal underground workers R678. The highest minimum for gold underground workers was R960 and R1 061 for coal underground workers.

NUM's core demands tabled at the March congress called for a minimum wage of R1 200.

Another core demand could be an agency shop — a pact that would provide for nonunion members to pay a subscription to a special fund to be used for industrial relations training. Other core demands could include full disclosure of information by management, a statutory or bargaining council and a focus on health issues.



Western Deep Levels The world's deepest mine and also one of the richest

PHOTOGRAPH RUTH MOTAU

Round 1 at mines

(211) M+G (POM) 18-24/4/97

Unions and mine bosses prepare to wrestle with pay issues in South Africa's biggest industry, reports **Ferial Haffajee**

FOR the next four months, mining and union bosses will be virtually incommunicado as the annual wage talks get under way. Busy cellphones and bated breath will be the order of the day.

But down on the mines, wage talks have been ongoing since January. In the shafts and the hostels, union representatives have been asking workers what they want included in this year's negotiations.

"We then write down those demands and send them to head office," says Godfrey Mofokeng, who works at the National Union of Mineworkers (NUM) regional office in Carletonville. "This year we got some demands for a 50% increase." Those demands are then fine-tuned by the union chiefs in Johannesburg and often substantially reduced before being sent back to the mines for a final okay from the workers. Then the completed set is given to employers and the country's most tactical game of give-and-take begins.

This week 6 000 members of the NUM met at the Western Deep Levels mine in Carletonville to hear the union's final demand, which is likely to begin with a push for a 15% increase.

Western Deep, as its name suggests, is the world's deepest mine — and one of its richest. Working conditions are better there than on most other mines. Years of arm-wrestling with management have seen innovations uncommon to South African mining.

The hostel *induna* system has been replaced with a corps of hostel senators (elected by workers), who run the living and eating quarters with a R13-million budget. The union has full-time shaft-stewards, paid for by the company, who do only union work.

Better labour relations means the wage round is growing more sophisticated and is hardly the slanging match of old. "We won't push for an across-the-board increase this year. We must get rid of the wage gap, so we want more for those in the lower categories," says shaft steward Manelo Boqo.

Won't this mean dissension in the ranks? "Most mine-workers are still



Fighting for a 'living wage' Alfred Simelane, Manelo Boqo, Makara Raphoka and Abel Mofokeng

PHOTOGRAPH RUTH MOTAU

illiterate, but Adult Basic Education [funded by management] is starting to work and workers understand more. And leaders must direct the people," says Boqo.

He says the union wants a "living wage" of R1 800 a month and claims that "90% of workers here don't earn that money."

Alfred Simelane is a hostel senator at Western Deep Levels, he's pushed for a 15% increase this year. "The cost of living is going up. I've got two wives and six children to support in Swaziland. Then there's my parents and two nephews."

A trip home to Swaziland costs R70 for a single journey; the price of meat has gone up and his favourite cool-drink, Fresca, now costs R8.40 for a 2-litre bottle, says Simelane. He earns R1 500 a month. Makara Raphoka,

who is more experienced, earns R2 300 a month.

Raphoka thought that living apart from his wife in Lesotho would make life cheaper, but that's not been the case. "In Lesotho, all schools are private schools. My first-born's doing standard

seven. It's costing me R2 300 this year. My other two children's school fees will be about R1 000 each."

The family needs other support too and although the mine supplies food and accommodation for workers, there are other incidentals such as toiletries and extra meat, which he buys. "The money we use now is valueless," says Raphoka.

Meanwhile, at the other end of the miners' compound, human resources manager Robbie Lazare has been

doing another set of sums.

Studies by Anglo American, which owns Western Deep, show that the cost of mining there is higher than in the United States, Ghana, Canada and at other mines in South Africa. Mine managers will push for wage increases to be linked to greater productivity — and they want to keep costs down. Lazare says it costs \$350 to mine an ounce of gold at Western Deep, the gold price is currently \$343 an ounce and falling. "We cannot absorb an increase without upping production," he says.

The industry is also facing competition from new mines being prospected in West Africa, Brazil and elsewhere. Labour is cheaper there as unions are non-existent or weaker than their South African counterparts.

And managers must also budget for the capital costs they will incur as South African mines go deeper and deeper. "Deep mining is going to cost us R2-billion. But it's going to expand the mine's life by 12 years," says Lazare.

Both sides say that productivity bonuses are going to be a big feature of this year's negotiations. Many mines are churning out more gold because they now pay workers extra for reaching set production targets. Managers often tell of workers taking home double and triple their pay because they're working so much harder. But shaft-stewards hear other reports.

"Sometimes you get R7 a month. Another guy got R1.90," says Simelane, adding one of those grassroots demands unlikely ever to make it to the hallowed halls of the Chamber of Mines. "Management is taxing bonuses at a high percentage. We want no tax on bonuses."

Job losses loom in ailing gold industry

(211) ST 4/5/97 (BT)

MINING CONSTRAINTS

By SVEN LUNSCHÉ

THE taxed profits of South Africa's six largest mining houses slumped by a combined 37% in the March quarter compared with December, as results were hit by falling gold prices and lower production volumes.

In the March quarter the taxed profits of JCI, Gengold, Randgold, Avgold, AngloGold and Gold Fields totalled R714-million, a decline of well over R400-million compared with December's R1.14-billion.

In the wake of the earnings slump, job losses at the industry's marginal mines have again become a threat. Releasing their results, four mines — JCI's Randfontein, Anglo's Freegold and Avgold's Loraine and Hartebeestfontein — warned that job cuts were imminent. The mines, along with Randgold's ERPM and Grootvlei and GFSA's Deelkraal, reported a loss in March.

Among the mining houses, only Gengold managed to improve its bottom-line, lifting taxed earnings by 14.5% to R138-million. Avgold, the gold mining arm of Anglovaal, reported the sharpest decline — by 90% to R17-million — followed by JCI's 66.7% slump to R44-million. Randgold's earnings were down by 57% to R55-million while GFSA net profits fell by almost R100-million to R236-million.

The mining houses attributed lower production volumes to the high number of public holidays, a factor that will continue to plague them in the current three months.

But more worrying for the mines is the fall in the rand gold price received. Until the beginning of this year they relied on the weakness of the rand to

offset the sluggish dollar gold price on international precious metal markets.

Now, with the rand holding steady against the greenback, and bullion falling to four-year lows, they are faced with a sharp drop in the rand-gold price received.

Avgold's price in the quarter was one of the lowest in the industry — R51 792/kg, compared with R54 200 three months ago. Anglo achieved a fairly respectable R53 000 average price since it hedged about 5% of its production.

At a level of about R55 000/kg only three mines were rated by the Chamber of Mines as marginal in December last year — Deelkraal, Loraine and Gengold's Winkelhaak.

However, when the March evaluation is done this week, up to five mines could be added to the list, industry analysts say. The recent trend of mine consolidations is likely to accelerate unless the rand gold price shows a marked improvement.

Gold shares on the JSE have been hit hard by the recent slump. This week the all-gold index dropped to a four-year low as the gold price traded at below \$340 an ounce. Bullion closed at just under \$340 on Friday, close to this week's two-and-a-half month low. Analysts see little upside for the gold price in the current global low-inflation environment. JSE stockbrokers are also bracing themselves for a continued fall in the share prices of local gold mines and mining houses.

MEDICAL AID FOR RETIRED WORKERS

Time bomb for mining sector

FM 9/5/97 (211)
 Unfunded medical benefit liabilities threaten employers and employees

Jobs and profits are already under threat in the battered mining sector. Hit by long-term changes in international commodity markets and rising production costs, they now face a further drain on resources. For marginal mines, this may prove to be the last straw.

They will have to take on unfunded liabilities relating to medical benefits for retired people after the companies' withdrawal from the Mines Benefit Society (MBS) last December.

Many will be reflecting these liabilities on their balance sheets for the first time in the year ahead.

The industry-wide MBS scheme was funded on a pay-as-you-go basis by contributions from active members and employers. But the ratio of retired people to total membership rose from 20% in 1988 to 31% in 1996, says Brian Cook, who ran the MBS and is now finding cover for about 500 continuation members. This made the traditional cross-subsidisation of the old by the young unworkable.

Accumulated liabilities of the society amounted to about R4bn. Cook says a 1994 actuarial valuation showed the 47 000-48 000 (mainly white) employees and retired people who were previously members of the society represented future liabilities of about R90 000 each.

Should a mining company be forced into liquidation, pensioners could be left with no medical cover. But the unions and associations representing these employees have to balance the comprehensive needs of retired people against the job security and costs of active members, says Administrative, Technical & Electronic Association of SA MD Koos Bezuidenhout.

"The liabilities assumed by the mines depend on the contractual relationship entered into between the mines and the employees and pensioners," says Donald Alexander, MD of Providence Consultants, Actuaries & Fund Managers. "And there is no guarantee retirees will enjoy their present benefits without paying higher rates which properly reflect the health risks of old age."

The problem is likely to worsen as the depressed gold price and increasing production costs force gold mines to retrench yet again, further distorting the ratio between active and retired members.

One of the first to break with the pay-as-you-go tradition was Gencor in 1993. And Amcoal, in its 1995 annual report, recognised "the estimated liability on an accrued basis

over the working life of the eligible employees."

But many other companies will show this liability for the first time in their next financial statements.

The SA Institute of Chartered Accountants (Saica)'s Trevor Derwin says at present there is no more than a Saica "opinion" — AC 305 — which sets out best practice. But the requirement is in line with international practice and current international proposals for an accounting standard "which, if accepted, would eventually become generally accepted accounting practice in SA."

The problem is not confined to the mining companies. "Until about five years ago," says an actuary, "companies didn't look beyond the end of the current financial year. At the end of the year, they were content if they had enough money set aside to cover claims not yet submitted but likely to come in the first few months of the financial year. They were unaware they were building up the accumulated liabilities to pensioners."

Old Mutual Actuaries & Consultants director Heather McLeod estimates the private sector is ignoring about R50bn of future liabilities for post-retirement benefits.

One of the few to face up to this problem is Otis, which makes and services elevators and escalators (*Companies* April 25).

It decided to show on its latest balance sheet a provision for actuarially calculated post-retirement medical aid despite the damage to various operating ratios. **Ethel Hazelhurst**

Miners' wage talks soon

BD 16/5/97

(211)

Reneé Grawitzky

MINING industry negotiations covering pay for more than 400 000 workers get under way later this month, as a weakening gold/dollar price has considerably narrowed profit margins.

A mining analyst warned yesterday that profit margins had narrowed to such an extent that it was debatable whether mining houses could grant pay increases of close to 10%, unless either the gold price recovered or increases were linked to performance.

Against this background, talks have been held by the Chamber of Mines and the National Union of Mineworkers on how to conduct negotiations this year.

The union has submitted demands for a minimum wage of R1 500 for surface workers, R1 800 for underground workers and a 20% increase for other employees.

Because of the wide disparity in wage rates paid by different mining houses, these demands could effectively result in increases ranging between 20% and more than 50%. Wage rates differ in the gold and coal mines, with coal traditionally paying better. Rates differ also from mine to mine. The basic minimum wage paid to surface gold mine employees range between R636 and R970. For underground workers, the range is between R752 and R1 079.

Unions such as the exclu-

sively white Mineworkers' Union has tabled demands of between 18% and 20%. However, workers organised by these unions are generally on a much higher base than workers organised by NUM.

The NUM also has tabled demands relating to medical aid and health care for workers and their families. Full disclosure of information has been demanded, a social plan fund and the right of the union to represent all members in all bargaining units.

Meanwhile, negotiations between the union and De Beers are continuing, with the union indicating the parties would meet again next week. The company is expected to respond to a union settlement package then.



Andre Mulanga 'For 34 years, they want to pay me R1 000. It can't be'
PHOTOGRAPH: KENNETH MULLER

A pittance for 34 years

(211) M+G (ASM) 16-22/5/97

After decades on the mines, a Mozambican man has been offered R1 777,54 for long service. He is one of thousands left without old-age security, writes **Ferial Haffajee**

FORTY-EIGHT years ago, Andre Mulanga joined the throng of Mozambican men leaving their homes in Xai-Xai to work in South Africa's booming gold mines.

On January 20 1997, Mulanga (69) retired from the Tweefontein colliery. He received a long service award of R1 777,54, and there's been no mistake in the calculation.

That is about R58 07 a year for the time he spent working on the four different mines which employed him through his working life.

Although he walks with the help of a roughly hewn stick, Mulanga is wiry and strong through years of manual labour. He is strong-willed too and speaks with a slow and quiet insistence reminiscent of President Nelson Mandela. "I did not sign [for

his long-service award] because I said 'this money's not correct,' he says.

Mulanga has been badgering the clerks at the mining industry's employment arm, The Employment Bureau of Africa (Teba), since January to check and recheck his payment.

The dapper old man, dressed in a fleecy jersey and balaclava to protect him against the early winter cold, regularly takes a taxi from the Witbank mining hostel where he still lives to Teba's offices in Johannesburg. From there he makes his way to the National Union of Mineworkers (NUM) headquarters where he pressures union officials to work on his case.

"In January, I came here to the NUM. They sent me back to my region. From January to March I

heard no report, so I thought it's better I come to headquarters."

Mulanga is convinced he should be paid more. "For 34 years they want to pay me R1 000. It can't be. I think I must get R36 000 to R34 000 because I worked on the mine for a long time."

Roger Rowett, Teba's MD, is embarrassed by Mulanga's case but says that all the old men can hope for is about R500 more than he received for payments not included in the last calculation.

The people at Teba have been doing their sums and say the figure which the miner was paid was correct. They say it is so low because Mulanga worked in the three lowest job categories of the industry and he also spent 9 years doing surface work.

Thus, although the technical calculations are correct, Mulanga's payment is a sad hangover of an industry which grew rich on racial discrimination.

"The long-service award was never meant to be a retirement vehicle," says Rowett. "It was not a right, it was a privilege - an *ex gratia* compassionate payment with emphasis on underground workers."

The average payment made to black mineworkers who achieved long-service prior to 1989 was R2 500.

The NUM's benefits officer Frans Mahlangu says: "There are thousands of stories like this. Black mineworkers never had a pension or provident fund, though white mineworkers had them since 1948."

Mahlangu's own father, John, received R200 in cash and R200 worth of groceries from the colliery where he worked for 58 years.

It was the many thousands of cases such as these which amplified the union's demand for a provident fund. The NUM finally won this demand after the 1987 mineworkers strike, but it took two years to implement the fund.

The Mineworkers Provident Fund was started for mainly black employees, and workers who retired after it was established received better cushions against old-age.

But Mulanga was caught in the cross-winds of change.

When the provident fund was introduced, he was at his home in Mozambique. He stayed there for eight years because he claims to have lost his work permit and other papers "and it was difficult to come here without a letter."

He finally returned in 1994, aged 66 and worked for three more years. In these three years, Mulanga amassed about R3700 in his provident fund, more than double his payment for 36 years work on the mines.

"I sent most of that money to my family in Mozambique," says Mulanga, who has a wife and three school-going children in Xai-Xai. "I am living in the location. I pay R200 for my house and then I also have to buy meal-meal, meat, potatoes and everything to make some food."

Mulanga says his money is running out, even though his two sons, who also work on mines in Carletonville, help support him.

Neither the NUM nor Teba is optimistic that anything can be done for Mulanga. There is pity for him, but it is accompanied by a shrug of the shoulders which seems to say: "He's a victim of history."

As a last-ditch measure, the union is considering a racial discrimination case against the industry and may use Mulanga as a test case.

In the meantime, the old man has not given up hope. "I just want my money. I want to go home now," he says.

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ROBECO BANK
SWITZERLAND

REBHOLD took a leap on the path to the future this week with a R160-million deal in which Mineworkers Investment Company (MIC) will ultimately become a 20% shareholder in the diversified food, drink and freight company

The deal entails Rebhold's purchase of seven-year-old Royal Food Services on a price earnings ratio of six. The seller of 60% of Royal is MIC and management and directors the balance MIC bought its stake in Royal in March 1996 after identifying catering and food services as an investment area

"The mining industry in particular is focusing on its core operations and outsourcing services such as catering," says Clifford Elk, chief executive of MIC

MIC was established in July 1995 on the initiative of the National Union of Mineworkers. It is owned by a trust, the beneficiaries of which are miners, energy workers and their families. MIC seeks an investment portfolio which will provide an income stream primarily to fund education and training bursaries

Rebhold and MIC had the same auditing firm, which effected an introduction between the parties. Says Elk, "MIC was looking to acquire food companies either to grow by ourselves or to do a reverse JSE listing"

Rebhold chief executive officer Jacques Kempen says Rebhold was also looking for opportunities. "Royal would have been bought on its own as it is a gem, but the MIC connection makes it even better as it will open new markets for us"

The introduction of the two sides resulted in this week's deal, the outcome of which reduces the contribution of retail liquor to Rebhold's profits to below 15%

Mineworkers get stake in consumer goods giant

ST(BT)18/5/97 (211)
The Mineworkers Investment Company has taken a holding in a diversified new group, writes JULIE WALKER

Rebhold has been a spectacular performer on the JSE since it listed last October at 220c. After an initial bout of profit-taking when the deal was announced earlier this week, it had settled around R10.60 by the weekend

Rebhold is to issue shares to MIC for cash at 62.5c — a 4% discount to the price at which they were trading in the 30 days preceding the date on which agreement in principle was reached between the parties. Rebhold will issue scrip in settlement of the consideration due to the Royal vendors. Ever cautious, Rebhold will issue most of the scrip as and when warranted profits are delivered over the next three years.

To bring MIC's stake in Rebhold

to 15%, vendor shares issued in earlier Rebhold acquisitions will be issued to MIC at the market price. Rebhold will raise R75-million to bring its cash pile to R110-million — a war chest for future deals. The parties will cooperate to raise MIC's stake in Rebhold to 20% over the next year

MIC will have invested R92.7-million in cash for Rebhold shares, and has undertaken to use Rebhold as its vehicle in further food and allied expansion

Kubandiran Pillay, a director of MIC, Mathomo, Royal and other companies, says MIC prefers to do business with a dynamic young group such as Rebhold rather than with a mature group where growth prospects may be lower

Rebhold chairman Mackie Brodie says Rebhold is on the way to fulfilling its three visions: building on consumerism, community joint ventures, and internationalisation, where "a plan is in place" to expand Rebhold outside South Africa. If the right partner can be secured, each can benefit from the other's distribution network and branding. Zimbabwe-based and London-listed Meikles could play a role here as its controlling shareholder. John Moxon, is also a large shareholder in Rebhold and has undertaken to use it as his SA expansion vehicle

Stephen Levenberg, deputy chairman of Rebhold, says that internationally, global players tend to build brands and distribute food and liquor together. "Rebhold appears to be the only South African company with a stated objective of building such a group"



UPBEAT . . . clockwise from left, Clifford Elk, Jacques Kempen, Kuben Pillay, Stephen Levenberg, Mackie Brodie and Paul Nkuna

Randfontein may retrench 4 000 workers after posting poor results

Reneé Grawitzky

JCI-managed gold mine Randfontein Estates is considering retrenching about 4 000 miners — one-third of its workforce — in the wake of a declining gold price, lower ore grade and management problems.

The National Union of Mineworkers (NUM) and the Mineworkers' Union (MWU) said yesterday the company is considering restructuring in the wake of its poor March quarterly results

Randfontein posted a loss after tax of R2,9m against a profit of R43m in the previous quarter as its gold price received fell 5,8% to R52 831/kg.

JCI spokesman Mark Goncalves confirmed discussions with the respective mining unions and associations and said an announcement was expected this week on the numbers involved.

He said that the announcement would follow the findings of a technical expert appointed by the NUM to conduct an independent investigation into the situation at the mine. The current

workforce was about 12 000

The NUM's regional vice-chairman at Randfontein Estates, Philip Joko, said contrary to other mining unions which had already agreed to the retrenchments, the NUM had questioned the decision to retrench 4 000 workers. The union was trying to work out how management had reached such a figure. It had engaged an independent specialist to investigate the "real" situation, especially at Cooke 3 shaft.

The NUM also questioned the practice of retrenching workers every year

since 1994, although the proposed retrenchments were the largest to date.

During the announcement of JCI's quarterly results it had announced that management and unions had agreed to develop a strategic labour accord to address major problems facing the mines. Joko said it was logical that the strategic accord should address matters such as retrenchments, but the processes were being separated.

The all-white MWU said the retrenchments had nothing to do with the strategic accord discussions of with

plans to implement the "business process re-engineering" designed to effect new work practices.

An analyst said drastic action was needed to keep the mine alive and JCI had sent Joel's GM Gordon Miller to turn the mine around.

Chamber of Mines statistics reveal a steady decline in the number of workers employed on gold mines from a high of 534 255 in 1986 to 342 439 by the end of 1996.

See Page 15

Results

Mine and unions in talks to save thousands of jobs

BD 27/5/97

David McKay

AVGOLD's Hartebeestfontein division could switch to full calendar operations if management and unions agreed to terms in a crunch meeting today, industry sources said yesterday.

The move to full calendar operations, in which the mine proposes to produce gold throughout the year with the exception of public holidays, could save thousands of jobs at the mine

The mine has about 15 500 employees on its payroll.

Avgold declined to comment on the meeting with the trade unions

An unimproved rand gold price, currently languishing around R49 000/kg because of the fall in the dollar gold price and a firming in the rand against the dollar, was likely to affect the operation further in the June quarter, sources said

Hartebeestfontein saw net

profit fall to R20m from R101m in the March quarter, citing the twin affects of the lower rand gold price and lower gold output

The operation lost 300kg of gold because of a six-week underground fire and public holidays which reduced shifts worked 12%.

However, full calendar operations would remove the affects of these lost shifts and enable the mine to continue milling 400 000 tons of ore a month

It had projected reducing its

ore milled to about 200 000 tons a month if full calendar operations were not implemented.

Hartebeestfontein mines for 22 days before it reaches break-even point in any one month of, typically, 25 days.

Full calendar operations would enable it to reach break-even-point earlier in the month, allowing it enough time to show better profit, an analyst said

It would also enable Hartebeestfontein to increase the per-

centage of underground material which it treats and reduce its reliance on low-grade surface dumps.

This would enable it to lift grades at the mine to 6g/t from the current 4,5g/t, he said

Another analyst said the alternative for Hartebeestfontein was to cut jobs and focus its attentions on selected high grade areas.

This would reduce the life of the mine to about six years from its current nine years, he said

(211) Avgold's other struggling operation, Loraine, had little option but to cut the number of employees, analysts said.

This was likely also to be an issue tabled tomorrow

Avgold said at its last quarterly review that Loraine's days as a stand-alone mine "were numbered".

However, it could still be used to access certain areas of the Tar-get mine to which it was contiguous.

JCI and NUM face off over retrenchment plan

CT(BR)27/5/97(211)

FRANK NXUMALO

Johannesburg — Randfontein Estates may retrench as many as 8 000 workers, or two-thirds of its 12 000 workforce, a National Union of Mineworkers (NUM) spokesman said at the weekend.

The troubled mine was the worst performer in JCI's latest quarter gold results. Mzi Khumalo, JCI's chairman, declined yesterday to comment on the retrenchment, referring questions to a company spokesman.

"There is downsizing taking place," Marc Goncalves, the company spokesman, said yesterday. "Management and the union have been locked in negotiations over the issue for weeks now."

"But as yet there are no indications of specific numbers, as the technical report of a study on the issue by an expert appointed by the union has not been released. We are not prepared to say more until we have seen the report."

But Thabani Mngomezulu,

the NUM spokesman, said the process of retrenching the first 4 000 workers at Randfontein Estates had already started, although the union had tabled alternatives to retrenchment.

"Capital does not know the colour of the skin. Mzi Khumalo has to do what he has to do, but the workers have lost faith in him," Mngomezulu said.

Management had argued that the mine had fallen on hard times and that production costs had become unviable.

But Mngomezulu said a fresh underground assessment carried out on Friday by Peter Cumding Smith, a geological expert retained by the NUM who last year saved 10 000 miners from retrenchment, showed that the mines were productive.

He said the best retrenchment packages that the black workers could hope for ranged from R2 500 to R10 000, compared to up to R100 000 for white colleagues who had worked for the same period.

7 000 jobs to go as two JCI mines shut down

At least 7 000 mine-workers will be retrenched following a decision on Monday night by Johannesburg Consolidated Investments to shut down two West Rand gold mines

JCI intends retrenching 4 000 workers at Randfontein Estates and 3 000 at Westonaria

A supervisor at one of the shafts at the Randfontein mines confirmed the retrenchments and said the miners had already been informed and the unions were being consulted

JCI said last night that because of the drop in gold prices over the

past few months and the high cost of production, the mines could no longer function

Sapa reported that retrenchments at Randfontein would begin next month and negotiations on the retrenchments at Westonaria would begin soon - Staff Reporter

Star 28/5/97

(211)

Hands off, union warns JCI

~~213~~
FRANK NXUMALO

CT(BR) 29/5/97 (211)

Johannesburg — The Randfontein branch of the National Union of Mineworkers (NUM) warned mine management yesterday not to touch its members when the retrenchment of 4 100 workers starts on Monday

Management faced the risk of the mines grinding to a halt, said a union spokesman at the mine

Vilakazi Madoda, NUM's regional co-ordinator, said negotiations about retrenchment packages, including the tabling of alternative arrangements, were scheduled to start today

He said that, though he did not understand the rush to carry out the retrenchments as early as Monday, he was convinced "management wouldn't dare go it alone"

Douglas Giminda, the union spokesman at the mines, said "They are trying to frogmarch the union into signing a retrenchment agreement. From the start we have always queried how they arrived at these figures but up to now we have not received a satisfactory answer"

Marc Goncalves, a spokesman for mine owners JCI, said yesterday that Randfontein Estates had announced in April that the company was reviewing all options to establish optimal production

Goncalves said the company had said then that the review could result "in a labour restructuring programme". He said such a review had included an evaluation by NUM's independent consultant, who "has confirmed that restructuring is necessary and justified"

NUM in a bid to save 4 100 jobs

(211)

By Abdul Milazi

sewefan 29/5/97

THE National Union of Mineworkers (NUM) has sent an SOS to mining expert Peter Camdon-Smith to save some of the 4 100 jobs that are on the line at Johannesburg Consolidated Investments' Randfontein Mine because of planned retrenchments at the end of the month.

Camdon-Smith first came to the rescue of NUM last year when his report resulted in management cancelling its planned retrenchment of 10 000 workers.

NUM spokesman George Molebatsi said the union hoped Camdon-Smith would minimise the retrenchments. "It is final that the JCI will retrench but we hope he will be able to reduce the number because it is too high."

Getting vibes

Molebatsi said the union was beginning to see a trend in JCI mines, where management were retrenching on a continual basis as part of "restructuring".

"We are getting vibes that they are planning retrenchments at the Westonaria Mine as well but this has not been confirmed," said Molebatsi.

In a statement JCI said it had announced last month that it would restructure its labour force at the Randfontein Mine due to its poor performance and the low gold price.

"Agreement has been reached with most unions and associations on the terms of the retrenchment, and it is expected that the outstanding agreements will be concluded this week," the statement said.

Molebatsi said "Randfontein management is arguing that it costs the mine R800 million to sink a shaft which is expected to produce 10 grams of gold per ton of ore to survive."

Randfontein halts retrenchments

CT(BR) 4/6/97 (211)

FRANK NXUMALO

Johannesburg — The retrenchment of up to 4 100 workers at the JCI-owned Randfontein Estates Gold Mine has been halted pending the outcome of discussions between the company and the National Union of Mineworkers, Gordon Miller, the general manager of the mine, said yesterday

However, Miller said about 500 managerial and skilled staff had opted for voluntary retrenchment packages and had already left the mine

Miller said the downsizing of operations at the mine had been "a traumatic experience" as it had adversely affected all parties

However, he said it had to be done, "as we are in a major loss-making situation, we cannot

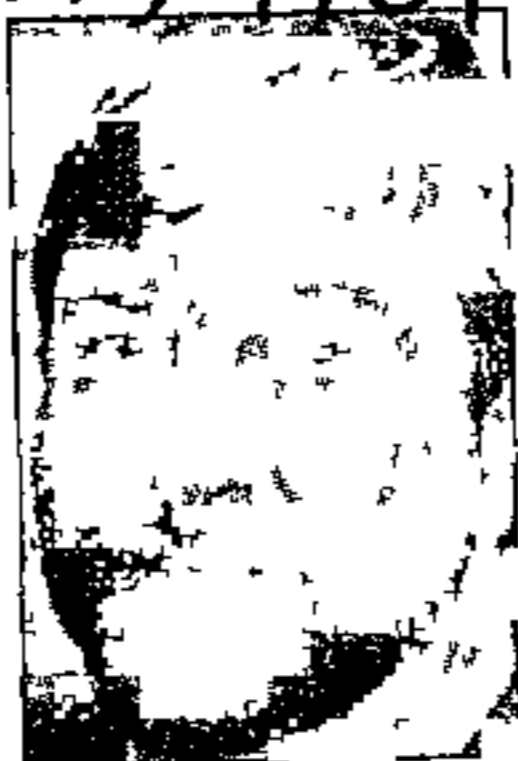
sustain business in the old format but we can in a new one"

Union spokesman Ben Molapo said yesterday discussions

between the union and mine management on retrenchment packages were under way

But a meeting between the union and Mzi Khumalo, JCI's chairman, originally planned for the weekend, had not yet materialised

Miller said sustaining the mine in a new format would be helped by the introduction of full-calendar operations, which



Gordon Miller

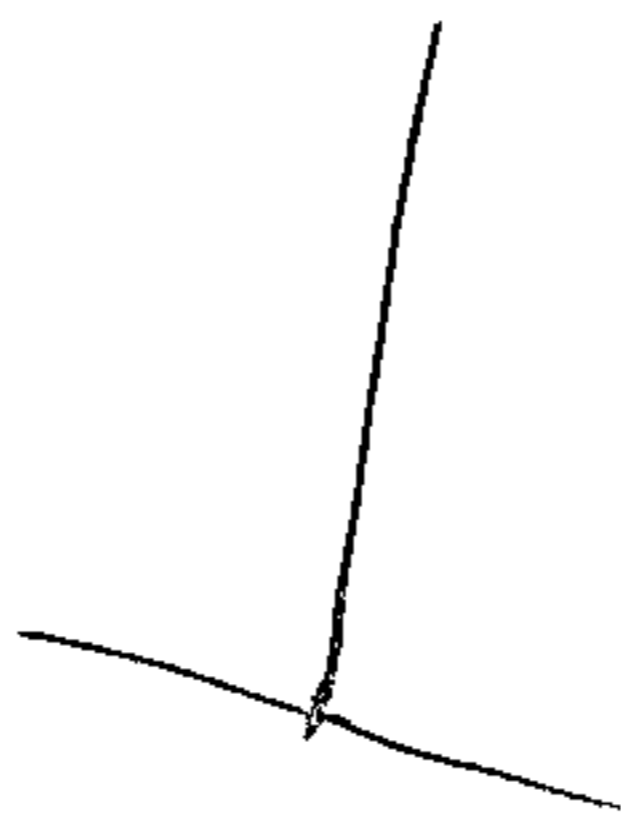
PHOTO SEAN HARRIS

had been on the negotiation table for some time now Year-round mining could result in "savings on the numbers to be retrenched", Miller said

He also said the mine would have to meet the challenge of reducing the pay limit of 5g to 5,7g a ton for various shafts to a universal 4g a ton

Miller said if the reduction of the pay limit was achieved, several shafts at Randfontein could have their lives extended to the middle of the next decade, instead of being closed down by the end of 1999

Miller said although the rand price of gold had fallen by 10 percent to between R49 000 and R50 000 a kilogram, it was still profitable to go for lower-grade ore "if we could reduce costs and improve productivity"



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NUM moves to delay retrenchments

Renee Grawitzky

IN A last-ditch attempt to delay the retrenchment of 4 000 miners, the National Union of Mineworkers (NUM) said last night it would apply for a Labour Court interdict to prevent JCI's Randfontein Estates gold mine from proceeding with the retrenchments.

The company indicated yesterday it could no longer postpone the retrenchment of the 4 000 miners at Randfontein Estates.

The union said it believed this contravened an agreement between the union's president James Motlatsi and JCI chairman Mzi Khumalo. The agreement was for the postponement of the retrenchments until the end of June pending further investigations and the consideration of alternatives, the NUM said.

But industry sources said there seemed to be confusion over whether Khumalo and Motlatsi had in fact reached an agreement.

BD 6/6/97

The union said Randfontein Estates had declared "outright war on the NUM" with this action. The union said it was committed to looking for alternatives to retrenchment.

JCI spokesman Craig Lawrence said the company hoped the union would not apply for the interdict, as discussions were still under way with union leaders.

He said the company was seeking ways of avoiding confrontation. He was hopeful the parties would reach an

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agreement today. Lawrence said there was no declaration of war, and that JCI was disappointed that the union had resorted to emotional statements which were not constructive.

The company believed that it had complied with the provisions of the Labour Relations Act, he said.

Unions representing artisans and officials have already agreed to the retrenchment of more than 500 of their members, union representatives said.

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BD 6/6/97

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IN BRIEF

**Education trust is launched
by mine workers' union**

(21)
THE National Union of Mineworkers (NUM) launched an education trust on Friday which will provide tertiary education bursaries to thousands of miners. Assistant general secretary Gwede Mantashe said the trust — the JB Marks Education Trust — was to honour JB Marks, one of the founders of the National Union of Mineworkers' Union.

The trust will have a total of R30m — R1m donated by the union and R29m by the union's investment arm, the Mineworkers' Investment Trust. To date the trust had approved 166 applications for this year while 33 bursaries had already been paid for.

BD 9/6/97
Applications for a range of mining-related studies included mining engineering, geology, commerce, legal studies, human resources, metallurgical engineering and food technology.

Jobs moratorium costly for JCI

Reneé Grawitzky

JCI WARNED last night that the postponement of retrenchments was costing Randfontein Estates R300 000 a day, and the National Union of Mineworkers (NUM) appealed to workers to stay calm, assuring them the situation was under control.

Randfontein Estates has agreed to postpone the retrenchment of 4 000 miners until Friday, pending a new report by the NUM's technical adviser. The adviser's previous report endorsed the company's position that retrenchments were unavoidable.

JCI spokesman Marc Gonsalves said further postponement of the

retrenchments would jeopardise the jobs of the remainder of the workforce.

At a rally at Randfontein Estates' Cook 3 shaft, thousands of miners gathered to receive a progress report from NUM assistant general secretary Gwede Mantashe. He told them a meeting would be held with mine management today, at which the union would motivate the details of the severance packages it was demanding.

The union is asking for four weeks of severance pay for the first year of service, and two weeks for each subsequent year. Gonsalves said the union was withholding the names of workers who wished to accept the company's severance package.

(211) BD 10/6/97

Gaming machine company faces trouble

Patrick Wadula

MONYAKA, a joint venture company formed by UK-based leisure company Bass Leisure with two black business organisations, was heading for trouble with the SA Liquor Traders Association (Salta) members, according to a Salta official.

Monyaka, formed by the National African Federated Chamber of Commerce and the Foundation for African Business and Consumer Council with

Bass Leisure had recently won the contract to manufacture gaming machines with limited payouts.

Salta national co-ordinator Churchill Mrası said the new company was planning to install the machines at shebeens and pubs without consulting Salta. "Being members of Salta, which is part of Monyaka, we feel that we should be consulted."

Mrası said Salta's national executive council had not discussed the slot machines with shebeen owners.

FREE UNIT

NUM move will challenge traditional wage bargaining

Reneé Grawitzky

(211)

BD 12/6/97

A NATIONAL Union of Mineworkers (NUM) initiative aims to challenge traditional mining industry bargaining units, with the union demanding the right to represent all members in all bargaining units as the industry's majority union

The move, which brings into question rights accorded to minority and majority unions in terms of the new Labour Relations Act, could have an effect on mining industry wage negotiations this year.

The NUM has given the Chamber of Mines notice of its intention to bargaining at all levels and has demanded participation in all negotiations with other mining unions such as the all-white Mineworkers' Union and various associations of officials.

The move could put mining employers in a policy dilemma. The chamber said this week the issue had as yet not been discussed with the NUM.

The decision to challenge traditional bargaining units arose out of the renegotiation of the recognition agreement with JCI, which formed part of broader discussions on the strategic labour accord.

The NUM said it had to first recruit and represent workers at all levels and

thereafter change the way bargaining units were structured. At present three separate bargaining units exist and the NUM only negotiates for workers in job categories one to eight. Separate negotiations take place with artisan and other skilled workers where the NUM does not participate.

General secretary of the Underground Officials Association Tim Kruger said the situation was bound by a recognition agreement with the chamber which set out bargaining units in the mining industry. He said the three separate bargaining units were historic and were established because of inherent differences in conditions of employment.

He said his association and other associations were opposed to any change and said the parties were on the brink of a settlement on the recognition agreement at JCI when the NUM withdrew and returned with a completely different approach to bargaining units.

He said the NUM demanded only majority unions could get organisational rights in terms of the Act. He said the problem "is not between the unions" but had to be sorted out between management and the NUM.

The issue has been referred to a working group with an independent consultant to resolve the matter.

JCI chief is not the NUM's comrade

(211) M+G (1993) 13-19/6/93

Appealing to JCI's Mzi Khumalo has not helped the NUM in negotiating retrainments with the mining house, writes **Ferial Haffajee**

We expected more heart from someone like Mzi. It was a heartless decision," says

the National Union of Mineworkers (NUM) deputy general secretary Gwede Mantashe of Mzi Khumalo JCI's new chair.

JCI has decided it must retrain 2 900 miners and 750 contractors at its Randfontein Estates gold mine. Now the NUM has declared a dispute with the company on retraining packages and its new black owners are getting a taste of the less glibly side of gold.

Randfontein Estates is a stable of four mines dotted around the mining towns of Krugersdorp and Randfontein. They lie in one of the richest gold belts in the country but profits have tumbled and management decided in February that one-third of the workforce must go.

By this week, many workers had decided to opt for retraining packages. Men wrapped in blankets sat pensively inside drafty union offices looking for help to fill in retraining application forms.

Among them was Amos Mthethwa, who has been with JCI for 10 years and earns R1 100 a month. "There's no job security every year there's retraining," says Mthethwa, who will return to his KwaZulu-Natal home. "In very worried I'll decide what to do when I get home." He will receive a retraining package of about R5 500 plus pension for the 10 years he's worked at Randfontein Estates.

Other miners such as Victor Motaathape are holding out for the higher severance packages that the NUM is trying to negotiate.

The NUM has demanded four weeks pay for the first year of service plus two weeks pay for every year worked thereafter. JCI is offering 18 weeks pay for every year of service with a minimum of four weeks severance pay.

For many miners it's not only about money. Motaathape is qualified for nothing else except mining. If he loses this job his chances of getting another are slim and he will also lose the comfortable house his family



Uncertain times Miner Victor Motaathape may have to leave his comfortable house at Randfontein Estates

PHOTOGRAPHS: KENNETH MULLER



Thabane Mngomezulu 'Don't forget your roots'

lives in and the free schooling the mine provides. "They didn't give us a chance to prepare ourselves," says Motaathape. But JCI says there's no time this week to discuss the union of "delaying tactics".

"This process cannot be extended indefinitely as the additional cost to the mine of some R300 000 a day jeopardises the jobs of the remainder of the workforce," said JCI this week.

The dispute throws up many challenges and some contradictions for black capital which is investing billions in mining.

The industry is in trouble with mining barons caught between a low gold price and the threatened sale of gold reserves by the world's central banks.

The demands on labour are greater than ever, for on mineworkers shoulders lies the survival of the industry. Productivity needs to go up working practices must change to get the gold that lies far deeper in the ground after decades of prospecting and then there's the unspoken competition from new mines in the rest of Africa and South America where reserves are more plentiful and labour much cheaper.

All this portends more difficult

times for labour relations. Many thousands of mineworkers have lost their jobs in the past decade as the mining industry has shrunk from its former glory as the mainstay of the South African economy. Over the years the NUM has established procedures to negotiate humane retraining packages and it charges that JCI tried to side-step these procedures.

So the union turned instead to Khumalo an old comrade who spent 12 years on Robben Island but who also now wears the hat of JCI chief.

At a meeting last week at the union's Johannesburg headquarters old friendships were renewed as NUM president James Mollatsi and Khumalo decided that no retrainments would take place until the end of June.

In the way of old friends, the agreement was not signed and sealed in fact it wasn't even typed up. This week, Khumalo was back in London negotiating a potential merger with

Lomrho and the company changed tack stating that retrainments would begin as soon as possible.

"It's a question of integrity. There was an agreement," says Mantashe, whose union is now getting tough

dispute has been declared with JCI. The Commission for Arbitration will be brought in to find a solution before a legal strike can take place.

"Capital has no colour, we will deal with JCI just like we deal with any other company," adds Mantashe. But Mantashe's tone indicates hurt and surprise, almost as if the union had been banking on easier times from black owners in an industry that has always been hard. Now the mineworkers have learnt otherwise.

"We expect more brutal tactics from those who know us because they know our tactics," he says. The NUM hopes that new black owners will follow the advice the union gives to officials who go to work for mining companies. "Don't forget your roots," says NUM shop steward Thabane Mngomezulu.

Mzi Khumalo reacts against accusations of renegeing on a deal to halt worker retrenchments

JCI and NUM in libel stand-off

FRANK NXUMALO

Johannesburg — JCI, the mining house, threatened yesterday to sue the National Union of Mineworkers (NUM) for libel after the union accused Mzi Khumalo, JCI's chairman, of renegeing on a deal over worker retrenchments.

Marc Gonsalves, JCI's spokesman, said Khumalo did not go back on an understanding with the union to halt the retrenchment of thousands of workers at Randfontein Estate Gold Mine until the end of June. He said NUM renegeed on the agreement, prompting JCI to consider libel action against the union for bringing the name of its chairman into disrepute.

"We intend to take action because this is going to the heart of the chairman's credibility, he is extremely upset about it," Gonsalves said.

Gonsalves said Khumalo and James Motlatsi, the NUM president, agreed at a meeting on June 1 "to move to a deal which would see the union accept full calendar operations (Fulco)".

If the union accepted Fulco, "then the company agreed (to) halt retrenchments while it revisited the whole issue, because if you accept Fulco, it has a big effect on the whole mine." Gonsalves said an agreement



(211) CT (BR) 17/6/97

FACE TO FACE Mzi Khumalo, chairman of JCI, left, threatens legal action against the National Union of Mineworkers after the organisation's president, James Motlatsi, accused the mining house of breaking its word.

PHOTO JOHN WOODPOOF

would have been signed the following week after the parties returned from their respective constituencies.

On the Monday after the meeting with Khumalo, the union came back to JCI saying it was not prepared to accept Fulco, "so

the deal fell through".

"Now we get the union running around and saying JCI broke its word. It's simply not true," Gonsalves said.

He said 500 to 1 000 workers could have been saved from retrenchments had NUM accepted

Fulco, adding that 1 600 others had already accepted voluntary severance packages.

"That leaves about 1 500 that will have to be retrenched. These are the ones who will be the subject of discussions with the unions today," he said.

Madoda Vilakazi, NUM's regional co-ordinator, said yesterday he "was not aware" of Motlatsi having said the union would not accept Fulco. He referred comment to Gwede Mantashe, NUM's assistant general secretary, who was not available.

Asbestos mining companies suppressed findings — claim

(552) (211) (212) DD 18/6/97
CAPE TOWN — Asbestos mining companies suppressed the findings of scientific research in the 1960s which documented the health risks of exposure to asbestos, the Truth and Reconciliation Commission was told in Cape Town yesterday.

This claim was made in a submission by the health and human rights project, a joint initiative by the department of community health at the University of Cape Town and Cape Town's trauma centre for victims of violence and torture.

The project said the role of the private sector in health-related human rights abuses had not been properly probed.

"Two industries which stand out in terms of complicity with repression, either overtly or covertly, are the pharmaceutical industry and the mining industry," it said.

According to the submission, asbestos has been extensively mined in the Northern Cape, particularly near the towns of Prieska, Kuruman, Penge and Koegas.

From the 1960s the pneumoconiosis research unit of the

Council for Scientific and Industrial Research began investigating the relationship between asbestos and cancer.

The findings by Prof Ian Webster, published in a confidential report on April 30 1962, showed that the risk of contracting asbestosis in the asbestos mining areas was extremely high.

Webster said he had found "an alarmingly high" number of cases of mesothelioma of the pleura among people who lived or had lived in the northwestern Cape area. There was evidence, he said, that this condition was associated with exposure to asbestos dust.

Webster recommended that the industry, together with the mining department, immediately take steps to assess existing dust control measures and disposal methods.

According to the project, the mining companies refused to sanction the publication of Webster's finding unless the cancer hazard was "passed off" as tuberculosis.

"The report was therefore not published or made avail-

able outside the unit, except to the groups that had been directly involved in the survey."

This was not the first or last time that scientific findings unfavourable to asbestos companies were suppressed.

In the 1970s the national research institute for occupational diseases of the Medical Research Council of SA carried out research on the risks of asbestos-related diseases in workers in asbestos mines.

The findings showed that the risk of death through asbestosis or cancer of the lungs and stomach was increased in blue asbestos mining areas.

The findings were due to have been presented at a conference of the New York Academy of Sciences in June 1978.

However, the two researchers were instructed to withdraw their paper.

"There is evidence that this instruction ... was issued at the request of the asbestos mining companies in the Northern Cape who wanted to prevent evidence being disclosed."

The study was reworked and released in 1986. — Sapa.

NUM shrugs off legal threat

**Bonile Ngqiyaza
and David McKay**

THE National Union of Mineworkers (NUM) yesterday dismissed a threat by mining house JCI to sue it for defaming its chairman as "an attempt to shift focus from the real issues of mismanagement and poor planning", which it said were costing thousands of jobs.

JCI spokesman Marc Gonsalves was quoted yesterday as saying that the mining house would sue the union for defamation after it had accused JCI chairman Mzi Khumalo of reneging on a deal over worker retrenchments.

NUM assistant general secretary Gwede

(211) BD 18/6/97
Mantashe said that JCI wanted to narrow down the dispute to a "black on black" issue, when in essence 4 000 workers were threatened with retrenchment.

Although JCI had made acceptance of full calendar options a life-and-death issue and was using retrenchment to force the hand of the NUM, there was "a dream that will never materialise", he said.

Mantashe alleged that similar tactics were being used at the Western Areas Gold mine, where a further 3 000 jobs were threatened.

"If we must be taken to court, so be it. JCI brutality in dealing with workers is not acceptable to our union."

Gonsalves said that talks between

Randfontein Estates and the NUM had deadlocked at mine level.

This had occurred despite the brokering of a "high-level regional agreement" with NUM in a special meeting on Monday, he said.

Gonsalves denied that Khumalo had reneged on his word, saying that the deal had fallen through because the union was not willing to accept the necessary full calendar options.

Randfontein Estates would now process outstanding retrenchments.

A further 1 500 jobs would be shed at the mine, not including voluntary redundancies which had already taken place, Gonsalves said.

NEWS

Health risks 'suppressed' by mining firms

CT 18/6/97

(211) (252)

ASBESTOS mining companies suppressed the findings of scientific research in the 1960s on the health risks of exposure to asbestos, the Truth and Reconciliation Commission was told yesterday

This claim was made in a submission by the Health and Human Rights Project, a joint initiative by the department of community health, UCT and Cape Town's trauma centre for victims of violence and torture

The submission said that in a confidential report in 1962 Professor Ian Webster of the Council for Scientific

and Industrial Research said he had found "an alarmingly high" number of cases of mesothelioma of the pleura among people who lived or had lived in the north-western Cape area where asbestos was extensively mined. There was evidence that this condition was associated with exposure to asbestos dust, he said

He recommended that steps be taken to assess existing dust control measures and disposal methods

According to the HHRP, the mining companies refused to sanction the publication of Webster's findings

unless the cancer hazard was "passed off" as tuberculosis

"The report was therefore not made available outside the unit "

The HHRP said that in the 1970s research by the Medical Research Council of South Africa showed that the risk of death through asbestosis or cancer of the lungs and stomach was increased in blue asbestos mining areas. The findings were to have been presented in a paper to a scientific conference in New York, but the two researchers were instructed to withdraw their paper — Sapa

Stalemate in mine jobs talks

CT(BR)18/6/97

(211)

FRANK NXUMALO

Johannesburg — The mine-level negotiations between JCI's Randfontein Estate Gold Mine (REGM) and the National Union of Mineworkers (NUM) over the fate of thousands of workers facing retrenchment ended without agreement yesterday, Marc Gonsalves, a company spokesman, said.

"The negotiations have deadlocked again, in spite of an agreement having been reached at a very high level with the union at a special meeting yesterday," Gonsalves said. "Management is proceeding with the process of retrenchment, and over 1 100 workers have already been processed."

The NUM is trying to negotiate severance packages for about 1 500 of its members facing

retrenchment. JCI has said it costs the company in the region of R300 000 every day that the retrenchments are delayed. About 1 600 NUM-aligned workers had already volunteered for retrenchment packages.

REGM's proposal to implement full-calendar operations at the mine in an effort to save between 500 and 1 000 jobs have been rejected by the NUM. The union also lashed out at the company for its threat to sue the union for libel for allegedly bringing the name of Mzi Khumalo, JCI's chairman, into disrepute.

On Monday, the company said that "suggestions that Khumalo went back on his word when there was an agreement (with the union) that JCI would halt retrenchments until the end of June are absolutely untrue and

libellous (and we) intend taking action against anyone spreading those rumours."

However Gwede Mantashe, NUM's assistant secretary-general, said JCI was trying to deflect attention from the real issues.

"The reality of the JCI threat is an attempt to derail NUM's focus from mismanagement and poor planning that is costing thousands of jobs, to the chairman of JCI. Its intention is to make this a black-on-black issue."

"The issue is 4 000 workers threatened with retrenchment are harmed forever, and we have a duty and obligation to protect our members' interests."

Gonsalves rejected any suggestion that JCI was making the dispute racial, saying it was the NUM that "personalised the issues by questioning the credibility of Khumalo."

Mining union rejects Chamber of Mines' three-year wage offer

Alan Fine

THE National Union of Mineworkers (NUM) on Friday rejected a key element of a precedent-setting Chamber of Mines wage offer for this year which employers said was designed to deal with a "crisis of major proportions" in the gold mining industry.

The proposal envisaged a three-year agreement which would see minimum wages at most affiliated mines increased to R1 000 for surface workers and R1 150 for underground work-

ers from July 1, and to R1 450 for underground workers from mid-1999.

This represents an increase this year of up to 33% at the lowest-paying mines affected by the proposal. Underground minimum wages range from R863 at mines administered by Gold Fields to R1 129 at AngloGold (where the new minimum would be R1 231 a month). Other workers would receive 9% increases in each of the three years.

However, all this would be conditional on the NUM and other unions committing themselves to a highly

flexible work calendar that would enable mines to operate on every day of the year other than public holidays.

The unions would also have to support work reorganisation initiatives involving, among other things, "job restructuring, multiskilling and multitasking aimed at increasing operational efficiencies". Details would be worked out at group or mine level.

The proposal does not apply to various marginal mines including AngloGold's Lorraine and Randgold's Blyvooruitzicht, ERPM, Harmony and

Grubbevel JCI would also not be part of the arrangement as it proposes to continue with its pay system which is based to a large extent on linking incomes to performance. Wage talks for collieries are to be held separately.

NUM general secretary Kgalema Motlanthe said yesterday the union had rejected the "conditionalities" of the offer, and the chamber negotiating team had undertaken to go back to their principals. However, he expressed optimism about the future of the negotiations. "At the opening

rounds it is always difficult for the two sides to find each other. But I am confident we will reach a settlement."

He said in previous years the union had proposed two-year agreements, and was in favour of a three-year deal this year.

The chamber proposal says the purpose is to avoid trying up mine and union executives in negotiations for an average of four months a year.

Chamber negotiator Adrian du

The document was believed to have

miners to reorganise the company subsequently reported a R217m at

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Mining

Continued from Page 1
BD 23/6/97

Plessis declined to comment on the progress of the talks.

However, the chamber proposal warns that excessive cost increases threaten the closure of shafts and the loss of jobs.

"We have accordingly given consideration as to how wages might be in-

creased in a manner which would not detract from the ability of mines to survive and to continue meeting the needs of all stakeholders."

The proposal specifies that there should be no other changes which would affect overall employment costs.

The NUM has proposed a R1 500 minimum wage for surface workers and a R1 800 underground minimum, a general 20% increase and improvements in health-care provisions and information disclosure.

Continued on Page 2

Pay accord for mines (211)

CT (BR) 24/6/97

FRANK NXUMALO

Johannesburg — Namdeb Diamond Corporation (Namdeb) and the Mineworkers' Union of Namibia (MUN) had struck a two-year wage agreement that would give workers in the unskilled and semi-skilled grades a 9,9 percent increase, while those in the skilled categories would get 9,5 percent, Percy McCallum, a company spokesman, said yesterday

In addition to basic wage increments, workers in the lower grades would receive an annualised 1,1 percent service award and those in the upper grades an additional 1,5 percent in "individual awards"

"Effective from June 1998, employees in the bargaining unit will receive 9 percent on their basic monthly rates of pay. In addition, the amount of money calculated at no less than 2 percent of the basic monthly wage bill of the bargaining unit will be distributed in the form of merit."

A new merit increment system would be drawn up by a joint subcommittee to ensure that employees were rewarded for individual performances

Other gains on working conditions achieved in the three-week negotiations included the appointment of a joint subcommittee to draw up proposals for an incentive bonus scheme and the provision for the appointment of a safety representative.

In another development, Kgalema Motlante, the National Union of Mineworkers' general secretary, yesterday said the major "conditionality" that led to the union rejecting the Chamber of Mines' three-year wage offer was the latter's silence on pay for Sunday work

Union, JCI in conciliation

(211)

Reneé Grawitzky

BD 25/6/97

THE National Union of Mineworkers (NUM) and JCI were locked in a conciliation process last night, under the auspices of the Commission for Conciliation Mediation and Arbitration (CCMA), to resolve their retrenchment dispute.

JCI said last night that attempts were being made to reach an agreement around severance packages. Despite the absence of agreement on the retrenchment exercise, the company had continued to process voluntary and forced retrenchments.

If the parties were unable to resolve the dispute within the CCMA, the union could refer the matter to the Labour Court.

NUM, chamber continue wage talks

Reneé Grawitzky

(211)
BD 26/6/97

THE Chamber of Mines and the National Union of Mineworkers continued negotiations yesterday amid indications that the process of brokering an agreement taking into account the concerns of both labour and business was on track

Negotiations are taking place against the backdrop of a weakening gold/dollar price that has considerably narrowed profit margins and could increase the pressure on mines to restructure, possibly resulting in more job losses

Against this background, the chamber tabled a proposal which it believed would alleviate the crisis the industry was experiencing. It proposed an agreement modelled on the automobile manufacturing sector's three-year agreement, which provided for a wage model linked to skills development

The chamber proposed a wage model which ensured that by 1999 the minimum wage for underground workers would be R1 450, while workers not on the minimum would receive a 9%-a-year increase

This proposal was conditional upon the union's agreement to the working of full calendar operations

The union rejected this proposal on the basis of the offer, although meeting the union's demand to increase the minimum wage was conditional upon acceptance of full calendar operations, an issue which has been a bone of contention within the industry for a number of years

Both parties said yesterday that progress had been made. Negotiations would continue this week and next week in an attempt to find ways of addressing efficiency problems in the industry, while also addressing labour concerns around jobs

Workers' Mouthpeace rules, says Amplats

CT(PBR) 1/8/97

(211)

FRANK NXUMALO

Rustenburg — The Workers' Mouthpeace (WMP) union appears to have broken the stranglehold of its rival, the National Union of Mineworkers (NUM), in the North West mining region, senior sources at Anglo American Platinum Mine (Amplats) said yesterday.

The Amplats sources said the WMP now wanted to upgrade the "access agreement" signed last week with the mine to "recognition status agreement".

The sources said "reality on the ground" also corroborated WMP's claim that it represented at least 80 percent of the miners in the region.

The WMP penetration in the area could affect the NUM's subscriptions revenue, and it may also have political ramifications as the WMP has entered a

loose arrangement with Bantu Holomisa's new political movement.

The sources said that at two meetings at the "B" Hostel outside the Amplats main offices in Rustenburg, held only hours apart on the holiday weekend of June 16, "definitely not more than 300 workers" attended a joint NUM/ANC meeting while more than 4 500 flocked to the rally held by WMP and Bantu Holomisa.

The WMP and NUM have also accused each other of being involved in violence at Amplats, which has resulted in six deaths this year.

The NUM has blamed the WMP for the killing of NUM officials, but these allegations have been rejected by the WMP, which has claimed the NUM was reacting to its loss of dominance at Amplats.

Wage pact on mines goes sour

Sowetan Reporter

The much applauded two-year productivity wage pact signed by the National Union of Mineworkers (NUM) and the Chamber of Mines last month has gone sour.

According to the NUM, workers have rejected the wage model. This implies that negotiators may have to return to the bargaining table.

The agreement was the first of its kind and came after a similar deal a few years ago when the NUM and mine employers linked wage increases to profit levels which were also dependent on productivity and the price of gold. This, too, proved in

(211) Sowetan 11/8/97
The agreement was aimed at linking wage increases with productivity

time unpopular.

This year's agreement was aimed at reducing the number of jobs threatened by retrenchments following the recent collapse of the gold price. Many mines warned that they would have either to shut down or curtail operations and retrench tens of thousands of workers.

Available statistics revealed that more than a quarter of a million jobs had been lost through retrenchments in the past decade.

According to NUM spokesman Ben Molapo, the union and the

Chamber of Mines agreed that the industry would have to produce an additional 90 tons of gold a year to survive the gold price pressure as well as to avoid retrenching workers.

"It was left to individual mines and NUM structures at plant level to find mechanisms to achieve the desired additional tonnage," Molapo said.

He said employers had proposed that wage increases should be linked to productivity. "They were saying that there will be no increase if the productivity target is not reached

Many mines wanted to use the agreement as an excuse to implement continuous operation or full calendar operations, which has been continually rejected by us."

He said the agreement has been taken to its regions in the past two weeks and been rejected outright.

"It is as if we are negotiating with a gun held against our heads because if we push for better wages, many of our members will be retrenched and we have a moral and constitutional obligation not to go against the wishes of our members. They are the union," Molapo argued.

He said technical teams from the NUM and the Chamber would be reviewing the productivity accord and

negotiations would run concurrently with the present coal mine industry wage talks.

He said that mine management was partly to blame for low productivity levels on gold mines.

Molapo argued that there were far too many management levels on mines and that took a big chunk of the operational budget. "The management layer is very thick and costly. Workers should not shoulder the whole burden on their own."

He said the full calendar operation system was out of the question. "We don't want to work additional shifts. Workers are saying additional shifts should be on voluntary basis and not enforced."

Negotiations on mine productivity to resume

Reneé Grawitzky

(211)
BD 12/18/97

NEGOTIATIONS on mine-level productivity deals, intended to lift overall gold production 90 tons, will resume this week after union leadership and mine management found workers were not in favour of linking wages with productivity.

Industry and union sources said that at a meeting between the National Union of Mineworkers (NUM) and the Chamber of Mines on Friday, the union recommitted itself to the accord reached last month.

NUM spokesman Ben Molapo said workers had rejected the accord which linked wages to productivity, and demanded the two issues be delinked. Workers were opposed to the idea that the attainment of the 90-ton target could be achieved only through implementing full calendar operations.

However, union leadership "recommitted" itself to the accord after industry negotiators informed them of the consequences of failing to stick to it.

Molapo indicated that as a result of Friday's meeting, report back meetings were held in all regions where workers were informed that mine-level negotiations had to continue.

The accord provided for wage increases of up to 25% for the lowest-paid underground workers and between 9% and 10% for other workers on condition that agreement was reached on productivity deals.

The accord also provided for a two-year deal which ensured that increases next year would range between 9% and 10% if production targets were achieved by the end of the deal's first year.

The accord did not stipulate that full calendar operations had to be implemented to boost productivity, with parties at mine level being allowed to explore all options to improve productivity. These options could include working on weekends or merely working more efficiently within current shift systems.

Production-linked wage model (21) stalemate has workers in a tizzy

14/8/97

By Abdul Milazi

GOLD mine pay increases will have to be negotiated separately from production targets after last week's rejection by workers of the South African Chamber of Mines' productivity-linked wage deal

Employers have in the meantime warned that there will be no wage increases if their proposals are not accepted by members of the National Union of Mineworkers (NUM).

The stand-off means workers on gold mines have a long wait before they can see wage increases

Workers in the gold mining industry may have to do without wage increments this year as agreement on a productivity-linked wage model eludes the National Union of Mineworkers (NUM) and the Chamber of Mines.
PIC LEN KUMALO

NUM spokesman Ben Molapo said the union has not accepted a production-linked wage model, proposed by employers at the signing of the accord.

"That is why we took it to our members. We cannot sign an agreement without a mandate from members. There is an agreement in principle that production should be improved, but it is an operational issue which should be addressed at mine level," Molapo explained.

No wage increases

Although the NUM leadership said it recommitted itself to the productivity deal, it is unlikely that negotiations will continue after employers warned that there would be no wage increases this year if the additional 90 tons a year target is not achieved.

Molapo argued that the NUM's initial demand had been that wages and production be negotiated separately.

"By taking the proposed wage model to our members, we were demonstrating our willingness to find a solution to the problem facing gold mines.

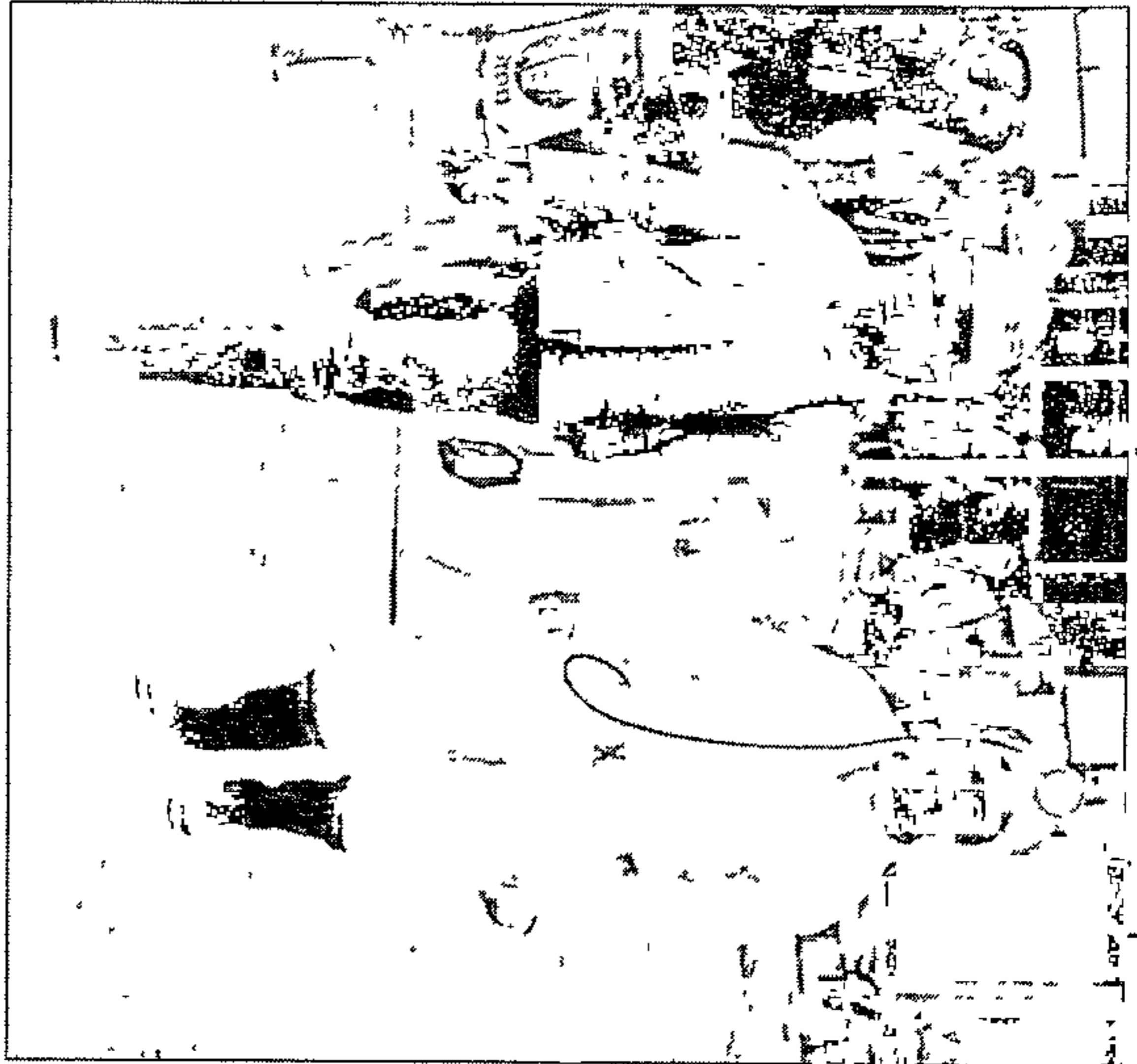
"Rejecting the proposal outright as leadership would have sent a negative message to employers.

"We had to be democratic about it," said Molapo.

He explained that workers fears were based on the fact that employers took decisions unilaterally, but employees would bear the brunt if the target was not met.

"Some mines are already abusing the deal by trying to implement continuous production, which means longer shifts and less rest. Workers don't want to work additional shifts."

Chamber of Mines' official spokesman Llewelyn Kriel was said to be on leave, while the only other person allowed to comment, Dr Barker, was also not available.



NUM calls on Govt to save mines

(2/1) Sowetan 18/8/97

Union urges Government to finalise policy on minerals to favour workers

By Abdul Millazi

THE National Union of Mineworkers (NUM) welcomed Government's monthly R1 million lifeline to ERPM's Boksburg mine but cautioned that a long-term plan was needed to save the fast declining industry

The financial aid comes a week after mine management applied for voluntary liquidation after recording a R12 million loss in June and R11 million in March, due to the falling gold price.

NUM spokesman Ben Molapo said the distressing developments of the closure of marginal mines was a wake-up call for Government to speed up the finalisation of a state policy on minerals and energy to ensure that it favoured workers.

At its ninth national congress early this year, the NUM called for the nationalisation of the mining industry, where the state would hold a 60 per cent stake of all mines.

This was based on the premise that Government had a social responsibility to create employment for millions of its unemployed citizens, while ensuring that those in employment retained their jobs.

"The issue of the nationalisation of mines has been temporarily overtaken by discussions on the Government's Growth, Employment and Redistribution (Gear) programme," said Molapo.

He said the present situation on gold mines highlighted the urgency with which Government needed to tackle the issue of finding long-term

solutions to the problems of the mining industry

The ERPM rescue bid is the second in three years, following intervention at the Durban Roodepoort Deep gold mine in 1994, where Government was forced to act to save 5 000 jobs.

Molapo said "One of the most distressing developments is the closure of marginal mines and the consequent loss of jobs. The situation is made worse by the fact that mineworkers are unfortunately not trained to work anywhere else.

"The trouble is that the industry has been so successful, and became such an important part of the economy that it did not take the development of its employees into consideration."

He said the Durban Roodepoort Deep situation had an additional poignancy, since it came at a time when the gold price was at an all-time high.

"Rescue operations such as this will protect jobs in the short term, but in the long run the demise of these marginal mines is inescapable unless Government makes a long-term commitment to turning the industry around," Molapo said.

Although South Africa is exceptionally rich in minerals it does not benefit much from its sales because almost all minerals are exported as raw material.

The NUM has argued that the vast resources could provide the basis for sustainable industrial development if South Africa processed its own minerals for both local and international markets.

A total of 43.2 million tonnes of gold have been mined since 1884.

Agreement at two mines signals progress in productivity deals

BD 27/8/97

(211)

Reneé Grawitzky

THE SA gold mining industry has made substantial progress in reaching much sought-after productivity deals with agreements reached at Anglo American Corporation's Vaal Reefs mine and Avgold-managed Harteestfontein mine

These mine level deals provide for working additional shifts where some workers could be expected to work on Sundays, but not on public holidays. Far more important, these deals will facilitate much-needed workplace restructuring to ensure increased efficiencies

At the same time negotiations are continuing at other gold mines in an endeavour to ensure the implementation of a two-year wage deal agreed to in principle last month between the Chamber of Mines and the National Union of Mineworkers (NUM)

The deal links wage increases to productivity improvements, resulting in the output of an additional 90 tons of gold during the next year

The majority of the mines did experience start-up problems with large numbers of workers rejecting the link between wages and productivity. After the union recommitted itself to the agreement mine level negotiations resumed

Other mining houses have reported that progress is being made with indications that talks are at an advanced stage at JCI's Western Areas gold mine and Gengold mines

Anglo said yesterday that the Vaal Reefs deal,

which covered more than 30 000 workers would ensure the mine had the ability to work an additional 26 shifts without increasing individuals' hours of work

Workers will work six days on and one day off for three weeks and a four day week in the fourth week. The deal — intended to raise output by an additional four tons — was also agreed to with the other mining unions and will ensure wage increases of 9% this year and next year. This will not lead to increased unit labour costs.

Discussions are continuing at Freegold, Western Deep levels and Elandsrand

Avgold said the Hartbeestfontein deal, which will be introduced over the next six months, allowed the mine to work an additional 75 days a year.

Workers would be required to work a shift cycle of four days on and four days off. The average time worked will be less than 40 hours a week. Avgold said that once fully implemented, production could increase by 15% to 20%. The agreement ensures workers will spend eight-and-a-half hours a day at the working face. The introduction of flexible practices was crucial in raising gold production and reversing the fall in profit experienced in the last quarter.

Meanwhile, the NUM and coal producers are on the brink of a settlement on wages with the majority of mines agreeing to a minimum wage of R1 000 this year. Those unable to reach the target this year have agreed in principle to a minimum R1 000 next year

Two-year deal signed in coal sector

(211)
(211)

BD 28/8/97

Reneé Grawitzky

A LANDMARK two-year wage deal covering 70 000 coal workers, providing for increases of up to 23% and a minimum wage of R1 000 by next year, was signed by the Chamber of Mines and the National Union of Mineworkers (NUM) yesterday.

According to the agreement, all chamber member coal mines will pay a minimum wage of R900 this year and are expected to move up to a R1 000 minimum next year.

The chamber committed itself to a social plan to cushion the effect of retrenchments and agreed to move towards providing equitable health care for mine workers.

The deal is the first in the chamber's history in which a separate coal wage deal has been agreed.

NUM general secretary Kgalema Motlanthe said that for obvious reasons, the parties had to consider separate gold and coal negotiations.

Anglo American coal representative Alan Martin, on behalf of the chamber, said mining industry bargaining structures would have to be reconsidered.

It is understood that discussions have started on the formation of a bargaining council. Further talks will be held once the wage agreement has been implemented.

