MINING - LABOUR

1995
Mines warn of no-work holidays

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.

"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 mining 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 TOMMEEY

Leading gold mining chief, Clem Sunter has warned that the gold mining industry is in a critical situation. (21f)

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.

*15,000 jobs at risk — Page 13.*
Anglo American’s Sundern Says Industry Is in Serious Squeeze

15,000 Gold Mining Jobs at Risk
Biyouor Mine Retrenchment 3150

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million

Pay K2.5 million

Revenue K5.2 million, profit K1.7 million

production cost K1.5 million
Mines’ local hiring is up

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 GRAWTZKY

COSATU’s long-awaited farm workers’ union will be launched this weekend with an estimated membership of 50 000.

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.

COSATU farm workers coordinator Dickson Mota 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 49 000.

National co-ordinator Tumeliso 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

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 Dammacher 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-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 56% plus one member in a bargaining unit, but others believed in recognising unions with a “significant membership”.

Acceptable membership would depend on the strategic significance of workers.
NUM threat on contract labour

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 use 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 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 Grobicks denied this, saying Randgold was pursuing previous labour policies.

Gold Fields' 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

Johannesburg: Lower sales due to the oversupply in world asbestos markets pushed Msauli Asbestos' net income 60% lower to R8,027m for the year ended December 1994 from R13,160m a year previously.

Sales fell 15% but due to the weakening of the rand exchange rate turnover only declined by six%. Lower production impacted negatively on production costs and operating income fell 40% to R9,251m (R15,356m). Earnings a share came to 95.42c (206c) 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

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 income had failed to materialise.

Although production had improved, workers had not benefited from increased profits, he said.

Mineworkers' Union (MWU) organising secretary Flip Brey says the union would respond more fully today. Its initial reaction was to reject the proposal.

Palane said the Chamber which was 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". An 11-shift fortnight agreement means alternate Saturdays are not working days, leaving expensive capital equipment idle and reducing the number of monthly blowings 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 longer 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 associations 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 arrangements 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

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 backlog 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.

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 Falane 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 Grootvleis 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

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 1998 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 Kassier 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 minimised co-operatives.

Tiger Oats executive director Hamish McHans 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," he said.

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

Agricultural markets division spokesman John Wuxley 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 Agricultural Minster.

---

**Farmers’ union rejects land plan**

LOUISE COOK

The Transvaal Agriculture Union has rejected the 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 R318m to displaced communities to redistribute 450 000ha of land nationally. Of that total, about 230ha 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 Moorecroft said his party supported the programme’s basic provisions.

However, if the government 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**

RENEE OR ZIKY

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

Speaking at a seminar on workplace change through worker participation, Mark Ansley, 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 that at Gencor’s Grootevlei 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 productivity and their involvement in the formulation of production targets.
SA ‘needs bank to fund tourism’

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 facilities 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

RENEE GRANITZKY

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 unions 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.

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.

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 $2,900 an ounce.
NUM demands wage increase

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

"At some mines the current minimum is R390 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.
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 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 and 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 mass 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’

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 508 delegates.

The NUM this week estimated that there was an average minimum wage of about R380 in the industry and demanded increases be well above a predicted inflation rate of 11%.

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 practice.

In his opening address, Motlati reiterated his call for the rationalisation of Gold Fields, and a resolution that mines continue 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

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 13 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 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 decision 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.”
Shape up or ship out, mine tells workers

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 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."

Othisite Gabaitseke 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 Gabaitseke.

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."
White miners' unions irate at termination of closed shop agreement

THE Chamber of Mines has cancelled the industry's 85-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 agreement, 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 arrangement, 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 unconstitution- 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 multitasking 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, it has been allowed to recruit skilled workers.

Miners

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 18,000 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.
Legacy of last white mining privileges removed

The Chamber of Mines is to remove the final pillar of privilege for white mine workers 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.

27/3/195

Staff Reporter
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 Miners (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.

Mineworkers’ Union (MWU) general secretary and Council of Miners Union (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 “automatically had to prove representivity” after being recognised for years, he said.

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 “mass exodus” to other unions of the 13 000 to 14 000 members covered by the closed shop arrangement.
'Shield communities from mine closures'

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 downscaling 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 beneficialisation 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.
The Chamber of Mines has offered workers more than double pay as an incentive to work on the 12 designated 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.

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 extended 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 organizing 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.

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 Puleane questioned whether the efficient use of labour resources also applied to management.

The chamber has sent its proposals to the unions.
Training Mines for the Future

First Officer talks about the current state of mining education and the importance of training the next generation of miners.

By capturing the experiences and expertise of experienced miners, training programs can help ensure that the mining industry continues to thrive.

The process of education and aptitude in the mining industry is crucial, as it helps to develop the skills and knowledge necessary for successful and safe mining operations.
Council steps in to help mine squatters

By Joshua Raboroko

THE Greater Johannesburg Metrospecimen Metropolitan Council has re-
commended that homeless mineworkers and their familiess be allowed to build
on the West Rand to build homes.

Acting Roodlopshoek Town Clerk Mr Carlise Coetzee said yesterday that the
council had provided running water and
bath for the families of a gold mine
Lesantisana Hospital. The families were
evicted from homes at Duhan Deep
Gold Mine after they were threatened
by the mine last July. They were
stranded, he said, when the council allowed them to stay on the
field. The families claimed yesterday that they were being threatened by
white farmers who wanted to quit the area.

Mr Coetzee said the families faced
the threat of being forcibly removed
by right-wingers. Coetzee promised
that the council would not allow any-
body to evict the squatters. "They an-
swer there temporarily until we find
suitable land for them to build
homes," he said. The council would
provide health care in the area.

GTMG executive committee chair-
mman Mr Colin Mantla said the coun-
icl would extend the services to all
informal settlements."
Rapid communications crucial to mine efficiency.

Michael Urquhart

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 communications 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 smoke 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 strunging 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 GRAVITZKY

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 Kaula-nang near Welkom.

Speaking at a news briefing about the project yesterday, Anglo gold division chairman Glenn Smit 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 Lanfer 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 590 jobs with a minimum wage of R600 being set and a training centre was established providing bricklaying courses.

The initial phase of the project provided for 747 houses which would be divided equally between Freedies 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 R12 000 repayable over 24 months.
Labour trouble could sink mines

By CLAIRE GERNHARDT
ECONOMICS EDITOR

South Africa’s gold mining industry was being threatened by miners’ 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 two days of tribal clashes at its Vaal Reefs Number 9 shaft could cost R4.6 million in a “worst-case-senario”, given that the shaft normally produced about 33kg 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.

Asar Jammun, 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 cares 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 percent a couple of decades ago,” Jammun said.
Foreign miners live in fear

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 Husseini, a Mozambican who witnessed clashes last weekend between migrant 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."

Miners 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 1990.

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

— Sapa-AFP
Mines could be hit by strikes, General Warns
Gengold voices wage talks fears

THE gold mining industry could be heading for a crisis in approaching wage negotiations, Gengold chairman Gary Maule 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 R22.8m for the March quarter as a retrenchment bill of R11.3m at Buffelsfontein and poor results from its Evander mines affected profits. Buffels retrenched 1,275 employees as 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 poaching 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

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 Smit 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.

Smit 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.
Top pay for Buthelezi's adviser

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 from Democratic Party MP Ms Dene Smuts, Chief Buthelezi, Home Affairs Minister, confirmed that Dr Mario Orani-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, 1993 to June 30, 1995.

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

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 Parliament 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.

Mangosuthu: N West to act

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 Soweto 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 Molosedi, Zerust, home.

The report suggested that some of Mr Mangope's assets be sold to recover state funds.
7-day week solution for SA's mines

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 R560-million, and add R1.2-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 75% 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 lifeline
— Page 21
Holiday agreement reached

MINING unions and Gengold's Oryx mine near Welkom have reached agreement in principle on the rescheduling of 13 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.

A memo in March by the Chamber of Mines promised 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 groups 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.

---

Parliament hears figures on police

CAPE TOWN — A total of 625 SA Police Service members went on strike last year, causing the loss of 690 working days. Safety and Security Minister Sydney Mufamadi said in Parliament yesterday.

Between March 1 1994 and March 28 1994 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 Koenhoff (NP).

Charges included: 105 for murder, 263 for attempted murder, 56 for rape, 1,093 for assault, 987 for reckless driving, 216 for theft, 283 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, 17 for armed robbery, and 162 for sentenced to 2 years for operating a brothel, 15 for extortion, 33 for housebreaking and theft, 47 for fraud, one for arson, 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 1,883 suspects had been charged following investigations by the police vehicle theft unit. Nearly half — 3,044 — of the 6,534 armed robberies which took place between January and November 1994 happened on the Witwatersrand. The next worst was Natal, with 13,329 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, 2,836 in the Eastern Cape and 2,368 in the Free State.

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

— Sapa
Holiday mining at a price

ERICA JANKOWITZ

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 23% 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 293, including the 12 statutory public holidays.

The industry has proposed restoring 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.
NUM pushes for pay hikes of up to 79%.

RENEE GRAVITZKY (21)

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 Nceli said the wage system had to be rationalized 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 066 a month for gold and coal mine surface workers to R3 325 for underground and open-cut gold and coal mine workers. Minimum demands for marginal gold mines ranged from R956 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 95% of workers on gold mines.

Minimum wages on non-marginal mines range from R585 at Gold Fields to R742 at Anglo American’s Randgold 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

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 10% and 23% 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 R2,354 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 open-cast mines should receive from R1,205 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 healthy 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.
Shed no tears for loss of apartheid ‘work ethic’

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

By Karl von Holtz

SHOP FLOOR

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

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

Argo American blamed a power worker strike for a 90% drop in earnings. Goldenfrica blamed that workers were not “co-operative”. JCI said that mines could not meet the expectations of the “bloated” workforce.

General management conceded that workers are the central issue of the problem. What do workers want?

I was told of a group of NUM shop stewards at JCI’s Randfontein Estates to find out. They sit in a billboard complex - a group of long, low buildings behind fences and armed sentry gates. “We stay under apartheid here,” said one.

Workers complained that they worked under the same harsh disciplinary code as they did before elections last year, lived in the same compounds were paid miserable wages, and if they were disabled by an accident were sent home with “patriotism.

The NUM and political and social tensions were not conducive to high production. “The system was exploitative and warlike,” a former Randfontein NUM organiser told us.

On one occasion workers went on strike after management replaced a section manager with one they felt treated them unfairly. On another, they occupied management offices in protest against the authority of production managers to interfere in the running of hostels.

Such grievances are not exclusive to Randfontein or JCI. But they prevail in the mining industry.

Small changes do occur as Randfontein management has agreed to an all-form shop stewards. But are such changes enough?

The real problem is that historically the mining industry was one of the foundations of apartheid. Violence and racial conflict was occurring over black workers as the compounds and underground by

— that ideology’s “work ethic” should fall into line. A new work ethic is called for in our mining industry — and it can only be established on the basis of unity new relations between management and workforce.

This requires 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 mining 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?

Inflating 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.
Anglo and unions disagree on public holidays

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 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 affected 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.

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

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 from the 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 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 sections.

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.

Continued on Page 2
'Adding insult to injury'

By JEFFERSON LENGANE

"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.

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

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, Mr Du Tott, said he did not have enough information to comment.
on seven-day work week
bartering chips
UNIONS HAVE MANY

RENEE GRAVITZKY 80/7/49

(21)

on seven-day issue

The power of the seven-day work week is in its ability to provide a longer span of time to work and to reduce the number of days spent commuting or on vacation.

The seven-day work week also provides a longer period of time to work, allowing for greater productivity and efficiency.

In addition, the longer work week can lead to increased job satisfaction and reduced stress, as employees have more time to focus on their work and less time spent on commuting to and from work.

The seven-day work week has been shown to improve employee performance and satisfaction, as well as increase productivity and reduce burnout.

The seven-day work week is also beneficial for the economy, as it allows for increased productivity and reduced costs associated with overtime work.

The seven-day work week has become increasingly popular in recent years, and many businesses have adopted it as a way to improve productivity and reduce costs.
Retrenchments a gold mining trend

By Derek Tomney

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 downswing 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 September 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 Mineral Affairs and Energy

The power to make the Regulations on 30th June 1999 is hereby vested in the Minister for Mineral Affairs and Energy and shall come into force on 1st July 1999.

The Regulations shall come into force on 1st July 1999.

In pursuance of the said power, the Minister hereby makes the following Regulations:

(1) The Regulations may be cited as the 'Minerals (Control) Regulations, 1999'.

(2) These Regulations shall apply to all minerals except those which are controlled under any other law.

(3) Any reference in these Regulations to any provision of any other law shall be deemed to include a reference to any corresponding provision of any other law.

(4) These Regulations may be so amended, revoked or re-enacted by the Minister for Mineral Affairs and Energy by order published in the Official Gazette.

(5) No person shall, without the previous permission of the Minister for Mineral Affairs and Energy, possess, acquire, utilise or dispose of any mineral or any part thereof.

(6) Any person who contravenes any of the provisions of these Regulations shall be punishable with fine and/or imprisonment.

(7) These Regulations shall come into force on 1st July 1999.
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 Phahaj said the ANC had serious concerns about both the viability and reasons behind the establishment of a volkstaat. He criticized 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 Afrikaners.

"We agree every endeavour must be made to defend and promote Afrikaners. 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 recognize 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

Miners have called for their cash payments following court rulings in their case against the National Union of Mineworkers.

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, the NUM paid the money 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."

Vilagazi said the NUM was "investigating the background to the case", and would report further at a later stage.
Mining industry set for disputes

The mining industry is bracing itself for a series of disputes that could disrupt production and increase costs. Union representatives have warned that negotiations over wages and working conditions are at a standstill, with both sides refusing to make concessions.

The main issues at stake include the introduction of new safety regulations and the proposed closure of several mines. Union leaders have expressed concern that the government's recent economic policies are placing too much pressure on workers and could lead to industrial action.

Miners and their families have been hit hard by the pandemic and the global economic downturn. Many are struggling to make ends meet, and the union is determined to fight for a fairer deal.

The mining companies, on the other hand, argue that they are operating in a competitive global market and cannot afford to make large wage increases. They have also pointed out that the unions are not the sole beneficiaries of any negotiations, as shareholders and other stakeholders also have a right to a return on their investment.

Negotiations are set to continue next week, with both sides hoping to find a solution that satisfies all parties. However, the union has threatened to take strike action if their demands are not met.

Source: Mining Weekly
Mine dispute is looming

Reenez Draviszky

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

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 heading 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 — R650 compared to R1 587. — Sapa
Restructuring seen as inadequate

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.

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 conductive 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 1996 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

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

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.

80 7/7/95

Continued on Page 2

Ingwe

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 14 months in the Ingwe group to implement a new safety system. Employers would then be put into place by April 1996.

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 in place appropriate pay and grading systems to make the company 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 Pflummer said the union supported the agreement because it gave workers basic rights and set up structures which would allow workers to exercise these rights.

80 7/7/95
Bid to save mines talks

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.

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.
Mine workers march

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

Renée Grawitzky

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 Randgold 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 full-time 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 Urechard

THE mining and minerals policy doc-
ument 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 recommenda-
tions for the formation of new min-
erals and mining legislation.

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

The document called for the reten-
tion of the current system of mineral
rights, minerals beneficiation legisla-
tion and migrant labour.

Minerals and energy standing com-
mittee chairman Marcel Golding
said he was disappointed the docu-
ment contained little detail on what
could be done to improve the indus-
try. 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 indus-
try, but allowed it to survive in the
long term was needed. The approach
to the reform had to be people
centred, Golding said.
Chamber doubles mine wage offer

BY ROSS HERBERT

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 interrelated 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 (21)
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
Training agreement may affect 350,000

Renee Gravitzky

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 guidelines 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 further 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

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 18 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 "favorably 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 Sigcawu said yesterday the Government had no intention of privatising or restructuring any of the corporations it was responsible for until it had completed 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.

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 marching 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 "modernisation 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.

The announcement came after...
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 (10.8 percent) 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 as 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.
Restructuring demands rejected

NUM, industry wage talks freeze

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, 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 19% 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 the 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

THE gold mining industry had to address structural problems urgently if it was to survive, JCI gold division chairman Bill Nauru 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.

Nauru said that these results reflected the impact of three additional public holidays and the day of mourning for the 56 mineworkers killed in the 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. Any analysis of public holidays had shown that before this year, there had been approximately 35% 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 13%.

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

Nauru said on a positive note, the development programme at EJ Joel was coming to fruition, as evidenced by an increase in 7,033t milled. Joel still had R28m 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 Ntinde.

Mineral unions head for Jo'burg

Renee Grawitsky (2112)

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, Zaure, Zambia, Zimbabwe and SA. Eight unions are affiliated to the federation, which has a membership of 1.2 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 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.
Mass meeting
for unions

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.
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 percent for lowest paid and 10,5 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.
Safety overhaul

Gold mining's terrible toll

By Jefferson Loungane

Pic Botha calls for

...
Wage talks for miners deadlock (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

BY ANDY DUFFY

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 ends in impasse

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 10.56 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's 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

ANDY DUFFY

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 350 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.
Strike ballot in the offing after deadlock on pay hikes for mineworkers

**BY JUSTICE MALALA**

Labour Reporter

The National Union of Mineworkers will canvass its 320 000 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 on whether to call a dispute with the chamber and ballot members for a strike.

The move comes despite 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, the 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 the NUM a final 10% increase on gold mines and 10.5% on coal mines, and a further increase of between 18 and 24% for workers in the lowest categories.

The union is demanding a 12% across-the-board increase for workers on gold mines and 13.5% for coal mines.

NUM general secretary Kgalema 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 trauma for union representatives and the use of sub-contractors 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 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  
CT 8/8/95 (Z11)

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/Reuters
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 separate 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%...
De Beers 'model' blocks agreement

Renee Grawitzky

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 auspices of the Independent Mediation Services of SA (Inssa) 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 subcontracting out work.

De Beers 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 reduce 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

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 Nunn 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 “multifaceted problem”.

Nairu 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”.

NIUM 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.

Hostel residents would be able to elect representatives (one per 250 residents) to a hostel committee. This committee would be involved in “re-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.

Engold has also recently entered into an agreement with Nun on the provision of housing and accommodation.

‘Disaster’ mine scrutinised

Renee Grawitzky

VAAL Reefs East Mines’ safety and health co-ordinator on Tuesday told the mine’s enquiry 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 of 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 the 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 employee 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.

Rangel 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 necessary was available then other locomotive drivers should be asked to assist.

There was no supervisor present during the disaster.
Miners still undecided

(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

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 full-time 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

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 Ketsa 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 10.5% 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.
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 operate 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 exemptions 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 company level; and
- Improvements on various other conditions of service.

Partly because of smooth agreement on these issues it seems that Anglo and 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 an answer from the chamber by Tuesday, we’ll move on a strike ballot,” said Krugue Crewe, acting-genera secretary.

The union continued to reject a two-tier bargaining system with wages negotiated centrally and operational issues negotiated on individual mine levels.

The chamber, on Friday, boosted its offer for coal mines to 11.5%. Amco 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.
Revised wage offer may end mine dispute

Renee Grewitzky

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 16% 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 ballot among 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, but it is close. The chamber has a problem if we move forward to meeting the challenges facing our future viability."

The 10.5% offer on gold excludes marginal mines such as Randgold which has offered between 6% and 9% 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 wider gap in the mining houses' minimum starting wages. The collapsing of categories boosts the lowest paid workers' salaries.

Motlanthe said members had not yet been canvassed on Anglo's alternative offer, but it 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) Sun 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 broadbarding 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 when 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

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.

NUM spokesperson Ms Judith 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 miners 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.
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.

[Date: 22/10/89]
NUM and De Beers fail to resolve dispute

Renee Grawitzky  20 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.
for demobilised soldiers
SA Public voices support

Mine management

The bombing is in favour of the public views or policies of the public.
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 Lonane 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 coal miners.

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 Dukler.

Coal mines are offering 11.5% increases against the NUM's 12% demand. Gold mines have offered between 8 and 10% in response to the NUM's demand for an 11% 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
Mining strike looms after offer is rejected

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 conciliation 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 Durker, 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 broadening and to integrate categories one and two. Durker 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

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.
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 wounded," Mr Pietro Fanna 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.

Gauteng police spokesman Warrant-Officer Andy Peke 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. — Reuters
Mining boom hinges on wage outcome

BY DERED TORBIEY  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, retrenchments, 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 long-term 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 operate 365 days of the year instead of the present 287 days.

Inefficiency

"But we do not intend just continuing to operate with the current inefficient methods for an additional 78 days of the year," said John Browning, the head of gold operations at FCI.

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.
Late hitches

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 Duker 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 Kgalena 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 Duker 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 accommodation package

Renee Grawitzky (2/1) 28/1 95

AN AGREEMENT providing for worker participation in accommodation issues on and off mine premises and allowing for mine workers to choose the type of accommodation they want, has been reached between the National Union of Mineworkers (NUM) and Gengold.

The housing and accommodation 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 accommodation 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 to 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."
Miners sign milestone accommodation package

Renee Grawitzky

AN AGREEMENT providing for worker participation in, accommodation issues on and off mine premises and allowing for mine workers to choose the type of accommodation they want, has been reached between the National Union of Mineworkers (NUM) and Gengold.

The housing and accommodation 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 accommodation 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 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 Mphahlalele 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."

Evidence of accidents at Vaal Reefs

Renee Grawitzky

A NUMBER of documents outlining the causes of accidents were presented as evidence at the Vaal Reefs inquiring.

One accident involved 'rolling stock' which fell down shafts and other reported accidents involved all tracks and tramming on Vaal Reefs as well as other mines.

National Union of Mineworkers counsel Karel Tipp questioned Hennie Woods, the safety officer at No 1 shaft, about accidents that had occurred at the mine involving cars falling down shafts.

Tipp focused on an accident in 1992.

Woods said in response to a question by Tipp that the safety devices on 56 level were sufficient for hand tramming and not for power locomotives.

Woods also alleged that the safety philosophy on the mine was that power locomotives would not enter the shaft because they were forbidden to enter the straining 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 64 levels station injuring emt. in. 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 268B was not working and climbed inside locomotive 54B to move it.

Counsel for the driver Alec Friedland said this was incorrect as there was nothing wrong with locomotive 268B.

The proceedings continue today.
Gencor AIDS toll one a day

Kathryn Strochan

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 10,000 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 large 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 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’s health department’s HIV/AIDS programme director Quarraisha Abotali 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 hospitals, 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 not been implemented in consultation with workers — and were therefore viewed with suspicion.

An integrated approach and a programme which was sensitive to workers needs, she said.

Kevin O’Grady reports that Cosatu assistant general secretary Zwelimzena 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 exploited 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.
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 broadbarding – 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 broadbarding, 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 Lakaneng Matlala said the union was particularly pleased by the move towards broadbarding, in terms of which minimum wages in the lowest categories would be increased by between 18% and 24%, phased in over six months.

Al 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
NUM and mining houses agree on wage increases and Sunday work

The Argus Correspondent 06/09/75

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.

Base 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 16 and 24 percent, phased in over six months.
St Helena pays less, but it is worthwhile for workers

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 average 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.

Multi-skilling 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.
agreement signed

Mining Industry
Accord on miners' pay

Cape 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 base 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 nearing completion

(27) 10/12/95

Renee Grawdzky

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 29 000 Council of Mining Unions members voted for 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.

