

agm special

NEWSLETTER OF PEOPLE AGAINST RIO TINTO ZINC AND SUBSIDIARIES

PARTING COMPANY

20p



PARTIZANS LOSES CASE: No way to run a railroad!



It had all the making of High Drama - or low farce. Two articulate, urbane shareholders pitching their wits and superior intelligence against the infamous Rio Tinto Zinc Corporation plc. Each morning for three days they arrived on the steps of Westminster County Court; PETE LENNARD carrying his voluminous exhibits in a panier on his bike...the Francophone Dave de Beret walzing into court, deceptively thin on the documents, but arguments and declarations written all over his face... Then there was the Massed Picket organised by Flying Partizans, which never dropped below half a dozen stalwarts... And the world's press, of course - keeping the telexes busy from Tripoli to Timbuctoo.

Technically the case was one of assault - alleged by two shareholders against RT-Z after their illegal removal from the 1982 a.g.m. This fooled no-one! RT-Z hauled in a barrister from the start, and by the time the case was up for arbitration, four other legal eagles hovered around the spoils. For their part, Pete and Dave cleaned out their pockets, and still deeper they will yet have to dig.

Registrar Dennis McDonnell, though half-deaf and turning a blind eye to many arguments, also knew perfectly well what it was all about. Rather naughtily declaring at the start that he didn't want to know anything about Partizans (even that he'd never heard of RT-Z!) he then conducted the proceedings as if he were an avid *Guardian* reader all his life.

If the plaintiffs could prove that they'd been wrongfully ejected from the a.g.m., it followed they were rightfully trying to get company business resumed, and in particular questioning of the company's activities in Australia. Success wouldn't necessarily change the world, but it would certainly make it more difficult for company chair persons in future to railroad minority shareholders.

And on the other hand, if the plaintiffs lost, it wasn't necessarily because the company had acted legally let alone morally: but because they couldn't actually prove they were entitled to be in a certain place at a certain time when the chairperson formally closed the business.

As it turned out they couldn't. The claim by defendants that they were waiting for a poll on directors' to be properly conducted was countered by the Registrar deciding the 'chaos' obviated the proper procedures. Once the Registrar decided that it was the dissidents who caused the chaos, rather than the chair by arbitrarily closing the meeting, the outcome was predictable.

On the evidence submitted by the plaintiffs an unbiased Registrar would not have taken this view. ONLY the plaintiffs brought independent shareholders to testify about the chair's behaviour. And the only witness of any independence to appear for the company (all the rest were company employees or security personnel) was a police inspector who actually supported the plaintiff! He stated clearly that he'd instructed his men not to remove any shareholders not demonstrating on the platform, and had informed the security chief that, in his view, no shareholders in the body of the meeting should be touched.

But Dennis McDonnell clung to the assumption he'd secretly cherished all along (no doubt): that a company as big and wealthy and wellknown as RT-Z couldn't possibly bend the rules or resort to roughhousing, to silence its critics. If such regrettable incidents *did* occur, then it must be the plaintiffs' fault for provoking them. If they'd had a reasonable attitude, of course RT-Z would have done the right thing by them: as it is, RTZ didn't have a chance!

There's no right of appeal from the Registrar's arbitration. The case could be taken to the High Court, but it was precisely because of the enormous expense involved, that Pete and Dave decided against this last year.

As it is, the LENNARD-BERRY DEFENCE FUND is exhausted, and costs have been awarded against the plaintiffs which could come to several hundred pounds.

THE LENNARD-BERRY DEFENCE FUND IS STILL OPEN! Please make cheques payable to the Fund and send to: 213 Liverpool Rd., London N1 1LE. THANKYOU!



Sir Peter Lennard QC, and Dave de Beret

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Conservationists win mining appeal

"Press" 21/4/84 New Zealand

PA

Nelson

Conservationists have won another appeal against a prospecting application by the Australian multinational mining company, Conzinc Riotinto.

The Planning Tribunal on Thursday recommended that the company's application to prospect in more than 3575 hectares of forest near Reefton should not be granted.

The tribunal had earlier recommended that the Minister of Energy, Mr Birch, not grant Conzinc Riotinto prospecting rights over an area in Golden Bay.