Increases for workers on gold mines have yet to be implemented. Their deal links wages to productivity, and increases will be implemented only once parties at mine level have agreed on ways to raise productivity.

The coal agreement will see workers not on the minimum wage level receive

increases ranging between 7,5% and 9,75%. During the second year covered by the deal, the majority of workers will receive increases of 8%-9%.

However, workers at Ingwe will receive increases equal to the average inflation rate for the 12-month period ending May 1998.

The agreement, in line with the motor industry's three-year wage deal, says that if inflation falls below 6% or rises above 13% for the year to April 1998, any party may cancel the agreement or reopen negotiations.

Motlanthe said all mines bar Alpha Anthracite and Gold Fields would be unable to pay a minimum of R1 000 for surface workers this year; all except Gold Fields were paying a R1 000 minimum to underground workers.

A social plan will be implemented on collieries after discussion at mine level of services workers needed. These could include retraining retrenched workers, skills assessment and certification of prior learning, and financial and other counselling. The services would be funded by employers, with government playing a role as well.

The agreement also stipulates provisions to regulate job losses by ensuring timely information disclosure, fair termination procedures, planning taking into account matters relevant to job losses, and proper prior notice to ensure compliance with these provisions.

While each mining house has committed itself to discussing regulating health care in the industry, the agreement says health care for dependents, especially in rural areas, requires further discussion.

Callback services granted temporary reprieve by Satra

Robyn Chalmers

BD 28/8/97

THE SA Telecommunications Regulatory Authority (Satra) has granted local callback operators a temporary reprieve from its order to shut up shop by September 1.

In a letter to the SA Callback Association and 10 callback operators, Satra's attorneys said the authority would not initiate criminal prosecutions pending a ruling on a hearing in the Johannesburg High Court today in a case brought by the operators.

"(Satra) has never intended, nor does it intend, to impose any penalties on anyone contravening the provisions . . . without there being a conviction following criminal proceedings," said the letter. However, this should not be understood to mean that if the court found callback operations unlawful, the operators would not be exposed to prosecution, it said.

Satra could not be reached for comment last night.

SA Callback Association chairman Gianfranco Cicogna said he believed the attorney's letter indicated September 1 was no longer a deadline for closing down callback operations.

"The matter will now be determined by an impartial high court judge rather than the regulator, which had apparently determined the matter without recourse to the views of interested parties," he said.

"The industry now has clarity with regard to Satra's limited powers . . . in general interested parties will have the opportunity to be heard on this matter," he said.

When announcing that callback operations were banned earlier this month, Satra chairman Nape Maepa said in terms of the Telecommunications Act of 1996, Telkom was the only organisation licensed to provide international telecommunications services in SA on an exclusive basis.

Callback operators offer international rates which are up to 30% cheaper than Telkom's.

Many government organisations and business users said they were using callback services.

NEWS

LABOUR *Union hails two-year treaty as a major step forward for the industry*

Pact a first for coal miners

FRANK NXUMALO

Johannesburg — The National Union of Mineworkers (NUM) and the Chamber of Mines yesterday signed a historic two-year wage agreement for the coal mining industry that guarantees minimum monthly wages of R900 for this year and R1 000 for next year

The terms of the agreement covers 70 000 NUM workers in categories one to eight of the bargaining unit and means that the wages of workers in the lower grades have increased by up to 23 percent in some cases, and range between 7,5 percent and 9,75 percent for the rest of the grades

Alan Martin, the Collieries Committee chairman, said this was the first time in which a wage agreement for the coal industry had been concluded separately from gold industry negotiations

It was also the first time that a minimum wage of R900 a month for the industry had been agreed on, and that the wage agreement provided for this minimum to increase to R1 000 a month next year "I believe, for these reasons, that this is an historic occasion," Martin said

Production and productivity-linked wage negotiations are



BREAKTHROUGH *The NUM's Isaac Mbombo and Kgalema Motlanthe sign the two-year agreement*

PHOTO LINDSAY YOUNG

continuing separately in the gold mining industry

Kgalema Motlanthe, the general secretary of NUM, said the agreement would relieve the union from the cumbersome annual wage negotiations and enable it to focus its energy and resources on other strategic tasks

"It would allow us sufficient time to focus on strategic issues rather than take us on to the vicious cycle that accompanies annual wage negotiations. It's a

major step forward as it only leaves us with the gold wage issue to settle," said Motlanthe

The agreement brings the parties closer to the conclusion of an overall agreement for the mining industry

It also introduces changes in other conditions of employment, including providing for mining houses, and allowing the unions to engage in negotiations for an affordable health-care system

SAB hits out at strikers

RAVIN MAHARAJ

Durban — The Food and Allied Workers' Union (Fawu) had to be actively involved in preventing violence and intimidation at SAB operations around the country, Adrian Botha, a company spokesman, said yesterday

Botha said increasing violence and intimidation appeared to stem from "the fact" that there was little support for the current Fawu strike at SAB operations countrywide

The strike started last Monday after wage talks failed to reach a compromise. Fawu's proposed compromise entailed an 11,5 percent increase, which management refused as it had already implemented a 10 percent increase

Botha said the union had yesterday moved "a step in the right direction" after union shop stewards indicated to management that they "did not condone the violence and intimidation"

Fawu has said "opportunists", and not its members, were behind violence and intimidation

A huge mound filling the space between two dormitory blocks testifies to the amount of gold being 'mined' by effective operations of mine premises

There's gold in them thar hostels

Star 20/9/97 (211)

Police estimate that illegal gold processing and deals worth hundreds of thousands of rands are done in and around gold mining towns each day, with profits running into millions each month
CRAIG URQUHART visits the site of one such 'gold rush'

"The biggest gold mine in the Free State is here in Thabong," an undercover policeman quipped as we accelerated through the dusty township streets towards a house where gold was being processed illegally.
And he wasn't far off. When the *Saturday Star* accompanied members of Welkom's diamond and gold unit on a series of raids this week, it became abundantly clear that much of South Africa's gold refining is taking place outside the mines.

Every home in the Welkom townships of Thabong and Kurlunong visited by this newspaper had the essential ingredients for processing "homemade" gold. The houses may be decrepit and unsightly, but they double as well-oiled gold processing operations.

A daily supply of highly concentrated soil is smuggled from the mines, "refiners" spend hours separating the gold particles from the soil, and there is a steady supply of buyers snapping up the refined product at bargain-basement prices.

It's an enormous industry, keeping miners, township residents (many of whom are illegal immigrants), the syndicates, and the beleaguered and understaffed police very busy.

Mine managers believe thousands of miners are smuggling "extremely pure" gold concentrate past security guards on the mines every day.

While most mines have stringent security measures costing millions of rands in place, they believe they cannot contain the problem as

"We've had cases where they have fired small bags of gold concentrate over the fences and collected it on the other side," said Merrespruit mine manager Gerry Nolan.

Once the gold-bearing sludge is off mine premises, dealers separate the gold from the soil by mixing it with mercury and water and spinning it in mills.

Another popular method is to run the soil over carpets where the heavier gold particles settle into the material, and the soil is discarded.

These processes may be crude, but in many cases the content of the finished product is higher than the gold refined on the mines.

Police this week confiscated thousands of rands worth of crude equipment used for milling concentrated gold-bearing soil in and around Welkom.

These included liquor bottles containing mercury and borax, heat-resistant ceramic vases to



REFINERY: The G hostel in Thabong is regarded by police as the largest illegal gold-refining plant in the country. Three years ago these windows were 2m above the ground. The mountain of soil that has been discarded gives an indication of the extent of the problem.
LEFT: The cash and a nugget which changed hands during a transaction busted by the police.

PHOTOGRAPHS TJ LEMON

running their operations the next day.

"As long as there's a demand, they will keep on supplying it," says Captain Bobby Jonker, commander of the diamond and gold unit.

Other policemen at the unit say they are busier now than ever before and

out this problem. After the last raid at the hostel, every illegal immigrant arrested was deported, and only locals are now permitted to enter the hostel.

Jonker says that so far this year, 176 people have been

arrested in connection with gold theft.

"This figure may seem impressive, but the problem is that they are all small fry. Most (suspects) simply receive fines or suspended sentences. But we have been unable to nail the big

guns — the syndicates which are controlling this operation.

Undercover agents from the Johannesburg diamond and gold branch, Rand Gold Security and Gold Fields have smashed syndicates dealing in unwrought gold and arrested 50 people this year.

however, and after being arrested on four occasions, he claim has all become too dangerous for him.

"No way, man, it's bad. You going to end up getting killed, for what? I've made money and I'm happy," he sa

He claims he was always accompanied by "juniors" who would rap and face arrest. They were caught in possession. In return, he would assist them and look after their families if they were incarcerated.

It didn't always work, however, and after being arrested on four occasions, he claim has all become too dangerous for him.

A "former" dealer asked not to be named, he rose up through ranks from buying soil miners and selling it in small mark-up to the "ers", to becoming a dealer delivering nuggets to syndicates in Johannesburg.

"I was earning seven thousand rands for trip to Johannesburg sometimes I was going twice a week."

He claims he was always accompanied by "juniors" who would rap and face arrest. They were caught in possession. In return, he would assist them and look after their families if they were incarcerated.

It didn't always work, however, and after being arrested on four occasions, he claim has all become too dangerous for him.

... e t n loaves of bread, n cigarette packets, in hard hats their Wellington boots and overalls pockets.

When you have thousands of miners taking up half a kilogram in a kilo at a time - believe me it adds up, says James Watt, a metallurgist and security consultant at the Harmony mine in Virginia.

At most mines in Welkom, Virginia (Attertonville and Klerks-lop miners are prohibited from driving catapults.

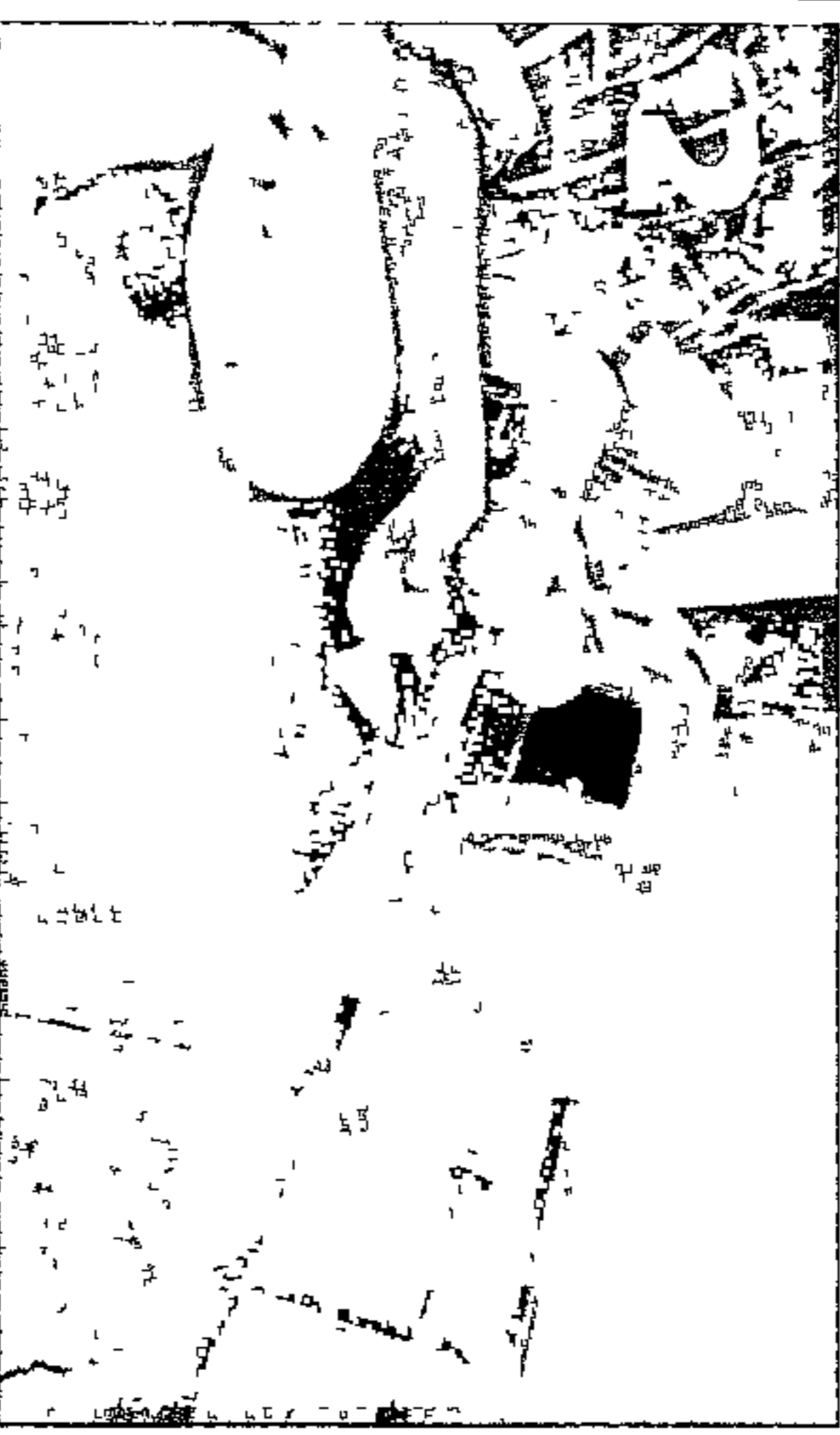
20 cent substance, gas bottles to smelt the gold, scales to weigh the finished product, and calculators to add up the profits.

"Because they have stolen most of the equipment they need for this process from the mines, they have no overheads," said a member of the SAPS's diamond and gold unit.

In some of the houses, receipt books recording the purchases of the finished nuggets indicate that some of the dealers are earning more than R10 000 a day.



HANDFUL OF DUST Gold-bearing soil like this handful is smugled out of the mines every day.



MILLER'S TALE The hand-operated mill separates the gold particles from the soil.

Skilled in art of turning soil into riches

The men responsible for mining the world's most precious metal are now being blamed for rapping this country's limited gold resources.

They and might they are in contact with highly concentrated gold-bearing rock, and police say they have now perfected the art of stealing unwrought gold.

After underground blasts, the gold-bearing rock is washed and many miners collect the slush that is discarded (Picture 1).

Others settle for dry soil after the underground explosion, while the refineries on the

Assistant who spin the mills that separate the gold particles are known to earn up to R500 a day. One suspect was recently charged with offering undercover police officers a R10 500 bribe.

And at the notorious G hostel in Thabong, thousands of tons of soil discarded through the windows has created a huge mound - an indication of the activity that is taking place.

"We arrest the dealers and confiscate their equipment but they are back on the streets and

tain the problem.

There have been eight major operations at G hostel so far this year. The last one, in August, resulted in the confiscation of 6 tons of gold-bearing soil, 623 homemade mills, 189 oxygen-acetylene cylinders and 104 bottles of mercury - and a mountain of other equipment used for the refining process.

Unemployed illegal immigrants have been blamed for much of the theft that has been going on, but police believe they have made progress in sorting



HARD WORK: A cutting torch is used to smelt the gold and mercury amalgam.



WORTH ITS WEIGHT IN GOLD The end result.

further.

This is the most dangerous part of the process and many of these people suffer from mercury poisoning.

The drum is sealed and, for several hours, it is spun vigorously until the gold adheres to the mercury. It is grinding work, but many unemployed people are earning up to R500 a day for their efforts.

When the drum has been drained, the gold and mercury amalgam is then placed in heat-resistant ceramic vases and smelted with a cutting torch (Picture 3). The process re-

sults in unrefined gold.

Borax, a chemical obtained on the mines that facilitates the melting process is added to this, and it is again burnt with a cutting torch.

This process is repeated several times, until small round buttons of gold are formed (Picture 4).

The ingots are then weighed on small scales and sold for between R32 and R35 a gram to dealers who sell them to the syndicates after taking a cut.

Police say the gold buttons are again smelted before being sold on the black market.

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Goldfingers grab at least R5-bn a year

Corrupt R10 000-a-day miners sell bullion to crook syndicates overseas

AKG 20/9/97

(211)

GRAB URGHART

Johannesburg - An investigation has uncovered that corrupt miners are stealing at least R5-billion in gold bullion a year and selling it to major overseas syndicates

Some are earning up to R10 000 a day selling gold nuggets to the syndicates

Estimates of the amount of gold stolen from all the mines vary between 10 and 15 percent of the total production and mine managers concede that it is affecting the viability of the mines

"The irony is that if South Africa's gold mines could produce 10 percent more a year we could probably employ 80 000 more miners," says James Watt, a consulting metallurgist to the Harmony mine in Virginia which has been particularly hard hit by the theft of gold concentrate

And with the industry conservatively expecting 65 000 more job losses by the end of the century and mines hoping to boost production by an extra 90 tons over the next two years, the problem has grave implications for the South African economy

The preferred destination for bootlegged bullion is Switzerland, but Britain and India also have a passion for the metal

"It's impossible to get an accurate figure, but we estimate that R1,6-billion worth of gold is ending up in Switzerland alone," says Andre Fourie, operations manager for security at Gold Fields

Most of the gold is smuggled through customs at Johannesburg and Durban air ports and harbour

"It's a hell of a problem. We're dealing with crooked miners and crooked security guards and there are a lot of syndicates, especially in Johannesburg, dealing with illegal gold," says Superintendent Henk van Rensburg of the Diamond and Gold Squad in Johannesburg

Superintendent Boks van der Schryf of the Durban squad says that millions of rands in illegal gold is slipping through customs.

"These syndicates are highly organised. They have infiltrated every South African mine and are capable of refining gold, forging transport licences and export papers and accessing foreign networks to sell their products

In the major mining towns of Klerksdorp, Carletonville and Welkom mine managers concede that the theft of gold-bearing ore from the mines is rife.

"There are thousands of miners carrying up to a kilogram of highly concentrated soil out of the mines every day. There is no doubt that security is in on this, so there's very little we can do," says Captain Bobby Jonker, station commander of the Diamond

and Gold Squad in Welkom

When Saturday Argus accompanied members of his unit on raids on township houses it was evident that illegal refining was a major business

Although some ways to smuggle ore are almost comical - including catapults to shoot small packages over the perimeter fences - mine managers say they have had enough

Mineworkers tell of underground terror

Star 26/9/97 (212)

BY TFO MOTHIBELI

Writhing in pain at Leshe Williams Hospital last night, Lucas Maswima said he was at work underground at East Driefontein gold mine near Carletonville when he felt the earth shake during yesterday's tremor.

"I was not that scared when the tremor began," he said. "The reality of the situation dawned on me when I saw the cut above my knee. The pain was bad."

Maswima, who has just started working as a miner, was one of three mineworkers at the hospital who recounted their ordeal underground when the tremor struck yesterday morning.

Another mineworker, Sekgoane Ramaru, whose face has multiple cuts, said he could only remember himself being buried under a load of rocks.

"I have never felt a pain like that. Rocks came tumbling down on me. I was scared and helpless. I am just grateful to have survived," he said, struggling with his words.

Ramaru is a Lesotho national who has been working at various mines since 1961.

Young Prinsloo (48), who has worked on the mines since 1977, said this was the second time he had been through this kind of accident.

"When the tremor occurred I was sleeping I thought it was an earthquake.

"Then I went down to help free one of our co-workers who was trapped underground. Then I suddenly felt rocks piling up on me," he said.

Prinsloo, a father of two, said the latest accident was more terrifying than the previous one.

"This time it was worse I was dead scared," he said.

The hospital's medical officer, Dr Deon du Toit, said the men were in a stable condition.

East Driefontein spokesman Andrew Davidson said this morning rescue teams had so far been unsuccessful in finding the miner missing since the tremor, measuring 4,2 on the Richter scale, at 2.05am yesterday.

"There is a lot of rock down there making it a time-consuming exercise, but the search continues," Davidson said.

"Our employees are our first priority"

Mine pension funds report lower returns

ST (M) 28/9/97 FALLING FORTUNES (211)
By THABO KOBOKOANE

THE Mine Employees Pension Fund and the Mine Officials Pension Fund both reported reduced returns in individual returns on assets of 13.6% (1996, 29%) and 12.5% (27.9%) respectively for the year ended June.

The MEPF and MOPF, both controlled and managed by the MPF Management Services, are two of SA's largest privately administered pension funds and together manage assets totalling R29.9-billion on behalf of about 75 000 members and 31 000 pensioners.

The funds' portfolios are heavily geared towards the equities market — about 72% of assets are in equities, largely in the industrial and financial sectors — which means that the returns are subject to the ups and downs of the market. In the year to June 1996, both MEPF and MOPF benefited from the market bull run, but the less-than-impressive run of the all-share index, at about 10.5%, has dented returns in the 1997 financial year. For the year, the MEPF and MOPF equity returns both showed drops to 13.2% (32.6%) and 11.3% (31.3%) respectively.

A spokesman for the MPF says both funds are building their assets swap arrangements to the legal threshold of 10% on assets.

A company spokesman says the funds experienced a decrease in retirement benefit claims during the past financial year, but the large number of early retirement leavers "remained a matter of concern". During the year 90% of MEPF members and 85% of MOPF members retired before normal retirement age.

Mine, unions agree to increase shifts

BD 1/10/97

(211)

Bonile Ngqiyaza

A LANDMARK agreement, allowing Western Areas Gold Mine's south section an extra 78 shifts and the north section an extra 54 shifts a year, had been signed on Monday with a range of unions including the National Union of Mineworkers (NUM), JCI spokesman Marc Gonsalves said yesterday.

The agreement — to which all mining unions and associations at Western Areas were party — was part of the 1997/98 wage review, which for the first time linked productivity to wage increases, Gonsalves said.

He said the implementation of various efficiency and productivity measures would begin immediately.

Western Areas MD John Brownrigg welcomed the agreement on implementing full calendar operations, saying he hoped it would pave the way for a significant improvement at Western Areas. The deal — the second the mining house has reached with the unions — was expected to increase production by 20%, and JCI said the extra tonnage

would have an even more substantial effect on the bottom line.

JCI's Joel mine has signed a similar agreement with labour and the mining house's Randfontein Estates is in the final stages of negotiating a deal.

In July the Chamber of Mines and NUM announced an agreement in principle to link wage increases to productivity improvements — the first such deal in the gold mining industry — with the aim of producing an additional 90 tons of gold during the next year.

The deal, concluded three weeks ago, meant workers would be paid a premium for additional shifts and would result in fewer shifts for workers where agreement had been reached on full calendar operations.

The July accord began a process whereby parties at mine level tried to agree on mechanisms to increase production. However, most mining houses experienced problems, as workers and some regional union leaders opposed full calendar operations and the linkage between wages and productivity.

JCI, NUM sign historic agreement

(211) Rowelani # 1/10/97

By Business Reporter

JOHANNESBURG Consolidated Industry's Western Areas Gold Mine and the National Union of Mineworkers (NUM) signed an historic two-year agreement yesterday on the implementation of significant calendar operations at two of its sectional mines

JCI corporate affairs manager Marc Gonsalves said yesterday his organisation had concluded the agreement with NUM in respect of Western Area's

South Section and partial full calendar operations at the North Section

The agreement, to which all the unions and associations at Western Areas are party, will enable the South Section to work an extra 78 shifts a year and the North Section an extra 54 shifts a year

Gonsalves said the pact was part of the 1997-98 wage review, which for the first time linked productivity to wage increases. The implementation of various efficiency and productivity measures will begin immediately

Commenting on the agreement, Western Areas managing director John Brownrigg said "I am delighted with the spirit in which the agreement was concluded

"This is something that we have believed in for some time now and we are confident that it will pave the way for a significant improvement at Western Areas"

At the time of going to press, NUM spokesman George Molebatsi could not be reached for comment to shed more light on the deal

Retrenchment plan blasted

BD 10/10/97

(211)

Reneé Grawitzky

GENGOLD's current retrenchment of one-third of its workforce, or 6 300 workers, at Evander gold mine has come under attack from the National Union of Mineworkers (NUM)

The mine announced in September that 9 200 workers faced retrenchments because of the gold price and lower than predicted gold production. This figure was revised to 6 300, with 5 300 workers currently being retrenched. Another 1 000 face retrenchment in February.

Gengold said yesterday negotiations with the NUM had continued but the parties had yet to finalise agreement on the retrenchment packages.

The union lashed out at Gengold and said Evander mine had gone ahead with retrenchments

without exhausting the consultation process. The union warned Gengold and the broader industry that the recently signed productivity linked wage deal could be damaged. The NUM said it was forced to agree to full-calendar operations with workers working nine shifts on and three shifts off. However, as soon as the agreement was signed, mine management announced retrenchments.

NUM assistant general secretary Gwede Mantashe said last night the productivity agreement benefited only management and ensured increased profits, particularly in the light of a stabilising gold price but provided no benefit for workers as full calendar operations did not save jobs.

Meanwhile, JCI's HJ Joel gold mine served an interdict yesterday on workers who went on a go-slow at the weekend to put pres-

sure on management to grant wage increases.

Mantashe said morale at the mine was low because of management's refusal to implement increases despite the fact that workers had agreed to full calendar operations.

In terms of the productivity linked wage deal increases could be granted only once mine level agreements had been signed. It is understood that the parties have been unable to reach agreement on the premium paid for working nine shifts on and three shifts off in terms of the full-calendar operations arrangement.

The NUM warned that a meeting would be held on October 18 and 19 to "tighten our approach to employers" whose programme was primarily to discredit and destroy the union, as appeared the case at JCI and Gencor.

MORE THAN 20 000 NUM WORKERS FACE RETRENCHMENT BEFORE YEAR-END

Johannesburg — More than 20 000 mineworkers allied to the National Union of Mineworkers (NUM) face the guillotine before the end of the year despite a two-year productivity deal signed in August between the 350 000-strong union and the Chamber of Mines

These include 4 500 from Vaal, between 6 200 and 9 200 from Evander and 3 200 from Western Areas

The agreement was hailed then by both sides as "historic" and linked wages, productivity and the production of an additional 90 tons a year on the understanding that it would save jobs

Gwede Mantashe, the NUM assistant general secretary, said the union was now revisiting the agreement and had called on the government to halt the retrenchments as they were above the 20 percent a year permitted under labour law — Frank Nxumalo

NUM applies for interdict to halt Evander job cuts

FRANK NxUMALO

LABOUR CORRESPONDENT

Johannesburg — The National Union of Mineworkers (NUM) said yesterday it had applied for an urgent court interdict to halt the Gencor-owned Evander gold mine from firing 5 029 workers from its workforce of 16 000

George Molebatsi, the national spokesman for the NUM,

said the swift retrenchments were being made in preparation for the R17 billion merger deal, signed last week, between Gencor and Gold Fields of South Africa

Molebatsi said the union's proposals for a severance package of three weeks' wages had been rejected by the mine authorities

"It is spiteful to act in such a heavy-handed manner after

we agreed to work full calendar operations," Molebatsi said.

He said the NUM would have to re-examine the landmark two-year deal, signed in August, with the mining houses. In terms of this, wages and productivity are linked to achieve an extra 90 tons of gold a year. He said the mining houses had, by and large, reneged on the deal.

"I don't think the mining

houses have been very open with us. There have been a lot of retrenchments, strikes and dissatisfaction from our people (following the agreement)," Molebatsi said

"There is a need to sit down with the mining houses and look at the whole industry in terms of unbundling, rebundling and so on," he said

But Adrian du Plessis, the

Chamber of Mines' Industrial relations manager, said the unions and the mining houses were aware of the limitations of the agreement

"The agreement was the product of protracted bargaining; there were no illusions at the end. The industry faces a hard road to reach competitiveness, and the agreement is a very important part of that process,"

Du Plessis said

Meanwhile Tito Mboweni, the labour minister, is said to be considering invoking the old Mines and Works Act, which requires mining companies to seek government approval before retrenching more than 20 percent of their workforce in a single year

□ Business Watch, Page 18

(211) CT(BR) 14/10/97

NUM slams mine management for allegedly renegeing on recent productivity deal

Miners protest planned job losses

NUM 16/10/97 (211)

FRANK NXUMALO

Johannesburg — Thousands of mineworkers allied to the National Union of Mineworkers (NUM) yesterday marched to the Vaal Reefs regional offices to protest at the proposed retrenchment of about 4 500 of their colleagues

Ben Molapo, a union spokesman, said the workers were also demanding an equity pay rise on living-out allowances between black and white employees

He said black employees got their living-out allowances related to their job categories. The white workers' allowances were paid across the board

Hoyce Phendulu, NUM's Klerksdorp regional secretary, slammed management for allegedly renegeing on a productivity deal signed in August

The plan to retrench over 4 000 workers was ironic, given that the NUM and the Chamber of Mines had just signed a productivity accord, he said

"We were not given a chance to see whether the productivity accord can bear any fruit. Our members are already complaining about a heavy work load as a result of the productivity agree-



SOLIDARITY Several thousand NUM members at Vaal Reefs Mining and Exploration marched in protest yesterday against the proposed retrenchments of over 4 500 workers at the mine PHOTO: JOHN WOODROOF

ment, and yet the management is talking about the possibility of reducing the workforce," Phendulu said.

Dick Fisher, Vaal Reefs operations manager, said the reduction in the workforce was voluntary and was only one of the options of the productivity deal

Fisher said more than 2 000 workers had already opted for voluntary severance packages

"Against the background of a sustained low gold price, we have been engaged in a broad range of initiatives to ensure the continued viability of as many of our operations as possible. Key among

these is the recent industry wage and productivity agreement.

"(However) a number of shafts continued to make losses and their disposal or closure, with consequent job losses, becomes inevitable. Trade unions have been and continue to be thoroughly involved in this process"

MINES Continuous operations seen as a way of minimising job cuts

GFSA on verge of accord

ET (BR) 17/10/97(211)

ANDI SPICER

MINING AND RESOURCES EDITOR

Johannesburg — Gold Fields was on the point of agreeing to continuous working practices with unions in return for minimising job losses at its gold mines, the mining house said yesterday.

"We are still in negotiations, but we are a long way down the line. I see this potentially as a win-win situation for everyone," said Richard Robinson, Gold Fields' executive director of gold operations.

Gold Fields announced last week that it was to merge all of its gold mines with those of Gencor to create the world's biggest gold producer in the form of a new company called Goldco.

Unions have said the merger was most likely to mean large job losses at the mines.

"The roster system will allow the capital assets to be more intensively used. As far as employees are concerned, it means them working 10 days less a year and enables them to have one long five-day break every month," Robinson said.

He warned that the introduction of these working practices was essential, particularly at Leeudoorn, but also at the other

gold mining operations within the group.

"Unfortunately, the downscaling at Leeudoorn is essential if that division is to have any possibility of survival, and the unions are fully aware of this.

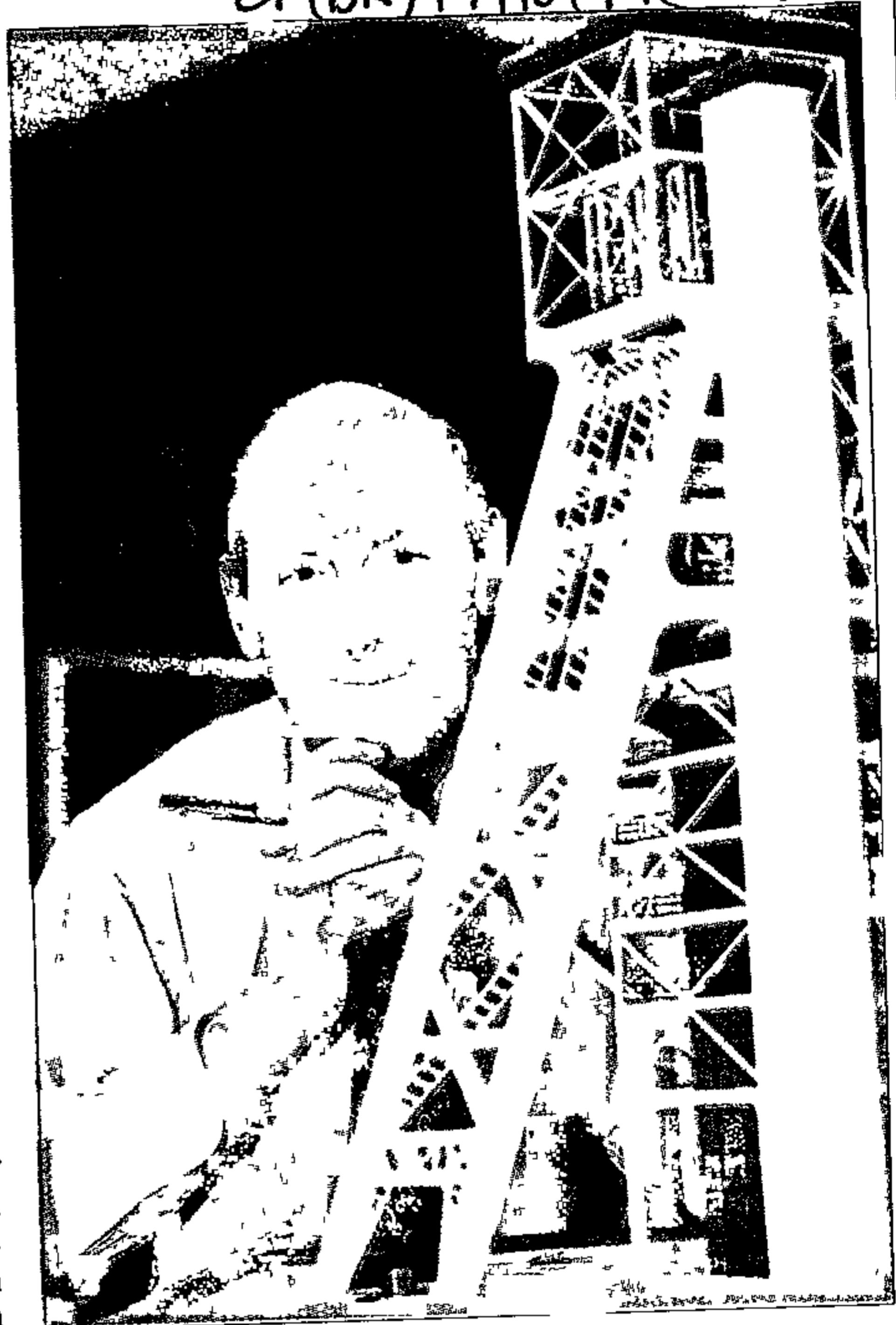
"With continuous operations at Leeudoorn and the other gold mines in the group, additional crews will be required. Job losses will be reduced at Leeudoorn by placing on other group mines many of those who would otherwise face retrenchment," said Robinson.

Gold production at Gold Fields mines rose 3 percent to 25 tons last quarter. But performance was mixed, with losses at Leeudoorn, Libanon and Deelkraal offsetting better production at Kloof and Driefontein, the company said yesterday.

In its gold results for the quarter to September 30, released yesterday, profit after tax fell 11 percent to R171,4 million from R192,3 million, even though output was up.

"East Driefontein and Kloof were quite promising in terms of gold production, but the results at Leeudoorn and Libanon were unacceptable," Robinson said.

□ **Business Watch, Page 14**



TOWERING HOPES Gold Fields' Richard Robinson after yesterday's news of an imminent deal with miners

PHOTO: JOHN WOODROOF

Mozambican miners benefit

Johannesburg — The 60 000 Mozambican mineworkers working in South Africa, and their families, can now receive pension and compensation payments directly in Mozambique, following an agreement signed yesterday by Tito Mboweni, the labour minister, and his Mozambican counterpart, Guilherme Mavila. Previously, payments were made through the Johannesburg office of the delegate of labour of Mozambique, then sent to the Mozambican labour department and then distributed nationally. The department said this method of payment made it difficult to provide adequate services to disabled workers or the dependants of deceased workers — Miranda Strydom

21/10/84

(211) (208)

Beatrix productivity drive backfires

ET (BAR) 21/10/97 (211)

JONATHAN ROSENTHAL

INDUSTRIAL EDITOR

Johannesburg — Beatrix gold mine, one of the country's most efficient producers and the star performer in the Gencor stable, increased its productivity so much and so fast that it was unable to cope, and its distributable income dropped nearly 40 per cent in the past quarter.

Tom Dale, Gengold's managing director, said yesterday the mine's productivity drive was so effective at increasing the rate of underground ore production to 230 000 tons a month, that workers managed to fill the mine with unprocessed ore, resulting in a one-week halt to blasting while attempts were made to hoist the ore out of the mine.

"It turned out to be a bit of a double-edged sword. We only expected to get there in 2001

(when a new shaft is to be commissioned)," Dale said.

During the week's delay in blasting to clear the mine, cross-tramming, whereby reef ore gets mixed with waste ore, took place. This reduced the mine's gold yields and dropped gold output by 76kg in spite of an increase in the quantity of ore milled.

Dale said the mine had eliminated its cross-tramming problem, but the mine's capacity would still be constrained by the 230 000 ton-a-month hoisting bottleneck.

Improved performance would now have to stem from cost reduc-



Tom Dale

tions and more efficient mining.

Overall, the four mines in the Gencor stable — which will be merged with the mines of Gold Fields to create Goldco, the world's largest gold producer — recorded a 56,9 per cent drop in operating income to R42,3 million for the September quarter.

Oryx, which is still in the developmental stage, boosted its gold production by more than 50 per cent to 819kg.

St Helena was struck by both lower yields and a lower gold price, reducing gold production and slashing distributable income to R1,5 million. Dale said the production problems had been solved and the mine was "going to produce better results at the December quarter."

Evander, which slid into an attributable loss of R28 million, was continuing with its 6 000 layoffs at a cost of R70 million.

Pact to help Mozambican miners

Kevin O'Grady

(21)

MOZAMBICAN workers on SA mines will be able to have pension and compensation payments made directly in Mozambique after an agreement was reached yesterday between Labour Minister Tito Mboweni and his Mozambican counterpart.

An SA labour ministry spokesman said Mboweni and Mozambican Labour Minister Guilherme Mavila sealed the agreement in Pretoria by finalising an addendum to the 1964 labour agreement which regulates labour and related financial issues between the two countries.

The agreement would enable the approximately 60 000 Mozambican mineworkers in SA, or their families, who were eligible for payments in terms of the Workmen's Compensation Act or the Compensation for Occupa-

tional Injuries and Diseases Act to be paid in local currency in Mozambique.

The spokesman said that in the previous system, payments were made through the Johannesburg office of the delegate of labour of Mozambique, sent to the Mozambican labour department in Maputo and then distributed through labour offices in Mozambique.

"This method of payment made it difficult for Rand Mutual Assurance, which administers the payments, to provide proper follow-up services to seriously disabled workers and dependants of workers who had died," the spokesman said.

Following yesterday's agreement, Rand Mutual Assurance would transfer money to the Banco Commercial de Mocambique, and the Mozambican National Institute of Social Security would make the payments every month on its behalf.

BO 21110/97

Mine, NUM sign interim pay deal

DD 31/10/97

(211)

Reneé Grawitzky

GOLD Fields of SA and the National Union of Mineworkers (NUM) have signed an interim agreement at Kloof, East and West Driefontein to give effect to the industry level productivity-linked wage deal aimed at raising gold production by 90 tons over the next year

The interim agreement provides that within 30 days the parties at mine level will finalise productivity and production arrangements which could include the working of full calendar operations in certain areas or working additional Saturdays

Thereafter, the full agreement will be signed, giving effect to the introduction of new work practices. However — with the signing of the interim agreement — the company agreed to grant mine

workers salary increases now, before the implementation of new work practices

Gold Fields spokesman Andrew Davidson said the company trusted that after the 30 days, parties at mine level would have finalised arrangements and the union would have ensured workers were committed to the process

The industry level productivity-linked wage agreement, which in the case of Gold Fields could raise gold production by 46 tons, has unleashed strong opposition from various sections of the union. This was especially evident in recent weeks as a number of mining houses embarked on various retrenchment exercises

Davidson explained that the 30-day grace period was intended to be utilised to finalise certain minimum provisions such as continuous mining operations

Leeudoorn forced to lay off staff

(21)

ANDI SPICER

CT(BR)4/9/97
Johannesburg — The low gold price and adverse geological conditions had forced Gold Fields to downsize its Leeudoorn gold mine, with the loss of up to 2 800 jobs, or 41 percent of the workforce, the company said yesterday

Leeudoorn had been marginal for some time and had been sustaining losses at the operation, which is a division of the Kloof mine, near Westonaria on the West Rand

Financial losses had been running at about R10 million a month as cash costs had been running much higher than the current price of gold, it said

Gold Fields said it was considering the move at its recent quarterly results, and it was widely expected by industry observers. Management said it believed the rationalisation would minimise short-term losses and it hoped to restore the mine to profitability in the medium term

Consultations were taking place with employees and unions, it said

"We looked at all the scenarios which could reduce the losses and then return Leeudoorn to profitability in the medium term," Richard Robinson, the Kloof company chairman and executive director, said yesterday

"Leeudoorn does not have sufficient payable faces to support its capacity milling rate of 120 000 tons a month. The promising alternative is to initially reduce the tonnage rate to about 75 000 tons a month. This would mean a restructuring of the operation with the obvious negative impact on levels of employment."

Gold Fields had considered "closure, care and maintenance, development only, or a lower tonnage milled with continuing development", it said

Robinson said the successful completion of negotiations between the industry and employees to increase the number of days worked a year would mean that job losses at Leeudoorn would be reduced

Another 2 800 to lose jobs

By Abdul Milazi

THE National Union of Mineworkers (NUM) has accused Gold Fields of mismanagement as the unstable gold price claims yet another 2 800 jobs at the Leeudoorn Mine

NUM spokesman George Molebatsi said mass retrenchment could be avoided if management involved workers in the long-term production and productivity plans

Gold Fields' Leeudoorn Mine, near Westonaria on the West Rand, announced this week that it would shed 2 800 jobs as part of its industrial restructuring programme

The mining industry has shed more than 500 000 jobs since mines started retrenching in 1987 under pressures from the falling gold price

Gold Fields spokesman Andrew Davidson said the mine had been sustaining losses of R10 million a month for some time and management had evaluated various alternative plans to minimise the short-term losses and restore the operation to profitability

Molebatsi said mining houses continued taking unilateral decisions on industrial restructuring

"They claim to have consulted their employees but our shop steward at the mine knows nothing about the planned

retrenchment"

Gold Fields gold operations director Richard Robinson said "We looked at all the scenarios which could reduce losses. Unfortunately, with the geological conditions and current low gold prices, Leeudoorn does not have sufficient payable faces to support its capacity milling rate of 120 000 tons a month"

He said the most promising alternative was to reduce the tonnage milled to about 75 000 tons a month

"This, regrettably, would mean a restructuring of the operation with an obvious negative impact on levels of employment"

Lawetan 5/9/97

(211)

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MINING *Government package ensures workers will keep jobs*

ERPM mine rescued from closure

JONATHAN ROSENTHAL

INDUSTRIAL EDITOR

Johannesburg — About 4 800 mineworkers at the ERPM gold mine would remain employed, thanks to an improved performance at the mine and a revised rescue package from the government, ERPM said yesterday.

Lionel Hewitt, the outgoing chairman, said the new management had managed to bring the mine close to breakeven in the past few months, after it reported a R12 million cash loss for the June quarter.

The new management had achieved "significant" cost savings and an improvement in the grade of ore mined. "This has translated into improved revenues and takes us from loss-making to just past breakeven," Hewitt said.

But the mine would be un-

able to stand on its own feet at the present gold price, and the government's assistance package had tipped the balance in deciding to continue operations, he pointed out.

Linda Makatini, an adviser to the minister of mineral and energy affairs, said the government had agreed to provide a R1 million-a-month subsidy until next March to allow ERPM to continue pumping water from its underground operations.

The government, which is the mine's largest shareholder because of previous loan guarantees, has also agreed to defer



Lionel Hewitt

by two years the repayment of about R38 million in government loans. The mine was supposed to repay the first R8 million this year.

The mine would also be allowed to sell off some of its capital assets, which would normally be prohibited by law because of its threatened liquidation. Makatini said the proceeds would be deposited into a trust account and could only be used for reinvestment in the mine.

She said the package did not open the door to blanket subsidisation of marginal mines as the government was convinced the mine could be turned around.

Hewitt said the mine's ore reserves gave it a lifespan of about five to seven years. A final long-term rescue package would have to be hammered out between the government, labour and management.

CT(BR) 5/9/97 (211)

Retrenchment notice sparks row with union

BDS 19/97

(211) ~~12~~

Reneé Grawitzky

A ROW has broken out over Gold Fields' announcement this week that 2 800 workers at Leeudoorn gold mine faced retrenchment, with the National Union of Mineworkers (Num) claiming the company had ignored the Labour Relations Act and failed to consult on this move.

Gold Fields announced that Leeudoorn could retrench a third of its workforce as the low gold price and mining problems resulted in losses of R10m a month

NUM Gauteng co-ordinator Charles Freedland said the union was informed for the first time about the planned retrenchments at a meeting yesterday which was scheduled to discuss productivity improvements in line with the industry accord on wages

Gold Fields spokesman Andrew Davidson said the chairman of Kloof gold mining company had been in contact with senior union leaders while a

meeting had been held at the mine on Tuesday, where management had advised the union of retrenchments

Freedland denied this and said Tuesday's meeting was to discuss productivity issues and not retrenchments. He said there had been no prior consultation or notification in writing to the union at local level until yesterday. Discussions to date have revolved around productivity, not retrenchments. Gold Fields, he said, was trying to force retrenchment discussions into talks around productivity

He said the mines' production manager had even apologised for the announcement which appeared in the media yesterday and said head office should not have done that

Davidson said there appeared to be some confusion around the issue as prior discussions had been held

Freedland said relations between mine management and the union had been very good, but suddenly the retrenchments were "sprung on us"

NUM walks out of Leeudoorn talks

ET (BR) 5/9/99 (211)
FRANK NXUMALO

Johannesburg — The National Union of Mineworkers (NUM) walked out of labour relations talks with the management of the Gold Fields owned Leeudoorn gold mine yesterday, where up to 2 800 of their members, or 41 percent of the workforce, are facing the axe

George Molebatsi, a union spokesman, and the union PWV regional co-ordinator Charles Freeland, repudiated company claims that Richard Robinson, the Leeudoorn chairman, had been "in direct contact with the NUM to discuss the downscaling of operations"

Freeland said he went to the meeting under the impression that the agenda was about productivity at the mine, only to have the retrenchments issue "slapped" in his face.

Freeland said there had been no consultation and the union learnt of the pending retrench-

ments through the media

"They just came up with this jobs story and they tried to force it down our throats, they haven't consulted nor notified us in writing as required by the Labour Relations Act, that is why I walked out," Freeland said

He said the union would not discuss the issue with the company until they put it in writing

But Andrew Davidson, a company spokesman, insisted there had been consultations with the union and other affected parties.

He said "he had no information" about NUM's claims He said there was direct contact between Robinson and senior leaders of the unions involved

Davidson said there were two processes running which involved the employees and the unions — productivity-linked wage talks through the Chamber of Mines and scaling down operations at Leeudoorn.

Experts warn of further job losses at gold mines

ST(BT) 7/19/97 (211)

Thousands of miners could lose their jobs if costs cannot be cut, write SVEN LÜNSCHKE and CAROL PATON

THE gold mining industry should conservatively expect a further 65 000 job losses by the end of the century, industry experts warned this week as the spectre of mine closure loomed large again.

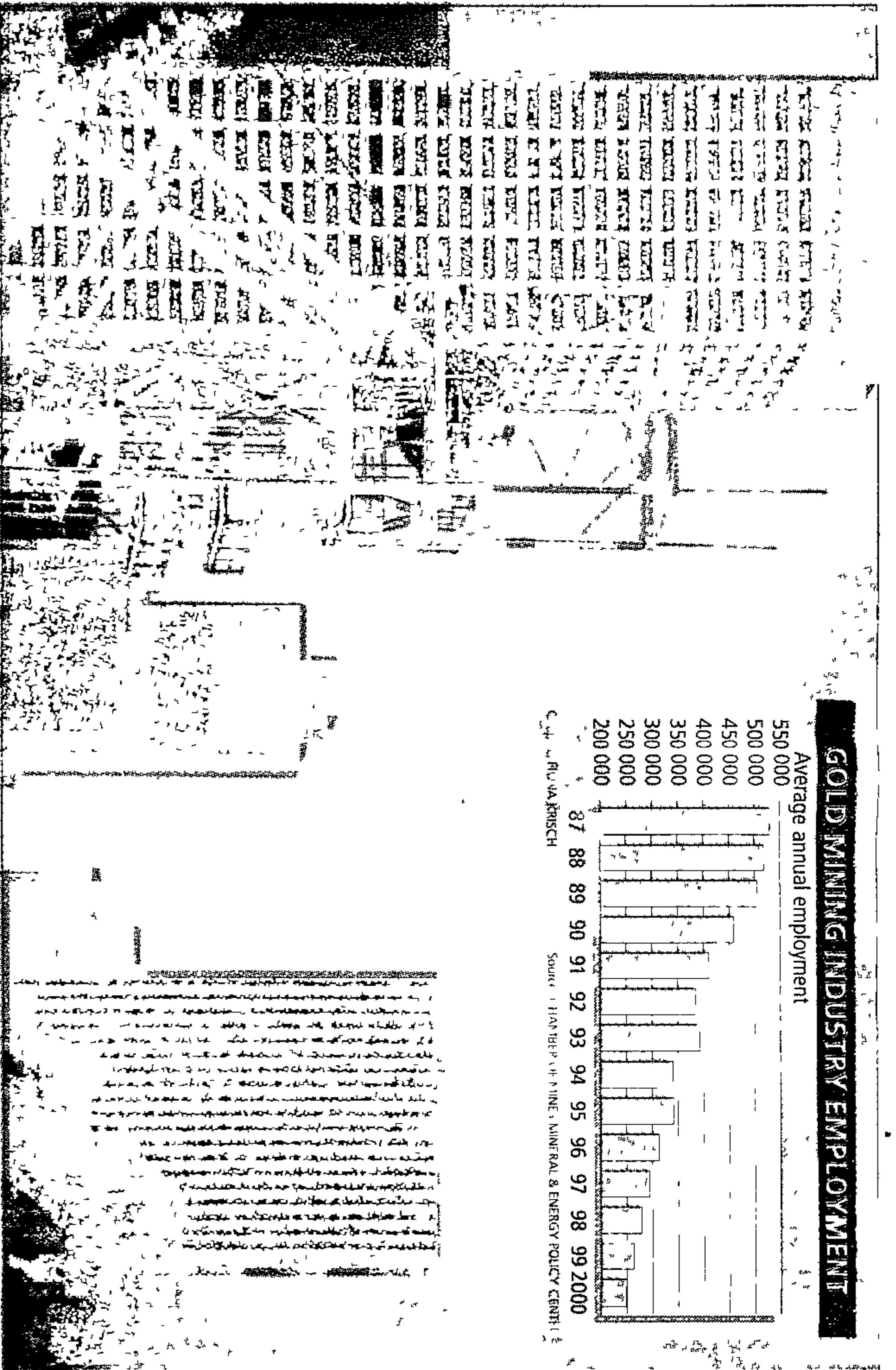
In a paper published this week, the Mineral and Energy Policy Centre (MEPC) estimated at least 64 000 jobs would be shed in the beleaguered industry. This takes into account a variety of gold price scenarios.

This week alone Gold Fields of SA's Leeudorn on the West Rand warned that 2 800 jobs, or 10% of its workforce, were at risk as the mine downsizes in the

wake of the falling gold price. The world's largest mine, Anglo American's Freegold, also announced it was in talks with "third parties" regarding the sale of some of its marginal or loss-making shafts. In July JCI's Randfontein announced the retrenchment of 3 000 workers.

The only good news for the industry was that ERPM was rescued from closure after renewed government assistance, 4 800 will thus stay employed for the time being.

The prospect of large-scale losses has lent renewed urgency to the talks between gold mines and the trade unions about ratifying the recent national two-year wage accord.



Chamber of Mines negotiator Frans Barker said on Friday substantial progress had been made in drawing up productivity agreements with the National Union of Mineworkers (NUM).

Agreements, have been reached at Beatrix, St Helena, Hartbeestfontein, Lorraine, Vaal Reefs and Harmony and would be reached "within days" at many other of the 20 gold mines covered by the chamber.

The productivity agreements are linked to this year's wage agreement with the NUM and are aimed at reducing costs through a variety of measures.

Altogether the industry hopes to lift production by an extra 90 tons during the two years cov-

ered by the accord.

"These agreements are critical for the survival of the mines and the protection of jobs. We have been facing these cost pressures for a long time and to be able to talk about productivity at a central level is a significant break with previous years," Barker said.

The MEPC as well as the Chamber of Mines stressed the importance of the accord for the future viability of the industry.

"We need to look at a strategy that includes productivity agreements, improved technology and greater workplace flexibility if we are to avoid the worst-case scenarios," says Chamber of Mines economist

Roger Baxter. Despite bullish industry forecasts at the beginning of the year it is unlikely that the SA gold mining industry will boost total output to 500 tons this year, thus extending the 25% decline in output of the past 10 years.

The MEPC's estimates show that 18 000 jobs will be lost this year with a further 15 000 workers being retrenched each year until the year 2 000, the MEPC's Mike Solomon warns.

Based on a drop in annual gold output to 420 tons by the end of this year Solomon's estimates total job losses of 111 000 over the next 10 years.

The Chamber of Mines figures show that in the first six months

of the year 8 000 gold mining jobs were cut bringing the workforce complement in the industry to 305 000. Ten years ago that figure stood at 525 000.

One of the more interesting trends observed by the MEPC is that more South African jobs are lost than those of migrant workers on the mines.

Between 1986 and 1992 when the industry shed a third of its workforce, the drop in SA jobs was 36% against 28% for foreign workers.

It is projected retrenchments for the next four years show a similar pattern with 40 000 South Africans miners expected to lose their jobs against 24 000 migrant workers.

MDA throws lifeline to miners

(211) ET(BR) 8/9/97

FRANK NXUMALO

Johannesburg — Job creation strategies pioneered by the Mineworkers Development Agency (MDA), a section 21 company registered by the National Union of Mineworkers (NUM), have come to symbolise the only exit open for thousands of mineworkers trapped between the tumbling gold price and the hard reality of looming retrenchments

On Wednesday the management of Leeudoorn, Gold Fields' gold mine near Westonaria, touched a raw nerve with the NUM when it allegedly took a decision to notify 2 800 workers — 41 percent of its workforce — that they faced the guillotine

A study published last week by the Mineral and Energy Policy Centre warned the gold mining industry to expect at least 64 000 job losses by 2000

The majority of the retrenched

workers — miners all their lives, with little or no skills marketable in other sectors of the economy — have turned to the NUM for practical assistance and guidance

Gwede Mantashe, the assistant NUM general secretary, said yesterday the MDA had superseded producer co-operatives, as these were found to help very few people "after a lot of capital outlay"

"With the MDA, you reach out for more people," Mantashe said. He said mining houses, especially Anglo American, had contributed handsomely towards the establishment of MDA centres in Mhala in Mpumalanga, Maseru in Lesotho, Mount Ayliff in the Eastern Cape and Welkom

He said that, as far as possible, MDA centres, which also had micro-loan facilities, were located in the traditional mining houses' recruitment points and were not closed to members of the surrounding communities

Mining wage accord 'likely'

FRANK NXUMALO

Johannesburg — There was a strong possibility of an agreement linking wages, production and productivity for the gold mining industry being signed this week, Ben Molapo, National Union of Mineworkers (NUM) spokesman, said yesterday

The agreement has been touted as the mechanism by which the struggling gold industry can be saved from sliding deep into the red

The Chamber of Mines and the NUM have made substantial progress at mine and company level in their talks, although Molapo said progress had been uneven. However, due to the length

of time that had been spent on the process, it was possible to reschedule mine-level negotiations to a date beyond a chamber agreement. A chamber plenary designed to "take stock of progress made so far" was scheduled for today

Molapo said delays in elevating a two-year chamber accord signed a month ago to an industry agreement had been caused by the lack of a clear strategy at mine level of the mechanisms required to meet the proposed additional 90 tons of gold production a year

"There were also some misunderstandings when the accord was taken back to the mines. Management interpreted it to

mean full calendar operations, something the workers did not want to hear," Molapo said

He said the accord proposed that the question of the rearrangement of shifts and meeting the additional 90 tons had to be "discussed at mine level and by mining houses"

Kgalema Motlanthe, the NUM general secretary, said "several mines had signed" for their allocated portion of the additional 90 tons and that "where parties felt they needed additional shifts, there were arrangements"

Adrian du Plessis, the chamber's industrial relations adviser, said "it's all systems go", but "more progress had been made in some areas than in others"

(211) et (BR) 10/9/97

Gencor warns of closures and job cuts at Evander

(211) ET (BR) 18/9/97

ANDI SPICER

MINING AND RESOURCES EDITOR

Johannesburg — Gencor, the mining house, warned yesterday that unless new working practices at Evander Gold Mines were adopted, uneconomic shafts would be closed with the loss of up to 9 200 jobs, or more than half of the workforce

"Agreement between management and employees on means of increasing gold output in the short term has not been possible and

discussions on rationalisation are in progress," said a statement

According to analysts, marginal shafts at Winkelhaak, particularly No 3 and No 6 shafts, are thought to be at risk as well as shafts at Leshe

"This rationalisation will involve the closure of those shafts and their infrastructures that are not viable using current work practices at today's gold price. This could involve the loss of up to 9 200 of the 16 000 jobs at Evander Gold Mines," the statement said

The shafts would be placed on care and maintenance, so if the price environment improves and there is "a change in circumstances, the very substantial resource base of the company can be exploited"

Trevor Savage, Gengold's company secretary, said staff were told at mass meetings yesterday that loss-making shafts would close under present conditions "But it is not definite yet and it is the basis for negotiations. We have given examples of

which shafts will close and negotiations are in progress"

Evander management have been trying to persuade miners to work full calendar operations or "fulco" to increase the number of shifts worked and boost gold production at the mines

Evander said yesterday the target completion date for the rationalisation process was the end of this month and losses sustained at present should be "curtailed" during the December quarter

Gold industry signs landmark wage agreement

CT(BR)18/9/97 (21) (21)

FRANK NXUMALO

Johannesburg — The National Union of Mineworkers (NUM) and the Chamber of Mines yesterday signed a significant two-year agreement linking improvement in wages to productivity

A target of producing an additional 90 tons a year to help rescue the ailing gold industry was agreed upon

The minimum wage for lower surface and underground workers has been raised from R1 000 to R1 150 a month, representing an increment of 20 percent for some mines

The rest of the workers will receive increases of between 9 and 10 percent

An "escape clause" or mechanism that allows for the resumption of negotiations during the course of the two-year wage cycle has been entrenched in the agreement. However, this can only be in the event of the rate of inflation dropping below 6 percent or surging above 13 percent.

Kgalema Motlanthe, NUM's general secretary, said the deal was remarkable. "It is an historic agreement, for us to have achieved these increases. It's a hell of an achievement."

Frans Barker, the Chamber's deputy industrial relations advisor, said the agreement had the potential of changing the country's industrial relations landscape

"I think this agreement forms a new mould for industrial relations in many sectors in South Africa, (as) we have succeeded in linking wages with production at decentralised or entrepreneurial level."

He said while the mechanisms for achieving the additional tonnage varied from mine to mine, they had striking commonalities

"They set out specific and measurable steps for improvements in production and productivity necessary to support the wage increases and to secure the mines' future viability. This includes new work calendars and workplace reorganisation initiatives," Barker said

"They provide for the full disclosure to employees of information necessary to participate in workplace reorganisation and productivity initiatives. They also provide for monitoring of progress towards achievement of targets and for review of procedures that may be necessary"

Mines link wages to productivity

(211)

BD 18/9/97

Reneé Grawitzky

THE Chamber of Mines and National Union of Mineworkers (NUM) signed a long-awaited deal yesterday linking productivity to wages after most mining houses reached agreement with union members to raise gold production at mine level

Productivity deals vary from mine to mine and in some cases ensure up to 26 additional shifts will be worked. In other cases workers have agreed to full calendar operations.

Workers will be paid a premium for additional shifts and where agreement has been reached on full calendar operations they will work fewer shifts.

The chamber said mine-level deals had been reached at mines employing 70% of the total affected workforce and the balance would receive increases when mine-level negotiations ended.

A number of Gold Fields mines have yet to complete negotiations while JCI is concluding its final agreement.

In July the chamber and NUM announced an agreement in principle to link wage increases to productivity improvements — the first such deal in the gold mining industry — resulting in the output of an additional 90 tons of gold during the next year.

The two-year wage deal grants the lowest-paid underground workers, in some cases, increases of more than 25%, and others between 9% and 10%.

Increases will, however, be implemented only once parties at mine level have agreed on mechanisms to increase gold production by the amount allocated by each mining house.

The 90 tons were divided between

Gold Fields (46,8 tons), JCI (11 tons), Anglo American (10,5 tons), Gengold (8,8 tons), Randgold (eight tons) and Avgold (4,9 tons)

Most workers will now receive wage increases backdated to July 1, raising the industry minimum rate to about R1 000 for surface workers and R1 150 for underground workers.

The July "accord" started a process whereby parties at mine level tried to agree on mechanisms to increase production. However, most mining houses experienced problems as workers and some regional union leaders opposed full calendar operations and the linkage between wages and productivity.

NUM president James Motlatsi said yesterday it was a very painful exercise "caused precisely by the drop in the gold price and linking the wage increases to productivity".

Chamber president Nick Segal said the parties were now on a "road which would ensure SA's place at the top of the league of mining nations". Gengold senior human resource manager Koos Nel said the NUM showed a lot of vision and commitment to the industry by entering into the process.

The chamber said the productivity agreements, while varying in detail, had a number of principles in common, including new work calendars and workplace reorganisation.

Anglogold executive director, industrial relations Steve Lenahan said the aim had been to increase output and efficiencies, so mine-level deals attempted to raise production and redesign work processes.

Continued on Page 2

Mines (211)

BD 18/9/97

Continued from Page 1

Workers at Anglo's Freegold mines agreed to 12 additional shifts a year where workers would be paid a 5,5% premium, while an additional 26 shifts were agreed to at Vaal Reefs.

Full calendar operations would be implemented at JCI's Randfontein Estates and a similar deal was being concluded at Gold Fields' Leeudoorn mine. In both cases workers would receive a premium ranging between 8% and 15%

and would work up to 10 days less. NUM general secretary Kgalema Motlanthe said workers had rejected this process because they believed they were being "driven into slavery". However, "now they know they will gain more days off and receive higher wage increases". Management, in return, got the flexibility for mines to work up to 353 days.

The union said management attempted to place the responsibility for productivity improvements squarely on the shoulders of workers. The deals sought to ensure management was responsible for this.

Corrupt miners stealing bullion worth billions and costing thousands of jobs

BY CRAIG URQUHART

Corrupt miners are stealing about R5-billion in gold bullion a year and selling it to major overseas-based syndicates, a *Saturday Star* investigation has discovered.

Some illegal dealers are earning up to R10 000 a day selling gold nuggets to syndicates.

Estimates of the amount of gold stolen from all the mines vary between 10 and 15% of the total production, and mine managers concede it is affecting the

viability of the mines

"The irony is that if South Africa's gold mines could produce 10% more per annum, we could probably employ 80 000 more miners," says James Watt, a consulting metallurgist to the Harmony mine in Virginia, which has been particularly hard hit by the theft of gold concentrate.

And with the gold mining industry conservatively expecting 65 000 more job losses by the end of the century and mines hoping to boost production by an

extra 90 tons over the next two years, the problem has grave implications for the economy.

The preferred destination for bootlegged bullion is Switzerland, but Britain and India also have a passion for the precious metal.

"It's impossible to get an accurate figure, but we estimate R1,6-billion worth of gold is ending up in Switzerland alone," says Andre Fourie, operations manager for security at Gold Fields.

SEE PAGE 7

◆ Gold syndicate

Most of the gold is smuggled through customs at Johannesburg international airport and Durban's airport and harbour.

"Yes, it's a hell of a problem. We are dealing with crooked miners and crooked security guards on the mines, and there are a lot of syndicates," says Superintendent Henk van Rensburg of the diamond and gold unit in Johannesburg.

His colleague, Superintendent Buks van der Schyff of the Durban unit, confirms that millions of rands of illegal gold is slipping through customs at the port city.

These syndicates are highly organised. They have infiltrated nearly every South African mine and are capable of refining gold, forging transport licences and export papers, and accessing foreign networks to sell their products.

■ See Page 9



NUM signs pact to link wages and productivity

CT(BR) 3/11/97 (211)

FRANK NXUMALO

Johannesburg — The National Union of Mineworkers (NUM) and Kloof Gold and Driefontein Consolidated signed a two-year mine-level agreement at the weekend linking wages, production and productivity

The NUM said the agreement, which constituted a collective agreement in terms of the new Labour Relations Act, the old

Basic Conditions of Employment Act and any other legislation that regulated collective bargaining, was an integral part of a Chamber of Mines-level agreement signed in July

In the chamber-level agreement, individual mines had to agree to specific shift arrangements and production targets to meet an additional 90 tons a year for the gold industry to deflect a crisis precipitated by the

free falling price of bullion

The NUM spokesman, Ben Molapo, said it was agreed then that mine-level arrangements, which also envisaged minimum wages of R1 000 a month for surface workers and R1 500 a month for underground workers, had to be in place before workers could be covered by the chamber agreement

The NUM said parties to the mine-level agreement agreed to

increasing annual gold production by 10 000kg at Kloof, 5 900kg at East Driefontein and 10 700kg at West Driefontein

“The effectiveness of such arrangements shall be reviewed every six months and there is a need to promote the long-term viability of the mines and the industry for the benefit of all stakeholders, including, wherever possible, the job security of all employees,” the NUM said

Gold mines 'pace-setter for labour'

CT(BR)10/11/97
FRANK NXUMALO

(211) LABOUR CORRESPONDENT

Johannesburg — The gold mining industry's historic two-year agreement linking wages, operations and productivity could lead to a new mould for industrial relations in South Africa, Frans Barker, the Chamber of Mines' chief labour negotiator, said last week

Barker said the insights gained from the gold mining industry agreement showed that "practically everything is negotiable and mature negotiation conventions need to be developed and followed"

He said "This means involving the other party at an early stage and, in good faith, developing a joint approach

"The dynamics of the normally adversarial wage negotiations, where the union submits a host of demands and the employer tries to get away with the lowest possible increase, is certainly not conducive to concluding a wage and productivity agreement"

Barker said the agreement would not have been possible without leadership on both sides "that was strong, bold, confident and innovative"

He said without leadership, compromise was impossible and without compromise, "win-win agreements are impossible"

Leeudoorn mine and NUM sign agreement (21)

GOLD Fields of SA's Leeudoorn gold mine has signed a productivity and production agreement with the National Union of Mineworkers (NUM) which will reduce the number of proposed retrenchments at the mine, the group said yesterday. **BD 14/11/97**

The mine would start continuous mining operations in January, increasing its milling rate to 90 000 tons of ore a month from the 75 000 tons proposed in the mine's downscaling process

Employees of Leeudoorn and stablemate Libanon, which signed a similar agreement earlier, will receive productivity-linked wage increases from July 1, in terms of the Chamber of Mines and NUM industry-level accord.

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Union a counter-revolutionary ploy, says NUM



(211)

BD 17/11/97

Reneé Grawitzky

THE Mouth Peace Workers' Union was part of a counter-revolutionary movement which was being supported and financed by employers, National Union of Mineworkers assistant general secretary Gwede Mantashe said at the weekend.

Mantashe told delegates at the union's sixth health and safety conference in Pretoria that employers supported the emergence of splinter unions which were part of the "counter-revolutionary forces".

The (Bantu) Holomusa-(Roelf) Meyer grouping was the most serious initiative by "apartheid agents, the National Party and Bantustan leaders, for the regrouping of these forces".

Such political forces had linked up with unions like the Mouth Peace and could also connect with other splinter unions such as the United Peoples' Union of SA which would increase their capacity to destabilise the NUM.

In the wake of such statements, workers said that Holomusa, who recently launched a new political party with Meyer, was coming and the Congress of SA Trade Unions (Cosatu) should close ranks.

A North West provincial government source said that investigations were under way to ascertain whether there was a link between some of the Mouth Peace leaders and the former Bophuthatswana leader, Lucas Mangope.

Other gains included the introduction of the new Mine Health and Safety Act, as health and safety had been central to the union's activities since its inception.

Mantashe said the union had to address a number of structural weaknesses.

Changes or shifts in union policy or tactics had to be clearly conveyed to members.

Secondly, the weak state of regional and branch structures coupled with the union's weak bargaining strategy proved problematic especially when shaft stewards and organisers took decisions on their own to sign agreements without consulting union members.

He said there was a new emerging approach which was sure to kill NUM where agreements were being rejected by members.

"It does not help blaming the splinter unions if you commit silly mistakes," he warned.

Gold's fall threatens 100 000 jobs

CHRISTO VOISCHENK

CAPE TOWN — Nick Goodwin, Fedsure Asset Management's gold analyst, warned yesterday that up to 104 000 jobs might be on the line at loss-making gold mines unless the gold price recovered its most recent losses

The gold price dropped to just above \$300 an ounce on Friday, and had fallen from \$369,55 at the beginning of the year

Goodwin said 51 percent, or 18 of the 35 gold mines in South Africa, were running at a loss, and productivity agreements signed recently would "take time to implement"

Some gold mines were experiencing problems where workers refused to adhere to set production targets and strikes were called, he said.

He said 125 tons out of a total annual production of 487 tons of gold were now produced by loss-making mines

Goodwin said gold mines "do not just die", and "plans would be made to save some of the loss-making mines".