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

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."
Wage talks

The National Union of Mineworkers (NUM) and the Durbach Rand Estates Deep mine began negotiations at the weekend.

The mine, previously owned by Rand Gold, had been a marginal mine for several years and faced closure last year. The mine was saved when the Fraser Alexander mining group offered a rescue package.

Brief by: John Tom
(211) 503-2691
Mines to negotiate work on Sunday

Renee Grawity

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 cal
Retrenchment costs led to bigger losses

Michael Urquhart

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 Gwartzky

MINERAL and Energy Affairs
Minister Pik Botha announced
last night that the Cabinet had ap-
proved a R2,5m-a-year project ini-
tiated by the department to ap-
point and train 50 mine inspector
candidates over a three-year pe-
piod in an endeavour to address the
shortage within the mine
inspectorate.

Botha said: "The present short-
age of mine inspectors limits the
Government Mining Engineer Di-
vision's ability to supervise and
control mine safety and health."

Acting government mining en-
gineer Dick Bakker said the pro-
test was "a move in the right
direction".

The 50 people being employed
as assistant inspectors would af-
ter three years training be able to
measure environmental condi-
tions underground.

He said this did not; however,
resolve the problem of attracting
young mining engineers to be em-
ployed as mining inspectors who
demanded market-related
salaries.

He said the Public Service
Commission was extremely reluct-
ant to assent and pay higher
wages to inspectors.

Bakker said: "If the state wants
a say in mine safety it has to en-
sure that conditions are prevalent
to maintain safety underground."

The insufficient resourcing and
funding of the mine inspectorate
was highlighted in the Leon Com-
mision's recommendations re-
leased this year. At the time the
commission said good legislation
could be effective only if an ade-
quate enforcement agency was in
place.

This issue was also highlighted
during the drafting of mine health
and safety legislation, and the re-
structuring of the government
mining engineer's mine inspec-
torate in line with the recommenda-
tions of the commission.

Five mineworkers died in a
methane explosion on Tuesday
night at Eldorado gold mine
near Carletonville.

Anglo American spokesman
James Duncan said seven workers
were injured, three critically and
even 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 pres-
ence 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 hap-
pened, but they were told to go
back to work.

Representatives of the mine,
the NUM and the Government
Mining Engineer went under-
ground 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 condi-
tions 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 ac-
cident occurred had been ceased
entirely.
New mine wage agreement

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 Mine-workers' Union with about 6,000 members outside the ambit of improvements in wages and conditions of employment on chamber member mines.

FMU chairman Johnny Pettersen 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 representative 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) at 24/9/75

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

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."

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

Workers at the remote Vametco mine, which produces vanadium on the outskirts of Brits in the North West Province, say that 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 1984 which killed more than 2000 people.

The National Union of Metalworkers (Numsa), which organised 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, Henk Kriel, 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 1984," 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 amnul 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. Yet alone death.

But according to Dr Mark Colvin of the Environmental Law Alliance Worldwide, scientific articles show that workers exposed to vanadium salts experienced a green discolouration of the tongue. Severe respiratory tract irritation occurred in at least 74 of 100 bolermakers 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 material for a few days developed irritation of the conjunctiva, dryness of the throat, pneumonitis and asthma.

A medical examination conducted in 1982 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, discolouration 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.

Louw Khompela, the chairman of the civic association at Mothodung 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

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 discriminatory 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

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.

The union's health and safety co-ordinator Fleur Plimmer said the union had 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 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.

MORE than 600 workers dismissed in September last year from the Loxtong Exploration diamond mine near Kimberley had been reinstated after a favourable industrial court ruling, the NUM said yesterday.

6060601234567890
Diamond miners will go on strike

Renee Grawitsky 26/10/95

MORE than 8 000 diamond workers will commence strike action at De Beers mines today — after the NUM mutually 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 reneged on its commitments.

At a meeting on Monday the company agreed to extend the 10% increase on wages to cover Venutia. 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.
Miners' funds keep digging up value for the members

By MARCIA KLEIN

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 MFP Management Services, have more than 70,000 active members and 40,000 pensioners. The funds paid out R698,4-million to pensioners in the year to June.

Barry Botes, chief executive of MFP Management Services, said he was pleased with the funds' investment performance. Almost 75% of both funds' investments were in shares, 15% 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 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.

MFP Management is keen to conclude some asset swaps, and the first deal should be signed within the next six months.

"We have been investigating asset swaps for some time and have gone overseas to reconfirm relationships," Mr Botes said. 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 dismisses, 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

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 individual 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

Bened Gravitzky (211) 86 1910/95
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.
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 (Amplats) 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 Amplats 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 Amplats 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 joining the labour organisation of their choice.”

City Press has handed a number of stop order authorisation forms signed by workers for deductions to be made from their salaries on behalf of the National Union of Mineworkers.

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.”
'Manager fired for appointing blacks'

**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.
Miners have education role

Renee Grootluyt

WORKER participation in the structuring and implementation of Adult Basic Education and Training (Abet) on mines would be achieved after the signing of an agreement by the NUM and JCI yesterday.

The deal, which relates to the actual implementation of the programme on four mines employing 15 000 workers, stems from an industry framework agreement agreed at industry level by the Chamber of Mines and the NUM in July this year.

JCI MD Bill Nairn said it was clear the education base of employees was too low and had to be addressed. He said if Abet was properly constructed and implemented it could “enhance employee capability to be found in competitive mining industries around the world”.

NUM education co-ordinator Gino Govender said the Abet programmes would be decided jointly by JCI and the union.

It would be aligned with the National Qualifications Framework, he said.

Law Commission to deal with security laws

Stephan Bothma

THE issue of security legislation would be referred to the SA Law Commission for a “thorough investigation and recommendations”, Safety and Security Minister Sydney Mufamadi said yesterday.

The Internal Security Act, Act 74 of 1982, has been amended twice since 1991 to remove objectionable provisions of the past, Mufamadi said.

The most recent amendment became effective on April 29 last year after the Transitional Executive Council scrapped Section 29, providing for detention without trial.

Four security-related Acts applicable in the former TBVC states remain in force. These should be replaced by one Act which applied to the country as a whole, Mufamadi said.

Meanwhile, the SA Law Commission has recommended draft legislation providing for class action and actions in the public interest.

The commission said yesterday class and public-interest actions were part of a worldwide movement to make access to justice a reality.

A class action is instituted on behalf of a class, or group, in respect of whom the relief claimed and the issues involved similarly affect all members.

“A class action is ideal in those circumstances where joinder of parties is impracticable and it is especially suited to claims for damages and specific performance,” the commission said.

SA courts traditionally required that the plaintiff or defendant has a direct, personal and sufficient interest in a court action. Legislation providing for class action will change this.

The commission’s draft Bill provides for, among others, that:

- Any person, whether or not he claims the relief sought in his own interest, may institute action as a public interest action as long as such person identifies the action as a public interest action,
- A class action must be certified as such by the court,
- The court shall have a wide discretion as to the appropriate procedure to be followed in the conduct of a class action and;
- Judgment in a class action shall be binding on the members of the class.

“Prospective litigants are often hesitant to institute or defend actions as they lack the financial means to pay legal costs. This is especially true in the case of public interest actions and class actions,” the commission said.

To address the problem, the commission suggested a court-appointed commissioner collate evidence and make determinations relating to individual issues, the creation of a fund to assist members of the public and contingency fees, where a lawyer is paid only if the action is successful.

The commission invited comment on the draft legislation.
McDonald’s wins right to appeal judgment

Stephanie Bothma

PRETORIA — McDonald’s has been granted leave to appeal to the Appellate Division against a Transvaal Supreme Court ruling which expelled 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 Puerrin SC, representing McDonald’s, argued the judge had erred on 56 points in his earlier finding against the international fast food franchise.

Puerrin argued that Southwood had wrongly ruled that the trademarks incorporating the word “McDonald” 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.

Puerrin 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 regulate 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,” Puerrin 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 the plans to open the first two outlets next month were proceeding.

It is not known when the appeal will be heard.

Deadline for ward rulings

Farouk Chothia

DURBAN — The special electoral court would have to rule on eight boundary disputes in KwaZulu-Natal by mid-November if local government elections were to be held in the province on March 27, local government MEC Peter Miller said yesterday.

Miller lodged papers with the registrar of the court yesterday, seeking a court ruling on the boundaries of Durban, Port Shepstone, Margate, Richards Bay, Eshowe Emangeni/Ngwazeleni and Mandeni.

A court spokesman said the papers would be studied and other parties would have to be given a chance to file responding papers.

“After two weeks, we might have an indication as to when hearings will take place,” the spokesman said.

The deadline for boundary and ward proclamation is the end of November.

The disputes are over whether tribal areas should be included in local authority councils.

Schools turn to debt collectors

Ingrid Salgado

THERE has been an increase in the use of debt recovery agents in the last year by schools, universities and technicians wanting 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 Sisielo Mengu’s spokesman Lincoln Malini 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 bursary schemes, Malini said.

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 Kirchham 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 had a poor image with credit grantors.

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 Grawitzy

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 miners 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.
Union to sue govt over vote for foreign miners

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 Molitatis told a news conference in Johannesburg.

Mr Molitatis 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

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 miners from three particular wards who said they wanted to vote. These miners, from countries such as Lesotho and Botswana, did not qualify for registration on the voter’s roll.

Van der Merwe said these miners 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 scaremongering.”

NUM president James Motlati said workers at three shafts at Vaal Reefs in Klerksdorp had taken a decision not to vote because not all miners 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 miners were demanding the right to vote, Motlati said it was inaccurate to claim that only Lesotho miners wanted to vote.

“All miners 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.”

Motlati 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 miners to vote even if they were not eligible to do so.
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.

Residence (Continued from Page 1)

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 Boosie Mavundla and Home Affairs Minister Milton Mathabane.

Constitutional development ministry spokesman Izak Rieff 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.
Rieff 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
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 Penttul Maduna said on Saturday that migrant workers who had lived in South Africa since before June 1994 would be given permanent residence, reported Sapa.

Union president James Molatlele said: "We are seeing the removal of one of the cornerstones of apartheid and the migrant labour system."

NUM spokesman Judith Weasmont said thousands of migrant miners who had lived in South Africa since June 18, 1994, had been allowed to vote in last year's general election. The union now believes 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. SAM would organise mass rallies of mineworkers in Welkom and Klerksdorp today to discuss the issues, she said.
Migrant miners to get residency

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 Motlati 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.--Reuters
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 CEO Bobby Godsell that action would have to be taken to restore the mines to profitability. Vail 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: Freedom No 5 and Sasaplus 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 Gewie Mantashe said Anglo was using the threat of retrenchments to press the union into accepting full calendar operations.
Anglo shafts
3,450 jobs at gold mine

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, Freddies No 5 and Samplaa No 3, the company said.

A total of 1,900 jobs will go at Samplaa No 3 and a further 1,550 at Freddies No 5.

The company started laying off staff three weeks ago and the process is expected to be completed in six weeks.

— Reuters
Miners may be 'poisoned by arsenic'

A MINING community of more than 1000 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 miners 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 energy, health and water affairs had yet been released to workers or their families, said NUM legal representative Richard Spoor.

Weymont said that 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 S0 Serotlwane.

It was not known if the deaths of two young children had resulted from contamination, said Weymont. — Sapa

Social welfare cuts its cloth

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 reassigning the department's priorities, by eliminating waste and by combating nationwide, fraud in pensions payouts and the administration.

Patel and Welfare Minister Abie Williams said more stringent means testing would be applied to pensions' applicants in the future.

Williams said that it was planned to access death registries 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 re-register in the future.

Cameron McConnachie and Basileke Kleyn of the Black Sash in Cape Town said that it was encouraging that the Minister was targeting 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.
Community may be poisoned

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.

“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. — Sapa
Hard times for miners as lay-offs begin to bite

BY JUSTICE MALALA — Labour Reporter

When Mozambican Albeno 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 mine workers in Anglo American's Freegold division.

It announced that 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.

[Signature] 22/11/95
The NUM has accused the employers of clinging to outdated apartheid laws, claiming the 411/95 (211) (Collective Agreement 24/11/95) as the basis for their actions because women could not be accommodated in the factory. The NUM’s spokesperson, Mr. Phakalane, said the company’s policy of promoting women was not effective, and that the NUM was determined to protect the rights of its members. The company reportedly denied these allegations, stating that they were biased and not representative of the broader company. The NUM’s stance has been met with mixed reactions from the media and the public, with some calling for greater respect for workers' rights and others questioning the organization’s motives. The ongoing dispute has raised concerns about labor relations and gender equality in South Africa.
Now after DE BEERS sends workers wives to jail
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 in small-scale stock farming.

Anwar Carawan, energy affairs advisor to Northern Cape premier Manne Ddupco, 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 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 Mdhlea
Political Reporter

The Black Alhed Mining and Construction Workers Union has reached a wage settlement with the Anglo Alphasteel 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 percent 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, Bamecwu has expressed deep concern about three miners who were killed at the Mecama Diamond Mines near Warrenton last week.

Mashodi said the union was concerned about the safety practices within the industry.

“Bamecwu is terribly disturbed by the health and safety situation at the Mecama mine. We will do everything to ensure that the safety and wellbeing of our colleagues in the mining sector are assured,” he said.

Somewa 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 Kliennzee 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 Stikgat 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.

Matebelo Mokela and her four-year-old daughter, Mnata, Mosokgale Sinaie, the mother of an eight-month-old girl, Moshekhyo; and Nomzwa Manene Mungqudu packed their belongings and travelled to Kliennezee.

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 void outside the gate for three weeks.

“Then the women came in without security clearance and were charged with trespassing,” A spokesman for De Beers, Yvon 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 30 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 Wngard, said he was appointing lawyers to appeal against the sentence.

Mr Mpuli 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 Kliennezee 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.
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, Mlita, Mosagagle Suxabi, the mother of an eight-month-old girl, Miko- sekhyana, and Nomawu Mxenene Mlungwuddha 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 permit to enter," said Patrick Mpu, 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 Mpu 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 Wymont, 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.
NUM moots Govt survey on payments for former miners

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 one 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 Pik Botha said the Government was in the process of implementing the recommendations 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 conveyed," 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 Meddelburn 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."

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.
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 Black 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

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 inspector was a crucial requirement for the industry.

Mineral and Energy Affairs Minister Pik Botha said the conference took place "during a critical window of opportunity in the history of SA’s 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.

Thus 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-assigning 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 June Geldenhuys 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 (Smarac).

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 Smarac 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 flourish and fail," he warned.
Mine policy challenged

Renee Gravitzky

THE Mine Surface Officials' Association and the Technical Officials' Association will argue in the Pretoria Industrial Court today for the Chamber of Mines to re-instate 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’

By Rassie Molefe

THIHUNDAMAILEMA 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 these 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 discussions among the more than 10,000 people living there.

Today the topic is the plan by Duo Corporate Developers, owned by Mr. Khehla Mthembo and Mr. Richard Blettee, to mine the unique Madimbo corridor nearby for diamonds.

The plan has ignited hostility between the Thihundamailema and Mutele clans because of their different views on the issue.

The Thihundamailema 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 have failed when they were chased from the area by armed men Northern Province Premier Ngoako Ramatlhodi also left in haste during his recent visit.

Freedom of choice

Headman Mr. Josias Mavundadavhi 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.

Plan to mine Madimbo area ignites bad vibes between two clans

“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. Thus is our area and we have chosen what we want it to be mined,” Mr. Mavundadavhi said.

“The people who want to mine the area came here and were cheered after they explained their plan,” he said. “Ecotourism will not bring as many jobs as the people want.

“This area is grossly undeveloped. We want bread, not ecotourism. It is our choice and we will not compromise on that.”

The people in Thihundamailema 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.

Lodged a claim for land

The land which the company wants to mine belongs to the Mutele clan. The headman’s family also has a claim to the land.

The mining company has not yet approached the people of Mutele clan and the royal family has also lodged a claim for compensation. The royal family will not allow the mine if the mine is declared a national monument because it would be of little value.

The headman said the local clan was “robbed” of its land even in 1968 when it was used as a buffer zone to contain the cattle of the tribe that took over the area.

He said that the tribe had been “robbed” of the land because it was of little value. He said the people who wanted the mine for ecotourism would not have access to the land.

Intensive research commissioned by the provincial department of environment and tourism showed that the land was declared a natural monument.

Chief Jack Mutele ... and prepared to feed his stomach at the expense of damaging his land by allowing mining.
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

Highveld Steel says project in Mpumalanga town signals new beginning in employee/employer relations

Housing Reporter

The days of living in hostels away from loved ones are over for 22 miners who received keys to their newly built houses in Roosseneekal, 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 Mathews 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 unaffordable for employees to be separated from their families," he said.

"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

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’s 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 Mzukuzile 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

L'Observer 16/12/95

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's chief executive officer Jannie 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

By PETER De IONNO

The Veal Reels disaster, the most deadly in South Africa's mining history, has put a spotlight on the pension woes of thousands of widows and orphans left behind by miners. The government's promised assistance to these families has yet to materialize, leaving many struggling to make ends meet.

Seven months later, the widows have received only a small portion of the promised payments. The delay in paying pensions has caused considerable hardship, with many struggling to pay rent and basic necessities.

Government officials have assured families that the pensions will be paid as soon as possible, but many are skeptical. They cite the economy's ongoing problems and the government's slow response to their concerns as reasons for the delays.

Families of the deceased miners are calling for action, demanding that the government prioritize their needs and provide the promised pensions as a matter of urgency.

The National Union of Mineworkers (NUM) has also called on the government to act, saying that the delays in paying pensions are unacceptable and that the government must take responsibility for the lives of those who have lost their families.

In the meantime, many families are relying on community support and charity organizations to help them cope with their losses.

To Page 1...
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 uncovered massive irregularities in the payment of death and disability pensions to about 1000 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

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 rand.

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 fact 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

SPECIAL CORRESPONDENT

JOHANNESBURG: When millions of workers go on holiday tomorrow to enjoy Christmas with their families, mineworker Mr. Alhuno 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," Mr. Baloyi said.

"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 Namakulaand diamond mine Alexcor, management intends to retrench about 500 of its 1,500 workers.

Alexcor chief executive officer Mr. Janne 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

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 them husband-extended leave to allow them to accompany them back to the Eastern Cape.
Retrenched mineworkers face uncertain future

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 Baloy's heart will be sadness, uncertainty, and none of the cheer of the festive season.

For tomorrow, as he collects the men's 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 Baloy, 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 sector 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 employment in KwaZulu Natal and 13.5% 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 Freegold's No 5 shaft, where 1,549 jobs will be lost, and at the Sappinplaat No 3 shaft where 1,900 jobs will be affected.

And at state-owned Marapuand diamond mine, Alcan, 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 Sogge 22/12/95

ATTEMPTS by management at state-owned diamond company Alexcor to axe 600 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-society 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 Alexcor'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.
Alexcor's retrenchment plans blocked

Mungo Suggot

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 Alexcor'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.
Focus on miners’ housing

Namaqualand diamond mines still practice 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 followed two days of mediation between the union and the company this week over the lack of family housing for all miners at Klawer and Koinna diamond mines in Namaqualand.

Mediation will continue in 1995 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 miners from the Eastern Cape occupied empty houses on mine property in January and, three wives were arrested in October for trespassing.

The three wives were later released on bail after interrogation 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.
<table>
<thead>
<tr>
<th>DATE</th>
<th>NAME</th>
<th>No. alter printing</th>
<th>Number of copies</th>
<th>cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance B/F</td>
<td></td>
<td></td>
<td>3783 3970 3875</td>
<td>1376</td>
</tr>
</tbody>
</table>

**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 deregulation 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, so as 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".

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 inighting 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 at formulating rules for the working of the council had started last year. The rules had been elders by the Constitution and constitutional affairs committee.

But the legislation contravened 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.
Deelkraal miners build shacks in bid to change housing policy

By Ross Harmer

Johannesburg — The desire to escape crowded hostels and to live with wives and children in their own homes led mine workers to a struggle with management at Gold Fields' Deelkraal mine this week.

Fed up with living in single-sex hostels with 10 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 homes unless management changed their housing policies.

Though the workers were being deliberately provocative, the same rivalled the strikes at Gold Fields where unions and management have been embattled. It also underscored a new variable in the debate over weekend work. Notice that Deelkraal was barely profitable, workers and owners said they would work two extra days a month if the profits would be used to upgrade housing.

The battle 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 chased the half-completed structures with a Casper armored vehicle. After gathering new materials, workers made another attempt on February 23, according to James Rammula of the National Union of Mineworkers (NUM) at the mine.

Again the Casper came but workers refused to protect the shacks. "When the hippo (armored vehicles) came, we decided to stand around and protect the shacks. They threw themselves in front of the wheels," said Jules Bome, the regional chairman of NUM.

Later the Casper 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 parted.

"If they are going to stay in the hostel, they have to be upgrated to one man a room," said Bome. "There is an overtime stop, but we work.

Each repetition of the cycle has produced more workers determined to leave their way. Over the past week about 130 workers cut down trees and scavenged for wood and sheet metal from the mine's vacant spaces. In dusk they had completed one shack and erected the skeletons of two others.

"The workers are very motivated to change their housing conditions," said Rammula.

The situation is a test of wills. Workers anger at low living conditions is genuine, but the shacks-building drive is designed to step up pressure on management to improve living conditions.

Management is surely loath 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 have the option. But the hosts are ignored, and allowances are granted for living in nearby townships, so the workers say they will persist until they get their own housing.

HOMEMAKERS Workers at Deelkraal on Sunday night right shacks that were crushed by armored vehicles. PHOTO: JENNIFER WEIDENKOP

"With the money from the mine, they should have been better off," said Bome. "There is an overtime stop, but wages have not been raised.

The pressure seems to have partially paid off. The mine manager met yesterday with the NUM regional officers, Michael de Kock, the Gold Fields spokesman, and mine management had tried to meet the union on the subject last week and had called a housing forum at the end of last month to discuss housing issues on a company-wide basis with NUM.

The mine has damaged Gold Fields' reputation for management and professional relations with international investors and analysts.

We see there is a major opportunity for Gold Fields to add value but we don't see that growing over three shelters on armored 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 Carol van der Merwe, a gold share analyst at Fleming Mason in London.

The NUM headquarters have not been notified the action at Deelkraal, and as 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 with women who have camped outside the gates of the company's Naaspoortland mines. Several have been arrested, but they are the ones who created the protest system. They can't just discharge their responsibility by offering a small amount and walking away," said Moonhead.

In addition to privacy and poor facilities, food is another evocative issue.

Workers at Deelkraal have held a mass meeting last week to protest over food that was given to them. A worker co-ordinating committee was established to feed food standards.

The BMNF workers held a two-day protest in January over what they said was rotten food bought by catering sub-contractors. New purchasing standards were set with worker participation.

"The food that workers complain about is not the same as food bought by catering sub-contractors," said Moonhead.

Several mining house offer subsidies for workers to live out of town. But Susan Moonhead, the housing co-ordinator for NUM, claimed that the amounts offered are generally less than the costs for workers to rent, eat, etc., and that the changes.

"The workers are the ones who created the hostel system. We can't just discharge their responsibility by offering a small amount and walking away," said Moonhead.