Both cases come after appeals by the Native Forests Action Council.

The Reefton application covered mountainous country in the southern part of the Victoria Range between the Inangahua and Grey rivers which is part of the Victoria State Forest Park.

Conzinc's interest centred on the former Alexander River mine and would have involved blasting, earthmoving, drilling, and the felling of up to 8000 substantial trees in cleared lines.

But its proposals — and environmental assessment — were strongly criticised by the tribunal.

According to the tribunal, the company showed "little

concern for the environmental effects of the proposed prospecting."

It described Conzinc's environmental assessment as "inadequate" and said that the company showed "no willingness to minimise the environmental impact in any of the various ways adopted by them for prospecting licences in similar areas of land elsewhere in the country."

The president of the Forests Action Council, Miss Gwenny Davis, said that the tribunal's recommendations set new standards for the protection of the environment and the control and supervision of mineral prospecting.

"These decisions will give the public some confidence that the Government's new mining legislation is starting to bite," Miss Davis said.

But she also expressed concern at the expense facing objectors who appeal against applications by the bigger mining companies. Fees and expenses for lawyers, scientists, and other professionals ran into thousands of dollars.

"It worries me that the public interest is not being safeguarded by Government departments. There is no significant funding source for groups like ours to enable us to put our work on

to a stable and continuing basis," she said.

The tribunal said that Conzinc had shown no concern about the damage to the physical environment and ecology in the area.

"The general character of many of the proposed conditions gives us no confidence that the prospecting can be so controlled to avoid any significant damage. The scope of the responsibilities of the Inspector of Mines and the extent of his district leaves us with no assurance that he would be able to make frequent rigorous inspections," it said.

"We have no basis for reaching a feeling of confidence that Forest Service officers and the Catchment Board would be able to exercise detailed control over the prospecting activities."

The tribunal did not reject all prospecting from the application area.

"We contemplate that it may be possible to conduct prospecting in such a carefully limited and controlled way that little environmental damage is done," it said.

"The present applicant does not propose that it is our judgment that the proposed activities involve such damage to the water, soil, scenic, and ecological values of the area that it ought not to be granted."

Pension funds: Arthur league backwards

The first attempt to unilaterally re-direct the huge resources in workers' pension funds, from overseas investment to domestic use, from South Africa and the US to 'socially useful' industry, and out of oil and gas — has failed.

The Vice Chancellor of the High Court, Sir Robert Megarry trounced Arthur Scargill of the National Union of Mineworkers in mid-April, claiming the dissident NUM Pension Fund trustees were "not acting in the best interests of the fund's 350,000 beneficiaries and were in breach of their legal duty".

The NUM trustees, five in number, had been taken to court by five National Coal Board trustees who made much of the "independent advice" given them by conservative financiers whose only rationale was to preserve the capitalist status quo.

But whether Arthur Scargill even morally carried the day is open to question. Since coming to power at the NUM, he's recommended investing in bodies like Theedon's brewery, Jaguar cars and the Mirror Group. Some would claim that this was merely a case of dressing up an old duck to look like a new nut-roast.

The implications for other Pension Fund trustees who want to shelve their dubious investments, seem to be, not that they should now retreat, but that they should show some radical intentions about re-investing workers' funds.

The West Yorkshire County Council have, at last, decided to disinvest its RT-Z shares, according to information reaching Partizans by a roundabout route. We wonder why they haven't decided to make much of this decision publicly...?

AXE WHACKS AMAX

AMAX — scourge of the Nishga people of British Columbia and the Aborigines of Noonkanbah — has been refused planning permission to open up the biggest tungsten mine in Western Europe, at a site two miles from the Dartmoor National Park.

This came after a three-year public enquiry which revealed "compelling environmental objections" and despite an inspector who seemed to lean over backwards to suggest an 'alternative' scheme which would be acceptable.