SORGHUM NSB launches beer with a six-month shelf life

MPHO MANTJUI

Attracting the drinkers 'anytime, everytime'

BD 18 | 11 | 97

Johannesburg — National Sorghum Breweries (NSB), the brewer, has shown commitment to its pursuit of growth in the sorghum industry by launching Nini Nanni, a premier sorghum beer, Don Manaka, the company's public affairs spokesman, said yesterday

The beer has a shelf life of six months compared with the traditional shelf life of three to four days and would be supplied in Tetra packaging, he said

The name Nini Nanni means "anytime, everytime" in Zulu and it would come in "Marula", "Classic" and "Babana" flavours

The company said it would explore the market by initially distributing in Gauteng, with the intention of going national at a later date

The company expects to produce about 100 000 litres of the beer by the end of the year. The sorghum beer market is estimated at 2,3 billion litres a year

A company spokesman said the recently launched Awethu



MERRILY MELLOW *Chuene Sekwakwa (left) and Reuben Mboweni prepare to share a mug of Nini Nanni, National Sorghum Breweries' new long-life sorghum beer*

PHOTO JOHN WOODROOF

sorghum beer products were not a threat to NSB's products because they would compete in a "completely different segment"

Last month NSB said it

would turn Vivo, its clear beer division, into a subsidiary company. It hoped to reposition Vivo with its own identity away from the sorghum breweries

NSB's latest annual report said its bankers had allowed the company to restructure its debts to reduce its debt level to R160 million from R193 million

Deelkraal workforce to be cut by 1 900

(211) BD 20/11/97

David McKay

DEELKRAAL Gold Mine, bought by AngloGold from Gold Fields of SA (GFSA) and merged with the group's Elandsrand Gold Mine from Monday, is to have its workforce reduced by a third to about 4 500 workers

AngloGold spokesman James Duncan said yesterday 1 900 jobs would be shed but management was trying to minimise retrenchments

He said Deelkraal had been in a loss-making situation for some time and had a bank overdraft of nearly R90m. Therefore Elandsrand was negotiating with unions to take steps analysts said was vital to return neighbouring Deelkraal to the black

ING Barings' David Hall said Deelkraal's cash costs were about \$100/oz more than Elandsrand's, which had ranged between \$250/oz and \$260/oz this year. Deelkraal was unhedged and was likely to suffer greatly given recent gold price declines, he said

Deelkraal increased its taxed loss in the September quarter to R13,3m from

R2,4m. Elandsrand's plans to save the troubled operation included halting the mining of unprofitable portions of the orebody. Less ore would be mined and, consequently, fewer employees would be required, Duncan said

Tons milled at Deelkraal would be reduced to 90 000 from 120 000

"A retrenchment agreement is being negotiated and it is management's intention to pursue with the unions and associations as thoroughly as possible a range of measures to limit the number of compulsory retrenchments. These 'avoidance measures' include early retirement, redeployment and voluntary separation," Duncan said

Most of Deelkraal's 50-strong management had been retained by GFSA in terms of the R430m merger announced by AngloGold and GFSA in March

Among the benefits of the merger, is that a resource base with total recoverable gold of about 5-million ounces to 14-million ounces would be created

Duncan said other job-creation measures were being explored between mine management and unions

Gold mines may shed 100 000 jobs (all)

FRANK NXUMALO

LABOUR CORRESPONDENT

ET(BR) 5/12/97
Vanderbijl Park — The gold mining industry could shed 100 000 jobs out of a total of 195 000 in the new year if the gold price continued to slide, Kgalema Motlhanthe, the general secretary of the National Union of Mineworkers (NUM), said yesterday

Gold moved down below \$290 an ounce yesterday, fixing in London at a new 12,5-year low of \$289,35 in a generally bearish mood in the market. Further falls are expected in the next few days with \$280 and perhaps \$250 now being cited by analysts

Motlhanthe said the situation could worsen when the present hedged price of about \$340 an ounce expired and new hedging contracts were negotiated. "These figures could become a reality if a number of variables, especially the gold price, do not improve. Once the hedging contracts of about \$340 expire, that is going to exacerbate an already difficult situation

"This will affect our membership and the union subscriptions"

Motlhanthe said the crisis in the industry was compounded by deep-level mining and the age of the shafts. "The gold mines are deep-level and old, with the result that their cost structures could do with a little bit of improvements in shift arrangements"

He said a normal shift was at present about nine hours with between three and four of these hours spent travelling to the rockface

Meanwhile, Steven Lenahan, AngloGold executive industrial relations director, said the low gold price was "the immediate cause of downscaling"

Lenahan said other causes of job losses were the unavailability of mineable and profitable ore reserves.

Prima Bank pay-off revealed

CT (BR) 8/12/97

CHRISTO VOLSCHENK

ECONOMICS EDITOR

Cape Town — The Reserve Bank paid R5 million to Prima Bank in 1991 to get its support for the liquidation of Cape Investment Bank, the Nel Commission into the collapse of Masterbond said in a report released on Friday

This emerged in the course of a section 417 inquiry into the affairs of Prima Bank

The Reserve Bank did not want the payment to be reflected in the books of Prima Bank, and therefore a so-called American call option was given to Prima Bank on April 16 1991 to acquire securities before noon on August 1 1991 for R21,4 million.

The option was exercised by Prima Bank on April 17 1991, and the next day the securities were resold to the Reserve Bank for R26,4 million

The donation of R5 million to Prima Bank followed similar

“simulated transactions with Cape Investment Bank and Bankorp (later Absa) in which the Reserve Bank donated R15,37 million to Cape Investment Bank and R1,1 billion to Bankorp/Absa,” the commission said

Prima Bank bought the controlling share in the beleaguered Cape Investment Bank in December 1990, but soon afterwards the Reserve Bank decided the Cape Investment Bank was in dire straits and should be liquidated

“The Reserve Bank wanted the acquisition agreement to be cancelled. When the Reserve Bank agreed to pay R5 million, Prima Bank undertook not to lodge claims upon liquidation of Cape Investment Bank,” the commission said

The Nel Commission said supervision of financial institutions was “fragmented, inadequate and underfunded” It suggested a single supervisor be

established and properly funded by the institutions to be supervised “It was not unreasonable to expect the investor to contribute to the costs of supervision”

It suggested life insurers pay about R50 million — about 0,05 percent of their total annual income — towards the funding of the supervisor. Banks should pay R40 million, which was about 0,01 percent of the R400 million on deposit with banks, and short-term insurers should pay R22,5 million or 0,125 percent of their total annual premium income

“An annual registration fee of R200 per private company and closed corporation would generate R110 million per year to be used by the office of the Registrar of Companies for the proper carrying out of its functions,” the commission said

The commission was appointed in 1991 by the then-president FW de Klerk.

NUM to fill its thinning ranks

CT (BR) 8/12/97

(211)

FRANK NXUMALO

LABOUR CORRESPONDENT

Johannesburg — The National Union of Mineworkers (NUM) would embark on a massive recruitment drive in the coal, platinum, diamond and energy sectors of the mining industry, Kgalema Motlanthe, the NUM secretary general, said at the weekend

This move was to counter the potential loss of thousands of members in the crisis-stricken gold mining industry, which economists have estimated could shed as many as 100 000 jobs because of the falling gold price

Motlanthe said the gravity of the situation was compounded by the hedging contracts — which had been cushioning the industry and were calculated at \$340 an ounce — having to be renegotiated soon. He said under the



UPBEAT NUM's Kgalema Motlanthe is leading a union recruitment drive. PHOTO OSCAR G

present circumstances, buyers were in a far stronger position than sellers, who might have to accept the current price

Motlanthe said the mining

industry as a whole employed 495 000 workers, of which 300 000 were paid-up NUM members

He said gold mining could soon come to an end, as the central banks of most industrialised countries continued to sell the metal as they divorced their currencies from it

“Switzerland has been advised to hold a referendum in 1999 to assess whether they maintain their gold standard,” Motlanthe said “The possibility is that 300 tons of gold could be sold and the implications are frightening”

However, he said, the NUM could emerge stronger, as other mining sectors were doing relatively well “As revolutionaries we see solutions in the bleak picture relative to the overall (mining) workforce. We are not fully organised, there is potential for the NUM to grow”

NEWS

Interministerial team tasked to create retrenchment strategies

Mining task team set up

FRANK NXUMALO

LABOUR CORRESPONDENT

Johannesburg — A high-powered interministerial government task team was being set up to develop strategies to deal with the possibility of large-scale retrenchments in the mining sector, the department of labour said at the weekend

The team comprises officials from the departments of minerals and energy, finance, trade and industry, agriculture and labour

However, for the interim, the department said government might invoke an old Mines Act clause stipulating that mining houses consult with the state if they envisaged retrenching more than 20 percent of their workforce

The old clause might also become a permanent feature of a section of the new Labour Relations Act dealing with retrenchments when it is reviewed

"It's an issue we will start looking at. The LRA must be strengthened," Siphso Pityana, the labour director-general, said



Siphso Pityana, the labour director-general

at the fifth National Union of Mineworkers conference on education

"Once a retrenchment becomes unavoidable, it is envisaged that the employment services of the department will assist companies and mines facing retrenchments," Pityana said

This would be done by providing counselling services, distributing basic information about Unemployment Insurance

Fund and Workers Compensation, facilitating the recognition of the workers' prior learning, and by informing the union and employer parties of the subsidies and support measures available through the National Skills Fund

The National Skills Fund is part of the 1 to 1,5 percent training levy on company payroll structure proposed by the department in the Skills Development Strategies Bill

According to the structure, 1 to 1,5 percent of company payroll is collected as a levy by the department. Eighty percent of that levy can then be reclaimed by those companies which have satisfied the department that they have viable training programmes. The remaining 20 percent is paid to the National Skills Fund

In addition, the government would make a contribution, which would come from the affirmative action line-budgets of the various government departments

NUM slams JCI retrenchments

FRANK NxUMALO

(211)

Johannesburg — The National Union of Mineworkers (NUM) yesterday slammed as "callous" the potential uprooting of 20 000 of the remaining 28 000 JCI mineworkers as a result of the structural splitting of the company's assets into gold, coal and base metals.

The mining house employed 30 000 workers in March this year

George Molebatsi, NUM spokesman, said restructuring could only be correct if it resulted in a stronger industry and in employment creation, but "the whole bundling, rebundling, mergers and demergers trend" was becoming worrisome as it was resulting in the retrenchments of thousands of workers

The union preferred a "growth-led" restructuring as opposed to "labour crunch" one as this inevitably not only led to tensions between the workforce and company management but to a dejected and demoralised workforce

CT(BR) 11/12/97

MINING - LABOUR

1998

Hot debate as gold price keeps falling, mine workers axed

THE mining industry debate around massive job losses intensified at a National Union of Mine-workers (NUM) rally yesterday in Northern KwaZulu-Natal, in the wake of NUM's charge that employers are using the pretext of the alarming fall in the world

gold price to retrench thousands of South African miners

George Molebatsi, NUM's Media Liason Officer, told City Press that by the end of last year, 32 000 mineworkers had been retrenched. He contended that the retrenchments are aimed at under-

mining NUM and discrediting the government

James Duncan, of one of the country's leading mining houses, rejected NUM's statement. He said rationalisation measures at their operations had not been exacerbated by the gold price drop

ep 11/1/98 (211)

Joint venture may carry power to Maputo smelter

Robyn Chalmers

ESKOM and the Mozambican and Swazi power companies are looking at a joint venture to build, operate and maintain two 400 kilovolt power lines to supply the planned \$1,3bn Billton aluminium smelter in Maputo.

Eskom trading manager Jack Neushloss said at the weekend that the multimillion-rand lines would make the smelting operation possible, and talks were being held on details such as operation and capital expenditure.

It was envisaged that one of the power lines would run from Gauteng, through Swaziland to Maputo, with Swaziland tapping into the power line for its supply. The other would run from Mpumalanga to Maputo.

"At the moment there is good potential for a joint venture between Eskom, the Swaziland Electricity Board and Mozambican electricity supplier EDM for joint ownership of the power lines."

Neushloss said talks on issues including investment in the power lines were still under way. It was possible that international capital markets would be involved in funding the infrastructure.

On the Cahora Bassa power tariff issue, he said Eskom and the relevant government departments at a senior level were jointly considering options

on the way forward.

A subcommittee formed last year to deal with tariffs had met three times, and negotiations were still under way.

"Obviously, the seller (Hydroelectric de Cahora Bassa) is looking for a higher price and the buyer (Eskom) for a lower price, but this is simply a matter of negotiations and these are still taking place," he said.

Cahora Bassa has a capacity of 2 000MW — all of which Eskom can contractually buy. However, the contract between the two parties said EDM could acquire 200MW and it had subsequently been agreed that Zimbabwe could get 500MW out of Eskom's allocation.

Eskom therefore had access to 1 300MW of which 400MW was considered "unfirm" or unreliable, so the parastatal could realistically expect to get about 900MW uninterrupted power, he said.

Neushloss said previous estimations that Hydroelectric de Cahora Bassa's debt totalled \$3,2bn were a "rough ballpark" figure. Cahora Bassa's revenue exceeded its operating costs and the tariffs paid by Eskom would therefore determine the rate at which the debt was amortised.

The hydroelectric project was initiated by Portugal in 1969 during its occupation of Mozambique.

NUM in clash with rival union at rally

(211)
Pearl Sebolao

BD 12/1/98

NATIONAL Union of Mineworkers members clashed with members of a rival union who tried to disrupt their rally yesterday at Harmony Gold Mine in Virginia, Free State, NUM president James Motlatsi said.

Police said two people were seriously injured. There had been about 3 000 NUM members and 150 United People's Union of SA (Upusa) members.

Police had opened a docket against NUM for holding an illegal rally.

Motlatsi said Upusa members arrived at the stadium where NUM supporters had gathered carrying placards that were insulting to his union.

NUM shop stewards approached them to try stop them from entering the stadium but they ignored them and "started singing anti-NUM songs that were provoking and insulting".

"As soon as they entered the stadium they were attacked by the (NUM) members," he said. He had heard reports that several Upusa members had been injured, but could not confirm how bad the injuries were or how many had been injured.

Motlatsi said his union's shop stewards intervened and succeeded in defusing tensions. After the clash, the meeting went on as planned.

At the rally workers heard a call for a national gold conference to explore ways of minimising job losses due to the falling gold price.

Zimbabwe farm plan 'will avert murders'

Michael Hartnack

HARARE — If the government did not take over white farms, "the people will grab the land and they (farmers) will be killed by the landless peasants", Zimbabwe Information Minister Chen Chimutengwende said at the weekend.

Thus, the government was taking over 1 400 white-owned farms for whites' "own protection", he said.

He also accused white businessmen of forcing prices higher in a plot to make black Zimbabweans' lives unbearable and to discredit President Robert Mugabe's government.

"We are aware that some sections of the white community would like to put government in a fix. We shall not sit on

our laurels and watch them."

He told the Sunday Mail that price controls might be reintroduced, despite embarrassment that this would cause with the World Bank and International Monetary Fund (IMF). Under 1991 liberalisation moves backed by multi-million-dollar loans from the two institutions, Zimbabwe pledged to remove price controls.

Chimutengwende's statements follow a wave of price rises over the new year, many linked to the dramatic decline in the value of the Zimbabwean dollar against most currencies, including the rand. Locally produced maize meal and cooking oil went up 24% and 20% respectively on January 1, while bath soap and soap powder rose

between 35% and 42%, margarine 20%, flour 10%, bottled soft drinks 30% and spirits 20%.

"The government is aware of the plot by some white businessmen..." Chimutengwende said. "I would like to warn them that they will not succeed in making the lives of the masses unbearable. If they carry on with their ploys, we might be forced to control prices again." However, the World Bank and IMF "will boycott us for following such policies".

He accused the white community of "attempting to create friction" and forcing black workers to join last month's protests against increased taxes to raise money to pay gratuities promised to 50 000 ex-guerrillas.

Being a miner no longer

Lesotho's pride and joy

BY TFO MOTHIBELI

For thousands of Lesotho men, working in the gold mines of South Africa has long been a source of pride, with the trade becoming an integral part of the culture of the communities.

Working in the mines was used by the communities as a yardstick to make men out of boys.

Karohano Matela, a resident of Ha-Seboche village in Butha Buthe, said: "You were looked down upon by members of the community if you had not been to the mines. After passing through the initiation school, working in the mines had almost become a second phase one had to go through to become a fully grown man commanding respect."

He believes that the current fall in the price of gold might be a terrible setback for the industry in South Africa, but means even more misery to thousands of people queueing on the unemployment lines in his country every day.

The future looks bleak for many families whose livelihood depends entirely on their husbands and sons finding work in the mines.

Matela (36) was laid off in 1996 after drilling rocks for 13 years at Western Deep Levels mine in Carletonville. The father of three boys has been living in the

hope that he might be recalled to the mines soon. But his spirit has been dampened by the sad news of the gold-price plunge.

He now earns a living from planting beans and maize and doing odd jobs. He believes mine bosses could alleviate the misery caused by retrenchments by imparting different skills to their employees so that they are able to fend for themselves when hard times strike.

Elderly Mókhatla Matiri also hopes for the day when his name is called out to return to the mines.

He lived all his life on the mines since 1939 and is proud of the experience he has gathered. "Only God knows how I make it through every day. I have nothing and keep hoping that luck will come my way one day and I am among those recalled to the mines. I have so much experience, I can do any job in the mines," he said.

Village chief Hlatsoane Matela said: "The situation is bad. There are no job opportunities in this country for the returning men."

"People are hungry and that has led to a sharp increase in criminal activities in the village. The theft of livestock and agricultural produce from other people's plots is a huge

(211) Star 12/1/98

NATIONAL UNION OF MINeworkERS

Cosatu flagship (211) faces rough seas

SA's largest trade union is under pressure as the falling gold price spurs widespread mine layoffs and splinter unions nip at its flanks

Hit by sporadic challenges from splinter unions and the more worrying spectre of further job losses in the gold mining industry, which last year laid off 30 000 workers, Cosatu's flagship National Union of Mineworkers (NUM) is facing a crisis

"Trade unions, particularly in the mining industry, are going to have to balance high expectations with a rather unyielding world economic reality," says a leading industry official. "It's crunch time, the chickens have come home to roost."

Mining analysts say the vortex of rising costs and a falling gold price won't pass quickly.

"If the industry is going to face the future it will have to take tough decisions, including restructuring, full calendar operations, improved productivity and reduced unit costs," says an industry spokesman. "The problem for the unions is to balance expectations and costs. They will oppose the medicine at their peril, or take it with considerable distaste."

Gwede Mantashe, acting general secretary of the NUM, which accounts for almost 70% of the unionised work force on gold and coal mines, says the crisis has been "deliberately exaggerated. It is in fact politically motivated to discredit the ANC government and is part of a union bashing campaign." Mantashe, whose post as general secretary is likely to be confirmed, stepped into the shoes of Kgalema Motlanthe, who was elected ANC secretary-general last month.

Union spokesman George Molebatsi says the NUM is being targeted for destruction partly because it is a key ANC ally which was, and is, important to the party's electoral performance.

He says mine managements are not willing to bear the costs of treating black workers as equals with their white counterparts. "The solution to them is cost cutting and cost cutting means retrenchment."

Aside from the 32 270 gold and coal mineworkers laid off last year, Molebatsi says there were 10 000 dismissals plus

about 9 000 jobs lost through accidents and natural attrition.

The picture gets bleaker. On January 5, Avgold announced plans to lay off 5 000 workers at Harties in Klerksdorp, Leeuwdoorn also intends retrenching, and this week the union was to stage a protest at Randgold's Grootvlei mine to demand the dismissal of the mine's management and a moratorium on layoffs. The gold mining industry has lost 222 000 jobs since 1986. It currently employs 312 000 people.

There are several reasons for the job losses, says Chamber of Mines industrial relations adviser Adrian du Plessis. "Incrementally rising fixed costs of production have cumulatively eroded operating margins. More recently falling market prices have aggravated the situation. The long-term remedies lie in reducing unit costs in order to operate competitively under ruling market prices. This also involves the better utilisation of labour resources."

"Current initiatives to stabilise the market are also important, and a closer dialogue between producers and central banks is indicated," says Du Plessis, referring to initiatives expected to peak at the Davos world economic forum later this month which, it is hoped, will inject more stability into the gold market.

Another initiative, locally, is to work out with the unions how to manage the consequences of further job losses. These seem inevitable, though hard to quantify because the mines are different. Some have hedged by selling forward, some have higher ore grades, others have high productivity which

reduces their costs. Yet the trend is towards job loss under present conditions.

"One cannot project a doomsday scenario, but contraction is a fact," says an industry official. The pain could be offset, he says, by the emergence of "super companies," like Goldco and AngloGold.

Mantashe this week formally requested a meeting with the Chamber on January 30 "to look into the crisis in the gold mining industry and the job losses thereof."

The meeting could set the scene for the "gold summit" called by the NUM for the

end of February. The union says the summit, to be attended by six government departments, the mining houses, the ANC and Cosatu, is aimed at addressing the idea of a social plan, halting retrenchments, getting a "commitment from the mining bosses to sustain mining as a labour intensive sector," using beneficiation to help create jobs, effecting a merger of mining retirement funds and devising an investment strategy.

A framework for a social plan is being drafted at Nedlac to address the concerns of workers and unions in declining sectors

with large-scale retrenchment. Several interventions have been proposed, such as retraining and relocation, counselling and assistance in setting up small businesses.

The mining industry has a similar plan. The problem is, however, that the mines are retrenching people into a labour-shedding economy (jobless growth), raising difficult questions such as what to train laid off workers for and where to place them.

In preparation for the summit, the NUM began a series of rallies last weekend, kicking off at Richards Bay and Harmony in the Free State, where a little-known rival calling itself the United People's Union of SA (Upusa) tried to disrupt the NUM rally, evoking shades of the challenge to NUM at Amplats, Rustenburg, by the Mouthpeace Workers' Union last year.

Upusa, says Molebatsi, is a mysterious entity which surfaced after an illegal strike at Harmony last month, in which 4 700 workers were dismissed. "They're a handful of people manipulating the situation in order to gain recognition."

Amarnath Singh



Kgalema Motlanthe jumped the union ship for ANC party politics

NUM delegation heads for London

FRANK NYUMALO

LABOUR CORRESPONDENT

Johannesburg — A high-powered National Union of Mineworkers (NUM) delegation led by Gwede Mantashe, the acting general secretary, left for London last night to brief sister trade unions on the plight of thousands of mineworkers as a result of the deepening gold price crisis.

Mantashe said many South African mining houses were moving into north Africa and rushing to list on the London stock exchange, a move he said caused the destruction of jobs in South Africa.

"We think that London is quite critical because many of these mines see the London stock exchange as a better alternative to the JSE, and trade unions must be made aware of what the consequences are back home," Mantashe said.

He said South African companies regarded listing on the London stock exchange as a boost to their corporate image, as the international business community generally perceived them to be overvalued by the JSE.

"Africa is also critical to us because we are beginning to see movements up north to Mal, Ghana and Gabon," he said. "It is important to

talk to African trade unions so that they are aware of whom they are dealing with."

He said that among the factors drawing South African mining houses up north were the absence of deep-level mining, low labour costs and a less unionised labour force.

James Motlatsi, the president of the NUM, leaves for Zambia today as part of a campaign of aggressive international networking against the threat of job losses in the South African gold mining industry.

The union said Motlatsi was scheduled to be in Switzerland next week to

attend a meeting of finance ministers and central bankers from various countries, where the "international gold mining crisis will be tabled for serious discussions."

Mantashe said Motlatsi would lobby the meeting to review "the uncertainty surrounding gold as a store of value."

He said the NUM was disappointed by the indifferent attitude evinced by the minerals and energy affairs department towards the gold crisis, but was encouraged by the positive reactions of the office of the deputy-president and the labour department.



MINE TALK Brett Kebble, the head of JCI's gold division, top, and Gwede Mantashe, the acting general secretary of the National Union of Mineworkers. PHOTOS JOHN WOODROOF

NUM campaign to address gold crisis

(211) BD 21/1/98

Reneé Grawitzky

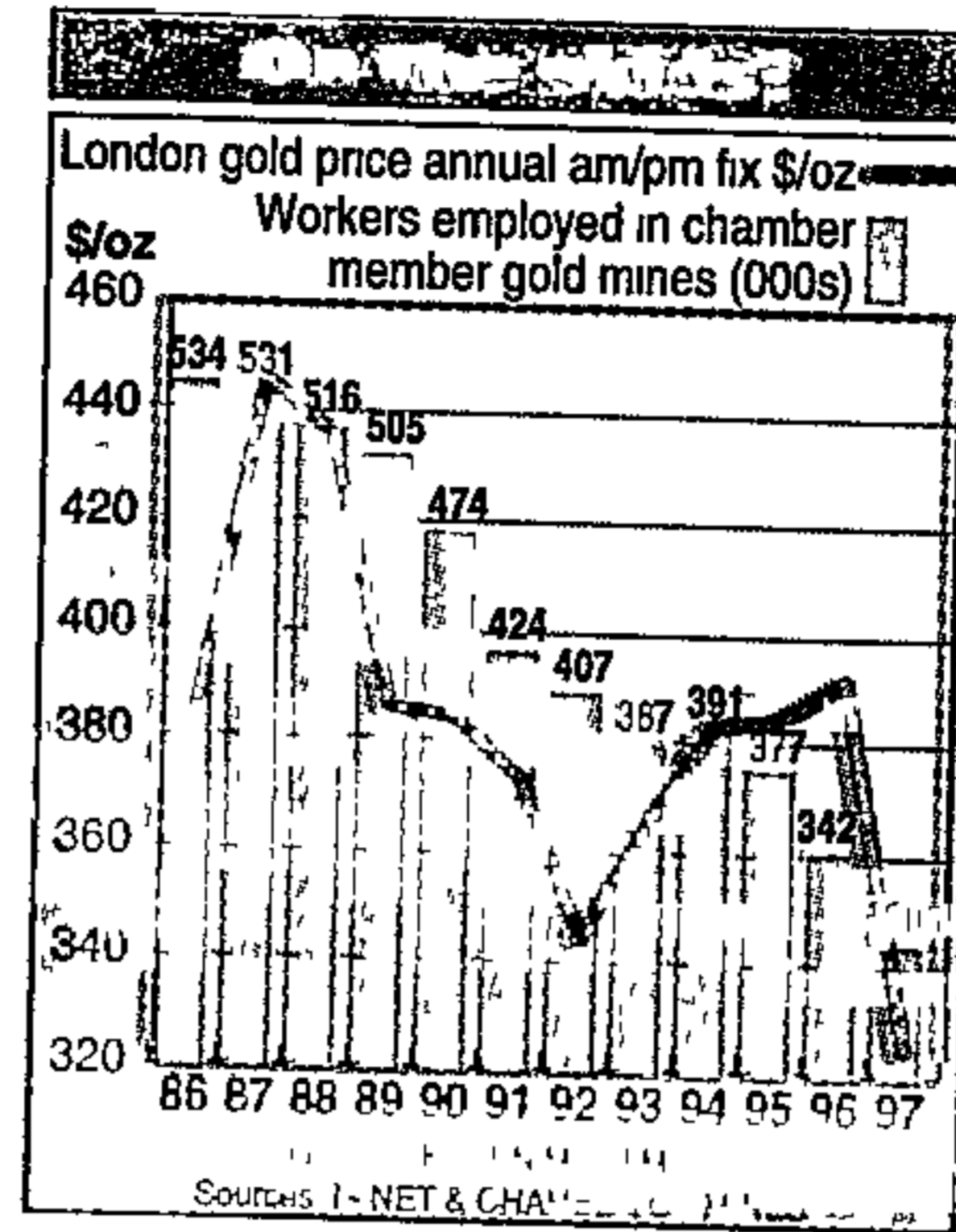
SA's largest mining union, the National Union of Mineworkers (NUM), launched a campaign yesterday to lobby world financial leaders and unionists on the gold crisis and also threatened mass action next month to halt further job losses.

The campaign to protect jobs was proposed after threats of further downsizing on gold mines.

Employment on mines falling under the Chamber of Mines has declined from a peak of 534 255 in 1986 to 304 917 in October last year, while thousands more jobs were lost between October and December, when the gold price plummeted. The NUM said a total of 51 000 jobs were lost last year.

NUM acting general secretary Gwede Mantashe said that instead of "barking at the growth, employment and redistribution strategy", unions had to develop job creation strategies with employers and government.

Employers could be challenged on whether they had followed the legal re-



quirement of consultation if retrenchments were threatened. The labour movement was having minimal impact

Continued on Page 2

NUM

Continued from Page 1

on retrenchments, as it was called in only when decisions had been taken.

The NUM believed the crisis in gold mining had domestic and international dimensions and had to be addressed at both levels.

A NUM delegation left last night to meet unionists in London and lobby reserve bank governors and finance ministers at the annual World Economic Forum conference in Davos, Switzerland, next week.

Mantashe said that if international uncertainty surrounding gold as a store of value continued, the crisis

would continue.

The union would launch a "protection of jobs" campaign culminating in regional marches and a gold mining conference involving labour, employers and government, next month. The conference aimed to develop strategies to ensure the industry remained a sustainable labour-intensive employer.

Chamber negotiator Adrian du Plessis said a meeting would be held later this month to discuss the NUM's proposals for a conference.

The NUM envisaged the conference would discuss issues such as whether it would be more cost-effective to pursue state subsidies for marginal mines or direct resources into job creation.

Picture: Page 3

Full calendar operations at Kloof delayed by workers

Reneé Grawitzky

BD 23/11/98
(211)

OPPOSITION from workers at Gold Fields Kloof gold mine to the introduction of full calendar operations continues to prevent the conclusion of a final agreement within the framework of the two year industry productivity-linked wage deal.

The agreement between Gold Fields and the National Union of Mineworkers has not gone ahead despite agreements at other mines in the group. The parties signed an interim agreement last October giving workers wage increases providing finalisation of the agreement on productivity and production was reached at mine level within 30 days.

A mine worker said workers were rejecting the introduction of continuous mining operations without fully understanding why they were doing so

The union yesterday claimed that Libanon mine management had breached the mine level productivity deal when it unilaterally stopped a number of committees formed under the agreement.

Gold Fields spokesman Andrew Davidson said management had informed the union yesterday that it was temporarily suspending the "save Libanon committee" so that it could concentrate on underground production in light of recent heavy losses

NUM fights job loss overseas

(211) 25/11/98
By ZOLILE NGAYI

THE NATIONAL Union of Mineworkers (Num) has launched a "Protection of jobs campaign," designed to shore up Num's credibility

The programme will end with a proposed two-day gold mining summit late next month

George Molebatsi of Num said the job-loss crisis in gold mines has dented the image of Num in the eyes of employees faced with retrenchments

"When thousands of members lose their jobs, Num loses credibility," Molebatsi said "Our mission is to protect workers' interests. If we are seen as powerless they become disillusioned"

The programme entails pickets at local offices of major mining houses.

While government is talking about job creation, job losses are disturbing. There is a need for strategic intervention by government"

Moves by Num to involve international trade unions and organisations are underway. Num's acting General Secretary, Gwede Mantshu is in London leading a delegation geared towards globalising the fight against job losses, through international networking

"Our experiences are not unique to South Africa. Most mining companies are multinationals. They need a coalition with international unions," said Molebatsi

The president of Num, James Motlatsi was in Zambia on Wednesday and will be attending a meeting in Switzerland where the international mining crisis is to be tabled

NEWS

LABOUR *Industry summit will deal with costs wrought by downscaling in mining*

NUM presents plans for gold summit

CT (PR) 26/1/98 (211)

FRANK NXUMALO

LABOUR CORRESPONDENT

Johannesburg — The National Union of Mineworkers (NUM) would be reinvigorating its fight for the promulgation of a Social Plan Act as one of its major proposals at next month's gold summit, George Molebatsi, NUM's national spokesman, said at the weekend.

The summit is aimed at addressing the massive social costs wrought by the downscaling of operations in the gold mining industry. NUM, which is driving the summit, is represented by its president James Motlatsi.

The summit will bring together

all stakeholders, including mining houses, the state and industry unions or staff associations.

Molebatsi said other elements of the NUM strategy would include proposals for a moratorium on the mechanisation and/or automation of the reefs to keep the industry labour-intensive. It would also look at local beneficiation of gold and diamonds to create secondary industries and comprehensive training programmes for workers to prepare them for cross deployment in allied industries.

Analysts said the government was also expected to come under heavy pressure to subsidise

marginal mines as a measure of preserving employment.

A department of labour research paper on gold mining showed that "tax gain per kilogram of gold on a mine that makes no profit is R4 912". It argued that "the indirect and other taxes generated by the activities of a marginal mine be refunded so that the mine can remain a source of employment".

A Nedcor Economic Unit report released at the weekend said the number of mineworkers facing the guillotine stood at 170 000, up from 100 000 towards the end of last year as the bullion price crisis deepened.

"The 21,4 percent collapse in the dollar gold price — 18,2 percent in the rand terms — during 1997 has placed the industry in a difficult situation. The impact on the economy of the fall in the gold price depends on whether it is a temporary phenomenon or whether it will be sustained or even get worse.

"Mines will be kept open provided there is a reasonable chance of recovery in the medium term. Unfortunately, the short-term outlook does not look promising (as) the same factors that pushed the price lower in 1997 are likely to persist in 1998," the report says.

Mineral affairs department backs NUM on social plan

FRANK NYUMALO

LABOUR CORRESPONDENT

Johannesburg — All levels of government would have to support the campaign by the National Union of Mineworkers (NUM) for a social plan to counter the massive retrenchments in the gold mining industry, the department of mineral and energy affairs said yesterday.

Jan Bredell, the department's deputy director-general for mineral development, said

that "all tiers of government will have to work out a social plan, preferably not at the end of the life of a mine, but during its operation too."

However, Bredell backed NUM by stating that the solution for the long term was in the local beneficiation of South Africa's minerals.

He said such a development would stimulate and promote real job creation in the industry. According to a department of labour research paper on the

gold mining labour market, a Social Plan Act, if legislated, would impose two arenas of responsibility on mining houses in the course of downscaling.

"Firstly, employers would be obliged to to inform their employees of any proposed alterations to the enterprise which entail prejudice to their staff, including the introduction of new work methods and production process and, most significantly, reductions of operations," the report said.

It said NUM would like to see employers being forced to give one-year retrenchment notice against the current statutory provision of one month.

"In the second component of employer responsibility, mining houses would be obliged to contribute to the costs reskilling workers who face retrenchments for work outside of the mining sector," the report said. Pennell Maduna, the mineral and energy minister, recently said each of the 130 000 work-

ers employed by 14 marginal mine today had about eight dependants. This meant that "more than a million people were threatened with abject poverty" as a result of the downscaling of operations.

Bredell said NUM's gold summit proposal of keeping the industry labour-intensive, by slowing down the mechanisation and/or automation of the mineral reefs was likely to be met with stiff resistance from the mining houses.

cf (Bar) 28/1/98

(211)

'Retrenchments a national issue', says NUM

8 000 miners plan to march at East Dries (211)

ET (122) 29/1/98 (211)

FRANK NXUMALO

LABOUR CORRESPONDENT

Johannesburg — More than 8 000 East Driefontein mineworkers allied to the National Union of Mineworkers (NUM) would march to the mine's offices this afternoon to protest against the wave of massive retrenchments in the mining industry, the union said yesterday.

George Molebatsi, the NUM spokesman, said retrenchments were now a "national issue" because the social costs extended further than the millions of miners' dependants affected, but also to support industries like taxi businesses and retail shops plying their trade at the mines.

He said the protest marches, of which the march at East Driefontein was one of many to come, were also aimed at building national momentum for the union's gold summit scheduled for the end of February.

He said the summit would bring together all interested parties in the industry, including the government, mining houses,

other businesses, unions and the wider community.

The enormity of the social costs of the downscaling of operations became more apparent at the weekend, when the union estimated that as many as 30 000 workers might be affected by the closure of Freegold's marginal shafts in the Free State.

The crisis deepened on Tuesday, when Avgold announced that it planned to retrench 2 500 workers from its Lorraine mine in the Free State when the mine is closed in March.

The company also said it planned to retrench 5 000 workers from Klerksdorp's Hartebeestfontein gold mine. The retrenchments were part of an effort to break even.

The company said the exercise would cost about R70 million in severance packages.

The Nedcor Economic Unit announced at the weekend that the number of mineworkers now facing retrenchments had risen to 170 000, a substantial increase from the estimated 100 000 towards the end of last year.

SA's miners could not have picked worse tutors

BD 29/11/98 (21)

NATIONAL Union of Mineworkers acting general secretary Gwede Mantashe has held discussions with his trade union counterparts in the UK over the past week, canvassing, among other things, ideas which would preserve mining jobs.

It is hard to imagine a worse place to find them than in his union's British counterpart. The story of coal mining in the UK can be told in broad outline simply by citing numbers: the coal industry employed almost 1-million miners at about 1,000 pits when it was nationalised in 1947. By the end of the miners' strike in March 1985 there were 169 pits employing 171,400 miners. Today there are 24 pits that employ 12,000 miners — and about half of those jobs are under threat.

In short, a once huge industry is now on the brink of extinction. How did this happen and what advice ought to be proffered by the leaders of the British NUM to their SA counterparts who now face comparable dangers?

The decline of the UK coal mining industry began during its period under government administration, but the vultures began to circle in earnest during the Thatcher era. Prime Minister Margaret Thatcher was deter-

The history of the UK's coal mining industry has some harsh lessons for SA's mine workers, whose leaders are visiting their British counterparts, writes London correspondent Tim Cohen



Arthur Scargill, centre, leads a 1984 miners' march in London

mined to privatise the industry which was, by then, a massive drain on government resources. In the face of this aggressive stance, the chief tactic of the NUM under Arthur Scargill was to meet fire

the government or unions, but from another commodity, gas.

Most of the coal still mined in the UK is sold to utilities to be used in coal-fired power stations. Gas-fired stations are cheaper and cleaner, and the industry has recently become deregulated, so commodity executives now have a free hand in deciding what form of generator to use. Most are choosing gas and the forecasts are that by 2001, coal will account for only 20% of total electricity generation compared with gas's 42%.

This move is likely to cost another 5,000 jobs and has been something of a poser for the Labour government. Labour was in the forefront of the mineworkers' strike in 1985. Now it is in power and the idea that it would not step in to help save the remaining jobs was a politically charged issue.

New pit closures became something of a touchstone issue to determine the true character of "new Labour", which is a much changed party from the one that fought on the side of the miners more than a decade ago.

Almost on cue, the issue of gov-

ernment support for the miners became the subject of a cabinet clash between Prime Minister Tony Blair and his more "old Labour" deputy prime minister, John Prescott. In the event, Blair won and chief secretary to the treasury, Alistair Darling, announced that any direct subsidy had been ruled out — to create a "level playing field".

At root, "new Labour" is much more about signing new environment protection accords in Japan than it is about support for blue collar workers. Two coal mines have already been closed during the term of the new government.

Perhaps the best advice the UK version of the NUM could give their SA counterparts would be not to stand in the way of a tidal wave. The history of the British coal mining industry demonstrates that the worst response in a declining industry is an attempt to win a war on the streets and on the shopfloor.

As it happens, the representatives of the South African NUM apparently spent more time in their discussions with their British counterparts examining the Trades Union Congress's education unit, an altogether richer seam to mine than new methods of mass action.

Mines get black CEO

By Abdul Milazi

THE Chamber of Mines appointed former Independent Development Trust human resources director Mr Mzohisi Diliza yesterday as its first black chief executive officer in 108 years

The appointment of an outsider represents a radical move from the Chamber's century-old tradition of reserving top positions for individuals in the mining industry

Announcing the appointment at a press conference in Johannesburg, Chamber of Mines

president Mr Bobby Godsell said Diliza's appointment was not tokenism - all 40 candidates who applied had had an equal chance

However, Godsell admitted that Diliza (49) knew nothing about the mining industry

Godsell and Diliza's predecessor Mr Tom Main, said they believed that the new CEO

would add value and help reposition the organisation The National Union of Mineworkers,

however, said the random appointment of blacks to top positions raised doubts about

the white corporations' commitment to black economic empowerment.

(211) ~~11/18~~
Diliza

Diamond firm racist, says NUM

Pearl Sebolao (211)
BD 3/21/98

THE National Union of Mineworkers (NUM) has accused the diamond-sorting company, CSO Valuations, which manages Harry Oppenheimer House in Kimberly, of racist employment practices and of obstructing attempts to bridge the gap between the lowest- and highest-paid workers.

NUM's Kimberly regional organiser Itumeleng Mayoyo said yesterday it was clear that "except for the few individuals who were appointed, as tokens, no black person can become a diamond-sorter".

However, CSO Valuations, which handles diamond-sorting operations for De Beers, denied the allegations, saying the firm had a programme of affirmative action.

De Beers spokesman Judith Annakie said 75% of the trainee diamond-sorters at Harry Oppenheimer House were from previously disadvantaged groups. She said none of the issues raised by the NUM had been raised by any staff member through existing company communication channels.

NUM spokesman George Molebatsi said the union would propose that an expert be appointed to investigate the company's use of "job grading to ensure some of the workers never reach certain levels of employment".

Mine unions set to form alliance

Sowetan 6/2/98 (211)

By Abdul Milazi

MINING trade unions from all over the world will converge on the Parktonian Hotel, Johannesburg, tomorrow, to form an alliance against the exploitation of children and abuse of workers on the mines

The meeting, jointly hosted by the National Union of Mineworkers (NUM) and the Brussels-based International Federation of Chemical, Energy, Mine and General Workers Union (ICEM), will focus mainly on multinational mining company, Rio-Tinto's alleged employment of children on its mines in Latin America

Rio-Tinto, which has about 20 subsidiaries in South Africa, has had a bad reputation with trade unions around the world for many years

In the apartheid era, it was accused of employing members of the notorious Koevoet unit to protect its mines in the early 1980s

It was also alleged that Rio-Tinto's own security personnel used to assist Koevoet in night attacks on Namibian villages, as the former National Party government tried to flush out members of the South Western African People's Organisation (Swapo)

The company was again in trouble with trade unions in the former Northern Transvaal where NUM accused it of using Koevoet members to kill union activists

Rio-Tinto denied the allegations. NUM spokesman George Molebatsi said Rio-Tinto was notorious for its anti-trade unions tactics

"We are part of the global labour movement and have to work together with other unions internationally to combat a universal problem that affects all of us," Molebatsi said

NUM president James Motlatsi is one of the speakers at the three-day conference that will end on Monday

Weak gold price 'threatens 110 000 jobs on 14 mines'

(2M) ARLT 10/21/98

Slumping gold prices are endangering 14 mines and threatening the jobs of 110 000 employees, Deputy Minister of Mineral and Energy Affairs Susan Shabangu has warned in Cape Town.

"The mining industry has warned us to expect a significant

number of retrenchments in the gold-mining industry during 1998," she said yesterday in a statement at a parliamentary briefing.

"These 14 endangered mines currently employ about 110 000 employees," Ms Shabangu said since last July, amid negative sentiment sparked by central bank sales of gold reserves. Bullion, which hit an 18-year low last month, was trading at \$300 an ounce yesterday.

Ms Shabangu said the Government and affected mines were jointly considering a range of solutions. These included encouraging value-added activities, short-term subsidies for water pumping at marginal mines and promoting smaller operations on land considered insignificant by larger companies.

Late last week the Government unveiled its green paper on minerals and mining policy aimed at reforming South Africa's antiquated mineral laws. The Government will accept comments on the green paper until March 31. A final policy is expected by September - Reuters

110 000 gold miners may lose their jobs ⁽²¹¹⁾

By Ido Lekota

Howe
10/2/98
AT least 110 000 mineworkers employed at 14 gold mines will lose their jobs this year unless the price of gold improves

At a media briefing in Cape Town yesterday, Deputy Minister of Minerals and Energy Ms Susan Shabangu said given the present price of gold, the mining industry faced further job cuts this year

"At the current gold price it is believed that 12 gold mines are operating at a loss and a further two are marginal (those with a profit-revenue ratio of less than five percent) These mines currently employ about 110 000 employees," the Deputy Minister said

However, Shabangu indicated that there was hope for improvement as both the Government and the affected mines were exploring a range of solutions. These included encouraging and improving efforts to promote activities such as jewellery-making.

She said the Government was also involved in the development of a social plan aimed at encouraging new investments in dying mining towns

On her Ministry's programme for 1998, Shabangu said a White Paper on a Minerals and Mining Policy for South Africa would be published by September. As Government policy the White Paper would, among other things, call for the prevention of hoarding and sterilisation of mineral rights by applying the "using it or lose it principle"

The long-term objective would be to have all mineral rights vested in the state

A draft White Paper on Energy, aimed at promoting access to affordable energy sources by small businesses, disadvantaged communities, schools and clinics, was also to be released in March, she said

Meanwhile, Minister of Public Works Mr Jeff Radebe announced yesterday that his Ministry was to reduce its staff from 9 000 to 3 671

Solutions to mining job-losses sought

(211) SAN 10/2/98

The Department of Mineral and Energy Affairs will actively participate in the gold summit proposed by the National Union of Mineworkers in order to negotiate around the expected 110 000 job losses threatened by the precarious future of 14 mines currently operating at a loss.

Liaison between the department and the union will be of crucial importance to many workers from KwaZulu Natal who are employed on the mines

At a media briefing in Cape

Town yesterday, Deputy Mineral and Energy Affairs Minister Susan Shabangu said her department was looking at ways to have input on the programme of the NUM's summit, with a view to garnering information for the presidential job summit later this year.

Given the present gold price and its fluctuations, a "significant number of retrenchments" in this sector was expected in 1998, Shabangu added. "At the current gold price there are believed to be 12 gold mines which

are operating at a loss and a further two which are marginal. These 14 endangered mines employ about 110 000 workers."

She said a range of solutions to the problem was being considered, including encouraging efforts to promote downstream activities, relating to mining, such as jewellery manufacture.

NUM spokesman Ben Molape welcomed the department's announcement that it would attend the summit in Gauteng at the end of the month. - Political Staff

Rio Tinto accuses union of 'exporting' an Aussie dispute

CT (PR) 11/2/98

(211)

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FRANK NXUMALO

LABOUR EDITOR

Johannesburg — Rio Tinto urged Australia's Construction, Forestry, Mining and Energy Union (CFMEU) yesterday to come back to the negotiating table instead of "exporting" its failed battle over much-needed productivity to South Africa and the international arena

The statement comes in the wake of a weekend gathering in Johannesburg of trade unionists from 14 countries, spear-headed by former Australian Prime Minister Bob Hawke, which lambasted the mining giant for allegedly bashing unionism in its worldwide operations

Wells Ntuli, the spokesman for Rio Tinto (Palabora), said the dispute between the union and the mining company was "an Australian problem".

He said "Rio Tinto believes the union is exporting the problem to Rio Tinto operations internationally and to South Africa. The dispute that has been taking place at Hunter Valley Number One was about work performance practices and not about union rights

"Rio Tinto recognises union rights all over the world, that is, the right of

association and collective bargaining. Rio Tinto does not employ child labour, and Rio Tinto wishes to work with the unions"

Ntuli said the only solution in Australia was for the union to sit down with management and try to resolve the whole issue "Whatever happens, that will prove to be the only solution," he said

"As far as sweeping and ill-informed attacks on Rio Tinto's environmental and human rights performance, we can only say that wherever we operate, we work as closely as possible with our hosts, respect the laws and customs of the communities, attempt to minimise adverse impacts and endeavour to bring lasting benefits and opportunities to the areas in which we operate

"We are recognised as the world leader on these issues in the international mining industry, and we welcome informed and serious public scrutiny of our actions"

He said what was happening in Australia was that industry in general was in favour of both freedom of association and of individual contracts, if employees wished to have them

Gold loses its glitter for Pitso, and 700 fellow miners

(211)

ARG 11/2/98

Springs – In seven months, Sidwell Pitso has seen 700 fellow gold miners – more than a quarter of the mine's force – laid off. He fears he'll be next.

I can't sleep much at night because I'm so worried," he says.

His precarious position in the heart of South Africa's world-leading gold industry, once the mainstay of the apartheid economy.

At least 42,000 miners lost their jobs last year, according to the National Union of Mineworkers. More layoffs are expected. Some mines may have to shut down.

Of the country's 20 gold mines, half operated at a loss during the final quarter of 1997, according to the Chamber of Mines.

Gold production peaked in 1970 at 1,000 tons. Production last year was an estimated 490 tons.

The decline is blamed on a drop in world gold prices. A year ago, gold sold for more than \$1,000 an ounce. Now it hovers at the \$300 level.

Gold prices have dropped largely because governments and private investors are forsaking gold for other investments now that trade and investment barriers are dropping around the world.

With the world's deepest mines, South African mining companies spend about \$300 to extract each ounce. They must now cut production costs to survive.

At the Harmony mine near Springs where Mr Pitso works, such cost-cutting measures recently sparked a one-day strike and protest march.

Workers were angry because some had been unpaid for three months, according to National Union of Mineworkers' spokesman George Molebatsi.

About 400 miners paraded around a grassy area, singing: "We work underground. We work for little pay."

Mine manager Neal Froneman was furious about the strike.

"It's such a fine line between keeping the mine open and closing it," Mr Froneman said. "It's irresponsible at the current gold prices to embark on a strike."

He acknowledged a transition to a cheaper computerised pay system caused payroll problems. But he denied miners hadn't been paid for three months, and said miners with overdue pay cheques were offered advances.

Mr Pitso, who didn't participate in the protest, said he lacked any savings to depend on if he lost his job.

"This is a terrible time, because I'm old now and I've got six children," he said. "If the mine closes, what am I going to do?"

For every three miners laid off, a worker in a mining-dependent industry also loses a job, they say.

Miners also have many dependents to support, with most having at least seven children.

The effects will be magnified in Lesotho, where Mr Pitso comes from: about half the country's income comes from wages sent home by miners.

If gold prices don't rise, three scenarios could occur, according to a report by Salomon Smith Barney, an American investment bank.

□ Remaining at the \$300 level or declining moderately would bring more layoffs;

□ Falling to \$250 per ounce or less would sharply stunt the growth of South Africa's economy, weakening the rand currency to make imported goods more expensive;

□ Plummeting even lower would force most mines to close – a scenario the report considers "quite unlikely" – and could cause a serious crisis of confidence among international investors. – Sapa-AP

NUM

(211)

Continued from Page 1

BD 12/2/98
mining summit from February 26 to 27 to allow the parties time to solve the crisis in the industry.

Mantashe said the NUM's proposals were supported by government and community delegations. Three of the four parties in Nedlac had described them as "reasonable".

It is understood that during the meeting, the NUM called on the chamber to create the right environment for the summit and to agree to a moratorium on retrenchments until the end of February, as a gesture of goodwill.

The chamber indicated that it could not agree to the request offhand as various mining houses were involved in rationalisation while some mines and shafts were winding down.

Nedlac said the parties agreed to consult their members on the discussions and would resume talks tomorrow. In terms of the Labour Relations Act, Nedlac has to consider a matter giving rise to industrial action if the action is to be protected.

David McKay reports that about

10 000 miners at Gold Fields' troubled Libanon division will stage a protest march from today against management's "unilateral" approach to improving productivity on the mine, the NUM said. Gold Fields said it had not received official notification of the protest and could not comment.

The NUM said Libanon management had ignored the central negotiation wage agreement at mine level which recommended the use of task teams and committees to improve productivity at SA mines.

Libanon management had proceeded with its own productivity improvement measures without recourse to the committees, NUM regional organiser Charles Freeland said.

At the march, the NUM will ask for the resignation of the GM and an end to retrenchments.

Libanon is in a precarious position, having only weeks to improve productivity to avoid closure. The operation, formerly in the Gold Fields of SA stable, is now part of Gold Fields, the merger of Gencor's gold mines with Gold Fields of SA.

Gold Fields has said that in order to be a world-class company, it will not house marginal operations.

NUM calls for retrenchments moratorium

Renee Grawitzky

(211) BD 12/2/98

CAPE TOWN — The National Union of Mineworkers (NUM) has called on the Chamber of Mines to agree to a moratorium, for at least two weeks, on retrenchments in the gold mining industry or face industrial action.

This emerged during a meeting of the National Economic, Development and Labour Council (Nedlac) special management committee yesterday to discuss the NUM's notice of possible industrial action to protest against large-

scale retrenchments in the industry

Chamber spokesman Frans Barker said employers were disappointed that the NUM had given notice of possible action as matters raised during the meeting should be discussed at the gold mining summit and "not battled out in a way which will exacerbate the crisis in the gold mining industry"

NUM acting general secretary Gwede Mantashe said retrenchments should be suspended beyond the gold

Continued on Page 2

MINING *Union federation calls for active government role*

Freeze layoffs, says Cosatu

CT(BR) 13/2/98 (211)

FRANK NXUMALO

LABOUR EDITOR

Johannesburg — The Congress of South African Trade Unions (Cosatu) yesterday backed miners' demands for a freeze on unilateral restructuring by mining houses pending February's gold summit and the conclusion of a social plan for the industry

Sam Shilowa, Cosatu's general secretary, said a permanent mining commission overseeing long- and short-term retrenchments in the industry should be set up and a social plan proposed by Cosatu should be adopted

He said Cosatu believed the government should play a more active role because the mines' primary motivation was to achieve maximum profit

"In the first 26 days of 1998, 13 575 jobs were destroyed within the mining industry in the name of restructuring," said Shilowa "The mining provident fund reports that about 65 960 workers were retrenched in the year (from) January 1997 to January 1998

"However, the figure records only those workers who were members of the provident fund, and Anglo has just announced its intention to lay off more people"

Shilowa said Cosatu condemned the move by most companies to resort to compulsory retrenchments as soon as they hit a crisis "There are alternative and more humane strategies for restructuring industries"

He said retrenchments had hit most industries, and this had a strong impact on the unemployed, young job seekers, the economy and crime

"We believe that the crisis within the mining industry is an orchestrated one," Shilowa said "The agenda of the mining houses is designed to bash



CALL FOR CONTROL *Cosatu's Sam Shilowa demands a permanent mining commission*

PHOTO JOHN WOODROOF

unions, weaken them by retrenching workers and re-employ them as contract workers in order to advance the business policy of the deregulation of the labour market

"The issue in the mining industry is not about the falling of the gold price The reality is that the gold price in South Africa has been hedged (by forward selling) so that even when its value drops, the mining houses are not losing They are still making profits"

Shilowa said Cosatu welcomed the notification requirement in the green paper on

mineral rights released recently by Penuell Maduna, the minister of minerals and energy The paper requires any company in the mining industry to notify government of retrenchments which exceed 20 percent of the workforce in any 12-month period

Cosatu also announced that it had earmarked April for the launch of "Autumn Offensive" — "the biggest campaign since the massive 1987 Living Wage campaign" — during which all shop stewards would be expected to participate in the recruitment drive

Gold price excuse to shed jobs — Cosatu

Reneé Grawitzky

(211) BD 13/2/98

THE Congress of SA Trade Unions (Cosatu) yesterday condemned the mining industry for making use of the falling gold price to shed jobs. The federation said it believed the industry crisis was both orchestrated and exaggerated.

In the wake of wide-scale retrenchments which could ultimately affect union membership, the federation intended launching a massive recruitment drive — the Autumn Offensive — in April.

Cosatu said this would be the biggest campaign since its massive 1987 living wage campaign.

Cosatu also expressed concern over retrenchment of teachers and called on government to play an important role in education, or "see a collapse of education since provinces will not make it a priority".

This emerged after the federation's two-day executive committee meeting in Johannesburg this week where talks focused on the overall labour market crisis and the impending presidential job summit.

Cosatu said it would send a delegation to the gold mining summit later this month while calling on government to play a more active role in the restructuring of the mining industry.

Cosatu, in line with a demand by the National Union of Mineworkers, endorsed the call for a moratorium on retrenchments pending the outcome of the gold summit. The federation also supported the demand for

the establishment of a permanent mining commission to examine short- and long-term retrenchments.

The federation was concerned that public service restructuring would also result in retrenchments. The delegates agreed to hold a public servants' service delivery conference next month to discuss the linkage between service delivery and quality of service.

Cosatu believed that "the transformation of the public service will be narrow if not linked to the issue of quality service delivery".

More in-depth debate on the presidential job summit was referred to a special executive committee meeting next month.

The matter, however, formed the focus of debate during a high-level meeting of the leaders of the SA Communist Party and Cosatu. The parties reaffirmed their stance to ensure a consolidated common platform with the ANC in preparation for the jobs summit.

Sapa reports that the number of Basotho mineworkers sent to SA gold mines last year decreased by 6%, compared with the figure for the previous year.

The report was released by The Employment Bureau of Africa (Teba), which forwards Basotho mineworkers to SA gold mines. Chris Hechter, Teba regional manager for Lesotho and the Free State, ascribed the decrease mainly to retrenchments of miners from some gold mines in that period.

RIO TINTO

FM 13/2/98

Labour digs publicity pitfall

Unions aim to pull Mandela into
Australian dispute

(211) (214)
The Johannesburg conference hosted by the National Union of Mineworkers (Num) last weekend to pressurise international mining giant Rio Tinto appears little more than a publicity stunt to indirectly involve President Nelson Mandela in an Australian union squabble

The irony is that Rio Tinto has an excellent business, industrial relations and social responsibility track record in SA. The group pioneered many of the labour and social responsibility initiatives that subsequently spread throughout the local mining industry.

That stemmed, in part, from its position as a multinational corporation with highly visible investments in southern Africa that attracted a lot of attention from activists in the late Seventies and Eighties.

Rio Tinto's SA operations — the Palabora copper mine and a 50% stake in titanium producer Richards Bay Minerals — are a minor part of its international mining empire, which spans Australia, southeast Asia

and the Americas

That being the case, a central objective of the international unions in coming to SA must be to garner publicity, such as the picture published of Mandela with former Australian Prime Minister Bob Hawke, who participated in the conference.

The roots of this lie in the pressures on the Australian coal industry to survive in the highly competitive global coal market.

Contract coal prices for 1998 delivery have been forced down by US\$4/t-\$5/t from current prices of about \$40/ton. This is hitting Australian coal exporters hard: they are high-cost producers compared with the major companies in SA and South America.

A number of Australian coal mines are up for sale, but there are few takers. Amcoal chairman James Campbell last year said Amcoal was watching developments in Australia but felt a number of labour issues had to be resolved before the group would consider investing.

Australian labour leader John Matland, who is also vice-president of the International Federation of Chemical, Energy, Mine & General Workers' Unions, accuses Rio Tinto of attacking fundamental labour rights.

The company, unionists charge, is trying to reduce union power through the increased use of subcontracting and the introduction of individual employment contracts — not only in Australia.

That's rejected by Rio Tinto Plc public affairs manager John Hughes.

"This is a dispute involving one union — the Construction, Forestry, Energy & Mine Workers' Union — and one mine, the Hunter Valley Number One colliery in New South Wales.

"The issue at stake is the introduction of working practices aimed at improving productivity which are accepted worldwide. They are already in widespread use among other Australian industries and have been accepted by the coal mining sector in Queensland.

"We believe this conference is purely an attempt by the union to export into the international arena a debate which it is losing at home," Hughes says.

The Rio Tinto group last year produced 83,3 Mt of coal, of which the Hunter Valley mine accounted for 2,5 Mt.

Num president James Motlatsi has tied the Rio Tinto campaign to the fight by SA mineworkers to save jobs in the face of expected retrenchments because of the low gold price.

He says Num will assist an international network of unions in its campaign against Rio Tinto.

Brendan Ryan

NUM threatens strike after talks falter

(21) ST (PT) 15/2/98
THE National Union of Mineworkers (NUM) said on Friday it could call for rolling strike action after talks with employers, aimed at resolving a dispute over massive industry retrenchments, broke down

NUM officials will meet next Wednesday to finalise their course of action after the Chamber of Mines rejected NUM's request for a moratorium on job cuts ahead of a gold industry crisis summit scheduled for February 26 to 27

"We want to do something to indicate the seriousness of the situation," Gwede Mantashe, NUM's acting general secretary, told Reuters. Earlier this week the union said it may call a one-day strike. "It's definitely going to be more than one day. It will be a rolling protest action," Mantashe said.

Mantashe said about 75% of the union's 285 000-strong membership are employed in the gold industry.

Under legislation, NUM must give Nedlac 14 days notice of labour action.

The chamber said earlier it was committed to finding solutions to the industry's crisis but could not agree to the moratorium — Reuters

NUM seeks strike over job losses

FRANK NXUMALO

LABOUR EDITOR

Johannesburg — The National Union of Mineworkers (NUM) will serve a 14-day notice on the National Economic Development and Labour Council (Nedlac) on Wednesday for a nationwide rolling mass-action strike after the Chamber of Mines rejected the union's call for a moratorium on retrenchments on Friday

The NUM's call for a moratorium comes in the wake of increasing retrenchments in the gold mines, especially at marginal ones, after a crisis triggered by the falling gold price

The union said 50 000 mineworkers had lost their jobs last year, and 30 000 more jobs had gone by the end of January this year. The NUM said Anglo and the new Gold Fields had given notice to retrench up to 15 000 more workers by July

South Africa's 14 marginal

ET (BR) 16/2/98
mines, most of them threatened with closure, employ about 130 000 mineworkers, with more than 1 million other people directly dependant on their wages

"We want to do something to indicate the seriousness of the situation", Gwede Mantashe, the acting NUM general secretary, said at the weekend, adding that "Cosatu will be involved"

Mantashe said he did not see the planned protest hardening the attitude of mining authorities on the eve of the Gold Summit

"If there is anybody whose attitude should be hardened, it's us. We are the ones losing thousands and thousands of workers every day," Mantashe said

Bobby Godsell, the president of the Chamber of Mines, said "Much as it understands NUM's anger, the industry will not find a way forward through marches, protests or strikes

"The combined wisdom, and the combined effort of manage-

ment, labour and government will be required to find a way forward for the South African industry

"The Chamber shares the NUM's concern about job losses. Retrenchments are the consequences of the industry's problems, not their causes

"Without addressing the causes, a moratorium on retrenchments will, in our view, achieve nothing and possibly create expectations which would not be fulfilled

"There is only one way to reduce job losses, and this is to find ways to return companies to profitability and to make them cost-competitive with producers of gold elsewhere in the world"

Godsell said two factors accentuated South Africa's crisis, namely that the country had moved over the past decade from being the lowest-cost major gold producer to being the highest, and that many local mines were facing a physical depletion of ore

(211)

(211)

Protests won't help, NUM told

Sowetan 16/2/98

THE Chamber of Mines shared the National Union of Mineworkers' (NUM) concerns about job losses but discouraged the union from taking protest action, chamber president Bobby Godsell said yesterday.

"Retrenchments are the consequences of the industry's problems, not their causes. Without addressing the causes, a moratorium on retrenchments will achieve nothing, and possibly create expectations which would not be fulfilled," he said.

Godsell said in a statement the mining industry crisis would not be resolved by marches, protests or strikes.

"The gold mining industry worldwide is in a state of crisis, with the price of its product at a 16-year low," Godsell said.

He said to counter this the chamber proposed a productivity-linked wage agreement last year but since that agreement there has been a further R150 drop in the gold price.

Godsell said the chamber supported the NUM's call for a gold summit -

Sapa

GOLD MINING Chamber of Mines praised for its freeze on all new retrenchments

NUM Welcomes Moratorium

(211) 27 MAR 18/2/98

FRANK NXUMALO

LABOUR EDITOR

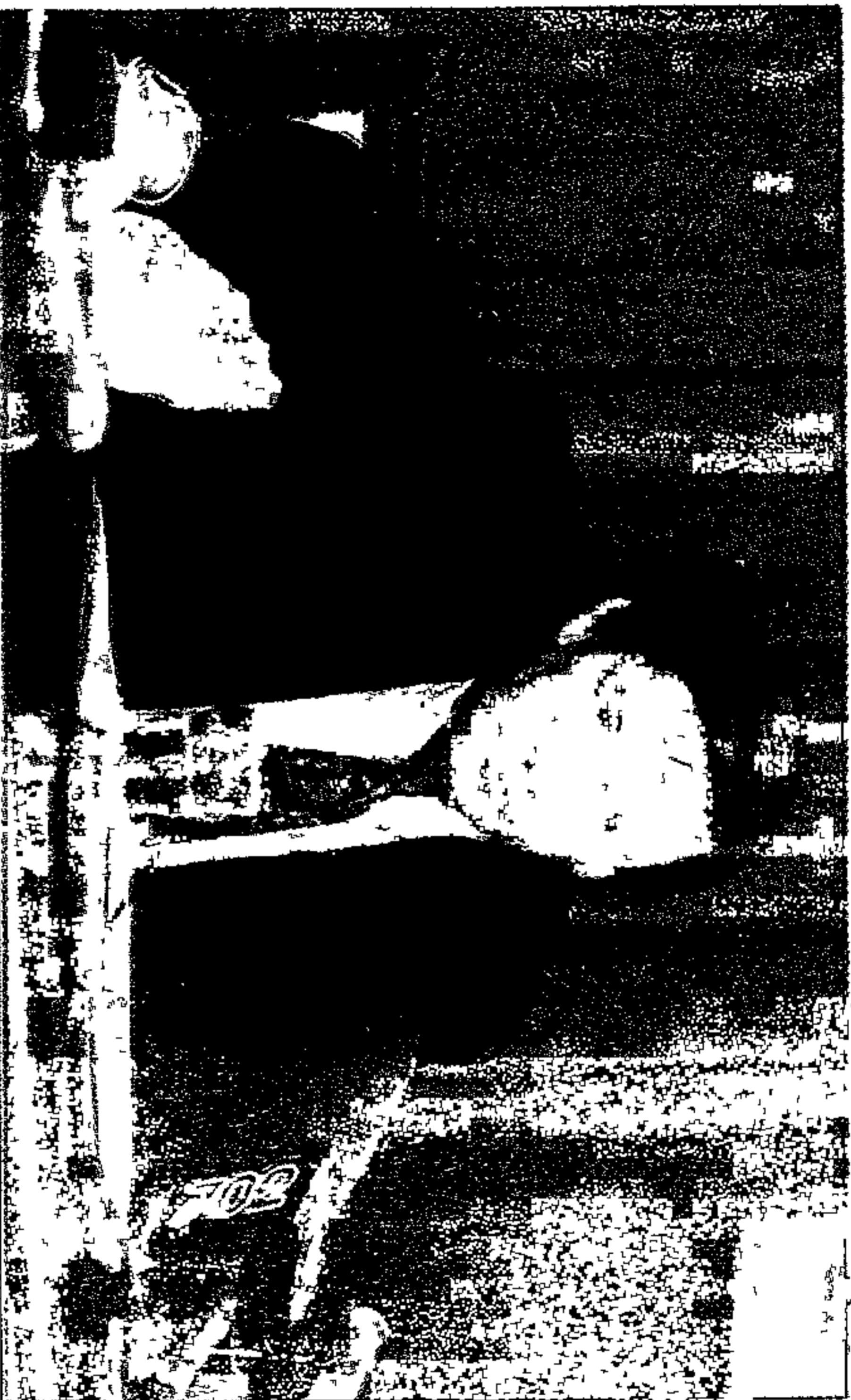
Johannesburg — The National Union of Mineworkers (NUM) yesterday welcomed the Chamber of Mines' agreement to freeze all new retrenchments in the gold mining industry, pending next week's gold summit in Johannesburg.

The NUM said it welcomed the chamber's "volte face" from its earlier stance of no compromise on the issue following a stand-off at the Nedlac meeting last week.

"We welcome the change of hearts and minds on the position the chamber has taken at Nedlac (but) more could have been achieved had it not been for their intransigence," said James Motlatsi, the NUM president.

But the union slammed the chamber for "not putting in new perspectives or proposals of its own apart from (those) supporting NUM positions."

The announcement was also welcomed by Jayendra Naidoo, Nedlac's executive director, who hosted a special Nedlac management committee last week



COMPROMISE Bobby Godsell, the president of the Chamber of Mines, said yesterday it was opposed to subsidising marginal mines to preserve employment

PHOTO: THE AFRICAN

aimed at reaching agreement on NUM calls for a moratorium on retrenchments

"This announcement by the chamber is a positive response to the call made last week by

Nedlac for a moratorium on retrenchments in the period leading up to the gold mining summit," Naidoo said "I hope that the NUM and the Chamber of Mines are able to create an

environment that assists the summit in finding lasting solutions to the mining crisis."

The chamber said member mines had agreed to the plan "in order to create the best

possible atmosphere prior to the summit."

However, member mines would go ahead "with retrenchment processes already in place", with 6 000 jobs facing the axe at AngloGold's Freegold mine in the Free State alone.

The chamber said that although member mines would "not require individuals currently part of retrenchment processes already under way to leave property prior to the summit", they would not stand in the way of those wishing to leave before that.

Bobby Godsell, the chamber's president, said job losses in the local gold mining industry were caused by a combination of factors, including the low gold price relative to the cost of production. He noted that the price had dropped 20 percent since the productivity deal signed last year.

The chamber said it was opposed to the subsidisation of marginal mines by the government as a way of preserving employment, except in justifiable cases like the water pumping operations at Grootvlei on the East Rand

Chamber to put hold on retrenchments

8018/2/98 (211)

Reneé Grawitzky

THE Chamber of Mines — in a gesture designed to defuse rising tension between itself and the National Union of Mineworkers (NUM) — has agreed not to start retrenchment exercises before next week's gold summit

Retrenchment processes under way will continue but workers will not be required to leave mine property before the summit

The move could, however, put further strain on Gold Fields' Libanon and Leeudoorn mines

Gold Fields CE Richard Robinson said "in the interest of finding a concrete way forward, despite additional hardship at the two mines", the company agreed to the moratorium

Chamber president Bobby Godsell described the decision as a "gesture of goodwill" and an indication of its "bona

fides to go to the summit" intending to limit job losses

The chamber would at the summit present a 15-point plan which, if co-operatively implemented by labour and government, could be a "winning formula" for the industry

Godsell said. "Let us not let central bankers manage our industry"

The chamber's announcement came ahead of an NUM meeting today to take a final decision on the nature and form of threatened industrial action. The NUM said on Friday it planned to go ahead with protest action after the chamber refused a retrenchment moratorium ahead of the gold summit

This occurred during a National Economic, Development and Labour Council (Nedlac) meeting to discuss the NUM's intention of embarking on protest action to challenge large-scale retrenchments which cost the union

more than 50 000 members last year

NUM president James Motlatsi welcomed the chamber's change of heart. However, he would not comment on whether the threatened action would be called off

Management was taking advantage of worker ignorance in pushing retrenchment packages which, with provident fund payments, were a substantial amount, Motlatsi said. Workers would receive this once-off payment with little likelihood of finding further employment

The chamber's 15-point plan consists of policy issues identified as critical to providing an "enabling environment to allow mineral wealth to benefit the country". Issues range from concerns about mineral rights, structure and the quality of labour relations to labour market policies, environmental policies, health, safety and taxation

'NUM fired me for ill-health'

(211) (211) ~~(211)~~ sawe Jan 18/2/98

By Abdul Milazi

WHEN Busi Mazibuko landed a job as a receptionist at the National Union of Mineworkers (NUM) head office seven years ago, she thought her rights as a worker were protected. Until she was fired for "continued ill health" last year.

Mazibuko said her health deteriorated in 1996 when she suffered from severe stress due to long working hours and having nobody to relieve her on the switchboard.

"My doctor said I was suffering from the 'burn-out syndrome' and I needed to take time off to recover. I had to undergo brain-shock therapy," said Mazibuko.

Mazibuko believes the NUM gave her a raw deal after serving it for seven years without complaint or promotion because her ill health was job-related.

"Unions always complain of employers unfairly dismissing workers but they turn around and do the same thing. Where is the justice?" she asked.

She said the strange thing about the NUM's behaviour was when the then assistant general secretary Gwede Mantashe told her that her position was redundant in 1996.

"He said my new position would be that of material developer, a position that never existed. In January 1997 I confronted former general secretary Kgalema Motlanthe about it and he promised to look into the matter."

She claims that nothing was done until she was dismissed for being ill.



Busi Mazibuko says the NUM gave her a raw deal.

PIC MOTLAPELE SEGALE

"NUM never gave me a hearing. I was fired just like that. I did not choose to be sick."

Only when she took her case to the Commission for Conciliation, Mediation and Arbitration (CCMA) did they give her a hearing, at which they upheld their decision to fire her.

Her arbitration hearing was postponed last week to March at a day yet to be set because of time constraints.