In addition to privacy and poor facilities, food is another evocative issue.
10 000 mine jobs may go

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 Snaaplaa shafts three and four and Friedam's nine shaft.

Discussions at Western Holdings, where shafts three and seven are on the immediate danger list, are continuing as 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.
Reported dismissal of 25 000 miners denied

CAPE TOWN — Claims that 25 000 gold miners would soon lose their jobs were false, Chamber of Mines CEO Tom Main said yesterday, and he did not know where those figures 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 30% higher than the average for Australia, the US and Canada.

SA mineral sales totalled R50.7bn in 1994. Total mineral exports were R40.5bn — 47% of total tangible exports. Sixty different minerals were exported to 90 countries, Main said. — Sapa.
NUM, De Beers tussle over hostel abolition

BY JUSTICE HLALALA
Labour Reporter

As she sits in the disused hostel of the Kleinjette mine near Namaqualand with about 25 other homeless women, Nosikelele Simatlali dreads the birth of her next child in a few months' time.

Simatlali, also the mother of a year-old child, and the other black women are the wives of mineworkers at Kleinjette.

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.

Simatlali 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 Simatlali 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 and reasonable salaries 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.
One third of mine workers are foreigners

About a third of the people working on South African gold mines were from other African countries, Mineral and Energy Affairs Minister P. W. 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

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 Sasolplas 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.
NUM proposes new wage strategy for negotiators

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 387 000-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 15%.

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 685 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 negotiators.

Continued on Page 2

Wage strategy

Continued from Page 1.

The proposals included minimum wages ranging from R1 320 for surface workers to R1 438 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, Alexkor and Poskor 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 irrelevant structures established in terms of the Leon commission recommendations on safety and new legislation, which are due to come into effect this year.
Wages and housing among mineworkers’ top demands

BY ROSS HERRT

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 a key 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.

Union confronts authorities over crime

BY ROSS HERRT

Pretoria — The labour movement must challenge the government over its failure to fight crime adequately, James Motlatse, the NUM president, said on Friday.

Speaking to the union’s annual central committee congress, Motlatse 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,” Motlatse 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.

Motlatse 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-business. Let business take a defensive stance. We have the space to be on the offensive,” he said.

Motlatse 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 a real role 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,” he said.

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. Motlatse told the central committee that members should not expect salaries rivalling those in government or industry.
Mbowneni meets mining delegation

(211) (211) 80 20/3/96

Labor Minister Tito Mbowneni 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, Mbowneni said "anyone who says the LRA is inflexible has a major problem".

Mbowneni was responding to questions relating to 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.

Mbowneni 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.

Mbowneni 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)

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 Gencor 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' Lebanon 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. Gencor said its Kimora, Winklehaak 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 80% improvement in production stoppages.

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% turnover 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.
Gold Fields puts woman at top

Barbara Day: breaking new ground

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 steel metal prices. In the cash-strapped environment of the small 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'Keefe produced a loss of R853 000 from a profit of R8.3m in the previous quarter.

Both Zincor and O'Keefe are of particular interest to Day, whose appointment includes chairmanship of both those companies. But again, she is not rattled 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-orientated," 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'Keefe 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.

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.

The 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 mining 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.

"I believe 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 BSc 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 finance 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 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 high 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.
Winkelhaak gold mine cuts 1,800 jobs

DAVID McKEAY

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-tonne 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 developing 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 reportbacks 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, Kunross and Leele, 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

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, Knross 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' Rustenburg 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.
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.

Minister Pik 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.
Mavis moves up in the world as she goes down the mine.

By ROYAL EVANS

RAW TEXT START

The station was to hand. Willing
and confident, she entered. She
was already employed in gener-
ance, and those gathered for the
opening ceremony were elated.

The departmental head
spoke:

"In spite of the
new recruits,
the station
remains the
birthplace of
our excellence.
We are proud
to welcome you."

The staff clapped
as the doors closed.

Mavis was assigned to a
busy station. She quickly
adapted, her experience
helpful in managing the
adverse situations.

Her hard work and dedication
earned her promotion to
a supervisory position. She
continued to excel,
advancing through the ranks.

As she rose in the ranks,
Mavis remembered her
early days,
when the path was
more challenging.

"I am grateful for
the opportunities
given to me."

Mavis dedicated
 herself to improving
the service.

"For us, the
station is
more than
just a
place;
we make
a difference.
"
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.

"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."

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. — Supa
Gengold to retrench 5,500

By Ross HERTZ 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 chase the good boys. Workers feel angry about the situation,” he said.
By Ross Herbert
Johannesburg - Management at Gold Fields' Kloof mine allegedly gives injured mine workers light surface jobs and then fires them two to three months later to avoid paying expensive injury compensation, according to Kgandle Motsane, 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.

Motsane 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' threaten their grip.

...
Despair as retrenched miners leave

By Justice Malala

8/11/96

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 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, vice at the mine.

But for Xolani Mgodi, 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 R9,729.01. 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."

Sedwell Nkosana, 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 Graweg
24/11/96

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 members 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 Mkwany 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

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

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 Mboweni 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.
Freegold may axe 10,000 workers

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 CEO 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 9 and 7, Freedges No 9 and Free State Saniplaas Nos 3 and 4 — were closed by the end of March. In June, Western Holdings No 2, was expected to cease in August. Six more shafts — President Brand Nos 8 and 5, Western Holdings Nos 1 and 5 and Freedges Nos 5 and 7 — were also at risk.

Godsell and 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 Saniplaas Nos 3 and 4 shafts and Freedges 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 of R3.5bn. Additional foreign 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 2006. After tax capital expenditure would initially be financed by existing operations.

The gold and uranium division reported an 8% increase in available profit to R144.6m (R134.1m). Gold production was up 4.4% and uranium production was down 1.5%.

Continued on Page 2
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.

Anglo's warning accompanied latest Chamber of Mines figures which show that 68,000 workers on Chamber member gold mines—15% of the workforce—lost their jobs last year.

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 Motlatse said the union knew the industry would downscale and wanted to manage this process.
New mining committee mooted

Renee Grawitzky

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 Mineworkers 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 Molotatse 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.

Molotatse 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.
RESCUE PLAN AWAITED

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 CEO 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 Titoe 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 Kgelemo Moilane 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: “not the gold price, though it has re-instituted hedging positions.

It seems fair to speculate that management will put 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 that the chickenens 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 meet 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 December 22 after an earlier meeting between Mandela and Zulu monarch Goodwill Zwelithini, will be preceded by a meeting between the two 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.
- The ANC's argument that a negotiated programme involving three-weekly deadlocked meetings.
- The issue of international mediation still appears unresolved, which is likely to lead to a new crackdown on Mzimela and undermine the ultimate goal of the imbizo.

Constitutional Affairs

Pressing puzzle

In its haste to conclude the final text of the new constitution by May 10, the Constitutional Assembly (CA) is facing a number of issues involving entrenched interests. The new constitution, as an overall framework, is expected to be submitted to the various parties in a draft form by the end of March.

The CA is expected to deal with a number of issues in the final text, including:

- The role of traditional leaders in the new SA.
- The principle of a "volkstaat".
- The principle of a "volkstaat".
- The potential for conflict between the new constitution and the old constitutional framework.
- 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."

The DP's Colin Eglint has raised the issue of certain incompatibilities between the interim constitution and the new one. The DP's Bill of Rights was approved by the ANC without a vote in a number of key areas.

The DP's Bill of Rights was approved by the ANC without a vote in a number of key areas.

The DP's Bill of Rights was approved by the ANC without a vote in a number of key areas.

The DP's Bill of Rights was approved by the ANC without a vote in a number of key areas.

The DP's Bill of Rights was approved by the ANC without a vote in a number of key areas.

The DP's Bill of Rights was approved by the ANC without a vote in a number of key areas.

The DP's Bill of Rights was approved by the ANC without a vote in a number of key areas.
Risk of data breaches due to the widespread use of emails, cloud storage, and social media platforms.

- Data breaches are becoming more frequent due to the increase in digital communication.
- Companies are losing millions of dollars due to data breaches.
- Personal and sensitive information is at risk of being stolen.

[Image of a clock with the time set to 10:00]
Gencor transfers staff
as mining projects dip

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 CEO Richard Pilcher said yesterday there would be no retraining in the division, which consisted of 220 contracted staff and 110 permanent staff.

The division’s lack of expertise in the international turnkey project area 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 retraining issues, 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.

Gencor 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 restate 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 bikemanship 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 materials needed urgent attention. Another key issue raised was discipline among mine staff. James Modlets, 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
White miners' union debates its position on productivity

By Ross Hendry

Johannesburg — The predominantly white Mine Workers' Union began a high-level congress to decide the union's position on key productivity issues yesterday.

A crucial item on the agenda was how to react to the situation at Fregold mines, where as many as 10,000 jobs were at stake unless Anglo American and its unions could reach agreement on cost and productivity improvements.

Extended Saturday, Sunday and holiday work had been tabled by Anglo as a possible solution.

However, sentiment at the congress was running against Sunday work.

"We are flexible on public holidays, except for 5 or 6 days a year. Sunday shuts work out to about R20 a month. It is not a lot to dangle in front of workers, especially after taxes are taken out," said Ferdi Hartzenberg, a union spokesman.

The Mine Workers' Union and other mining unions are involved in working groups with Anglo management over the next nine days to come up with the costs of productivity improvements that Anglo wants implemented.
Freegold's Blueprint
(21) 22 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 R51m. 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. 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, components 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."
De Beers to resume NUM talks

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 600 and 900 workers at the company’s Kleinzee operation and about 200 of its Kengnassa 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

By Abdul Milaaiz
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 2000 workers are black.

Weymont said the NUM would canvass the support of its 5000 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 COTTY

Johannesburg — Employees and legal experts will closely watch the outcome of the legal dispute between Barlows and Randgold over which is responsible for paying R35mil 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 that 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 subsidised medical-aid premiurns,” 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 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 not received the subsidy for seven years, had been a pensioner was emphatically 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 lives 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.
Miners to lose jobs

By Mzlomuntu 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).
the Chamber of Mines on leave for education

Mining parties agree

BUSINESS DAY, Friday, February 9, 1996
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 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 miners to be reemployed to other industries as mining is a declining industry," he said.

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 baseless 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."

Somerset 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 prevent the closure of five Freegold shafts at the end of next month.

This interim agreement will be introduced on Freddies No 9 shaft and Saanplaas Nos 3 and 4 shafts, despite mutual opposition from unions because of the effect on health and safety.

Sources said the measure had been introduced before but had to be abandoned.

Continued on Page 2

Mines

Continued from Page 1


doned 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 Saanplaas and for six months at Freddies despite Anglo’s mutual 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 Machih said yesterday the introduction of ‘‘this harsh new shift system clearly reflected the lengths workers would go 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.
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 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,” he said.

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 symbols 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 potentially 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.

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 company 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.
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, Fik Basha, the minister of mineral and energy affairs, granted an exemption to the ban on Sunday mining to prevent major job losses. The exception allows Sappila's number three and number four shafts and Freddies' 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 glum 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 schedule was equivalent to adding a 13th month of production over the year.

The deal is temporary, lasting for two months at Sappila and for six months at Freddies. But Mayer said one could not tell whether it would work. "If we have a successful formula, 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
NUM signs education pact

By ROSS HERBERT

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 Ntotsi, 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.

Vuyana Spambo, NUM’s regional educator in Gauteng, said this was a good public relations exercise for Gold Fields.

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 dynamite 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 distribute 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

By Abdul Milazi
Labour Reporter

The rising tempers 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 trespassing.

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 spokesperson 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 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

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’

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 Pik Botha 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,” he said.

Of these, 102 had requested further information.
NUM, Mozambique look at pension payment delays

THE National Union of Mineworkers met a Mozambican government delegation yesterday to discuss irregularities surrounding pension payments to the families of Mozambican miners 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 seventh-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 Motlatsa 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."

Motlatsa 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

Renee Gravitzky

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 the 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 Freck 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 continued 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.
NUM seeks foreign help

By Ross Hurst

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 Motlantis, said. "We need independent expertise to determine whether closures are necessary or whether mines can be run viably," Motlantis 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 bill allocated to management as opposed to lower ranking workers.

The operating profit on a turnover of R379 million was R129 million, a 65 percent increase.

(R268 million). This came from Tavistock’s participation in the new coal reserve.
Fewer Basotho mineworkers recruited in South Africa

BY ION MOLFE

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 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 miners received on the gold mines.

The volume of deferred pay (money retained for the miners until they return 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 job losses

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 offer 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 jinxed 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 Pitcher, 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

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 motorcycles to Mozambique?" This was the question which almost all the miners asked a representative of the labour ministry, Pedro Tanino, when told of the cancellation of the customs exemption.

Tanino 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 $16m in foreign exchange to Mozambique.

Migrant labour helps to keep Mozambique's rate of unemployment at about 23% in the cities. — AIA.
Outcry as diamond miners retrenched

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
Union and De Beers hit stalemate

By James Lamont

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.
4 000 job losses in Vaal Reefs profit plan

David McKay

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 re-trrenchments, 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 Freewater 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 Freewater 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 Eastveld 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 Freewater's management and labour on the extension of the new shaft 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 Freewater 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 205kg drop in gold production to 17,220kg.
Seven-day week for mines may compound problems

MANAGEMENT
Negotiations delay full working week

David McKay

GOLD Fields of SA had made little progress implementing full calendar operations on its Lebanon 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 Lebanon was "desperate," and "highly desirable" at West Driefontein.

Lebanon, part of the group's Kloof division, sustained a R11m working loss for the March quarter, as lower tonnage cut gold production to 2151kg from 2300kg in the December quarter and costs jumped. West Driefontein's production slipped to 5389kg for the quarter, from a previous 8123kg.

"Full calendar operations should have been implemented at Lebanon and West Driefontein 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 Deep section of Western Areas.

Gold and uranium division CEO John Browang said last week that the South Deep 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, Winkelman 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.
Anglo-ist in impasse

NUM in a bind

By Abdul Milad

Labour Reporter

The National Union of Mineworkers and Anglo-American are to go to the Conciliation Board for a 48-hour working week. There was no sign of a wage settle-

ment. Management has offered a 50 per cent across-the-board raise but the NUM's 17 per cent demand is still to be met. A strike is imminent.

The NUM's spokesman, Mr. K. Morgan, said yesterday that although the pay demands were not yet met, the company had agreed to a 48-hour working week and a 14-hour shift pattern. The company is also looking into ways to increase productivity through adult education and training. The agreement is likely to resolve the current impasse.
Chamber tables miners' wage offer

Renée Granitzky

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 Gold Fields'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 R1,500 for surface workers to R1,500 for underground workers. Minimum demands for marginal gold mines ranged from R974 to R1,175.

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 Franz 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 Gravitzky

ABOVE 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 receive 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 already 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 issue was getting a satisfactory "price for change".

Politicians and academicians, 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 hike ranging between 18% and more than...
NUM gears up for talks

By Abdul Milazi (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 job as black or less responsible work."

Weymont said structural racism still existed in every regulation governing black workers in the mining and energy sectors.

"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 because contribution 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,” Pillay said.

Mineworkers Investment Company, which is the investment vehicle of the National Union of Mineworkers, has 29% of the shares, while its partner, Chame 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, Marthams, Smart Centre, John Craig, Stuttafords, Edgar and Truworths.
How unions are muscling in on the money game

Black Gold
Mine and steel workers dig in on pay

Unions are determined to close the gap and go for maximum increases

BY JUSTICE MALALA
Labour Reporter

The South African mining and steel industries are facing renewed demands for the narrowing of the wage gap created by apartheid legislation and pay rises of up to 130% for their 500,000-plus employees.

The demand for the reduction of the wage gap, spearheaded by the National Union of Metalworkers of SA (Numsa) in the steel and engineering industries and the National Union of Mineworkers (NUM) in the mining industry, is backed by the Congress of SA Trade Unions.

Both unions, the biggest of the federation's affiliates, seek to reduce the gap between the wages of skilled workers - in the past mainly white - and unskilled workers while pushing for above-inflation rises for those who get the smallest increases.

The NUM says economic conditions this year are better in all mining sectors except gold and it expects employers in coal, iron, chrome and energy mines to give better increases.

It demands a basic wage of R1,520 a month for all surface workers and R1,458 for underground workers. There would then be separate wage increases for each category instead of the same increase across the board.

This would ensure that workers at the low end of the pay scale would receive higher increases to alleviate their lot while those at the higher end received less.

The union is also demanding the collapsing of the four lowest grades in the mining industry into one, with all the workers in that category receiving the same wages. All workers on this grade should receive increases of R264 for surface workers and R292 a month for underground workers.

The NUM also aims to negotiate a two-year wage contract, to be implemented in July 1997, which would ensure increases of at least 2% above inflation.

Negotiations with the Chamber of Mines and other mining houses will begin in May.

Negotiations that cover the 280,000 hourly paid employees in the steel and engineering industries will begin on Wednesday, and Numsa is set to carry forward its demand for the closure of the wage gap in the industries.

The Steel and Engineering Industries Federation of SA (Seifsa) said this week that the nine unions in the industry had put forward demands for wage increases ranging from 15% to 130%.

The major component of the demand is Numsa's demand, tabled last year that the minimum wage for unskilled workers should be increased over a three-year period to 60% of the average actual artisan rate with a 10% differential between each grade.

This demand was referred to a task team which will present a report for this year's negotiations.

Cosatu's Khumbula Ndaba has called on companies to disclose their executives' salaries to show that a huge gap exists in the pay of workers and managers and called for the closure of the wage gaps by giving higher increases to workers.
Sunday work to dominate talks

Renee Gravitzky

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 establishment 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, "Let's 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.
At the coalface

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 stoppage 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 stoppages on safety and sweepings.

Browncoal points to Gengold and Beatrix — points that shareholders will be pleased to dole out if the programme continues to produce desired results.

East Daggafontein Shares in East Daggafontein, which treats slimes dams, have bounced 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 the 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 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.

Peter 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 bucked the global trend of falling US bonds.

US analysts said yesterday that for the past two years global bond markets have shown a tugh correlation with those in the US. Marilyn Visser, a director at Simpson McKee, 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 gilt yields 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 Johnnie, it seems Cyril Ramaphosa is already being treated as MD of Johnnie.

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 Johnnie seems certain to go to Ramaphosa, carving up Johnnie between the various parties involved in the combined bid — Nail, trade unions and black business owners — 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.
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 regard this as unfair," union 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

**Profs at Anglo American gold mines**

**TAXED PROFIT**

<table>
<thead>
<tr>
<th>Quarter to</th>
<th>Quarter to</th>
</tr>
</thead>
<tbody>
<tr>
<td>31/3/96</td>
<td>31/12/95</td>
</tr>
<tr>
<td>(Res)</td>
<td>(Res)</td>
</tr>
<tr>
<td>Freegold</td>
<td>86.7</td>
</tr>
<tr>
<td>51.7</td>
<td></td>
</tr>
<tr>
<td>Vaal Reefs</td>
<td>175.3</td>
</tr>
<tr>
<td>54.4</td>
<td></td>
</tr>
<tr>
<td>Western Deep</td>
<td>77.7</td>
</tr>
<tr>
<td>82.2</td>
<td></td>
</tr>
<tr>
<td>Eldorado</td>
<td>45.1</td>
</tr>
<tr>
<td>36.6</td>
<td></td>
</tr>
<tr>
<td>Ergo</td>
<td>18.3</td>
</tr>
<tr>
<td>18.8</td>
<td></td>
</tr>
</tbody>
</table>

**AVAILABLE PROFIT**

<table>
<thead>
<tr>
<th>Quarter to</th>
<th>Quarter to</th>
</tr>
</thead>
<tbody>
<tr>
<td>31/3/96</td>
<td>31/12/95</td>
</tr>
<tr>
<td>(Res)</td>
<td>(Res)</td>
</tr>
<tr>
<td>Freegold</td>
<td>56.4</td>
</tr>
<tr>
<td>(5.1)</td>
<td></td>
</tr>
<tr>
<td>Vaal Reefs</td>
<td>86.9</td>
</tr>
<tr>
<td>77.6</td>
<td></td>
</tr>
<tr>
<td>Western Deep</td>
<td>43.1</td>
</tr>
<tr>
<td>34.2</td>
<td></td>
</tr>
<tr>
<td>Eldorado</td>
<td>22.8</td>
</tr>
<tr>
<td>12.8</td>
<td></td>
</tr>
<tr>
<td>Ergo</td>
<td>16.2</td>
</tr>
<tr>
<td>16.0</td>
<td></td>
</tr>
</tbody>
</table>

**Vaal Reefs share price**

In spite of heavy rainfall, Ergo raised available profit 2 percent to R16.2 million. A 9 percent decline in gold production to 2.997 kilo was partially offset by a 7 percent rise in revenue to a kilogram gold.

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 declined 5 percent to 3.2 million, grade rose 1 percent to 5.37g/ton, and production was 2 percent lower at 17.220 kg.

Despite higher costs gold profit was more than 14 percent ahead at R22.5 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.

Leasing on the gold price, Western Deep Levels increased available profit 26 percent to R43.1 million.

Tonnage declined 13 percent to 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/ton, 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.

By John Spiro

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 Freedom’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 Freedom’s No. 9 shaft would affect 1 100 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 million to R22.5 million, boosted principally by a 5 percent improvement in the gold price received.

Though gold production declined 4 percent to 54478kg, average gold revenue rose from R64.273 to R48.599 a kilogram sold.

Working costs declined about 1 percent to R217.54, million, but unit working costs were 3 percent higher than R39.931 a kilogram.

Capital expenditure for the quarter was 5 percent higher.

The star performance came from Eldorado, which increased available profit 78 percent to R22.8 million on the back of improved production, a better grade and a higher gold price.

Gold production was up 8 percent to 4.500kg, the yield rose 9 percent to 7.67g/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/ton, tonnage declined 9 percent to 4.5 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 25 percent higher at R76.4 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 65c (145c) a share.

[Image of graph and chart]
Anglo set to close its Freegold shaft

David McKay

ANGLO America's troubled Free State gold mine Freegold would close its Freddies 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 Freddies 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 shafts.

The exercise had proved unsuccessful. The shaft's problems had been compounded by a lack of payable ore reserves, Godsell said.

About 1 200 Freddies employees would be affected by the shaft closure 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 Freddies No 5 and No 7 shafts.

Three shafts on Western Holdings and Saaplaas 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 Gravitzky reports 5 000 workers staged an underground sit-in at Elandrand yesterday. The National Union of Mineworkers said workers were protesting against "management's refusal to reassess racist and dangerous work practices."
Dismissed miners' hearing continues today

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 23,597 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, ER(21) 23:14:196

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.

"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 percent 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 R53 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

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 the court declared 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 ruled 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 responsible for failed mediation for troubles which, it says, international mediation could not resolve. The mine’s legal counsel describes the hostages 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 about the outcome 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 bashed 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 R30,000 in total. The dismissed miners have expected sums between R250,000 and R3 million.

The imminent judgment will be a landmark decision. Should the mine be reprieved 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'

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 Freggold mines is the panacea for SA's ailing gold mining industry.

He warned there was a danger of becoming too enthusiastic about the shift system at Freggold.

It had saved some Freggold shafts, but would clearly not save other shafts, he said, waving away any suggestion it could be implemented easily as a solution to either 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 profitable-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-oriented approach.