Financial Times 4/4/84

Having your (yellow)cake — and eating it

In February, Mike Townsend, head of the British Civil Uranium Procrument Organisation (BCUPO) announced that supplies of Namibian uranium would end with the current contract. He mentioned only 'civil' supplies however — a fact which stimulated Canuc and others (not least that hero of URENCO, Anthony Wegewood Benzadrine, to declare that this didn't exclude Namibian uranium continuing to be used for military purposes. TIME OUT in an article on February 9-15th conjectured that Namibian uranium was the only source for fuel for Trident submarines. Unfortunately that article was marred by several inaccuracies — not least the assumption that Namibian uranium could be separated from other sources at the processing (into 'hex') stage: the

opposite is actually the case.

In April Townsend stated that no Namibian uranium was being (or would be) used for military purposes, that the British civil stock pile was being cut by half, and that future supplies would come from Canada.

All this could be feasible, if the AEA has its own sizeable military stockpile or if uranium is bought from (say) Niger, or even South Africa and therefore not covered by the INPT. Perhaps instead of trying to uncover the uniquely military purposes for Namibian uranium, campaigners could better expose the inextricable connections between the 'civil' and 'military' end-use of uranium and agree that all supplies, from whatever source, are unforgivable and should be stopped.

LITTLE KNOWN FACTS

NO. 1.

Sir Alistair Frame, RT-Z's chief executive, is a former leader of the UK Atomic Energy Authority. The UKAEA once reportedly called on RT-Z to "find uranium and save civilisation!"

Diversification Paying Off for RTZ

THE LONDON based Rio Tinto-Zinc Corp. has reported an impressive improvement in annual results despite the low prices for some important metals. Net profits for the year to December 31, 1983 were up almost 67% to £172.5 million, from a turnover which, at £4,811 million, was 31% up on the 1982 figure (*MJ*, April 13, p.257). However, the major part of this increase came from the inclusion of Comalco's sales for the first time. Total group assets employed rose significantly, to £6,099 million, and are now twice the funds employed in 1980. Almost 46% of these assets are employed in Australia and New Zealand.

RTZ group activities were originally concentrated almost exclusively on mining but have been broadened and diversified in recent years. Vigorous cost cutting programmes have reinforced the position of many of the group's mines as low cost producers. However, the overall cost of raw materials and consumables rose 30% last year and, despite the cost reduction programmes (notably at

Hamersley and Commonwealth Smelting), total operating costs reached £4,188 million compared with £3,277 million in 1982. With the generally improved trading conditions the total number of employees rose 3,500 to 73,844, although expenditure on exploration and capital equipment fell to pre-1981 levels.

In the company's annual report, chairman Sir Anthony Tuke comments that the satisfactory results are all the more welcome because they have been achieved despite the poor performance from many metals. Sir Anthony explains the apparent paradox of weakening metal markets accompanying economic recovery by pointing out that it is consumer spending that has so far fuelled the recovery and the intermediate and capital goods industries have been scarcely touched thus far. Consequently aluminium, and to a lesser extent zinc, have done well, whilst other metals have suffered from combinations of high stockpiles, substitution and the relative weakness of the European and Japanese markets.

North America led the recovery during 1983 and industrial output there had regained its mid-1981 peak by the end of the year. The recovery began to be reflected in higher prices for some metals, aluminium averaged £950/t compared with £575/t in 1982 and zinc strengthened in the second half to give a year's average of £543/t (£484/t in 1982). Precious metals also improved, with copper averaging £1049/t (£846/t) despite second half weakening.

These changes were reflected in the breakdown of net profits attributable to RTZ shareholders (see table). Copper and gold developed significantly from a loss of £4.2 million in 1982 to a profit of £31.9 million in 1983. Similarly, aluminium performed well, profits growing from £0.3 million to £24.7 million.

Of these profits, 34% accrued from the U.K., almost 20% from the U.S. and 13% from Australia and New Zealand. Because of its global activities RTZ views with concern the spread of protectionist measures against metal imports. The chairman, although understanding the calls for protection against imports, considers it a short term palliative and a weapon which has contributed materially to the shrinkage of world markets.

The CRA group's contribution to RTZ's earnings (*MJ*, March 2, p.148), helped by devaluation of the Australian dollar in March and improvements in productivity, was £40.8 million as against £14.3 million in 1982. Substantial losses in lead and zinc mining and smelting were eliminated and higher local currency realizations for copper, gold and silver lifted earnings from Bougainville (this issue p.307). Iron ore shipments at Hamersley were 15% above 1982 tonnages and despite lower prices, earnings improved. Comalco benefited from the substantially higher aluminium price (*MJ*, February 17, p.113) and production capacity was increased to 309,000 t/y.