Mantashe confirmed that Mazibuko was fired for "continued ill-health" but declined to comment further as he claimed the matter was *sub judice*.

Mazibuko said taking up her case was not for personal glory. She wants to set a precedence for scores of union employees who have been exploited.

NUM holds back notice of protest

Union will embark on work stoppages
should summit fail to resolve crisis

THE National Union of Mineworkers (NUM) said yesterday it would not submit its final 14 days' notice of protest action to the National Economic Development and Labour Council (Nedlac) until after next week's gold summit.

Speaking at a news conference in Johannesburg after a meeting of the union's national executive committee, acting secretary-general Mr. Gwedemantsho said the move was reciprocal to the Chamber of Mines' announcement on Tuesday that major gold mining companies were placing a two-year moratorium on new retrenchments in the industry until after the summit.

"The union's executive committee has accepted that the position taken by the Chamber of Mines creates an opportunity to work on possible solutions to the crisis facing the mining industry.

"The NEC therefore resolved not to submit the final 14 days notice to Nedlac

for the period leading up to the gold mining summit.

"The union will, however, retain the right to protest action by not withdrawing the first application in terms of the legal requirements," he said.

NUM is organising the gold summit, to be held in Johannesburg next Thursday and Friday, to try and find solutions to the crisis facing the industry.

Mantsho said yesterday's meeting had mandated the union's national office to submit the final application to Nedlac for protest action if the summit failed to resolve the crisis.

In addition, the union would continue to mobilise its members to keep alert to threats of retrenchments.

It had been agreed that if the summit failed to resolve the crisis, the union would embark on stoppages of 24 hours a week for a period of two months to put pressure on mining houses to stop retrenchments - Sapa

Mining industry jobs on decrease

(21) *Sawetan 20/2/98*

By Abdul Milazi

EMPLOYMENT in the mining industry has decreased by 1,1 percent, according to the Central Statistical Services' latest employment statistics

It also showed a continued loss of jobs in the formal economy

Total employment in the formal mining and quarrying, manufacturing, construction and electricity sectors, together reflected a monthly decrease of 0,4 percent or 9 551 workers between September and October last year

According to the statistics, the construction sector reported a monthly decrease of 1,9 percent or 6 013 workers, followed by the mining and quarrying sector with 1,1 percent. There was no significant change in the electricity sector

The manufacturing sector was the only sector which has recently recorded an increase of 0,2 percent or 2 192 workers, which has been attributed to the increase recorded in 10 of the 26 major sub groups

The glass industry showed an increase of 2,8 percent or 266 workers; to more bonuses paid and overtime worked in this sector

the clothing industry 2,4 percent or 3 360 workers the tobacco industry 1,8 percent or 46 workers and the furniture industry 1,4 percent or 635

By contrast, some manufacturing sub groups recorded decreases of 0,5 percent or more, with the motor vehicles and parts and accessories sectors recording a 0,6 percent drop

Same direction

Manufacturing employment, with a monthly increase of 0,2 percent, moved in the same direction as manufacturing production with a seasonally adjusted monthly increase of 2,7 percent in October last year

Average salaries and wages in the mining and quarrying, manufacturing, construction and electricity sectors increased by 3,4 percent or R109 between September and October last year

The main contributor to this increase was the construction sector, whose average monthly salaries increased by 9,0 percent or R184 due

Effort to stop mass action

By SEKOLA SELLO

THE CRISIS in the gold mining industry, in which thousands of workers face dismissals, comes under scrutiny next Thursday and Friday during a "gold mining summit" to be attended by organised labour, mining bosses and government.

An initiative of the National Union of Mineworkers (NUM) - the country's largest union - the two-day summit is a last ditch effort to avert a crippling, industrial dispute over large scale retrenchments.

The summit comes against a background of unprecedented retrenchment in the mining sector.

NUM estimates that last year 65 000 workers lost their jobs. Since the beginning of this year, the figure is 13 000.

The union contends that if this trend continues, 60 000 workers will lose their jobs by the middle of the year, leading to what a NUM spokesman, George Molebatsi said would

be "incalculable consequences" for social stability in the country.

The mining houses claim that these retrenchments are a result of the declining gold price. A number of mines are very old and no longer profitable. Furthermore, deep level mining is extremely costly.

NUM maintains that while these economic factors are real and are having a negative impact on jobs, they are only part of the picture.

The union accuses the mine bosses of using these economic factors as a cover while preparing the groundwork for the introduction of mechanisation.

Molebatsi says the mining bosses are also trying to circumvent provisions of the new Labour Relations Act which calls for employers to provide housing subsidy and medical aid schemes. "A vast are not on housing subsidy and medical aid schemes. To avoid offering these benefits employers are retrenching workers."

"The employers are also avoiding spending on safety measures. The fewer workers they have, the less will be spent on safety," he said.

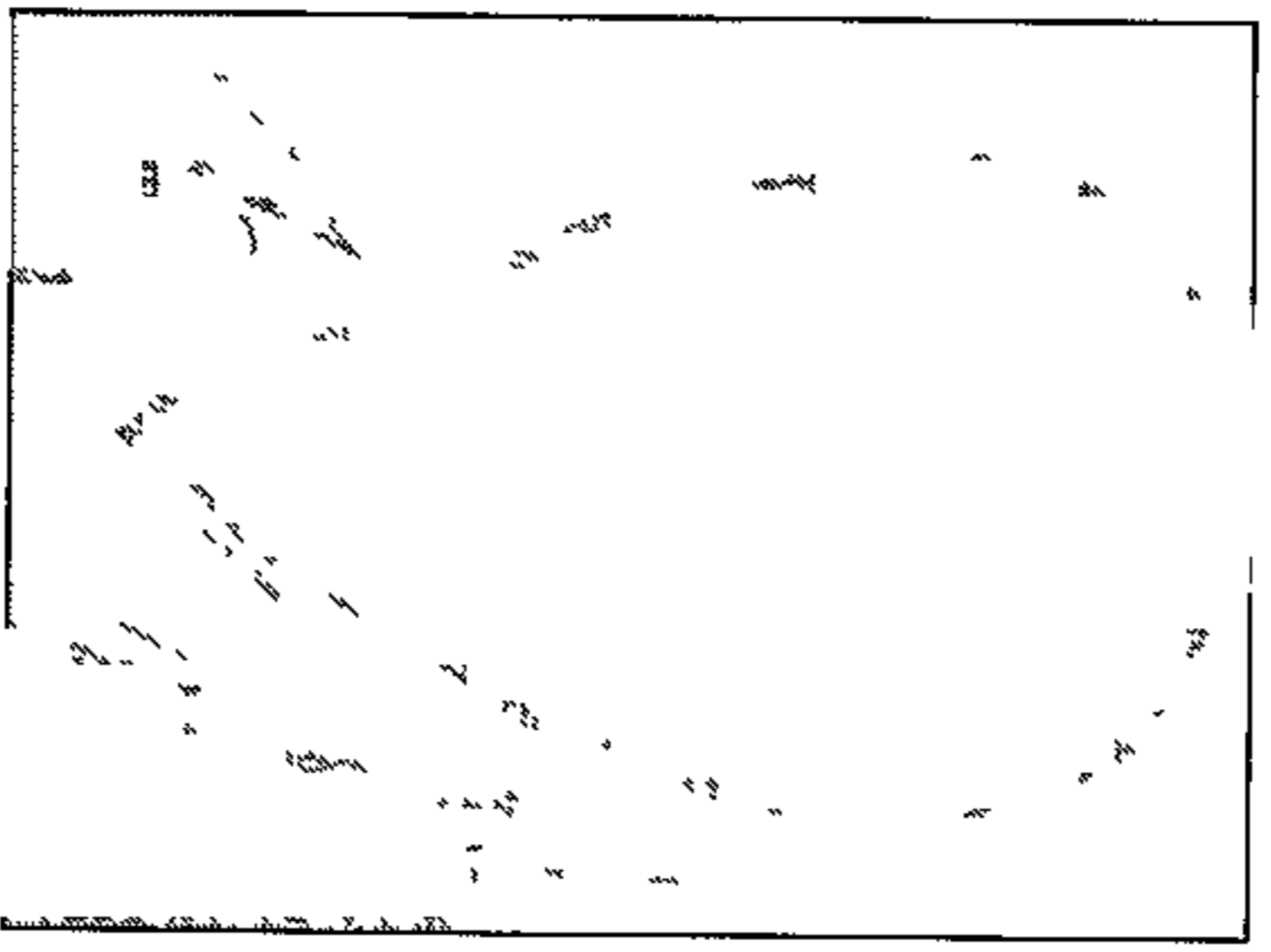
The Chamber of Mines has agreed to place a moratorium on retrenchments until after the summit but has indicated that in spite of this, there is no way in which job cuts can be avoided in the future.

NUM had earlier threatened the industry with rolling mass action if the Chamber of Mines did not suspend its current retrenchment policy. It has also threatened to embark on industrial action if the dismissals continue after the summit.

Although attitudes seem to be hardening on both sides, the fact that the Chamber, represented by its President Bobby Godsell, is participating in the summit will go a long way towards resolving some of the differences.

The summit, which takes place in Johannesburg, will be opened by Deputy President Thabo Mbeki.

(211) CP 22/2/78



END RETRENCHMENTS. . . NUM's George Molebatsi warns of 'incalculable consequences'

Militant worker leader driven by a need to succeed

Gwede Mantashe, the National Union of Mineworkers' acting general secretary, is trying to limit mine retrenchments. Labour reporter **René Gravitzky** looks at the man likely to take over the top position in the country's largest trade union

WITH his braces and red socks; Gwede Mantashe, acting general secretary of the National Union of Mineworkers (NUM), looks more like an advertising executive than a leading trade unionist on the brink of occupying the highest position in SA's largest trade union.

His preference for red socks, he claims, is linked to his longstanding membership of the SA Communist Party.

Mantashe — in the tradition of many other leading trade unionists such as Enoch Godongwana and Moses Mayekiso who came from the poverty stricken town of Cala in the Eastern Cape — has come a long way. After finishing matric in 1973 and a stint with the former Transkei government, he followed his brother to the Western Deep Levels gold mine.

He became known as a "troublemaker" and was dismissed two years later. Some employers may well ask "What has changed?"

He hit the headlines recently when he called on the Chamber of Mines to halt retrenchments and address the crisis in the mining industry or face industrial action. The chamber then announced a moratorium on retrenchments until this week's gold summit.

Mantashe, as shown by his accomplishments in sport and his rise through union ranks, is driven by the need to succeed. Some in the union might argue that he is power hungry. He says no individual can be powerful enough to make history.

Mantashe says that throughout his life he always felt he would end up with a raw deal. If it was not having to work for less capable white supervisors on the mine, then it was having to hand over a rugby team to a white manager or having his dream of studying



squashed. Last year, at the age of 42, he obtained his first degree, a Bachelor of Commerce.

He fobs off speculation that the recent threats of strike action in the mining industry to challenge retrenchments are a ploy to raise his credibility ahead of union elections next month. If elected, he will be the first worker leader of the union, neither former NUM general secretaries Cyril Ramaphosa nor Kgalema Motlanthe worked in the mining industry. Employers who deal with Mantashe say his strongest point is his knowledge of the industry which he joined in 1975.

He appears confident that there is no one else in the running, despite rumours to the contrary, but says "There is no reason for me to behave in a way to raise my credibility, workers will elect me if they think I am competent."

Within the union he is known as a fighter, while some employers view him as a hothead and a showman who shoots from the hip.

Unionists who have worked with him say "his bark is worse than his bite", but employers see him as an old-style militant unionist full of "fire and brimstone" and are unsure "how much of his bite is in his bark".

Employers who have sat across the negotiating table from him conclude "Mantashe is a tough negotiator and digs his heels in when he believes he is right. He can be a spoiler and is at times difficult to engage". Fellow unionists say he either brings out the best or the worst in his opponents.

Some of his opponents do not feel he is as skilled a negotiator as Ramaphosa, who was more calculating, shrewd and slick. Mantashe does not couch things in niceties and is more straight-talking. One fellow unionist says Mantashe can be militant but not reckless, while others in the union are concerned it is not always clear where he is going with his tactics.

Mantashe, who became interested in politics at the age of 13, believes it is important for workers to be militant so that they have the ability to raise issues and back up demands with a fight, if necessary. He is proud of the fact that when he was the branch chairman at Matla Colliery in Witbank he led 24 strikes in 14 months.

Worker leaders, he says, took charge of their own destiny. He believes that shaft stewards today are not assertive enough. He claims that he has a vision to take the union forward. If workers no longer feel that the union is providing a service, they will go to unions such as the Mouth Peace



National Union of Mineworkers acting general secretary Gwede Mantashe

Workers' Union

One of the problems, he says, is that "in the past we placed a lot of emphasis on skilled negotiations but did not back this up with organisational muscle" and began to lose touch with the membership.

He is committed to building a vibrant union whose strength lies in the branches and the regions but gets direction from the centre. "If this does not happen, branches will accept retrenchments as if

they are a God-given right."

At the same time, he acknowledges that the industry is a depleted one and "when you turn the first soil of a mine you know it will come to an end one day". However, international experience has shown there is a better way of managing downscaling, he says.

If employers view him as being militant and a throwback to Ramaphosa in the days prior to the 1987 miners' strike, some of

his staff see him as a hard taskmaster and feel he does not always treat them well. Mantashe claims that he is not a perfectionist but is intent on getting his house in order.

Known as a fighter both within and outside the union, he is also something of an unknown entity to many of the mining houses. His threat of strike action in the months ahead to force action over retrenchments could change that.

(211) BD 23/2/98

Mineworkers to march for retrenchment moratorium

CT (DR) 24/2/98 (211)
FRANK NXUMALO

LABOUR EDITOR

Johannesburg—More than 10 000 members of the National Union of Mineworkers (NUM) are expected to march to the Chamber of Mines in Johannesburg today to demand a total moratorium on retrenchments by gold mines.

The chamber's efforts at the weekend to get the NUM to reconsider its position in light of the chamber's acquiescence to a moratorium on retrenchments last week during the lead-up to this week's Gold Summit were not successful.

On Thursday and Friday Johannesburg will host the indaba of the gold mining industry in what seems to be its twilight years.

The NUM said that a similar indaba in 1991 resulted only in "broadly based records of

understanding" It said it would use this summit to get "concrete" tripartite accords on a social plan. This plan would include the department of labour acting as a "gate-keeper" on retrenchments and "a permanent mining commission" to manage retrenchments that were unavoidable because of the downscaling of operations.

James Motlatsi, the NUM president, has urged the working class "to stand up and fight for its rights".

Madoda Vilakazi, the NUM organiser for the PWV region, said that far from hardening attitudes on the eve of the summit, the march would "enhance and refocus" the direction of the meeting.

Frans Barker, the chamber's deputy manager industrial relations, said he did not think such marches would "create conditions for a fruitful summit".

Mining employers face call to help fund 'social plan'

René Grawitzky

2024/2/98 (211)
MINING industry employers will be called on to contribute a percentage of overall retrenchment costs towards establishing a training and development fund to finance post-retrenchment training through a voucher system.

Government faces a demand to stop the subsidy system and introduce targeted assistance or a "socioeconomic investment" with specific goals and time frames. These demands are part of wide-ranging proposals to be tabled by the National Union of Mineworkers (NUM) at the gold mining summit in Johannesburg on Thursday.

Central to these proposals is the implementation of a social plan, integral to the long-term management of downscaling the industry. Key aspects of a social plan — which the NUM first tabled at a mining summit in 1991 but which was rejected — relate to reskilling through training, adult basic education and training, counselling and creating alternative employment opportunities by setting up local stakeholder forums in mining towns. The plans call for the drawing in of former mineworkers into government programmes in rural areas.

The NUM's development arm, the Mineworkers' Development Agency, is involved in various projects to provide self-employment training and other support services to retrenched mineworkers. The agency's CEO, Kate Philip, said yesterday experience had shown "it was bad timing" to train workers before they left mines because they were traumatised by the retrenchment exercise. Hence the move towards the training voucher system where retrenched workers would be entitled to a maximum subsidy for training, transport and accommodation at any accredited training institution in SA.

Negotiations will focus on the employer contribution with the NUM yet to finalise the minimum percentage to be paid. Philips said discussions were under way with the labour department to ensure workers could have access to training facilities.

Rebuilding with the rubble of retrenchment

CI(DR) 25/2/98

(211)

DEVAN PILLAY

During last year, over 30 000 workers were retrenched, and a further 10 000 dismissed in the gold mining industry

The bulk of these losses occurred during the latter half of the year, and we expect this trend to accelerate during this year. While the decline in the gold price cannot be ignored as a factor in these job losses, we are aware that, in many instances, the gold price has not been a factor at all.

For example, over 5 000 jobs are threatened at Hartbeesfontein mine, where gold has already been sold at \$320 an ounce, well above the current price.

The National Union of Mineworkers (NUM) is concerned that employers are using the gold price as an excuse to lay off workers, as they mechanise the industry, in the pursuit of profit maximisation.

It seems that the interest of workers, their families and the communities they return to are of secondary importance.

If retrenchments are not part of the hidden agenda of employers, then they are decided upon without proper research into alternatives.

Hence we believe much can be done to mitigate the hardships caused by the retrenchments — and even to prevent retrenchments from happening at all.

NUM does not go on strike at the drop of a hat. On the contrary, in response to these massive retrenchments in the industry, NUM has adopted a constructive approach, and called for a gold mining summit, involving all major stakeholders, to seek solutions out of the crisis.

performance need to be thoroughly investigated before the quick fix of retrenchments is resorted to.

We also support continued state assistance to marginal mines, but as a targeted, socio-economic investment, where the social plan plays an integral part in prolonging the life of a mine.

If, after all avenues have been pursued, and workers are still retrenched, it must be at a point when counselling and retraining has already been embarked upon.

Retraining and development need to occur within a wider strategy of stimulating alternative economic activities in the rural areas and towns that retrenched workers return to.

These and other proposals have been presented to government and the Chamber of Mines, as a set of short-term and medium-to-long-term proposals. They will be discussed at the gold summit, and we hope to reach agreement on most of them.

NUM is mindful of the fact that many of these proposals were put forward at the 1991 mining summit, when we predicted the current crisis in the industry.

Our pleas were ignored then, and continued to be ignored in repeated submissions to both employers and government since then.

It is our strong view that had the social plan been implemented five years ago, the hardship being experienced by our members would have been avoided. We hope that sense will now prevail.

□ *Devan Pillay is head of the NUM Research Unit*



performance at mine level, we have often prevented retrenchments from happening. Management practices are often from the dark ages, with workers organised into military-like platoons.

Instead of wondering why workers are not interested in being more productive, we have shown that, by giving workers incentives and greater self-initiative, productivity improved dramatically.

Some mines have learnt the lesson. Others, however, have managers so steeped in racist, colonial attitudes that it will take a huge effort to change them. Managers also make decisions on faulty measurements, costing the mine millions of rand.

These and other blockages to

integral part of the long-term management of downselling in the industry, as opposed to the current ad hoc approach by employers.

In order to implement the social plan, NUM seeks a moratorium on retrenchments, and greater government intervention. This would initially be through a "gatekeeper", which grows into a statutory national commission on downscaling.

Such a gatekeeper should ensure that employers seek alternatives with government and the union before they make a final decision on retrenching workers.

Our experience has been that, when the union has intervened, and conducted its own investigations into blockages to

NUM wants to re-emphasise that the minerals underground are a national asset. Private mining companies are mining these minerals, in the first instance, on behalf of the country.

Unlike in manufacturing, where shareholders can expect maximum return on their investment, through the sale of value-added commodities, mining should be conducted in such a manner that profit maximisation is subordinate to the national interest.

It is in this light that NUM is reactivating its call for a social plan for the mining industry, where provision is made well before workers are retrenched, for the future wellbeing of retrenched workers and society.

The social plan must be an

GOLD MINING SUMMIT

Jobs rush starts as gold loses its glister (211)

Mines could blaze a trail for ailing industries

FM 27/2/98

The outcome of this week's "gold summit" between the National Union of Mineworkers (NUM), the Chamber of Mines and government should indicate whether the social partners will manage to find each other at the much bigger Jobs Summit to be launched by President Nelson Mandela later this year.

Though job losses on gold mines specifically led to the call by the NUM for this week's indaba, the objective of the national jobs summit will be to find new ways of creating employment.

Faced with similar problems, Finance and Labour Ministers of eight of the world's most powerful economies agreed last weekend on a programme to promote jobs and combat unemployment and social exclusion. UK Chancellor Gordon Brown says "a new employment agenda is vital against the background of intensified global competition and technological advances".

The point of the gold mining summit, which was to be opened by Deputy President Thabo Mbeki in Johannesburg on Thursday, is to recognise that the industry will employ fewer workers than in the past, and under different conditions. The question is how to manage the transition.

A key issue will be the NUM's demand, first made in 1991, for a "social plan" to address the effects of massive lay-offs, which reached 50 000 last year.

It includes a proposed training and development fund to which employers and government will be asked to contribute, says NUM spokesman Ben Molapo.

Producers are receptive, say industry sources. However, they say retrenchment is a consequence of ore depletion, production costs and the gold price.

"We are willing to consider ways to offset the hardship caused by large-scale retrenchment," says Chamber spokesman Adrian du Plessis. "Many mines already have arrangements in place. We are, however, concerned that such initiatives should not be at the expense of the future competitiveness and performance of an enterprise, which would only place more jobs in jeopardy."

From a high in 1970 when SA produced

more than 1 000 t of gold (70% of the West's total), last year the country produced only 492 t, or 20% of the world's new mine supply. The industry has shed 222 000 jobs in the past 10 years and today employs fewer than 300 000 people.

National Economic Development & Labour Council (Nedlac) executive director Jayendra Naidoo, who will attend this week's summit "as an interested bystander", says the union's call for a social plan builds on a similar plan being hammered out by a Nedlac task team on which Du Plessis and Kate Philip, head of the NUM's Mineworkers' Development Agency, serve. A draft agreement on the Nedlac social plan is expected next month.

"The NUM and the Chamber are decisive players in Nedlac. Hopefully their summit will produce answers we can draw on for other industries," says Naidoo.

Eight government departments and other

unions have been invited to the summit, which has two main objectives — to address, in the short term, the problem of retrenchment, and, in the long term, to ensure a viable mining industry. Here, deliberations will focus on labour relations, the gold market, legislation and the role of government, says Chamber negotiator Frans Barker.

Aside from a social plan, other points to be tabled by the NUM for discussion are:

- Maintaining mines as a labour-intensive employment sector,

- Company job-creation plans and green-field investments linked to government's "professed commitment to job creation",

- Beneficiation,

- Environmental issues, and

- A merger of the industry's retirement funds and their investment strategy.

The Chamber earlier agreed to a symbolically important, week-long moratorium on lay-offs in the run-up to the summit. The NUM had threatened mass action, backed by Cosatu, if it didn't.

"The decline in the gold price has put the SA gold mining industry in crisis," observed Minerals & Energy Minister Penuell Maduna, days after bullion reached an 18-year low of US\$278/oz on January 12.

"At today's price, and despite hedging activity, 14 mines employing 130 000 people and producing 199 t of gold annually are unprofitable," he said three days later,

when the price stood at \$282/oz. With an estimated eight dependants per employee, "this price threatens more than 1m people with abject poverty". Gold was \$293/oz last Monday.

At the average price of \$307/oz for the last quarter of last year, nine mines employing a total of 126 000 people and producing 184 t/year are marginal, says Chamber of Mines economist Roger Baxter. On average, it costs SA mines about \$300 to produce an ounce of gold before capex.

Averaging tends, of course, to distort the picture, there are low-cost and high-cost producers.

Progress is being made in reducing unit production costs through measures which are at various stages of implementation, says Baxter.

The gold price has been in decline continuously since 1993, despite a dramatic rise in jewellery consumption over this period, says Maduna.

He says there is almost complete agreement that the decline is based on a misplaced fear of massive central bank sales from the 35 000 t of gold held by national central bankers and international institutions. Amarnath Singh



Mineworkers 1m people rely on their wages

Summit pledges to find a way to end gold mine retrenchments

By ZOLILE NQAYI

THE Gold Summit ended on Friday with a declaration from labour, government and business to find ways to stop retrenchments in the gold mining industry.

This pledge was part of a 10-point declaration reached by the three parties after two days of discussions in Johannesburg.

The parties also agreed to a proposal by the National Union of Mineworkers (Num) - the initiators of the

summit - to introduce a "Social Plan" geared towards helping employees before and after layoffs.

This would include advice on investment opportunities and also provide workers with skills to help them obtain employment in other industries.

According to Num's estimates about 65 000 mine workers were retrenched last year. The union said it expected a further 100 000 workers to be retrenched this year if the retrenchments continued.

One of the major differences be-

tween the Chamber and NUM and topping the agenda at the summit was the issue of a moratorium on retrenchments.

NUM demanded a 12-month moratorium on retrenchments in the industry. It also called for increased government intervention and argued that this "should ensure that employers seek alternatives with government and the union before they make a final decision on retrenching workers."

The Chamber had declared a two-week moratorium on retrench-

ments in the gold mining industry in the run-up to the summit.

According to the declaration, a moratorium is to be placed on retrenchments pending the "urgent" establishment of the Gold Crisis Committee (GCC).

This is seen as a temporary forerunner to a proposed Advisory Board.

Mines intending to retrench workers will be required to inform the GCC. "The GCC will be given a period of six weeks to deal with such notice."

The committee, comprising three representatives from government, business and labour, will also look at ways of cutting job losses, options of restructuring of the workplace and the formulation of procedures for retrenchments.

The summit urged the stakeholders to work on a "Social Plan Approach" which will help employees deal with retrenchment.

The declaration also calls for

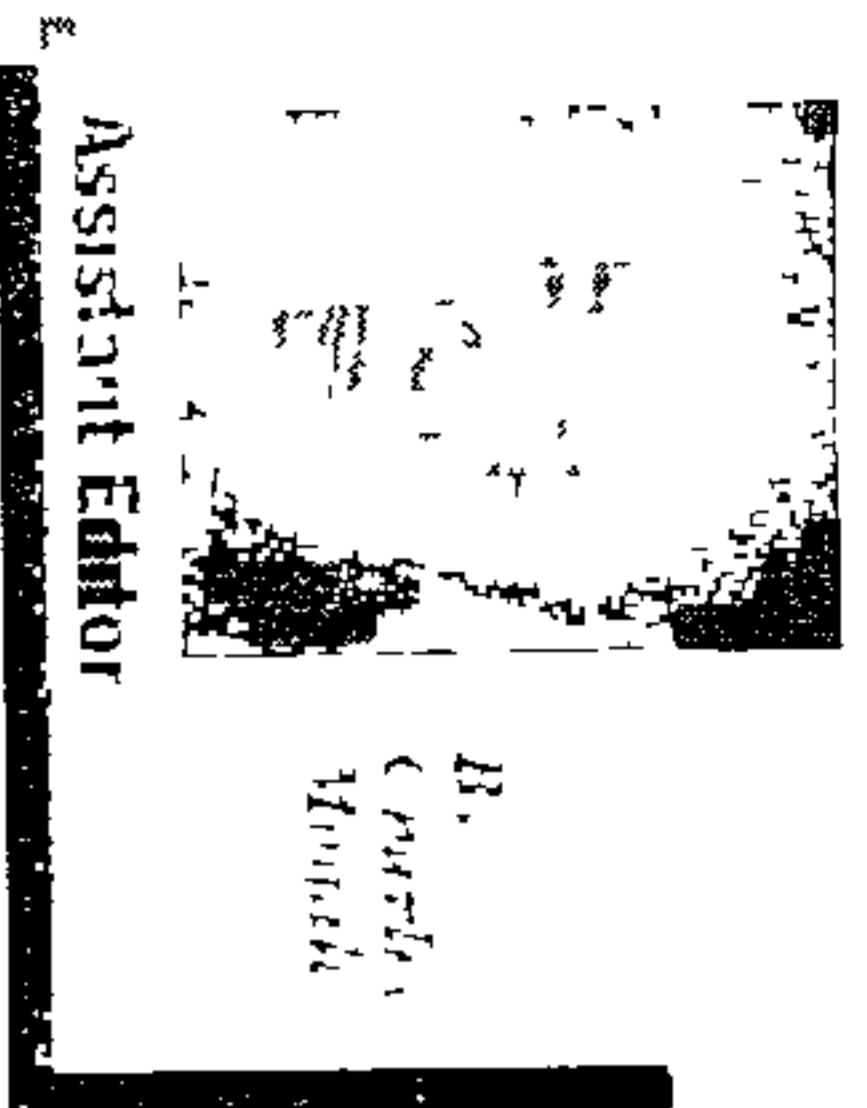
- A investigation into state assistance for marginal mines,
- Development of skills in order to

enhance productivity,

- Stabilisation of gold price through consultation with governments of reserve banks,
- Striking a balance between economic growth and environmental management,
- A correct balance between technology and labour in order to sustain mining as a labour intensive sector and,
- The formulation of plans and programmes to redevelop areas and regions affected by retrenchments and closure of mines

CP 1/13/98 (211)

Former employee alleges that mining company spied on miners' union



Assistant Editor

Mining company Anglo-gold, which is part of the grant Anglo American, has been accused by a former employee of having bugged the National Union of Mineworkers' offices to target labour action. CITY PRESS tells this 'dirty tricks' story.

It's a case of buggings and all round

CP 17/3/98 (211)

files, translate the conversations and then hand them over to my superiors. I used to ride around on a bicycle with a coolerbag in which I kept the bugging devices. I was even given money to join the union so as to enhance my cover," Rampal said.

Over the years, he said, union meetings and telephones were bugged "so that when they even spoke, they shuffled their feet or sighed, we could pick it up very clearly in another room. We used expensive high-tech equipment."

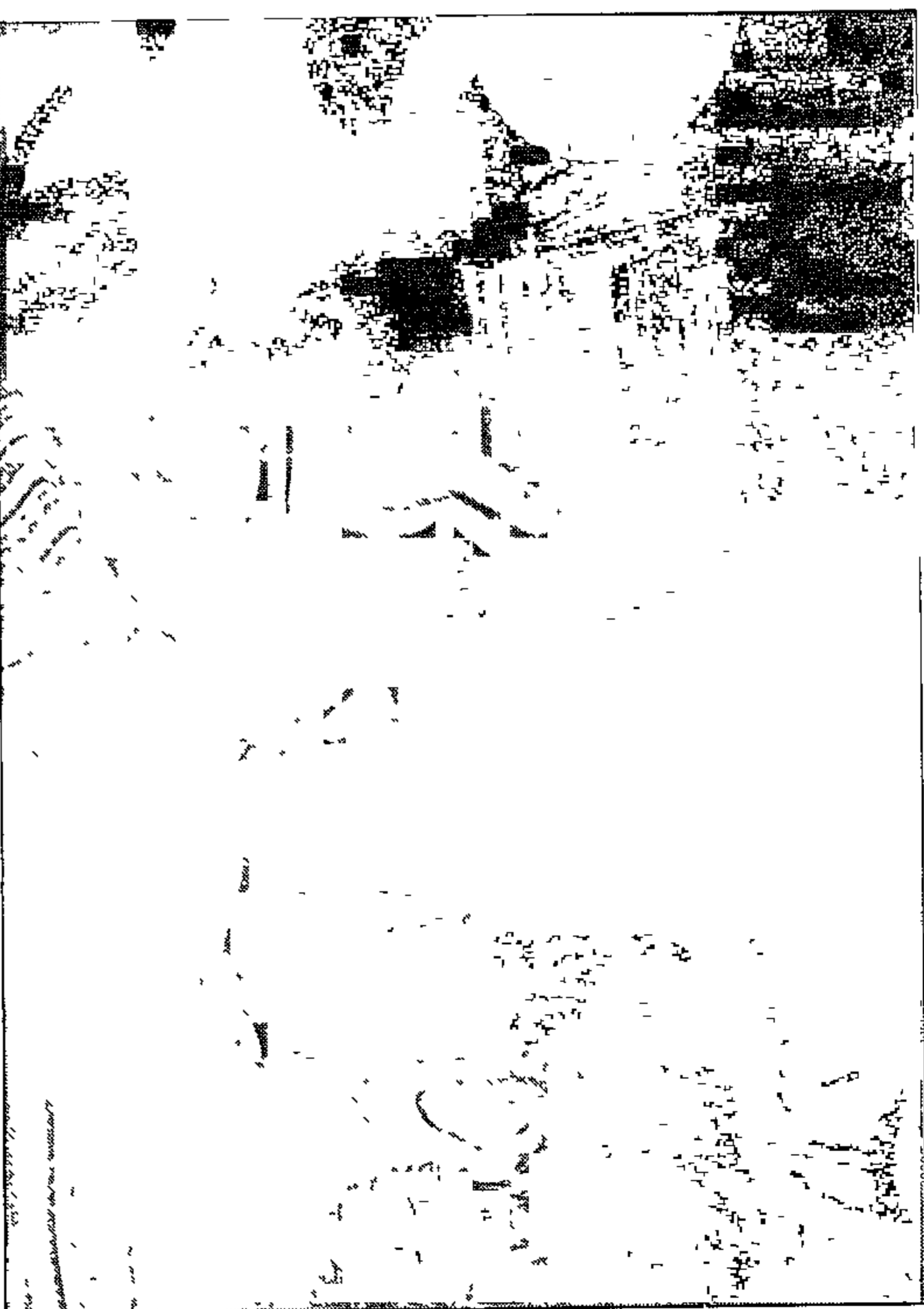
As a result of the buggings, the mine knew of labour action in its planning stages. "Then they knew which union members to target," Rampal said. Rampal was fired last year after losing a service firearm in a car accident in February 1996. "I was dazed when the car crashed. The firearm was taken from me by some policemen, and I never got it back. My wife was crushed underneath the car - it is a miracle she lived. But then, because the company saw no more use for me,

they fired me for that petty reason," he said. He said he wrote a memorandum to Anglo and threatened to spill the beans on the spying activities. After this, two senior Anglogold officials, Steven Lenahan (executive director of industrial relations) and James Duncan (public affairs manager) travelled from Johannesburg to speak to him. During the discussion, Rampal said, he was offered a chance to get his job back, but he refused. According to X - who has also been fired from his job at the mine - when he fell out with the mine bosses, he was also spied on. "Telkom technicians called me one day and insisted I had three telephones in my house, when I had only two. They promised to investigate the third line, and a few hours later they walked into my house, carrying a Marantz tape recorder which they had removed from my line. The tape was exactly the same type and brand we used to spy on the union at the mine," X said. He then confronted mine officials

Ben Molapo:
On Rampal's allegations
"This is not a surprise. We know that the employers even use some of the workers to work against their own colleagues."

and told them he had a file of documents that would embarrass them if they were leaked. "Hours after I had told them this, I left home and returned a few hours later to find I had been burgled. Only that file was stolen. Unfortunately for them, I had made copies," X said. X's wife, a former employee of the mine, confirmed Rampal's story. "He used to translate the text, and I would type it," she said. City Press sent Anglo a two-page memo detailing the allegations. In their response, Duncan confirmed that he and Lenahan had met with Rampal on February 2 "at Mr Rampal's request". He added "We made the point that it was not company policy to spy on any organisation. And we offered to put Rampal's allegation of unfair dismissal to arbitration. When we called Duncan to clarify his response, he refused to discuss the matter. "We have nothing to add or subtract. We thought very carefully about our response, and that's it," he said. Num's media officer Ben Molapo said the allegations by Rampal were "not a surprise". He said "We know that even in this era there are employers who use unconventional methods against the unions."

"We know that the employers even use some of the workers to work against their own colleagues. We are aware of employers who wish to destabilise and undermine the unions. We are happy that such things are now coming to the fore," Molapo said.



UNION SPIES' GET SPIED ON THEMSELVES Mr X shows the tape Telkom technicians allegedly found bugging his home phone while Phineas Rampal shows the equipment allegedly used to bug the union. He says the keys gave him switchboard access. PICS THULANI SIHOLE



The SA Communist Party's Jeremy Cronin talks to unionist Gwede Mantashe, top, at the gold mining conference, while Gold Fields Ltd CEO Richard Robinson, bottom left, and Water Affairs Minister Kader Asmal, right, address delegates

Pictures KENNETH MULLER

Gold crisis committee must not become mere talk shop, says NUM

Reneé Grawitzky
21/98
58 & 13/98
 THE National Union of Mine-workers (NUM) yesterday cautioned against the tripartite gold crisis committee — aimed at regulating retrenchments — becoming a mere talk shop.

This warning comes after the gold mining summit and ahead of the first meeting of the committee on Friday. The parties emerged from the two-day summit with

agreement on the establishment of this committee, a one-week moratorium on retrenchments, the fast-tracking of the social plan, and an investigation into targeted state assistance to marginal mines and training.

Other items agreed to included moves to stabilise the gold price, government's role in promoting the beneficiation of minerals, and plans to rehabilitate areas affected by downscaling.

NUM media spokesman George Molebatsi said the committee would be finalised today. The union, employers and government agreed on Friday to establish the committee. This was in response to the NUM's demand for

a statutory commission to manage downscaling over the next decade or two and the labour department's involvement in possible retrenchments of 10% or more of the workforce.

One of the major stumbling blocks during discussions on Friday related to the NUM's demand for a moratorium on retrenchments. Employers finally agreed on a moratorium pending the establishment of the committee.

The committee will review retrenchments and assess alternatives including "effective workplace restructuring".

Retrenchment processes already under way in terms of the provisions of the Labour Relations

Act will be dealt with at the first meeting of the committee while those mines wishing to retrench can during the next two weeks inform the committee and begin the process in compliance with the act.

The committee will have six weeks to consider alternatives to the proposed retrenchments. Thereafter, workers could be given formal notice of retrenchment.

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Gold crisis committee faces its first hurdle

(211) (211)
FRANK NXUMALO

CT(BR) 2/3/98

LABOUR EDITOR

Johannesburg — Key provisions of last week's tripartite agreement on a gold crisis committee (GCC) had not yet been resolved as the question of whether the GCC has the power to block or authorise retrenchments would only be decided at its first meeting this week, Adrian du Plessis, the industrial relations manager of the Chamber of Mines, said last night.

"The powers and functions of the GCC have still to be resolved," he said "Our intention is that the GCC should review the retrenchment process against the requirements of fairness."

The GCC will be beefed up by a "rapid response team" which will review retrenchment plans exceeding more than 10 percent of a mining company's workforce in any one-year period.

The groundbreaking accord, signed on Friday, seems to have averted a repeat of the 1987 mineworkers' strike. But labour and business now face a formidable task in selling it to their respective constituencies.

The National Union of Mineworkers (NUM) will have to explain to its members why it moderated its earlier demands for a 12-month moratorium on new and ongoing retrenchments.

By the same token, the chamber will have to justify to shareholders of member mines the costs of not cutting jobs now. And the government will have to continue its efforts in lobbying European central banks to retain gold as a store of currency value.

James Motlatsi, the NUM president, said "The signing of this declaration is an historic moment, and I know there will be people who will be only seeing mistakes in it. But the crucial question to ask those people is where are they now and what have they been doing about the crisis?"

Mining industry in bid to save jobs

(211) Sowetan 2/3/98

Two-day summit gives
glimmer of hope to
thousands of mineworkers

By Abdul Milazi

THE mining industry's fragile ceasefire agreement on the retrenchment war between the National Union of Mineworkers (NUM) and the Chamber of Mines at the weekend will test the employers' commitment to saving jobs

The union, the chamber and the Government ended the Gold Summit at the weekend with a declaration to work towards finding ways of managing the ongoing mass retrenchments in the mining industry

Before the two-day summit, the chamber had rejected NUM's call for a moratorium on retrenchment until the summit, but later had a change of heart after the union threatened to go on a 24-hour strike

At the summit the parties accepted that retrenchments could not be reversed but that a social plan be put in place to retrain workers facing losing their jobs

The chamber also agreed to a proposal by the Government for a moratorium on retrenchments pending the formation of a gold crisis committee, which would be a temporary forerunner to a proposed advisory board

Mines intending to retrench workers will be required to first notify the committee, which will in turn have six weeks to deal with the notice. The committee's responsibilities also include finding ways of reducing the number of retrenchments

According to labour and economic analysts, for every retrenched mineworker an average of six people are affected, and for every three mineworkers laid off a worker in an industry manufacturing mining-related products loses his or her job

More than 13 500 jobs were lost through retrenchments in January alone this year. The mining provident fund reports have revealed that about 65 960 workers were retrenched between January last year and January this year

According to NUM, more 250 000 workers have lost their jobs through retrenchments since 1987

COMPANY NEWS

INSIDE MINING

Battle is not job losses, because jobs are gone

CT (DR) 5/3/98 (211)

The crisis facing the gold industry is a tragedy in that the loss of tens of thousands of miners' jobs is inevitable. No amount of summits with the Chamber of Mines, mining houses and unions, or committees, will hold back the economics of a low gold price and declining returns from deep-level mining.

This will not be a battle to save jobs, because they are already gone, though not announced, but to soften the effect of vast numbers of workers who will find it hard to find employment elsewhere.

Whether organised labour recognises this and works with the other stakeholders in the industry, or calls a national strike to try and halt the inevitable, the result will be the same.

A slimmer, lower-cost, more highly educated and better-paid workforce will mine less gold at higher margins. If the gold

price stays where it is or moves down even more, the change will be rapid.

Perhaps if a rally does erupt, the hard decisions will be put off for a while.

Rightly, the industry is using the present reality of a low gold price to reorganise and become leaner.

The reorganising is not unique to South Africa, as gold producers in the rest of the world are doing the same.

North American producers are closing more gold mines. Barrick reshuffled its gold mine portfolio recently, closing some of its mines, not because they were losing money, but because it wanted to refocus its mines



ANDI SPICER

further down the cost curve internationally. Better to have a smaller number of low-cost mines than a large number of marginal mines, says that investment philosophy.

The South African gold industry was built on low wages and poor health and safety that were not acceptable in other parts of the world.

The legacy of the apartheid near past is still apparent in the overstaffing of mines and the low educational standards, where a large proportion of the workforce is neither literate nor numerate and fails to have a common language.

The safety record has been bettered and crash education and training programmes have been introduced.

The sad reality is that with a more educated workforce that is more productive, the inevitable conclusion is a smaller workforce. This is even without the

pressure of an 18-year low bullion price and the possibility of the metal moving down even more if the European Central Bank does not hold gold, or if other central banks start unloading again.

Which brings us back to reshaping gold portfolios. The merger of Gold Fields' and Gencor's gold mines into new producer Gold Fields is just such a reshaping, and has been misunderstood as the creation of a new mega-gold producer.

In fact, Gold Fields and Gencor are busy shedding jobs and will almost certainly close or sell off its marginal mines. Smaller and leaner again.

The loss of jobs is a tragedy, and the hardship on ordinary people extreme, but the alternative is to let the industry die with an even greater loss of jobs and wealth for the country.

One is nasty medicine to cure a disease, the other the death of the patient.

Gold crisis committee to discuss layoffs

Reneé Grawitzky

(21) BD6 | 3 | 98

RETRENCHMENTS under way at Freegold, Gold Fields and Hartebeesfontein will be discussed at the first gold crisis committee meeting today.

Government, the National Union of Mineworkers (NUM) and the Chamber of Mines agreed at last week's gold summit to set up the committee which would oversee retrenchments. Parties agreed that the committee would meet within a week of the signing of the declaration adopted and would consist of

senior leaders in the three parties.

Labour Minister Tito Mboweni, Minerals and Energy Minister Penuell Maduna and Public Works Minister Jeff Radebe will constitute the government delegation. The chamber's delegation will include president Bobby Godsell, newly appointed CEO Zoh Diliza and former president Nick Segal. The NUM delegation will include one or two members of the union's internal committee, acting general secretary Gwede Mantashe and president James Motlatsi.

(211)

Cushioning the lay-off blow

The agreement reached between the National Union of Mineworkers (NUM), the Chamber of Mines and government at last week's NUM-inspired gold mining summit is in line with initiatives in other parts of the world aimed at managing large-scale retrenchment and reducing the size of industries

"This is not an unprecedented event," says Geneva-based International Labour Organisation (ILO) spokesman John Doohan

He points, for example, to an agreement between the United Steel Workers Union and the US steel industry in the mid-Nineties which recognised the inevitability of job losses but accepted it in exchange for job security for remaining employees

Similarly, in the motor industry in Europe, he says, unions at companies such as Volkswagen have agreed on revisions to work procedures and in-

novative staff adjustments aimed at minimising lay-offs

Unlike SA, most Western governments play only a minimal role in forging flexible labour market policies. In Europe, which has higher levels of unionisation, such talks are driven by workers and employers

The trend in negotiations of this sort is to recognise the inevitability of change, but maintain certain guarantees to labour, says Doohan. Social discontent can result if cumulative lay-offs are simply sprung on labour

Last week's gold summit agreement entails the formation of a tripartite Gold Crisis Committee to formulate retrenchment and restructuring procedures and reduce job losses. It also proposes a package of support measures, or "social plan", to cushion hardship caused by retrenchments, retraining, exploring greenfield industries in affected areas, and beneficiation

"It sounds like textbook ILO prescription," says Doohan, who adds that the employment-generating capacity of sectors such as mining and agriculture has declined globally

Amarnath Singh

Mines reach

agreement

to save jobs

pp 10/3/98

Renee Grawitzky

THE gold crisis committee — consisting of senior government, labour and business representatives — reached agreement yesterday on measures to reduce retrenchments at gold mines.

The deal covers Freegold and Hartheesfontein gold mines and three Gold Fields Limited mines.

At Gold Fields Limited the National Union of Mineworkers (NUM) agreed to extended annual leave coupled with job sharing, early retirement, and voluntary retrenchment packages in a bid to reduce the numbers of forced layoffs.

Anglogold is close to finalising deals to sell eight Freegold shafts rather than close them, which could save

1 700 of the 2 300 jobs under threat

Anglogold said the potential buyers had agreed to re-employ those already retrenched and retain those targeted for retrenchment. AngloGold would not disclose the identities of the potential buyers but said the deals could be finalised this week.

African Rainbow Minerals & Exploration (Arm) has been linked to the sale while it was reported last week that Harmony MD Bernard Swanepoel had expressed an interest.

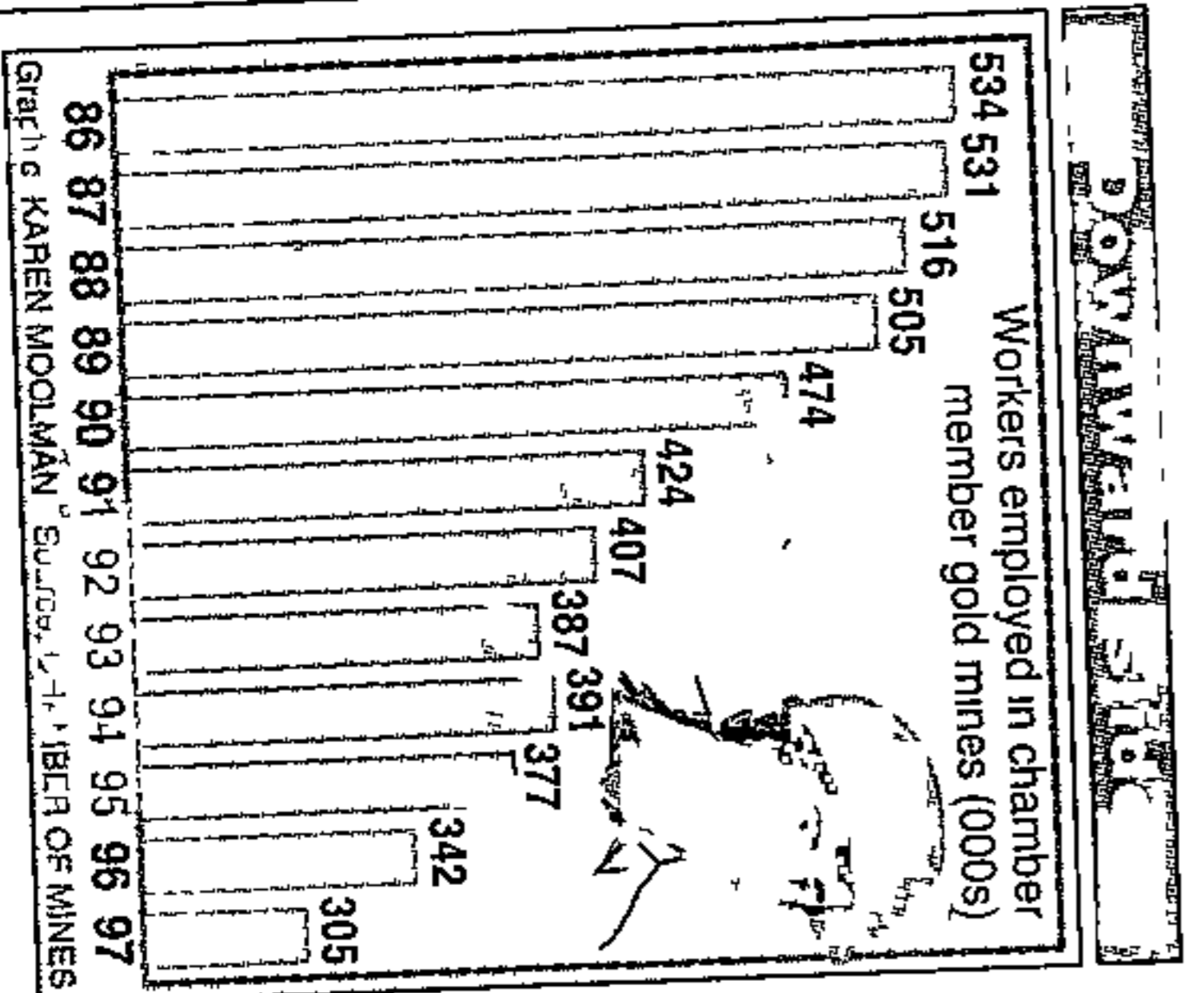
AngloGold CEO Bobby Godsell said as a result of the successful purchase by Arm of a number of Vaal Reef shafts earlier this year, it was agreed to draw the potential new owners of the Freegold shafts into the process of trying to save jobs.

The potential buyers had agreed to re-employ 1 700 workers at Freegold, some of whom had already accepted voluntary retrenchment packages. Godsell said there was a potential for the buyers to create more jobs as the shafts would stay open.

The NUM said AngloGold had committed itself to a programme of retrenching more than 4 000 jobs by August. However, AngloGold said the prospective new owners had said they would be looking for up to 4 300 employees for the operations.

NUM acting general secretary Gwede Mantashe said a meeting would be held with AngloGold and the new owners to discuss terms for the transfer of employees.

Godsell, in his capacity as Chamber of Mines president, and Mantashe wel-



Continued on Page 2

Retrenchments

Continued from Page 1
pp 10/3/98

came the outcome of meetings of the crisis committee. They were unable to give exact figures on how many jobs would be saved but indicated that the measures would significantly reduce the number of retrenchments.

Godsell said the "extent and magnitude of the crisis had focused the minds of all" to ensure the process was able to yield results. Mantashe said the partners had taken the issues seriously and tried to find solutions instead of engaging in academic debates.

The agreements at Gold Fields Limited cover its Evander, Libanon and Leeuodoorn mines where about 4 000 jobs are threatened. They represent a major concession for the union which previously challenged moves by management to offer voluntary packages on other mines.

Union sources said, however, that

there was still uncertainty over whether retrenchments would take place at Kloof gold mine.

Mantashe indicated that agreement had not yet been reached with AngloGold over retrenchments at Hartheesfontein. He said serious attempts were still being made to reduce the number of workers being retrenched. About 4 000 workers were targeted for retrenchment at the mine.

Meanwhile, the Labour Court on Friday dismissed two applications by the NUM to prevent the closure of the eight Freegold shafts.

The union argued that inadequate consultation on the timing of the closures had taken place. It said alternatives to the closures in the form of new shift arrangements, in terms of the productivity linked wage deal, had not had time to effect any real change.

The court found that AngloGold had adequately consulted the union on the closures and the month's notice of the specific date on which the mine was to close was sufficient.

Agreement benefits workers

(211)

Rowe Jan 10/3/98

UNION representatives and the management of Freegold reached an agreement yesterday whereby employees would be offered jobs by the new owners when shafts were sold.

Anglogold said negotiations for the sale of shafts were well advanced. It said 1 700 of the 2 300 mineworkers were expected to move to the employ of the new owners.

The accord was reached during meetings of the Gold Crisis

Committee considering retrenchments at Freegold.

The committee agreed that "where management sells shafts and employees are offered jobs by the new owners, employees accepting such offers will move directly from Freegold's employment to the employment of the new owner."

Anglogold added that employees would receive full retrenchment benefits. It said the prospective new owners had indicated employment

on the shafts to be sold would increase by 4 300 by August.

"Management will seek undertakings from the prospective new owners that they give preference to former Freegold employees when recruiting for these positions."

Freegold management and the National Union of Mineworkers have also agreed to consider amending the working calendar and introducing longer leave cycles.

Sapa

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Alexkor, unions enter accord on productivity

(211) 0013/2/98

Reneé Grawitzky

ALEXKOR management and unions have entered into a productivity and discipline accord as part of a range of dramatic measures intended to turn the mine around over the next few months, management said yesterday.

The mine's lifespan has been reduced as a result of a lack of funds for further exploration. The announcement comes in the wake of plans by Public Enterprise Minister Stella Sigcau to visit the mine and surrounding communities today to discuss land claims and community concerns over the mine's restructuring.

Chairman Stefan Raubenheimer said government would shortly advertise for a technical adviser and thereafter a tender would be issued for a management contract or contracts covering the various core activities of the mine. An observer said it appeared government was finally portraying a sense of urgency in dealing with the mine's problems after long delays.

A year ago, government received recommendations from the mine's restructuring committee on how the mine should be restructured. Last month the government finalised its position to ensure that the mine would not be sold off immediately. The plan called for an outside management contract to be brought in for three to five years to manage the mine.

Alexkor's acting CEO Thian Combrink said, following recommendations of the Alexkor board, a new acting CEO for the mining operations had been employed on a six-month contract to look at various plans, as part of a turnaround strategy to pave the way for the management contract. The turnaround strategy would be coupled with an accord signed between unions and management to raise productivity and reduce problems around discipline which had plagued the mine.

A joint management/labour committee would monitor the ac-

cord, which would ensure the short-circuiting of the disciplinary procedure, so that focus was directed towards putting the mine on a sound financial footing.

Disciplinary hearings would not be held, but if workers appealed, then dismissals would be referred directly for arbitration.

Combrink said the mine was in a severe financial crisis and there was a joint commitment from all parties not to allow the mine to bleed to death.

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Mine chamber wants exemption from health tax

JOVIAL RANTAO

THE Chamber of Mines, one of South Africa's largest employers, has asked for an exemption from paying the health insurance tax as proposed by Health Minister Dr Nkosazana Zuma in the White Paper on the Transformation on Health in South Africa.

On the first day of public hearings on the paper, Chamber of Mines' health adviser Dr C la Grange told Parliament's Health Committee that her organisation would like to be exempted from the tax as it provided a not-for-profit service to employees.

She said if employers were not granted an exemption, consideration should be given to reimbursing employers for similar health services provided.

The Department of Health has proposed the health insurance tax which would require that all formally employed persons should be insured for costs of treatment for themselves and their dependents in public hospitals.

The insurance is intended to cover all formal sector employees for treatment in public hospitals as well as members of medical aid schemes who have exhausted their medical benefits and then turn to public hospitals for further treatment.

The proposed tax is expected to pump an estimated R2 billion a year into the public health system.

"Public hospitals will most probably only retain a portion of fees generated with the balance paid to provincial health departments to finance the shortfall in the state's free primary health care package, estimated at R1,4bn in 1997/8 and rising to R3,4bn by the turn of the century. Such a situation would fail to balance paying taxes to receiving benefits in return and would merely constitute an additional tax," La Grange said.

The Chamber of Mines suggested that a defined package of services and benefits should be guaranteed to those taxed and employers providing the package to their employees should be exempted from contributions or reimbursed for similar health services provided.

Also, exemption of medical scheme contributors who are sufficiently insured with no potential liability for public hospitals should be considered.

The Chamber of Mines has described the re-regulation of the medical schemes industry, as contained in the White Paper, as prescriptive.

The Concerned Medical Schemes Group, which claims to represent over 2,6 million members, has rejected proposals that would force them to accept all prospective members, regardless of health risk.

The group said if schemes were not allowed to exclude individuals on the basis of health risk, people would defer joining until they were sick, which would increase the cost of cover and decrease the number of people covered. Instead, schemes should be allowed to screen to some extent and create incentives for the young and healthy to join.

Mr Adriaan Gore, a representative of the group said: "We refute the claim in the white paper that the recent deregulation has led to instability, increase in cost and a reduction of coverage. Emerging government statistics reveal the opposite. Furthermore, it is our view that the framework for re-regulation is too restrictive to achieve the government's broader health objectives. We support an environment based on guaranteed access as opposed to open enrolment and general community rating rather than flat community rating. Importantly, targeted regulation should focus on protecting today's old and tomorrow's sick."



NKOSAZANA ZUMA

6 000 workers may lose jobs at mines

Reneé Grawitzky

GOLD Fields is poised to shed up to 6 000 workers from its Kloof and Evander gold mines as it moves closer to finalising the structure of the recently created gold company, sources say

Talks are under way with the National Union of Mineworkers (NUM) to find ways to minimise job losses in line with an agreement reached with the gold crisis committee this month

The committee, established at the gold mining summit, agreed on a range of measures to reduce retrenchments at Freegold, Hartebeesfontein and Gold Fields Limited mines

In terms of the deal on retrenchments at Gold Fields' Libanon and

BD 24/3/98
Leeudoorn, the parties agreed to consider extended annual leave coupled with job sharing, early retirement and voluntary retrenchment packages. It was understood that these measures would be extended to other Gold Fields' mines facing retrenchments

The union said yesterday that discussions had been under way for some time at Kloof about possible job losses

The retrenchments at Kloof came in the wake of a failure by the parties to sign the productivity-linked wage deal agreed to at industry level last year. Kloof remained the only Gold Fields mine which had not signed the deal

David McKay reports that executive director Richard Robinson said the group was in talks with the NUM on

(211)
Kloof. He did not know if an announcement was likely soon

The retrenchments at Evander would not surprise industry analysts who had said the Mpumalanga operation was too unprofitable to continue in the Gold Fields fold

The company failed to confirm if discussions on retrenchments were taking place at the two Evander mines, Leshe and Winkelhaak. However, the NUM said talks were continuing on possible job losses of up to 3 000

The gold crisis committee met yesterday and agreed on the procedures mines should follow in the event of possible retrenchments. The parties also agreed on a probe into targeted state assistance for marginal mines

NUM must show it can take members along (211)

Reneé Grawitzky

THE National Union of Mineworkers (NUM) faces the aftermath of the gold-mining summit today with a special conference in which it will have to show its capacity to take members along on agreements reached at the summit on retrenchments and the effects of rising unemployment.

Some workers, in the face of months of rising insecurity, are opting for retrenchment packages as opposed to measures aimed at prolonging the life of gold mines and saving jobs in the short term.

The union said that in some instances members were refusing to agree to transfers from unprofitable to profitable shafts and were instead opting for retrenchment packages.

NUM president James Motlatsi said that workers needed "to understand that to lose their jobs now is a ticket to poverty".

A union official said workers were disillusioned with having to live with insecurity. "They are so tired of sitting on the edge of a cliff waiting to hear about their fate that when the opportunity comes along to get out they will take it," he said.

Another official said many workers did not work in the industry by choice and if they could take retrenchment packages and come out alive, they would do so.

These issues would be discussed at the conference in the context of the gold-mining summit.

NUM acting general secretary Gwede Mantashe said the 9th national congress last year resolved to hold a special national congress this year to update its constitution in line with new labour legislation. However, central to the congress would be the election of new office bearers as NUM general secretary Kgalema Motlanthe had been

26/3/98
elected general secretary of the African National Congress

It is understood that no candidates are opposing the election of Mantashe to the position of NUM general secretary, but there are a number of candidates vying for the position of assistant general secretary.

Organisational problems and the loss of membership would be critically debated at the congress. The unions' membership has dropped from 357 196 in 1996 to its present level of 285 022.

Mantashe said the decline in membership would be discussed within the context of retrenchments and the "regrouping of counterrevolutionary forces" with the formation of the Mouthpeace Workers' Union.

Service delivery would have to be evaluated in view of the fact that the union was facing an offensive not only from Mouthpeace, but also other smaller unions in the industry.

It is understood that Mouthpeace is trying to recruit in the Free State, especially at Freegold, and has a presence in Klerksdorp, Westonaria and Carletonville.

The congress will focus debate on the productivity-linked wage deal signed last year, assess its strengths and weaknesses and review current collective bargaining strategies.

Mantashe said the union would have to increase its role in the energy sector and examine the reasons for the failure of the electricity distribution industry to restructure.

The union believes that the restructuring remains unresolved because government refuses to come up with a clear structure of the industry to drive the vision.

Other factors in the failure to restructure related to major opposition at local government level, sources said. The congress, Mantashe said, would also focus on next year's elections.

NUM meets to elect new secretary and assistant

CT (BR) 26/3/98 (21)

FRANK NXUMALO

LABOUR EDITOR

Johannesburg — The National Union of Mineworkers (NUM) is meeting today in a special congress to elect a new general secretary and his or her deputy

The post became vacant towards the end of last year when former incumbent Kgalema Motlanthe moved into politics to become secretary general of the African National Congress (ANC)

Gwede Mantashe, the former assistant secretary general, has been acting head ever since Mantashe is tipped to become the next general secretary of NUM, the country's biggest trade union

"Following the election of NUM general secretary Kgalema Motlanthe to the position of secretary general of the ANC, the NUM goes into a special congress on March 26 to 28 to elect a new general secretary and

assistant general secretary

"Nominations for both positions will be presented to the congress on the first day. Announcement of the election results will be on Saturday," said George Molebatsi, an NUM spokesman

He said the congress would also discuss constitutional amendments and "house-keeping matters", and chart the way forward

Internal issues would include a "new approach" to NUM staffing and in-house labour relations in the face of massive retrenchments in the mining industry, Molebatsi said

Retrenchments are directly related to the revenue base of the organisation in the form of union subscription fees

The NUM estimated that it lost about 51 000 members last year to retrenchments following the gold crisis triggered by an international gold price crisis

Real power is economic

Mantashe tipped for top NUM post

Source from 27/3/95 (211)

By Abdul Milazi

NATIONAL Union of Mineworkers (NUM) assistant general secretary Gwede Mantashe is tipped to become the union's new general secretary at the end of the special three-day congress on Saturday.

NUM spokesman George Molebatsi said the special congress, which started yesterday, was called to elect a new general secretary and his assistant after the departure of Kgalema Motlanthe to the African National Congress in December last year.

Molebatsi said the congress is also to address constitutional amendments and other house-keeping matters and to chart the way forward.

Mantashe, who has been acting general secretary since January this year, is seen by insiders as the ideal candidate.

Some have described him as an immensely popular person among grass roots members.

At the time of going to press it was still uncertain who the candidates for



National Union of Mineworkers assistant general secretary Gwede Mantashe is tipped to become the new general secretary on Saturday.

PIC LEN KUMALO

the second position would be as speculation was rife that the union needed to balance the tribal composition of its leadership.

Dominance

Sources say the issue of the dominance of Xhosa speaking people in the labour

movement has caused contention among members of other language groups.

NUM president James Motlatsi is Sotho speaking while his deputy is Xhosa speaking.

Motlanthe was Sotho speaking while Mantashe is Xhosa speaking.

Source say the union will have to elect either a Sotho or Zulu speaking person as Mantashe's assistant to balance the equation.

According to Molebatsi it has been proposed within NUM circles that top leadership should be sourced from the mines so that it would be in touch with workers' needs.

Motlatsi is the classic example having been a mineworker himself.

Molebatsi said he did not see Mantashe implementing any radical changes if he became general secretary because he had been part of the leadership that shaped NUM's vision.

"There might be changes in the relationship between us and employers. We will look at the role of office bearers in the economy, now that the struggle has taken a whole new shape," said Molebatsi.

Mantashe to lead NUM to 'campaign mode'

(211) CT (PR) 30/3/98

FRANK NXUMALO

LABOUR EDITOR

Johannesburg — Gwede Mantashe, the newly elected National Union of Mineworkers' (NUM) general secretary, said at the weekend his strategy would be to build the organisation into "campaign mode" in the face of retrenchments in the gold industry

Mantashe was elected unopposed on Friday at a special congress. He takes over from Kgalema Motlanthe, who was released to the ANC last year and elected secretary-general of the party

at the Mafikeng conference in December

Archie Palane was elected NUM's assistant general secretary. The organisation's membership, at 285 000, is down from about 357 000 in 1996

The resolution to hold a special congress was taken at the NUM's ninth national congress last year to look at amending the constitution in line with the country's new labour laws and to chart the union's way forward

Mantashe said the special congress endorsed the final declaration of last month's gold

summit, which established a gold crisis committee to deal with massive retrenchments in the industry

He said in addition to putting the NUM on a campaign mode, he would work tirelessly towards extending "proper services" to members with a special focus on "what is it that made members look at alternatives in Rustenburg"

Rustenburg was the scene last year of violent clashes between the NUM and Mouthpeace, a rival labour grouping, in which several NUM regional leaders were

allegedly killed by Mouthpeace operatives

Mantashe said the special congress resolved that the union should be more proactive at this year's bargaining council sessions, rather than simply reacting to employers' programmes

He regretted that the media had put too much emphasis on the production component of the gold productivity deal signed last year between the union and the Chamber of Mines

He said a lot of other issues had gone into the agreement, including "equity at retirement"

Loss of one job affects many

Sowetan 24/2/98 (211)

Ominous picture painted of SA's gold mining industry

By Abdul Millazi

FOR EVERY retrenched mine-worker an average of six people are affected and for every three mineworkers laid off a worker in an industry manufacturing mining related products loses a job according to mining analysts

This is the ominous picture in South Africa's gold mining industry which was once the mainstay of the apartheid economy. Now retrenchments are the order of the day due to pressures of globalisation and the falling gold price.

The ongoing retrenchments in the mining industry which have pitted the National Union of Mineworkers (NUM) against the Chamber of Mines will be felt most in the rural areas where more than 50 percent of the working men are on the mines.

The ripples will not only be felt in the former Transkei, former Ciskei and the rural parts of KwaZulu Natal but also in Mozambique and Lesotho.

About half the Gross Domestic Product (GDP) of those countries comes from the wages sent home by miners.

An alarming total of 13 575 jobs were lost through retrenchment in January this year alone. Mining provident fund reports have revealed that about 65 960 workers were retrenched between January last year and January this year.

And this does not include the scores of workers who do not belong to the provident fund.

The Congress of South African Trade Unions (Cosatu) and its affiliate the NUM have called for a moratorium on retrenchments until the planned gold summit this weekend aimed at finding solutions for the crisis in the mining industry.

According to the NUM more than a quarter of a million workers have lost their jobs through retrenchments in the mining industry since 1987.

Cosatu and the NUM have criticised the local mining houses for resorting to retrenchment as soon as they hit a crisis whereas there are alternatives and more humane strategies for restructuring industries that can be looked at.

Retrenchments have hit most indus-

tries including the automobile, food, clothing and textile sectors, and Cosatu spokeswoman Ms Nowetu Mpati said this has had a major impact on communities, the unemployed, young job-seekers and the economy.

It had aggravated the levels of crime she added.

'We believe the crisis in the mining industry is orchestrated. The agenda of the mining houses is designed to bash unions, weaken them by retrenching workers and re-employ them as contract workers to advance the business policy of deregulating the labour market,' argued Mpati.

She also argues that the issue in the mining industry is not about the falling gold price but its hedging (selling future stocks in advance at current prices when the price is high to avoid suffering losses when the price drops).

'The reality is that the gold price in South Africa has been hedged. Even when its value drops, the mining houses are not losing; they are still making profits.'

'The crisis, as far as Cosatu is concerned has been exaggerated,' Mpati said.

President of the Chamber of Mines Mr Bobby Godsell said the chamber shared the concerns of both Government and labour on the high level of job losses that continue on local gold mines.

'The gold producers further reaffirm their support for any action which would reduce job loss to the absolute minimum,' he said.

The NUM's call for a moratorium on retrenchments was made in the hope that by the time the gold summit ends a process would have begun to facilitate the adoption of a proposed Social Plan Act on retrenchments.

Mining commission

Cosatu has also called for a permanent mining commission that would look at long and short-term retrenchments within the mining industry.

The federation's future salvation may come from Minerals and Energy Minister Penuell Maduna's Green Paper on Minerals and Mining Policy which proposes that mining houses planning to lay off more than 20 percent of their



The National Union of Mineworkers estimates that more than 250 000 workers have lost their jobs in the mining industry through retrenchments since 1987. The planned gold summit this weekend is aimed at finding solutions to the crisis.

PIC LEN KUMALO

workforce should notify the Government before doing so.

This will help the Government to monitor mass retrenchments in the industry and possibly assist where it can, as it did at East Rand Proprietary Mines when its Boksburg plant was threatened with closure last year.

According to mining statistics from the Central Statistical Services, half of the country's 20 gold mines operated at a loss during the last quarter of 1997.

Gold production last year was estimated at 490 tons compared to 1 000 tons in 1970.

The decline has been blamed on the drop in the gold price.

A year ago gold sold for more than R1 900 an ounce; currently it hovers at the R1 400 level.

According to a report by American investment bank Salomon Smith Barney, a further fall in the gold price to

R1 242 an ounce or less would sharply stunt South Africa's economic growth and weaken the rand, making exported goods more expensive.

The report argued that if the price remains at the current R1 491 an ounce or declines moderately, the industry will have to continue laying off workers but the possibility of most mines closing down has been ruled out.

Biggest gold reserves

South Africa still has the world's biggest gold reserves but they have become deeper and more expensive and difficult to mine.

This is forcing mining houses to devise ways of making their mines more efficient, which means a leaner mining industry.

Analysts argue that the gold price has dropped largely because Government and private investors were

dumping gold for other investments now that trade and investment barriers are being relaxed around the world.

Gold mining represents only four percent of South Africa's GDP, a factor that makes the country fairly safe from the catastrophic effects of the gold crisis.

The country is also rich in diamonds, chrome, platinum and 60 other minerals which are exported to 100 countries.

Mining in general accounts for about 40 percent of South Africa's exports and represents about eight percent of the GDP.

Like any mining country, the existence of South Africa's exportable minerals makes it vulnerable to the fluctuations in world markets.

The Asian financial crisis, which saw a drop in gold prices and diamond sales, is a recent example of this.

The sun sets on SA's gold miners

By Abdul Millazi

FEZILE Nxasana shuts the door of his hostel room against the setting sun and contemplates his future in the gold mining industry which is shedding jobs by the thousands each year.

Nxasana, who works at the Vaal Reefs mine in the Free State, is only 25 years old but supports a family of 12, including three brothers, his mother, two uncles, an aunt and their children.

He does not understand why the mining industry is retrenching on such a large scale, nor does he understand the concept of globalisation and its effects on the gold price.