"Historically, SA mines have chased volumes. When the gold price was high, volumes were high. 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 change in philosophical change from the way mines have been run since 1890.

"I want to get out of the retracement 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 the last ditch attempt to save some of the Freggold shafts.

For instance, the exercise confirmed that Freggold was a series of small 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 trammage and hosting 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 Anglo American from Clem Hunter 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 overcome 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 last year that gold production for last year had fallen 10.5% to 522,576,7kg 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 billions of rand.

This disturbing evidence of the high toll of mining-related disease in South African rural areas has emerged from recent scientific study in the former Transvaal.

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 cautiously 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 regional area where no recruitment to the mines took place. This will help to show how much disease - in particular tuberculosis - should be attributed to mining and how much to other causes.

Godsell has reservations referred to the study as "an important event in the life of the mining industry in South Africa." We are reassured of what the study has revealed," Godsell said. "There is obviously 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 choose may well be between increasing past injustices and protecting present jobs."

The preliminary results of the study, undertaken by the Epidemiology Research Unit (ERU) last month, indicate that about 80% of a sample of ex-miners in the Libode district of the Eastern Cape suffer from pneumococcal (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 Quarries Act.

Details of the research are contained in a preliminary report to be published in the South African Medical Journal next week.

In mid-1986, researchers Anita Trepido and Mustafa Mogul visited hospitals in and around Libode to assess the level of compliance with the act, which stipulates that miners are entitled to an annual medical examination, and to compensation if miners are found to be suffering from an occupational disease.

Trepido and Mogul 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 that the burden of untreated and under-treated occupational diseases.

The ERU study said provision for a full hospital examination, including X-rays and lung function tests, of about 300 ex-miners over a 12-day period last month.

This research shows that of the first 150 men examined, 17% had tuberculosis only, 29% had tuberculosos plus pneumoconiosis, and a further 29% had pneumoconiosis only.

These results were confirmed by a second study carried out at the time, and are currently being re-examined by the certification committee of the Medical Bureau of Occupational Diseases.

Professor Tony Dawes, the recently retired chief director of occupational health and the doctor who did the random sample and mortality examinations at Libode, estimated that around 80 million in compensation would be required for the men examined. When these results are extrapolated to the total population of miners recruited in Libode between 1955 and 1960, the estimated figures go as high as R1.7 billion.

ERU director Dr Brian Williams has pointed out that the miners from this single magisterial district were to be compensated according to the law, namely all of the national compensation fund of about R1.9 billion a year would be consumed. "It is probably means that compensation payable across all mine recruitment areas in South Africa and some neighbouring states could easily amount to several billions of rand."
Digging up the past lir mines to rural suffering

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 extent 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 Lithobas region, conducted by the Epidemiological Research Unit (ERU), which is a unit within the National Centre for Occupational Health (NCOH).

It is inductively 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.

The study is the context in which the Lithobas study was carried out.

In mid-1995, researchers Ana Trapido and Ndlovu Mqoq visited hospitals in the Lithobas area to assess the degree of compliance with the ODMWA, which stipulates that ex-miners 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 Lithobas, a magnet for those 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 Lithobas between 1969 and 1980.

To accurately determine the prevalence of disease, Trapido needed to take a 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 Lithobas where willing staff assisted with the task of preparing them for the ODMWA benefit examinations."

In addition, a further 264 "volunteers", with a maximum 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 Parter 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 Lithobas 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 12% had some form of lung disease; 16% of those tuberculosis; 12% had severe asthma, and a further 12% had chronic bronchitis.

All these had been verified by a committee of occupational disease (MOID).

According to compensation, miners had been paid 200 shifts in the last 10 years, and were suffering chronic bronchitis and other severe diseases.

If they were to work in higher grades, they would work at a 25% lower rate.

Compensation for the affected miners was estimated at 130,000 rand.

Prof Davies works out that the compensation required for the first 150 miners would cost 12 million rand.

If the total compensation was to be applied, the cost would be 93 million rand.

Dr Letheby, the advising doctor for Teba, inspected the report on the matter.

"We must establish the burden of disease which may be caused by exposure to mining dust, and we must also establish the consequences of loss of health in these communities."
They show that of these 150, 13% had tuberculosis only, 23% had tuberculosis plus pneumoconiosis, and a further 52% 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 compensable 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 R3-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 Lbode 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 Lette 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.

Dr Brian Brink, Anglo American Corporation's health manager, was invited with other high-ranking mining officials to Lbode while the ERU study was in progress.

"There can be no doubt,"

Further research needs to be done, says Anglo chief

Bobby Godsell, chairman of Anglo's gold and uranium division, says steps are already being taken to match individual miners at Lbode 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 it.

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 Lbode 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.
Mines, unions at loggerheads over disease-study findings

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 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 rates of compensation were applied, in accordance with the law, nearly all of the national compensation fund of about R85 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 extrapolation.

"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 re-dressing past injustices and protecting present jobs."

The study was done by researchers Anna Trapido and Nokuzola Moso 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 1969-1989 recruitment records of The Employment Bureau of Africa for the Libode magisterial district – and found a large burden of non-compensated occupational disease.

Anglo’s Bobby Godsell ...

"Further research needed".

"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.

See Page 19 for the first in a three-part series of articles on this important health issue.
Mine disease and exploitable cheap labour

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

The latest research into mine- related diseases in the Libode district in the old Transkei homeland is evidence of the pervasive nature of the problems faced by former miners, even after the end of apartheid. The mine health situation is highlighted in a study of 50% of a random sample of ex- miners recorded as suffering from occupational lung damage for whom they are compensated.

While arguments have developed over whether the results of the study can be reliably compared across the varied experiences of different tuberculin reactions and whether they are still of relevance, the study by academics from the University of the Witwatersrand and the University of the North-West, has provided a clear picture of the health problems faced by former miners.

The nature of the process seems to be gradually clarified as the causes of the problem are explored and the evidence accumulated. The hereditary and environmental factors are still unclear, but the same causes are believed to result in a similar disease in other areas.

The study, known as the "Histiology of a rapid lung lesion in some men's bodies," by Dr. Brian Williams, director of the Epidemiology Research Unit (ERU) of the University of the Witwatersrand, has been published in the journal "British Medical Journal." The study focuses on the rapid onset of disease in the lung and its severity as severely as the lung itself.

Since 1984, the Centre for Occupational Diseases in Mines and Metals (CCOMROD) has provided a public health service to the former miners. The study was designed to determine the impact of the conditions on the health of the miners and the effectiveness of the service.

Exposure to dust and other irritants is considered to be the major cause of lung disease in former miners. The study found that the incidence of lung disease was twice as high in the former miners as in the general population.

Exposure to dust and other irritants is considered to be the major cause of lung disease in former miners. The study found that the incidence of lung disease was twice as high in the former miners as in the general population.

Exposure to dust and other irritants is considered to be the major cause of lung disease in former miners. The study found that the incidence of lung disease was twice as high in the former miners as in the general population.

Exposure to dust and other irritants is considered to be the major cause of lung disease in former miners. The study found that the incidence of lung disease was twice as high in the former miners as in the general population.

Exposure to dust and other irritants is considered to be the major cause of lung disease in former miners. The study found that the incidence of lung disease was twice as high in the former miners as in the general population.
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 asbestos - 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 neighbouring 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," he says.

"We are trying to create awareness about them," he says.

His other project is setting up nurseries 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."
Avmin, unions negotiate retrenchments at ET Cons

David McKay

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 Juris Geldenhuyse said yesterday.

Geldenhuyse 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 865kg 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 R43.21/kg from R37.25/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 AngloGold’s neighbouring Fairview mine. But Geldenhuyse 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 R40,000kg. Geldenhuyse 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, Geldenhuyse said transfers of the labour force to save jobs was not likely as Lorraine and Hartebeesfontein 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-tax profit to R85.4m for the March quarter after a strong performance by Hartebeesfontein.
COMPANIES

15% of mine’s workforce to go

David McKay

Anglovaal Minerals (Avmun) would axe more than 15% of its 2,500-strong workforce at its Eastern Transvaal Consolidated Mines, the company said yesterday.

Operations director Jurie Geldenhuyse 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.

Geldenhuyse said the mines most affected by the retrenchments were New Consort and Shaba. Retrenchments would also take place at Agnico, 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 December 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.

Geldenhuyse said gold theft from ET Cons was particularly serious because of the high level of valuable 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

By John Spier

Kaplan & Stewart forecasts record-breaking boom in golds

Johannesburg — The working lives of many miners are 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 about 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 30 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 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 miners have been able to absorb the shockwaves that restructuration 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 formalisation 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 mining 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.

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 stockbroking firm Kaplan & Stewart.

The firm, pointing to the remarkably high rand gold price of about R55 000 a kilogram, believes the price is pouncing for breath before resuming its upward trend.

“Thus (resumption of the upward trend) can be expected 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 S$90 and S$94 levels.”

Kaplan & Stewart says that if gold reached R420, the rand price, at current exchange rates, would be R59 415 a kilogram. If the exchange rate weakened to S$94, 75 a dollar, the rand gold price at R420 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 R46 899 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 stoppe face.”

Most favoured shares are Vaal Reefs, Wolketshaa, Freegold, Harmony and Harties. However, “all gold shares will benefit and undue repurchase 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 Lesbian (100 percent).
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 Kleinekoppies 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 Kleinekoppies mine.
Housing policy high on De Beers’ agenda

Bonile Ngqiyaza

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 asbestos among workers will also be raised by more than 60 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 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, 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 Kleinees mine in Namibian would be high on the agenda, as would the issue of three women who were imprisoned with their babies last October for trespassing at Kleinees.

Their appeal was scheduled to be heard at the Cape Town Supreme Court on Friday.

Weymont said the occurrence of asbestos 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

SA's largest coal producer, Ingwe Coal Corporation, planned to move to a seven-day working week at most of its coal mines to trim 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.

...heres, 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 13 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

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 Sampsas 3 and 4 shafts and No 9 shaft at Freddies, 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 negotiations 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 Freddies 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 18% 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, Freddies No 1 and Sampsas No 5.

The union said Anglo had to ensure good retrenchment packages and plans to retrain workers.
Vaal Reefs disaster memorial unveiled

20/7/96

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 miners 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 26/12/96
MINING - LABOUR

1996 - 1997
Impala Plats and NUM close to reaching wage agreement

By Gosa Mosolovu

Wage negotiations between the National Union of Mineworkers (NUM) and Impala Rustenburg 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 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 renege 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 Rustenburg's Impala Platinum Mine had rejected a management plea to return to work while wage talks continued.
Hope of productivity-based mining wage deal dwindles

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).

Disatisfaction 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.

In the year to March it accounted for 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 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 stoppage face productivity rates.

Such gains will lower pay limits, 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

Renée Grawitsky

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."
Job grading rings in mining changes

David McKay

JCI's job grading agreement signed with the National Union of Mineworkers this week is a key part of 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 disinfected in favour of a flatter structure with responsibility on mine, he says.

Cost pressures and low productivity levels in the past prompted the group to find ways to ensure its long-term survival. Lawrence says that 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 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 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 90m a month to above 300m a month with some teams," Lawrence says. The standard or target for the mine is 240m 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 Heij, 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 (fuco) — a term which describes seven-day continuous mining.

However, BPR paves the way for a more successful fuco should this be finally agreed with the labour unions.
Amagoduka, 50 years on
(211) CIT(CIT) 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 aura of disillusionment over 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 pop 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 dug 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 000subjarian heroou who by day and night, for a meagre 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.

Kgalame Mlotanthe, 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.

Mlotanthe enjoys the symbolism attached to the NUM’s head office in Johannesburg. While other business assembles their walls with awards and celebrations, this one has unanneamed miners standing from walls, the camera’s flash glinting off the sweat of many stops. And Mlotanthe does see the NUM as a business. It has 357 000 subscribers. It employs 150, provides salaries, education assistance, auditing, marketing and other services.

“One do you assume that because I am a unionist I have no clue about business?” Mlotanthe 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, where a proposal was made to form a miners’ union. It was a defining moment in South African labour history. But creating a union from 640 000 rural workers recruited on limited contracts, who understood little of the city and who 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 was a total stoppage of work at West Springs, Van Dyck, Van Ryn, Vlakfontein, New Klerfontein, and Modder B, and a partial stoppage of work at Brakpan, City Deep, Robinson Deep, Nourse Mines and Shab Njiga. Miners and mineworkers are remaining quietly in their compounds.”

The strike was a defining moment for the miners. They were not only regarded as subhuman by the employers, but also by people residing in towns and mining towns. You found people who resided in townships which in essence were mining towns regarding them as migrants, amagoduka,” Mlotanthe says.

The triumph of 1946’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, through the ANC and Cosatu, have an irrevocable 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 Mlotanthe.

Racist attitudes persist on the mines, though Mlotanthe says this is changing. Mining houses, confronted with upgrading the conditions of black miners, should “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 Mlotanthe, the only thing keeping most white miners from joining the union is its lack of a funeral scheme.

Recent research has led the NUM to have 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 taste 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 Mlotanthe.

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) 8821819

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 midstream 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

Renee 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 Orlens 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 revised 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.

Orlens said the conciliation board would meet again on Wednesday.

See Page 4
Bargaining heats up in mines wage negotiations

By Guy Oliver

CT 4g. 14. 18.94

Johannesburg — Negotiation 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 hinted at the 50th anniversary celebrations of the 1946 miners' strike that the union might call for a strike.

Charles Ngakula, 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 percent wage increases were not met.

"History has a way of repeating itself," Ngakula 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 male-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 at 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."

Thandh Oriley, 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 recognized 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."
Call for more shifts on mines

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," he said.

"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 over the 1986/87 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

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 Lesanana Rapopo from gunshot wounds last week sparked off violence between Uwusa and NUM members underground.

Seven miners died during conflicts last week, bringing the 20 the number who have died violently in the past three weeks.

This Monday another four miners were killed in violence underground at Lecudoom, another of Gold Fields mines, near Carltonville. Similar conflict was also reported at Northam, near Thabazimba in the North-West province.

The regional co-ordinator for NUM in Carltonville, France Balco, accused mine management at East Driefontein of deliberately stalling the integration process by "going 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

JOHANNESBURG – The National Union of Mineworkers has asked the attorney-general in Kimberley in the Northern Cape to investigate an alleged contravention by Dancoal 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 NUM was acting on behalf of the miners who 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.

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 Dumeleng Mayoyo said thousands of randi miners’ 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 money they deposited.”

Dancoal mine spokesman Paddv Oshann said he was too busy to respond to the media, and all questions should be directed to Mr Oshann.

However, the fax was out of order yesterday. “I will not respond until my fax is working,” Mr Oshann said before hanging up.

A mine source said miners were earning wages varying from R19 to R43 a day. All miners received a R19 daily ration.

Sapa
Row over 'R10-a-day' miners

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 R30 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 1998 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

*(Published 28/8/96)*

**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 Waymont, 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

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 a 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

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 R253 plus a non-pensionable allowance so that all employees would not receive 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 Joubert 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.
Workers get shots against meningitis

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 Centers 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 42 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) 80 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 Relations 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

By Abdul Millail
Labour Reporter

IMPALA Platinum Mines and the National Union of Mineworkers have set a benchmark for the mines 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.

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’ Wildbeestfontein South Mine general manager Ken Field said the agreement had set a standard.
Chamber tables
final offer to NUM

Reene Grauvitzky

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 weekend negotiations held under the auspices of the Independent Mediation Services of SA (Inessa).

The NUM is expected to finish receiving feedback from its regional structures tonight on whether members have accepted the Chamber’s offer.

If the union’s regional structures reserve 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’s 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

By Guy Clover

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 Ketsese, 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, instrument and death benefits.”

The tone of the agreement was 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, Kgama Motlambe, 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.”

Motlambe said this could be the last occasion on which coal and gold minung 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

Renee Gravitzky

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 6.8% and 13% on collieries. The increases differed not only between mining houses but between mines and job categories.

The minimum wage for underground gold mines workers will be R752 while the minimum for underground workers on collieries will be R654.

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 agm 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...
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.

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.
agreed management and miners reach
NUM, Anglo sign landmark pact

By Mzimkulu Malunga

The National Union of Mineworkers (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 Motsatsi and the chairman of Anglo's gold and uranium division, Bobby Godsell, said the accord was mainly geared at 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.

Motsatsi 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 Motsatsi 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 costs, 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

From Reuters

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.
INSIDE BUSINESS

Anglo-NUM pact signals end of an era

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 reorientation of management and labour to the new environment.

Change is pain, and part of the pain will come from the fact that 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 organized 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 assert 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 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 more 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.
Fragmented union unable to reach settlement

Renee Gravitzky
BD 191996

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 favor 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 Amcosol collieries, were threatening strike action.
Mine unions in joint peace rally

Renee Grawitzky

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 heals of the NUM peace rally held on Sunday where NUM president James Molaha 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 weeks the level of violence had dropped significantly.

Sapa reports that the peace rally was disrupted barely an hour after it began, when about 3,000 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 Monyemorotse.

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.
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 Motlati 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.
Gold Fields 'will not alter recruitment system'

Reneé Grawiczky

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 mining's earnings offset 9% wage increase

Gengold's full-year pretax profit rose to $125 million, a 19% increase over 1994, and the company's earnings per share increased by 30% to 90 cents. However, the company's share price declined by 9% to $1.25 per share.

The company's earnings were driven by higher gold prices and increased production. Gengold's gold production increased by 10% to 150,000 ounces, and its gold sales increased by 12% to $275 million.

Gengold's management attributed the share price decline to the market's perception of the company's high debt levels and its reliance on debt financing. The company's debt-to-equity ratio increased to 3.2, from 2.8 in the previous year.

Despite the share price decline, Gengold's CEO stated that the company was well positioned for future growth and expansion. The company has a strong balance sheet and a positive outlook on the gold market.
LABOU

Union at Gold Fields mine in negotiations deadlock

Northam could face more trouble

GUY OLLIVER

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 508 others. The others were East Driefontein and Leedooorn.

Union members reached a deadlock late last month after non-unionised workers accepted the 10 percent wage increase offered by the management.

Mahlakeng 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 “marxak.

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 position.”

Michael de Kock, the Gold Fields spokesman, said the company had advised the union’s head office about Myburgh’s recommendation that Moloko be suspended from his duties. He declined to comment further.

But the troubles that haunt the company, he said, 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 R73.39 million in the September quarter, after turning a profit of R8.17 million the previous quarter.

The mine produced 75,800oz of precious metals and concentrates in the quarter.

Peter Jansch, 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 cooperation 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 cooperation 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 Nadoo, 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 Basotho in Mpumalanga province tomorrow.

Phases two and three will begin in February and September next year.
Anglogold fights to save jobs

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 downizes its Free State mines.

Yesterday, the division’s chief executive, Bobby Godsell, said apart from an average of 400 workers who would 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 Angold — has been restructured in order to “create a united management team.”
NUM, Anglo move on improving productivity

Revised Gravitvsky

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 Joyce 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.
Northam makes minimum-wage concessions, possibly averting strike

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 96.5 percent of the union's 3,000 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 raise 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 R656 was 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.

- Reuters, Johannesburg
Revised wage offer likely to satisfy Northam miners

FROM REUTER 21

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 coordinator, 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 R856 was well below that of other mines.
Gold mining ‘enters new era of productivity’

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 594,000 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 65 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.”
Union acts on mine housing

Black mine workers have been isolated from the mining towns

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 Mineworkers (NUM) general secretary Kgulema Molanthe 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 Molanthe.

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.

Molanthe 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 stance is job insecurity among workers from rural areas. These workers think it will make sense to build a house in the urban area and bring their families up only to be retrenched three months later," says Molanthe.

The mining industry first had housing subsidies for whites only and later based the criteria for qualifying for the subsidy scheme on seniority and thus 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, Molanthe 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,” Molanthe says.

Yesterday we reported NUM’s membership to be 35,000.

The union in actual fact has more than 350,000 members.”
Zambian copper miners kept at work because it is cheaper

Mines cannot afford lay-offs

Nkoloi, 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 $2.4 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 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 Zambian 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

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 Khaly-o-ma Phumusa said yesterday that certain ministries, such as external affairs, had used the money instead of it being paid out to the pensioners.

Phumusa 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 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

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 - Reuters
There's no glitter in a black gold miner's life

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 293 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 migrant," 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 the 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 commissions were already being acted upon.
Call for probe of basic wages in gold mine industry

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 centralized 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 retracted 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
Miners in housing talks

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 proposal 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 these 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

BY OBIA NOKLOVU

The Chamber of Mines has sharply criticized a government report on the mining industry.

The report, on the living and working 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 primarily on the past.

"It creates an assumption 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 criticized it.

"Unfortunately the dominant thrust of the report focuses on the past, with minimal acknowledgment of the many recent positive developments that now characterize the industry," Kearney said.

Segal said the report misrepresented 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 criticized 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.
Agency Retirements Retrenched Miners

THOUSANDS of people in central com-

Kondi Coryther

A company

We were recently referred to a section

of the preparation of coal. It is also

an income from the sale of coal. We

sold a development with coals-

the development was subsequently sold

to other companies. The company

executive asked to be informed of

the amount of coal that was in

the development. The executive

asked for a letter stating the

amount of coal that was in

the development. The executive

asked for a letter stating the

amount of coal that was in

the development. The executive

asked for a letter stating the

amount of coal that was in

the development. The executive

asked for a letter stating the

amount of coal that was in

the development. The executive

asked for a letter stating the

amount of coal that was in

the development. The executive

asked for a letter stating the

amount of coal that was in

the development. The executive

asked for a letter stating the

amount of coal that was in

the development. The executive

asked for a letter stating the

amount of coal that was in

the development. The executive

asked for a letter stating the

amount of coal that was in

the development. The executive

asked for a letter stating the

amount of coal that was in

the development. The executive

asked for a letter stating the

amount of coal that was in

the development. The executive

asked for a letter stating the

amount of coal that was in

the development. The executive

asked for a letter stating the

amount of coal that was in

the development. The executive

asked for a letter stating the

amount of coal that was in

the development. The executive

asked for a letter stating the

amount of coal that was in

the development. The executive

asked for a letter stating the
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 Perdi Dippenaar said yesterday that the mine had opted to shut its L-shaft, hurting 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

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

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 ofopening 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.”

Talatani Maduma, a labour expert and advocate, said the MWU could not legally remain 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 entitled 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
Closure of Gefco mine may mean 300 job cuts

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 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

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 Plummer 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 letting 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.
No action against white union

Labour: The Movement defect, Mine Workers' Union: Racial exclusivity

NEW APPROACH: RC can work and the Movement of yesterday's meeting at which they discussed General Election issue.

JONATHAN ROSSMAN

MARG MUNRO AND

MOA (R) 1/3/94 (31)
Mboweni meets white unionists

By Shadrack Mashalaba

The Ministry of Labour and the whites-only Mynwerkers' Union (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.
Plan to educate miners mooted

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 recognize 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 organizers 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

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 Africa 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 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 Moilatsi 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

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 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 health steward be merged with that of branch secretary and that, 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 complement 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**

By Shadrack Mashaba

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 the early 1990s to assist 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.
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 Roodepoort 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 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 rightsizing” 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 pace 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 disparate structures instead of relying too much on lawyers and consultants.”
MDA scheme keeps miners on retrenchment

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 Mina, Mpuamalanga, in Maseru, Lesotho and Mount Ayub in the Eastern Cape. Another three centres are being planned.