RTZ Metals increased its earnings to £24.3 million. The improvement over the previous year was due largely to profit contributions from the aluminium operations based on the one third interest in Anglesey Aluminium and from the 49% interest in Rio Tinto Minera; both of which had incurred losses in 1982. The uranium operations at Rio Algom (*MJ*, March 9, p.164) also did better than in 1982. Rio Algom plans to develop a tin mine at East Kemprville, Nova Scotia, at an estimated cost of \$C150 million. Production is scheduled for the end of 1985. Rossing Uranium's contribution fell to £14.6 million, caused by lower uranium prices, reduced deliveries and higher tax.

In the group's non-mining and smelting activities RTZ Industries did well, increasing earnings from £20.9 million to £42.7 million, and RTZ Borax also improved, with earnings up £10.1 million to £56.4 million.

In accordance with RTZ's agreement with the Australian Government, to eventually reduce its interests in CRA to 49%, the rights issue by CRA in May 1983 was not fully taken up, and consequently RTZ's holdings were reduced from 57% to 53%. This dilution of interest gave rise to a charge of £21.7 million as an extraordinary item (the difference between its reduced share of net assets and proceeds of the sale).

RTZ raised £192 million during the year from ordinary shareholders by a one for six rights issue. With this increased shareholding of almost 30 million and dividends up 2p to 18p/share, the cost of ordinary dividends rose 32% to £54.5 million.

I WAS HUNGRY

I WAS HUNGRY

and you fed your animals with my food

I WAS HUNGRY

and your transnationals planted your winter tomatoes on our best land

I WAS HUNGRY

and you wouldn't give up your steak from South America

I WAS HUNGRY

but they grow tea for you where rice might grow for my daily meal

I WAS HUNGRY

but you turned our sugar cane and manioc into fuel for your cars

I WAS HUNGRY

but the waste from your factories is poisoning the fishing grounds of the earth

I WAS HUNGRY

but with your money you bought up my food

I WAS HUNGRY

while my land grows exotic fruits for your table

WHAT ARE YOU AFRAID OF?

foregoing excessive and harmful consumption?

having to change your attitudes?

the power of the politicians?

the work involved in achieving greater self-sufficiency?

the disapproving looks of your neighbours?

WHAT ARE YOU AFRAID OF?

I was hungry but you gave me no food

Reproduced, with grateful thanks, from the newsletter on transnationals, published by the World Council of Churches CCPD, Dec. '83

Sony battered in 13½-hour AGM

BY YOKO SHIBATA IN TOKYO

Financial Times Wednesday February 1 1984

SONY CORPORATION, one of the world's leading electrical goods manufacturers, yesterday experienced one of the most unsettling of events for a major Japanese company—a revolt by its normally docile shareholders.

Hard hit by the recession in the audio industry and by the hammer blows delivered to its video cassette recorder sales by the rise of the rival VHS system, the company had to face a 13½-hour ordeal in front of some 400 shareholders. With both net profits and group sales falling for the first time ever the company had a lot of explaining to do.

In the past shareholders' meetings in Japan have been kept brief and orderly by the presence of the Sokaiya, people with nominal single share holdings who usually support enthusiastically the board's line on every item on the agenda.

Yesterday the Sokaiya deserted the board, and aggressive questions from some 20 to

30 shareholders stretched the meeting to cover four breaks for meals and tea and to set a new record for AGMs in Japan. The Sokaiya, it seemed, had switched sides from the company to the hard-pressed wholesalers, whose margins have been hit by lower demand for the Sony's Betamax video system.

Sony group sales in the year to October dropped by 0.3 per cent to ¥1,110bn (\$4.73bn). Net profits fell sharply, by 35 per cent to ¥29.8bn from ¥45.8bn a year earlier.