The gold mining industry has shed 13 575 jobs in January this year through retrenchment while about 65 960 workers were laid off between January last year and January this year.

Nxasana finds it difficult to accept there is something wrong with the mining industry when workers are still digging for gold every day and also because he has not seen any changes in

his everyday routine or working hours.

What he is certain of though is that if he loses his job, the 12 people who depend on his salary will starve.

The soft-spoken Nxasana hails from Umzikulu's kwaMadonela village in the Eastern Cape, and he has made arrangements to pay lobola for his childhood sweetheart, Nolita, this December.

'To work in a mine is a big risk and my family knows that but how will I look them in the eye and say I have lost my job?' asked Nxasana.

While he tried to accept his predicament, the gold price continued to drop at the New York Stock Exchange from R1 493 an ounce on February 13 to R1 484 on February 17.

Base metal prices also fell to a four-year low late last year amid widespread concern that economic turmoil in Asia would slash future demand from the region, which has



Fezile Nxasana faces an uncertain future in the gold mining industry, which is shedding jobs by thousands each year. PIC LEN KUMALO

used huge quantities of metals for building projects and the manufacture of consumer durables.

For Nxasana, the talk about globalisation and its effect on the prices of precious and base metals is difficult

to fathom.

In the three years he has worked in the mining industry, he has seen scores of workers retrenched but still finds it difficult to accept the layoffs as normal.

'It is people's lives we are talking about. You cannot just say so-and-so has lost his job and it ends there. What about his family? What about his children?'

'No, being laid off is more complicated than that. Your whole life gets turned upside down,' says Nxasana.

In a change of heart, the Chamber of Mines agreed last week to a moratorium on retrenchments until after the two-day gold summit this weekend, as requested by the National Union of Mineworkers (NUM).

This was after the NUM had threatened to go on strike to force employers to change their minds about retrenching workers.

The gold summit is aimed at finding ways of minimising the impact of retrenchments but it will just be a numbers game as mines will be forced to lay off workers in a bid to cut costs.

The focus of the summit will be to keep the number of retrenchments as low as possible.

9

Mine deal saves thousands of jobs

BD 1/4/98 (211)

Reneé Grawitzky

GOLD Fields and the National Union of Mineworkers (Num) have reached an agreement aimed at saving the jobs of more than 4 000 workers at Kloof and Libanon mines

The company said yesterday that agreement reached at both mines ruled out any person being forced to take a compulsory retrenchment package and was in line with the spirit and intent of the gold-crisis committee

The agreement contains two measures intended to minimise job losses. Parties have agreed to job-sharing arrangements facilitated by extended unpaid leave of between three to four months at a time and early retirement

One of the sticking points during negotiations was Gold Fields' proposal for extended unpaid leave of up to 12 months while the Num demanded between three and six months unpaid leave

Gold Fields said workers older than 50 would be eligible for early retirement on a voluntary basis

These measures, the company said, "should enable these mines to restore profitability whilst minimising the social impact caused by retrenchments".

The company was unable to give figures on the number of people who would be taking up the offer of early retirement

The gold-crisis committee, established at the gold mining meeting, agreed on a range of measures aimed at reducing job losses at AngloGold and Gold Fields mines. This agreement incorporated a number

of those measures

There is the possibility of a deal being struck later this week at Leeuwarden which was also facing possible retrenchments

Gold Fields CEO Richard Robinson said "With this kind of support from our workforce and their representatives, our industry will compete effectively in the international arena with the world's best"

Chamber of Mines head all set to make changes

Mzoli Dileza is set to work with Government and the unions, and to try to improve the lot of the average worker

By Eddie Mavwa

His appointment means the new Chamber of Mines chief executive of the Chamber of Mines, Dileza, will be the first of his kind in the history of the Chamber of Mines since its inception in 1947. Dileza, 49, is expected to work with Government and unions to bring about a transformation in the mining industry building on an enterprise which reflects the demographics of the new South Africa.

As a newcomer to the mining industry, Dileza faces obstacles more volatile than the price of gold. He must introduce meaningful changes to benefit all South Africans, especially blacks.

If he manages to create more opportunities for mineworkers, then he will have won the hearts of the unionists who are sceptical about his appointment.

Dileza is aware of the challenges that he ahead and is cautiously confident of succeeding.

"I am not in a hurry. The issues are more than an ordinary Social Partnership deal to work together in a new era. I am not in a hurry to get on with it. I am not in a hurry to get on with it. I am not in a hurry to get on with it."

Dileza says it is critical for him to address the historical imbalances in the Chamber of Mines from the

of a mobility for those who have been kept at the bottom of the industry."

I am happy that the Chamber of Mines is committed to change that view. I will work tirelessly with the unions and labour to ensure that mining belongs to all South Africans.

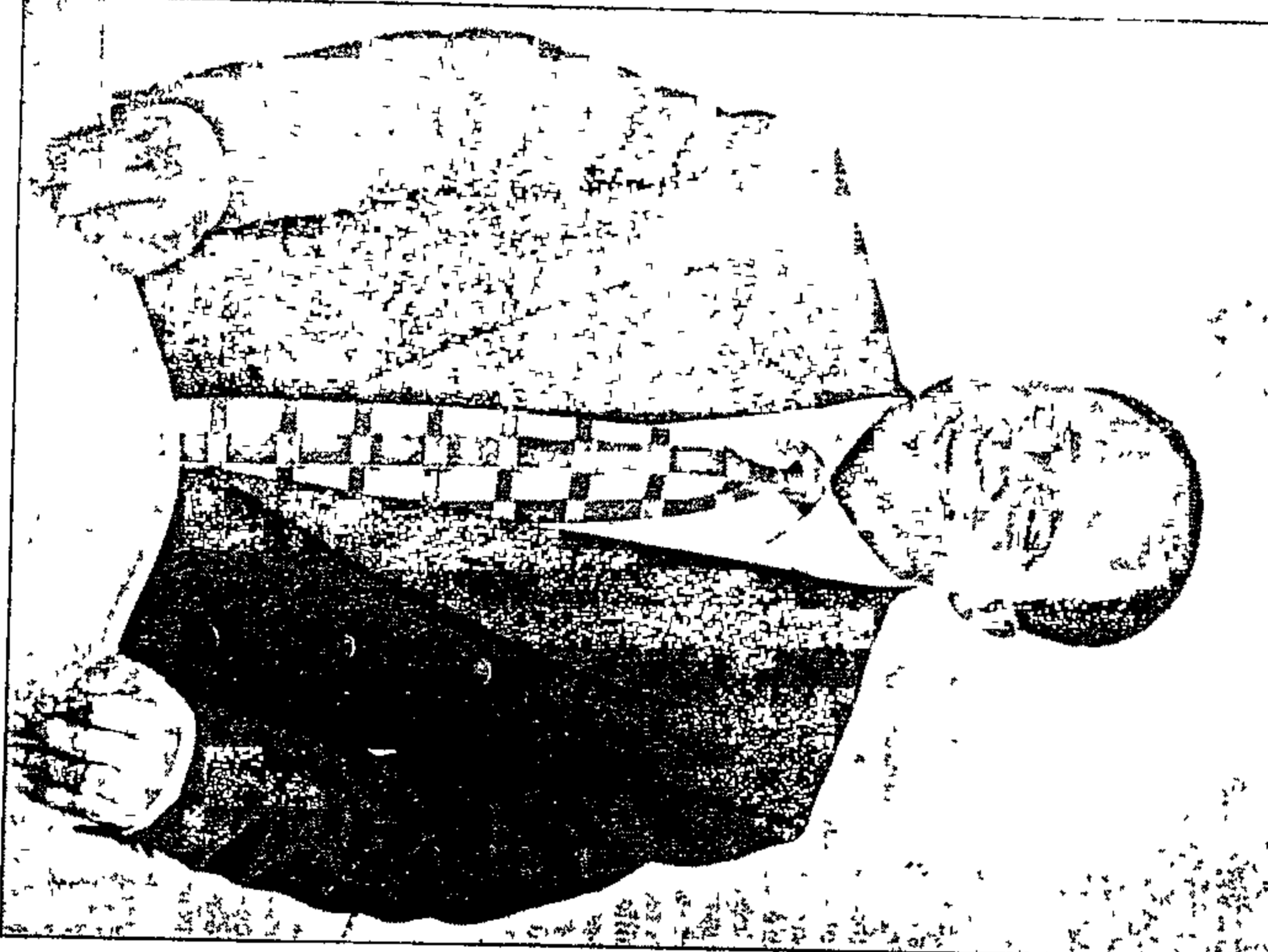
The appointment has attracted a great deal of controversy in the industry.

The Chamber says Dileza who beat 39 other candidates for the position, has the managerial skills to take the industry into the next millennium. But unions labelled his appointment a token one and criticised the Chamber for appointing an outsider with no firsthand knowledge of the industry.

The former human resources director of the Independent Development Trust (IDT) says he is no token chief executive. "I have come here to make a significant contribution."

"At this level you are not expected to be a technocrat but to provide leadership. I am not being called upon to dig the trenches but to manage, to bring from the outside to create an opportunity to bring a new perspective."

On his first day in his new role Dileza met the National Union of Mineworkers (NUM) delegation to inform them about his vision. The vision stemmed to my vision, but I did not say anything. I am not saying anything. I am not saying anything. I am not saying anything."



RIAN HORN

(211) Star 11/4/98

Mine boss
... Mzoli Dileza is not fazed by criticism and aims to ensure that South Africa will remain one of the biggest mining countries in the world.

His confidence stems from the recent gold summit of the major partners.

"During the summit, all stakeholders committed themselves to strengthening the industry. We have capable leadership that will make South Africa the biggest mining country in the world."

The president of the Black Management Forum (BMF), Lot Ndlovu, says Dileza brings strategic leadership to his new position.

"He is adequately equipped with relevant training, business experience and values to tackle the somewhat daunting task that faces a shrinking industry."

But NUM's acting general secretary Gwede Mantseke says it's still early to comment on Dileza's ability.

"We are going to work with him and we will then be in a position to make a judgment on his ability as the chief executive of the Chamber of Mines."

Dileza has joined the first generation of blacks to make the long, arduous climb out of the ghetto into

the white corporate world. "Now that we have reached the top of the corporate world, we must not forget those who are still battling to survive," he says.

Father of four children, Dileza is a keen reader and enjoys watching Bafana Bafana and Rugby. He loves jazz and Jonas Gwangwa is his favourite musician. "I don't attend meetings when Bafana Bafana is playing," he says. "I am an avid supporter of the national soccer squad."

His love of seafood often lands him in hot water with his wife, a medical doctor. "My wife doesn't want me to eat seafood because of its high cholesterol," he says.

A bachelor of commerce graduate from Rhodes University, Dileza says his appointment to the chamber "came as a complete surprise. I was preparing for my MBA examinations when I was approached. I never thought I would join the mining industry."

But after rigorous interviews, he fell in love with the industry and his scepticism changed to confidence. "I knew that I would get the job," he says. "The problem was whether I could leave the beautiful mountains and sea of Cape Town for the mine dumps of Johannesburg."

background in labour relations. He spent a year at Oxford University studying an advanced programme on labour administration and employment creation.

"I am sure the experience gained in London and the numbers of years spent as an industrial relations manager will be crucial to my dealings with the unions and the mining industry."

His transformation plan entails new opportunities and training programmes for workers. "I am aware that the challenge is a tough one, but I will see to it that transformation opens opportunities for the workers."

Mineworkers' Investment Company looks

Shareen Singh

(211) BD 2/4/98

THE Mineworkers' Investment Company (MIC) could become the first union investment arm to raise capital by listing on the Johannesburg Stock Exchange.

MD Clifford Elk and executive director Kuben Pillay said a listing on the bourse was one of several options being discussed as a means of raising finance.

"We are looking at different scenarios and have had some discussions on a possible listing, but

there is no decision yet," Elk said. All newcomers to the business world, particularly those with black shareholders or beneficiaries, must face the issue of how best to raise capital, he said.

Financial institutions were more willing to participate in black corporate ventures through preferential share funding two or three years ago, but that "honeymoon phase" was over.

"Now financing terms are more commercial and institutions want more equity which makes it not so

attractive anymore," Elk said.

MIC was set up as an investment vehicle to benefit members of SA's biggest trade union, the National Union of Mineworkers.

Elk said a listing would give Mic access to funds and allow it to expand organically and pursue new opportunities as they arose.

On the downside, as a holding firm of several listed and unlisted entities, MIC would fall under the investment trust sector of the JSE and was thus likely to trade at a discount to net asset value.

"So on the one hand we will gain by raising cash, but on the other we will lose by trading at a discount. MIC is controlled by a trust. We have to ask ourselves whether or not we want to change that status. We also have to ask ourselves whether we should not become an operating company", Elk said.

He emphasised that the timing of a listing had to be right. MIC would need to build a portfolio of assets which would attract investors, such as interests in un-

listed entities

Analysts said as a trade union-linked investment company MIC would need to ensure it maintained control of its investments and was therefore likely to choose to use the N-share route on listing.

N or nonvoting shares give the holders little or no say in the running of the company and they are discouraged, but not banned, by the JSE.

Analysts said unless MIC did something to show that it could add value, "like bringing in really

high powered asset managers", investors were more likely to put their money in MIC's listed underlying assets rather than in the company itself.

One analyst said investment trusts which held portfolios of quality unlisted assets were popular in the market and MIC's stake in Vodacom would fall into that category.

He said it was still too early to assess how the market valued MIC's newly acquired interest in the new television channel.

at listing

Union, Gold Fields at odds

(211) BD 9/4/98
Reneé Grawitzky

PROBLEMS erupted at a recent gold crisis committee meeting when the National Union of Mineworkers (NUM) claimed that Gold Fields was failing to commit itself to the process.

NUM general secretary Gwede Mantashe said Gold Fields was participating in the gold crisis committee — set up in the wake of the gold mining summit last month — only as a matter of formality.

This emerged after the NUM claimed a number of retrenchment agreements were invalid as they had been signed by shaft stewards or unauthorised union representatives. In addition, these agreements failed to make provision for extended unpaid leave, a measure agreed to in the committee in a bid to save jobs.

The union said it had instructed all mining houses and union structures that retrenchment agreements had to be signed by elected regional leaders, regional co-ordinators or head-office staff.

An agreement at West Driefontein had not been signed by an authorised official and had not provided for extended unpaid leave.

It is understood that workers had rejected this option in favour of their jobs or retrenchment packages. Up to 3 000 jobs could be lost at the mine.

The union felt there had been insufficient engagement with workers on the merits of opting for extended unpaid leave.

In the wake of this, another agreement was signed this week at West Driefontein which included the extended leave provision and was signed by a regional co-ordinator.

Mantashe said at the gold crisis committee meeting this week the union inquired whether the gold price increase would have an effect on the planned retrenchments. Gold Fields, he said, indicated it would not have an effect as the company was catching up for not retrenching over many years.

Meanwhile, the union has called on the company to refer the retrenchment of 50% of the workforce at its training centre to the gold crisis committee.

NUM media officer George Molebatsi said the company had refused to refer the matter even though it affected more than 10% of the workforce.

NUM's Motlatsi joins Anglogold board

David McKay

DD 15/4/98

JAMES Motlatsi, president of the National Union of Mineworkers (NUM), has been appointed to the reconstituted board of Anglogold in what has been described as a canny move to improve the group's image with the international gold mining industry

Anglogold CEO Bobby Godsell, announcing 14 appointments to the Anglogold board, said yesterday Motlatsi was to be an external independent director. "Major differences in experience, belief and interests separate our respective organisations (NUM and Anglogold). This must be an experiment for both parties. The chance of failure cannot be discounted," he said

Motlatsi is joined by Real Africa's Don Ncube as an external director

Anglogold had stepped out of the "country club image of SA gold mining" into world mining, said Greg Hunter of Deutsche Morgan Grenfell. "How hard Motlatsi pushes the labour cause remains to be seen"

Motlatsi said his nomination was a seat for labour, not an individual. He did not discount NUM representatives sitting on the boards of other gold mining companies

The appointment of Hong Kong-based Victor Fung, an influential businessman in the region, as an external director, would materially advance Anglogold's fortunes abroad, analysts said. Fung heads a 92-year old family

trading business and his appointment hinted at Anglogold's intention to raise its marketing profile in Asia, an analyst said. China was the third-largest gold consumer market last year with consumption of 214 tons, according to the World Gold Council

Frank Arisman, MD of investment bank JP Morgan, joins the Anglogold board as an external director. He could become influential in directing Anglogold's marketing, an analyst said

The Anglogold board comprises three executive directors and 11 non-executive directors, five of whom have been nominated by Anglo American. The executive directors are Godsell, finance director Jonathan Best and marketing director Kelvin Williams

MINING Don Ncube and James Motlatsi appointed directors of world's biggest gold producer

Blacks join board of AngloGold

ET (PA) 15/4/98 (a11)

ANDI SPICER & FRANK NXUMALO

Johannesburg — AngloGold, the world's largest gold producer, yesterday made the radical move of appointing two high-profile black executives to its board — Don Ncube, the chairman of Real Africa Investments, and James Motlatsi, the president of the 300 000-strong National Union of Mineworkers (NUM)

"We have set out to create a board of directors who both individually and in aggregate can add value to the company in the interests of shareholders," said Bobby Godsell, the chief executive officer of AngloGold

Motlatsi warned against perceiving his appointment as a sellout of the working class

"We will be misrepresented outside by quite a number of workers (who will claim) that the trade union has been 'co-opted' by management and that the interests of the workers have been sold out," he said

"In 1989, when the NUM adopted a resolution to appoint a full-time president, we were attacked for selling out the concept of worker control. We are going to be criticised, but in the long run we are going to be proved correct."

Godsell said the 14-member

the weal or woe of our industry" Barry Sergeant, an analyst with BOE Securities, commented on the move "Anglo in the past has been seen to be a very slow-moving corporation. The appointments come as no surprise and the timing is encouraging"

"The steps from here are for AngloGold to become independent and become responsible first to all its shareholders. And in the long term, Anglo could become the minority shareholder"

He added: "The market will not run out and suddenly buy shares or rerate the company as it will wait and see how the changes are implemented"

The other independent directors are New York-based Frank Arisman, the managing director of JP Morgan, Colin Brayshaw, retired chairman of Deloitte & Touche, and London-based Russell Edey, the deputy chairman of NM Rothschild

Victor Fung, the chairman of both Prudential Asia Investment and the Li & Fung Group, also joined the board

Nicky Oppenheimer becomes non-executive chairman while Bobby Godsell, finance director Jonathan Best and AngloGold's marketing director Kelvin Williams are retained as executive directors



NEW BLOOD James Motlatsi, president of the NUM, with Nicky Oppenheimer, deputy chairman of Anglo American, centre, and Bobby Godsell, CEO of AngloGold

PHOTO: JOHN WOODROOF

group fell into three categories — nominees of Anglo American as the majority shareholder, including Julian Ogilvie Thompson and Nicky Oppenheimer; executive directors of Anglo management, and independent directors, who were a "critical

"any lines of contrast between ourselves and the union movement have become blurred (Rather it) indicates a growing realisation that both we and the union, however different our world views, are entirely dependent for our future survival on

group fully independent of both management and Anglo"

Motlatsi will be an independent director and will also chair a board committee on employment equity

Godsell said Motlatsi's appointment did not suggest that

Real power is economic

'Unions agreed to my appointment'

(211)

By Isaac Moledi and Sapa

The president of the National union of Mineworkers (NUM) James Motlatsi said yesterday his appointment to the AngloGold board had the full blessing of the union movement

Motlatsi, together with Real Africa Limited chairman Donald Ncube, were the first blacks appointed to the AngloGold board by chief executive officer Bobby Godsell on Tuesday

Motlatsi's appointment was met with cynicism by observers, who said he had compromised and sold out the 300 000-strong trade union movement

However, the Black Management Forum (BMF) rallied behind his appointment, saying it would strengthen worker interests at management level

BMF acting managing director Jimmy Manyi said the forum welcomed Motlatsi's appointment as a step in the right direction

"His appointment to chair the board on Employment Equity should be welcomed by all. It is about time that all South Africans realised that the reason unions exist is because of a lack of trust between workers and management

"Motlatsi's appointment will help instill that trust," Manyi said

"It's time for all of us to put our spears down and stop (being in) this fighting mode," he said

But citing a conflict of interests,

86/4/98
Sowetan



NUM president James Motlatsi

observers said Motlatsi would find it difficult serving the proverbial two masters at the same time

"The National Union of Mineworkers was approached by AngloGold some time between February and March last year with a view to having certain individuals on its board and labour portfolio but this was turned down because we felt individuals would be compromised," Motlatsi said

"It was our belief that AngloGold should invite the organisation and not individuals and this is what was done"

He said on receipt of the invitation the NUM executive seconded him to the board some time in early January

"I will certainly not be compromised. If there are issues which, in my opinion, are against NUM principles and objectives, I will come up front and say it. I am going to represent the movement on the board and not compromise it," he said

He said it was NUM's new strategy not to engage in unnecessary hostilities with those employers who sought dialogue. "What we are against is the appointment of individuals as tokens to boards as they are easily compromised," he said

Motlatsi, who is also an executive member of the Congress of South African Trade Unions (Cosatu), sits on various boards and trusts

Announcing the appointment of the new board on Tuesday, Godsell said Motlatsi's appointment did not suggest a blurring of the roles of labour and management

"It indicates a growing realisation that both we and the union, however different our world views, are entirely dependent for our future survival on the weal or woe of our industry," Godsell said

Unions quiz Motlatsi on Anglogold directorship

(211) CT (M) 17/4/98
FRANK NXUMALO

LABOUR EDITOR

Johannesburg — Labour sources yesterday lamented the erosion of worker control over the direction the labour movement was taking after the appointment of James Motlatsi, the president of the National Union of Mineworkers (NUM), to the board of Anglogold this week.

The NUM is Cosatu's biggest affiliate, with a paid-up membership of about 300 000 members, and its actions are closely watched by both sister unions and business for their implications for trade unionism.

From now on, Motlatsi could only "rubber-stamp management decisions", because he could no longer represent worker interests as part of management, they said. In addition, they doubted whether the NUM leadership would endorse the appointment of a shop steward to the board of a corporate company.

Some labour analysts were "surprised" by Motlatsi's appointment but found it "interesting", while others questioned how Motlatsi could "serve two masters".

However, Motlatsi stressed that his appointment did not represent a conflict of interest as Anglogold had allocated the directorship "to an organisation and not to an individual".

Motlatsi said he would still lead his forces into battle with any mining house in the event of a wildcat industrial action.

"I will negotiate with all mining houses. If we disagree, we will declare a dispute that will lead to an industrial action, which will be led by me as the president of the NUM," he said.

He said any disagreement, therefore, would be one between the NUM and Anglo and not between Anglo directors.

Motlatsi said he had had to ask himself if he was selling out the interests of the working class.

ANGLOGOLD

New blood in old veins

CT (MA) 17/4/98 (211)

ANDI SPICER

The appointment of two prominent black executives to the AngloGold board, one of them James Motlatsi, the president of the National Union of Mineworkers, opens a new chapter in the corporate life of South Africa. The other appointee, Don Ncube, is the chairman of Real Africa Investments.

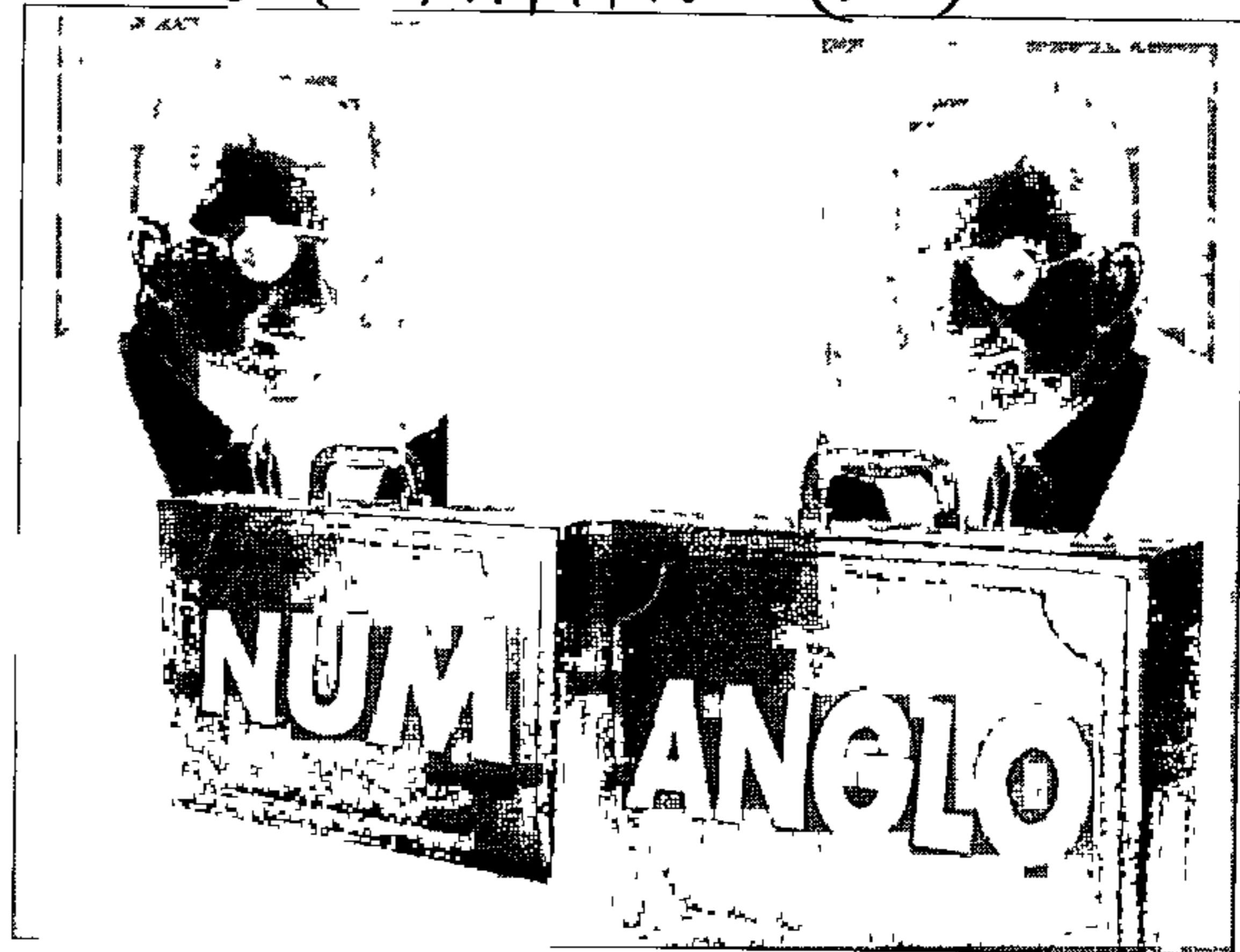
What this means for black empowerment and the voice of trade unionism is yet to be determined, and analysts are generally positive about the move. But some warn there will be a conflict of interest between AngloGold board members representing labour on one side and capital on the other. It could, however, be the start of a wave of trade union leader appointments to the boards of large companies.

"This is great for AngloGold, not only locally but internationally, and all the directors seem to have reasonably good track records," said Angus Auchterlone, a gold mining analyst with Societe Generale Frankel Pollack.

Motlatsi is adamant he has not relinquished his trade union principles. "We will be misrepresented outside by quite a number of workers (who will claim) that the trade union has been 'co-opted' by management and that the interests of the workers have been sold out."

A number of other independent non-executive directors have been appointed, in line with AngloGold's stated strategy of becoming an operating company with less influence from its parent, Anglo American. "In line with international trends, the board (will) comprise a majority of non-executive directors. The majority of directors are also independent of AngloGold's major shareholder, Anglo American," stressed Bobby Godsell, AngloGold's chief executive.

Other executives appointed to the 14-member board were New York-based Frank Arisman, the managing director of JP Morgan, Colin Brayshaw, the retired chairman of Deloitte and Touche; London-based Russell Edey, the deputy



chairman of NM Rothschild, and Victor Fung, based in Hong Kong and chairman of both Prudential Asia Investment and the Li & Fung Group.

Nicky Oppenheimer becomes the non-executive chairman while Bobby Godsell, finance director Jonathan Best, and marketing director Kelvin Williams are retained as executive directors.

Barry Sergeant, an analyst with BOE Securities, questioned whether the new directors were truly independent of Anglo. "The new directors should not only be seen to be independent, but also must be so." Directors like Victor Fung had a long relationship with Minorco, Anglo's offshore resources company in the Far East, he said.

In terms of the empowerment angle, Sergeant said "Anglo has selected the most prominent empowerment directors in the country that would fit the overall Anglo profile. But no single voice will be heard on the board. On the labour issue a single director will not rule the roost, but at least he can put labour issues across and its voice will be heard. This kind of thing is not bad news."

The voting on the board will be a

numbers game. Motlatsi will most likely be the single dissenter on retrenchments and mine closures. The other 13 directors plus the chairman's casting vote will more than outnumber any radical motions within AngloGold.

"We have set out to create a board who both individually and in aggregate can add value to the company in the interests of shareholders. We have looked for independent directors with a track record of leadership and achievement in areas that can help make AngloGold a world leading company," said Godsell.

He said the board did not suggest that "any lines of contrast between ourselves and the union movement have become blurred. Rather both we and the union, however different our world views, are entirely dependent for our future survival on the weal or woe of our industry."

Is the appointment of trade unionists to company boards the start of a new trend to reconcile capital with labour? Or will the lone voice of the union be lost in the multitude of opinions within AngloGold? Is Anglo becoming more liberal, or is this simply narrow self-interest?

Lesson in industrial relations

IN AUGUST 1987, Anglo American sacked National Union of Mineworkers president James Motlatsi along with 40 000 other miners to force an end to the three-week wage strike. Memories of that strike still keep management and the NUM conscious of the ghastly alternative to peaceful settlement of disputes.

The vast majority were soon reinstated — though only after a bitter internal wrangle between then industrial relations adviser Bobby Godsell and executive Peter Gush.

Yet Motlatsi had been on strike illegally because he was a personnel assistant at Western Deep Levels and not part of the official bargaining unit. He, and a few hundred comrades who had breached disciplinary rules, was not reinstated. Instead he became full-time NUM president.

Last week the wheel turned full circle as Godsell, now Anglo-gold CEO, invited the NUM to nominate a representative to the Anglo-gold board. And his, and the NUM's, first choice was Motlatsi.

It is not the NUM's first experiment with participation in corporate governance, even though it is the biggest. In 1992 Gwede Mantashe, now acting general secretary, joined the Eskom board — a position he occupied until last November. In 1996 he joined the Samancor board.

Mantashe's contrasting experiences have left the union confident about how to deal with board membership.

The Samancor experiment, where Mantashe participated as an individual without a mandate to represent labour's interests, was, in the NUM's view, a failure and has now been scrapped. That is why the NUM insisted the Anglo-gold invitation go to the union rather than personally to Motlatsi.

Mantashe and Motlatsi say the Eskom experience has been a great success, because Mantashe was there as a labour representative rather than as an individual.

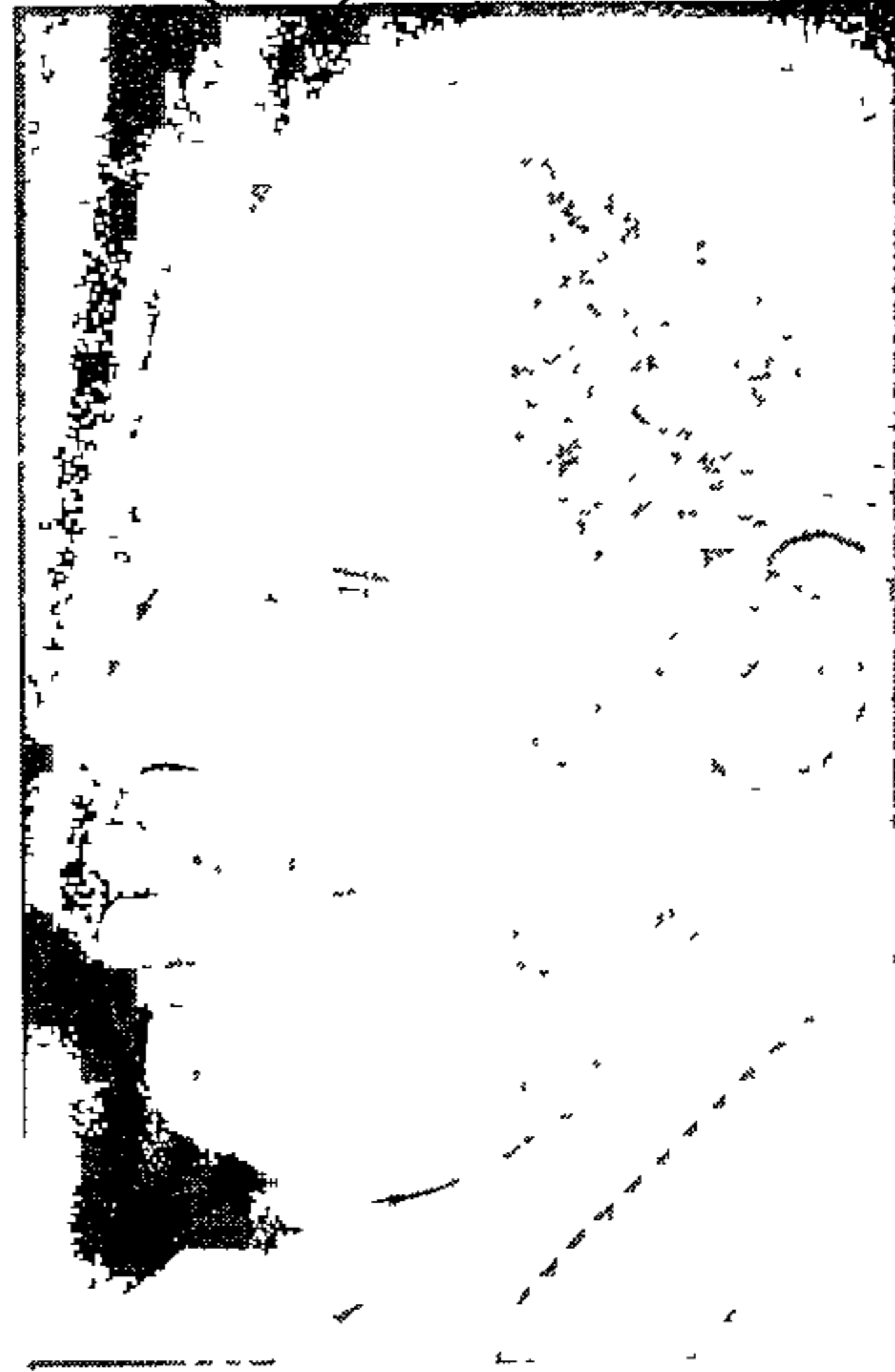
"This gives you the leeway to oppose board decisions that are against labour's interests, and if necessary to lead a protest march against the firm," Motlatsi said.

When Mantashe and the other two labour representatives infrequently found a conflict of interest they would recuse themselves from discussions. However they still had access to all information, and they (and Eskom management) were relaxed about it being used for union purposes.

Motlatsi, too, is relaxed about his appointment. "The union will know all about what is going on in the very heart of the company." He also thinks it will send a message to foreign investors who are worried about the state of labour relations in SA.

The wheel has turned full circle for NUM president James Motlatsi with his appointment to the Anglo-gold board. The move is the natural consequence of the two organisations' approach to industrial relations, writes Cape editor Alan Fine.

(211) 20 20/4/98



MOTLATSI

It is what he terms the whispers in corridors against the move that angers him, and he calls on opponents to debate openly.

Union policy holds that directors' fees earned by representatives on company boards are channelled into union coffers.

The NUM and Anglo, and — though Motlatsi objects to attempts to "personalise" it — he and Godsell have travelled a long way since the turbulent mid-eighties. It is this journey which led to the new partnership on the Anglo-gold board.

Aside from a relatively constructive relationship that has developed between Anglo and the NUM since 1987, there have been many other points of contact.

Motlatsi and Godsell jointly headed the restructuring of Teba — The Employment Bureau of Africa — transforming it from an unfriendly recruitment agency into one playing a significant developmental role in southern Africa.

A few years ago, along with then Sowetan editor Aggrey Klaaste and Toyota's Elizabeth Bradley, they formed a subcommittee of the Wits council which salvaged the university from its period of campus trashing and debilitating conflict over the selection of a new vice-chancellor.

Motlatsi occupies one of the Chamber of Mines' two seats on the council. The chamber, where Godsell has served a number of times as president, offered the NUM the seat some years ago.

The two have worked closely in lobbying central bankers around the world on gold sales.

And, in an as yet untold vignette of SA history, they co-operated in helping to pull SA back from the abyss after Chris Han's assassination in April 1993. Motlatsi, head of the funeral organising committee, approached Godsell in his capacity as chamber president asking for financial assistance for the funeral. A sum of R450 000 was paid over, largely financing the event.

The Teba, Wits and general industrial relations experiences highlighted, for Godsell, Motlatsi's potential value to Anglo-gold as a director.

"He is committed to a concept of 'developmental' unionism rather than defensive or reactive unionism, and to the development of the industry and its international competitiveness. Notwithstanding potential conflict, he has the ability to see the bigger, 'national interest' picture."

The Han funeral money suggests Motlatsi can say much the same about Godsell.

Neither is concerned about potential conflicts of interest. The board does not give mandates to managers on operational issues such as wage increases and retrenchments. Its role is strategic planning for a multinational mining company. And if there is a potential conflict, Motlatsi would simply recuse himself.

Motlatsi and Godsell and their organisations are comfortable about what they are doing. The real challenge of this appointment may rather be to the ideologically straitjacketed unionists, and the managers who complain about irresponsible unions when they should perhaps be asking whether the Anglo-gold-NUM relationship does not suggest the problem lies in their management techniques.

So does Godsell regret that Anglo fired Motlatsi all those years ago? "No. Had we rehired him, we would have deprived the NUM of his full-time leadership."



Unions in furore over NUM chief 'getting into bed with bosses'

(211)

ARKY 27/4/98

Opponents warn of conflict of interests

THE STORY



Should union leaders join the boards of companies where their members work? The move by National Union of Mineworkers president James Motlatsi onto the board of AngloGold has ignited a lively debate about the duties of unionists, writes Business Reporter **THABO MABASO**

Controversy is raging in the union movement about the decision last week by James Motlatsi, president of the National Union of Mineworkers (NUM), to join the board of directors of gold giant AngloGold.

Mr Motlatsi has said his appointment to the AngloGold board has the blessing of NUM.

But one group within the Congress of SA Trade Unions (Cosatu), of which NUM is the biggest affiliate, fears that the appointment of union leaders to company boards will lead to confusion among workers about who their adversaries are if their leaders are seen to be in bed with bosses.

Other Cosatu sources are more optimistic. Moving on to the boards of companies, say these unionists, will enable the unions to influence company strategy at the highest level.

"This will allow unions enough time to deal with matters such as retrenchments and cut-backs in staff, for instance," said a Western Cape union leader, who did not want to be named.

"The members that are on the board will inform unions of these moves from the start. We won't have to find out halfway through the process that half of our members in a factory must go in two months."

Food and Allied Workers' Union national secretary-general Mandla Gxanyana disagreed.

"You don't have to be inside a company to be able to gather information about it. We live in a democratic coun-

'Appointing union leaders to company boards will lead to confusion among the workers'

try that has laws on the transparency of companies," he said.

Mr Gxanyana lashed out at the decision by NUM to second Mr Motlatsi to the AngloGold board. Unionists would not be able to fight and direct battles against "bosses" when they shared the same bed.

"The change that people say could happen as a result of the influence of unionists on these boards may not happen and, if it does, will favour the position of capital. To some degree, it may compromise the position of workers."

Mr Gxanyana added that, at bargaining councils and other forums where businessmen and labour met, the viewpoints of workers had never been taken seriously.

Mr Motlatsi's inclusion in AngloGold would not make any difference.

Some unionists view the move as part of a scheme by the powerful mining group to pacify the militant mineworkers' union, but AngloGold

chief executive officer Bobby Godsell denied this claim.

"The appointment does not suggest that any lines of contrast between ourselves and the unions have been blurred," he said.

"Rather, it indicates a growing realisation that both we and the union, however different our world views, are entirely dependent for our future survival on the weal or woe of our industry."

Mr Motlatsi, himself, has said he will not hang in the wardrobe the militancy and aggressiveness by which he has come to be known.

"I certainly will not be compromised. If there are issues which, in my opinion, are against NUM principles and objectives, I will come up front and say it."

"I am going to represent the movement on the board and not compromise it," he has said.

Southern African Clothing and Textile Workers Union (Sactwu) national secretary-general Jabu Ngcobo said Mr Motlatsi should have resigned his position in NUM as he could not lead two organisations with opposing agendas.

"His inclusion on the board of

AngloGold will help his union prepare for issues with a better understanding," he added.

"But you can't mix the two positions. If he joins AngloGold he should resign as a NUM office-bearer."

University of Cape Town labour relations professor Frank Horwitz said that although new in South Africa, the appointment of union officials to company boards was an international trend. In Germany, legislation compelled companies to appoint worker representatives to their governing boards.

The scheme would be successful in instances where unions were strong, whereas members of weaker unions could easily be co-opted into rubber-stamping decisions.

Stronger unions would exercise greater control of their members, whereas weaker ones would not be able to do so.

"The appointments will provide the union with further influence at the highest forms of governance that are beyond the scope of bargaining forums," said Professor Horwitz.

"We have reached a stage in industrial relations where we have to find ways of organisational governance which enhance and improve co-operation among parties rather than seeing themselves as enemies," he added.

Mr Motlatsi's move comes as the gold mining industry, facing a weak price, is trying to stave off retrenching thousands of miners. After a summit last month, NUM and the Chamber of Mines agreed to suspend retrenchments pending the outcome of an investigation of the industry.

NUM's members are likely to judge Mr Motlatsi's move in terms of whether or not it saves their jobs.



Caught in the crossfire: National Union of Mineworkers leader James Motlatsi

THE STAR

(211)

UNIONS AND MANAGEMENT**A socialist on the stoep**

Mineworkers chief goes on board

FM 24/4/98 **Veteran National** Union of Mineworkers (NUM) president James Motlatsi is widely regarded as an able union leader, with sound class-struggle credentials

So his acceptance of a seat on the board of AngloGold, SA's premier gold mining company took many by surprise — even though NUM has its own investment company "There are contrasting views on this one," admits Congress of SA Trade Unions official Nowethu Mpati

As a member of the AngloGold board, Motlatsi carries a fiduciary responsibility to promote shareholder interests. Workers may be wondering how he can simultaneously serve two causes, capital and labour. However, his portfolio is "employment equity", which could be projected as primarily in the interests of workers.

Union representation on company boards is nothing new. In Germany it has long been part of a strategy of "co-determination" by labour and management, which has led to relative industrial peace.

Motlatsi has (together with representatives of two other unions) been on the board of Rand Mutual Assurance for the past two-and-a-half years. Most of the company's clients are miners.

NUM general secretary Gwede Mantashe served on the board of mining company Samancor. "This is part of a realisation that crucial business and economic decisions must involve all stakeholders," says NUM representative George Molebatsi.

To the extent that Motlatsi's move signals a trend in that direction, it augurs well for SA labour relations and industrial policy.

Cosatu and NUM do not agree that Motlatsi's move signifies a shift to acceptance of capitalism. Officially, they still talk of "stages in a complex process" towards socialism.

Cosatu's policy is to encourage its members to participate on public-sector boards when requested, says Mpati. However, the question of serving on private-sector boards is a "sensitive issue" which is to be addressed at a Cosatu congress in June.

Mpati says the real question is whether Motlatsi will achieve employment equity and change corporate "mindsets".

Motlatsi, who is to step down as NUM president next March, will not personally receive any money from Anglo. *Amarnath Singh*

Why despised Fanagalo kept alive on SA mines

ARG 27/4/98

New York - Despised by most blacks, Fanagalo, the language of apartheid, is "alive and well" in South Africa's mines, largely out of necessity, reports The Wall Street Journal's Robert Block.

In a dispatch from Carletonville, he said the pidgin

tongue is used mainly between white bosses and black workers, often foreign migrants unable to understand English. However, necessity was not the only reason for its survival.

Mr Tsediso, a qualified miner at Freehold mine, told Block that white shift bosses and mine captains persisted in using Fanaga-

lo even with skilled black workers responding in English.

"They will continue to humiliate you in Fanagalo," said Mr Tsediso, who has a diploma qualifying him to handle explosives and supervise blasting.

The Journal report said Fanagalo had become "a linguistic symbol of all the small con-

flicts and dilemmas" South Africa faced today.

Blacks were eager to escape the past, while some whites were resisting change.

In the end, however, it came down to a purely practical consideration: if Fanagalo were dropped, work in the mines could grind to a halt. -Sapa

Fanagalo still the lingo on SA mines ⁽²¹¹⁾

NEW YORK - Despised by most blacks, Fanagalo, the language of apartheid is "alive and well" in South Africa's mines, largely out of necessity, *The Wall Street Journal's* Robert Block reports

In a dispatch from Carletonville, Block said the pidgin tongue, official moves to stamp it out notwithstanding, continues to be the *lingua franca* of the mines

It is used mainly between white bosses and black workers, often foreign migrants unable to understand English. However, necessity is not the only reason for its survival

Tsediso, a qualified miner at Freegold mine, told Block that white

shift bosses and mine captains persist in using Fanagalo even with skilled black workers responding in English

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The report says Fanagalo has become "a linguistic symbol of all the small conflicts and dilemmas" South Africa faces, today

The blacks are eager to escape the past, while some whites are resisting change

But in the end, it comes down to a purely practical consideration, if Fanagalo were suddenly dropped, work in the mines could grind to a halt - *Sapa*

Sowetan 28/4/98

From the rockface to the boardroom

James Motlatsi has come a long way since he worked oppressive underground shifts at 40c a time (11)

regaining a meeting with James Motlatsi is like arranging to meet the president himself - and that's exactly what his staff call him. "The President", with the same reverence one would use towards a national leader.

Motlatsi is president of the National Union of Mineworkers, the biggest and fastest growing union in the country with around 350 000 paid-up members.

Wearing a casual tie-less shirt and khaki trousers, Motlatsi is clearly not into the ubiquitous Western-style tie-and-suit. Like Mandela, this 46-year-old man has a deep, throaty voice and incredible humility. He inspires total dedication from those around him. It is said he doesn't need to hire bodyguards because "friends" voluntarily act as such.

Like Nelson Mandela, he talks equally to statesmen and the most ignorant of mine-workers, giving them his full attention and making them all feel that they matter. He has dedicated his life to his people, the mineworkers. Both he and Mandela start their days at 4am.

Motlatsi has a reputation of being a worker-president, seeing himself as one of the mineworkers, not the boss. He's a third-generation mineworker and for years he earned 40c a shift.

In 1982, he and Cyril Ramaphosa established the mineworkers' union and now, as the NUM's first and only president, he has been chosen to sit on Anglo American's board.

Having been one of the thousands of oppressed and abused miners, he will now sit with the people who run the mines on which he worked. These people were also responsible for expelling him from Anglo mines after a three-week strike in 1986.

He laughs at the thought of being on the board, because he has not yet met them. He is looking forward to it because he feels it will benefit mineworkers - and for the sheer irony of it. Sound like a man who has it all? Wrong. He has the problems of more than 350 000 miners on his shoulders.

No matter what Motlatsi does, he has critics within the union to condemn or denigrate him. That's public office, I suppose.

"I took a decision a long time ago that people were born to suffer," and

that when misfortune comes, accept it and if it goes, kick it as it leaves," he says, sitting in his comfortable but understated office, its red leather upholstery fitting in with the NUM's colours and the posters on the wall.

"Leaders are elected to suffer," he says. "While you may think that what you achieve for your people is great, you will always have opposition."

Many NUM members are migrant workers, which means he has to contend with politics from all over southern Africa. "If there are problems in a neighbouring state, we have to take a position. There is never agreement."

But opposition is something Motlatsi is used to. Even as a young boy in rural Lesotho, he knew his rights and stood by them. He refused to till the chief's fields for nothing when his family were starving.

While he loved school, always being within the top five in his class, lack of funds prevented him from getting past Standard 6.

As a boy, he thought his father did not look after the family properly because he would be in South Africa for two years at a time, and even when he did come home "it was little joy" because he brought so little money.

"When I went to work on the mines in 1970, I realised the old man had tried his level best," Motlatsi says.

He came to South Africa because of unemployment in Lesotho. He earned 40c a shift working in disgusting conditions underground. "If you were injured on the job and landed in hospital, you would not get paid until you had completed 30 shifts."

As a political activist, his life was in danger. "I did not know I was jumping from the frying pan directly into the fire - the political situation in South Africa was worse than in Lesotho," he says. "Miners were not treated like human beings, they were constantly assaulted and maltreated."

When Motlatsi laid a complaint against a shift overseer who assaulted him, he was told that, just as a person beats an ox when it does not work properly so his bosses could beat him. Women were not a part of his life then because they lived in the "locations", where miners were treated abominably.

"There were 10 men to one lady and, to get their attention, one needed to



beta
KHROST



IN THE HOT SEAT The NUM's Motlatsi still wants to ensure that workers receive a decent wage and are safer

Photo-graph: ANDY KAZI

dress well. But a pair of trousers cost R14 when we got R12 for 30 shifts. So it felt like a waste of time.

After Motlatsi survived a rock-burst in April 1976, he took a job as a personnel assistant - despite the position requiring a matric.

In June 1982 Motlatsi read that the Council of Unions of South Africa had adopted a resolution to form a mine union. By chance, a colleague met Ramaphosa, a young lawyer, who was introduced to Motlatsi. "We both spoke the same language about the formation of the union," says Motlatsi.

Together they established the NUM. Motlatsi was elected president and Ramaphosa the secretary-general.

Six years later Motlatsi and 50 000 miners were expelled from the mines after a wage strike. "I had to deal

The decision to sit on Anglo's board took almost a year. When it was announced, NUM members went berserk with questions, some of which included calling Motlatsi unsworthy names like "sellout". But Motlatsi is confident it will benefit members. "If it doesn't work, I will pull out."

The board is just one more responsibility for this man who runs NUM and does a strenuous gym workout before his day begins. He has no time to take his wife to the movies.

He keeps his relationships close to his chest, not willing to talk about private matters. Suffice to say he met his third wife, then an Alexandra Action Committee activist, while she was on hiding in 1988. They now have two children of their own and live in Dawn Park, Boksburg. She is the deputy chairperson of the Boksburg Council's management committee.

Although Motlatsi tries not to bring work home, he cherishes his wife's opinion. None of that tied-to-the-sink-and-handles routine for the Motlatsis. "If I'm hungry when I get home, I make dinner. That's the way it is. I met my wife in the struggle - why should I try to convert her to making food?"

In March, Motlatsi and a friend were hijacked outside the NUM's downtown Johannesburg headquarters. He was forced out of the car by men who put guns to his head and chest. "Crime is crime and it knows nobody," he says. "As a leader, I am not exempt from being treated like anybody else by criminals."

He believes that while crime is terrifying the country, it is not impossible to solve. "If we succeeded in ending apartheid, crime is not a struggle to control - it will just take a co-ordinated approach."

He says one needs to fix the police and judiciary and then it's easy to mobilise the community against crime. The community needs to feel secure about these two departments so that they know they will not be victimised by criminals who come back.

But he isn't going to take this on. He intends rather to tackle community development projects. "It's time for the labour movement to enter this field and mobilise communities to participate in their own development."

He doesn't plan to stand for another term as NUM president, and intends to move into development. "I have reached a ceiling in the NUM, I can't go much further," he says jovially.

Mining union

row resolved

(21) MD 12/5/98

Reneé Grawitzky

A POTENTIAL dispute, which could have had a negative effect on the gold crisis committee, was resolved yesterday after a deal was reached on the definition of job losses and a commitment was made by employers to consider carefully all alternatives to retrenchments.

In terms of the agreement, employers will have to ensure that all alternatives to job losses are carefully considered.

Employers will have to consider transfers and extended leave periods as the first alternatives to retrenchment and thereafter voluntary retrenchments, early retirement and compulsory retrenchment.

The agreement comes in the wake of threats by the National Union of Mineworkers last month that mines which had bypassed the gold crisis committee or undermined official union structures could face industrial action.

The union also accused mining houses of being dishonest about the number of workers facing retrenchment.

Proper attention was not being given to real alternatives to retrenchment with employers using the "easier" options of early retirement and voluntary retrenchment.

Driefontein lambasted over job losses

Gold pact has failed, says NUM

et (12) 25/5/98 (211)
**FRANK NXUMALO AND
BRENDAN TEMPLETON**

Johannesburg — More than 12 500 mineworkers had been retrenched at Driefontein gold mine on the West Rand in flagrant disregard of the Gold Summit Accord signed less than three months ago, the National Union of Mineworkers (NUM) said at the weekend.

But Gold Fields, the co-owner of the mine, has described the allegations as "simply untrue". Adrian du Plessis, the Gold Fields spokesman, said about 12 500 workers had left Gold Fields in line with industry-wide, retrenchment-avoiding agreements reached with the NUM this year, but these were spread across the group's mines and not restricted to Driefontein.

George Molebatsi, the NUM national spokesman, said "These people have a way of short-circuiting the system. It's monstrous, the figure of 12 533 is what is known. What is not known is even more frightening."

The tripartite summit accord signed between the NUM, the Chamber of Mines and the government on February 27 averted a repeat of the 1987 strike that brought the mining industry to the brink of collapse.

The accord compels mining companies that intend to retrench more than 10 percent of their workforce to motivate their case before the Gold Crisis Committee (GCC). The committee, a gatekeeper body established by the summit, is charged with striking a balance between the

need to retrench because of operational requirements and the need for procedurally fair retrenchments in terms of the new Labour Relations Act.

The NUM says its figures, released at the weekend, are damning evidence of the powerlessness of the committee. The question of whether it had the ability to stop retrenchments had been carefully avoided by all the parties since February.

"It is not working," the union claimed. The NUM slammed the government for failing to intervene and manage unavoidable retrenchments responsibly.

But Du Plessis was adamant that the GCC had been notified of all 12 500 workers who had left the group's mines as part of agreed, retrenchment-avoiding procedures and the GCC had been notified as required. They had left due to natural attrition, extended leave/job sharing, the replacement of subcontractors in non-core jobs, early retirement and voluntary separation.

"Gold Fields is pleased that its operational restructuring for greater cost and productivity performance has been achieved without compulsory retrenchments," Du Plessis said.

However, the union warned the state that large-scale retrenchments would "hit back at the government" and that the issue was a time bomb that could trigger off political instability.

The NUM accused mining companies of not consulting with the unions and of not disclosing information that might negatively affect workers.

Redundancies spiral in gold mining sector

BD 25/5/98

(211)

David McKay

THE SA gold mining industry, struggling against a decline in the gold price and dwindling ore resources, had labelled one-fifth of its total employees redundant in the past 18 months, industry sources said at the weekend.

The SA Minerals Bureau estimated that of the 345 000 miners employed on SA's gold mines at the beginning of last year, 60 000 or 17% were redundant.

Mining companies AngloGold and Gold Fields said, however, that a large proportion of their affected employees had not been lost to the industry.

This chimes with what Minerals and Energy Minister Penuell Maduna said in Parliament on Friday — that about 25 000 or 42% of threatened jobs in the industry had been saved. This was the result of a number of initiatives by the recently founded gold crisis committee to minimise retrenchments, including job-sharing.

Gold Fields, created through the merger of the gold assets of Gencor and Gold Fields of SA, told the committee about 17 000 jobs at its mines were redundant. It employs 70 000 people.

Gold Fields' Adrian du Plessis said the group and the National Union of Mineworkers (NUM) entered into agreements in March and April on its affected mines including Kloof, Libanon, Leeudoorn and East and West Driefontein.

"Natural attrition, replacement of nonspecialist contractors, early retirement, extended leave, job sharing and voluntary separation procedures have resulted in 12 500 employees leaving the mines." None of these miners was "compulsorily" retrenched.

Analysts said further redundancy

agreements had been formed between Gold Fields and the NUM at Evander Gold Mines in Mpumalanga, affecting about 2 500 jobs.

AngloGold executive officer for labour relations Steven Lenahan said his group had also undergone labour changes with about half of the 60 000 jobs at its Free State complex of mines affected by restructuring.

However, the loss of jobs did not always result in a loss of employment. AngloGold had set R4m aside for retraining miners for jobs in different industries. AngloGold had also disposed of shafts considered unprofitable in the context of the group's cost structure to smaller operators who, with less overheads, had managed to rehire many of the affected workers.

Sources said AngloGold and Gold Fields had taken measures to boost profitability by increasing the number of blasts per shift, multiskilling underground teams and educating miners.

No SA gold producers had been exempt from job-reducing restructuring as a \$100/oz decline in the gold price since 1997 had dented margins.

Last year JCI's gold mines retrenched several thousand workers at its Western Areas and Randfontein mines. Harmony and Durban Roodepoort Deep also recently carried out restructuring programmes.

Analysts said, restructuring costs had also been steep in the past year. SA's gold industry for example, was thought to have paid out or made provisions for restructuring costs totalling R600m, assuming R10 000 was paid out per employee on average. Of this, about R273m was provided for or paid out to employees in the March quarter alone, one analyst said.

New plan to deal with Transnet's pension burden

Robyn Chalmers

BD 25/5/98
A NEW plan by the finance department to deal with Transnet's R12bn pension fund burden — which involves living off and dealing with the debt associated with each Transnet subsidiary — is under scrutiny.

This goes against an earlier proposal contained in Transnet's master plan where the debt would be placed in a special finance vehicle and Transnet pensioners taken over by the state.

Government officials said the finance department was concerned about the effect on its growth, employment and redistribution strategy targets should it take over Transnet pensioners and cancel Transnet debentures. It had proposed that the debt be dealt with in a "piecemeal fashion". This would mean calculating SA Airways' portion of the pension fund debt, for example, and government taking over smaller parts of the debt.

"The proposal is being examined by Transnet to assess the impact this would have on each subsidiary," said one official.

The proposal will be further examined at the next interministerial cabinet committee meeting, scheduled for Thursday. However, Transnet MD Saki Macozoma previously expressed concern about the finance department's proposal as he feared it could further delay the transport parastatal's restructuring initiative.

Macozoma had said Transnet would prefer to place the deficit in a special finance vehicle so it would not impede the operations of the company.

The issue of the pension fund burden has hampered Transnet's privatisation for years and also forced the organisation into a loss each year.

In the year to March 1997, a 7% increase in Transnet's net operating profit to R1,9bn was effectively wiped out by the pension and medical aid fund burden totalling R2,1bn. This left Transnet with a loss of R170m against a loss of R253m the previous year.

Transnet finance director Gloria Serobe said the fund's actuarially assessed deficit had been reduced to R3,2bn by March last year. Government debentures totalled R7,4bn.

De Beers, NUM wage negotiations in deadlock

Reneé Grawitzky

WAGE talks between the National Union of Mineworkers (NUM) and De Beers ended in deadlock yesterday while Gold Fields Limited Oryx mine narrowly avoided a strike by about 3 500 workers after management and the NUM agreed to go back to the negotiating table.

NUM deputy general secretary Archie Palane said negotiations with De Beers broke down after it failed to move off its

opening offer of 3%. De Beers had refused to move as it had expected the union to move off its demand of 12% in light of the current inflation rate of 5%, he said.

De Beers said it was disappointed that the union had not presented a revised demand. The company believed that it was premature to declare a dispute after the first round of discussions.

Meanwhile, the union indicated that thousands of its members had planned to

embark on strike action last night at the Oryx mine.

The company had responded by saying it would seek a court interdict.

However, after last-minute talks outside the Labour Court yesterday, the union agreed to suspend the strike until tomorrow to give the parties more time to settle the matter.

The strike threat was sparked by a dispute over the renegotiation of the recognition agreement.

Palane said, the company had threatened to apply for an interdict in the Labour Court.

Goldfields spokesman Adrian du Plessis said this was not an issue over which the union should call for a strike.

Du Plessis said the matter could be resolved through negotiation and that the company had proposed mediation to break the dispute.

Palane said the union had submitted an application to the Commission for Con-

ciliation, Mediation and Arbitration but the commission had failed to appoint a commissioner.

The NUM said it had submitted the recognition agreement to the company to be amended in line with the new Labour Relations Act. These negotiations broke down after the parties failed to agree on the union's demand that it be allowed to negotiate across the board for all its members, irrespective of the existing bargaining units.

MO 4/6/98 (211)

NUM in wage dispute over De Beers' 3% offer

FRANK NXUMALO

Johannesburg — The National Union of Mineworkers (NUM) yesterday declared a wage dispute with De Beers after it offered a 3 percent increment against the union's demand of 12 percent

The NUM accused De Beers, the diamond company, of renegeing on last year's two-year wage agreement, which stipulated wages should be increased by the annual consumer price index

(CPI) as from May this year

"We would like to reiterate our disappointment in De Beers' approach to the process of these negotiations, which defeats the objectives, principles and aspirations of what the two-year agreement intends to achieve," Archie Palane, the NUM assistant general secretary, said

Judith Annakie, a spokesman for De Beers, said there was a clause that provided for retrograding negotiations if the CPI fell below 7,2 percent or rose

above 12,2 percent

Negotiations on the agreement had reopened precisely because the April 1998 CPI at 5 percent was below the cut-off. It was hoped the NUM would table a revised demand

Annakie said De Beers regretted NUM's decision to declare a dispute at such an early stage in the discussions, calling the action premature. There was room to negotiate further, and it was hoped talks would be resumed soon with a view to early settlement

ET (PR) 5/6/98 (211)

NUM not a party animal in the wake of retrenchments

80 1/7/98

(211)

Reneé Grawitzky

THE National Union of Mineworkers (NUM) has criticised AngloGold for the amount being spent on the company's July 18 official launch party in spite of the retrenchment of thousands of mine labourers in recent months

The union's general secretary, Gwede Mantashe, said "To spend money on this grand launch at the same time that thousands of workers are being retrenched is extravagant."

AngloGold intends to have a launch in Johannesburg as well as a variety of events at its different mines so that the greatest number of its workers will be able participate

NUM president James Motlatsi, recently elected to the AngloGold board, will participate in the launch in Johannesburg

AngloGold CEO Bobby Godsell said the company did not belong only to shareholders and directors. The intention of the official launch party was to create an event accessible to as broad a group of employees as possible.

Invitations had gone out to trade unionists

and individual members and it was up to them to decide whether they wanted to participate

Godsell said the cost of the launch represented a very small percentage of the overall costs of establishing and listing the company

Industry sources believed the cost of setting up the company and listing it was about R40m

"If we succeed in restructuring AngloGold, the costs of the launch events will pale into insignificance and will reflect into higher share prices and more secure jobs," Godsell said

Mantashe said "Our regions will go to the launch on condition that the union is given a platform to express a view on the launch.

"It is our considered view that AngloGold has been rationalised at the expense of thousands of our members who have been retrenched in the various shafts that have been off-loaded to build this so-called internationally competitive company"

A number of regions, he said, had said that in the run-up to the launch they would formulate a programme of action to express their unhappiness



No golden opportunities: The rising gold price will offer miners no guarantee of job security.
PHOTOGRAPH SOURCE: 1997 ANGLOGOLD ANNUAL REPORT

Miners' jobs still not safe

(211)

MTG 3-9/7/98

Sherilee Bridge
and Ferial Haffajee

The stronger gold price is no guarantee the haemorrhaging of jobs in the mining industry will cease, although trade unions are likely to use it as a bargaining tool.

The National Union of Mineworkers said this week it will begin to negotiate the recall of thousands of retrenched workers and those who had been put on long leave since gold's meltdown last year.

Despite the huge job losses, more than 27 000 jobs on nine marginal mines are still officially in danger. Because in the past the industry has linked the dwindling price to the need for retrenchments, trade unions want a similar connection to be made now the gold price is strengthening.

But improved revenues are unlikely to lead to new jobs. Instead, the mining industry is restructuring for long-term growth, and this means ploughing spending into deep-level

mining. There will be few new operations, and many mining companies are moving offshore to Latin America and parts of Africa where costs are lower. Others which list overseas, like AngloGold, must now pay dividends in hard currencies.

Mining analysts say the nose-diving rand may be good news for marginal mines, but the windfall may be short-lived. Last year eight of the nine marginal mines lost about R369-million.

Roger Baxter, senior economist at the Chamber of Mines, says the future of the 116 000 people employed on marginal mines last year cannot be based on short-term fluctuations in the gold price: "While the exchange has provided some degree of relief, the industry must continue to focus on cutting operating costs and sorting out productivity levels for longer-term stability."

AngloGold representative Kelvin Williams says there should be a greater measure of security for mar-

ginal operations. "Certainly there will be parts of the industry which will still be vulnerable, and we may still see job losses as the industry continues to rationalise. However, jobs in general should be more secure." He warns that mines must still keep costs down.

The waves of retrenchments in the past decade as gold has lost its glitter — down from 50% of total export value in 1980 to 18% last year — have wrought a destructive path through South Africa and its neighbouring economies. "[They have] had a massive impact, much of it displaced into rural areas," says Kate Philip of the Mineworkers Development Agency (MDA).

Many areas survive on miners' wages. In 1997 more than R11-billion in miners' wages was sent to their rural families. The MDA runs programmes to help retrenched miners invest their packages in small businesses. "But we don't even begin to reach all those affected," says Philip.

Miners get financial services group

(211) CT(PM) 7/7/98

NCABA HLOPHE

Johannesburg — Mathomo Group, the investment arm of the National Union of Mineworkers, had entered into a R100 million joint venture with Capital Alliance to provide financial services to more than 700 000 mineworkers, the group said yesterday

The operation will use Mathomo's 103 M-store outlets to distribute financial and insurance products to workers who have been under-served by the formal banking sector

The Mineworkers' Investment Company (MIC) will invest R50 million directly into Mathomo through a specific issue of shares for cash at R5,50 for each Mathomo share. Capital Alliance will put in the remaining R50 million in cash

The joint venture will offer miners products such as funeral cover and assistance, legal aid, accidental death and



FULL SERVICE John Andrews, a director of Mathomo, adds to the coverage of miner Clement Mwelase

PHOTO JOHN WOODPOOF

disability cover and a hospital plan

"The joint venture company will offer employees payroll administration, occupational health care and (education) on

the benefits and pitfalls of the financial services being offered," said Michael Charne, Mathomo's chief executive

Mathomo said the new division would eventually provide limited credit facilities, home and vehicle loans

Charne said Mathomo expanded beyond its core interest to extend a helping hand to miners, who were not adequately educated

Mathomo, the wholesale and retail clothing and stationery group, was listed in April 1996 by MIC and Charne Invest-

ments as one of the country's first empowerment initiatives

Capital Alliance, the black-controlled life insurer, said the deal reinforced its commitment to the C and D income groups

Waiting for Godot in a mining town as retrenchments soar

Star 18/7/98 (211)

By MONGADI MAFATA

On the surface, the Mpumalanga mining town of Evander is a model town with functioning traffic lights, tarred streets and neat houses bordered by well-trimmed lawns.

There are no unsightly signs of litter and all four banks in town do not have metal detectors or machinegun-wielding guards

But scratch a little deeper into this picture of normality and you come across a community living under threat. Thousands of workers have been retrenched from the mines – the town's biggest employers – and banks have been repossessing scores of houses and cars every week, according to a local bank official.

National Union of Mineworkers official Siphon Ntshauzana says the alarming rate of retrenchments is slowly pushing the area towards becoming a ghost town. "Retrenchments have a ripple effect – there isn't enough money to go around and subsequently business suffers," he says

Unofficial figures put the number of retrenchments from the mines around

"Most of the retrenched miners who were staying in mine hostels are now squatting around the township in the hope that new jobs might come up, and that has put a strain on our amenities"

Tsheke says the transitional local council has embarked on development projects and has also appointed a director to attract investment and stimulate job creation. "The sad thing is that the miners can't be employed in any other industry except mining, which is all they know"

The administrator of the ANC's constituency office, Forest Feni, a re-

trenched miner from the Eastern Cape, says crime is on the increase because there are more people and fewer jobs to go around "Miners who did not go back to the rural areas with the hope of getting new jobs spend their days at the Unemployed Workers' Organisation (UWO) looking for placements Others have opened up shebeens in the squatter camps and play the waiting game We're all waiting for Godot," says Feni

William Matonana, UWO founding member and organiser, says rampant unemployment in the area necessitated the birth of the organisation in 1991, a year after he was laid off from Sasol, the area's second largest employer.

Using a building donated by the chemical company, boasting a few plastic chairs, an old desk and a phone that can only receive incoming calls, Matonana and his colleagues do the best they can to place their unemployed comrades in jobs

Local businessman Vusi Jiyane says joblessness has taken a heavy toll on business in the area "Unless more people get work and money, we'll be forced to shut down Customers are our lifeline, and if they don't support

us we'll surely die," says Jiyane, who runs four shops in the township

Someone who still needs to come to terms with his fate is 38-year-old Gilbert Matimatjati, who was retrenched eight months ago from Kinross mine after 14 years' service. He was employed as a human resources clerk, and claims mine management did not follow correct retrenchment procedures

"The company did not offer skills training for retrenched workers, as agreed with the union, and we are now left to fend for ourselves," says Matimatjati. He proudly displays his matric and computer certificates, but even these cannot guarantee him a job "I don't know what will become of me once my retrenchment package runs out," says Matimatjati.

Despite being given two weeks' notice, Evander Gold Mines human resource manager A J van der Munckhoff did not reply to a list of questions faxed to him.

Matimatjati and thousands of retrenched workers throughout the country continue to play a waiting game, with no solution in sight



HOPELESS These unemployed men face an uncertain future in Evander as the mines shut
Photograph MONGADI MAFATA

Evander at 12 000, with more to follow Chamber of Mines public relations officer Llewellyn Kriel says the national mine workforce for 1996 stood at 318 000 "The following year the figure was cut to 274 000, which means 44 000 jobs were shed through natural attrition and retrenchments countrywide."

Mdibanisi Tsheke, mayor of eMbalenhle, says there is a 50% unemployment rate in the township, which is affecting service delivery because fewer people are paying their rates on time

Agency sets up R80m jobs programme

BD 30/7/98

(211)

Reneé Grawitzky

A PROGRAMME worth R80m to promote job creation and rural economic development has been set up by the Mineworkers' Development Agency.

The project, a key aspect of the National Union of Mineworkers' (NUM) vision for a social plan in the mining industry, would be funded by government, the private sector, foreign donors, mineworkers and their investment company, agency CEO Kate Philip said yesterday. The agency is the development arm of the NUM.

Anglogold will be the first mining company to contribute to the programme. It has agreed to channel a portion of a R6m fund to finance the

establishment of a regional development centre in Kokstad in the Eastern Cape. Philip hoped other companies would follow suit.

Anglogold was also considering a funding proposal to set up a centre in Mozambique, she said. Steve Lenahan, Anglogold's executive officer for labour relations, said the company had set aside funds to assist retrenched miners to find alternative employment.