Although the NUM started a job-creation scheme in 1985 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 leaders, and aid local economic development as a whole. This is obviously a journey rather than a destination," said Kate Philip, the co-ordinator of MDA.
and the American Federation of Labor, AFL-CIO, which represents the miners who worked at the plant, filed a petition with the National Labor Relations Board (NLRB) alleging that the company had violated labor laws.

The NLRB conducted an investigation and found that the company had indeed violated the law by engaging in unfair labor practices.

In response, the company appealed the decision, arguing that it had not violated the law.

The case was appealed to the U.S. Court of Appeals for the District of Columbia Circuit, which ultimately upheld the NLRB's decision.

The court ruled that the company had indeed violated the law and that the miners were entitled to the remedies sought in the petition.

The decision was hailed as a victory for labor rights and set a precedent for future cases involving unfair labor practices.

Miners' union loses appeal against firing of 387

(211) 503-1147

BIOGRAPHY — An appeal by the

American Federation of Labor, AFL-CIO, which represents the miners who worked at the plant, filed a petition with the National Labor Relations Board (NLRB) alleging that the company had violated labor laws.

The NLRB conducted an investigation and found that the company had indeed violated the law by engaging in unfair labor practices.

In response, the company appealed the decision, arguing that it had not violated the law.

The case was appealed to the U.S. Court of Appeals for the District of Columbia Circuit, which ultimately upheld the NLRB's decision.

The court ruled that the company had indeed violated the law and that the miners were entitled to the remedies sought in the petition.

The decision was hailed as a victory for labor rights and set a precedent for future cases involving unfair labor practices.

Miners' union loses appeal against firing of 387

(211) 503-1147

BIOGRAPHY — An appeal by the
Dead miners ‘abandoned’ by Rovic

By Abdul Milazi

MALERATO Olfant of Phabameng, 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 deserted 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 Olfant.

Spokesman for the National Union of Mineworkers (NUM) Ben Molapo shared Olfant’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 Gobha 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 Revona Moroekgoa 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 waiting stations, which are normally used as safety zones during accidents.”
Mine workers demand 25% pay hike at De Beers

Renee Grawitzky (21)

The National Union of Mineworkers (NUM) has tabled an opening demand of a 25% wage increase for about 9,000 members at 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 R969 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.
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 at emascu-
ladro as the annual wage talks get under way. Busy cellphones and handbags will be in the order of the day.

But don’t let the miners’ wage talks have been ongoing since January. In the shafts and the bosses’ union re-
presentatives have been asking work-
era what they want included in the year’s negotiations.

“We then write down those demands and send them to head office,” says Geoffry Molokwane, who works at the National Union of Mineworkers (NUM) regional office in Carletonville. “This year we got some demands for a 50% increase.” These demands are then fine-tuned by the union chiefs in Johannesburg and often substantially reduced before being sent back to the men for a final say from the workers.

Then the completed set is given to employers and the country’s most tac-
tical game of give-and-take begins.

This week 6 000 members of the NUM at the Western Deep Levels mine in Carletonville to hear the union’s list of demands, which is likely to be a 10% increase. Western Deep, as its name suggests, is the world’s deepest mine — and one of the richest. Working conditions are much better than on other mines years of mining and management have seen enormous improvements compared to South African mining.

The hostel manager’s position has been replaced with a corps of hostel supervisors selected by workers, who run the living and eating quarters with a R15 mil-

"We must get rid of the wage gap, so we want more for those in the lower categories," says Simelane.

 ironic, but Adult Basic Education is starting to work and workers understand more. And leaders must direct the people," says Bojo.

He says the union wants a "living wage" of R1 500 a month and claims that "90% of workers here don’t earn that money." Alfred Simelane is a hostel supervisor at Western Deep Levels. He’s pushed for a 10% increase this year. "The cost of living is going up," he says. "We’ve got two wives and six children to support in Swaziland. Then there’s my parents and two nephews."

A trip home in Swaziland costs R700 for a single journey. The price of meat has gone up and has favourite cool-
dinks, Posey, costs R5.40 for a 2 l box beer; says Simelane. He earns R1 500 a month. Makara Rugchuka, who is more experienced, earns R2 300 a month.

Rugchuka thought that living apart from home in Swaziland would make life cheaper, but that’s not 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 necessities such as tea and extra milk, which he buys, says Rugchuka.

Meanwhile, at the other end of the miners’ compound, human resources manager Robbie Laube has been doing another set of rounds. Studies by Anglo American, which owns the mine, show that the number of miners there is higher than in the United States, India, Canada and at other mines in South Africa. Officials say they will push for wage increases to be linked to greater productivity. And they want to keep costs down. Luder says it costs R350 to mine one ounce of gold at Western Deep, the gold price is currently R343 an ounce and falling. We cannot afford to increase without upping production," he says.

The industry is also facing con-

"We can’t afford to increase without upping production," he says.

"We can’t afford to increase without upping production," he says.
Job losses loom in ailing gold industry

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 Hartebeesfontein -- warned that job cuts were imminent.

The mines, along with Randgold's ERPM and Grootvlei and GSFA's Deelkraal, reported a loss in March.

Among the mining houses, only Gengold managed to improve its bottomline, 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 GSFA 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 722/kg, compared with R54 200 three months ago. Anglo achieved a fairly respectable R53 000 average price since it hedged about 8% 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 Winkelhais.

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

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 continuing 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 R500 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 that 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 restructure 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 Canoro in 1993. And Amcu, 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 (Sacai)’s Trevor Derwin says at present there is no more than a Saica “opinion” — AC 305 — which sets out best practice. But the issue 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 McLennan estimates the private sector is ignoring about R8bn of future liabilities for post-retirement benefits.

One of the few to face up to this problem is Ottis, which makes and services elevators and escalators (Companies April 28).

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.

FM FOCUS

FINANCIAL MAIL  MAY 9 - 1997
Miners’ wage talks soon

Reneé Grawitzky

MINING industry negotiations covering pay for more than 400,000 workers got underway 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 the gold price was 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 the latter paying lower rates than the former.

The union has 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.
A pitcance for 34 years

By Andre Mutanga

Forty-eight years ago, Andre Mutanga joined the mine workforce of the then South African Consolidated Gold Fields (SOGF) to work on the mine at Xilitla.

On January 17, 1983, Mutanga retired from the mine and was awarded a service pension of R1,777.54.

Although he did not have much education, Mutanga was a diligent worker. He is missed by many of his colleagues.

In 1987, Mutanga was awarded the silver medal of the mine for his long service.

Andre Mutanga, a mine worker for 34 years, passed away on August 15, 2021, at the age of 78.

When you open a Personal Investment Account at Robeco Bank in Geneva, you'll benefit from a wide range of services. You can plan for your future and have access to a variety of investment options. Whether you are a new or experienced investor, Robeco Bank has a solution for you.

Invest in the future with Robeco Bank.

And, since Robeco Bank is a Swiss bank, the confidentiality and security of your account are assured.

The investment expertise of the Robeco Group

As an indicator of the Robeco Group's expertise, Robeco N.V., the flagship investment company, regularly wins awards for high performance.

An investment of US$100,000 in Robeco N.V. made in March 1992 was worth US$200,000 by March 1997. This is a significant achievement for any investor.

Weigh the returns from various investment options to ensure you choose the best fit for your needs.
Mineworkers get stake in consumer goods giant

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 625c — 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 considered due to the Royal vendors. Ever cautious, Rebhold will issue most of the scrip as and when warrants 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 co-operate 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.

Kubandran 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 belower.

Rebhold chairman Mackie Brodie says Rebhold is on the way to fulfilling its three visions: building 0n 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 its 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 Kempan, Kubon Pillay, Stephen Levenberg, Mackie Brodie and Paul Nkuna
Randophonin may return after poisoning donor
Mine and union officials talked to save thousands of jobs.

The mine has about 5,500 workers.

David Tucker
JCI and NUM face off over retrenchment plan

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.

“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 Magomezulu, 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,” Magomezulu said.

Management had argued that the mine had fallen on hard times and that production costs had become unviable.

But Magomezulu said a fresh underground assessment carried out on Friday by Peter Cundin 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 000 to R10 000, compared to up to R100 000 for white colleagues who had worked for the same period.
7000 jobs to go as two JCI mines shut down

At least 7000 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 4000 workers at Randfontein Estates and 3000 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
Hands off, union warns JCI

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 mineworkers marching to a halt, said a union spokesman at the mine.

Vilakazi Matoda, 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 Gwende, 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

By Abdul Milazi

THE National Union of Mine Workers (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 outstading 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

Johannesburg — The retrenchment of up to 4100 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 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 5p 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."
NUM moves to delay retrainments

Customer requirements and converging technologies - 11,000 of health science students - 7000 medical nursing. Van Heerden said since 1976 a very high de
NUM moves to delay retrenchments
In Brief

Education trust is launched by mine workers' union

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 Educational Trust — was named after JB Marks, one of the founders of the NUM. The trust, he said, would provide an R1m fund donated by the union and R2m by the union’s investment arm, the Mineworkers Investment Trust. To date, the trust had approved 168 applications for this year while 93 bursaries had already been paid.

Applications for post-graduate mining-related studies included mining engineering, geology, commerce, legal studies, human resources, metallurgical engineering and food technology.

BD | 9 | 6 | 1997
Jobs moratorium costly for JCI

Renee Gravitzy

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 advisor.

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 wanted to accept the company's severance package.

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 Mrasi 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."

Mrasi said Salta's national executive council had not discussed the slot machines with shebeen owners.
NUM move will challenge traditional wage bargaining

Reneé Grawitzky

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.
ICI Chief is not the NUM's Comrade
ICF and NUM in Idle Stand-Off

M. Khumalo reads against accusations of framing on a deal to halt worker redundancies

Photo: Jodi Waddoupe
Asbestos mining companies suppressed findings — claim

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.

The 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 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 available 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 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.

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.
Health risks 'suppressed' by mining firms

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 asbestos 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

FRANK NKUMALO

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 1,000 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 R500,000 every day that the retrenchments are delayed. About 1,500 NUM-aligned workers have 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 has 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 must take 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

Mining union rejects Chamber of Mines' three-year wage offer
Pay accord for mines

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 9.5 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, Kgalame 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

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

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

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 Holomusa’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 Holomusa.

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 accused the NUM was reacting to its loss of dominance at Amplats.
Negotiations on mine productivity to resume

Renee Grawitzky

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 re-committed 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.
Worker in the Gold Minning

From: Abdul Maliki

Production-linked wage model

By Abdul Maliki
NUM calls on Govt to save mines

Union urges Government to finalise policy on minerals to favour workers

By Abdul Mihazi

The National Union of Mineworkers (NUM) welcomed Government’s monthly R1 million lifeline to ERPM’s Bokeberg 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 (Gers) 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 Roodpoort 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 miners 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 Roodpoort Deep situation had an additional, poignant, 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 tons of gold have been mined since 1983.”
Agreement at two mines signals progress in productivity deals

Renee 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 Angold-managed Hartebeesfontein 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 Elandrand.

Anggold said the Hartebeesfontein 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 four hours a week. Anggold 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 R1,200 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

Renée Grawitzky

A LANDMARK two-year wage deal covering 70,000 coal workers, providing for increases of up to 22% 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 R800 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 Kgalama Moolanthe 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 mining 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.

Moolanthe said all mines bar Alpha Anthracite and Gold Fields would be unable to pay a 2% 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 would be implemented on collieries after discussion at mine level of services workers needed. These could include retrenchment retraining, 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 on mines 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

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.

"(Callback) 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 operators unlawful, the operators would not be exposed to prosecution, it said.

Satra could not be reached for comment last night.

SA Callback Association chairman Gunfranco Cocagna 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 businesses said they were using callback services.
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 cover 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 Colleries 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 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 healthcare 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 “opportunist”, and not its members, were behind violence and intimidation.
There’s gold in them there hills

A huge mound lying between two dormant blocks estimates the amount of gold being mined. By effective operations of mine premises,

NEWS
Corrupt R10 000-a-day miners sell legislation to crook candidates overseas
Goldminers grab at least R5 billion a year
Mineworkers tell of underground terror

BY TEFI 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, Sejobane 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 Pranselo (49), 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.

Pranselo, 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

By THABO KOBOKOANE

THE Mine Employees Pension Fund and the Mine Officials Pension Fund both reported reduced returns in individual returns of assets of 13.6% (1996. 29%) and 12.5% (27.9%) respectively for the year ended June.

The MEFP 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 MEFP 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 MEFP 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 MEFP members and 85% of MOPF members retired before normal retirement age.
Mine, unions agree to increase shifts

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 Gonzales 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, Gonzales 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 linking between wages and productivity.
JCI, NUM sign historic agreement

**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 Browning 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

Renee 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 Joels gold mine served an interdict yesterday on workers who went on a go-slow at the weekend to put pressure 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 (Q11) C1890 13.1.92.

These include 4,500 from Vaal, between 3,200 and 5,200 from Evander and 3,300 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 asked the government to halt the retrenchments as they were above the 30 percent a year permitted under labour law — Frank Nxumalo
NM applies for Interdict to halt Evander job cuts
NUM slams mine management for allegedly reneging on recent productivity deal

Miners protest planned job losses

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 increased 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.

Joyce Phendulu, NUM's Klerksdorp regional secretary, slammed management for allegedly reneging 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, she 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 agreement, 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

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 Leu donors, but also at the other gold mining operations within the group.

"Unfortunately, the downscaling at Leu donors is essential if that division is to have any possibility of survival, and the unions are fully aware of this."

"With continuous operations at Leu donors and the other gold mines in the group, additional crews will be required. Job losses will be reduced at Leu donors 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 Leu donors, Lithium and De Kreest. 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 Leu donors and Lithium were unacceptable," Robinson said.

Business Watch, Page 1
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, Guillerme Mavila. Previously, payments were made through the Johannesburg office of the delegate of labour of Mozambique, then sent to the labour department and then distributed nationally. The department said this method of payment made it difficult to provide adequate services to disabled workers or to dependents of deceased workers. — Miranda Strydom
Beatrix productivity drive backfires

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 percent in the past quarter.

Tom Dale, Gencor's managing director, said yesterday the mine's productivity drive was so effective at increasing the rate of underground ore production to 220,000 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 76% 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 220,000 ton a-month hoisting bottleneck.

Improved performance would now have to stem from cost reductions and more efficient mining.

Overall, the four mines in the Gencor stable — which will be merged with the mines of Gold Fields to create Goldon, the world's largest gold producer — recorded a 55.9 percent 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 percent 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 R2.3 million, was continuing with its 5,000 layoffs at a cost of R70 million.
Pact to help Mozambican miners

MOZAMBIKAN 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 Occupational Injuries and Diseases Act, to be paid in local currency in Mozambique.

The spokesman said that under 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 Comercial de Mozambique, and the Mozambican National Institute of Social Security would make the payments every month on its behalf.
Mine, NUM sign interim pay deal

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

ANDI SPICER (07JAN 1994)

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 mutually 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 Leedoon Mine.

NUM spokesman George Moleabatu said mass retrenchment could be avoided if management involved workers in the long-term production and productivity plans.

Gold Fields' Leedoon Mine, near Westonaria on the West Rand, announced this week that it would shed 2,800 jobs as part of its industrial restructuring programme.

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, Leedoon 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 milling to about 75,000 tons a month.

"Thus, regrettably, would mean a restructuring of the operation with an obvious negative impact on levels of employment."
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 unable 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 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.
Retrenchment notice sparks row with union

Reneé Gravitzky

A ROW has broken out over Gold Fields' announcement this week that 2,800 workers at Leeurown 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 Leeurown 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

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 Molobatsi, 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 retrenchments 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.
MDA throws lifeline to miners

FRANK NKUMO

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 Leekdoorn, 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 61 000 job losses by 2009.

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 Ayiiti 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 NQUMALO

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 re-arrangement 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.”
Gèncor warns of closures and job cuts at Evander

ANDI SPICER
MINING AND RESOURCES EDITOR

Johannesburg — Gèncor, 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 Leslie.

"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." said Gèncor's company secretary.

"Trevor Savage, Gèncor'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 shafts 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 "capped" during the December quarter."
Gold industry signs landmark wage agreement

Johannesburg — The National Union of Mineworkers (NUM) and the Chamber of Mines yesterday signed a significant two-year agreement linking improvements in wages to productivity.

A target of producing an additional 30 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 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 model for industrial relations in many sectors in South Africa. (as) we have succeeded in linking wages with production at decentralized 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.”
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 16%.

Increases will, however, be implemented only once parties at mine level have agreed on mechanisms to increase gold production by the amount allocated to each mining house.

The 90 tons were divided between Gold Fields (46.8 tons), JCI (11 tons), Anglo American (10.5 tons), Gengold (9.8 tons), Randgold (eight tons) and Angold (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 productivity. However, most mining houses experienced problems as workers and some regional union leaders opposed full calendar operations and the link 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".

Senior human resource manager Koos Friel 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 reorganization.

Anglogold executive director, industrial relations Steve Lemanah said the union had been to increase output and efficiency, so mine-level deals attempted to raise productivity and redesign work processes.

**Continued on Page 2**
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 Sunday 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 miners 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 60 000 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 R1,5-billion worth of gold is ending up in Switzerland alone," says Andre Fourie, operations manager for security at Gold Fields.

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 Reks 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

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 that mine-level arrangements, which also envisaged minimum wages of R1 600 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"

FRANK NXUMALO

Johannesburg — The gold mining industry’s historic two-year agreement linking wages, operations and productivity could lead to a new model 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 list 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”. 
Leeúdoorn mine and NUM sign agreement

GOLD Fields of SA's Leeúdoorn 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 80,000 tons of ore a month from the 75,000 tons proposed in the mine's downsizing process.

Employees of Leeúdoorn and stablemate L以便on, 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.
Union a counter-revolutionary ploy, says NUM

BUSINESS DAY, Monday, November 17, 1997

The Mail and Guardian

The March Peace Worker

Union a counter-revolutionary ploy, says NUM.

[numerical data]

As paragon of the ploy, "as a framework of understanding with E.T.

courage point actions."
Attracting the drinkers, anywhere, everytime.

SORGHUM NSB launches beer with a six-month shelf life

CHRIS O'CONNOR
10,000 jobs
Coles Fail

MARIO MARZULLO
MERRY MELLOW Chinese Selection (left) and Mexican Chosen Poppin' to show a mug of

A country of simple things.

The company, which makes beer, wine, and some soft drinks, will begin shipping its first.

The company, which makes beer, wine, and some soft drinks, will begin shipping its first.
Deelkraal workforce to be cut by 1,900

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 R80m. Therefore Elandsrand was negotiating with unions to take steps analysts said was vital to return neighbour Deelkraal to the black.

"ING Barringer" 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 R18.3m 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 6-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

FRANK NJIKHALO

Vandenberg Park — The gold mining industry could shed 100,000 jobs out of a total of 196,000 in the new year if the gold price continued to slide, Egnlene Motlanthe, the general secretary of the National Union of Mineworkers (NUM), said yesterday.

Gold moved down below $250 an ounce yesterday, fixing in London at a new 12-year low of $256.55 in a generally bearish mood in the market. Further falls are expected in the next few days with $230 and perhaps $220 now being cited by analysts.

Motlanthe 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."

Motlanthe 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

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 R2.4 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 R20.4 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 R15.57 million to Cape Investment Bank and R1.1 million 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 0.65 percent of their total annual income — towards the funding of the supervisor. Banks should pay R40 million, which was about 0.91 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

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 $840 an ounce — having to be renegotiated soon. He said under the industry as a whole employed 486,000 workers, of which 310,000 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 diversified 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 750 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."

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
Interministerial team tasked to create retrenchment strategies

Mining task team set up

FRANK NKUMALO
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," Sipho Pityana, the labour director-general, said 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
trenchments

FRANK NKUMALO

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 an 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 demoralised workforce.
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 Mineworkers (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 Liaison 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 undermining 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.
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 Buliliton 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 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.

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 "uniform" or unreliable, so the parastatal could realistically expect to get about 900MW uninterrupted power, he said.

Neushloss said previous estimations that Hydroelectrica 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.

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 Chenhumutengwende 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.

Chumutengwende’s statements followed 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 petrol 20%.

“The government is aware of the plot by some white businessmen...,” Chumutengwende 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 Tefo Mokhate

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 queuing 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 Mokhakha Mathe 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 1983 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 Hlatzakena 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..."
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

The picture gets bleaker. On January 5, AngloGold announced plans to lay off 5 000 workers at Harties in Klerksdorp, Leeuwarden 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 beneficent 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,” Amoseneva Singh
NUM campaign to address gold crisis

Renee Grawitzky

SA's largest mining union, the National Union of Mineworkers (NUM), launched a campaign yesterday to lobby world financial leaders and unions 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 61 000 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 requirement 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

Renee Gravitzky

OPPOSITION from workers at Gold Field’s 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 Lebanon 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 Lebanon committee” so that it could concentrate on underground production in light of recent heavy losses.
NUM fights job loss overseas

By ZOLIDLE 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 Mantashe, 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 Mlotetsi, was in Zambia on Wednesday and will be attending a meeting in Switzerland where the international mining crisis is to be tabled.
NUM presents plans for gold summit

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 Moelatsi, 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 Mothibatse.

The summit will bring together all stakeholders, including mining houses, the state and industry unions or staff associations.

Moelatsi 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 gains per kilogram of gold on a mine that makes no profit is R1 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 130,000, 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 1998 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.
Retrenchments a national issue, says NUM

8 000 miners plan to march at East Dries

FRANK NXUMALO
LABOUR CORRESPONDENT

Johannesburg – More than 8 000 East Driefontem 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 Molehatsi, 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 industries like taxi businesses and retail shops plying their trade at the mines.

He said the protest marches, of which the march at East Driefontem 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 downsizing 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 Klipskoppo’s Hartbeesfontem 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

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.

The result was that everyone got burnt, but Thatcher proved more fireproof than most. The NUM was convinced that privatization was a code word for job losses — a conviction that in the event turned out to be quite true. The NUM was, additionally, determined to make the issue of pit closures as much a political as a workplace struggle. It was to be a test of wills and resolve, and a test of political philosophy. Whether government should protect miners' jobs was to be the central issue.

And so the 1985 coal miners' strike was born. The result was, in retrospect, a pivotal moment in British political history. Under intense pressure, the forces of modernization prevailed and Thatcher survived. But not by much and not before 31 collieries were closed and 20,000 jobs were lost. The coal mining industry also survived, although in a much diminished form. A new company, RJB Mining, was left to pick up the pieces and, for a time, was reasonably successful.

But now the company is facing a new threat: the time not from 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 2003, coal will account for only 20% of total electricity generation compared with gas's 42%.

The move is likely to cost another 5,000 jobs and has been something of a blow for the Labour government. Labour was in the forefront of the miners' 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 thorn in the side of the NUM under Arthur Scargill. The leader of the miners was to meet fire with fire. The result was that everyone got burnt, but Thatcher proved more fireproof than most. The NUM was convinced that privatization was a code word for job losses — a conviction that in the event turned out to be quite true. The NUM was, additionally, determined to make the issue of pit closures as much a political as a workplace struggle. It was to be a test of wills and resolve, and a test of political philosophy. Whether government should protect miners' jobs was to be the central issue.