In the past shareholders meetings have lasted only some 10 to 15 minutes, with the Sokaiya chanting "we agree" or "no question" in unison on all the items on the agenda. Following the passing of a new commercial code in October 1982 the role of the Sokaiya has been much circumscribed. Today there are about 900 of these still active—before the code amendments there were some

3,500 of them.

In their forays into corporate meetings the Sokaiya have attained a high level of business acumen in reading accounts, public speaking, and other useful areas. Under the guise of being business consultants, economic researchers, or journalists for business magazines they were able to solicit fees for their expenses in such roles as they took at meetings.

Under the new law they are unable to have any commercial link with companies. Any company giving money to a Sokaiya is liable to a fine up to a maximum of ¥300,000 or a six months prison sentence. The result of this, for Sony, has been to push the Sokaiya in the opposite direction—towards asking awkward questions and prolonging meetings.

One of the roots of the Sony problem with the Sokaiya has been the weakening of its position in the VCR market. Sales of its Betamax tapes, recorders,

and other equipment have fallen in the fierce competition with the Matsushita-developed VHS system. In the year to October its video sales fell by 3.6 per cent to ¥457bn.

Although the majority of listed Japanese companies support the ending of the Sokaiya's influence over company meetings, there still exists an underlying fear of their power. As many as 41 per cent of companies surveyed by Daiwa Securities still aimed to make "accommodations" with them and company personnel were keen to observe how competitors handled AGMs after the changes to the commercial code. Tape recordings of meetings, such as that at Isuzu Motors—one of the first after the law changed—were passed around to educate executives.

Yesterday Sony was a victim of the tug-of-war with the Sokaiya—the record length of the meeting suggests that war with this group is not yet over.

OUTRAGE!

ALUN ROBERTS - well-known to Partizans and all opponents of the South African despotism in Namibia - just happens to be the west's greatest expert on the Rossing mine. During a trip there, earlier this year, he was arrested on a trumped-up charge by the South African police. Held for five days, he was released when charges were dropped. But as he left court, security cops seized him again, re-arresting him under AG-9; the notorious "law" which permits 30-day detention without charge, followed by re-arrest

After 26 days in custody, and protests from around the world, Alun was released.

During his detention in Windhoek, he'd been interrogated by Mr. Murray, second in command of security at the Rossing mine. RT-Z denied any involvement with Alun's arrest and persecution.

The soon after his re-arrest he was shown - by South African security cops - a photo of himself taken at the RT-Z agm in 1982.

In 1982 Anthony Tuke promised that any such photos were purely for the RT-Z company 'scrap book'. Did someone steal this photo? Or is Tuke a barefaced liar?

LITTLE KNOWN FACTS (2)

In 1970, RT-Z contracted to supply uranium fuel (as UF6 processed in Canada) to the infamous Barsebäck reactor, which has been the subject of international protest in Sweden (Wall Street Journal 4/6/70)

WHO SAID THIS RUBBISH?

'And that is what we are doing today at Rossing - introducing and developing skills and expertise and freeing the country's natural wealth. Freeing it, not so that it can be taken away and stored elsewhere for someone else's benefit, but freeing it so that the country and its people may move further along the path of progress and development. I don't think that I need describe to any of you the position that would exist here in SWA/Namibia today if Rössing had not been developed, for the level of economic activity would have been far less, the degree of development more limited and the extent of unemployment far greater had the natural wealth of Rossing been left underground and untouched...

And lastly, the shareholders. There might be a tendency to say "Why worry about their interests? They live outside the country and are only taking our money". But wait - it is we who have taken their money and we owe them a great deal, physically and morally, for it is really they who have made it possible for Rössing to be established. Through the shareholders we obtained the R350 million that was required at very considerable risk and had to be spent before Rössing could produce a pound of uranium. Capital of this scale is just not available in the territory and, for the sake of further and future investment in economic development, we must establish a pattern whereby investors are assured of getting their money back and are rewarded for their courage and confidence. In this way, we shall be looking after ourselves as well as them.

That then outlines the Rössing ethos. As part of the RTZ Group, we are contributing to the strengthening and economic development of the free world with a highly developed sense of social responsibility. Within this country, we are contributing towards the same things on a national scale and are, I hope, building Rössing into an integral and living part of Namibia, contributing to its present and its future.'