He said it made sense for Anglogold to get into some kind of partnership with the agency to administer funds to help retrenched workers, given the agency's success.

Philip said the programme was mainly a rural self-employment strategy which entailed setting up a net-

work of 15 regional development centres in rural areas where most of the mines' labour force came from.

The centres would be based on the model used by the agency, which had set up four centres, including the Mhala development centre in Mpumalanga, which won the first national presidential award for community initiatives earlier this year.

The centres would not only act as business and technical training centres, but would also provide economic services to trigger local economic activity. They would provide raw materials to budding entrepreneurs and would operate out of underutilised facilities belonging to the Employment Bureau of Africa.

Key Market Movements — 28/7 to 29/7



Schism in miners' union

(211)

26/9/98

Star 26/9/98

White businessmen charged with running the body like their own fiefdom

BY PITSO TSHUKUDU

The controversial Workers' Mouthpiece (WM) miners' union, set up with the help of two white North West Province businessmen, is in turmoil

A "steering committee" of disgruntled black members of the union is demanding that Piet and Matt Joubert be expelled from the union immediately

'Power hungry'

The committee accuses the brothers of running the union like a personal fiefdom and of administrative irregularities

The brothers deny the allegations. Piet Joubert, the union's national chairperson, said he and his brother had been officially appointed at a union congress. Matt Joubert is the treasurer.

Piet Joubert said those behind the allegations against him and his brother were a "power-hungry

minority" which wanted to topple the existing leadership.

He claimed he and his brother enjoyed the confidence of most union members.

Committee members told the *Saturday Star* in Boitekong township near Rustenburg this week that they wanted a commission of inquiry into the union's financial affairs.

"We as members are very unhappy about the Joubert brothers' involvement in the union as it was never properly explained to the membership," fumed Pogos Bogomane, a spokesperson for the committee.

"We demand that they resign from the union with immediate effect."

The committee queries the participation of the white businessmen in a trade union which involves mines-related issues because "they have never been mineworkers themselves." The brothers are insurance brokers

and their company is known as People's Alliance Brokers.

The committee also called for an emergency congress so that a new leadership could be elected.

Bogomane also complained bitterly about the recent arrest of union president Kaizer Mbiyakhe. The committee alleges that Mbiyakhe's arrest on murder charges was orchestrated by some in the union leadership.

WM first made its appearance about two years ago as a break-away group from the National Union of Mineworkers. Its core was a group calling itself "Five Madoda", which led stayaway action at a number of platinum mines in 1996, such as when JCI moved to sell some of its stake in the mines to Anglo American Platinum Mines.

The NUM had originally called for strike action after workers demanded that their provident fund, pension fund, death benefits and Unemployment Insur-

ance Fund benefits be paid out before the transaction could be concluded. A settlement between the NUM and management was ignored by the "Five Madoda", who encouraged workers not to return to work.

WM was registered with the Department of Labour last year and is still involved in discussions with mining houses to secure recognition agreements.

A UDM front?

The union has been involved in several clashes with NUM members at mines in North West. The NUM has accused WM of being a front for Bantu Holomisa's United Democratic Movement, a charge the union and UDM have denied.

A committee member acknowledged Holomisa was close to WM. "We get lots of advice from him time and again. After all, most of our union members are also members of the UDM."

Meeting on mine safety to be held

Primarashni Pillay

SAFETY in SA's mines is expected to be boosted as a result of a meeting that will assess achievements in this field and look at strategies for reducing the number of mine accidents.

The meeting will be held next month under the auspices of the Mine Health and Safety Council, which consists of representatives of the state and of employers and employees.

Carl Marx, the deputy director of mines in the minerals and energy department, said yesterday the meeting would be the first of its kind in SA since the promulgation last year of the new Mine Health and Safety Act.

The act requires the council — a statutory body — to host such a meeting.

SA has in recent years experienced serious accidents on the mines that have resulted in the loss of many lives.

Marx said 30% of all accidents that resulted in fatalities, and that were reportable in terms of the act, occurred in the gold mines and were linked to, among other causes, roof falls or strain bursts.

The next category where several accidents occurred

was linked to tramways and trucks where the horizontal transportation of gold takes place.

However, Marx said, "accident statistics over the past nine or 10 months have been lower and things are improving on the safety side".

He said the minerals and energy department had established a medical inspectorate under whose auspices industrial nurses were employed to monitor health issues at mines.

"This is a first for SA, and those nurses being out there will make a difference," he said.

The nurses will monitor whether workers undergo pre-medical employment tests as well as ongoing medical check-ups and exit medical examinations when they resign.

They will also monitor whether workers use hearing protection.

"We hope the meeting will contribute to a hands-on strategy so that in the future things will improve and will contribute to a reduction of mine accidents," Marx said.

The meeting will be addressed by Minerals and Energy Minister Penuell Maduna and his deputy, Susan Shabangu.

BD 27/10/98 (212)

Miner's death angers NUM

(212)
René Grawitzky

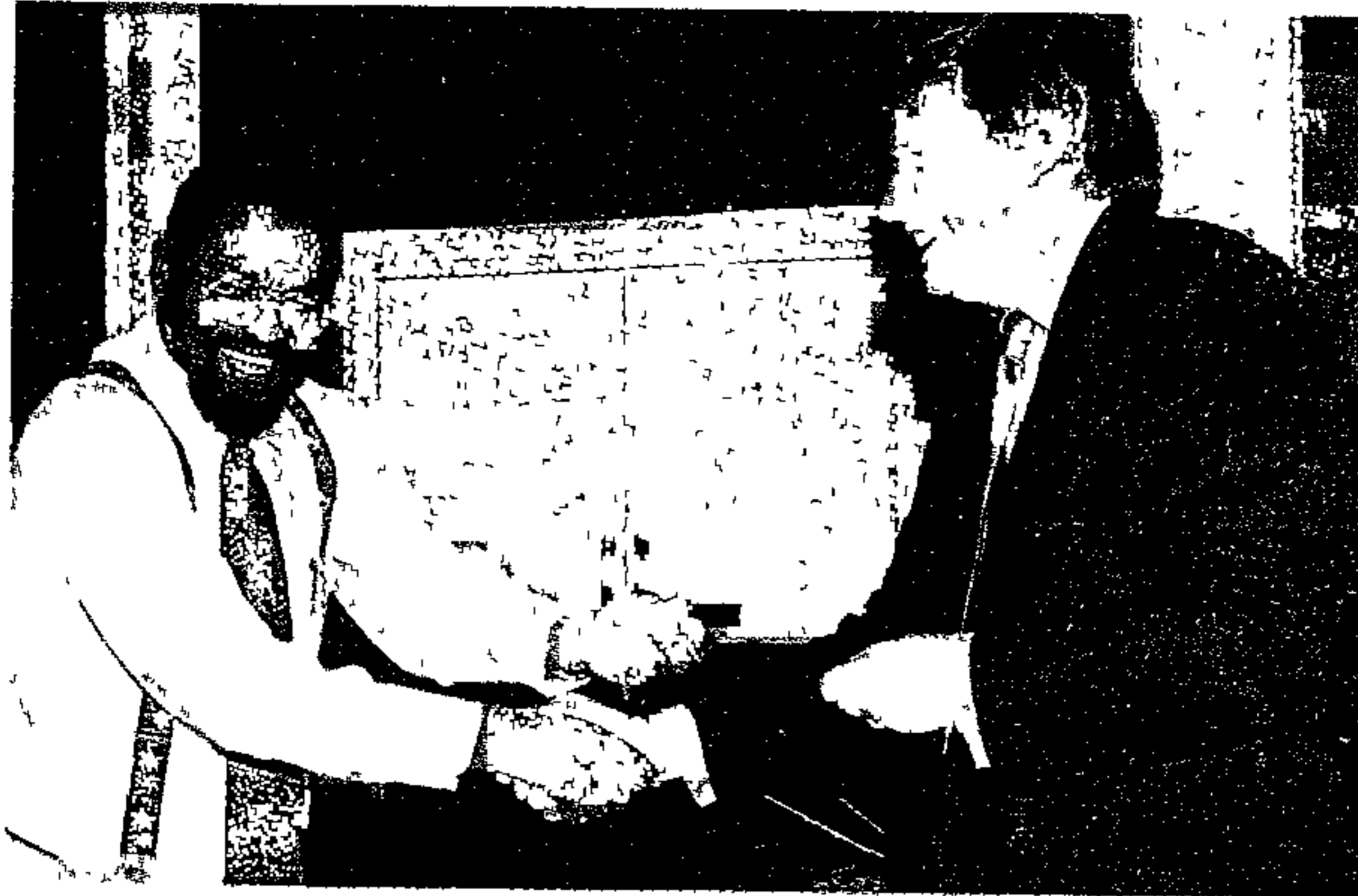
BD 29/10/98

THE National Union of Mineworkers questioned yesterday the failure of the mining industry to develop technology to detect seismic events after a mineworker was killed at AngloGold's Deelkraal section of the Elandsrand mine.

The union said six workers were trapped underground following a rockfall yesterday.

AngloGold confirmed a miner was killed after a rockfall triggered by a tremor, which occurred 2 500m underground. However, the company said the remaining five workers were rescued.

The minerals and energy department has reported that 197 miners killed on gold mines alone during the first nine months of the year.



National Union of Mineworkers general secretary Gwede Mantashe accepts a silver coin from Chamber of Mines president Bobby Godsell at the chambers' 108th annual general meeting.

Picture TREVOR SAMSON

NUM lashes out at job losses

David McKay
and René Grawitzky

(21) BD 10/11/98

THE National Union of Mineworkers (NUM) lashed out at SA's key mining leaders yesterday for failing to staunch widescale job losses in the face of improved productivity and better profits

More than 100 000 jobs have been shed on SA's mines since last year

The NUM launched its attack at its first appearance at the 108-year-old Chamber of Mines' annual general meeting

The debate about SA's proposed mining and minerals policy, articulated in government's white paper last month, also stepped up a gear at the meeting

Leading mining figures voiced fears about proposals for the state ownership of mineral rights and the consequences for the creation of a new small miner business class. The industry urged government to protect security of tenure

NUM general secretary Gwede Man-

tashe led labour's offensive, saying SA corporations AngloGold and rival Gold Fields were at the forefront of massive retrenchments in the past two years. Gold Fields, which recently reported a 400% increase in quarterly profit, was now leading the retrenchments, he said

The mining industry was taken to task for being pessimistic about its fortunes. Heavyweights Anglo American and Billiton were targeted for electing to list offshore, which Mantashe said represented a vote of no confidence in the economy

Anglo American Platinum Corporation MD Barry Davison warned government that the success of the SA platinum industry depended on nurturing a finely balanced market. His concern was that the mining of "sterilised" mineral-bearing land could lead to an oversupply

JCI's John Brownrigg called on government to tax profit rather than input costs

Comeback trail: Page 11

Union to establish financial venture with Old Mutual

News on 10/11/98

THE whites-only (aid) Mineworkers Union (MWU) plans to establish a financial services group with Old Mutual, Compcare (medical fund) and a major banking group

The trade union said in a statement yesterday it planned to create thousands of job opportunities with capital earned by the group

The group would concentrate on the establishment of the MWU's own national pension fund

An own medical fund, loan service, retirement fund and investment advice service has already been established

Financial advisers were appointed to render a comprehensive service to MWU members throughout South Africa

Unifonds chairman Thinus Roos said the intention was to provide a one-stop service to members

Empowerment project

It will also ensure that capital from members is directed back to the union for empowerment projects

MWU general secretary Flip Buys said capital generated will be put into an investment company

which would support projects aimed at job creation which include kibbutz farms, building projects and manufacturing ventures

The establishment of Unifonds was a result of the recent job summit presented by the MWU where 20-point job summit was introduced

The MWU would also establish a job creation centre to implement the plan

This centre would include an entrepreneur school, a branch for the generation of capital and an investment branch. ~~Sapa~~

NUM chief slams mine layoffs

(211) ET (PR) 10/11/98

JONATHAN ROSENTHAL

INDUSTRIAL EDITOR

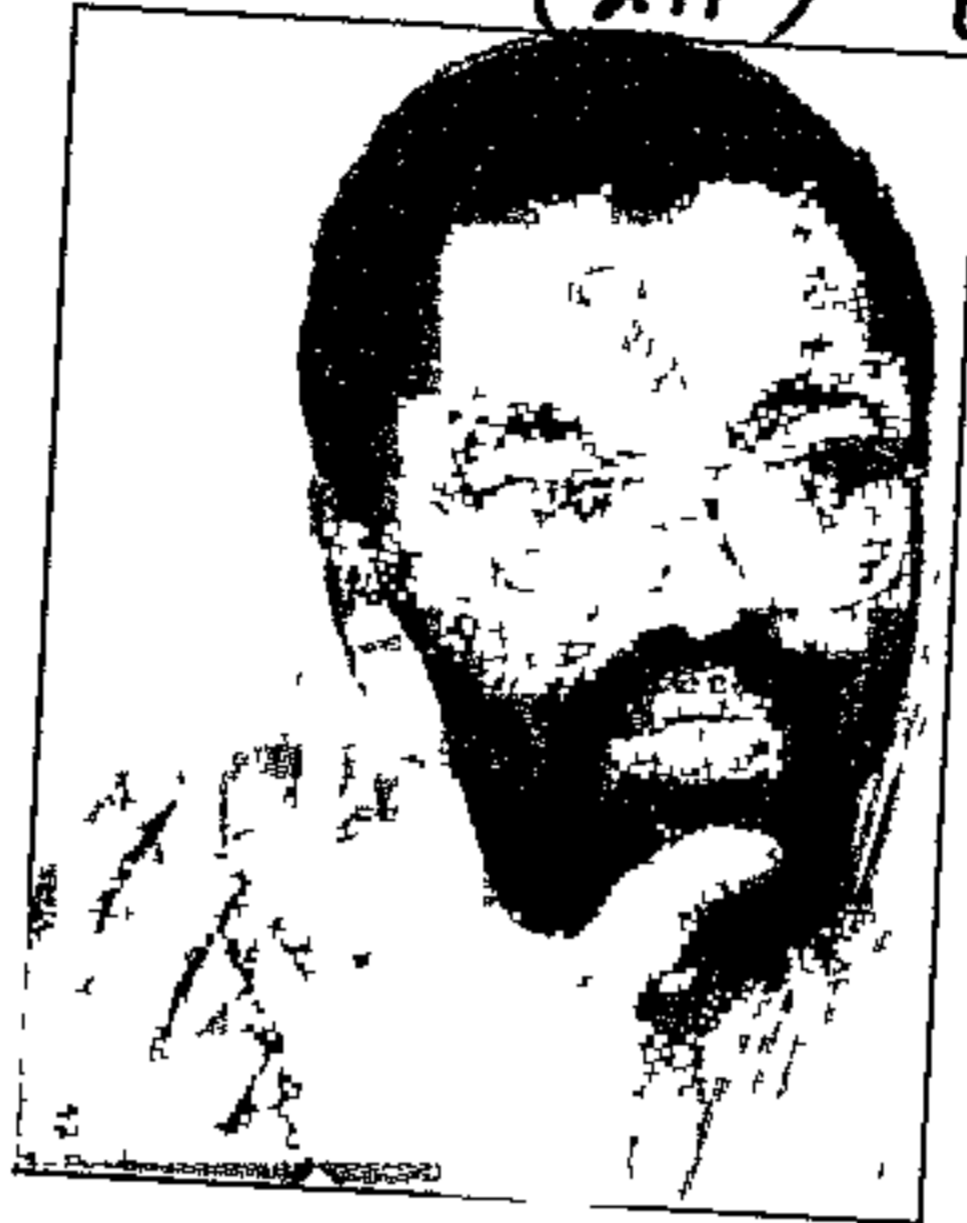
Johannesburg — South Africa's mining houses had continued to cut jobs despite improvements in productivity and earnings, Gwede Mantashe, the general secretary of the National Union of Mineworkers (NUM), said yesterday

Mantashe was the first unionist to speak at an annual general meeting of the Chamber of Mines in that organisation's 108-year history

"The decision of throwing people into the streets is taken with ease," he said

Mantashe warned that unemployment was the greatest threat facing South African society, and bluntly told the chamber, which represents South Africa's mining houses, that it had failed to respond to the crisis

He said 50 000 mineworkers had lost their jobs on gold mines this year and that, despite initiatives such as the formation of the gold crisis committee, the rate of



TONGUE-LASHING Gwede Mantashe of the NUM

job losses had not slowed

"The productivity-linked wage agreement of 1997 has achieved productivity improvements of 4,4 percent in 1997. It has improved the profit margin of all gold mining companies but all of them, as they reported these increases in profits, invited us to talk about retrenchments," he said

Mantashe also said the chief

executives of mining companies failed to attend a meeting called by the union last month to discuss the crisis. He said they had also failed to respond to a union request that skilled people be provided to help the union formulate investment projects for dying mining towns

"We are not asking for any more than seconding skills to that project, the investment will come on the basis of reputable urban development plans"

At the meeting, representatives of mining companies painted a picture of an industry facing a difficult future. Amplats, the world's largest platinum producer, spoke of good long-term prospects and strong growth in jewellery demand

But it warned that demand was created through significant investment and, in a veiled warning against government proposals to redistribute mineral rights, said there would be no incentive to invest in stimulating market growth unless tenure of mineral rights was secured

Ex-miners demand 'unpaid' benefits

MANDLA MNYAKAMA
STAFF REPORTER

Hundreds of former miners – aged 37 to nearly 80 years – crammed into the Black Sash offices in Cape Town this week to seek help in applying for employment benefits to which they say they are entitled

But they left frustrated after being advised by the office to approach the Employment Bureau of Africa in the areas where they were employed originally

The bureau was set up by the mining industry in 1912 to recruit workers from southern Africa

Some of the 400 former miners lost their jobs or were retrenched as far back as the 1940s, while others became unemployed in the late 1980s

Among the group were women wanting widow's pensions after their husbands were killed in mine accidents.

The miners had documents to prove they were entitled to long-service awards and provident-fund payouts they claimed the mining companies owed them

The provident fund was set up jointly by the National Union of Mineworkers and the Chamber of Mines in 1988. Many of the miners said they had lost their jobs before the fund was established

The rest had not completed the 15-year period of service they needed to be eligible for long-service awards.

The miners accused the present Government of "fooling around with the poor", claiming



MANDLA MNYAKAMA

Help: jobless miners seek help from the Black Sash offices in Cape Town to apply for benefits

there was a lack of co-operation between the miners and the Employment Bureau.

"We are here to demand what we've worked for in the mines," said Mzuxolile Skwenza, 38, of Nyanga, who worked on the President gold mine

A Black Sash spokeswoman, Phumla Mncayi, said their offices had been inundated since August by former mineworkers claiming benefits

"We advised them to re-apply for the benefits or to get all other required details from the Employment Bureau offices

around the country – but they said they could not afford to travel to their home towns, where they were originally employed by the bureau

"Others have been to the National Union of Mineworkers' regional offices to inquire about these problems," said Mrs Mncayi

The Black Sash had approached the Employment Bureau's head office and branches in the provinces and had been told the miners should come back in January

Mario Wanza from the union

acknowledged that many former mineworkers were in desperate need of their benefits

His organisation would meet the Black Sash to discuss how they could tackle the problem

Chamber of Mines industrial relations adviser Frans Barker said the chamber did not involve itself in the operational affairs of the mining companies for which the men had worked.

He said only people who had been employed after July 1989 would be eligible for money from the provident fund because that was when it was set up



More than 500 former mineworkers are seeking advice from Black Sash offices in Cape Town on financial entitlements. The number of people seeking advice had increased dramatically, from 200 a week at the beginning of the year to more than 500 a day this week.

Picture: ARTHUR TYRONE

Black Sash offices inundated with claimants

Alan Fine

CAPE TOWN — The Employment Bureau of Africa (Teba), the mining industry's recruitment and personnel management arm, is to offer special assistance to the Black Sash, whose advice office here has been inundated by former mineworkers seeking advice on financial entitlements.

According to Black Sash regional director Pumla Mncayi, the advice

office has been serving about 400 to 500 former miners a day this week.

The increased numbers may have to do with reports of successful claims reaching the close-knit former miners' communities.

The advice seekers included miners who had lost their jobs through retrenchment, injury and illness and retirement. Some had come to Cape Town to seek work after losing their mining jobs, while others were trav-

elling from the Eastern Cape.

Teba MD Roger Rowett said he planned to offer to send someone from the company's Johannesburg headquarters to assist.

He said Teba's data base showed some former miners were still entitled to payouts related to the industry's current and defunct provident funds' long-service allowances. Dependents of deceased miners may also be entitled to death benefits.

BD 11/11/98

Union starts financial services group

Reneé Grawitzky (211)

THE all-white Mineworkers' Union, which represents about 60 000 members, yesterday launched a financial services group, Unifond. This is a joint initiative between the union and a group of individual private investors.

Unifond MD Norman Kok said the group had made agreements with several major financial institutions like Old Mutual, Santam and other short-term insurers to render services to union members.

Unifond said it had also entered into a contract with Unity Financial Services to provide a personal loan service. This facility would be provided by Boland Bank which had "endowed the amount of R55m

for personal loans to members".

Mineworkers' Union general secretary Flip Buys said Unifond would help to build the union's financial capacity for "economic empowerment and job creation".

The establishment of Unifond comes after the union's acquisition last week of a 1,75% share in Telkom Directory Service, a Telkom subsidiary, for R21m. The transaction was initiated by the union's investment company and financed by Standard Merchant Bank.

The union said government had offered all Telkom unions a 10% share in Telkom Directory Service, with the Alliance of Telkom Unions buying a 3,5% interest in the subsidiary. The union said it had endorsed this approach.

BD 19/11/98

NUM strike looms as talks falter ^(all)

TALKS between management of Anglo American Platinum Corporation and the National Union of Mineworkers were held yesterday in a bid to avoid a threatened strike over pay and conditions

But by late afternoon the discussions were still deadlocked. Amplats public relations manager Steve Calladine could not give details of NUM's demands or what management had offered because the negotiations were "confidential"

NUM membership at Amplats, the world's largest platinum producer, "varies from about five to 30 percent", he said. The other main union, Workers' Mouthpiece, had not said its members would strike, Calladine added.

He said NUM had informed the corporation that in accordance with the Labour Relations Act, strike action would start at 4am tomorrow - "at the various business units, excluding the precious metals refineries"

Meanwhile, Amplats announced the settlement of a strike by 1 800 mineworkers at its Lebowa Platinum mines near Pietersburg, Northern Province

The strike, which started on Sunday, was over use of lightweight underground drilling equipment

Calladine said the union had complained about lack of interaction and communication between management and employees over drilling equipment

"Both sides agreed there had been misunderstanding, and management said communication would be improved"

Calladine said Lebowa was one of the smallest operations in Amplats, and production losses would be minimal

But production at Lebowa could be brought to a halt again tomorrow as its NUM members are involved in the general dispute at Amplats

Despite repeated attempts, the NUM was unavailable for comment - Sapa

sewer

MINING - LABOUR
1999

Gold booming on back of retrenchments, says NUM

FROM SAPA

(211) CT(MR) 8/11/99

Johannesburg — Large-scale retrenchments and not the weak rand were responsible for the boom in the gold mining industry, the National Union of Mineworkers (NUM) said yesterday

Reacting to reports that the industry was poised to reap profits of up to R3 billion this year despite mining more than five tons less gold than in 1997, when it last reported similar profits, NUM general secretary Gwede Mantashe said this was being achieved at the cost of jobs

"We are not surprised by the

predictions of analysts that there will be record profits this year, more so if one takes into consideration the fact that more than 70 000 jobs were destroyed in the industry last year," he said

"What it means is that the good profits are coming at the expense of the record number of job losses being reported. This has very little to do with the depreciation of the rand"

Asked if the NUM would take a hard line in future talks with employers, given the current boom in the industry and the cost to workers, Mantashe said every case would be treated on merit

Mines' hostel system must go, says NUM

(211)

FRANK NXUMALO

LABOUR EDITOR

Johannesburg — The single-sex hostels system in mining compounds — identified in a recent report as one of the major triggers of the rapid spread of the HIV/Aids epidemic — had to go, the National Union of Mine workers (NUM) said yesterday

"The system is not healthy. There is no privacy, it becomes a violation of human rights," said a spokesman for the union

A recent survey conducted by the Epidemiology Research Unit found that one in every five mineworkers in Carltonville and up to 75 percent of the 500 prostitutes tested from a nearby informal settlement were infected with the HIV virus

Zwelinzima Vavi, the deputy general secretary of Cosatu, said it was unfortunate that the hostels system had been allowed to continue under the new dispensation.

George Molebatsi, the spokesman for the NUM, said an agreement had been entered into with the Chamber of Mines to explore the establishment of



HUMAN RIGHTS ISSUE

George Molebatsi says the NUM supports the idea of housing committees to transform living quarters

housing committees at each mining house. So far progress had been very slow, he said

The committees would be responsible for converting the hostels into family accommodation and for refurbishment

The Chamber of Mines said a policy decision had been taken to leave the task of combating Aids and of delivering Aids education to the individual mining houses

1991/12/19

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Union to create 100 000 jobs in the next decade

BD 27/11/99 (all)

Themba Hlangani

THE all-white Mineworkers' Union announced yes-

terday the creation of Werknetwork — a job creation network intended to create 100 000 jobs over the next 10 years for members who lose their jobs because of the policy of affirmative action

The network — to be supported by an investment company and a R1bn job creation fund — will also benefit those dependants of members who find it difficult to enter the labour market

Speaking at the opening of the union's annual congress yesterday, union general-secretary Flip Buys said affirmative action posed a threat by creating a "pool of trained but unemployed workers"

The union, he said, would establish an investment company to look for investment opportunities in existing ventures and several other new projects it identified

The company would secure a listing on the Johannesburg Stock Exchange within two years

The union already owned a 1,75% stake in Telkom Directory Service, a Telkom subsidiary, acquired in November last year for R21m. It had also established Unifond, a financial services group that renders finance-related services to members

The union also said it had entered into a joint venture with Marknet business consultants to provide psychometric services to candidates

It said it and the consultants had already established a personnel agency and labour brokers firm

NEWS

White union sets up its own job network

ET(OR) 27/1/99 (211)

FRANK NXUMALO

LABOUR EDITOR

Johannesburg — The all-white Mineworkers Union (MWU) yesterday inaugurated Werknet, an employment generation network that will be used to create 100 000 job opportunities over the next 10 years for its members and their families, who the union expects will be hit by affirmative action policies.

Dirk Hermann, the spokesman for MWU, said research conducted last year by Louis Bothma of the University of the Free State into the effects of affirmative action showed that between 700 000 and 1 million whites would either be replaced or unable to enter the local job market because of the policy.

"Affirmative action poses a real threat of creating a new pool of trained (but) unemployed workers," Flip Buys, the general secretary, told the 86th MWU annual congress yesterday.

"This situation can cause irreparable harm to the economy," he said. "Up to now nobody has shown any inclination to accept responsibility for solving the problem. The MWU has decided to accept this responsibility."

The union planned to raise funds from various sources. These included applying for between 10 and 14 percent of the R1 billion pledged by business as its contribution towards getting

South Africa working again; a R1-a-month contribution from its members, expected to pool R60 000 a month, and channelling dividends from its investment company into Werknet.

In a separate development, the Food and Allied Workers Union (Fawu) finally accepted yesterday the 8 percent wage increase offered by Earlybird Farm Olifantsfontein after a long strike.

About 800 workers allied to Fawu have been on strike since early December for a 10,5 percent wage increase offer, which was negotiated down to 8,5 percent by the start of negotiations on Monday.

Earlybird was able to maintain production levels and deliveries to customers by immediately employing a scab labour workforce roughly equal to the number of regular employees on strike but at lower rates of pay.

The employment of scab labour is permitted under the Labour Relations Act of 1995 if the strike is protected.

Arnold Prinsloo, the human resources manager for Earlybird, said on average workers had lost R3 827 each during the strike.

He said the cases of workers expelled for taking part in the protected strike had been referred for arbitration to the Commission for Conciliation, Mediation and Arbitration.

Mine jobs committee 'ineffective'

Reneé Grawitzky (211)

THE gold crisis committee had been ineffective in stemming the tide of job losses, the National Union of Mineworkers (NUM) general secretary Gwede Mantashe said yesterday.

The committee was set up to regulate retrenchments after last year's gold mining summit. However, after the union's central committee meeting at the weekend, Mantashe said the NUM had serious doubts about the committee's relevance in the area of job retention.

The committee had done good work at the level of task teams but had been "used to legitimise job destruction", he said.

In his secretariat report, Mantashe attributed the committee's ineffectiveness to the industry's failure to commit itself to a programme of defending jobs while the union itself did not take the question of retrenchments as seriously as expected.

Organisers concentrated more on negotiating packages instead of investigating ways to minimise or eliminate the

need for retrenchments. Government, in turn, "fell into the trap of believing in the integrity of the employers".

As a result 90 000 jobs were lost in the industry last year. Job losses since 1997 amounted to more than 142 000, which led to a major drop in union membership to a record low since 1989 of 250 000. Mantashe said the actual membership decline was 76 000.

The central committee, he said, also took resolutions on other organisational issues, collective bargaining and empowerment of women in the industry.

The union reinforced its continued support for the African National Congress in the upcoming elections.

The central committee also supported the nomination of the union's president, James Motlatsi, for the presidency of the International Chemical Energy Mining and General Workers' Union.

Mantashe said it was crucial that Africa was also seen to lead the labour movement. Europe should not hold the monopoly as labour movement leader.

BD 24/3/99

MWU sets up 'white' job agency

(all) (103)
FRANK NXUMALO

LABOUR EDITOR

Johannesburg — Affirmative action was one of the "most feared diseases" in the labour market, the all-white Mineworkers Union (MWU) said yesterday at the launch of Netmark, a labour brokerage and personnel agency

The MWU started Netmark as a job vehicle for the thousands of young white South Africans, whom the union said would be negatively affected by government's affirmative action policy for Africans in particular and blacks and disabled people in general

The thrust and philosophy of Netmark is premised on the former National Party government's racist policy of job reservation for whites and absolute rejection of affirmative action in the new South Africa

Flip Buys, the general secretary of the MWU, said up to 250 000 people were expected to lose their jobs over the next 18 months in public sector enterprises such as Transnet and SAA

"This problem is intensified by the negative effects of affirmative action. Many of those who accepted packages cannot enter the active economy again

"Most of these (white) people are already well trained and perfectly able to render 10 to 30 years' more service to the economy. The problem is that these people, in whom an investment has been made in the form of training, are now a burden to the economy," Buys said

He said an MWU study had shown that about 85 percent of white "young pensioners" would spend their old age in abject poverty allegedly because of the ANC government apparent reverse discrimination policies

Dirk Hermann, the MWU spokesman, said the union had particularly refused to contribute to Cosatu's Job Creation Trust Fund because it was aimed at benefiting "specific sectors of the community"

CT (BP) 19/12/99

Mines grapple with jobs act

(211) 09 14 14 1999

Reneé Grawitzky

Wage talks start against backdrop of added burden from new legislation

THE mining industry faces wage demands in excess of 25% as it grapples with the implementation of the Basic Conditions of Employment Act, which could raise labour costs by more than R100m a year.

The National Union of Mineworkers (NUM) presented wage demands to the Chamber of Mines this week, including a minimum wage of R1 500 a month for surface workers and R2 000 for underground workers.

A 25% increase was demanded for workers earning more than the minimum. These demands are similar to those tabled by the union in 1997.

Current minimum rates for gold mines range between R1 000 for surface workers and R1 300 for underground workers.

Some marginal mines are, however, paying in the region of R900 a month. For collieries the rates are slightly lower than

for gold mines, ranging between R1 000 and R1 100 a month.

Wage demands have been coupled with a shopping list of demands relating to various leave entitlements, housing, job security and the use by mines of subcontracting.

The union's demands were formulated against a backdrop of major worker opposition to the two-year productivity-linked wage deal signed in 1997.

This agreement provided for inflation-linked increases of between 9% and 10% coupled with an undertaking to increase gold production by 90 tons a year.

Increases were dependent on mine-level arrangements aimed at raising production.

The agreement was sold on the basis

that it would save jobs, but its signing coincided with massive retrenchments across gold mines.

Job losses since 1997 totalled more than 142 000.

NUM general secretary Gwede Mantashe warned after a recent central committee meeting of tough negotiations in the industry this year.

He remained adamant that the union could not contemplate an industry agreement linking productivity and wages. If employers wanted to talk about productivity, "it should not be a seasonal issue" discussed only during wage negotiations, he said.

Industry sources said it was hoped that this did not exclude the possibility of mine-level productivity arrangements as

employers had benefited from the two-year agreement.

The union tabled extensive demands on subcontracting as mines continued to follow this trend.

Mantashe, in his secretariat report, described the condition of shafts that were handed over to contractors as "terrible" and "dangerous".

Before employers went the route of subcontracting or outsourcing, the union would like to see a joint union-management structure consider the merits of this approach.

If eventually employers did opt for this route, they should be required to use only contractors accredited by a statutory tripartite body, the union said.

The implementation of the Basic Con-

ditions of Employment Act formed the focus of informal discussions between the parties last month. The industry is bound to implement all provisions of the act in December.

Industry sources said full compliance with the act, without the granting of exemptions or alternative arrangements, could raise the industry's total wage bill by between 5% and 15%. Payment of overtime at time and a half and a reduction in working hours would be the major cost items, the sources said.

The industry currently has exemptions relating to issues such as meal intervals and overtime premiums. These expire in September.

The industry will no longer be able to work an estimated 54-hour week plus an hour a shift for travelling time. Depending on the mine, travelling time can amount to three hours a day.

Mining, metal and retail wage talks move into top gear

The election is not expected to affect the outcome, but other issues could emerge after June 2, writes René Grawitzky

AS THE bus strike ended this week, wage negotiations moved into top gear in several major sectors of the economy.

Labour consultants said yesterday that the election would not affect the overall outcome of wage negotiations except for possibly delaying their finalisation. "Workers are not going to reduce or increase their expectations by any significant degree in the vast majority of companies because of the election," a consultant said.

It was generally felt that wage talks had started later than usual. This, sources said, could be a manifestation either of union apathy due to job losses or being too involved in electioneering. They anticipated that a spate of disputes could materialise after the election.

The deal struck between bus companies and transport unions at the weekend is the only significant settlement to emerge so far this year. During the strike, management offered 7% while the unions demanded a 10% increase. Parties

agreed on an 8.5% increase with the referral of a number of contentious issues such as working hours to binding arbitration.

The wage dispute in the security industry remains unresolved after five months of talks and numerous meetings held under the auspices of the Commission for Conciliation, Mediation and Arbitration (CCMA). The issues giving rise to the dispute centred on an assurance from employers that a reduction in working hours would not lead to a corresponding reduction in wages.

Employers were not prepared to agree to this in principle, but have instead increased their wage offer from 7.5% to 9%.

The Basic Conditions of Employment Act provides that the security industry reduce its working week from 60 hours to 55 hours beginning in December this year.

The mining industry will also be required to reduce its weekly

working hours from 54 to 45 from December.

Wage talks between the Chamber of Mines and the National Union of Mineworkers begin next week. The union has called for a 25% increase, a minimum wage between R1 500 and R2 000 and other demands.

Negotiations between the union and De Beers are expected to start later this week.

Wage negotiations in the metal industry are set to continue next week. Employers have offered 5% while unions, including the National Union of Metalworkers of SA, have demanded an inflation increase plus 4%. It is understood that consideration will be given to a two-year wage

deal in the metal industry this year.

Labour consultants warned that longer-term wage agreements appeared to be the route that many sectors were considering. However, this route might not be appropriate for employers in sectors such as retail, which has recently faced a spate of mergers and company restructuring.

The SA Commercial Catering and Allied Workers' Union is in talks with retailers such as Pick 'n Pay, Shoprite-Checkers and Game-Dion. The union is demanding a minimum increase of R200 across the board.

It achieved this increase in a two-year settlement with Morkels.

(211) (30) 80 5/5/99

NUM seeks UK help on gold sale policy

Reneé Grawitzky

THE National Union of Mineworkers (NUM) has called on SA's mining employers to approach the British government about formulating a structured five-year plan so that it can sell gold without adversely affecting the world gold market

This emerged at a gold crisis committee meeting yesterday where market reaction to the Bank of England's plan to sell off 415 tons of its 715-ton gold reserves over five years was discussed. It comes on the eve of wage negotiations be-

BD 12/5/99
between the Chamber of Mines and the NUM and ahead of an initiative proposed by chamber CEO Zoh Diliza to hold a mining industry leadership summit meeting to develop a shared vision for the industry

The committee meeting was attended by two cabinet ministers and senior union and mining leaders. Diliza said the parties agreed that the market had overreacted to the UK announcement and there was no crisis in the industry, but there was a need to develop a way of managing negative perceptions created by speculators

Diliza said all parties were concerned

(211)
that if the gold price continued to decline it would affect the fiscus and return on investment and could lead to job losses

Industry sources said the British gold sales were intended to bring the Bank of England's gold reserves in line with those of its European counterparts. It is not an attempt to move away from holding gold as a store of value," a source said

NUM general secretary Gwede Mantashe said the mining industry had to engage the British government and devise a gold sales programme that would prevent market speculation

ILO lists horrors of small-scale mining

(211) ET(MR) 17/5/99
FRANK NXUMALO

LABOUR EDITOR

Johannesburg - Small-scale mining in developing countries was expanding rapidly and uncontrollably, employing a large number of women and children in dangerous conditions, according to a report released yesterday by the International Labour Organisation (ILO)

The report, called Social and Labour Issues in Small-scale Mines, and which was prepared for a sectoral meeting that gets under way in Geneva today, said the sector was generating fatality rates of up to 90 times higher than mines in industrialised countries

Norman Jennings, the ILO industrial specialist who prepared the report, said small-scale employment was so dangerous because as much as 80 percent of small-scale mining fell outside legal or regulatory frameworks

Jennings said while many countries sought to discourage or suppress small-scale mining as dirty, dangerous and damaging, such efforts risked "foundering on the hard rock of economic necessity

"For impoverished communities, mining holds out the promise of cash earnings, with

the additional prospect that - a bit like a lottery ticket - there could be a large windfall sometime in the future as long as one remains in the game

"This reinforces the vicious circle of appalling working conditions, significant environmental damage and poverty in communities whose survival depends on small-scale farming," he said

He said policies were needed that would stabilise small-scale mining to provide decent work for the millions of workers and entrepreneurs involved

"Work tends to be low-paid, seasonal and highly precarious but provides direct employment, though often at a subsistence level, for up to 13 million workers whose labour generates an estimated 15 to 20 percent of world production of precious metals, gems, building materials and most non-fuel minerals"

Jennings said up to 80 million to 100 million people worldwide depended on the industry for their livelihood, roughly the same number as large-scale mining

Jennings said in mines and quarries around the world, small children could be seen scavenging for materials, breaking rocks with hammers or setting explosives to them and transporting the rubble on their backs

New brick laid in aid of ailing mining sector

FRANK NXUMALO

LABOUR EDITOR

Johannesburg - The R1,7 million Kokstad Development Centre, launched jointly yesterday, by AngloGold and the National Union of Mineworkers (NUM), was testimony to a social plan approach to the crisis faced by a naturally declining industry like mining, Gwede Mantashe, the general secretary of the NUM, said yesterday.

Mantashe said the centre was the first project of the R5,8 million AngloGold/NUM retrenchment fund started last September to assist individuals from the communities in which the mining industry sourced its labour to find or create jobs.

The industry flushed out 142 000 mineworkers last year alone, in disastrous trading conditions triggered by the falling price of gold.

Bobby Godsell, the chief executive officer of AngloGold, said the development centre represented an economic opportunity brought back to the community.

He said the centre also represented a foundation built over the years by men from Eastern Cape

(all) (111)
districts who had spent a lifetime "breaking rock and producing gold in the bowels of the earth"

"On this foundation the centre seeks to build new ways of creating wealth accessible to men returned from the mines and their families," Godsell said.

"It is not easy to create and sustain profitable employment anywhere. Around our mines, through our small business programme we have been able to create and sustain over 1 000 jobs (but) thousands more are needed."

He called on all stakeholders, including AngloGold, the NUM, and local and regional governments, to take advantage of the Teba rural infrastructure, which he said was unparalleled on the African continent, to push for a new developmental agenda that would provide mining communities with alternative economic activity.

Over the years, he said, Anglo American, the forerunner of AngloGold, had become increasingly inspired and impressed by the work of the Mineworkers Development Agency - the development arm of the NUM.

"We are pleased to be their partners," he said.

Mining wage talks start ⁽²¹¹⁾ next week

Sowetan 20/5/99

By Mzwakhe Hlangani
Labour Reporter

THE National Union of Mineworkers (NUM) will push for higher entry level wages for mineworkers at all mining houses despite the industry's 142 000 job losses through downscaling because of a decline in the gold price

NUM general secretary Mr Gwede Mantashe said yesterday a detailed set of demands had been submitted to the Chamber of Mines in preparation for the first round of wage negotiations scheduled for May 25 and 26

All mining houses should "roll-up their entry level wage grades" to Paterson A4, which will be equivalent to R1 500 a month for surface workers in both coal and gold mines, Mantashe said

The minimum wages for underground workers should be R2 000 a month, while all other job categories should have their wage rates increased by about 25 per cent across the board in the two-year wage agreement to be effective from July 1 this year

Chamber of Mines spokesman Dr France Barker said the industry had been going through a difficult period in the past two years due to the declining gold price that had forced retrenchments and restructuring for mines to survive

He said NUM's demands would place high costs on the ailing industry. This meant all the previous attempts made by the mines and unions were in vain, Barker said

A balance should be found to ensure the survival of the industry and the interests of the workers, he said

NUM has also called for a radical transformation of the provident fund, insurance and benefit schemes. The chamber should enter into negotiations with the union to draw up and implement employment equity plans

It has also demanded that a joint union and management structure should be set up to consider the merits of any proposal to outsource or subcontract any of its mining operations

Mantashe said mines were required to use accredited contractors that adhered to a code of conduct that met basic labour standards as set out in the Basic Conditions of Employment Act

RETIREMENT PROVISION

FM 21/5/99

TRAGEDY OF MISUNDERSTANDINGS

NUM runs up against old resentments about benefit payments

(200) (211)

In most parts of the world, retirement provision is not only a benefit but also a right. In SA, however, the process is mistrusted and often misunderstood.

The latest victim of workers' anger, arising from confusion over the principles of retirement funds, is National Union of Mineworkers official Selby Mayise. He was murdered in Carletonville last week, while explaining proposed changes to the rules of the Mineworkers Provident Fund (MWPF), by miners who believed they were being cheated of their full benefits.

It is an issue that has sparked tensions since the early Eighties, when government efforts to change the pension law were thwarted by industrial unrest.

Frans Mahlangu, principal officer of the MWPF, explains what's really at stake. "We want to put 90% of the death benefits due to beneficiaries into a trust fund to provide monthly payments, instead of allowing them to take the entire amount as a lump sum."

The move comes after a survey of the way 104 widows, paid out a lump sum in the past two years, used their money. "Only three still had funds," says Mahlangu, "and most were unable to account for how the money was used."

Mahlangu says, over the years, as the amounts paid out in death benefits to miners' beneficiaries have risen, the case for investing the bulk of the sum in a trust fund has become stronger.

"When the average payout was R20 000, there was not much point in investing 90% because the interest rate was too low to be meaningful," he says. "But now the average payout is R40 000, there is R36 000 to put into a trust and that investment is worth making."

The attack on the NUM leaders has its roots in decades of mistrust.

Retirement provision first became controversial when proposed legislation allowing for the preservation of pension benefits in 1981 led to about 30 strikes, involving 27 000 workers over 18

months. The problem was the people who most needed to preserve retirement benefits were the ones least able to afford it. With no social security system, resigning or retrenched workers needed a pension payout to see them through to their next job.

Moreover, workers with a long experience of the vagaries of bureaucracies believed cash in hand when they left their jobs was worth more than benefits that might (or might not, depending on the

efficiency of the dispensing agency) come their way on retirement.

When trade unions won the battle against preservation of retirement benefits, they began working on the structure of retirement provision. Historically it was provided by defined benefit pension funds. The advantage in this structure is that employers underwrite the retirement benefit. The flaw is that resignation and retrenchments benefits are poor because younger workers subsidise older workers.

An alternative to defined benefit is defined contribution, which provides better resignation benefits because it eliminates the cross-subsidies. But the employer does not stand behind the fund.

Because so few workers stay in one job for their working life, however, enhanced resignation benefits weighed heavily with the unions that pressed for a shift to defined contribution. Employers were in favour of the shift because it relieved them of the responsibility of funding a pension deficit or providing costly medical benefits for retired staff. It's unlikely that all the workers making the switch understood its full implications.

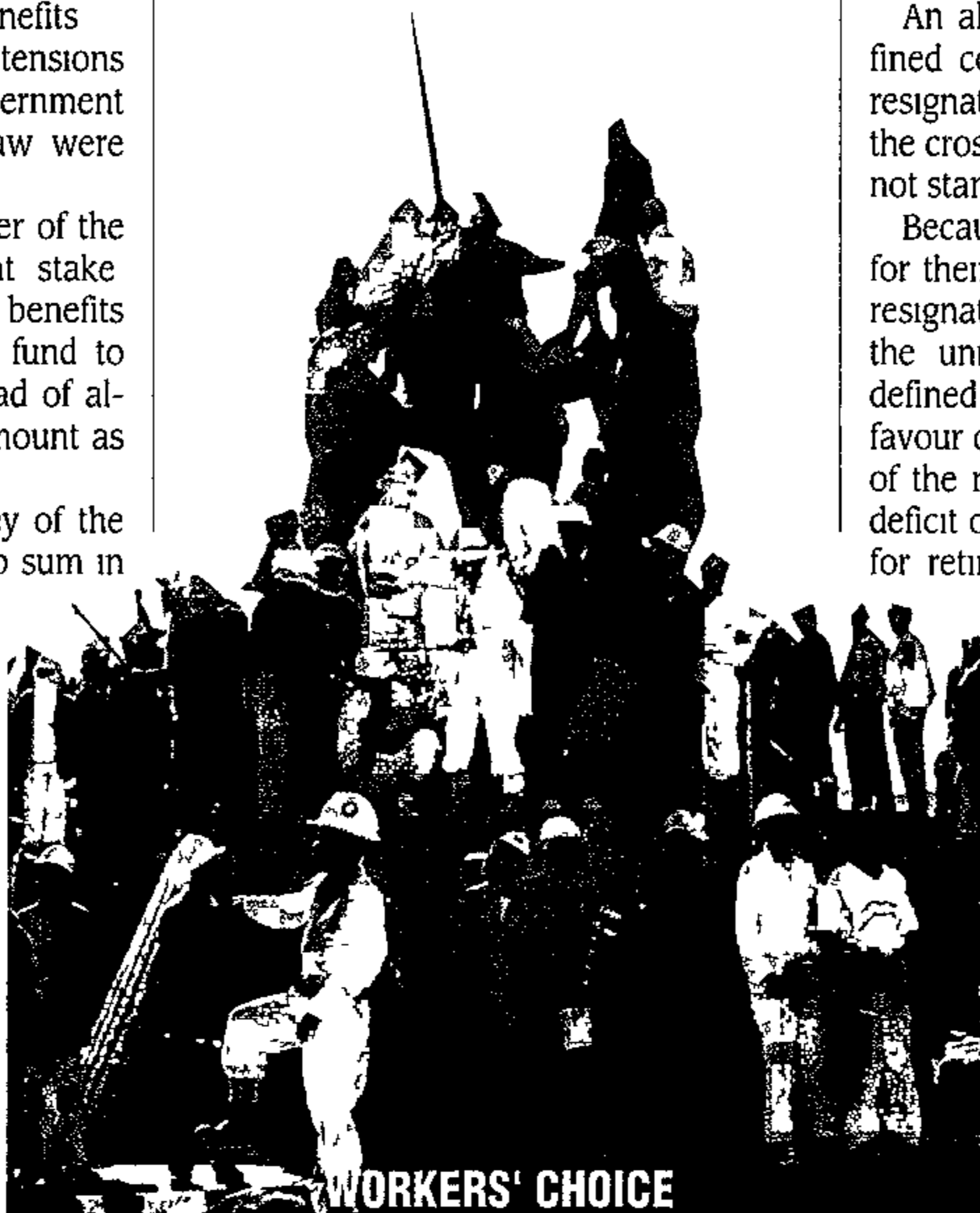
Another alternative is to route retirement provision through a provident fund that has the discretion to decide whether to allow retirees, or their beneficiaries, to take a lump sum.

The benefit to retirees is they have a lump sum to invest and are free to claim a pension from the State. But they are also free to dissipate the lump sum and the MWPF survey of dependants shows they often do.

Workers don't always understand the implications of their choices. And stand-offs arise between workers, unions, pension and provident fund trustees, employers and government, because of poor communication.

Channels of communication have to be improved. But, after the tragedy at Carletonville last week, the prospects for effective interchanges between all the parties seem worse than ever.

Ethel Hazelhurst



WORKERS' CHOICE

	DEFINED BENEFIT	DEFINED CONTRIBUTION
PENSION FUND	Retiree can take only 1/3 in cash Retirement benefits underwritten by employer But resignation benefits are poor	Retiree can take only 1/3 in cash Retirement benefits depend on fund's investment performance But resignation benefits are generally better
PROVIDENT FUND	Retiree can take full amount in lump sum Retirement benefits underwritten by employer But resignation benefits are poor	Retiree can take full amount in lump sum Retirement benefits depend on performance of funds But resignation benefits are generally better

Sliding gold price puts NUM on wage defence

FRANK NXUMALO

Johannesburg - The sliding gold price provided the Chamber of Mines with ammunition to mount a bid for a lower wage increase at next week's first round of wage negotiations with the National Union of Mine Workers (NUM).

Gwede Mantsebe, NUM's general secretary, said yesterday Mantashu said that NUM believed it was wrong to determine on the basis of a 1971 agreement in favour of the mine industry, behaviour of the economy or of commodity prices.

He said that NUM would maintain its position on the gold price and would call for a 10 per cent increase in wages.

NUM's position is based on the fact that the gold price has fallen from 1971 levels to its present level of 190 per ounce.

NUM's position is based on the fact that the gold price has fallen from 1971 levels to its present level of 190 per ounce.

leagues lose the 1 jobs (ret) past 10 years

Then, as now, the USA had been triggered by a tumbling bullion price.

Francis Barker, the deputy of industrial relations for the Chamber, said the gold price made it difficult to negotiate a balance between the interests of the worker and the nation.

But economists advised workers to read carefully. "They should not demand a 10 per cent increase in wages," he said.

NUM's position is based on the fact that the gold price has fallen from 1971 levels to its present level of 190 per ounce.

NUM's position is based on the fact that the gold price has fallen from 1971 levels to its present level of 190 per ounce.

ET (MR) 2-15-79 (211) 99

powerhouses like the International Monetary Fund and the World Bank for hurting developing countries by conspiring to destroy gold as a store of value.

"It is critical for the government and the Reserve Bank to interact with the global community and articulate the negative impact that we feel as a result of the unbridled gold price."

However, Jammine said it was impossible for the Reserve Bank to intervene, because South Africa was not the dominant gold producer. It was 20 years ago when the central bank could threaten to withhold gold exports.

Jammine said gold is no longer as important as it was in the 1970s. It accounts for only 50 per cent of South Africa's total exports, as it did 20 years ago.

Jammine said gold is no longer as important as it was in the 1970s. It accounts for only 50 per cent of South Africa's total exports, as it did 20 years ago.



THINKING LONG-TERM (South African Press Photo)

NUM will demand 25% raise

ET(BA) 24/5/99 (211)

FRANK NXUMALO

LABOUR EDITOR

Johannesburg – The National Union of Mineworkers (NUM) would not moderate its wage demands of 25 percent across the board before the start of plenary wage negotiations tomorrow, it said at the weekend.

Negotiations will be held separately with De Beers and the Chamber of Mines. The two-year wage agreement for the gold mining industry signed by the NUM and the chamber in July 1997 expires at the end of next month.

Archie Phalane, the deputy general secretary of the NUM, said wage demands were based on a company's profits for the previous trading period and not on how it would perform in the future.

He said if the unions and the mines were ever going to be able

to improve the living standards of mineworkers, then employers had to show concern for the welfare of their workforce in addition to concerns about profits.

“Wage negotiations are always difficult in real terms as parties are forced to work within various limits, but at the end of the day it is maturity that counts.

“Cognition will always be given for marginal mines by holding wage negotiations outside the chamber to account for the gold price and performance,” Phalane said.

Frans Barker, the chamber's deputy industrial relations manager, predicted talks would be difficult as the parties had spent two years restructuring and trying to adjust to a new gold price when suddenly they had to live with an even lower one. “We have to find a balance between the interests of the workers and the protection of

jobs,” Barker said.

The NUM wanted surface and underground entry wage levels to be increased to R1 500 and R2 000 a month respectively across all mining houses on gold and coal mines. The union demanded that the chamber also enter into negotiations to draw up and implement employment equity plans and extend the provisions of the Basic Conditions of Employment to all mineworkers.

At present redundancy agreements had to be reviewed and payment for sackings for operational reasons had to be calculated at one month for each year of service.

“We reserve the right to add or amend these demands at any time, before or during rounds of negotiations,” said Gwede Mantashe, the NUM general secretary.

The NUM wanted the demands implemented by July 1.

NUM welcomes progress in wage talks

BD 27/5/99 (211)

Reneé Grawitzky

WAGE talks between the Chamber of Mines and the National Union of Mineworkers (NUM) got off to a better start yesterday with significant progress made in dealing with social benefits and transformational demands.

NUM general secretary Gwede Mantashe said progress had been achieved in relation to the union's demands around provident fund issues and the equalisation of contri-

butions by employers, the regulation of subcontracting in the industry and leave for union representatives.

Chamber negotiator Frans Barker said talks had not yet focused on wages as the parties still had to finalise their positions on whether gold and coal negotiations would be separated or not. Talks would continue after the elections and report-back sessions would be held with workers in the interim.

Meanwhile, negotiations between De

Beers and the union also continued yesterday with the parties having reached a "sensitive stage" in the process.

The parties have agreed in principle to enter into another two-year wage deal. An obstacle to a settlement is whether the company will agree to a union demand to implement service increments at Venetia mine as opposed to merit increases. The union said it could consider revising its demand of 12% if the company addressed this issue.

Amplats to shed 438 jobs in June

By Makhudu Sefara

ANGLO American Platinum Corporation (Amplats) at Lebowa Platinum Mines will retrench 438 of its 2 300 employees at the end of June, the company announced yesterday

Amplats spokesman Mr Mike Mtakati said the retrenchments were initially scheduled for the end of this month but changed after consultations with Northern Province MEC for finance, trade and industry Mr Thaba Mufamadi.

Mtakati said Amplats' prolonged spell of bad performance had led to the decision to shed jobs

"Subsequent to discussions between Mufamadi and Amplats, and taking into account the company's desire to minimise the social consequences of such reductions of staff, it has been agreed to delay the implementation of these retrenchments for a month

"During this extension, management will engage in further discussions to provide employee representatives with another opportunity to provide

constructive solutions to Amplats' poor performance," said Mtakati

A source in the department of finance said Mufamadi "literally pleaded with Amplats to delay retrenchments" until after the elections

Mufamadi, however, scoffed at the claims and said the decision was "purely a business matter" He said he only intervened after a request by the National Union of Mineworkers

"Our department has a cordial relationship with the mining sector When we intervened, NUM suggested it still needed to make proposals on how these jobs can be saved," he said.

"Amplats management decided that on the basis of exploring further avenues, it will delay the retrenchments by a month That retrenchments are delayed until after elections is sheer coincidence," said Mufamadi

NUM regional organiser Mr Seth Marodi said yesterday that management had not consulted them about the retrenchments Marodi said they only learnt of the decision through a letter in Mufamadi's possession

But they were willing to negotiate

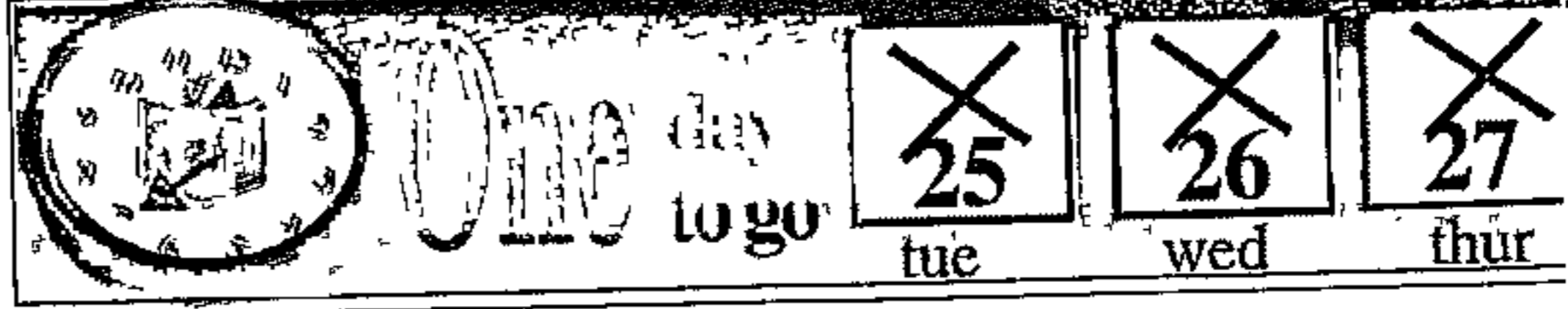
Little intruder

have not

188 (211)



POLITICS



Miners' party to support ANC

By Jimmy Seepe
Political Reporter

THE Mouthpeace Workers Union, which has been blamed for stirring up violence at various mines around Gauteng and Northern Province, has distanced itself from its perceived support for the United Democratic Movement on the eve of tomorrow's general election

The controversial union, whose rallies were in the past attended by UDM leaders, has decided to throw its support behind the African National Congress

The union accused the UDM of lying to the public by claiming that the party had helped it reach agreement on provident fund payouts in the mines

In the past few months the union has been engaged in fierce battles with members of the National Union of Mineworkers in a fight for its recognition on the mines

Sowetan has a confidential letter from union insiders to the ANC lead-

ership in Gauteng where they have pledged support to the ruling party

In the letter, union executives Mr MNJ Joubert and Mr GCN Bungane wrote "We feel it's proper to once and for all clear up the false rumours and allegations that Mouthpeace Workers Union is affiliated to the UDM"

The two executives said that "the majority of the principle board and the national executive committee support the ANC and have no intention of dealing with the UDM since it is an independent union

"We are very worried that the UDM falsely and technically published wrong information that they were behind the Mouthpeace Workers Union's success in obtaining provident fund payouts in the platinum mines," reads part of the letter

UDM national spokeswoman, Mrs Annelize van Wyk, said yesterday that the party did not have any formal alliance with the union

However, Van Wyk admitted that her organisation had addressed mem-

bers of the union at several rallies in the past as part of political canvassing "We have addressed many unions, including the MWU Our address to them did not mean that we had any formal alliance with them"

Van Wyk accused the ANC of creating the perception that MWU was a UDM affiliate and creation

ANC Gauteng election spokesman Mr Ned Kekana confirmed that they had received the letter from the union He said the letter came as a surprise since the union had become a "sweet-heart union of the UDM"

National Union of Mineworkers general secretary Mr Gwede Mantashe was not surprised by MWU overtures to the ANC, calling it a "piece of propaganda"



(211)

Sowetan
1/6/99

Amplats lays off 415 workers at Lebowa mine

AMPLATS, the world's biggest platinum producer, announced yesterday that it had retrenched 415 employees at its Lebowa mine in the Northern Province

Spokesman Johan Adler said the mine had not been performing well for "quite a few years"

"We explored everything as required by the Labour Relations Act before deciding on this action as a last resort," said Adler

He said the retrenchments, which took effect last Friday, were "across

the board" Adler would not give details of the severance pay, saying this was a matter for the company and trade union representatives

Most of the workers at the Lebowa mine are represented by the National Union of Mineworkers

Amplats said yesterday that the lay-offs were discussed with the Northern Province MEC for Finance, Trade, Industry and Tourism in May "Subsequent to the discussions and after taking into account the company's desire to minimise the social

consequences of such labour reductions, it was agreed to delay the implementation of the job cuts

"During this extension, management engaged in further discussions to provide employee representatives with further opportunities to provide constructive solutions to the company's poor performance

"Having exhausted all alternatives, Amplats must unfortunately announce that it has terminated the services of 415 employees at the mine"—Sapa

Weakest countries face trade hurdles

Patrick Wadula

LEAST developed countries (LDCs) need a system of special provisions if they are to succeed in a global trading system like the World Trade Organisation (WTO)

This emerged at a workshop yesterday organised by the United Nations Conference on Trade and Development (Unctad) and SA's department of trade and industry

Anna Kajumulo Tibajuka, Unctad's special co-ordinator for LDCs, told the workshop at Sun City that a weak trading partner such as a LDC was at a disadvantage in a multilateral trading system, based mainly on reciprocity

The idea of special provisions should not be considered an exercise in generosity, she said "It should be regarded as a corrective measure to reduce the structural disadvantages faced by weak economies and ensure a fair distribution of the benefits of the system"

Tibajuka said LDCs which were not members of the WTO should base their negotiating objectives on a detailed analysis of their economic strategies and WTO membership obligations

"Once an LDC has decided to join WTO, it should facilitate the

process of accession," she said

Unfortunately experience with the accession or membership process was not encouraging as countries negotiating for membership were often called upon by WTO members, particularly developed countries, to make initial commitments

These commitments usually went beyond the normal obligations under the Uruguay Round agreements

In addition developed countries often had high expectations with regard to market access commitments, the reduction of tariffs and the elimination of non-tariff measures

As emphasised in the 1988 LDC report, there was a need for a more lenient and easier accession process for LDCs that wanted to join the WTO

"After all they are small economies and their exports or curbs on imports will not have a major impact on the economies of developed countries," said Tibajuka

Fast-track entry for LDCs needed to complemented by favourable terms and conditions of membership

She said the workshop provided an opportunity to address issues relating to the emerging multilateral trading system and its significance for LDCs

Shoe industry me

Tim Cohen

CAPE TOWN — Footwear and leather industry representatives met union representatives yesterday in a last-ditch effort to avoid a strike in the struggling industry

Union representatives said last week that a strike ballot was probable in the industry — which employs 13 000 people — this week or next

Union representatives have been pressing for a 10% increase across the board, while the industry's opening offer was no increase, although it is understood that this offer had been improved during negotiations A conciliation process has been unable to resolve the dispute

Dennis Lector of the Footwear and Association, experiencing "cult times"

Employment low 13 000 than a year declined last million pairs ment and pro more than 30

Footwear industrial Holported a 4 tributable in the year to analysts said w the footwear

Lenco for Olympic Fla

Govt holds final talks

Sibonelo Radebe

MEMBERS of a government delegation began leaving for London yesterday for final talks with shortlisted bidders for a 20% stake in SA Airways (SAA)

Yesterday was the deadline for the submission of bid offers

"The process has been a great success despite the aggressive time frames that we have imposed," said Transnet MD Saki Macozoma, who is heading the delegation and is expected to join it later in the week

Transnet said the process

would be co don as that ment's advise rill Lynch, is b

Merrill Ly the bids and and Transnet

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BD 22/6/99

Falling gold price takes its toll on wages

(211) RD 23/6/99
Struggling mines offer workers less than 5%

Reneé Grawitzky

LOSS-making gold mines have offered their workers increases below 5% as the declining gold price continues to hamper their future viability

Workers on gold and coal mines in less precarious positions have been offered increases ranging from 5% to 7% during negotiations between the Chamber of Mines and the National Union of Mineworkers (NUM). The wage offers, depending on the respective mining houses, have not been linked to productivity improvements as was the case for the previous two-year wage deal which expires at the end of the month. Productivity would, however, remain a mine-level issue.

NUM general secretary Gwede Mantashe said wage increases should not be linked to the short-term behaviour of the markets. Since the start of talks the gold price has fallen by about 10% from \$290/oz to \$259/oz.

Gold fixed at \$358,55 in London yesterday afternoon. In rand terms the rand/gold price has decreased by 13,6% from R1 789/oz to R1 554/oz.

The declining gold price comes amid talk of gold sales by the International Monetary Fund (IMF) to fund debt relief to highly indebted poorest countries.

The chamber and NUM said they would urge the IMF not to sell off its gold reserves and this issue would form the focus of discussion at a high-level special gold crisis committee meeting on Monday, which would be attended by cabinet ministers.

Mantashe said this move was aimed at sending a positive message to the market and the attributed decline in the gold price was linked to the cyclical movements of the commodity. Demand for gold still exceeded its supply and

the market had only been spooked by the possible sales, Mantashe said.

The parties said this week that selling off gold would place further downward pressure on the gold price and lead to another wave of massive retrenchments. Since 1987, close to 300 000 jobs have been lost on gold mines alone. Further retrenchments are pending at Buffelsfontein, Randfontein Estates and ERPM in the wake of the falling gold price.

An industry source said: "The irony is that highly indebted poorest countries' debt relief through gold sales would actually cost far more than it would benefit those countries it intended to help." The vast majority of those countries were gold producers, with many of them in Africa. Six of the seven countries already being assisted by the IMF were reliant on gold as a major export earner, the industry source said.

Chamber negotiator Frans Barker said significant progress had been made during wage negotiations with agreement reached on a number of non-wage issues such as leave for union representatives, employment equity plans and the implementation of agency shop agreements at mine level.

Agreement had not yet been reached on exemptions from the Basic Conditions of Employment Act relating to overtime premiums and meal intervals. A failure to reach agreement on exemptions could raise costs on mines significantly.

Agreement has yet to be reached on subcontracting, freedom of choice regarding medical schemes, and the duration of the wage agreement. The chamber favours a three-year deal and the union a two-year agreement.

Meanwhile, wage negotiations between the union and Impala Platinum refineries and mines start today.

80 000 jobs in the balance

The latest gold sales crisis could devastate SA communities

RYAN CRESSWELL
ARGUS CORRESPONDENT

Johannesburg - A South African gold miner's life is hard.

For unbroken eight-hour shifts at the face, he often earns R1 000 a month, and membership of a medical aid and pension scheme. He usually lives in a hostel and may only see his family once a year.

But as hard as it is, the loss of such a job is devastating - for the miner and others. Analysts and unionists estimate that each miner's salary supports about 10 people and job losses can plunge whole communities into deeper poverty.

At the moment 80 000 gold-mining jobs hang in the balance because the gold price has plummeted to \$258,40 (yesterday's price) an ounce from \$300 an ounce at the beginning of the year - and if it stays at this level, about 40% of the country's gold mines could become unprofitable. A recent drop from \$270 an ounce started when it was announced that the Bank of England intended selling up to 60% of its bullion reserves.

This set off some panic about other central bank sales, giving speculators ammunition to attack the gold price, even though only six central banks have off-loaded bullion in the past 10 years.

But Chamber of Mines economist Roger Baxter said yet another serious problem loomed for gold mining "could see tens of thousands more jobs lost on top of the threatened 80 000". This is because the International Monetary Fund proposes to sell 10 million ounces of gold to help heavily indebted poor countries.

The Group of Eight industrialised countries, comprising Canada, France, Britain, Germany, Italy, Japan, the US and Russia, decided at a meeting in Cologne at the weekend that the cash would be used to



Between a rock and a hard place: a miner's job is among the toughest there is, but up to 10 people may depend on his salary

alleviate debt in poorer countries committed to democracy.

The announcement has been expected for some time, but it still sent shockwaves through South Africa and other gold-producing countries, because such a sale would depress the battered gold price further.

Another drop of \$30 an ounce could cost up to 100 000 jobs in this country.

National Union of Mineworkers spokesman George Molebatsi said the union was worried about the proposed gold sale, because it would mean serious job cuts in the long term.

Both NUM president James Motlatsi and Chamber of Mines

president and AngloGold chairman Bobby Godsell were in Washington, frantically lobbying against such a move.

Mr Baxter said the sale was intended to help a number of developing countries, but most of these, including Uganda, Mozambique, Mali and the Ivory Coast, were either gold producers or benefited directly from mining in an adjacent country.

He said the countries that stood to get debt relief would actually lose in the long term if the IMF sale went through, because in many instances gold mining was their central industry.

"We are not just trying to protect profit margins. This is more than a

crisis, and as many countries as possible should be made aware of the consequences," he said.

Gold exports account for about 20% of South Africa's earnings and the industry is a leading employer.

At the moment about 250 000 people work in the industry - less than half the workforce in 1987, when it was 530 000.

By 1997 this figure had shrunk to 320 000 and it has dropped steadily ever since.

Analysts say that if the gold price had stayed at its 1996 peak of \$387 an ounce and South African export volumes remained the same, it would have meant an extra \$1,4-billion (about R29,45-billion) in foreign exchange in our economy.



A miner drills into a rock underground in Lebanon gold mine west of Johannesburg Echoing South African gold mining companies, the National Union of Mineworkers has warned that the International Monetary Fund's proposed sale of 10 percent of its gold assets for debt relief to poorer countries would mean the loss of 100 000 jobs on South African gold mines.

PIC PICTURENET

Gold doomed

Industry likely to lay off 100 000 workers

By Mzwakhe Hlangani
Labour Reporter

THE declining profitability of South Africa's gold mines and a falling gold price will definitely lead to a further 100 000 job losses in the vulnerable mining industry this year the National Union of Mineworkers warned yesterday.

NUM deputy secretary Mr Archie Palane said if the gold price dipped below R250 an ounce the impact will mean no survival for the severely affected marginal mines.

More than 90 000 mineworkers have already lost jobs through a rationalisation process and mergers taking place in the industry, Palane said.

He said if 100 000 jobs were lost it would severely impact on extended families and allied sectors employing more than 200 000 people.

Palane echoed sentiments expressed by SA gold mining companies who are members of the World Gold Council in rejecting an International Monetary Fund (IMF) proposed sale of 10 percent of its gold to provide debt relief for the world's poorest countries.

Chamber of Mines president and Anglo Gold chief executive Mr Bobby Godsell also confirmed that 100 000 workers would become unemployed and a million dependents would be plunged into poverty if the IMF gold sale went ahead.

World Gold Council spokesman Mr Gary Mead said the industry had already lost an estimated R600 million in profits this year.

The recent fall in the price of gold as a direct consequence of the plans by the IMF Switzerland and Britain to sell gold had already lost developing

nations more than R850 million in annual export earnings Mead said.

This was more than they stood to gain from the IMF's proposed sale of 10 percent of its gold reserves.

In the past five years the mining industry had declined from 800 000 employees to the current 550 000, Palane said.

He said gold mining companies led by Godsell, together with NUM president Mr James Motlatsi, were in the United States lobbying Congress against the sale of gold and on the impact of the G8 countries' approach to addressing debts in Africa.