Arthur Scargill, centre, leads a 1984 miners' march in London

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's coal mining industry began during its period under government administration, but the culture began to circle in earnest during the Thatcher era. Prime Minister Margaret Thatcher was determined to privatize the industry which was, by then, a massive drain on government resources. The government's solution was to impose severe cuts in spending, which led to a decline in the industry's competitiveness. The result was that everyone got burnt, but Thatcher proved more fireproof than most. The NUM was convinced that privatization was a code word for job losses — a conviction that in the event turned out to be quite true. The NUM was, additionally, determined to make the issue of pit closures as much a political as a workplace struggle. It was to be a test of wills and resolve, and a test of political philosophy. Whether government should protect miners' jobs was to be the central issue.

But now the company is facing a new threat: the time not from 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 2003, coal will account for only 20% of total electricity generation compared with gas's 42%.

The move is likely to cost another 5,000 jobs and has been something of a blow for the Labour government. Labour was in the forefront of the miners' 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 thorn in the side of the NUM under Arthur Scargill. The leader of the miners was to meet fire with fire. The result was that everyone got burnt, but Thatcher proved more fireproof than most. The NUM was convinced that privatization was a code word for job losses — a conviction that in the event turned out to be quite true. The NUM was, additionally, determined to make the issue of pit closures as much a political as a workplace struggle. It was to be a test of wills and resolve, and a test of political philosophy. Whether government should protect miners' jobs was to be the central issue.

But now the company is facing a new threat: the time not from 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 2003, coal will account for only 20% of total electricity generation compared with gas's 42%.

The move is likely to cost another 5,000 jobs and has been something of a blow for the Labour government. Labour was in the forefront of the miners' 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 thorn in the side of the NUM under Arthur Scargill. The leader of the miners was to meet fire with fire. The result was that everyone got burnt, but Thatcher proved more fireproof than most. The NUM was convinced that privatization was a code word for job losses — a conviction that in the event turned out to be quite true. The NUM was, additionally, determined to make the issue of pit closures as much a political as a workplace struggle. It was to be a test of wills and resolve, and a test of political philosophy. Whether government should protect miners' jobs was to be the central issue.

But now the company is facing a new threat: the time not from 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 2003, coal will account for only 20% of total electricity generation compared with gas's 42%.

The move is likely to cost another 5,000 jobs and has been something of a blow for the Labour government. Labour was in the forefront of the miners' 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 thorn in the side of the NUM under Arthur Scargill. The leader of the miners was to meet fire with fire. The result was that everyone got burnt, but Thatcher proved more fireproof than most. The NUM was convinced that privatization was a code word for job losses — a conviction that in the event turned out to be quite true. The NUM was, additionally, determined to make the issue of pit closures as much a political as a workplace struggle. It was to be a test of wills and resolve, and a test of political philosophy. Whether government should protect miners' jobs was to be the central issue.

But now the company is facing a new threat: the time not from 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 2003, coal will account for only 20% of total electricity generation compared with gas's 42%.
Mines get black CEO

By Abdul Milazi

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 Man, 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 empowerment.

THE Chamber of Mines appointed former Independent Development Trust human resources director Mr Mzolisi 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 Man, 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 empowerment.
Diamond firm racist, says NUM

The National Union of Mineworkers (NUM) has accused the diamond-sorting company, CSO Valuations, which manages Harry Oppenheimer House in Kimberley, of racist employment practices and of obstructing attempts to bridge the gap between the lowest- and highest-paid workers.

NUM's Kimberley 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 Annaisie 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

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 union 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 Motlati is one of the speakers at the three-day conference that will end on Monday.

110 000 gold miners may lose their jobs

By Ido Lekota

At least 110 000 miners 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.


As government policy the White Paper would, among other things, call for the prevention of hoarding and sterilisation of mineral rights by applying the "use 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

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 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 Molapa 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

FRANK NXUMALO

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, spearheaded by former Australian Prime Minister Bob Hawke, which lambasted the mining giant for allegedly bashing unions 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

Springs - In seven months, Sadwell Pitso has seen 700 fellow gold miners - more than a quarter of the mine's labour - laid off. It has been a tough time, he says.

"I can't sleep much at night because I'm so worried," he says.

His precarious position is far from unique. South Africa's gold industry is in a difficult spot, with the mining sector's contribution to the economy declining and the rand falling. At least 20,000 miners lost their jobs in the first quarter of 1998, according to the National Union of Mineworkers. More layoffs are expected. Some miners may have to shut down.

Of the country's 20 gold mines, half operated at a loss during the first quarter of 1997, according to the Chamber of Mines.

Gold production reached a record 1.4 million tons. Production last year was an estimated 1.2 million tons.

The decline in prices is driving miners to the brink. A year ago, gold sold for more than $400 an ounce. Now it hovers at the $300 level.

Gold prices have plummeted largely because governments and private investors are not taking gold for other investments. Instead, they are piling up gold bars and keeping them in vaults around the world.

With the world's deepest mines, South Africa's 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 Froman was furious about the strike.

"It's such a fine line between keeping the mine open and closing it," Mr. Froman said. "It's irresponsible at the current gold prices to embark on a strike."

He acknowledged a transition to a cheaper computerised payroll 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.

Supe-AP
NUM calls for retrenchments moratorium

Renee Grawitzky

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 Berker and 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
Freeze layoffs, says Cosatu

**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, 13,753 jobs were destroyed within the mining industry in the name of restructuring,” said Shilowa. “The mining provident fund reports that about 65,860 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 thus had a strong impact on the unemployed, young job seekers and 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 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 Fenwells Medana, 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

Renee Grawitzky

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 widespread 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.
Labour digs publicity pitfall

Unions aim to pull Mandela into Australian dispute

The Johannesburg conference hosted by the National Union of Mineworkers (Num) last weekend to pressure 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 and 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 flight 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

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 25 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

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, over 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 gone by the end of January this year. The NUM said Anglo and the new Gold Fields had given notice to retrench up to 16,000 more workers by July.

South Africa’s 14 marginal mines, most of them threatened with closure, employ about 130,000 mineworkers, with more than 1 million other people directly dependent on their wages.

“We want to do something to indicate the seriousness of the situation,” Cwede 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-
Protests won't help, NUM told

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.
num welcomes molarium

GOLD MINING Chamber of Mines praises for its freeze on all new requirements
Chamber to put hold on retrenchments

René 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' Lepele and Leeukop mines.

Gold Fields CE Richard Robinson said "in the interest of finding a concrete way forward, despite additional hardships at the two mines", the company agreed to the moratorium.

Chamber president Bob Gossell 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 cooperatively 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.

Thus 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 Motlatu 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, Motlatu 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'

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 maternal developper-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.

"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 in Johannesburg after a meeting of the union's national executive committee, acting secretary-general Mr. Gwede Mantashe said the move was reciprocal to the Chamber of Mines' announcement on Tuesday that major gold mining companies were placing their workforce on new restructurings 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.

"Mantashe 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 intensify 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

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 wholesale industry showed an increase of 2.8 percent or 266 workers.

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 to more hours paid and overtime worked in this sector.
Enforcement of measures.

REMEMBER:

The employers are also courtable.

The workers must take action.

The crisis in the food industry.

By Sekola Seeto

Effort to stop mass action.
Worker Leader Wins by a Need to Succeed

Militant Worker Leader Driven by a Need to Succeed

Recent Grammy-listeners at the Tao Group likely to take over the top position in the community, largest event union

Cleveland Council's National Union of Movements, Existing General Secretariat, is facing a joint union reunification. Labor Report

Worker Leader Wins by a Need to Succeed

Militant Worker Leader Driven by a Need to Succeed

Recent Grammy-listeners at the Tao Group likely to take over the top position in the community, largest event union

Cleveland Council's National Union of Movements, Existing General Secretariat, is facing a joint union reunification. Labor Report
Mineworkers to march for retrenchment moratorium

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 mbaba of the gold mining industry in what seems to be its twilight years.

The NUM said that a similar mbaba in 1997 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 Motlati, the NUM president, has urged the working class "to stand up and fight for its rights".

Madoda Vlakou, 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'

Renee Grawitzky

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 downsizing 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-funded 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. Philip said discussions were under way with the labour department to ensure workers had access to training facilities.
Rebuilding with the rubble of retrenchment

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 world 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 and pursue 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.

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 integral part of the long-term management of downscaling 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 intervention in downsizing.

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 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 platons.

Instead of wondering why workers are not interested in being more productive, we have shown that, by giving workers incentives and greater self-empowerment, productivity improved dramatically.

We hope that sense will now prevail.

Devan Pillay is head of the NUM Research Unit
GOLD MINING SUMMIT

Jobs rush starts as gold loses its glister

Mines could blaze a trail for ailing industries

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 minibus, 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 Naadoo, who will attend his 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 Naadoo.

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 greenfield 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 Madzuna, 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 first 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 Madzuna.

He says there is almost complete agreement that the decline is based on misplaced fear of massive central bank sales. As much as 35,000 t of gold held by national central bankers and international institutions...
Summit pledges to find a way to end gold mine retrenchments

BY ZOLILE NGOYI

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 between 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 retrenchments 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 fore-runner 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 employers 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 prices through consultation with government 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.
It's a case of...

Former employee alleges that mining company spread on mine workers' union.

All round...
Gold crisis committee faces its first hurdle

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, Adriaan 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 Mcelrath, 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 is: are those people where are they now and what have they been doing about the crisis?"
Mining industry in bid to save jobs

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 retrenchments 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 foreman 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 than 250 000 workers have lost their jobs through retrenchments since 1987.
Battle is not job losses, because jobs are gone

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 on 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 elsewhere 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 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 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 that 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

Rediwe Radebe

Retrenchments under way at Freegold, Gold Fields and Hartebeesfontein will be discussed at the first gold crisis committee meeting today.

The Government, the National Union of Mineworkers (NUM) and the Chamber of Mines agreed to set up a gold summit to set up a committee which was tasked with overseeing the retrenchment process.

The delegation will include senior leaders in the three parties:

- Labour Minister Tito Mboweni
- Minerals and Energy Minister Peluphis Maduna and Public Works Minister Jeff Radebe will constitute the government delegation. The labor delegation will include one or two members of the union's internal committee, a general secretary Gwede Mantashe and president James Mdlalase.
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 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 innovative staff adjustments aimed at minimising lay-offs.

Unlike SA, most Western governments play only a minimal role in forcing 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 benefitting.

“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
Continued on Page 5

of three presses and high-speed rollers.

NWM had no problem getting the tapes on the production floor. However, it did take several months to get the presses running smoothly. The final product was a high-quality, high-speed tape that met the company's standards.

Refinements

The press was still undergoing some testing when the first shipment was made. The company continued to make improvements on the press, and within six months, it was running at full capacity.


to save jobs

Mines Reach Agreement

Agreement (21)

(10) 700 Okie Rd, 2-000 P.O. Box, Under

their own arrangement — only

The old contract was canceled and the workers were employed under a new agreement. This agreement included provisions for the workers' wages, hours, and benefits, as well as the company's obligations to maintain a safe workplace.

(22) 10-19 198

Reflow Craykey
Agreement benefits workers

(2)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 will 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
Alexkor, unions enter accord on productivity

Renée Groenewald

Alexkor, the state-owned diamond mine in the Northern Cape, has entered an accord with the unions to improve productivity. The announcement comes in the wake of plans by the Northern Cape department of economic development to review the mine's operations.

The accord was signed by Alexkor's CEO, Thami Mdakane, and the union representatives. It aims to address the mine's productivity issues, which have been a source of concern for both the government and the mine's workforce.

The accord includes measures such as improved work processes, better training, and incentives for workers. It is hoped that these measures will result in a productivity increase of 15% over the next year.

The signing of the accord was followed by a meeting between Alexkor's management and the Northern Cape department of mineral resources. The department has expressed its support for the accord and has asked Alexkor to monitor its implementation closely.

The accord is a positive step in addressing the productivity issues at Alexkor, and it is hoped that it will result in a more efficient and productive mine.
Mine chamber wants exemption from health tax

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 of 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 employees 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 wage reorganisation would fail to balance paying taxes to receive 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 Adrian Gouw, 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 enrollment and general community rating rather than flat community rating. Importantly, targeted regulation should focus on protecting today's old and tomorrow's sick."
6000 workers may lose jobs at mines

Reneé Grawitzky

GOLD Fields is poised to shed up to 6000 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' Lebanon and Lepidoorn, 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 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, Leslie and Winkelhauk. However, the NUM said talks were continuing on possible job losses of up to 3000.

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

Renée 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 Motlatu said that workers needed “to understand that to lose their jobs now is a ticket to poverty.”

A union official said workers were disillusioned: “They are so tied to sitting on the edge of a cliff, waiting to hear about their future 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 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 union’s 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 Mouthpease Workers’ Union.

Service delivery would have to be evaluated in view of the fact that the union was facing an offensive not only from Mouthpease, but also other smaller unions in the industry.

It is understood that Mouthpease 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 union.

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

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

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 housekeeping matters and to clear 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 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’

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 to take 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

By Abdul Millai

F

or every retrenched mineworker there is a family behind them and for every one of whom a job in the mining industry means the difference between poverty and a decent standard of living.

The National Union of Mineworkers (NUM) against the Chambre of Mines is feeling the pinch as a result of the recent wave of retrenchments. The nationwide strike that paralysed mining activity in South Africa for more than two months has left thousands of workers without a source of income.

The NUM has been especially hard hit, with thousands of its members losing their jobs. The union has been calling for a moratorium on retrenchments and for the government to intervene to save jobs.

The NUM is also calling for the government to provide relief to retrenched workers, including financial assistance and counseling services.

The NUM is urging all stakeholders in the mining industry to work together to find solutions to the crisis. The union hopes that a moratorium on retrenchments will be introduced and that job losses can be prevented.

The NUM is also calling for a review of the Mining Act to ensure that workers are protected and that their rights are respected.

The NUM is also calling for the government to provide relief to retrenched workers, including financial assistance and counseling services.

The NUM is urging all stakeholders in the mining industry to work together to find solutions to the crisis. The union hopes that a moratorium on retrenchments will be introduced and that job losses can be prevented.

Focusing on Gold Mining News...

The sun sets on SA's gold miners

By Abdul Millai

PEGILE Ntlanzana

The sun sets on South Africa's gold mining industry. The country has experienced a significant decline in gold production over the past decade. The main factors contributing to this decline were rising costs, a weak global gold price, and stricter environmental regulations.

The South African gold mining industry has been a major contributor to the country's economy and has provided employment to thousands of workers. However, the industry has faced numerous challenges, including changes in regulatory requirements and fluctuating gold prices.

With the sun setting on the gold mining industry in South Africa, it is important to consider the impact of this decline on the country's economy and on workers in the industry. It is also important to consider the future of gold mining in South Africa and to find ways to ensure continued growth and development in the sector.

Focusing on Global Investment News...

Ominous picture painted of SA's gold mining industry

By Abdul Millai

The Ominous picture painted of South Africa's gold mining industry has been further highlighted by recent developments. The industry continues to face challenges, and the future looks uncertain.

Gold mining has been a major contributor to the South African economy, providing employment and generating revenue. However, the industry is facing numerous challenges, including rising costs, a weak global gold price, and stricter environmental regulations.

The South African government has been working to address these challenges, including through initiatives to encourage investment in the sector. However, the impact of these initiatives remains to be seen.

As the sun sets on the gold mining industry in South Africa, it is important to consider the impact of this decline on the country's economy and on workers in the industry. It is also important to consider the future of gold mining in South Africa and to find ways to ensure continued growth and development in the sector.

Focusing on Global Investment News...
Mine deal saves thousands of jobs

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 Khoaf and Lebanon mines.

The company said yesterday that agreement reached at both mines rules 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 ensure 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 Nick 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".
A man's head at the top of a mine shaft. The man is looking down into the mine. The text on the page reads:

"The connection between the mine and the worker..."

The rest of the page is filled with text about the mining industry, the workers, and the challenges they face. The text mentions the need for improvements in safety and conditions, the importance of government and union involvement, and the need to improve the lot of the average worker.

"Climbing of Mines Head all set to make changes"
At listing

Workers’ Investment Company Looks
Union, Gold
Fields at odds

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 elected regional leaders and not regional co-ordinators or head-office staff.

A meeting 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 NUM felt there had been insufficient engagement with workers over 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 secured 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 NUM 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 Molobetei 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 0615/4/98

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 Arasman, 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

ANDI SPIKER & FRANK NZUMALO

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 1999, 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 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 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 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 the welfare or woe of our industry.”

Barry Sergeant, an analyst with BOE Securities, commented on the move. Anglogold 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 majority shareholder,” he added. “The market will not run out and suddenly buy shares or re-rate the company as it will want and see how the changes are implemented.”

The other independent directors are New York-based Frank Arasman, the managing director of JP Morgan, Colin Brayshaw, retired chairman of Deloitte & Touche, and London-based Russell Edguy, 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.
Real power is economic

‘Unions agreed to my appointment’

By Isaac Moledi and Sapa

The president of the National Union of Mineworkers (NUM), James Moleltsa, said yesterday his appointment to the AngloGold board had the full blessing of the union movement.

Moleltsa, together with Real Africa Limited chairman Donald Neube, were the first blacks appointed to the AngloGold board by chief executive office Bobby Godsell on Tuesday.

Moleltsa’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 Moleltsa’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,” 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, observers said Moleltsa 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,” Moleltsa said.

“It was our belief that AngloGold should invite the organisation and not individuals and this is what was done,” he said.

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.

Moleltsa, 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 Moleltsa’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

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 unions.

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...
The appointment of two prominent black executives to the AngloGold board, one of them James Molatsi, 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 Auchterlonie, a gold mining analyst with Societe Generale Frankul Pollack.

Molatsi 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 Aramani, managing director of JP Morgan; Colin Bradding, 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 Asian 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 BOS 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," Sergeant said. "Directors like Victor Fung had a long relationship with Minozero, 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 not a 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 present 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. Molatsi will most likely be the single dissenting voice 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 well-being 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 broken disciplinary rules, was not reinstated. Instead he became full-time NUM president.

Last week the wheel turned full circle as Godsell, now Anglogold CEO, invited the NUM to nominate a representative to the Anglogold board. And he, 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, then 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 convinced the Anglogold invitation go to the union rather than personally to Motlatsi.

Mantashe and Motlatsi say the Eskom experience has been great success, because Mantashe was there as a labour representative rather than as an individual.

“This gives the levy war to oppose board decisions that are against labour’s interests, and if necessary lead to 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 Anglogold board. The move is the natural consequence of the two organisations’ approach to industrial relations, writes Cape editor Alan Fine.

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 banks 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 Hani’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 Anglogold as a director. “He is committed to a concept of development 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 be more how to co-operate with other labour organisations — or even if they should perhaps be asking whether the Anglogold- NUM relationship does not suggest the problem lies in their management of each other.

So does Godsell regret that Anglo fired Motlatsi all those years ago? “No. Had we rehired him, we would have deprived the NUM of the full-time leadership.”
Opponents warn of conflict of interests

into bed with possessors

Chief, getting unions in turf over
A socialist on the stoep

Mineworkers chief goes on board

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 Nokwethu Mpatsi.

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 Saranex. "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 asked, says Mpatsi. However, the question of serving on private-sector boards is a "sensitive issue" which must be addressed at a Cosatu congress in June.

Mpatsi 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...
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 Fanagalo 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 conflicts 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

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.

Tsedsso, 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.

“They will continue to humiliate you in Fanagalo,” said Tsedsso, who has a diploma qualifying him to handle explosives and supervise blasting.

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 – Sepu

Lawton 28/4/98
From the Rockstar to the Boardroom
Mining union

A POTENTIAL dispute, which could have had a negative effect on the gold census 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 census 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 retrenchments.
Gold pact has failed, says NUM

FRANK NZIMANDA 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 12 500 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 1997 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 Crises 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 said. The NUM slammed the government for failing to intervene and manage unavoidable retrenchments responsibly.

But Du Plessis was adamant that the GCC had not 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 not 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

David McKay

THE SA gold mining industry, struggling against a decline in the gold price and dwindling ore resources, had labelled one-third 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, 80,000 or 17% were redundant.

Mining companies Anglogold and Gold Fields said, however, that a large proportion of those affected employees had not been lost to the industry.

This comes with what Minerals and Energy Minister Penuel 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 mining committee to minimise retrenchments, including job-sharing.

Gold Fields, created through the merger of the gold assets of Genor and Gold Fields of SA, told the committee about 17,000 jobs at its mines were redundant. It employs 70,000 people.

Gold Fields’ Adriaan 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, Loban, Leucodorn 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,” he said. None of those miners was “compulsorily” retrenched.

Analysts said further redundancy agreements had been formalised between Gold Fields and the NUM at Evander Gold Mines in Mpumalanga, affecting about 2,600 jobs.

Anglogold executive officer for labour relations Steven Lenahan said his group had also undergone labour changes with about half of the 80,000 jobs at its Free State complex of mines affected by restructuring.

However, he said the loss of jobs did not always result in a loss of employment. Anglogold had set aside 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 retrain 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, multitasking 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 R200m, assuming R10,000 was paid out per employee on average. Of this, about R27m 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

A NEW plan by the finance department to deal with Transnet’s R12bn pension fund burden — which involves buying off and dealing with the debt associated with each Transnet subsidiary — is underway.

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 restructuring strategy targets should it take over Transnet pensioners and cancel Transnet debentures. It had proposed that the debt be dealt with in a “pecuniary 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 para-state’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 R1,5bn was effectively wiped out by the pension and medical fund burden totalling R2,1bn. This left Transnet with a loss of R170m in the year.

Transnet finance director Gloria Serobe said the fund’s actuarially assessed deficit had been reduced to R2,2bn by March last year. Government debentures totalled R7,4bn.
De Beers, NUM wage negotiations in deadlock

Renee 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 9%.

De Beers had refused to move up as it had expected the union to move off its demand of 12% in light of the current inflation rate of 8%, 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 about 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 re-negotiation of the recognition agreement.

Palane said the company had threatened to apply for an interdict in the Labour Court.

Gold Fields spokesman Adrian du Plessis said that 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 Conciliation, 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.
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 reneging 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," Archbe Pulane, the NUM assistant general secretary, said.

Judith Annke, 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 12.0 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.

Annke 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.
NUM not a party animal in the wake of retrenchments

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 to participate.

NUM president James Molaleng, 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 unions 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.
Miners' jobs still not safe

Sherilee Bridge
and Feraii Haffajee

The stronger gold price is no guarantee the hammering 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 R389-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 marginal 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 luster 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

JOHANNESBURG — Mathomo Group, the investment arm of the National Union of Mineworkers, has 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 R30 million directly into Mathomo through a specific issue of shares for cash at R3.50 for each Mathomo share.

Capital Alliance will put in the remaining R50 million in cash.

The joint venture will offer miners products such as 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 1986 by MIC and Charne Investments 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

By MONGADI MAFATA

On the surface, the Mpumalanga mining town of Evander is a model town with functioning traffic lights, turned 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 machine-gun-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 Spho Nshenuzana 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 retrenched from the mines around 3000, but most say it is much higher.

“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,” Tshene 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,” says the director.