Turning to the current wage negotiations at the Chamber of Mines, Palane said employers had tabled offers ranging between three to seven percent, with other mining houses compromising on implementation of the Basic Conditions of Employment

Since remuneration packages are based on 21 shifts when workers report on duty for 30 days the mines have been cheating them and we demand that those previous years be paid by raising the pay of lowest paid workers by at least 25 percent, Palane said.

Makhudu Sefara reports that NUM has vowed to fight a decision by the Atok Platinum Mine in Northern Province to retrench 415 employees.

The mine's director of public affairs Mr Johan Adler said they were left with no option but to lay off employees after the union had rejected all 19 of their suggestions to avoid retrenchments.

Adler said the mine was performing so badly that it found it difficult to sustain itself.

NUM organiser Seth Marodi said yesterday that the union would fight the decision.

Source: 24/6/99

Mining pay deal is imminent after 4%-9% settlement offer

Reneé Grawitzky

THE mining industry is on the brink of a wage agreement after the Chamber of Mines tabled a "settlement offer" of between 4% and 9% on gold mines for the next two years. A final offer has been tabled for workers on coal mines ranging from 6,5% to 7,25%.

This emerged last night following weeks of negotiations between the chamber and the National Union of Mineworkers (NUM) amid a declining gold price and threats of central banks and the International Monetary Fund (IMF) selling off their gold reserves.

The settlement offer on gold mines depends on agreement relating to a number of contentious clauses in the Basic Conditions of Employment Act.

Chamber negotiator Frans Baker said the industry was hoped it could strike an historical deal. If

the union agreed to the settlement offer, it would be the first time in years that the parties had not ended in deadlock.

NUM general secretary Gwede Mantashe said that it was either agreement or war. The chamber had tabled a settlement offer which would be taken back to the membership. The parties would meet again on Thursday.

The final offer on gold mines depended on an agreement relating to the averaging of working hours over a four-month period as provided in the Basic Conditions of Employment Act.

The agreement would ensure that the industry would be able to work 10 hours overtime when averaging instead of the five hours provided for in the act.

Baker said the proposed deal would also provide for an exemption from the act relating to meal intervals, the early morning shift

and changeovers

During negotiations, the union indicated that the industry either implement the meal intervals of one hour or pay for this time.

In terms of the final coal offer, wages will be linked to the inflation rate during the second year of the agreement with a minimum increase of 6,5%. The coal industry is not seeking exemptions from the meal interval provision of the act.

The agreement, as opposed to the previous two-year deal, would not link wage increases with productivity. Parties have agreed to embark on ongoing discussions surrounding productivity.

The gold crisis committee is expected to meet next week to discuss moves by the IMF to sell off its gold reserves. Mantashe warned that the union would not settle on wages if companies planned to go ahead with retrenchments during this period.

BD 2/7/99 (211)

NUM, Implats 'close to settlement'

FRANK NXUMALO

Johannesburg - Only half a percentage point separated the National Union of Mineworkers (NUM) and Implats Platinum (Implats) from reaching a wage settlement, the union said yesterday.

Archie Phalane, the deputy general secretary of the NUM, said that company negotiators had returned to their principals after the union demanded that the company's 10 percent offer for the A2-worker category - the lowest-paid category - must cover the entire A band and not just a single grade.

Agreement on the issue would have the effect of rolling the A grades into a single band. The union said the company had offered 9 percent for skilled workers.

Phalane warned that the NUM

ET (MR) 6/7/99
might declare a dispute and refer it to the Commission for Conciliation, Arbitration and Mediation if the company rejected the union's demand on wages.

"But at a 0,5 percent difference, we don't believe we are that far apart," Phalane said.

"The parties are close to a settlement on all issues," said Humphrey Oliphant, the human resources manager at Implats. He said the talks had been positive and constructive.

Phalane said the company had also agreed to address the issues of housing subsidy and living-out allowances in which the NUM was demanding a subsidy of 50 percent of the bond price and a R400 allowance across the board.

He said parties would embark on a joint job evaluation and grading

#8 (211)
exercise to eliminate the apartheid wage gap or race-based remuneration, and were expected to finalise an agreement on a new grading system by February next year.

Phalane slammed the Paterson grading system used by the company as discriminatory. He said it was largely based on the level of responsibility (with all responsibility awarded to whites, especially white males) and unfairly ignored past worker experience.

He cited the example of white team leaders who were paid far more than their highly experienced stoep teams, who did all the hard work and risked their lives on a daily basis, just because the Paterson grading had unfairly endowed the leader with the prerogative "to give instructions" in fanakalo, the Esperanto of southern Africa.

Mines may shed 11 700 jobs

08/17/1999

(air)

René Grawitzky and Ilja Graulich

THE gold crisis committee meets tomorrow to discuss possible retrenchment of 11 700 workers at six gold mines as the effect of the sliding gold price tightens its grip on the industry.

The mines, which have notified the committee of pending retrenchments, include Gold Fields' Libanon and Oryx, Durban Roodepoort Deep, Randfontein Estates and Buffelsfontein.

In addition, up to 5 000 workers are set to lose their jobs after East Rand Proprietary Mines Limited (ERPML) received approval for provisional liquidation from the high court yesterday. This comes after government refused to grant the mine bridging finance.

ERPML MD Ivan Vidulich said although the surface operation continued to make some profit at the current gold price, even this part of the company had a limited life span.

The group's treatment plant needed upgrading to handle the Cason dump, which had replaced the Angelo dump, but no finance was available for this operation either.

For the year, ERPML had been planning on the basis of a gold price of \$308 and a rand-dollar exchange rate of R6,30. Vidulich said this obviously was way out of reach at the moment.

The Johannesburg Stock Exchange suspended the company's shares yes-

this year. The subsidy for this year was only about R13m.

He made a final plea at a news conference late yesterday "If you believe in the gold price, then ERPML must not be sent to the gallows."

Unfortunately for ERPML, it seems that the final liquidation date of August 17 will be unavoidable at current gold prices, closing one of the oldest gold mines in SA.

As retrenchments continue to mount, the National Union of Mineworkers (NUM) has questioned the role of the gold crisis committee.

Industry sources said the rate of retrenchment in the gold mining industry slowed during the first two to three months of the year, but as the gold price continued to decline more mines had announced retrenchment plans.

The NUM said this week that 6 000 jobs had already been lost in the year to date. This figure could rise to more than 20 000 in the near future, but if the gold price continued to drop, it was estimated that a further 80 000 jobs could be in jeopardy.

The gold crisis committee meets ahead of the continuation of wage negotiations between the Chamber of Mines and the NUM.

Gold producers have tabled a final wage offer ranging between 4% and 9%, with the average about 8%.



ERPML MD Ivan Vidulich addresses the media on the liquidation of ERPML and related issues Picture: TREVOR SAMPSON

terday at the request of ERPML's board of directors.

ERPML was saved from closure two years ago after it secured a government subsidy to be used exclusively to meet its water pumping costs.

Vidulich said that the company had received more than R27m between April 1997, when he took over, and April

Price hits 20-year low after auction **'Famous gold mine ' sent to gallows'**

(211)

(214)

London - Gold hit a 20-year low in London of \$256.60 after the Bank of England sold 25 tons of gold from its reserves - in the first of five planned gold auctions.

The British Treasury said it was selling gold to buy US dollars, Japanese yen and the European Union's new euro currency to create a more balanced cash reserve.

Gold has been on the general retreat since early 1996 when central banks began selling part of their holdings in favour of more speculative, but better-returning investments such as stocks and bonds.

Britain plans to slash its 715 ton stockpile to just 300 tons in coming months. Switzerland next year also hopes to sell part of its stockpile, joining Australia, Belgium, Canada and others in making sales.

Gold for August delivery fell \$6.80, or 2.6%, to \$257.80 an ounce on the New York Mercantile Exchange. That was the biggest one-day decline in nearly two years and the lowest settlement price since May 1979.

The low price has been given as the reason for the closure of East Rand Property Mine (ERP) and the retrenchment of 5 000 miners.

According to statistics from the Chamber of Mines, there were 487 000 employees on SA gold mines in 1980, compared to the 250 000 now.

- Reuters, Own Correspondent

Unions slate state for revoking subsidy

ARG 7/7/99

ARGUS CORRESPONDENT
Johannesburg - After 106 golden years, the once great ERP mine near Boksburg is "being sent to the gallows".

These were the words of mine managing director Ivan Vidulich yesterday after the company was granted a provisional application for liquidation owing to sinking gold prices and the Government's decision not to pump another R18-million into the mine it has been bankrolling for nine years.

"It is a sad day for ERP. It is a sad day for the mining industry and it is a sad day for national heritage - but sometimes things have to come to an end," Mr Vidulich said.

His words ended 24 hours of drama that began when it was announced that ERP's entire workforce of 5 000 would be retrenched.

The ripple effect of the closure is expected to be severe, impacting not only on the thousands who will lose their jobs, their families and the immediate neighbourhood, but on the villages and economies of Lesotho and Mozambique, where many of the miners come from.

The National Union of Mineworkers has vowed to fight the retrenchments, and NUM general secretary Gwede Mantashe was highly critical of the Government not addressing the issue.

"The Government is the major shareholder in the company and it has an obligation to the workers facing retrenchment. Instead of looking at ways of reducing the economy's reliance on gold, the Government must find ways of sustaining the mining industry before broadening the economy," he said.

It was "inhuman to simply revoke the state subsidy, leaving workers without wages, remuneration packages, reduced pension benefits and without medical aid".

A Congress of South African Trade Unions spokesman warned: "We will fight retrenchments. Cosatu will not sit on the fence watching over this ugly spectacle."

Meanwhile, as the drama at ERP was unfolding, Britain began selling some of its gold reserves, causing Finance Minister Trevor Manuel to warn against uncontrolled gold sales.

The International Monetary

Fund last month announced its intention of selling 10-million ounces, or 311 tons of gold - supposedly to bail out debt-ridden countries, most of which are gold-producing, African countries.

Mr Manuel told the World Economic Forum's southern Africa summit in Durban this week that plans by Britain, the IMF and Switzerland to sell some of their gold reserves had impacted on the gold price, affecting the foreign earnings of gold-producing countries.

Meanwhile liquidators were expected on ERP premises today to begin closing down the mine.

August 17 had been set as the final liquidation date, said Mr Vidulich.

ERP has been in serious financial crisis since 1990, but the Government has spent R450-million in an effort to keep the mine afloat.

Late yesterday, miners were being informed about their fate. Up to yesterday afternoon they had been uncertain.

Mr Vidulich said that it was up to the liquidators to ascertain if the miners would get any retrenchment packages and pension payouts.

Hope dies with the blast of the final shift whistle

(211) (214) CT 7/7/99

JOHANNESBURG: Yesterday, after 106 golden years, Boksburg's once great ERPM mine was "being sent to the gallows", writes **VIVIAN WARBY**

THESSE were the words of the mine's managing director Ivan Vidulich when he handed down the death sentence after his company had been granted a provisional application for liquidation following sinking gold prices and the government's decision not to pump another R18 million into the mine it has been bankrolling for nine years.

"It is a sad day for ERPM, it is a sad day for the mining industry and it is a sad day for national heritage — but sometimes things have to come to an end," Vidulich said.

His words came in 24 hours of drama that began when ERPM announced it was retrenching its work force of 5 000.

The ripple effect of the closure will be wide, starting with the thousands who will lose their jobs, and reaching their families, the immediate neighbourhood and stretching to villages and the economies of Lesotho and Mozambique from where many of the miners come.

The liquidation of the mine has been met with anger from the National Union of Mineworkers, which had vowed to fight the retrenchments.

NUM general secretary Gwende Mantashe was highly critical of the government's inability to address the issue.

"The government is the major shareholder in the company and it has an obligation to the workers facing retrenchment. Instead of looking at ways of reducing the economy's reliance on gold, the government must find ways of sustaining the mine industry before broadening the economy."

The union said it was "inhuman to simply revoke the state subsidy leaving workers without wages, remuneration packages, with reduced pension benefits and without medical cover".

On the imminent retrenchments Cosatu warned: "We will fight retrenchments. We will not be an observer nor shall we sit on the fence watching over this ugly spectacle of retrenchments."

As the drama at ERPM was unfolding Britain began selling off some of its gold reserves, prompting Finance Minister Trevor Manuel to warn against uncontrolled gold sales.

Last month the International Monetary Fund announced its intention to sell 10 million ounces, or 311 tons of gold — supposedly to bail out debt-ridden countries, most being gold-producing, African countries.

Manuel told the World Economic Forum's Southern Africa summit in Durban last night that plans by Britain, the IMF and Switzerland to sell off some of their gold reserves had impacted negatively on the gold price, affecting the foreign earnings of gold-producing countries.

Last night, bleak-faced miners still did not know whether they were going on their last shift — or whether they would receive retrenchment packages.

Liquidators were expected on the premises today to start closing down the mine. August 17 has been set as the final liquidation date, said Vidulich.

Vidulich said that it was now up to the liquidators to ascertain if the miners would get any retrenchment packages and pension payouts.

"It is sad that in the eleventh hour we have been allowed to go. It has been an industry that has been in turmoil for the past 10 years and has been shrinking all the time."

ERPM, with 80 tons of mineable gold had no future at the current gold price, he said.



UNCERTAIN FUTURE Workers knocking off at ERPM yesterday still managed to smile, while their wives expressed concern about the future of their families. The entire workforce of 5 000 miners face retrenchment.

PICTURE: IAN SULLIVAN

THE GOLD PRICE dropped to a new 20 year low of \$257.60 yesterday — too low for EPRM to be profitable

- According to statistics from the Chamber of Mines, the highest price ever paid for gold was \$846.50 an ounce on 21 January 1980. However, the rand was then stronger than the US dollar at 0.8213, which translated to R695.23 an ounce.
- The lowest price since 1980 was recorded on 10 June this year when the gold price was fixed at \$258.48 an ounce, which, with a much weaker rand, stood at R1 585.74 an ounce.
- On average, there were 487 000 employees on South African gold mines in 1980, compared to the current 250 000.
- The average salary, in nominal terms, in 1980 was R310 a month (on Chamber member mines). The average salary, again in nominal terms, and taking no cognisance of adjustments made to take account of inflation, stood at R3 061 a month in the first quarter of the year.
- The Chamber of Mines quoted working costs for the last quarter of 1979 on member gold mines to have been R3 464 a kilogram, or R108 an ounce.
- Working costs for the first quarter of this year were R47 623 a kilogram, or R1 481 an ounce for Chamber member mines.

End of an era as oldest mine dies

EDDIE JANYA

IN the late 1980s, the East Rand Property Mines, now facing extinction, not only drilled for tons of the precious metal, but produced top road runners like Gibson Moshaba, Ernest Seleke and Charles Vlakazi.

Today EPRM faces liquidation, and its listing of ordinary shares was suspended yesterday at the Johannesburg Stock Exchange at the request of the directors.

EPRM has been a nightmare for three finance ministers who tried their best to turn its fortunes around.

Incorporated on May 6, 1893, EPRM took a controlling interest in the Hannau and Farrar Syndicate, which owned six mines on the sub-outcrop of the Main Reef series. Driefontein, St Angelo, New Comet, Agnes Muntro, Canderella and New Blue Sky gold mines.

For many years the mine, which funded Britain during World War II, was the "largest and best" innovator and pioneer in mining technology.

Facing an acute shortage of black labour in 1904, the company recruited Chinese workers via Hong Kong, but its recruitment drive was curtailed by the local government in 1907.

But the mine, in which the government has majority shares, is set to become the first gold mine to shut down as a result of the drop in the gold price.

Two former finance ministers who played a role in the drama of the mine, Barend du Plessis and Derek Keys, have since left the government to pursue other interests.

Its economic woes began in 1989, but it was saved from possible bankruptcy by the then-finance minister Barend du Plessis.

He issued a guarantee to the mine against which it borrowed money from a consortium of banks to stay in business.

Four years later, EPRM again stared bankruptcy in the face as the banks wanted to call in their loans — which would have required the government to deliver on its guarantee.

The then-finance minister Keys then established a new investment vehicle. In terms of this vehicle the government would re-issue a guarantee, but this time the guarantee would be issued against a loan which would be offset by income generated from share issue.

Shares had been offered by EPRM but not enough to cover the renewed loan.

Consequently, under Finance Minister Trevor Manuel the government had been obliged, late in 1996, to act on its guarantee. By doing so it had taken ownership of the remaining shares.

In order to continue operations, the mine needs bridging finance of R18 million from the majority shareholder, but this time it appears the drilling will stop forever, resulting in the loss of jobs for 5 000 workers.



Gazing on an uncertain future

VIVIAN WARBY

AT a mine hostel close to EPRM mine, worried wives and children contemplate their future.

By yesterday afternoon, the miners and their families had not officially been told of their fate.

"I don't know how we will survive if my husband loses his job," said Grace Mamofoka Ngeha, whose husband is a miner. The couple has three children.

Her husband sent for her and her children just three weeks ago, and they left their village of Quthing in Lesotho to come to what they believed would be a better life for them in one of the hostels that have been converted into a family unit.

"We were so happy to come here. We were struggling back home. My husband is the only breadwinner and his money had to keep us going."

"Here we have a place to stay and food. If that gets taken from us, what will happen to us, to my children?"

An emotional Julia Moleleke, also from a village in Lesotho, said the children were likely to suffer the most.

"How will we afford to send them to school? Even now, it is difficult to manage with the little money my husband brings home."

"And what about the husbands that are sick, who have TB or disabilities? They cannot just tell us we must go... we will never survive."

Another wife, who did not want to be named, added: "My husband has worked hard for close to 30 years here. He has worked hard for peanuts. Now they will just tell him to go."

"They had better give him good money for us to survive. They want to know why crime is so high — well if you can't feed your children then maybe you will understand."

There are five squatter camps that surround the mine and many of them have become home to some of the miners who have brought their families to stay with them.

"Job losses mean that unemployment in the squatter camps will go up — it has to impact negatively on the area," said one miner.

A bottle store, Liquor City, at the nearby Hyperama, said the closing of the mine will "have a big effect" on business.

"We'll lose thousands and thousands of rands a month. We do a lot of business with the miners," said a spokesperson.

Police, the fire department and security staff from other mines as far afield as the West Rand have been put on standby in anticipation of possible violence at the mine.

'It was a nice place to work ... but we have had a tough time lately'

RAPULE TABANE

ERIC DINGANI is not your average miner. Having started as a manual labourer in 1967, he worked himself up to a job as an industrial relations officer.

But when the axe falls on 5 000 miners, Dingani 59 will not be spared.

His dream of gradually working himself into the higher echelons of mine management were shattered when he received the news that the mine is to be liquidated.

It will be a sad day for a man who has worked on the mine for 32 years of his life.

"The closure of the mine will be a blow for me and other workers."

"I have one child in high school and another in university and I am a ratepayer."

"How am I going to pay for all those?"

"I started as a young man here and got married while working. Retrenchment will mean I have to start my life from scratch — and that won't be easy at my age."

"I never thought this mine would close because it has been making a profit."

"The blow of the closure will be felt by many schoolchildren from surrounding informal settlements to attend here. These services will be lost. Boksburg as a town will also be affected," Dingani said.

Although he regrets the closure of the mine, Dingani admits that the past few years have been a struggle for survival.

Because of the mine's recent poor performance, Dingani lost the loan subsidy he used for his part-time university studies. His transport allowance was cancelled and his annual increase

has barely made a difference to his standard of living.

"When I first came here, it was a nice place to work in spite of apartheid and discrimination in the mines."

"But we have had a tough time lately. My study loan, which I used to get a personnel management and industrial management diploma, was taken away."

"The percentage of the pay increases went down hopelessly and job training became virtually non-existent," Dingani said.

Having started off at a salary of R195 a month, Dingani, who lives with his family in Vosloorus, now earns R2 500 as an industrial relations officer.

His future, and those of many men who have spent the best part of their lives working on the mines, is uncertain.

NUM, mines strike deal

Sowetan 5/7/99 (21)

By Mzwakhe Hlangani
Labour Reporter

THE National Union of Mineworkers and the Chamber of Mines might possibly strike a deal next week

This was after the chamber tabled its final wage offer ranging from nil in loss-making marginal mines to 9 percent increases for successful mines at the weekend

The marginal mines and those on the brink of closure, like Buffelsfontein, offered no increases and Durban Deep made a 4 percent offer

Collieries' offer varied from 6,5

and 7,25 percent, while Gold Fields and Anglo gold topped their offers between 8 and 9 percent

NUM general secretary Gwede Mantashe said the management's offers were being discussed with the membership

Mantashe said he believed significant gains had been achieved with regard to the contentious issue of outsourcing, education and training of workers

Wage increases were not linked to productivity as opposed to the previous two-year agreement

The parties will now thrash out strategies on setting policy formulation structures that would deal with

the implementation of the Employment Equity Act, and a coherent programme to deal with widespread HIV-Aids in the mining industry

The housing benefits for workers' families will be handled at the plant level and different mining houses

On the contentious clauses of the Basic Conditions of Employment Act, Mantashe said some gold mines demanded exemption and the meal intervals provision would be taken up for further negotiation

Chamber spokesman Frans Baker hoped for a landmark settlement in the industry without any deadlocks as in the past

State blunder may cost ERPM workers dear

FRANK NXUMALO

(211)

CT (PR) 8/7/99 LABOUR EDITOR

Johannesburg - The 5 000 workers at the embattled ERPM gold mine could lose out on retrenchment packages because the government had failed to promulgate the amended Insolvency Act three years after a pact was reached at Nedlac to treat workers as preferential creditors, a leading lawyer said yesterday

The justice ministry had failed workers by omitting to carry out its duty and "obligation to determine maximum amounts that must be paid in terms of section 98A (2)(a)", according to a Cosatu submission to the previous parliament

"The amendment cannot come into effect until after the minister (of justice) has made this determination, and it would be a travesty if there should be any further delays in the implementation of this important piece of legislation," Cosatu said

But the "travesty" did happen according to Tiene Cronje, a Pretoria-based insolvency act specialist and a leading member of the Law Association. He confirmed yesterday that the "amendment was not enforceable as the justice minister had not yet fixed the maximum amounts payable in terms of salaries, medical schemes and providents funds" due to workers upon liquidation

The ministry could not be reached for comment yesterday

Gwede Mantashe, the general secretary of the National Union of Mineworkers (NUM), said workers had "become victims of circumstances", but he was adamant workers should be paid the total due before any other creditors as the amendment, if enforceable today, would not provide adequate relief

In another development, the NUM welcomed the government's proposal to find an alternative investor for the ERPM gold mine and was scheduled to meet with Phumzile Mlambo-Ngcuka, the minerals and energy affairs minister



Save the mines children of gold miners protest outside the UK High Commission in Pretoria against Britain's sell-off of gold reserves

ERPMM 'will not close' in immediate future'

ARGUS CORRESPONDENT
 (all) ARG 8/17/99

Johannesburg - The ERPMM mine was given a temporary reprieve yesterday as hundreds of miners, joined by their wives and children, picketed outside the Ministry of Mineral and Energy in Pretoria. One of three liquidators said the mine was not going to close in the immediate future.

Paul Kruger's words follow an announcement on Tuesday by ERPMM management that the mine was going to close within days after it was provisionally liquidated on Tuesday. This would have resulted in 5 000 workers losing their jobs.

The joint liquidators - Mr Kruger, Kruger van Rensburg in Pretoria, Laurence Pereira of Vorster Pereira incorporate in Sandton and Juanito Hartm Damos of Damos and Pien in Pretoria - were appointed at 10:00 yesterday and met with ERPMM management at 2:30pm.

Mr Kruger said "I know every body is talking about shutting down But I will be meeting with everyone involved and a decision about what will happen will be taken in a week's time"

"All the workers are continuing with their daily shifts and all operations are carrying on. We have only just been appointed and a lot of work has to be done still," he said.

National Union of Mineworkers secretary general Gwede Mantashe urged Government to stop liquidation proceedings until a solution agreed to by all stakeholders had been found. He said the government should intensify its efforts to lobby the G7 nations to stop the sale of gold which would save thousands of miners' jobs.

Deputy mineral and energy Minister Susan Shabangu said the government would ask the Southern African Development Community to lobby against the proposed sale of gold by the International Monetary Fund.

Battle looms on gold meltdown

80 000 jobs on the line as key players gear up for mining crisis talks

(all) ARG 8/17/99

ARGUS CORRESPONDENT

Durban - With the jobs of 80 000 miners at stake, South Africa's mine bosses and worker unions today squared up for a big clash over the gold price crisis.

If the gold price remains at current levels - it slumped by \$4 an ounce late yesterday to a new 20 year low of \$256 80 - President Thabo Mbeki faces an enormous setback in his war on poverty.

With the wages of every miner estimated to support seven or eight people, job losses will plunge the new government into a huge crisis.

While the Government lashed Britain for the high-profile sale of gold reserves by the Bank of England, the price drop sparked selling on the gold board of the Johannesburg Stock Exchange which late yesterday fell around 3% for the day as earlier optimism was dampened.

So sparks are set to fly today at the Gold Crisis Committee meeting.

as the Government, trade unions and mine bosses clash head-on over the imminent loss of 12 000 jobs in the industry - just to start with.

The National Union of Mineworkers (NUM), a member of the Congress of South African Trade Unions, predicts that about 80 000 miners will eventually lose their jobs if the gold price does not rise.

Five marginal gold mines reeling from the plummeting gold price have told the committee there will be retrenchments.

Goldfields Libanon is to shed about 1 900 workers while its sister mine, Oryx, in Welkom, plans to cut its workforce by 900.

Other marginal mines that intend laying off workers are Randfontein Estates outside Randfontein, Durban Roodoepoort Deep on the West Rand, and Buffelsfontein near Stalfontein.

Mine managements yesterday refused to disclose the number of workers likely to be retrenched.

Pretoria - South Africa has accused Britain of breaking a promise not to go ahead with gold sales without consultation, and at the same time has also retracted its initial conditional support of gold sales planned by the International Monetary Fund.

"The South African government finds incomprehensible and unacceptable the insensitivity of the British government and its monetary authorities to the pleas of gold-producing countries," government spokesman Joel Ntshintzhe said in Pretoria.

"He said the government would continue discussions with the countries and organisations concerned to ensure that their aim of relieving the debt burden for developing countries did not "degenerate into a begging of the economies of the intended beneficiaries".

The Government has also received a report on developments at the ERPMM mine at Boksburg, which is under provisional liquidation and 5 000 jobs are on the line.

The High Court has appointed three liquidators and the final liquidation date is set for August 17.

The Government noted that, while the latest developments in the gold market had some bearing on the mine's problems, there was a specific background to these developments that needed to be addressed on its merit.

"Sensitive to the social impact of the latest actions of management at this mine, government has been

consulting with role players in the industries including the trade union movement, and it will take concrete proposals to the Gold Crisis Committee meeting.

Mineral and Energy Affairs deputy director Jan Bredell said yesterday the department had received an offer to buy ERPMM, but declined to reveal details.

"I cannot disclose that information at this stage. We expect more offers to be made to the liquidators. As a major shareholder, the Government is obliged to safeguard its interests and that of the workers. We will also invite foreign investors," he said.

The National Union of Mineworkers (NUM) is opposed to retrenchments. "We will leave no stone unturned in order to save the jobs of mineworkers," said Gwede Mantashe, general secretary.

The Congress of SA Trade Unions had also thrown its weight behind the NUM, he said.

More job losses expected

(211) CT 9/7/99

JOHANNESBURG. The South African economy has shed about 500 000 jobs in the past five years, and more are likely to go in the public sector and the mining industry because of restructuring and a decline in the price of minerals.

At the same time job creation efforts, especially in the tourism industry, have not performed to expectation.

The biggest loss has been in the private sector, with 315 000 jobs lost, followed by the civil service which shed 100 000 jobs. A few sectors have, however, been able to create job opportunities, although not on any significant scale.

According to the Survey of Total Employment and Earnings, an extra 19 051 people were employed in the wholesale, retail, motor trade and hotel industries between December 1998 and March this year. The mining and quarry industry took only 362 new employees.

But these gains were counteracted by losses in the construction industry, the financial sector, transport, storage, communication, and manufacturing where over 21 000 jobs were lost.

Parastatals such as Telkom, Transnet and Eskom have been shedding jobs over the years and recent reports are that Telkom intends shedding another 10 000 people and Spornet — a division

of Transnet — is to retrench 27 000

This week East Rand Proprietary Mines was liquidated, putting 5 000 jobs on the line in a sector expected to shed another 80 000 jobs due to the slump in the gold price.

A delegation of three government ministers, business and labour representatives leaves for Europe on Sunday to meet decision-makers to plead the case for gold.

Job creation efforts, including the Presidential Job Summit and initiatives launched by business and trade unions, have failed to open employment opportunities.

Cosatu, the National Council of Trade Unions, and the Federation of Unions of South Africa, which collected R15 million in their job creation fund, have not yet undertaken employment creating projects. Cosatu spokesperson Mukoni Ratshitanga could not say how many jobs could be created once the project takes off.

Business Trust, an initiative started by the business community, has also not shown any result although it aims to create 250 000 new jobs by the year 2002.

Economists said the tourism industry, which employs 750 000 people, was not growing as rapidly as expected.

Azar Jammine, Econometrix chief economist, and Gerrie Bezuidenhout, of the South African Chamber of Business (Sacob),

believe that small businesses in the formal sector would ultimately be the saving grace to create new jobs and help with unemployment. But, again, this had not taken off as well as it should have done.

Labour consultant Jackie Kelly said more jobs, particularly in the labour intensive sector, would be lost in the next two years.

Kelly said a lack of economic growth was the reason behind the sad state in the labour market.

"Unskilled labourers will be the hardest hit," she said.

Kelly said some new opportunities would be created, but only skilled workers stood to benefit.

Sacob economist Dick Downing said the future looked bleak for people preparing to enter the labour market in the private sector. "People looking for employment opportunities are in for difficult times. Our economy will have to grow at four to five percent before we can catch up on the backlog and create opportunity for new entrants into the workforce."

Indications are that this growth is unattainable with 1,8% projected this year, 3,2% next year and 3,8% in 2001.

According to the Department of Finance, unemployment is the country's most "formidable challenge". The most recent estimate puts unemployment at 38% — Own Correspondents

Miners on the march over closure of ERPМ goldmine ⁽²¹¹⁾

HUNDREDS of miners protested at the Mineral and Energy Department offices in Pretoria yesterday against the looming retrenchment of 5 000 workers from East Rand Proprietary Mines

National Union of Mineworkers general secretary Mr Gwede Mantashe handed a memorandum to Mineral and Energy Affairs Deputy Minister Susan Shabangu demanding that the Government grant bridging finance of R6 million as an interim measure to stop the mine closing

Num said the liquidation had to be stopped until a solution involving all stakeholders was agreed on. The mine was granted a provisional liquidation order on Tuesday

Speaking outside the department's offices yesterday, Mantashe urged the Government to take greater interest in the industry

"The Government is aborting its

A plan has to be made for the industry because South Africa is a great mining economy," he said. "As long as the ANC does not have a complete framework for this industry we will continue to have this crisis."

The mine went into the red in May this year when the Bank of England announced it would sell 415 tons of 715 tons – or 60 percent – of its gold reserves

The Government has spent R450 million since 1994 to keep the mine going, but on Monday refused to grant bridging finance of R18 million to the mine

Said Mantashe: "We will expect a concrete offer from the Government that will contribute to saving the mine and thus saving jobs," the memorandum said

Shabangu told protesting miners that the Government was committed to saving the jobs

She said the Gold Crisis Committee would be meeting today to find solutions. Shabangu said her department intended lobbying against Britain's move to auction off its gold reserves and any other country that took the same steps

The protest ended up outside the British High Commission in the city

Mantashe handed a memorandum to Mr Robbin Blakeney, a staff member of the high commission

"The economies of Sub-Saharan countries that rely on gold mining will be adversely affected, resulting in higher levels of unemployment and poverty," the memorandum said

It called on the British government and the International Monetary Fund to suspend further sales of gold

There were about 750 protesters

– Sapa

Sowetan 8/7/99

After 10 years of hard work, Ekson has only R3 000 in his pocket - and no place to go

THEMBISILE MAKGALEMELE

Retrenchment is imminent for more than 1 000 Randfontein Estates gold miners. But being left jobless by the mining companies is not a unique experience - thousands have gone before.

Ekson Banda knows the anguish of losing his livelihood as a miner. He was retrenched from Randfontein Estates in 1990 and has been

unable to find a job since

After earning R800 a month in 1990 and having a hostel room to live in, his package after 10 years of hard work was R3 000, and he had no place to go.

Like most miners, he left home as a teenager - with a limited education and a dream of living the good life. When he was 17, Mr Banda left Nelspruit, Mpumalanga, to work in the City of Gold.

He was happy to share the hostel with other miners, and his meagre salary with his family. At first, he earned R120 a month.

Despite his limited education and work experience, Mr Banda, who now lives in a rented shack in Mandela Village, Belknersdal, still hopes to find a job.

"Everyday we (former miners) walk to town with the hope of finding a job. I accept every temporary

job for whatever amount I get. I have to be able to pay the R50 rent. Sometimes I borrow money to pay rent. I no longer worry about food or clothes and my family is struggling at home," he said.

Reckson Nkuna left his family in Giyani to work on the mines. He said, after 10 years of loading stones underground, he was given only R9 862 when he was retrenched. But Mr Nkuna manages to pay his rent

every month, he runs a spaza shop in his shack.

"I still wish I had a job in the mines. I was able to see my wife and two children every month," he said.

Five thousand miners at the East Rand Proprietary Mines in Boksburg learnt this week that they would soon be out of a job.

Mining unions are suspicious of management's role in the closure of the mine.

(2/11)

ARG 10/7/99

The Mine Workers' Union (MWU) accused the mining industry of using the falling gold price as an excuse to retrench workers.

"Retrenchment is a short-term solution. It will do no good for the mines in the future," said the MWU's Dirk Herrmann.

"The mines have a golden future but management should evaluate fixed costs, budgets and remuneration packages of top management,"

As the days and hours pass, mine workers wait anxiously to hear their fate as management tries to identify the employees who will be soon be on the streets.

"More than 1 000 miners were supposed to have been retrenched last month, but management is still in the process of identifying the ones to leave," said Jacob Tsau, of the National Union of Mine workers.

MA CECILIA Makhettha's family has been ruined by gold. Her husband, a miner all his life, died of TB many years ago, her two elder sons were retrenched from the mines. Now she has learnt that her youngest son, 34-year-old Lebakeng, is among the 5 000 workers at the East Rand, Proprietary Mines destined to lose their jobs.

Desperately poor and unable to afford even meagre meals, the 74-year-old woman is afraid she will not be able to feed her two young grandchildren. "I am suffering because of the mines," she says. "My husband was sent back to die. I have seen this before. I am hurting so much I want to fall over and die. There is nothing to eat. I am scared, the children will starve. It is very bad. We depend on him [Lebakeng]."

Ma Cecilia and her grandchildren stay in a small stone house her husband built on the edge of Matsieng, a remote village where the Lesotho monarch has a home. But it is unlikely King Letsie III, in his palace in Maseru, can do anything to help her.

She was left to fend for herself and her grandchildren after her youngest son's wife left him because he couldn't find work. Her other sons live with their families in other villages. Since they were retrenched, life has been hard for them too.

The family rejoiced when Lebakeng found a job at ERPM three years ago. "We were so happy because already there was not enough food for the children and we thought there would be some money," says Ma Cecilia.

"Life was good because when he came home we had meat, and I bought groceries with the money he sent. But even that was too little. The shops are so expensive especially for children's clothes. I am sick and he was helping me with money for the doctor."

"But what now when he comes home? There is no work for him here, not even a field to plough. He will do nothing. Just sit. This is very bad."

Holding her son's gumbots and staring into the distance, Ma Cecilia says life has worsened in the village since the retrenchments began. "There have been great changes. You see young men now at home sitting doing nothing. It used to be just the women here making the decisions."

Ma Cecilia did not get any compensation when her husband died, and whether her youngest son will get his retrenchment package is uncertain. She knows he will try to look after her but, she asks, "How will he be able to care for us without money?"

The news of the looming closure of the 106-year-old mine on Gauteng's East Rand reached the villages of Lesotho's rocky mountains quickly. The mine is an indirect victim of decisions by the Bank of England and the International Monetary Fund to sell off gold reserves. The moves have sent the price of the precious metal plummeting to a 20-year low, threatening the survival of marginal gold mines everywhere.

But the drop in the gold price and decisions taken in the boardrooms of Europe mean little to Ma Cecilia. All she knows is that at the end of her life, she

A life destroyed by gold

The closure of another marginal mine has devastating consequences for those on the margins of the mining industry — the migrant workers and villagers of Lesotho. CELEAN JACOBSON reports

(211) ST 11/7/99

faces severe hardship women in charge of the villages. Now they're filled with unemployed and demoralised men, forcing many women to leave to look for work in Maseru or South Africa.

Some become domestic servants, earning as little as R100 a month, while others eke out a living selling fruit and food at roadside stalls.

Men in blankets gather outside the Employment Bureau of Africa (Eba) office in the capital from early in the

morning, he says. "The men are psychologically badly affected. The mine doesn't give them enough notice. Suddenly they are told they no longer have jobs. It affects their plans, their whole lives. They go home discouraged and can't enjoy being with their families. They can't even make love, they feel so despondent."

Most men cannot even take up farming as there is not enough arable land in Lesotho, he says.

Sometimes they cannot bring themselves to return home jobless and stay on in shacks in Johannesburg; other times it is the women who decide they cannot stay with a man with no work.

Salae also explains that the return of the men to the villages threatens the independence of the women, who are accustomed to life without them. Now they face demands that they change their lives to suit the men's needs.

"One couple separated because one of them refused to make tea for the other. These are the small things that cause conflict."

Before the retrenchments started in 1985, says Salae, there were signs of wealth in Lesotho.

"There were healthy villages with active domestic economies. The money sent back created employment. New houses were built. The village shops were well stocked. Now the shelves are empty and people ask for credit."

"Before you would see only women at a funeral, now there are more men than women there."

Back in Matsieng, Ma Cecilia waits for her youngest son to hang up his gumbots alongside those of his brothers and prepares for a life of increased hardship.



FUTURE UNCERTAIN Without income from their miner father, Ma Cecilia Makhettha fears her young grandchildren are destined to starve. Picture MICHAEL WALKER

Miners to get benefits

THE 5 000 workers at the embattled East Rand Proprietary Mines Limited gold mine will receive their pension benefits, the pension fund's chief executive officer, Jan Groenewald, said yesterday (211) ST 117199

The workers appear set to lose their jobs after ERPM received approval for provisional liquidation from the High Court earlier this week. However, members of the Mine Officials and the Mine Employees pension funds could rest assured that their pension monies were protected by law, Groenewald said

Attitudes harden as pay dispute drags on

(210) PD 14/7/99 (95)(211)
As strike looms, nurses plan to succumb to a flu epidemic

Reneé Grawitzky

THE mobilisation of public service workers gets under way this week amid indications of a hardening of workers' attitudes towards government's position as the wage dispute drags on

Public service workers from unions affiliated to the Congress of SA Trade Unions (Cosatu) and the Federation of Unions of SA (Fedusa) held lunchtime demonstrations round the country yesterday. It appears that action will accelerate as more and more workers are briefed this week.

Union sources say workers are getting increasingly angry with the state as an employer. This emerged at a national executive committee meeting of the National Education Health and Allied Workers' Union (Nehawu) at the weekend when the dispute was discussed.

Cosatu-aligned public service unions unveiled their mass action programme last week. It will

take the form of lunchtime demonstrations. The action culminates in a one-day national strike and marches on July 23. If no further movement is achieved in talks, there will be a fullscale strike from July 29.

It is understood that at the Nehawu meeting some members wanted strike action immediately, while others said the way should be kept open for further talks. Nehawu communication officer Makoko Lekola said "The only language government understands is mass action."

The Fedusa-aligned Hospital Personnel Trade Union of SA (Hospersa) is also mobilising its members. Nurses around the country are expected to be hit by a "flu epidemic". There were unconfirmed reports of a possible meeting between government and the unions next week.

Meanwhile, the strike by members of the National Union of Metalworkers of SA (Numsa) at Columbus Stainless enters its

third day as strikers continue to ignore company calls to discuss picketing rules.

Columbus said yesterday that striking workers attempted to break through the gates of the premises in Middleburg, Mpumalanga. The strike has apparently not affected production as sections of the plant were down for maintenance.

Mining industry parties are considering the appointment of a private mediator under the Commission for Conciliation, Mediation and Arbitration to speed up the resolution of the dispute.

The National Union of Mineworkers (NUM) last week rejected a Chamber of Mines offer of 6,5% to 7,25% for collieries. Offer for gold mines differ from mine to mine. AngloGold made the highest offer of 9%. Gold Fields offered 8% on nonmarginal mines. Marginal mine offers ranged from 0% to 7%.

Mine's likely closure

disastrous for many

By MALOSE MONAMA

THE AILING East Rand Proprietary Mines' densely populated and aptly named Cinderella hostel looked the part this week as disenchanted miners pondered their future.

City Press visited the troubled hostel on Friday and yesterday and found that a sudden lull had befallen the whole area - this on a weekend, which would normally be characterised by exuberant singing and dancing.

Even the usual groupings of off-duty men taking turns drinking from either a calabash or from a black bottle - a preferred way of drowning one's sorrows on the mines - were conspicuously absent.

The gloom and glum was not restricted to the mine compounds.

Jorge, the proprietor of the general dealership near the Cinderella hostel, was equally dejected as he

said "I am in the same boat as the miners. If they lose their jobs, I lose my business."

Mr Surtee, whose business adjoins Jorge's, complained that his clothing store had been standing empty ever since the news was broken.

"I am already feeling the pinch because of the uncertainty created by the announcement of the mine's closure, people are holding onto their last cents and just won't buy," said Surtee, who added that should the mine indeed close, he would have to lay off the five people he employs.

A shebeen queen who runs her business from make-shift premises close to the mine compound is also distressed.

"Business, as you can see, is slow. Normally, I would have sold at least two cases by now," she said.

Miner Jeremiah Masinga (57),

who doubles as a barber to "raise the extra buck", said losing his job would adversely affect his Maputo household.

"Six of my 10 children are still minors, wholly dependent on my meagre wages," he said.

The news about the imminent closure of the mine or certain operations thereof have stunned Anton Lemembe from Inyambane Province, Mozambique, who feels he will have difficulty finding another job at the age of 53. Lemembe, who doubles as a runner for the fahfee (Mochina) man said he would use his severance package to buy livestock with which to farm at his Mozambique home.

The mine, which has been operating at a loss and adversely affected by the dwindling gold price, is under provisional liquidation.

The directors of ERPM have been suspended and the liquidators have

now taken control of the company. Lawrence Pereira of the liquidators said they had commenced an investigation into the affairs of the company, "in particular to determine the short and long-term viability of the company."

Mining operations will continue for another week, at the end of which the liquidators, in consultation with the major creditors and shareholders, will make a decision on whether to continue with the mining operations, either on the same or at a reduced scale.

Lawrence added "The unfortunate consequence of the liquidation is that, in terms of Section 38 of the Insolvency Act, all the contracts of employment between the company and its workers and other employees automatically and by operation of law terminated on Tuesday July 6, upon the granting of the liquidation order."

(211)

SP 11/7/99

Tens of thousands to swell the bulging ranks of the jobless

Jobs catastrophe

CP 11/7/99

By MALOSE MONAMA and SIMBA MAKUNIKE

THE LOOMING dismissal of slightly over 50 000 workers in parastatals and the mining industry threatens to widen divisions between the African National Congress government and its major alliance partners, the SA Communist Party and the Congress of SA Trade Unions

The imminent dismissal of these workers comes against the background of worsening unemployment throughout the country, with both the public and private sectors seriously affected.

SACP deputy secretary general Jeremy Cronin lashed out at government but reserved his strongest criticism for the giant parastatal Transnet, headed by one of the ANC's top luminaries, Saki Macozoma

Cronin said the SACP felt betrayed by the recent developments. The ANC's original reconstruction and development objective, contained in the alliance's manifesto, had been "lost"

In a stinging attack on Transnet, Cronin said the parastatals' management were to blame for the sorry state of affairs

"The managers, especially at Transnet, had no political mandate to do what they did. They had no mandate to pursue a narrow privatisation agenda at the expense of the adequate provision of services to our people"

"The fact that Spoornet has been run down is a manifestation of a wrong strategic approach and this is worrying," Cronin said, adding that the retrenchment will make a mockery of last year's Presidential Jobs Summit

Cosatu has threatened rolling mass action in protest against the looming dismissals

Cosatu said it was not going to take the retrenchments lying down.

Acting general-secretary Zwelinzima Vavi has threatened that Cosatu will take to the streets if the parastatals go ahead with their retrenchment plans

Vavi said Cosatu would seek an amendment to the Labour Relations Act to allow workers more say in the retrenchment process

However, it is unlikely the government will accede to this

It is believed Labour Minister Membathisi Mdladlana has indicated that he cannot see how government could agree to this. However, as a sop to the unions he has promised to make it "expensive" for employers to opt for retrenchments

The mounting anger of the SACP and Cosatu could place them on a collision course with President Thabo Mbeki

Hailed as a hands-on man who is expected to hasten the pace of transformation and tackle crime, unemployment and corruption, Mbeki may be forced to act strongly against Cosatu's threatened rolling mass action. He is also unlikely to take kindly to the SACP's criticism of government and Transnet

Transnet and Telkom this week announced plans to lay off around 37 000 workers, citing negative cash flows and viability problems

Transnet subsidiary Spoornet

(211) (260) was reported to have a negative cash flow of R244 million in the 1998-99 financial year

The bulk of the Telkom jobs will be lost as a result of the restructuring programme in preparation for the deregulation of the telecommunications industry

The announcements by these two parastatals come in the wake of the announcement that 5 000 gold miners at ERPM in Boksburg - a mine in which the government is a major shareholder - would lose their jobs and that a possible 11 500 others at five marginal gold mines could also get the chop

There is general anger and despair at the knock-on effect these massive job losses will have on extended families and the economies of neighbouring countries which are dependent on remittances from miners working in South Africa. Some observers say the effect will be nothing short of catastrophic

Economist Tony Twine has warned that any protest action by workers would only delay the inevitable

"The government is trying to create an economic arena which will make it attractive for foreign investment. It has to live up to its statements to privatise and to streamline the bureaucracy, and this has to be done if Transnet and Telkom are to be attractive to international investors," Twine said

The fact that these retrenchments were announced three weeks into Mbeki's presidency suggests they were on the cards before the June 2 elections but were put off for fear of losing votes

"It was in the pipeline and if there was no election it could have been announced long ago"

"It is likely to cause friction in the tripartite alliance and expose the shortcomings of such an alliance," said Twine

"There are basically two ways of performing this necessary evil. Either you do it early in your term of office and hope to get political profit from the restructuring after four years when the next election is due"

Turn to Page 2

Thousands to swell the bulging ranks of the jobless

From page 1
Or leaving it for the end of your tenure that is, if you do not want to come back

"Mbeki has obviously opted for the first option, but it will put additional stress on the alliance," said Twine

Cosatu members this week marched on the Pretoria offices of the Department of Mineral and En

ergy Affairs to protest about the unilateral decision to withdraw funding for the ailing ERPM mine

The planned retrenchments at Spoornet, Telkom and ERPM are not the only ones which have brought increased pressure on the unity of the tripartite alliance

Other developments on the labour front - such as deadlocked negotiations between public sector unions and the state, and a pending strike by almost 5 000 members of the National Union of Metal workers of SA at two Mpumalanga plants - have also brought friction into the alliance camp

To make matters even worse, mining industry wage negotiations have stalled and the National Union of Mineworkers (NUM) has rejected an eight percent offer in favour of a 12 percent increase. The dispute between the NUM and the Chamber of Mines has been formalised and the matter will be forwarded to the CCMA for conciliation. NUM secretary Gwede Mantashe said. "The chamber is offering a 9 percent wage increase and anything below that for our members is an insult and will increase the wage gap."

(211) (260)

Credit plan for laid-off workers

By **Shadrack Mashalaba**

THOUSANDS of mineworkers and parastatal workers facing retrenchment can breathe a sigh of relief after a commitment by the Alliance of Micro Lenders and Associated Consumers (Amlac) to open lines of communication with unions to assist employees

Speaking to *Sowetan Business*, Amlac managing director Henk Vivier said they were ready to negotiate with unions such as the National Union of Mineworkers and South African Railway and Harbour Workers Union in assisting retrenched employees

Vivier said that a number of their members specialised in providing

guidance in entering the small, medium and micro-enterprise sector

He said as part of their social responsibility drive the 2 000-member micro-lending industry would endeavour to help retrenched mineworkers by referring them to micro-lenders who could give them the necessary guidance to start their own businesses

Teach people

"We don't want to teach people how to find new jobs. The solution is to help people become entrepreneurs so that they can be work providers for others," said Vivier

Amlac recently applied to become a micro-lending regulating body and has

the biggest membership of listed and informal micro-lenders

For more information on Amlac contact Vivier on (012) 342-0210

Meanwhile, the remarkable levels of training at Sun City have resulted in hospitality industry awards and scholarships for individual staff members on an international scale

Sun City human resources manager Riaan van Rooyen enthused about staff members initiative to ensure training for themselves

The achievements have resulted in staff members gaining rewards such as participating in the unique exchange programme with Disney in Orlando, Florida, in the United States where 12 staff were already working as trainees

(211)
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Sowetan

Government steps in to stave off job losses (211) at ERPM

CP 18/7/99

By SIMBA MAKUNIKE

THE GOVERNMENT is to resume its subsidy to the East Rand Proprietary Mine to stave off job losses, deputy director general of the department of minerals and energy, Dr Jan Bredell, said yesterday.

Bredell told City Press his department would pay out R1,5 million each month to ERPM for the next six months and reduce it to R1 million a month for the three months following. The subsidy will be reduced to R0,5 million in the last three months. The cash injection would be used for pumping out water from the mine, he said.

The government has had to bail out the mine four times in its history, pouring in over R450 million.

R13,5 million was allocated to subsidise the water pumping at the mine in the April 1999 to April 2000 fiscal year.

"We are not out of the woods yet, but we are happy that there will not be any retrenchments. We are now looking at long-term solutions and at people who are ready to invest in the mine," Bredell said.

"The good thing is that the mine will remain open and the people employed. It would have been a disaster if the mine were to close and we would have lost the asset through flooding if we had not intervened."

"In the meantime, the mine remains under provisional liquidation and we are hoping to get a lasting solution before the liquidation."

He said four local investors have since expressed interest and the ministry has invited foreign investors to the mine.

The National Union of Mineworkers has welcomed the government decision saying the mine was still viable.

But Fedsure Asset Management gold analyst Nick Goodwin expressed reservations about the government's rescue bid, saying the mine was no longer attractive to buyers.

"The mine was losing money despite the water problem. Gold prices at \$250 an ounce are just too low for ERPM to be viable."

"However, the government did well by pumping out the water otherwise it would have polluted the whole East Rand water basin," Goodwin said.

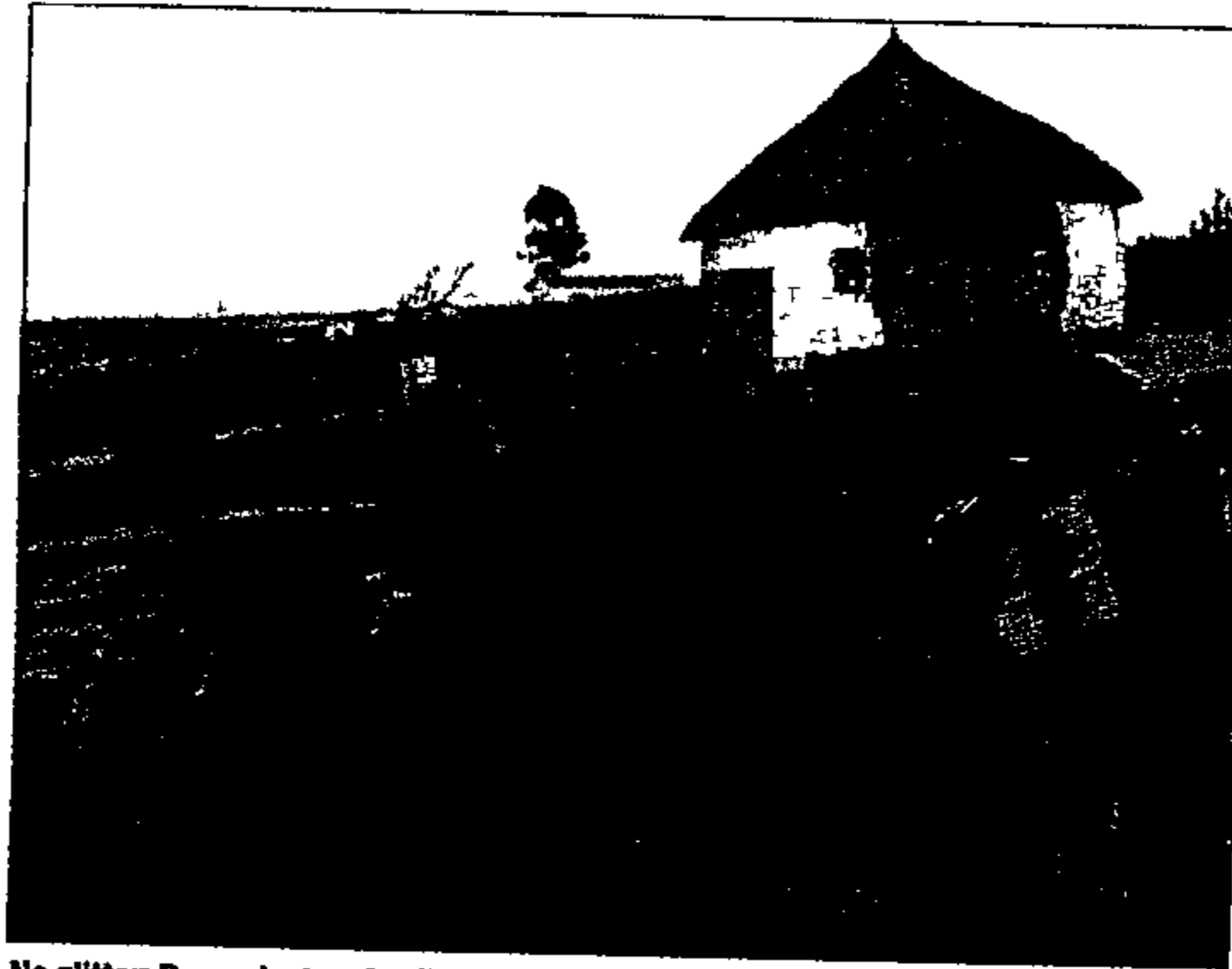
□ MINING

(Call) (202) 217/99

Mineworkers and Implats agree amicably

The National Union of Mineworkers and Implats Platinum (Implats) have reached a settlement on wages and conditions of employment. The parties said yesterday in a joint statement. The overall settlement averaged 9,7 percent on a declining scale of 9 percent for skilled workers and 10 percent for the lowest paid workers.

The parties said the amicable nature of the negotiations led to the establishment of a firm foundation for further improved working relationships - *Frank Nxumalo, Johannesburg*



No glitter: Dependent on family members working in the gold mines, people in rural areas like the former Transkei are facing hard times following retrenchments at several mines. PHOTOGRAPH AP

Mine lay-offs hit Transkei families

Chris McGreal

M+G 23-29/7/99 (211)

Christina Momoza was relying on her 15 children to provide for her in retirement. Over the years nine of them died, and her four remaining daughters married. But Momoza could count on her two surviving sons.

They worked in the gold mines near Johannesburg and sent money every month. Then last year her "boys" returned to their rural Transkei village, the latest victims of a mass redundancy.

Now Momoza's pitiful pension is the main source of income for three generations of her family.

She is not alone. Entire villages in the former Transkei homeland are relying on old-age pensions to survive because tens of thousands of miners have been discarded by the gold fields in recent years.

Now a new bout of redundancies and misery is in train because the Bank of England's gold sale and plans by the big economic powers to use gold to fund debt relief have driven the price of bullion to a 20-year low.

About a third of South Africa's 16 gold mines say they cannot stay in business long at the present price of about £166 an ounce.

Six have sought permission to lay off nearly 20 000 workers. The owner of the deepest shaft, East Rand Proprietary Mines (ERPM), has already gone into provisional liquidation.

But the mines began shedding jobs long before the present crisis.

More than 100 000 workers have been dismissed in the past three years, with devastating consequences for entire communities in South Africa and some neighbouring countries.

Many of those facing redundancy have worked in the mines for decades.

As black men, they were humiliated, abused and in some cases worked to death for pitifully low wages.

But the money fed many mouths in villages distant from the mines. One South African miner's wage directly supports about 10 people, and helps provide a livelihood for the fruit and beer sellers and prostitutes who do business at the migrant labour hostels.

About 1 000 of the ERPM miners facing dismissal are from the Transkei.

Simbongile Kamtsho, an official of the Transkei Land Services Organisation, says the redundancies are tearing the social fabric of the region every bit as much as apartheid.

"There are households where absolutely nobody is working. Sometimes I go into a house and I don't like to ask when they last ate. It's very pathetic. It contributes to a rise in crime. Alcoholism is increasing."

There is a boom in loan sharks charging exorbitant interest, he said. "It is the women who are bearing the brunt. They have to feed the children. Women try to find casual or piece jobs, but they don't earn more than about R20 a day. Some families try and cope by pulling the older children out of school and sending them to work."

Six members of Momoza's immediate family have lost their jobs on the mines. She is raising her three grandchildren — aged from seven months to five years — while her sons and their wives look for work in Johannesburg and Cape Town. They have been searching for nearly two years.

"I'm so worried about what will happen if I die. The children are dependent on my pension. I only get R500 a month, but it's enough for some food."

"The family next door has eight children. They were looked after by their grandmother. Then she died, and the children are suffering extreme hunger. We give them food, but we do not have enough for ourselves."

"Their two boys were pulled out of school to herd cattle in return for food, but all the children are suffering very badly."

Momoza raises a few extra rand from what she calls her "sowing project" — a vegetable patch she cultivates with other women. But the land is poor and there has not been much rain.

Another pensioner, Euphrasia Vuthela, has an added burden. Her mentally disabled grand daughter was attending a special boarding school in the Transkei capital, Umtata. The family can no longer afford the R150-a-month fees, so Vuthela has taken on the difficult task of caring for her.

Momoza and her neighbours are not without hope. If their sons cannot go to the mines, perhaps the mines can come to them.

There is much talk in the village about the black rock which glistens on the surrounding hills each time it rains. They believe — they pray — that it is coal.

"We need someone to explore those unusual deposits on the hill. There must be something there. Someone must invest and create jobs," Momoza said.

Mineworkers' Provident Fund is largest of its kind in the country with assets of over R3,4bn

SA's first mineworkers' fund celebrates 10th anniversary

(all) CT(MR) 26/7/99

Celebrating its 10th anniversary this year, the Mineworkers' Provident Fund was the first industry fund to be negotiated in this country before legislation regulated that boards of trustees should have member legislation.

It was, and still is, the largest defined contribution provident fund in South Africa in terms of the number of members under administration in the private sector.

The fund was established in 1989 as a joint venture between the Chamber of Mines and the National Union of Mineworkers (NUM) until then the majority of miners in South Africa, who were mostly unskilled or semi-skilled, had no significant retirement fund cover.

Today the fund has assets of over R3,4 billion, and the average benefit accumulated for members has grown from about R7 000 a few years ago to over R20 000 today.



SERVICE EXCELLENCE Ann Weisz, Southern Negotiated Retirement Fund Services' CEO

Ann Weisz, the CEO of the Southern Negotiated Retirement Fund Services, the administrators of the fund, says unlike many other negotiated provident funds, trustee meetings are not used as a bargaining forum on employment-related issues.

The trustees work together with the goal of acting in the members' interests at all times,

whether they are appointed by the Chamber of Mines or NUM.

Some of the highlights of the last 10 years have been the establishment of a dedicated service centre set up to enhance service levels to members and dependants.

No member or widow leaves the service centre on any day without receiving payment. The centre closes only when the last person has been attended to.

Over 70 000 members have used the housing loan surety facility, which was put in place three years ago.

Yedwa Simelane, the manager of the fund, says no other private company provides this facility on such a scale.

She says the fund is flexible. If a member wants to build a house in Lesotho, for example, that is acceptable.

In 1997 death and funeral benefits were incorporated into the fund, and in the same year it received the Institute of Retirement Fund Communications

Award for excellence in communication.

Critical components in administering a fund of this magnitude are systems for data collection and information technology. The Mineworkers' Provident Fund has the largest retirement fund database in the southern hemisphere.

In addition to retirement, death and funeral benefits, and the housing loan surety, the fund offers benefit for permanent incapacity, resignations and retrenchment.

In the case of dismissals, unlike some schemes, it pays back all contributions that were paid in by the member plus the interest and profit earned.

Where no tax directives are required, turnaround times for the payment of claims are 48 hours.

Says Weisz: "There is a special ethos within the administration team that goes that extra mile in ensuring service excellence."

Miners return to

crippled Transkei

MFG 30/7-5/8/99
PATE

(Call) (PATE)

Peter Dickson

Miners retrenched as a result of the falling gold price are returning to the Transkei to a drought that will eat away the last job opportunities they are likely to find.

With unemployment in the Eastern Cape, South Africa's second-poorest province, at a critical 49% and recruitment for the mining industry coming to an end, Premier Makhenke-Stofile made a desperate appeal to the British government and the International Monetary Fund this week to reconsider the sale of gold reserves.

The mining industry has indicated that 11 700 jobs are at risk at five mines and Spoornet is planning 27 000 retrenchments over the next three years. After an emergency executive council meeting in Bisho Stofile said that the sale of gold reserves would exacerbate the already bad situation.

The former Transkei is also now firmly in the grip of drought. Eastern Province Agricultural Union president Pieter Erasmus says the situation, brought on by a searing heatwave and

little rain over the past two months, is "critical". Farm workers could soon be paid off by desperate farmers also trying to sell their livestock to make ends meet, Erasmus says, and the added burden on welfare-dependent communities, together with hundreds of retrenched miners, will be crippling.

Apart from only two areas in the north-east and the East London coastal belt, grazing is way below normal and farmers are feeding their animals by hand at great expense. Most farm dams are empty or very near empty and precious underground water reserves are diminishing rapidly.

Even Port Elizabeth, the region's biggest city, has made an urgent appeal to residents to cut down on water usage as the levels of the industrial metropolis's supply dams continue to drop steadily.

Says Erasmus "Farmers are trying to sell many of their animals to make things easier for themselves. There are no longer subsidies for drought. To survive, they have to cut costs. This means that they will have to let some of their employees go as a last option should

matters become worse, while they will not be able to employ more labour.

"Should we get good rains in September and October, things will improve. However, I shudder to think what could happen if the rains do not come soon."

Welfare agencies say the retrenched miners, their self esteem and once-revered community status gone with their jobs, will be torn between depression and suicide on their return to this bleak scenario and will battle to adjust. Mostly illiterate and trained only as workers they will be unemployed in areas where production has traditionally been left to women.

State welfare grants are already stretched to the limit and the miners' added burden, which the Transkei Land Services Organisation says is "killing the social fabric of the Transkei" is expected to prevent children from going to school and to lead to alcoholism and increased malnutrition. Increased crime will also follow the increase in poverty, welfare agencies warn.

Says Eastern Cape NGO Coalition chair Tozi Gwanya "People are already not getting as much money, so the direct impact is that money is no longer there and the pensions of older people because of the past dependence on migrant labour become even more stretched."

Gwanya says agencies are discussing training and skills programmes for the retrenched miners in hides and skins processing, leather craft and small commercial farming. Desperate farmers however were still waiting this week for the rains to come.

Union persuades big mining houses to increase offer

PD 5/8/99 (all)

Reneé Grawitzky
MEDIATION between the Chamber of Mines and the National Union of Mineworkers (NUM) continued yesterday in an attempt to resolve the wage dispute on gold mines.

Talks were expected to continue until late last night on final offers tabled by the various gold mining houses.

The union was able to per-

suade the major mining houses such as AngloGold and Gold Fields to increase their offers to 9%. However some of Gold Fields' marginal mines engaging in retrenchment exercises such as Oryx have offered 5%.

This was largely because in 1997 the industry and officials associations entered into a three-year wage deal which effectively provided for a 9% increase this year. This offer was made to the

NUM at the time, but it agreed to a two-year deal instead. The union was however able to use the officials deal as a benchmark to motivate for a 9% increase.

AngloGold has offered 10% for the lowest paid workers and 9% for the rest.

Other mining houses such as Avgold and Harmony have offered 8.5% while some of the more marginal mines have offered in the region of 4.5%.

Besides wages, one of the other stumbling blocks to a settlement is the chamber's demand for an exemption from the Basic Conditions of Employment Act in relation to meal intervals.

Mediation over pay increases for collieries deadlocked last week, with the union indicating its intention to ballot its members over whether to strike.

Uncertainty still surrounds the future of East Rand Proprietary

Mines and its workforce of 5 000. Talks are continuing between government, the union and liquidators as to the feasibility of implementing a rescue plan. Two weeks ago government and the liquidators agreed to extending mining operations and the contracts of workers until tomorrow.

Meanwhile, the strike by 4 200 workers at Northam platinum mines in North West is expected to enter its third day today.

Axe could fall on more miners

THE Placer Dome-Western Areas joint venture has applied to the Gold Crisis Committee for permission to retrench between 2 700 and 2 900 workers at the jointly held Western Areas gold mine. This is another 40% of the staff across the board 45% of senior and 18% of middle management have already been shed since October

Placer became a full partner only in April It estimated revenue of R60 000 a kilogram against costs of R50 000 but these were reversed Placer did not hedge its portion and instead of earning an expected R95-million towards the funding of the South Deep mine in the nine months to December it is los-

GOLD CRISIS
By JULIE WALKER

ing R10-million a month Adequate funding will not be made unless costs are cut by 30% Western Areas is a 41-year old mine whereas the R4-billion South Deep, being developed through the same infrastructure, has a 60-year life but will be mined only from 2003

The joint venture was unable to continue with full-calendar operations after June as the parties could not agree on the premium increase management offered 7.5% whereas labour asked for 37%. A day and a night shift were lost on Thursday through industrial action

(211) ST(BT) 8/8/99

ARG 20/8/99

Bid to save mine jobs fails

STAFF REPORTER

(211)

Johannesburg – About 5 000 workers at the East Rand Propriety Mine (ERPM) woke up to find themselves jobless today after the National Union of Mineworkers (NUM) and the Government failed in their bid to save the mine from final liquidation.

The Boksburg mine, which has been in operation for 106 years, was provisionally liquidated last month.

The battle was finally lost yesterday in the Johannesburg High Court, where the union and the Department of Mineral and Energy Affairs had applied to have the mine placed under judicial management. Both applications were turned down.

MINING New owners Durban Roodepoort Deep take action against 'questioning' workforce

Union call for R7,5m for ERPM

JONATHAN ROSENTHAL AND FRANK NXUMALO

Johannesburg - Cosatu the labour federation, at its special national congress yesterday resolved to ask its Job Creation Trust to investigate the possibility of donating R7,5 million to save 5 000 jobs at ERPM after the mine was placed in final liquidation.

Zweinzuma Vavi, Cosatu's new general secretary, was upbeat about the plan because of the number of jobs that could be saved.

Meanwhile, the war of words between the National Union of Mineworkers (NUM) and the liquidators of ERPM escalated yesterday. Both sides blamed the other for a High Court decision to place the mine in final liquidation.

And in a surprising development the liquidators said they would exercise their power to conduct a commission of inquiry into the decisions of the previous board of directors to find out why the once profitable mine had been pushed into its current state.

Laurence Pereira, one of the three joint liquidators responded with anger to NUM allegations that the liquidators were more interested in the commission they would earn from liquidation than in turning the mine around.

"It is an absolute lie," he said. He said the liquidators had done everything in their power to give the government and NUM time to come up with a rescue plan. He said this had included allowing the mine to run for a month at a further loss of R7,6 million.

Pereira said ultimately the government and Cosatu were unable to secure the R30 million to R35 million needed to turn the mine around.

The liquidators had no choice but to inform the court of these facts, he said.

Shock firing of 10 000 miners

ARC 21/8/99

FRANK NXUMALO

LABOUR EDITOR

Johannesburg - Durban Roodepoort Deep (DRD) the mining group yesterday fired 10 000 workers allied to the National Union of Mineworkers (NUM) at Haartebeestfontein mine in the North West Province for questioning the terms and conditions of their transfer after the mine was sold to DRD by Avgold, the miners' union said yesterday.

Avgold sold the mine to DRD, a company that specialises in mining low grade deposits for R45 million last week. Avgold said the sale would allow it to focus on the development of the Target project, which is expected to use mechanised mining methods more common in North America and Australia than in South Africa.

Gwede Mantashe the general secretary of the mining union, said DRD had initially advised the workers to discuss the new conditions of employment with Avgold, the former owners.

Avgold in turn is said to have refused to talk to the workers because they had been "sold to DRD".

DRD's public relations consultant said yesterday that management was locked in delicate wage negotiations and unavailable for comment.

Mantashe said the workers arrived on Monday under the impression that there would be a meeting to discuss their transfer, but instead got the shock of their lives.

"You are all fired," the company is said to have told the workers, and "many things that we did not expect were said", Mantashe added.

"Our view is that mine bosses must shift from dealing with workers in a purely legal way. The human aspect which was absolutely absent in this case must prevail," he said.

"Both the Insolvency and the Labour Relations Act treat workers as machines and assets that can be moved around," Mantashe said.

DRD workers did not go on strike as planned after an agreement between the union and mine management was reached.

The DRD group, which also owns two other marginal gold mining operations at Blyvooruitzicht and Roodepoort, recently reached a 6,5 percent wage settlement with the union.

Zweinzuma Vavi, the Cosatu general secretary said at the labour federation's special national congress in Midrand. "The mass dismissals must be condemned in the strongest possible terms and will be challenged. The DRD group should be compelled to reconsider its actions."

Bobby Godsell the chief executive of Avgold said earlier this week that mining in South Africa continued to be characterised by an outmoded racial and feudal pattern in which employees could not take control of their working environments.

He said the mining industry needed a pilot project around a new core body where new working structures, appropriate to South Africa's new society, could be developed.

Cosatu said yesterday over 150 000 mineworkers lost their jobs between 1987 and 1989.

Vavi said "We are facing a national crisis of job losses and rising unemployment which is deepening poverty and inequality and threatening the gains of our new democracy."

Despite the agreements of the Jobs Summit in October 1988, employers continue to throw workers on to the streets in large numbers.

Reuters reported yesterday that 4 000 employees at Ingwe, the Billiton subsidiary have gone on strike after talks between the NUM, Ingwe and Anglo Coal failed to reach agreement.

Both companies offered wage increases of up to 7,5 percent in each year of a two-year deal but the union demanded a 9 percent rise in each year.

Sol Morath, the spokesman for Ingwe, said the stayaway figure for the mine's 10 operations, employing about 13 000 workers, was steady at about 30 percent. "The strike is still pretty low key," he said.