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,” says Feni.

William Matonana, UWO founding member and organiser, says rampant unemployment in the area necessitated the birth of the organisation in 1981, 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 Matematjatj, who was retrenched eight months ago from Kusaro 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 Matematjatj. 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 Matematjatj.

Despite being given two weeks’ notice, Evander Gold Mines human resource manager A J van der Munchhoff did not reply to a list of questions faxed to him.

Matematjatj 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 Ljewellyn 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.”

Mulbanisa Tshene, mayor of eMbaleni, 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

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 network 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 Mhlala development centre in Mpumalanga, which won the first national presidencial 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

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 trying to run 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 are unhappy about the Joubert brothers' involvement in the union as it was never properly explained to the membership," famed Pogiso 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 miners 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 Mbuyakhe. The committee alleges that Mbuyakhe's arrest on murder charges was orchestrated by some in the union leadership.

WM first made its appearance about two years ago as a breakaway 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 1998, 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 insurance fund 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

Primarashi 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 strata bursts.

The next category where several accidents occurred was linked to railways 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 these 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 Fumuleni Maduna and his deputy, Susan Shabangu.
Miner's death angers NUM

Reneé Gr waving
26 February 1998

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.
NUM lashes out at job losses

David McKay
and Renee Grawitzky

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.

Moreover 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 Mantashe 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 Bilton 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 "sterilized" mineral-bearing land could lead to an oversupply.

JCI's John Brownrigg rallied government to tax profit rather than input costs.

Comeback trail: Page 11
Union to establish financial venture with Old Mutual

THE whites-only Mineworkers Union (MWU) plans to establish a financial services group with Old Mutual, Comcare (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 forms, 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 bank.

...
NUM chief slams mine layoffs

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 100-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 60,000 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 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 declining 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

MANGILA NKYAKHANA
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 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 Mzuxolo Skwenzi, 38, of Nyanga, who worked on the President gold mine.

A Black Sash spokeswoman, Phumla Mncayi, said their office 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.

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 travelling 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.
Union starts financial services group

Reneé Grawitzky (All)

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 Roland 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 R2.1m. 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.

BB 19/11/98
NUM strike looms as talks falter

TALKS between management of AngloAmerican 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 deadlock due to a lack of interaction and communication between management and employees.

Meanwhile, Amplats announced the settlement of a strike by 1 800 miners at its Lebowa Platinum mines near Petersburg, 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 during the negotiations.

"Both sides agreed there had been misunderstanding, and management said communication would be improved," he said.

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
Mining - Labour

1999
Gold booming on back of retrenchments, says NUM

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 R5 billion this year despite mining more than five tons less gold than in 1987, 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

FRANK NKUMALO

Johannesburg — The single-sex hostel 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 Mineworkers (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 Carletonville and up to 75 per cent of the 900 prostitutes tested from a nearby informal settlement were infected with the HIV virus.

Zwelini Masi, the deputy general secretary of Cosatu, said it was unfortunate that the hostel system had been allowed to continue under the new dispensation.

George Moletsane, the spokesman for the NUM, said an agreement had been entered into with the Chamber of Mines to explore the establishment of 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.
Union to create 100 000 jobs in the next decade

Sunday Times
27 November 1999

The all-white Mineworkers' Union announced yesterday the creation of Werkenet - 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.
White union sets up its own job network

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," Flup 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 this 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 R50 000 a month, and channeling 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 Ohlantsfontein after a long strike.

About 860 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 1956 if the strike is protected.

Arnold Pinsloos, the human resources manager for Earlybird, said on average workers had lost R527 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'**

**Renée Grawitzky**

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 massive 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 committed support for the African National Congress in the upcoming elections.

The central committee also supported the nomination of the union's president, James Motlati, for the presidency of the International Chemical Energy Miners 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.
MWU sets up 'white' job agency

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."
Mines Grapple With Jobs

Wage talks start against backdrop of added burden from new legislation

The mining industry faces new demands due to a recent change in the law.
The election is not expected to affect the outcome, but other issues could emerge after June 2, writes Renee Grynzyw.

Mining, metal and retail wage talks move into top gear.

The outcome demands a 10% increase for...
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 of wage negotiations between the Chamber of Mines and the NUM and ahead of an initiative proposed by Chamber CEO Zolile 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 that if the gold price continued to decline it would affect the focus 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

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 Organization (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 industrialized countries.

Norman Jennings, the ILO industrial specialist who prepared the report, said small-scale employment was so dangerous because as much as 26 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 stabilize 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

Johannesburg – The R1.7 million Kloof 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 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 R56.6 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 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 R56.6 million 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, Anglogold, 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 next week

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 Groete 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 300 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 percent 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.
TRAGEDY OF MISUNDERSTANDINGS

NUM runs up against old resentments about benefit payments

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 no 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 retrenchment benefits are poor because younger workers subsidize 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 then 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
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.

Archae 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. 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

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 contributions 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

Amplats spokesperson Mr Mike Mzimela said the retrenchments were initially scheduled for the end of this month but changed after consultation with Northern Province MEC for finance, trade and industry Mr Thaba Mufamadi.

"Mzimela 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 Mzimela.

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.
POLITICS

Miners' party to support ANC

By Jimmy Seepe
Political Reporter

The Mouthpiece 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.

Soweto has a confidential letter from union insiders to the ANC leadership in Gauteng where they have pledged support to the ruling party.

In the letter, union executives Mr MJ Jobert and Mr GCN Bungane wrote: "We feel it's proper to once and for all clear up the false rumours and allegations that Mouthpiece 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 Mouthpiece Workers Union's success in obtaining provident fund payouts in the platinum mines," reads part of the letter.

"UDM national spokeswoman, Mrs Ameliza 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 members 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 Neil 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 "sweetheart union of the UDM".

National Union of Mineworkers general secretary Mr Gwede Mantashe was not surprised by MWU's overtures to the ANC, calling it a "piece of propaganda."
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," said Amplats.

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 Tibaquka, 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."

Tibaquka 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 Tibaquka.

"Past-track entry for LDCs needed to be 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 meets

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.

Govt holds final talks

Sbonelo Radebe

MEMBERS of a government delegation began leaving for London yesterday for final talks with the shortest bidders for a 40% 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 Sali Macozoma, who is heading the delegation and is expected to join it later in the week.

Transnet said the process would be conditional as that of any government.
Falling gold price takes its toll on wages

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 R290/oz to R259/oz.

Gold fixed at R358.55 in London yesterday afternoon. In Rand terms, the rand/gold price has decreased by 13.6% from R783/oz to R664/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 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 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, aimed 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 which 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 refiners and mines started today.
80 000 jobs in the balance

The latest gold sales crisis could devastate SA communities

Ryan Girdwood
Argus Correspondent

Johannesburg - A South African gold miner’s life is hard. For an unbroken eight-hour shift 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 $356.60 (yesterday’s price) an ounce from $330 an ounce at the beginning of the year - and if it stays at this level, about 60% of the country’s gold mines could become unprofitable. A recent drop from $570 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 looming 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 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 Malebitala 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 Mathambe 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 1988 peak of $597 an ounce and South African export volumes remained the same, it would have meant an extra $1.4 billion (about R29.48 billion) in foreign exchange in our economy.
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 dived 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 250 000 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 Gavri 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 compromissng 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 miners 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, NUM’s national secretary, said that NUM had 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 of their suggestions to avoid retrenchments.

Adler said such moves performed so badly that it found a difficult to sustain itself.

NUM’s national secretary, Seth Motshegosi, said yesterday that the union would fight the decision.
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 hoping 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 retrenchments.

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 8.5%. 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 it companies planned to go ahead with retrenchments during this period.
NUM, Implats ‘close to settlement’

FRANK NXUMALO

Johannesburg - Only half a percentage point separated the National Union of Mineworkers (NUM) and Impala 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 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 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 stoop 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 fumakile, the Esperanto of southern Africa.
Mines may shed 11 700 jobs

René Gravitzy
and Ilia 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' Lubambo 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 (ERPM) received approval for provisional liquidation from the high court yesterday. This comes after government refused to grant the mine bridging finance.

ERPM 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, ERPM 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 yesterday at the request of ERPM's board of directors.

ERPM 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 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 ERPM must not be sent to the gallows."

Unfortunately for ERPM, 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%.

Comment: Page 11
Price hits 20-year low after auction


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 1979 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 $8.80, or 2.6%, to $327.60 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 (ERPM) 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.

Johannesburg – After 106 years, the once great ERPM mine near Boksburg is “sitting sent to the gallows”.

These were the words of mine managing director Ivan Vidalich 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 R16 million into the mine it has been bankrupting 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,” Mr Vidalich said.

His words ended 24 hours of drama that began when it was announced that ERPM’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 Lephalale and Mozambique, where many of the miners come from.

Famous gold mine ‘sent to gallows’

Unions slate state for revoking subsidy

ARGUS CORRESPONDENT

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 “inhumane 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 ERPM 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 ERPM premises today to begin closing down the mine.

August 17 had been set as the final liquidation date, said Mr Vidalich.

ERPM has been in serious financial crisis since 1989, but the Government has spent R460-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 Vidalich 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

JOHANNESBURG: Yesterday, after 305 golden years, the once great ERPM mine was "being sent to the gallows", writes VIVIAN WARDY.

There was the smell of the miner's mangling director, Ivan Vuličič, when he hand-shelled the death sentence after his company's biggest planned expenditure for liquidation financial advice and the government's $10 million and another $18 million into the mine. It has been hardening for nine weeks.

"It is a sad day for ERPM. It is a sad day for mining. It is a sad day for the mining industry and it is a sad day for the national heritage — and somewhere, things have to come to an end," Vuličič said.

His words came as 24 hours of drama that began when ERPM announced it was reorganizing its work force of 5,000.

The mine's collapse will be a shock, starting with the thousands who will lose their jobs, and reaching those families, the immediate neighbours and congregations in villages and the economies of the town and Mamatange from whose ranks the miners come.

The liquidation of the mine has been met with anger from the National Union of Mineworkers, which said it was ready to fight the announcements.

NUM general secretary Gwede 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 suffering unemployment. Instead of looking at ways of rescuing the economy's reliance on gold, the government must find ways of sustaining the mining industry before broadening the economy.

"The union said it was "naive to simply evict the state subsidy leaving workers without wages, remuneration packages, with reduced pension benefits and without medical coverage on the imminent retrenchments."

"We will fight retrenchments. We will not be an obstacle for those in the line 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 approved an announcement to sell 1,000 million of 3.11 tons of gold — supposedly to help debt-laden countries.

Manuel said that the World Economic Forum's Southern Africa summit in Durban last week that plans to drive down the IMF and Switzerland to 0.181% of their gold reserves had been recommended to governments on the gold price. According to the IMF, the level of gold reserves among countries.

Last night,ickle, hagony miners still did not know whether they were going on their last shift — or whether they would have new employment packages.

Liquidators were expected to be present today to start closing down the mine. August 13 has been set as the final liquidation date, said Vuličič.

Vuličič said that it was now up to the liquidators to decide if the miners would get any retribution packages and pension payments.

"It is said that in the 11th 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 90% of its gold gold had no future at the current gold price, he said.

UNCERTAIN FUTURE: Workers knocking off at ERPM yesterday still managed to smile, while they were expressed concern about the future of their families. The entire workforce of 5,000 miners face retrenchment.
THE GOLD PRICE dropped to a new 20-year low of $257.60 yesterday — too low for EPM to be profitable.

- According to statistics from the Chamber of Mines, the highest price ever paid for gold was $849.50 an ounce on Jan. 31, 1980. However, the price of gold was listed at $650.50 per ounce.
- On average, there were 447,000 employees on South African gold mines in 1980, compared to the current 250,000.
- The average salary, in nominal terms, at member mines, in 1980 was $130 a month (or Chamber member mines).
- The average salary, in nominal terms, and taking no cognizance of adjustments made to take account of inflation, stood at $321 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 $3,641 a kilogram, or $1,481 an ounce for Chamber member mines.

End of an era as oldest mine dies

EDDIE HAYDU

In the late 1960s, the East Rand Property Mines, now Brown Systems, were involved in the mining industry in South Africa, with a number of its mines in the southwestern part of the country. However, in the late 1970s, the company was forced to declare bankruptcy, and in 1980, it was acquired by Brown Systems.

Two former finance ministers who played a role in the drama of the mine, Bernard Memura and Derek Weeks, 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, Bantu Holomisa. He ordered a guarantee to the mine against which it borrowed money from a consortium of banks to stay afloat.

Four years later, EPMH again sought bankruptcy in the face of the banks wanting to call in their loans — which would have required the government to deliver on its guarantee.

Then-finance minister Leyds then established a new investment vehicle. In terms of this vehicle, the government would be the guarantor, but the mine would be able to raise funds that would be invested in share buy-backs.

However, the company's financial situation was not enough to cover the renewed losses.

Consequently, under Finance Minister Trevor Manuel, the government had been obliged, late in 1996, to act on its guarantee by doing so to avoid taking ownership of the remaining shares.

In order to continue operations, the mine needs bridging finance of $2.5 million from the majority shareholder, but this time it appears the drilling will stop forever, resulting in the loss of jobs for 10,000 workers.

Gazing on an uncertain future

VIVIAN MAMOTSA

At a mine board close to EPMH mine, worst mine and children encounter their future.

By yesterday afternoon, the mine and its families had not formally been told of their fate.

"I don't know how we will survive if my husband loses his job," said Grace Makomakgomo, whose husband is a miner. The couple has three children.

Her husband went for a month and his family just three weeks ago, and they left their village of Limpho in Limpopo to come to what they hoped would be a better life for their children, in one of the hotels that have been converted into a family unit.

"We were 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. We don't have to pay anything."

"We were happy 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 ill health? They cannot just tell us to go back to them."

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 we will just tell him to go."

"They had better give him good money for us to survive. They want the money to go to the children."

"There are the supermarkets that are running and the mine and many of them have been 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, and this is a direct impact on the area."

"There is a battle for jobs, Limpopo. At the nearby House, the closing of the mine will have a big effect on us.

"We lose thousands and thousands of hands. We do a lot of business with the mine, and it's very sad."

Police, the first department and security staff from other mines as far 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

DAMOLO TAMBE

EBC DINGANI is not your average miner. Having started as a general labourer in 1997, he worked his way up to an important position.

But when the mine falls on 5,000 miners, Ebcangani's future is not secure.

His dream of working his way up to the highest echelon of mine management were stifled when the news that the mine was to be closed.

It will be a sad day for a man who has worked on the mine for 15 years of his life.

"The closure of the mine will be a blow for me and many others."

"I have a child in high school and another in university, and I am a stepfather.

"How am I going to pay for all these?"

"I started as a young man here and got married while working. Retirement will mean I have to start my life from scratch — and it 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 too many. The mine had local social services such as allowing schoolchildren from surrounding informal settlements to attend there. These services will be lost."

Building a town will also be lost."

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 he was told to return to his mother's home 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 mine, is uncertain.
NUM, mines strike deal

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 9% 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.

Collier's offered 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

Johannesburg - The 5400 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 96A (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 that 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 Theo 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 provident 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.
Battle looms on gold meltdown
80,000 jobs on the line as key players gear up for mining crisis talks

ARGUS CORRESPONDENT
Durban - With the jobs of 80,000 miners at stake, South Africa's mine bosses and workers unions today squared up for a big clash over the gold price crisis.

If the gold price remains at current levels - it has dropped by 8% over the past six months - the mining industry could lose 50,000 jobs.

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 launched Britain for the high-profile sale of gold reserves by the Bank of England, the price slid as panic selling on the gold market over the future of the gold market was discussed.

Gold prices fell to $250 an ounce last week, and the gold market is now in freefall.

The National Union of Mineworkers (NUM), a member of the Congress of South Africa Trade Unions, predicts that about 80,000 miners will eventually lose their jobs if the gold price remains at current levels.

But the industry is bracing itself for a possible strike if talks fail to bear fruit.

The National Union of Mineworkers (NUM), a member of the Congress of South Africa Trade Unions, has warned that 80,000 miners could lose their jobs if the gold price remains at current levels.

The sale of gold reserves by the Bank of England is expected to trigger a new gold market crisis, with miners and workers unions calling for urgent action.

The UK government has announced plans to sell its gold reserves in order to boost the economy.

But the industry is bracing itself for a possible strike if talks fail to bear fruit.

The National Union of Mineworkers (NUM), a member of the Congress of South Africa Trade Unions, has warned that 80,000 miners could lose their jobs if the gold price remains at current levels.

The sale of gold reserves by the Bank of England is expected to trigger a new gold market crisis, with miners and workers unions calling for urgent action.

The UK government has announced plans to sell its gold reserves in order to boost the economy.

But the industry is bracing itself for a possible strike if talks fail to bear fruit.

The National Union of Mineworkers (NUM), a member of the Congress of South Africa Trade Unions, has warned that 80,000 miners could lose their jobs if the gold price remains at current levels.

The sale of gold reserves by the Bank of England is expected to trigger a new gold market crisis, with miners and workers unions calling for urgent action.

The UK government has announced plans to sell its gold reserves in order to boost the economy.
More job losses expected

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 352 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 Spoornet — 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 leaving 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 Mukom Ratshatanga 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 Jammne, Econometrix chief economist, and Gerne 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 ERPM goldmine

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 R452 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 “fully 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 Robhu Blakeney, a staff member of the high commission.

“With 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.

Soup
After 10 years of hard work, Ekson has only R3 000 in his pocket – and no place to go

Retrenchment is common 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 knew 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 R500 a month in 1990 and having a small room to live in, his package after 10 years of hard work was R4 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 Mphahlele, Mpumalanga, to work in the City of Gold.

He was happy to share the hostel with other miners, and his income salary with his family. At first, he earned R250 a month.

Despite his limited education and work experience, Mr Banda, who now lives in a rented shack in Mandalay Village, Soweto, still hopes to find a job.

"Everyday we (former miners) walk in town with the hope of finding a job," he says. "I accept every temporary job for whatever amount I get. I have to be able to pay the R20 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.

Jackson Nkuna left his family in Griquatown to work on the mines. He said, after 10 years of leaving stones underground, he was given only R5 000 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 vast Rand Proprietary Mines in Boksburg learnt this week that they would soon be out of a job.

Mining unions are exasperated by management's role in the closure of the mine.

The Mine Workers' Union (MWWU) 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 miners in the future," said the MWWU's Durban branch.

"The mines have a golden future but management should rethink their costs, budgets and renumeration package of top management."

The days and hours past, mine workers wonder anxiously to hear their fate as management says no one will be given the chance to leave.

"More than 1 000 miners were supposed to have been retrenched last month, but management is still in the process of identifying the men to leave," said Jacob Tuu, of the National Union of Mineworkers.
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 Leoso. CELEAN JACOBSON reports

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 faces severe hardship.

I am unhappy with the mining companies. Why must they do it? They don't know how we live. It is a disgrace," she says.

There is an eerie quietness as people mill around the dusty village waiting for another wave of men to return.

The gold mining industry has shed about 300,000 jobs since 1999. The conservative estimate is that about 500,000 people will lose their jobs in the next year alone at a loss of 600,000.

With no prospect of the gold price recovering, more jobs are likely to go.

Gold Fields has already announced plans to cut 2,000 jobs in South Africa.

But the tiny kingdom is being crippled. Unemployment has risen to 49 percent, last year about 45,000 Leoso workers lost their jobs. Some 1,000 of the 17,000 miners here are out of work.

Almost every village has been affected. The rate of suicide is on the increase and the divorce rate is up. Children are forced to work to help the families earn enough money.

The system of migrant labour left morning. They are not hopeful but they still have little clue to do.

FUTURE UNCertain. Without incomes from their miner father, Ma Cecilia Mathebula earns her living by tending her grandchildren. Her young grandchildren are destined to starve.
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.

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

As strike looms, nurses plan to succumb to a flu epidemic

Renée 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 South African 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 full-scale 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 colliery workers. 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 6% to 7%.

Comment: Page 13
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 Jeremiaha Masinya (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 Lomembe from Inyamane Province, Mozambique, who feels he will have difficulty finding another job at the age of 53.

Lomembe, who doubles as a runner for the false (Mochana) 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 8, upon the granting of the liquidation order.”
The looming dismissal of slightly over 10,000 workers in parastatals and the mining industry has threatened divisions between the African National Congress government and its major alliance partner, the SA Communist Party and the Congress of South African Trade Unions.

The increased threat of what workers face against the background of worsening unemployment throughout the country, with both the public and private sectors seriously affected.

SACP deputy secretary general Vuyisile Ceduna told a state in government but reserved his strongest criticism for the giant parastatal Transnet, headed by one of the ANC's top heavyweights, Bob Mabuyane.

Ceduna said the SACP felt betrayed by the recent developments. The ANC's original reconstruction and development objectives, contained in the alliance's manifesto, had been "lost".

In a stinging attack on Transnet, Ceduna 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 privatization agenda at the expense of the adequate provision of services to our people."

"The fact that Transnet has been run down is a manifestation of the wrong strategic approach and this is worrying," Ceduna said, adding that the retreatment would make a mockery of last year's Presidential Jobs Summit.

Ceduna 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 MECs members of the MECs have indicated that they cannot see how the government could agree to this. However, as a stopgap, unless the government has promised to make "expensive" for workers 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, uneven development and corruption, Mbeki may be forced to act strongly against Cosatu's threatened rolling mass action. He is also not likely 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 stability problems.

Transnet subsidiary Spoornet also reported tough negotiations with the unions in an attempt to have a negative cash flow of R64 million in the 2005-06 financial year.

The bulk of the Telkom jobs will be cut from the result of restructuring plans in preparation for the privatization of the telecommunications industry.

The SACP made its stance clear: a major alliance partner would lose their jobs and that a possible 11,000 others at five parastatals and mines could also get the chop.

There is general anger and despair at the knock-on effect these massive retrenchments will have on extended families and the economies of neighboring 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 Tshetsha has warned that any protest action by workers would only delay the inevitability of the retrenchment.

"The government is trying to create an economic area which will make it attractive for foreign investment. It has to live up to its state duty to preserve and streamline the bureaucracy, and this has to be done. If Transnet and Telkom are to be attractive to international investors, they will be," Tshetsha said.

The fact that the retrenchments were announced three weeks into Mbeki's presidency suggests they were timed to affect the June 5 elections, but it may be for fear of losing votes.

"It was in the pipeline and if there was no election it could have been announced long ago," Tshetsha said.

"It is likely to cause some tension in the tripartite alliance and expose the shortcomings of such an alliance," Tshetsha said.

"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 support from the restructuring after four years when the next election is due."

Turn to Page 2
Credit plan for laid-off workers

By Shadrack Mashalaba

Thousands of mine workers and para-statal 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 mine workers 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 Raan 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.
Government steps in to stave off job losses at ERPM

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's 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 $230 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.
Mineworkers and Implats agree amicably

The National Union of Mineworkers and Impala Platinum (Implats) have reached an agreement on wages and conditions of employment. The parties said yesterday in a joint statement. The overall settlement average is 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 an improved working relationship. - Frank Naumah, Johannesburg
Mine lay-offs hit Transkei families

Christina Monasa was relying on her 16 children to provide for her and 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 Monasa'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 dislocated by the gold fields in recent years.

A new bout of redundancies and mass lay-offs in the mines because the Rand of England's gold and plaus 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 pay in business as usual the present price of about R280 an ounce.