Anglo Coal said its nine mines and workforce of 9 000 had not been affected by the NUM call to strike.



HOPELESS Ernest Shana, who has been working at ERPM since 1956 contemplates his future following the mine's closure

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Jobs of Harties miners in balance

By DAN DHLAMINI

THE FUTURE of more than 9 000 workers at Hartebeestfontein Gold Mine (Harties) near Stilfontein is in the balance

The workers were dismissed earlier this week by new mine owners Durban Roodepoort Deep (DRD) for allegedly failing to heed the mine's call to end their wage strike and return to work

Individual mine workers told City Press that previous owners Afgold sold Harties to DRD without consulting them

Mohau Masiloane, who says he has been

working at Harties for more than 17 years, said workers were worried about their benefits

"We wanted Afgold management to explain how we would get our benefits, but instead they sold the mine. We decided that we were not going to work until we got a clear explanation," he said.

DRD management obtained a court interdict against the National Union of Mineworkers (Num) for urging its members to strike

According to Num spokesperson in the North West, Howard Yawa, the union was

negotiating with the previous owners, Afgold, for salary increases and management had offered 8,5 percent DRD took over the mine on Monday August 16 and gave a better offer of nine percent

He said the workers at another DRD mine, Buffelsfontein, also near Stilfontein, accepted the offer and there were no problems there at the moment

He said DRD later lowered the increase to six percent, citing the miners' strike as the reason for their action

Yawa said that the negotiations would continue

(2/11)

Mine closure crushes workers

BD 23/8/99

(211)

After long years of underground toil, miners now have nowhere to go, writes Xolani Xundu

THE closure of the East Rand Proprietary Mines (ERPM) in Boksburg last week has left workers feeling cheated and believing they have wasted their time digging the country's treasure out of the ground.

Simlindle Majeke from Umtata in the Eastern Cape is one such unfortunate worker whose life has been dealt a crushing blow by the Johannesburg High Court's decision to approve the mine's liquidation.

Majeke knows only how to dig gold, and nothing else. His first job as a teenager was at ERPM and he continued to serve it with honour and distinction for 19 years.

After having wasted all his productive years in the shafts, he is going to go home to his wife and two children only with a month's wages and leave pay.

He will also get money from the provident fund which was established in 1989. He will get nothing, in terms of remuneration for the nine years before that.

National Union of Mineworkers (NUM) spokesman Molefe Molefe says the issue of severance packages does not arise when an operation is under liquidation.

Majeke is bitter and dejected. He feels he has wasted his time and energy by working at the mine.

"I want to go home. If I knew this was how it was going to end, I would have stayed home taking care of cattle," he said, wiping a tear from his eye. Majeke is part of the 5 000-strong workforce that has fallen prey to unemployment despite attempts by the NUM and government to save the mine.

The labour department has also been notified of the situation and plans to immediately implement a social plan which entails counselling, provision for retraining and unemployment benefits.

Molefe said the union had an undertaking from liquidators that workers would get their wages and leave pay.

They have given themselves two weeks, starting from today, to do the scaling down. Only 200 workers would be kept for essential and emergency services.

The court last Thursday turned down an urgent application by the two to have the 106-year-old mine placed under judicial management.

The court said a lack of sufficient bridging finance in the short term



Workers from East Rand Proprietary Mines (ERPM) in Boksburg on the East Rand ponder their future following the Johannesburg High Court decision last week to approve the mine's liquidation. Picture: MARTIN RHODES

would make it impossible for judicial management to succeed.

In a last effort to rescue the situation, the minerals and energy department offered to pay R5m of the remainder of the mine's pumping subsidy up front. However, this also failed to impress the court.

Molefe said the union had a rescue plan, entailing a drastic restructuring of the mining operations, that the union and government believed was viable and workable.

"It is only a technicality that we lost the request. The rescue plan was going to work," he said.

The union and government needed about R30m to take over the mine, but Molefe said this amount was not what the plan entailed. This

was the amount that was going to be needed in the long term.

If the court had approved the NUM and government's request, the mine would have been operated from Friday without the need to have R30m in hand.

Molefe said the union was told only last week the liquidators had incurred running costs of R7m starting from July. The NUM and government could have raised this amount if they were informed before hand.

Minerals and energy spokesman Kanyo Gqulu said since ERPM was put into liquidation on July 6, the department had been attempting to prevent the mine from going into final liquidation.

"The prime objective has been to

prevent the negative social consequences and to safeguard the state's financial interests (a pumping loan of R30m and shareholding of about 18%)," he said.

The department has also paid about R5.5m of the pumping subsidy to the mine since July.

Gqulu echoed Molefe's sentiments that the rescue plan could have worked, but said the high level of losses accumulated over the last few months had eventually proved to be insurmountable.

The department has also tried to attract investors willing to inject capital into the mine, but with no success because of the low gold price and the company's high debt level — currently at about R100m.

TODAY'S WEATHER

Rainfall	Messina 11/36
☐ 10% - 33%	Pietersburg 08/29
▨ 34% - 66%	Mafikeng 12/24
■ 67% - 100%	Pretoria 11/27
	Witbank 09/26
	Nelspruit 13/31

Smart-card consternati

SA technology could leap

Desolation as ERP gold mine closes

By Mzwakhe Hlangani
Labour Reporter

THERE was an eerie silence yesterday at the once bustling East Rand Proprietary gold mine outside Boksburg, which has operated for 106 years but was finally closed down by a liquidation order last week.

An air of despair and anger prevailed among the 5 000 mineworkers turned away from work after the failure of last-ditch efforts by the National Union of Mineworkers and the Government to stave off the closure of the mine.

"It is desolation! Too much to bear!" said Mr Mario Nobela, dismissed boilermaker at the mine's gold production operations. Nobela originally hailed from Mozambique but is now staying in a squatter settlement in White River, Mpumalanga, with his family of six.

After working at the mine for 29 years, Nobela will leave with a paltry payment of R2 500 next Monday, as will all the other mineworkers retrenched as a result of the closure of the mine.

"I don't know what I am going to do with the money or how I am going to make a living for my four school-children. I am hoping that heaven will

provide. Something may come up after we've attended the two weeks of training the company has promised us," he said.

Nobela (47) has earned R900 a month for the past year. He considered this a major improvement after his salary was increased from the paltry R140 a month he earned for the 20 years before that.

His son is employed on a part-time basis in Mpumalanga but his three young daughters are attending high school and one is an epileptic.

The NUM will not be able to secure severance packages because the miners have been employed on a temporary basis from July 1, when the mine was put under provisional liquidation. They are consequently not in line for additional payouts.

It was hoped that the liquidators would at least pay transport costs so that the workers and their families could return home, but no one was available to speak to as the mine was vacated. There was only a security guard at the gate.

The mine has been on a downward spiral since 1990 and the court found that no more rescue bids were possible when it turned down the bid by the NUM to put the mine under judicial management.

(211)
26/8/99
Lawyer

5D 261 3199

Fresh plan to save Tsumeb miners' jobs (211)

Christof Maletsky

WINDHOEK — A new joint venture between trade unionists and former management members of the liquidated Tsumeb Corporation hopes to employ 799 of Tsumeb's 1942 retrenched workers

Ongopolo Mining & Processing has submitted an undisclosed bid to the liquidators of Tsumeb, which used to employ 25% of the country's mine workers, and is meeting asset managers to discuss financing.

National Union of Namibian Workers' leader Ranga Hakali Ongopolo says Ongopolo wants to buy the copper producer's assets in liquidation and restart operations before the year-end.

Ongopolo spokesmen say they can secure a lean and productive workforce and will invest in copper production at Otjehase, Kombat and Khusib Springs mines, as well as the copper smelter at Tsumeb

They also hope to offer indirect employment to 1 143 retrenched employees by subcontracting them to other more informal operations

Retrenchments 'unprecedented'

Reneé Grawitzky
and Simphiwe Xako

HUNDREDS of miners are being retrenched following protracted negotiations between the National Union of Mineworkers (NUM) and Durban Roodepoort Deep which failed to reach agreement on changes to employment conditions.

The union threatened to refer the retrenchment of close to 500 workers to the Labour Court yesterday, claiming they were legally

unprecedented

NUM spokesman George Molebatsi equated the retrenchments to subcontracting, saying management wanted to retrench workers and re-employ some of them under disadvantageous conditions.

Durban Deep said negotiations on restructuring the mine to survive the declining gold price and low-grade ore reserves had been taking place over the past year.

These discussions had led to an agreement in which

most workers moved over to a new productivity-based remuneration system.

Problems arose when management attempted to introduce the system for the remainder of the workforce.

This was rejected and, as a result, the company notified the gold crisis committee in June of its intention to retrench these workers.

At the time, workers were offered a retrenchment package coupled with the offer of re-employment on the new remuneration scheme.

(211) 19/99

'No money in ERPM kitty' for mineworkers' benefits

JONATHAN ROSENTHAL

COMMODITIES EDITOR

Johannesburg - An explosive conflict is looming at the East Rand Proprietary Mine (ERPM) hostel because of uncertainty over the payment of provident fund benefits to the mine's 5 000 retrenched mineworkers

Frans Mahlangu, the principal officer of the Mineworkers' Provident Fund, said at the weekend he was unable to start paying out benefits because the mine still owed the fund more than R1 million. A significant portion of this was money deducted from mineworkers' wages but never paid to the fund by the pre-liquidation management and ERPM's liquidators

Mahlangu said the June contribution of R728 000 had not been paid at all, and only about 66 percent of the July and August contributions had been paid

The liquidators had told him "there is no money in the kitty" to pay the outstanding contributions and no further money could be paid before September 19

However, Laurence Pereira, one of the joint liquidators, told workers in a letter that the benefits would be paid out on Wednesday. He also said they would have to vacate the hostel on September 13

"I've seen the letter. I'm just horrified. We never agreed to that," Mahlangu said. He said tension in the hostel could become explosive on

Wednesday if workers were not paid

"They are playing around with people who are very emotional and who have not been paid," he said. "They are putting us in a very serious predicament. Those guys are not going to want to leave the hostel."

Paul Kruger and Pereira, both joint liquidators, refused to comment on the issue. "I just don't want to talk to you," Pereira said

However, Juanito Damons, another of the liquidators, said on Saturday he believed the matter had been resolved and the money had been paid to the provident fund. He promised to check on the issue but could not be reached for comment yesterday

This was not the only money deducted from mineworkers' wages that was not put to its intended purpose. Under a treaty between South Africa and Mozambique a portion of Mozambican mineworkers' wages is normally deducted and paid to Maputo

The Mozambican government would then pay workers a portion of this remittance when they returned home. Almost R1 million was deducted but not paid to the Mozambican government before the mine was placed in provisional liquidation on July 6

Lawyers said in effect the money appeared to have been used to fund the mine's operations. Three lawyers from different firms said that appeared to be a breach of the trust relationship between the employer and employees

(211) CI (MR) 6/9/99

Retrenched mineworkers may depart without full benefit payout

ERPM in sale talks as 5 000 prepare to leave

JONATHAN ROSENTHAL

COMMODITIES EDITOR

Johannesburg - A mystery buyer is in talks to buy the liquidated East Rand Proprietary Mines (ERPM), even as the 5 000 retrenched mineworkers prepare to leave the mine next week.

Simphiwe Nanise, a regional organiser for the National Union of Mineworkers (NUM), said the union met with a potential buyer yesterday. Further talks were scheduled for later this week.

"We are talking to them as the union," he said. "They would prefer at this stage not to say who they are."

Meanwhile it appeared increasingly likely that the mine's 5 000 retrenched employees could be forced to leave without having been paid their full provident fund benefits, the Mineworkers Provident Fund said yesterday.

Earlier this week it emerged that the pre-liquidation mine

management and the provisional liquidators owed the fund more than R1 million in unpaid contributions. This included both employers' and employees' contributions, which had already been deducted from their wages.

Frans Mahlangu, the principal officer of the fund, said yesterday that progress had been made on Monday, when the liquidators paid the contributions for July and August. The June contribution of R728 000 is still owed to the fund.

But Mahlangu said this pre-liquidation debt was now frozen and the fund would have to wait for the sale of assets before it would be paid.

Other creditors with a higher priority in the order of payment were the South African Revenue Service and workers who had not been paid their wages yet. It was still unclear when the money would be paid to the fund.

Mahlangu said in the interim,

the fund could be forced to pay out reduced benefits to retrenched mineworkers.

"We can pay but we are still waiting for them (management and the liquidators) to make a clear commitment (to find members and pay them the shortfall at a later date)," he said.

"It's a precondition because we want to assure members who ask us what about the outstanding money."

The liquidators last week told retrenched mineworkers that they would be paid their benefits today.

The cost of later tracking down and paying mineworkers the shortfall in provident benefits would probably exceed the cost of paying the benefits, Mahlangu said.

Labour analysts said there was a good chance that once workers returned to scattered homes in rural areas many would not be found again.

(~~THE~~) (all) CT (MR) 8/1/99

Gold Fields and NUM

CT avoid battle (all)

FRANK NXUMALO

Johannesburg - A labour court battle scheduled for today between the National Union of Mineworkers (NUM) and Gold Fields, the world's second largest gold producer, over a job cutting programme was averted yesterday after the company agreed to provisionally stay the process, the NUM said.

"There was an undertaking by both parties to continue negotiations and as a result the NUM withdrew the application for an interdict," said Willie Jacobz, the spokesman for Gold Fields.

Jacobz said the number of workers who would be affected by the retrenchments ranged between 600 and 800.

The union said 671 of its members were fired last week by Gold Fields at its Oryx gold mine in the Free State in defiance of a recommendation by the tripartite Gold Crisis Committee that the company should continue talks with labour.

But the NUM said the undertaking was only an interim arrangement "I don't think it is a permanent solution, the parties have still got to put forward their positions," said Molefe Molefe, the NUM legal adviser.

In July, a strike by more than 4 000 NUM members at Oryx, the threat of a national sympathy strike and high-level talks between James Motlatsi, the NUM president, and Gold Fields executives also resulted in a stay of execution for 900 jobs. But a permanent deal eluded the parties.

Gold Fields shares traded well yesterday, rising by 25c to close at R20,80.

In a separate development, Molefe said the union had won a court interdict against the Durban Roodepoort Deep group, which was ordered to reinstate more than 400 NUM members fired about two weeks ago.

About 150 000 miners have lost their jobs since the gold price crisis in the middle of 1997. The price has repeatedly hit 20-year lows of about \$250 mark since then.

S DAY, Friday, September 10 1999 3

Court rules in favour of miners at Durban Deep

Simphiwe Xako (all)
and Sapa

BD 10/9/99

THE Labour Court ruled yesterday in favour of 391 Durban Roodepoort Deep miners who were facing retrenchment due to the mine's restructuring programme.

The miners' legal representative, Carla Raffinetti, said the presiding officer found that no proper consultations were held before the mine proceeded with the retrenchments. Raffinetti said the ruling meant the miners' contracts remained valid.

Durban Deep spokesman Kathy du Plessis said management would not appeal against the decision. She said the mine would instead resume negotiations with the National Union of Mineworkers as the mine still had to retrench some of the workforce due to low productivity caused by the low gold price.

Du Plessis said the miners would remain suspended pending negotiations with the union.

Meanwhile, 18 Columbus Stainless employees appeared for disciplinary hearings in Middelburg yesterday after embarking on a wage strike last month.

At the East Rand Proprietary Mine, 5 000 retrenched employees are expected to receive their retrenchment packages today following the mine's liquidation in July.

The principal officer of the Mineworkers' Provident Fund, Frans Mahlangu, said management had informed them at a meeting this week that the miners would receive their packages.

Violence nearly erupted yesterday between members of the Mine Workers' Union (MWU) and the Communication Workers' Union (CWU) supporters. MWU spokesman, Dirk Herman, said sporadic clashes between the two unions were reported in Pretoria.

Telkom spokesman Amanda Singleton said pay talks with CWU resumed yesterday.

Contract miners pay a heavy price

(211) CT(DR)13/9/99

JONATHAN ROSENTHAL

COMMODITIES EDITOR

Kagiso – Fighting dogs and destitute people for scraps of old food thrown on to the Krugersdorp municipal dump and sleeping under pieces of plastic in the nearby bush is Peter Mootisa's new life since he lost his job as a contract mine worker at the end of June

His Transkei family of a wife and two children as well as four other dependants, including his younger sister whose school fees he used to pay, don't know this yet. The shame of telling them would be too great, he said yesterday.

For the seven months to the end of June he worked for Hardrock, a contract mining

company, as a team leader after having been previously retrenched from a similar position at the Vaal Reefs mine.

When Durban Roodepoort Deep (DRD) the JSE-listed mining company, cancelled Hardrock's mining contract at the end of June, Mootisa became one of about 320 innocent victims of a corporate wrangle beyond his control. He worked into early July but said the last pay packet he received was at the end of June. Since then he has not received a cent in severance pay or leave pay.

Faan Jooste, the owner of Hardrock, claimed he had been unable to pay his employees because he in turn had not been paid by DRD for work done in June.

He said his contract with the group, which had run for six years and was scheduled to run until 2004, was a gold split agreement where he mined the ore and was then paid 92.5 percent of the value of the gold in the ore. He would then pay all his expenses from that revenue. Jooste said his contract was unilaterally repudiated by DRD and he was forced to leave the mine at the end of June.

He said he was still owed about R1.6 million for gold bearing ore delivered in June. His lawyers were preparing to take legal action against DRD for the repudiation of the contract and for the money owed.

Mike Prinsloo, DRD's chief executive, said that as far as he was aware there were no out-

standing claims against DRD.

"DRD has nothing to do with Faan Jooste and his company. If he doesn't have the money to pay his people it has nothing to do with DRD," Prinsloo said.

Mootisa's story brings to the fore the problem of increased insecurity for mineworkers as mines shift to the use of subcontractors to reduce costs and increase flexibility.

Mootisa said he earned R680 a month before deductions for hostel accommodation and life insurance. He will receive no pension and his employment ended on the day his employers' contract was terminated.

A recent survey estimated that 10 percent of all mineworkers employed in the industry were contractors.

Trading jobs for better skills

The split in the caucus highlights the dilemma in the industry, writes Reneé Grawitzky

ANGLOGOLD CEO Bobby Godsell is on a crusade to position his company as gold mining's knight in shining armour, but his ambition to ensure his company remains the largest and most profitable gold producer in the world has led to the adoption of strategies which have brought him into conflict with other local producers.

The conflict was no more evident than during the recent industry wage negotiations where divergent approaches on wage policy led to a break within the employer caucus.

Although tension has always existed between the producers this year's schism between AngloGold and the other producers was far more intense.

The split in the employer caucus highlights the dilemma employers and unions face in dealing with the prickly issue of the wages/jobs trade-off in an industry in decline. AngloGold broke ranks in pursuit of its strategy to move towards a highly skilled higher paid workforce. This could ultimately mean fewer jobs.

The rest of the industry would like to mine as much of their ore reserves as they can and keep costs including labour costs, within reasonable limits.

Godsell says from the start AngloGold was not seeking the lowest possible settlement and long before the rest settled on increases ranging from 9% to 10%.

This was coupled with a "sweetener" of a R40 meal allowance to compensate workers for working during the legislated meal interval as provided for in the new Basic Conditions of Employment Act. In exchange, the union agreed to support the company's application for an exemption from the provision. The allowance will add a further 2% to AngloGold's wage bill.

Settlements on the other mines came later, after protracted negotiations and dispute procedures, and ranged between 6% and 9%. This excludes possible additional costs due to the introduction of the act's meal interval provisions, if the employers' unsupported exemption application fails. The act provides for employers to apply for exemptions from certain clauses.

The National Union of Mineworkers (NUM) argued that 9% had to be used as a benchmark because mine officials were to receive such an increase this year in terms of a three-year deal signed in 1997.

An industry source says the 9% could have been dismissed if employers had stuck together, but the union's rationale fitted in with AngloGold's long-term strategy.

Gold Fields industrial relations consultant Nick Smyth says the negotiations reflect the growing divergence across the industry.

Divergence and greater fragmentation has been caused largely by the declining gold price, ageing mines, different strategies regarding hedging, declining profit margins and an increasing number of marginal mines.

Smyth says the fact that 48% of the world's gold is mined at a loss when prices go below \$252/oz affects the ability of mines to grant



MANTASHE

GODSELL

Pictures TYRONE ARTHUR

(211)

above-inflation increases

This begs the question whether lower increases in the medium to long term would lead to job retention.

This presupposes a simple trade-off between wages and employment. The NUM in line with Cosatu's official stance does not accept such a trade-off exists. Such an acceptance would presuppose some form of wage restraint which unions have rejected in principle but exists in practice where wage moderation or wage freezes have been agreed upon to save jobs.

The NUM claims there is no guarantee that a low wage policy will save jobs. NUM general secretary Gwede Mantashe says lower wages were agreed to on some marginal mines such as Durban Roodepoort Deep and yet retrenchments continue.

This is especially pertinent as worldwide trends have indicated that employment is slowly shifting from traditional sectors such as mining and manufacturing to service-related sectors. A recent International Labour Organisation report found that service sector employment accounted for more than 50% of total employment in SA.

The union has argued repeatedly that in view of the declining nature of the industry employers do not have a vision for the industry that will ensure that jobs can be created elsewhere. In the absence of a common industry vision, the union felt it had no option but to pursue short-term gains.

A trade-off between wages and jobs might not necessarily apply in all circumstances and economists are divided on whether employment is adversely affected by wage increases. Studies conducted in SA to determine the elasticity of labour have previously found such a relationship.

A report compiled for the labour market commission in 1996 found that a 10% increase in wages led to a 7% decline in jobs.

Godsell believes that to try to build a business on a low wage policy is a mistake. He says "we have to ensure that every job is a real job a 21st-century job" and that people are paid at least as well as their counterparts in other industries in SA.

Employers opposed to his strategy say they do not want to secure exploitative employment conditions, but to find a balance between wage and employment levels. They justify this saying it is in the "national interest" to preserve jobs.

Godsell is aware of the long term consequences of his strategy and argues that the challenge to the industry is to re-equip workers with entrepreneurial skills. He is also committed to the union's project to stimulate rural economies through the Mineworkers Development Agency.

But Godsell says it is doubtful that any part of the SA economy will progress if it seeks to avoid job losses at all costs. AngloGold's strategy he says is not unlike those being pursued by parastatals such as Telkom and Transnet or government in its relation to the public service and other private sector employers.

AngloGold as part of its restructuring plans has divested from non-profitable or nonperforming assets and hedged gold production to ensure cushioning from short-term fluctuations in the gold price. Restructuring is also under way to ensure a leaner, highly skilled and paid workforce.

Other mines want to improve efficiencies and restructure but cannot do so in isolation of existing workforces or ore reserves.

Is there an alternative route companies can follow as governments across the globe seek the unattainable zero unemployment rate?

University of Cape Town economist Nicolai Natrass says in the mining industry unions have left employers with no other option but to go the higher wage and high skills route as wages have been pushed up albeit from a low base. Natrass says companies adopting the high skills, high wage low employment route are merely complying with government's labour market policies which encourage this approach.

"As we champion the rights of workers to get higher skills are we not going against the notion of labour intensive industries?" Natrass asks.

Natrass says in view of rising unemployment, government should put in place policies to encourage a low-wage labour intensive jobs in the short term.

Mantashe says unions are being faced with a choice of whether to accept the high wage high skills scenario.

Natrass says as wage costs have risen employers have found alternative measures to reduce costs such as outsourcing and subcontracting. This has created a two-tier labour market where thousands of miners are earning as little as R400 a month as contract workers.

In the aftermath of the negotiations, concerns about the future of collective bargaining at the Chamber of Mines have resurfaced.

Godsell says centralised collective bargaining makes sense only when employers have the same strategic objectives.

The challenge is to determine whether the diversity that exists in the industry can be accommodated in the collective bargaining structure, or whether alternative arrangements need to be made.

BO 14/9/99

Placer Dome to retrench 40% of its workforce

BD 20/9/99
Reneé Grawitzky (211)

PLACER Dome Western Areas Joint Venture is to retrench close to 3 000 miners — about 40% of its workforce — from today, but has committed itself to a programme designed to ensure that at least 70% of these retrenched workers will be earning a livelihood within two years.

The retrenchments come after the closure of the East Rand Proprietary Mines, which saw 5 000 miners lose their jobs as the declining gold price continued to affect marginal mines.

Unlike previous retrenchments in the industry, Placer Dome has opted for a direct and interventionist approach to managing the social effect of the layoffs on miners and their families, the majority of whom are Mozambican. The company has allocated more than R10m towards a social plan.

However, National Union of Mine-workers (NUM) general secretary Gwede Mantashe said that the union has referred the matter to the Labour Court claiming management did not follow the correct consultation process.

Mantashe said management refused to conduct a further process to determine whether the mine was still viable or not. The hearings will be held today.

Placer Dome spokesman Patrick Evans said management did not believe it should abdicate its responsibilities to government or other agencies in assisting retrenched workers.

It would set up a dedicated management team to run the process over the next two years.

This shift in approach comes in the wake of some harsh criticism from the union when the company initially announced its intention to retrench.

At the time Mantashe said that Placer Dome, as a Canadian company, "does not care about the biggest crisis facing this country, which is joblessness and unemployment".

Evans said the company was embarking on the initiative because "it is good business" to ensure remaining workers were highly motivated.

Under the plan, the company is to meet development agencies to investigate alternative job creation initiatives.

The 2 895 retrenchments, he said, were designed to reduce or cut costs by R15m a month and secure the future of the South Deep gold mine, which is currently under development.

Ruling on Placer lay-offs delayed

ET (BR) 21/9/99 (211)

FRANK NXUMALO

LABOUR EDITOR

Johannesburg - The labour court yesterday reserved judgment until this morning on an urgent application by the National Union of Mineworkers (NUM) against Placer Dome, the Canadian mining company, for planning to retrench nearly 3 000 workers allied to the union.

The NUM was confident the court would rule in its favour. "We always make calculated decisions and we wouldn't have ventured into court if we knew that (we) were walking on thin ice," said Molefe Molefe, the head of the NUM legal team.

But Placer Dome was "absolutely" confident the court would rule in its favour.

"We were absolutely diligent in following the spirit and letter of both the Gold Crisis Committee and the Labour Relations Act, that is why we are so confident," said Patrick Evans, the company spokesman.

The NUM legal team argued in court that Placer Dome had violated the workers' constitutional rights and they were unfairly dismissed. The NUM also argued Placer Dome had failed to comply with the requirements of the procedures of the Gold Crisis Committee (GCC) regulating retrenchments for operational reasons.

The NUM's legal counsel argued the company had failed to comply with the provisions of section 189 (2) of the new Labour Relations Act, which

required companies to jointly explore alternatives to retrenchments with labour.

The NUM said the company held in contempt all that was fair play because it had claimed that no purpose would be served by implementing the findings of the GCC verification committee, namely to conduct further investigations into the recommendations that there was still capacity to save jobs.

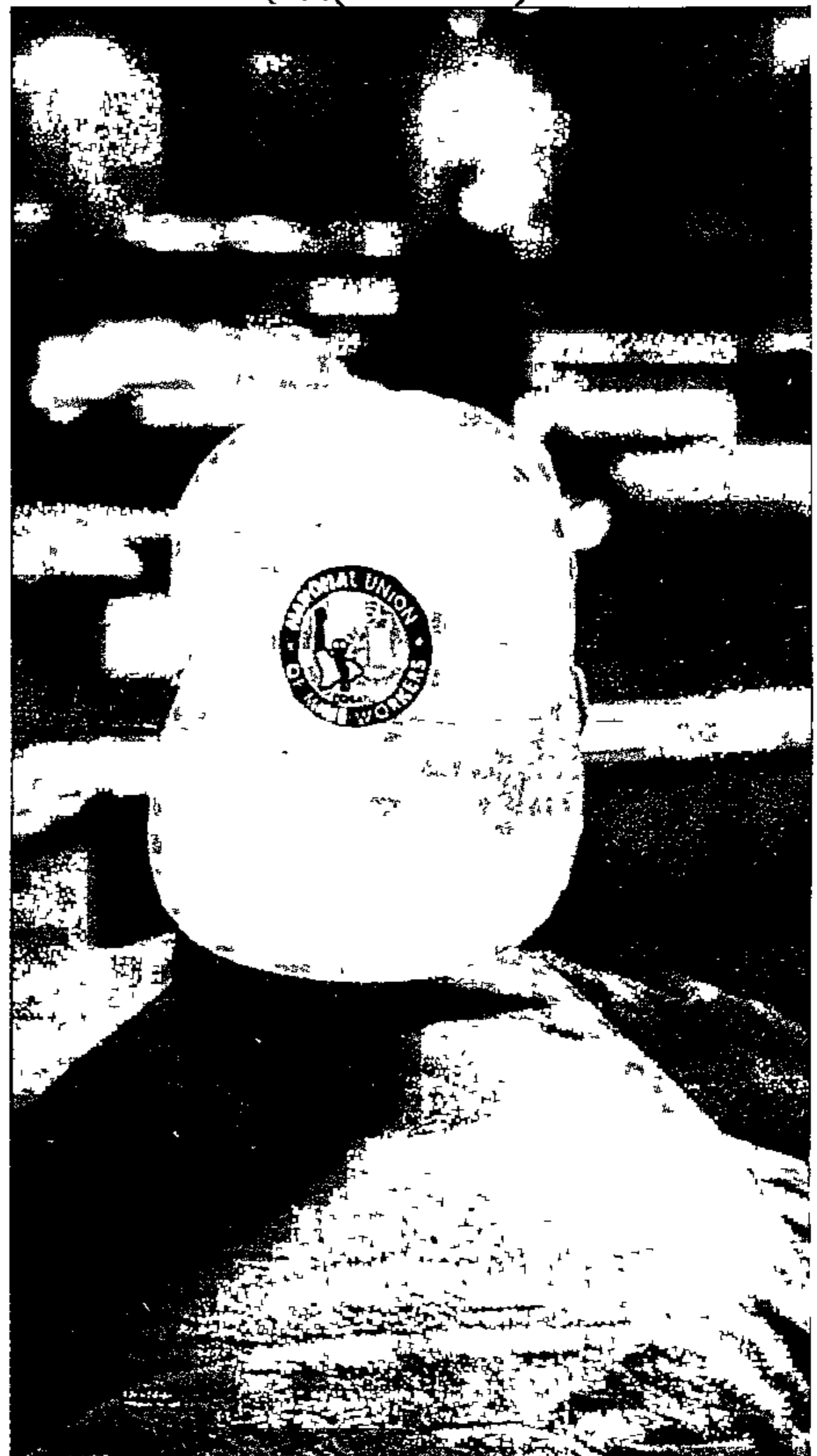
But Evans said the company had complied with the GCC procedures and the provisions of the Labour Relations Act.

Gwede Mantashe, the general secretary of the NUM, said in view of the Labour Court hearing, there was nothing much that the GCC meeting held yesterday could do except to note that Placer Dome had opted out of its processes.

Mantashe said the situation should be seen within the context of lack of patriotism and the "arrogance" of overseas investors.

He said the Canadians, who had been given one of the richest gold ores in the country, had made it clear from the beginning that "nobody will tell them what to do about their business" and if they needed any assistance with social plan they would approach the Canadian government.

"In fact there are deliberately undermining the GCC process and we have made the government delegation (to the GCC) aware of that concern," Mantashe said.



BIDING THEIR TIME An NUM supporter awaits the labour court ruling, which could save 3 000 jobs

PHOTO: JOHN ROBINSON

Labour Court orders halt to mine lay-offs (all)

Reneé Grawitzky

PLACER Dome Western Areas Joint Venture has been ordered by the Labour Court to halt retrenchments of staff until the end of the month, pending further consultation with the National Union of Mineworkers (NUM).

The union applied for an interdict in the Labour Court aimed at preventing the retrenchment of close to 3 000 workers from going ahead at the mine from Monday.

The Labour Court ruled yesterday that Placer Dome could not continue with the proposed retrenchments "on or before" September 30.

The judge ordered that, until that time, the parties should consult and engage "in a joint consensus-seeking process as many times as may be reasonable, practicable and necessary with a view to reaching consensus".

The consultation process is aimed at reviewing alternatives to retrenchments, some of which were discussed previously.

These included the option of working full calendar operations and the possible replacement of NUM members of any subcontractors or their employees.

The company said the union had rejected the option of working full calendar operations during

previous consultations. The union denied this and said the parties had disagreed on the premium to be paid for working full calendar operations.

Company spokesman Patrick Evans said Placer Dome would respect and abide by the Labour Court decision and would seek further engagement with the union over the next nine days. After that the company would proceed with retrenchments.

The union's legal officer, Molefe Molefe, said the union did not believe that after nine days of consultation the company could automatically go ahead and retrench.

He said it was still questionable whether there was a basis for the retrenchments as the union had not been given an opportunity to do a proper investigation.

The company, he said, had misled the gold crisis committee and had failed to comply with a recommendation by its task team which considered the company's notification to retrench. The task team recommended that the company's optimisation study be made available ahead of the planned retrenchments. This did not happen.

The company has argued that retrenchments are necessary to reduce operating losses so that it could fund development of its South Deep gold mine.

96/6/98
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Placer Dome lay-offs put on hold

ET(MR) 22/9/99 (211)

FRANK NXUMALO

LABOUR EDITOR

Johannesburg - The labour court prevented Placer Dome, the Canadian mining company, from retrenching nearly 3 000 of its members on or before the end of this month, in a case brought by the National Union of Mineworkers (NUM) yesterday

The court said the company had failed to comply with the new Labour Relations Act sections on retrenchments, and Gold Crisis Committee (GCC) procedures

About three weeks ago the NUM won a similar case against the Durban Roodepoort Deep group, which had planned retrenchments on a comparable scale

Acting Labour Court Judge

MacRobert said until then the parties to the dispute were directed to consult and engage in a joint consensus-seeking process as many times as might be reasonable, practicable and necessary with a view to reaching consensus on a number of issues

These included the GCC validation committee report of September 9 and the company's report on September 16

The NUM was "elated" at the court's ruling "The GCC status has been enhanced, and the undermining of its structures confirmed by a court of law," said Molefe Molefe, the head of the NUM legal department

Placer Dome said while it respected and would comply with the court's ruling, it still believed the ruling only amounted to a stay of execution of the planned

retrenchments

"We are happy that what could have been a nine-month process has (now) been curtailed to a nine-day process (and) we still reserve our right to proceed with the retrenchments

"We are, as we have been, prepared to engage the union in anything and any suggestions that will minimise job losses but most importantly implement the social plan to alleviate the hardships and enable our departing employees to be economically active within a period of two years," said Patrick Evans, the company spokesman

Evans said an amount of R10 million had been set aside for the social plan and thanked the court for coming up with a date that will "bring the consultation process to an end"

Stronger gold price will not save jobs (all)

Reneé Grawitzky

BD 28/9/99

RETRENCHMENTS at Placer Dome Western Areas Joint Venture and Durban Roodepoort Deep are expected to continue despite the rise in the gold price

Industry sources said a sustainable gold price might save jobs in the future while the National Union of Mineworkers (NUM) said a sustainable gold price was unlikely to see management re-employing retrenched workers

NUM assistant general secretary Archie Palane said fluctuations in the gold market should not determine labour force fluctuations. The union believed that some mines were using the gold price as a "scapegoat" to retrench

Palane said some marginal mines could not sustain themselves after the drop in the gold price earlier this year. However, some mines were retrenching for other reasons and a rise in the gold price was unlikely to see workers being re-employed

Unions, he said, should be privy to management's three to five year business plans so that labour — as a joint partner — could find constructive ways of dealing with restructuring instead of adopting a confrontational approach

An industry source said not all job losses were as a result of fluctuations in the gold price. Some retrenchments had occurred because of adverse geological conditions or decisions to outsource noncore mining activities

Placer Dome and Durban Roodepoort Deep were among the mines that announced plans to retrench in July after the first UK gold auction

The mines, which notified the gold crisis committee of pending retrenchments, include Gold Fields' Libanon and Oryx, Durban Roodepoort Deep, Randfontein Estates, East Rand Proprietary Mines (ERPM) and Buffelsfontein

At the time, the union said 6 000 jobs had already been lost this year and the figure could rise to about 20 000 if the present retrenchments went ahead. The NUM warned that if the gold price continued to drop, a further 80 000 jobs could be in jeopardy

Retrenchments resulting in the loss of about 2 000 jobs has already been completed at the two Gold Fields mines while 5 000 miners lost their jobs after the closure of ERPM

Durban Roodepoort Deep said it was unlikely at this stage that present retrenchments could be halted

Douglas coal miners return to work

Simphiwe Xako

(211)

BD 4/10/99

MORE than 500 Douglas Colliery miners who went on a week-long underground sit-in which ended last week, have been re-employed after they were dismissed for embarking on an illegal strike

Douglas spokesman Gary Gilbert said all 551 workers would keep their jobs provided they adhered to a one-year final notice not to embark on another illegal strike, and they built good relations with management and the National Union of Mineworkers (NUM)

The miners were dismissed after they failed to meet the deadline for ending the sit-in. They embarked on the strike after a local union shop steward, Joseph Matunjwa, was suspended following a fight with a foreman. The foreman was also suspended.

The miners would resume duties after a briefing from the NUM.

Prior to Matunjwa's suspension, he had been involved in talks with management because the company had not recognised his election as shop steward to be proper and legitimate.

Subcontracting explodes on mines

Subcontracting in the gold-mining industry is eroding working conditions and miners' safety, writes Barry Streek

MGT-7/10/99 (211)

A new study has found that South African gold mines are increasingly relying on subcontracted labour, estimated to make up more than 10% of the labour force, which has rolled back union power and worker rights.

Very little is known about the sudden explosion of subcontracted labour since the late 1980s, however. Subcontracted miners are routinely required to work longer hours and under more dangerous conditions than ordinary miners.

The authors of the study — Jonathan Crush, Theresa Uhcki, Teke Tseane and Elizabeth Jansen van Vuuren — have called on the government to launch an independent investigation into the scope and impact of subcontracting in the gold mining industry.

This would be the necessary first step to stopping the ongoing erosion of working conditions and miners' safety that is accompanying the growth of subcontracting.

They also say the Department of Labour should move expeditiously, through investigation and, if necessary, prosecution to bring subcontracting into line with the Basic Conditions of Employment Act.

The study, *Undermining Labour Migrancy and Subcontracting in the South African Gold Industry* was released this week by the Southern African Mining Project (SAMP) and is published by the Institute for Democracy in South Africa.

In only a decade, the gold mining industry has shed more than 50% of its workforce from more than 500 000 workers in 1987 to 240 000 in 1998. As a result large numbers of unemployed ex-miners are looking for work.

It is estimated that in terms of labour-only subcontracting, there were more than 3 000 brokering agencies in 1995, supplying more than 100 000 workers at any one time.

As long ago as 1995, the National Union of Mineworkers (NUM) and the Chamber of Mines reached an agreement on information sharing on subcontracting, but the agreement has never been implemented.

"The main players seem to know, or will admit to knowing, very little. The government knows even less. Neighbouring states that depend on mine migrancy to South Africa are also in the dark," the study reads. "Our impression was that the mines are extremely reluctant to divulge the full extent of their subcontracting relationships."

SAMP, which explored subcontracting working conditions and experiences of ordinary miners in Lesotho based on interviews with a sample of workers, recruiters, managers and subcontractors, says sound and reliable information on the whole subcontracting phenomenon is urgently needed.

The study found that the rise of subcontracting has rolled back union power and worker rights.

Subcontracting produces new tensions within the NUM between regular and subcontract workers. Retrenchments and subcontracting contribute to the decline in union membership. About 70% report that union participation is discouraged by the contrac-

tor and 40% claim workers are dismissed if they join a union.

The authors reached four other major conclusions:

- Subcontract employment is a relatively new experience for most miners but nearly two thirds of subcontracted workers are simply retrenched miners with previous mine experience.

Some contractors do hire new workers without any previous mine experience, mainly because experienced miners have expectations from previous jobs which can lead to greater dissatisfaction.

- Subcontractors prefer foreign workers since they are more likely to accept wages and working conditions that South Africans shun.

The proportion of foreign labour in the subcontracting sector is rising and is now just more than 30%. The larger contractors favour Mozambique and Lesotho.

- The employment of subcontracted workers is highly unpredictable, irregular, insecure and unstable.

The uncertainty is acutely felt when workers are retrenched. The vast majority received no severance package and almost

half were given no notice and were required to leave the workplace and hostels within a matter of hours.

Mines typically give workers a month's notice. Only 14% of those retrenched by contractors were given at least one month's notice.

- Working conditions and compensation of subcontracted miners are generally worse than those of regular miners. As many as two-thirds of miners interviewed claim they were not advised of the terms of their contract before starting their job.

They say they are not paid the wages they are promised, the benefits and the bonuses stipulated are not adhered to and the agreed accommodation is not available.

In addition, 52% say they are routinely paid late, 10% state they are not paid in full and 70% earn less than R800 a month compared to 48% of regular miners.

In the Vaal Reefs disaster of 1995 the mineworkers employed by contractors were not covered by death benefits and their families received very little by way of compensation.

A special disaster fund was established and through this each family was given R5 000. The families of regular mine employees, however, received R60 000 each.

The authors conclude by saying that although the rapid growth of subcontracting on the South African mines has virtually been ignored to date, and that sound policy making in relation to subcontracting required far more information than currently existed.

But the fundamental conflict of interest between labour and business means that voluntary co-operation on information and full disclosure is unlikely.

A detailed independent inquiry into all facts of this development is therefore recommended.

Union says decision to retrench 3 000 workers must be reviewed

NUM to act against job cuts

ET (PA) 19/10/99 (211)



FRANK NKUMALO

LABOUR EDITOR

Johannesburg - The National Union of Mineworkers (NUM) yesterday officially informed Nedlac of its plans to stage a massive protest march against Placer Dome, the Canadian mining company on November 1 in a bid to force it to review its decision to retrench nearly 3 000 of NUM members on the Western Areas gold mines just outside Johannesburg.

Gwede Mantashe, the secretary general of the NUM, said the march had been tuned to coincide with the World Union Congress of the 20 million strong International Federation of Chemical Energy Mining and General Workers Union (Icem) in Durban the same week to lift the international profile of the campaign.

The NUM had already mobilised Canadian unions against Placer Dome and was expected to increase its global clout after James Motlatsi, its outgoing president is confirmed as the new Icem president at the Dur-

ban world congress. The parties accused each other of negotiating in bad faith during the period, leading to the final notice of retrenchments that included two bitterly fought Labour Court actions won by the union and the company respectively.

At issue was the principal reason for the lay-offs: A great deal of what is going to happen next will depend on what the reasons for retrenchments were, said Tony Twaine, a senior economist at Econometrix, the economic consultancy.

"If it was simply the lack of profitability based on the gold price at about \$250 an ounce that situation has very clearly changed. But if it was based on restructuring - a sufficient reason for retrenchments - then it would be more difficult for organised labour to achieve a salvation of jobs," said Twaine.

The union believed the company changed its reason for retrenchments from that of falling profitability triggered by the gold price crisis to one of operational restructuring following the dramatic recovery of the bullion price in recent weeks to save face.

"Initially the gold price was banded about as a reason for re-

trenchments. Now that the gold price has rallied and held firm in the last two weeks the company said it is not sustainable and cannot keep on the staff. Mantashe said.

But Patrick Evans, the Placer Dome's spokesman, said the need to restructure, following the NUM's repeated refusal to negotiate a new Full Calendar Operations (Fulco) agreement at the end of June, had always been the principal reasons for retrenchments.

Evans said as a direct result, the company was forced to operate at 30 percent below capacity or 23 days a month instead of the usual 28 days a month which meant that it was employing 30 percent more people than it needed.

Mantashe said the company's claims were "mischievous" because it had come to the table with a take it or leave it 7.5 percent Fulco offer.

But Evans said the company had rejected the union's Fulco premium demand because at 37 percent, it was unreasonable and untenable.

PROTEST Gwede Mantashe, the secretary-general of the NUM

How far does Ingwe's affirmative action go?

Union pooh-poohs company's award-winning welfare scheme

Simpfihwe Xeko

INGWE Coal Corporation, the SA coal-mining arm of Billiton, says it leads the mining industry in employee welfare, but the National Union of Mineworkers (NUM) tells a different story.

Group manager Albert De Beer says the firm has world class standards in terms of human resources development, education and employee lifestyle enhancement.

That is why former president Nelson Mandela awarded the company the prestigious Business in Education award, he says.

De Beer says that Ingwe's Mashepene education programme is 10 years ahead of government's outcomes-based education programme and has led to 79% employee literacy.

This was evident when a group of journalists entering a shaft on a trip underground recently were greeted by miner Sipho Dlamini

Dlamini, who speaks fluent English, said he was educated up to primary school level, but through the mine's education programme he has learnt to read and write.

The NUM's secretary-general, Gwede Mantashe, who is also a former employee of Ingwe, says the company does not have a single black person on its board or in management. He says affirmative action goes only up to entry level.

Mantashe also accuses Ingwe of "having one of the most aggressive retrenchment programmes". The recent dispute at Ingwe's Douglas colliery in Mpumalanga reflects management's resistance to transformation, he says.

However, De Beer says the strike was a result of disagreement within the NUM. He says Ingwe has kept retrenchments at a low level of 60 people.

The company says it aims to improve production through the dedication of its employees

Newly appointed MD Eddie Scholtz says "it all has to do with changing old attitudes of both management and employees. What we have is a human capital that needs to be constantly developed for the well being of our country."

De Beer says that the mine's employees are directly involved in deciding machinery purchases. Of the company's 12 000 employees, only 25% have chosen to live in hostels. The rest live with their families in houses.

Through bursary schemes Ingwe contributes to the education of more than 5 000 children at 12 primary and secondary schools on mine premises. They also help to send employees' children to university or technikon, De Beer says.

"It is Ingwe's philosophy that in order to establish a culture of learning in the organisation and surrounding communities the quality of life must be addressed," says De Beer.

20/10/99 (211)

Agreement eludes gold committee (211)

By Mzwakhe Hlangani
Labour Reporter

YESTERDAY'S Gold Crisis Committee meeting in Johannesburg failed to reach consensus on trade union demands for a moratorium on retrenchments despite gold sustaining a price above US\$300 an ounce.

The meeting was convened by officials from the Department of Labour and Energy Affairs, union and mine employers, to address the challenges in the industry precipitated by job losses and high production costs.

The National Union of Mine Workers' legal adviser Mr Molefe Moléte said most mines had embarked on massive retrenchments on the basis of a low gold price, which stood at around \$250 an ounce before the recent increase. This necessitated job cuts since these mines were unable to sustain normal operations with higher labour cost levels.

Now the basis for continued

retrenchments has become irrational, in the light of the latest gold price improvement," Molefe said.

Although the Chamber of Mines was sympathetic to the NUM's call for a moratorium on retrenchments, communications manager Dr Frans Barker pointed at the volatility of the gold price as the major problem for facing the moratorium call.

He said gold reserves were depleted, although these were independent of the gold price. Uncertainty still prevailed because of another possible price drop in the next few weeks, he added.

This week's crisis committee meeting also agreed to implement the 1998 Presidential Jobs Summit decision to convene a sectoral summit.

In terms of the agreement, the summit will be held in February next year, more than a year after the directive was formulated.

It is expected the continuing job losses in the mining sector will be the central focus of the February summit.

001101999
Molefe

25 000 mineworkers want gold bosses to rehire them

By MALOSE MONAMA (211)

THE National Union of Mineworkers (Num) will this week embark on a series of protest actions aimed at putting pressure on gold mining houses to reverse the retrenchment of about 25 000 workers who were laid off in the past three months

Union spokesperson George Molebatsi said his organisation, assisted by the Congress of SA Trade Unions and the SA Communist Party, would kick off the protest week this morning with a rally at Bekkersdal.

Trade unionists representing about 20 million workers worldwide are also expected to attend this morning's rally

The rally, Molebatsi said, will put pressure on international mining giant Placer Dome to reinstate the 3 000 workers retrenched from the company's mines in Western Areas recently

Other actions include marches to the offices of the Chamber of Mines and more rallies

Placer Dome, a joint venture between a Canadian company and SA Westonia Limited, recently won a court order allowing it to cut its staff complement by half

The Num said the move was in breach of section 189 of the Labour Relations Act which makes it mandatory for the union to be consulted before such a decision is reached

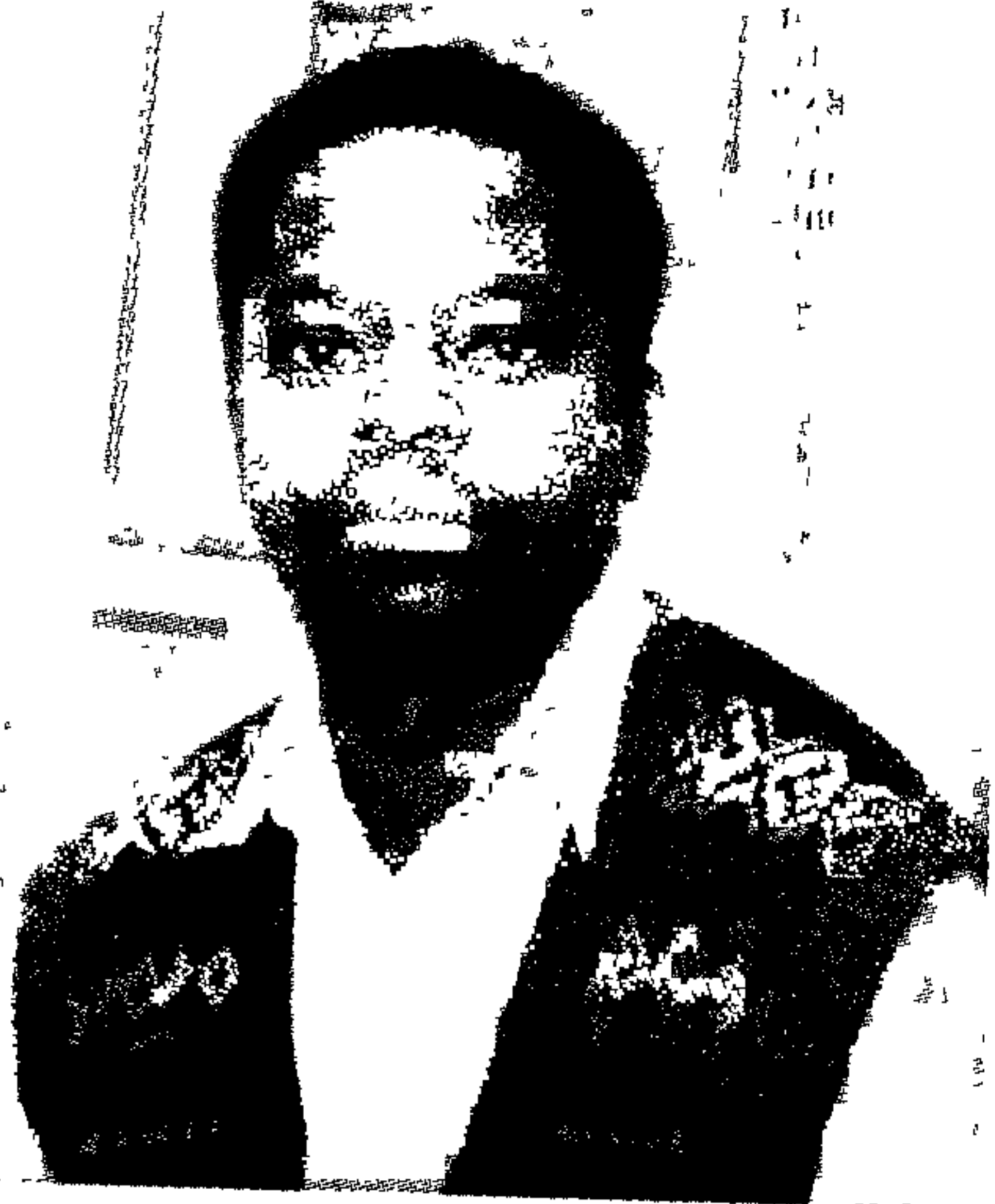
It said the retrenchment was also in breach of the spirit of the Gold Crisis Committee agreement on retrenchments

The rally at Bekkersdal Stadium is expected to attract thousands of Num members and will be addressed by mine-worker delegates from Canada, Australia, Britain, Russia and some of the Scandinavian countries

Num general secretary Gwede Mantashe, SACP boss Blade Nzimande and Cosatu secretary-general Zwelanzima Vavi are also expected to address today's rally.

The mineworker delegates are in SA to attend the International Federation of Chemical, Energy, Mine and General Workers Unions world congress in Durban

Other mines which have shed jobs will also come



FIGHTING TALK ... Num spokesperson George Molebatsi

under pressure from the Num to reinstate the workers.

Molebatsi accused mine bosses of not having the interests of workers at heart

"Each time there has been a slight drop in the price of gold, they have been quick to react, and

always it is the worker who suffers. Now the price has recovered remarkably and none of the 25 000 who were sacked have been reinstated"

Molebatsi said although the gold price had retreated in the past few days, it should hit the \$300 mark again soon

The market remains volatile, even at \$300 per ounce, reflecting uncertainty

over whether producers are likely to buy back parts of their forward price exposures

"If official lenders of gold materially reduce the amounts of gold they are prepared to lend to this market, this would bring about quite a different situation and is likely to lead to further sharp increases in the gold price," said Molebatsi

Each time there has been a slight drop in the gold price they have been quick to react, and always it is the worker who suffers

NUM goes global over retrenchments

(211) CT (PR) 1/11/99

FRANK NXUMALO

LABOUR EDITOR

Johannesburg - The 20 million-strong International Federation of Chemical, Energy, Mine and General Workers Unions (Icem) yesterday began a global campaign against Placer Dome, the Canadian gold mining group, for retrenching nearly 3 000 mineworkers allied to the National Union of Mineworkers (NUM), a South African affiliate of Icem

Icem told thousands of NUM mineworkers at Western Areas' Bekkersdal stadium that the company's actions were "absolutely disgraceful"

Hans Berger, the president of Icem, said the federation had been told in July that the retrenchments were necessary because of the low gold price. But after the recovery in the bullion price Berger said Icem was told that the retrenchments were necessary because "the NUM was not prepared to accept full calendar operations on the company's own terms - these are lies, utter lies"

"The truth of the matter is that Placer Dome is not concerned by the fate of one of its most important assets, its workers, it is solely concerned by maximising profits"

"On Thursday, Placer Dome released its third-quarter results (and) despite lower sales and low bullion prices, Placer Dome earned \$17 million in

profits compared to a profit of \$14 million during the same period last year

"Compare these quarterly profits with the meagre \$2,4 million that the company has promised for its so-called social plan for the workers it wants to retrench. The sole and only purpose of the retrenchments by Placer Dome is its bid to raise production and lower costs in order to make ever greater profits"

Gwede Mantashe, the general secretary of the NUM, said a copy of a video film titled *The Ugly Canadian*, documenting Placer Dome's "destruction of jobs, communities and the environment", would be handed to all concerned

But Patrick Evans, the Placer Dome spokesman, said the company had stuck to the letter and the spirit of both the Labour Relations Act and the Gold Crisis Committee and the Labour Court had approved the retrenchments

"It is clear to us that, because the general secretary of the NUM had lost the legal battle in South Africa and also because he does not enjoy the overwhelming support of NUM members on our mines, he feels he has to go outside South Africa to win support for his campaign"



AN INJURY TO ONE An NUM member sits in protest outside Placer Dome's Western Areas mine yesterday

PHOTO: SEAN WOODS

International unions rally against Placer Dome (211)

Simphiwe Xako

INTERNATIONAL labour unions resolved yesterday to put pressure on the Placer Dome Western Areas joint venture, the world's third largest gold producer, to re-employ 3 000 employees who were retrenched last month

But the company's spokesman, Patrick Evans, was adamant that Placer Dome would not yield to

pressure as it had "diligently" adhered to the requirements of the Labour Relations Act and the gold crisis committee

Addressing more than 2 000 workers and community organisations at a rally in Bekkersdal yesterday, the president of the International Federation of Chemical, Energy, Mine and General Workers' Union (ICEM), Hans Berger, said workers in Canada and Australia

would stage protests at Placer Dome offices

Berger said "I am here to express the full solidarity of the ICEM's 20-million members around the world, with the National Union of Mineworkers' vigorous campaign to get the retrenched miners re-employed" He said his union would also embark on a "fully fledged" international campaign against Placer's operations

PD 1/11/99

Placer Dome denies NUM claims of job cuts

(211) 2/11/99

FRANK NXUMALO

LABOUR EDITOR

and offices in Canada, the US, South Africa, Australia, Chile, Papua New Guinea and the Philippines

Gwede Mantashe, the general secretary of the NUM, said a video, The Ugly Canadian, would be distributed worldwide during the campaign that would include protest marches, demonstrations and strikes at Placer Dome's global operations if necessary.

"Because Placer Dome is a global company, to challenge its decisions we, as workers, need to launch a truly global campaign in Placer Dome's sites across the globe, in the media, on the Internet, wherever we can bring pressure to remind it of its social and environmental responsibilities," Mantashe said.

Hans Berger, the president of the ICEM, said the union federation backed the action. "We have committed ourselves to an international campaign targeting Placer Dome (and) we at the ICEM have considerable experience in conducting such campaigns."

ICEM research showed global campaigns against a company especially on the Internet, could be damaging to the company's image. It found that up to 30 percent of the value of a company's shares listed on the New York Stock Exchange depended on image.

Placer Dome is the world's third largest gold mining company, producing 3 million ounces of gold a year. It is listed on the Toronto, New York, Montreal, Paris, Swiss and Australian bourses.

Johannesburg - Placer Dome, the Canadian gold mining company based at West Rand, announced a further 2 000 job cuts for surface workers before the end of the week, the Placer Dome branch of the National Union of Mineworkers (NUM) said yesterday.

The NUM PWV region was monitoring developments closely without confronting the company management directly, apparently preferring to pursue the struggle by other means.

"We are not on talking terms," said Obed Mula, the NUM PWV regional chairman.

Placer Dome dismissed NUM's claims as a campaign of misinformation.

"There are no planned retrenchments (and) we do not foresee any retrenchments in the future," said Simon Moloko, a spokesman for Placer Dome. "It's an absolute misrepresentation of facts, somebody is getting mischievous."

The redundancies would be additional to nearly 3 000 dismissals last month that have drawn the anger of the NUM national leadership, the 20 million member International Federation of Chemical Energy Mining and General Workers Union (ICEM) the Western Area's Bekkersdal community and the ANC leadership in Gauteng province.

On Sunday the NUM, with the full support of ICEM, mounted a global campaign targeting Placer Dome mines

There are no planned retrenchments and we do not foresee any in the future'

International union wants regulated bank gold sales

(211) 2/11/99

FRANK NXUMALO

Johannesburg - The release of above-ground bullion stocks by central banks should be regulated, the 20 million strong International Federation of Chemical Energy Mine and General Workers' Unions (ICEM) said last week.

Central banks jointly hold about a quarter of the world's gold.

The ICEM said given that the gold mining industry was such a major employer in many countries, the recent instability of the gold price and uncertainty about gold's

future had put many jobs at risk. This was behind the union's decision to convene a World Gold Forum meeting in Durban.

"Central banks have a primary obligation to help achieve stable economic growth. They cannot do this through speculative investment in the financial markets."

"All current plans for gold sales, announced or unannounced, should be publicly abandoned by the central banks," ICEM said.

The ICEM said the need for gold reserves should be reaffirmed because although the world economy

had recently experienced growth, such a growth had been the result of rising share prices and could not be sustained indefinitely.

The organisation said measures like better marketing had to be taken to increase the consumption of gold.

The labour federation said although restructuring would continue within the gold industry it had to happen with full prior consultation with trade unions and should include the introduction of programmes to minimise the social impact.

ERPM deal may save 2 500 jobs

(211) CT (MR) 5/11/99

JONATHAN ROSENTHAL

COMMODITIES EDITOR

Johannesburg - A joint venture between Khumo Bathong Holdings, a black empowerment company, and Durban Roodepoort Deep, a gold producer specialising in marginal mines, was the preferred bidder to buy the assets of the liquidated East Rand Proprietary Mines (ERPM), it emerged in the Boksburg Magistrate's Court yesterday.

The deal, which sources said would be worth more than R100 million, could allow ERPM to re-open within the next few weeks and re-employ more than half of the 5 000 mineworkers who were retrenched from the mine when it was placed in provisional liquidation in July.

ERPM's creditors yesterday agreed to a resolution authorising the joint liquidators to begin talks with the joint venture at the second meeting of creditors held

before the court

Paseka Ncholo, the chairman of Khumo Bathong, said the joint venture had not yet conducted a full due diligence on the mine, but early indications were that it would re-open both the surface and underground operations.

The bid, which was supported by all of ERPM's creditors, made provision for expanding the operations "to employ more people, which is different from what I suspect other people offered," Ncholo said.

Khumo Bathong is an empowerment company involved in diamond and chrome mining projects as well as agricultural operations.

Molefe Molefe, the head of the legal department at the National Union of Mineworkers (NUM), said the union was satisfied with the outcome and that the key issue was now to ensure the deal was closed and the mine reopened. The NUM has also

submitted claims to the liquidators worth close to R45 million on behalf of its members. The NUM argued that its members were entitled to severance pay, notice pay and claims for unfair dismissal against ERPM.

If successful, the NUM could make legal history. In terms of the current legislation, employment contracts are automatically terminated when a company is placed in liquidation. The NUM, however, argues that this conflicts with the new constitution.

Jan Bredell, a deputy director general in the department of minerals and energy, said he too was pleased with the outcome. The price, terms and conditions of any agreement reached with the joint venture or any other party would have to be agreed to by the department, he said.

"If no agreement can be reached, only then can the liquidators be empowered to negotiate with the other parties."

NUM to meet Placer Dome over job cuts

Ilja Graulich (211)

THE National Union of Mineworkers (NUM) has reiterated its call for mass action if it does not reach an agreement with Canadian gold producer Placer Dome over the possible retrenchment of 2 500 workers

Placer Dome, which operates a joint venture with SA's Western Areas, spent \$235m for a 50% stake in the venture, the single biggest investment by a foreign mining company in SA

NUM president James Motlatsi, speaking at the 109th annual general meeting of the Chamber of Mines, said "we do not need a foreign investor who causes unemployment and takes all the profits back home"

At the meeting, Anglovaal Mining CE Rick Menell was voted in as president of the chamber, with African Rainbow Minerals executive chairman Patrice Motsepe and Anglo American platinum CE Barry Davison as vice-presidents

Placer and the NUM are due to have a meeting today while newly elected Placer Dome president Jay Taylor will meet Motlatsi in Johannesburg tomorrow

Motlatsi said the NUM was supportive of foreign investment provided the foreign company "adheres to the principles laid (down) by the country"

Placer is adamant it had "diligently" adhered to the requirements of the Labour Relations Act and the gold crisis committee with regards to the retrenchments under dispute

BD 10/11/99

Miners saved by takeover

(all) CP 14/11/99

By SIBANENGI DUBE



BACK ON TRACK Paseka Ncholo of Khumo Bathong says mining operations will resume soon
Picture Siphon Maluka

ABOUT half of the 5 000 workers retrenched when the East Rand Proprietary Mine (ERPM) went into liquidation three months ago are expected to get their jobs back, courtesy of an acquisition by black empowerment company Khumo Bathong who announced this week it had taken over the mine.

Paseka Ncholo the executive chairman, said mining operations would resume as soon as the agreement papers were signed, probably early next week. He declined to reveal the price tag and how Khumo Bathong was going to raise funds for the acquisition. The companies' lawyers were still working on the financing mechanism, he said.

"If we were to receive the signed agreement papers this morning we would start work this afternoon," said Ncholo. The company already had a management team in place and all the required technical expertise, he pointed out.

Up-to-date geological data available shows there is gold, so there is no excuse for any delay, ERPM did not collapse because of a lack of gold reserves and even if the gold price remained low the mine would still be viable he said. Khumo Holdings stated in its bid document it would utilise

R25 million on the environmental liabilities of ERPM. We do not pretend to have all the skills but we will go into partnership with guys who can do the job as well as market our business plans," Ncholo said.

Ncholo is the main shareholder in Khumo Holdings, with a 60 per cent stake. Michelle Barrd owns 40 per cent of the company.

Other full-time company directors are Erick Molefe and Palesa Sedibe-Ncholo. Khumo Bathong is involved in the chrome and diamond mining business, and has huge mining ventures in Potgietersrus. Oupa Kumani, the East Rand chairman of the National Union of Mineworkers (NUM), applauded the results of the tender, saying it favoured the workers.

"Ncholo is speaking the same language as us since he immediately intends to give jobs back to our retrenched workers." Kumani said the laid-off workers were still patiently staying at the mine hostels waiting for work. A government funded training programme was being negotiated to provide skills in income-generating projects for those who would not be re-employed by the new owners, he said. Jan Bredell, an official at the mineral and energy affairs department, confirmed that Khumo Bathong had won the tender.

Gold Fields, NUM launch social plan

Ilja Graulich (211)
BD 16/11/99

GOLD Fields, SA's second largest gold producer, has launched a R10m social plan in conjunction with the National Union of Mineworkers (NUM)

The Gold Fields Foundation, the social investment arm of Gold Fields, will fund the programme for three years. The programme will be implemented by the Mineworker's Development Agency (MDA), the development wing of the NUM.

The MDA's aim is to create a network of regional development centres, with a linked network of local outlets that reach into all areas of southern Africa affected by mine downscaling.

The MDA currently has centres in the Eastern Cape, North West, Northern Province, Free State and Lesotho.

As a separate project, Gold Fields has committed a further R4m to the NUM for the development of union leadership.

Gold Fields chairman Chris Thompson said the social plan programme will "take economic empowerment down to the grassroots where our people and their families live and work."

Gwede Mantashe, general-secretary of the NUM said the MDA must "apply its mind (to) sustainability and viability."

Chamber of Mines offers aid to rural areas

Gold price rise, if sustained, may cancel contemplated retrenchments, writes Reneé Grawitzky

THOUSANDS of retrenched miners and their communities look set to benefit from a R10m allocation made by the Chamber of Mines yesterday towards funding rural economic development initiatives.

Miners could at the same time be granted a reprieve after the chamber said that the estimated 80 000 jobs identified to be at risk when the gold price dropped earlier this year could be saved.

Chamber of Mines president Rick Menell said if the gold price levels were sustained "price-induced retrenchment plans developed between May and September this year are highly unlikely to be pursued." Menell also said that if financial conditions improved and the industry needed to employ more people, preference would be given to job applications from retrenched workers.

This emerged during a media briefing yesterday where the chamber outlined its plans aimed at facilitating sustainable employment for former miners.

The R10m allocation is in addition to contributions made by mining houses including Gold Fields, Placer Dome, Western Areas, Joint Venture and AngloGold to fund their respective social plans.

Menell said the initiative acknowledged "appreciation to all our partners for the combined support received to inhibit gold selling by International Insti-

tutions". For the past year National Union of Mineworkers (NUM) president James Motlatsi and AngloGold CEO Bobby Godsell lobbied at home and abroad against the sale of gold reserves by central banks and the International Monetary Fund. This led to a joint union-management march in Pretoria in July.

The R10m allocation will fund initiatives focused on training in rural areas to promote entrepreneurial skills, the promotion of a local gold jewellery industry and black-owned business.

Menell said the industry would embark on a campaign to "stimulate economic development in local communities by expanding contracts through black-owned commercial enterprises for advancing the procurement of goods and services" to the mines.

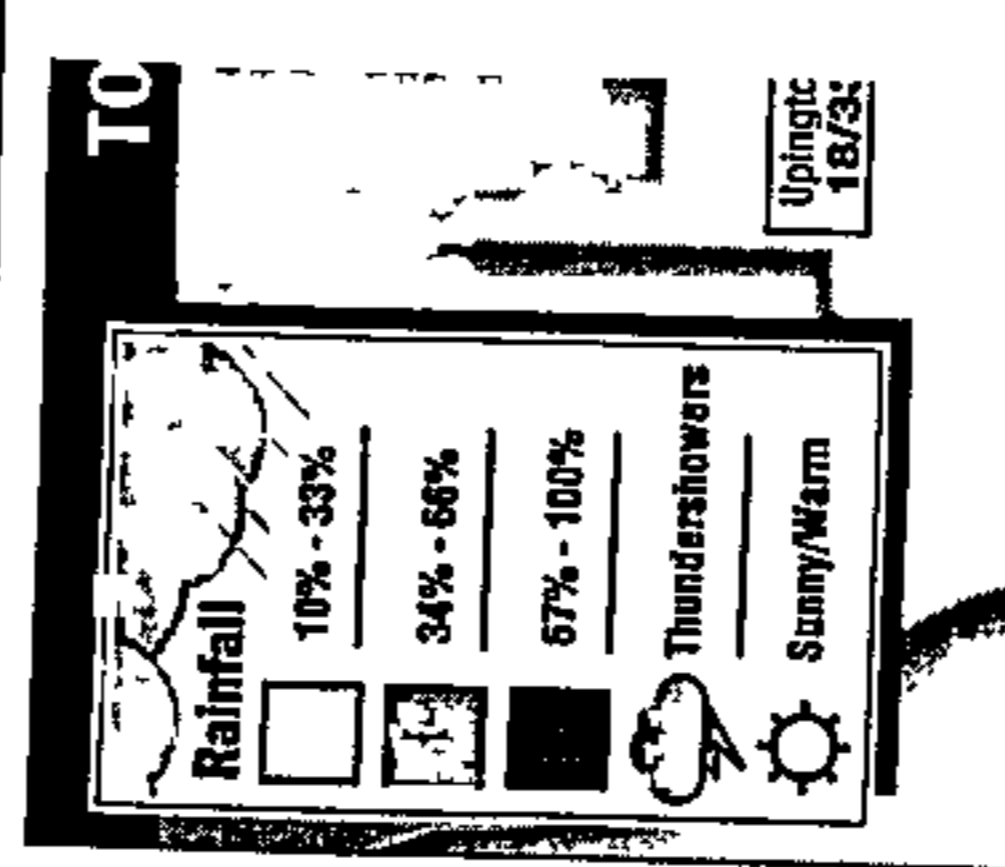
A number of these initiatives will be undertaken in collaboration with the NUM and its development arm, the Mineworkers Development Agency. The chamber

would also utilise the facilities provided by its recruitment arm, Teba, which has 74 operations inside SA and neighbouring states.

Reintegrating retrenched miners in rural economies has been a challenge for the industry since massive retrenchments began after the 1987 miners' strike. This challenge was first taken up by the Mineworkers' Development Agency, which has set up centres around the country to provide self-employment training and other support services to retrenched mineworkers.

The agency has set up development centres in Lesotho, Eastern Cape, Northern Province and Welkom. A West Rand centre is also planned.

Menell said with the initiatives, "the gold industry seeks to share directly with employees, both past and present, the gains that will accrue from the increased gold price".



GETTING IT RIGHT

Ag date given for the Mastering In-Management competition published yesterday was incorrect. Entries must be received by midnight on December 31. The competition is open only to SA residents.