Six members of Monasa'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 R200 a month, but it's enough for some food."

"The family next door has eight children. They were killed after their grandmother. Then she died, and the children are suffering extremely. 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."

M

Monasa raises a few extra rand from what she calls her "growing project" — a vegetable patch she cultivates with other women. But the land is poor and there has been much rain.

Another pensioner, Nokuthula Vuthela, has no schooling. Her mentally disabled grand daughter was attending special schooling in the Transkei capital, Umtata. The family can no longer afford the R1200 a month fees, so Vuthela has taken on the difficult task of caring for her.

Monasa and her neighbours are not out of hope. If their sons cannot get to the mines, perhaps the mines can come to them.

There is much talk in the village about the black rock which glitters on the surrounding hills every time it rains. They believe — they pray — that it is coal.

"We need someone to mine (hence unusual deposits on the hill. There must be something there. Someone must invest and create jobs," Monasa 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

C

elebrating 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 Weiss, Southern Negotiated Retirement Fund Services’ CEO

Ann Weiss, 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 Semelane, 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 1987 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 Weiss: “There is a special ethos within the administration team that goes that extra mile in ensuring service excellence.”
Miners return to crippled Transkei

Mon 30 May 1979

Miners returning as a result of the falling gold price are returning to the Transkei to a depressing scene that will not allow them to return to the Transkei to a depression that will not allow them to return to the Transkei. M. Harris, a miner returning from the Johannesburg gold mines, says: "I am returning to a place where I cannot even afford to live."

The Transkei is experiencing a severe drought that has caused a serious drop in gold prices. Harris says: "I am returning to a place where I cannot even afford to live."

Union persuades big mining houses to increase offer

Mon 30 May 2019

The Union of South Africa (USA) has persuaded big mining houses to increase their offers to the miners. The union is seeking to increase the offer to 4% for marginal miners and 5% for non-marginal miners. The union has also persuaded AngloGold and Lonmin to increase their offers to 3% and 5% respectively.
The Placer Dome-Western Areas joint venture has applied to the Gold Cross 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 R80 000 a kilogram against costs of R50 000 but these were reversed. Placer did not hedge its portion and instead of earning an expected R55-million towards the funding of the South Deep mine in the nine months to December it is losing 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.

Axe could fall on more miners

---

GOLD CRISIS

By JULIE WALKER

---

(211) 8 (8 99)
Bid to save mine jobs fails

STAFF REPORTER

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.
Shock firing of 10,000 miners

The DRD group, which owns two of the major gold mining operations at Beaufort West and Roodepoort, recently reached a 5.5 percent wage settlement with the union.

Zweli Mthethwa, the Comsuna general secretary, said at the labour federation's special regional conference in Midrand. "The wage negotiations must be continued in the strongest possible terms and will be challenging. The DRD group should be compelled to reconsider its action.

Ben Godsell, the chief executive of AngloGold, said earlier this week that mining in South Africa continued to be characterised by an outdated racial and feudal pattern in which employers could not take control of their working environments.

He said the mining industry needed a pilot project around a new corporate body which would work to restructure apartheid-era mining enterprises.

Comsuna said yesterday over 100,000 miners lost their jobs between 1997 and 1998.

Vusi said: "We are facing a national crisis of job losses and rates of unemployment which are deepening poverty and inequality and threatening the gains of our new democracy.

Despite the agreements of the Wits Sunnem in October 1996, over 200 miners continue to work with no leaders to protect them.

Brenton Reynolds reported yesterday that 4,000 miners at Anglo are still on strike after talks between the NUM, AngloGold and Anglo Coal failed to reach an agreement.

Both companies offered wage increases of up to 7.5 percent in each of the last two years but the union demanded a 10 percent rise in each year.

Sol Maruthi, the spokesman for the NUM, said the main issue for the union was the merger of the two companies, Anglo, employing about 13,000 workers, was about 30 percent.

"The circle is still pretty low," he said.

Anglo Coal said its mines would not be affected by the NUM call to strike.

HOPELESS: Ernest Siwani, who was working at ERPM since 1956, contemplates his future following the mine's closure.
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 Roodpoort 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 18 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.
Mine closure crushes workers

By 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. 

Naledi Maleke from Ventersdorp in the Eastern Cape was one such worker whose life has been dealt a crushing blow by the Johannesburg High Court’s decision to approve the mine's liquidation. 

Maleke 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 13 years. 

After losing more than five productive years in the shafts, he is going to leave his wife and two children only with a month’s wages and leave pay. 

He will also get money from the pension 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 Moleleki Moleleki says the issue of severance packages does not arise when an operation is under liquidation. 

Maleke is bitter and disbelief. He feels he has wasted his time and energy working at the mine. “I want to go home. If I knew this was going to end, I would have stayed home looking after the kids,” he said wiping a tear from his eye. 

Moleleki is part of the 5,000 striking workers that has filed a case before the NUM and government to save the mine. 

The labour department has also been pictured at the situation and plans to immediately implement a social plan which will address grave concerns over restructuring and resettlement benefits. 

Moleleki said the union has an undertaking from the employers that workers would get their wages and leave pay. 

They have given themselves two weeks, starting today, to do the healing down. Only 20% of workers would be kept for essential and emergency purposes. 

The court last Thursday turned down an urgent application by the two to have the 100-year-old mine placed under judicial management. 

The court said a lack of sufficient bridging finance in the short term would make it impossible for judicial management to succeed. 

Workers from East Rand Proprietary Mines (ERPM) in Boksburg ponder their future following the Johannesburg High Court decision last week to approve the mine's liquidation.
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 miners who turned away from work after the failure of last-ditch efforts by the National Union of Mine Workers and the Government to stave off the closure of the mine.

"It is desolation! Too much to bear!" said Mr Mario Nobela, discharged 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 miners rerenched 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 schoolchildren. 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 in the past few years to 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 apologist.

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 rescue bids were possible when it turned down the bid by the NUM to put the mine under judicial management.
Fresh plan to save Tsumeb miners' jobs

Christof Maletsky

WINDHOEK — A new joint venture between trade unions and former management members of the liquidated Tsumeb Corporation hopes to employ 799 of Tsumeb's 1,942 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 Haskali 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 Ophirase, Kombat and Khussib Springs mines; as well as the copper smelter at Tsumeb.

They also hope to offer indirect employment to 1,443 retrenched employees by subcontracting them to other more informal operations.
Retrenchments ‘unprocedural’

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 unprocedural

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 mine 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.
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 R228,000 had not been paid at all, and only about 65 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 30.

"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.
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.

Siphiwe Nkomo, 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 that the 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 fund 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.
Gold Fields and NUM avoid battle

FRANK NZUMALO

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 Jacobs, the spokesman for Gold Fields.

Jacobs 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 Cross 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 Molafe, 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 Moffatt, the NUM president, and Gold Fields executives also resulted in a stay of execution for 800 jobs. But a permanent deal eluded the parties.

Gold Fields shares traded well yesterday, rising by 28c to close at R20,80.

In a separate development, Molafe 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.

---

Court rules in favour of miners at Durban Deep

Simphiwe Xako

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 Raffeneit, said the presiding officer found that no proper consultations were held before the mine proceeded with the retrenchments. Raffeneit 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 Mahangu, said management had informed them at a meeting this week that the miners would receive their packages.

Violence recently erupted yesterday between members of the Mine Workers' Union (MWU) and the Communication Workers' Union (CWU) supporters at Durban Deep.

Telkom spokesman Amanda Singleton said pay talks with CWU resumed yesterday.
Contract miners pay a heavy price

JONATHAN ROSENTHAL

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 Mootsia'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 Vital Reefs mine.

When Durban Roodepoort Deep (DRD) the JSE-listed mining company, cancelled Hardrock's mining contract at the end of June, Mootsia 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.

Faun 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 terminated 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 outstanding claims against DRD.

"DRD has nothing to do with Faun Jooste and his company. If he doesn't have the money to pay his people it has nothing to do with DRD," Prinsloo said.

Mootsia'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.

Mootsia said he earned R360 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 Renée Grawitzky.

A NUGOLD CEO Bob Godsell is on a mission to position his company as gold mining's technical leader, but to keep costs low, it remains one of the world's largest and most profitable gold producers. In the world's top 50, the company has adopted a strategy where mines have been divided into clusters, each with a lead mine and the rest of the cluster working to set new standards for efficiency and cost control.

The lead mine is the industry's top performers, with a focus on increasing productivity and efficiency. The other mines work to match the lead mine's performance, with the goal of reducing costs and increasing the overall profitability of the operation.

Godsell says that by adopting this strategy, the company has been able to achieve a 25% increase in production and a 10% reduction in costs. The lead mine is the key to achieving these goals, as it sets the standard for the rest of the cluster.

However, the strategy has also created challenges for the company's workforce. With the lead mine being the focus of attention, the other mines have been left behind, leading to a skills gap and a lack of incentives for employees to stay with the company.

Godsell says that the company is working to address these issues by investing in training and development programs for employees, as well as by offering competitive compensation packages.

The company's strategy has also led to a decrease in the number of jobs available for employees, as the focus is on increasing productivity and efficiency rather than on expanding the workforce.

Employers expressed in the strategy that they do not want to hire new employees, opting instead to retrain current employees, who are more cost-effective and already familiar with the company's operations. This approach has resulted in a 15% decrease in the number of jobs available for employees in the last five years.

Godsell says that the company is committed to ensuring that employees are trained and equipped to succeed in the new environment, with a focus on developing skills that are in demand in the industry.

The company's strategy has also had a positive impact on its financial performance, with a 20% increase in profits in the last fiscal year. Godsell says that the company will continue to invest in the lead mine and the other mines to ensure that it remains one of the world's top performers in the gold mining industry.

The split in the caucus highlights the dilemma in the industry, writes Renée Grawitzky.

HIGHLIGHTS

- A NUGOLD CEO Bob Godsell is on a mission to position his company as gold mining's technical leader, but to keep costs low, it remains one of the world's largest and most profitable gold producers. In the world's top 50, the company has adopted a strategy where mines have been divided into clusters, each with a lead mine and the rest of the cluster working to set new standards for efficiency and cost control.

- The lead mine is the industry's top performers, with a focus on increasing productivity and efficiency. The other mines work to match the lead mine's performance, with the goal of reducing costs and increasing the overall profitability of the operation.

- Godsell says that by adopting this strategy, the company has been able to achieve a 25% increase in production and a 10% reduction in costs. The lead mine is the key to achieving these goals, as it sets the standard for the rest of the cluster.

- However, the strategy has also created challenges for the company's workforce. With the lead mine being the focus of attention, the other mines have been left behind, leading to a skills gap and a lack of incentives for employees to stay with the company.

- Godsell says that the company is working to address these issues by investing in training and development programs for employees, as well as by offering competitive compensation packages.

- The company's strategy has also led to a decrease in the number of jobs available for employees, as the focus is on increasing productivity and efficiency rather than on expanding the workforce.

- Employers expressed in the strategy that they do not want to hire new employees, opting instead to retrain current employees, who are more cost-effective and already familiar with the company's operations. This approach has resulted in a 15% decrease in the number of jobs available for employees in the last five years.

- Godsell says that the company is committed to ensuring that employees are trained and equipped to succeed in the new environment, with a focus on developing skills that are in demand in the industry.

- The company's strategy has also had a positive impact on its financial performance, with a 20% increase in profits in the last fiscal year. Godsell says that the company will continue to invest in the lead mine and the other mines to ensure that it remains one of the world's top performers in the gold mining industry.
Placer Dome to retrench 40% of its workforce

**Placer Dome Western Areas Joint Venture is to retrench close to 3000 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, the National Union of Mineworkers (NUM) general secretary Gwede Mantashe said 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 with 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

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 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.
Labour Court orders halt to mine lay-offs

Renate 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.
Placer Dome lay-offs put on hold

Johannesburg. - The labour court prevented Placer Dome, the Canadian mining company, from retrenching nearly 3 600 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,” 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

Reneé Grawitzky

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 cross 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 5,000 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

Sephilwe Xako

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 Gilburt 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 Matunywa, 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 Matunywa'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

A new study has found that South African gold miners are increasing relying on subcontracted labour estimated to make up more than 30% of the labour force, which has resulted in a backlash from the union and worker rights advocates.

Very little is known about the sudden expansion of subcontracted labour since the late 1990s, however, subcontracted miners are routinely required to work longer hours and under more dangerous conditions than ordinary miners.

The authors of the study — Jonathan Goedhuis, Thomas Oliea, and Elvis Ebele James van Vuren — have called on the government to launch an independent investigation into how sub-contracting has evolved and to adopt a policy to shore up sub-contracting in the gold mining industry.

This would be the necessary first step to stopping the ongoing erosion of workers' conditions and ensure that safety is a top priority when it comes to sub-contracting.

They say the Department of Labour should also develop a strategy to address the concerns of sub-contractors and to ensure they are not exploited.

The study, "Determining Labour Mobility and Subcontracting in the South African Gold Industry," was released last week by the Southern African Mining Project (SAM), and is published by the Institute for Democracy in South Africa.

In 2015, the gold mining industry had more than 30% of its workforce in temporary contracts and 60% were in short-term contracts. Many of these workers are not given adequate rest days and are required to work overtime, which can lead to burnout.

The study also found that workers are often subjected to violence and harassment, and that the companies are not providing the necessary support to help them deal with these issues.

The study says the government needs to develop a strategy to address the concerns of sub-contractors and to ensure they are not exploited.

The study also found that working conditions and compensation of subcontracted miners are generally worse than those of regular miners. As many as 30% of them are not paid for work they do, and 40% of them are not paid at all.

The report also found that the companies are not providing the necessary support to help them deal with these issues.

The study concludes that the government needs to develop a strategy to address the concerns of sub-contractors and to ensure they are not exploited.

The study also found that working conditions and compensation of subcontracted miners are generally worse than those of regular miners. As many as 30% of them are not paid for work they do, and 40% of them are not paid at all.

The report also found that the companies are not providing the necessary support to help them deal with these issues.

The study concludes that the government needs to develop a strategy to address the concerns of sub-contractors and to ensure they are not exploited.

The study also found that working conditions and compensation of subcontracted miners are generally worse than those of regular miners. As many as 30% of them are not paid for work they do, and 40% of them are not paid at all.

The report also found that the companies are not providing the necessary support to help them deal with these issues.

The study concludes that the government needs to develop a strategy to address the concerns of sub-contractors and to ensure they are not exploited.

The study also found that working conditions and compensation of subcontracted miners are generally worse than those of regular miners. As many as 30% of them are not paid for work they do, and 40% of them are not paid at all.

The report also found that the companies are not providing the necessary support to help them deal with these issues.

The study concludes that the government needs to develop a strategy to address the concerns of sub-contractors and to ensure they are not exploited.
NUM says decision to retrench 3,000 workers must be reviewed

How far does Ingwe's affirmative action go?

Union pooh-poohs company's award-winning welfare scheme

Frank Kamalondo
Labour Editor

Johannesburg — The National Union of Mineworkers (NUM) yesterday officially informed Nvodha of its plans to stage a massive protest march against Peter Doms, the Canadee mining company's president 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 timed to coincide with the World Union Congress of the 25 million strong International Federation of Chemical, Energy, Mine and General Workers Union (FIMUG) to be held in Paris the same week to lift the international profile of the union.

The NUM had already met with Canadian unionists against Peter Doms and was expected to increase its global clout after James Motlaila, its outgoing president, was confirmed as the new president of the Durban 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 letters from the Labour Court actions won by the union and the company respectively.

At issue was the principal reason for the lay-off - 'A great deal of what is going to happen next will depend on what the reasons for retrenchments were,' said Tony Tjong, a senior economist at Rand Merchant.

"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 re-structuring - a sufficient reason for retrenchments - then it would be more difficult for or against it to achieve a solution of jobs," said Tjong.

The union believes the company changed its reason for retrenchments from that of falling profitability triggered by the gold price to one of over-reachment. Now that the profit price has rolled 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 Bean, the Plat-er Doms's spokesman, said the need to restructure, following the NUM's rejected offer to negotiate a new Fall Calendar of Operations (FPO) agreement at the end of June, had always been the principal reason for retrenchments.

Bean said as a direct result of the company's forced to offer a 30 percent below capacity or 24 days a month instead of the usual 29 days a month which meant that it was employing 50 percent more people than it needed.

Mantashe said the company's claim that the FPO was "unfair" because it had come to the table with a take it or leave it 7.5 per cent PFO offer.

But Bean said the company had rejected the union's PFO premium demand because of the mine's "current financial constraint" and was unreasonably and unacceptable.

PROTEST Gwede Mantashe, the secretary-general of the NUM.

Simpilega Xaba

INGWE Coal Corporation, the SA coal-mining arm of Billiton, says it needs the mining industry's employee welfare, but the National Union of Mineworkers (NUM) tells a different story.

Group chairman 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 education programme is 10 years ahead of government's outcomes-based education programmes and has led to 79 percent 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 miner's education programme he managed to read and write.

"The NUM's secretary-general, Gwede Mantashe, is also in a funny episode of Ingwe's single black person on the board or in management. He says affirmative action only goes up to every level.

"Mantashe also accuses Ingwe of "having one of the most aggressive retrenchment programmes" The recent dispute at Ingwe's Dougie colliery in Mopani reflects management's resistance to transformation, he says.

However, De Beer says the strike was a result of disagreements within the NUM. He says Ingwe has kept retrenchments at a low level of 60 people.

The company says it aims to improve productivity through the dedication of its employees.

"It is important that the union's philosophy is based on an order to establish a culture of learning in the organization and surrounding communities the quality of life must be addressed," says De Beer.

Newly appointed MD Edith Schulz 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."
Agreement eludes gold committee

By Mzwakhe Hlanganiso
Labour Reporter

YESTERDAY’s Gold City Committee meeting in Johannesburg failed to reach consensus on how to address demands by a miners union that the government devalue gold containing a price above US$1,800 per ounce.

The meeting was attended by the Department of Minerals and Energy’s union and mine employers, as well as the challenges they face in the industry, precipitated by job losses and high production costs.

The National Union of Mineworkers legal director, Mr. Molefe Motso, said most miners had conducted on mass withdrawal on the basis of a low gold price, which stood at around US$1,800 per ounce before the recent increase. This necessitated job cuts since the miners were unable to sustain normal operations with higher labour costs.

Now the basis for continued retrenchment has become institutional, in the light of the latest gold price improvements,” Motso said.

Although the Chamber of Mines called for a resolution to the NALSA, it had not agreed on a resolution with the mining community manager, Dr. Fries Halko,

printed at the meeting of the gold price as the major problem for leaving the mine, the committee said.

However, gold prices were also depressed, although there were indications of the gold price. Uncertainty still prevailed for another possible price drop in the next week, he added.

This week’s committee meeting had agreed to implement the 1993 Presidential Task Force 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 decision was made.

It is expected the continuous job losses in the mining sector will be the central focus of the February summit.
25,000 Mineworkers Want Gold Bosses to Rehire Them

By Malose Monama

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 unionsists 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 Westarina 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 Swole Mantashe, SACP boss Blade Nzimande and Cosatu secretary-general Zwelinzima Vavi are also expected to address today’s rally.

The mine-worker 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 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."

"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."

"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.
NUM goes global over retrenchments

FRANK NXUMALO  
<br>

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 miners who are affiliated to the National Union of Mineworkers (NUM), a South African affiliate of Icecm.

Icem told thousands of NUM mineworkers at Western Areas' Bekkersdal stadium that the company's actions were "absolutely disgraceful".

Hans Berger, the president of Icecm, 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 Icecm 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 the terms of the national agreement".

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 Cross 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  
<br>

International unions rally against Placer Dome

Simphiwe Xako  
<br>

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 cross 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.
International union wants regulated bank gold sales

Placer Dome denies NUM claims of job cuts

Johannesburg - Placer Dome, the Canadian gold mining company based at West End, has announced a further 5,000 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 BWV regional secretary, the general secretary of the NUM, said today: "Because Placer Dome is a global company, to challenge its activities as a company, we need to launch a truly global campaign against Placer Dome." "We are just in talking terms," said Hans Berger, the president of the ICISM, said the union federation backed the action. "We have committed ourselves to an international campaign targeting Placer Dome and we at the ICISM have considerable experience in conducting such campaigns."

ICISM research showed global campaigns against a company's activities on the Internet, could be damaging to the company's image. It found that up to 10 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.
ERPM deal may save 2 500 jobs

JONATHAN ROSENHA

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 liquated East Rand Proprietary Mines (ERPM), it emerged in the Robertsburg 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 Nhloko, 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,” Nhloko 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 R65 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

Ilija Grauich

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 Motlati, 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 Mienie 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 Motlati in Johannesburg tomorrow.

Motlati 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

By SHANE NG DUBE

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 Khomo Bathong who announced this week it had taken over the mine.

Pascal Nkolo, the executive chairman, and 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 Khomo Bathong was going to fund the acquisition. The company's lawyers were still working on the financing mechanism, he said.

"If we were to recover the agreed agreement papers this morning we would start work this afternoon," said Nkolo.

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," he said.

"ERPM did not collapse because of a lack of gold reserves. Even if the gold price remained low the mine would still be viable," he said.

Khomo Holdings stated in its bid document it would write to Sibanye and had been appointed as the winner of the tender.

Nkolo was the main shareholder in Khomo Holdings, with a 60 percent stake. Nichelo Brand owns 40 percent of the company.

Other full-time company directors are Dick Moilo and Palesa Sedie-Nkolo.

Khomo Bathong is involved in chrome and diamond mining business, and has huge mining ventures in Zimbabwe.

Oupa Kuna, the east Rand chairman of the National Union of Mineworkers (NUM), applauded the results of the tender, saying it would save the workers.

"The toelo is speaking the same language as we since he immediately intends to give jobs back to our retrenched workers," Kuna said.

The laid-off workers were still patiently staying at the mine hostels waiting for any work. A government-funded training programme was being organised to provide skills in unemploying for those who would not be re-employed by the new owners, he said.

Jen Skolnik, an official at the mining and energy affairs depot, confirmed that Khomo Bathong had won the tender.
Gold Fields: NUM launch social plan

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 Mineworkers' 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 South Africa affected by mine downsizing.

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 R16m 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 Nick Mantle said the gold price levels were sustained “price-induced retrenchment plans developed between May and September this year are highly unlikely to be pursued.” Mantle 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 R16m 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.

Mantle said the initiative acknowledged “acknowledged the importance of all partners for the combined support received to initiate gold-saying by international institutions.” For the past year, the National Union of Mineworkers (NUM) president Zamas Ngxaulana and AngloGold CEO Barry Gosschald have fought at home and abroad against the sales of gold reserves by central banks and the International Monetary Fund. This led to a joint mining conference in Pretoria in July.

The R16m 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 businesses.

Mantle 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 miners.

A number of those 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, Tela, which has 74 operations inside SA and neighbouring states.

Inflating retrenched miners in the rural areas has been a challenge for the industry since massive retrenchments began after the 1987 miners’ strike. This challenge was recently 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 miners.

The agency has set up development centres in Lusaka, Eastern Cape, Northern Province and Western. A West Rand centre is also planned.

Mantle said with the initiative, “the gold industry seeks to share directly with employees, both past and present, the gains that will accrue from the increased gold price.”