ANSWER: The manager of Rossing Uranium in a recent article entitled "The Rossing Ethos" published by Rossing Uranium



Japanese rescue workers recover a body after a 1981 explosion that killed 93 miners in a coal mine owned by Hokutan, a Mitsui-related company.

by John Roberts

TOKYO—On January 18, 83 coal miners died in a fire in the Ariake coal mine, part of the huge Miike mining complex on the southern Japanese island of Kyushu. The entire mining complex is owned by the Mitsui Coal Mining Company, a subsidiary of the Mitsui conglomerate. Mitsui had described the Ariake mine as the safest in Japan.

Police investigators have charged the company with negligence in the blaze, which began when pieces of coal caught in a conveyor belt were ignited by friction. But the failure of the mine's computer-controlled safety system, and the similarities to a 1963 disaster at the Misawa mine in the same Mitsui complex, have raised disturbing questions about the company's commitment to safety and the shortcomings of Japanese company unions.

The 1963 accident at Miike occurred at

This article is abridged from the *MULTI-NATIONAL MONITOR* (April '84).

As well as being a major Japanese coal-miner, MITSUI also prospects for uranium in Canada, mines on Aboriginal land in Australia and has further interests in dubious projects on native land in South America, Indonesia and the Philippines.

A riot by workers at Anglo American Corp.'s Free State Geduld gold mine on February 20 will be officially investigated. During the disorder, 10 workers were injured, and damage amounting to hundreds of thousands of dollars was done to mine property. According to the South African police, the riot broke out when workers were searched by police for marijuana. However, the National Union of Mineworkers says that the riot was triggered by the death on February 15 of a black worker who had been allegedly assaulted by mine security officials. Anglo American claims no knowledge of the death.

activists. For over a year, the Miike mines became the focal point of the still powerful Japanese labor movement, with tens of thousands of unionists rallying in support of the Mitsui workers. But gradually the struggle was isolated, and as support from other unions faded, the resistance at Miike crumbled. By 1962, the Tanro union had been defeated, and—as in other Japanese private industries—replaced

Police have charged Mitsui with negligence in a blaze that killed 83 coal miners.

with a pro-company, management-dominated union.

Working conditions soon went downhill. Mitsui organized three eight hour shifts a day with no time allotted for inspection.

The underground explosion, caused by coal dust, occurred on November 9, 1963, at 3:15 p.m. It was felt throughout the

The all-white Mine Workers' Union (MWU) will continue to be allowed to operate in Bophuthatswana despite passage on March 6 of the state's Industrial Conciliation Act, prohibiting the operation of foreign (meaning South African) unions in the territory. Black unions, such as the National Union of Mineworkers, have been banned from Bophuthatswana and only indigenous unions permitted to operate. The MWU will continue to negotiate terms of employment for its members with the two platinum mining companies, Impala and Rustenburg, the largest mining groups there, according to MWU general secretary, Arrie Paulus.

Mitsui mine disaster: accident or crime?

a time when the Japanese government—at the urging of U.S. oil companies—was beginning to switch Japan's energy sources from coal to oil. Coal companies like Mitsui were attempting to consolidate their operations, phase out the least profitable mines, and lay off thousands of miners.

In 1960, however, the Mitsui miners were represented by Tanro, one of the most militant unions in Japan, well known for its victorious 113-day strike against Mitsui in 1953. Choosing the Miike site for a confrontation, Mitsui provoked a strike by locking the union out and ordering the firing of union ac-

area but was not reported to the police until an hour later. At 5:30 the first advance party entered the tunnels, but it was not until 6:30—too late—that rescue operations were begun. The death toll of the accident was 458, the worst mine disaster in postwar Japan, while many more were seriously hurt. Most of the casualties, however, were from suffocation or carbon monoxide poisoning due to inadequate ventilation and the delay in rescue operations. The explosion itself was attributed to the failure of a neglected protective spray system.

It was a very similar story in 1984 at the adjacent Ariake mine, which runs out under the ocean for nearly three kilometers. Once again, Mitsui was struggling to regain profitability—the company suffered a net loss of \$2 million in 1983—by cutting labor costs. Miners quoted in local newspapers suspect that the conveyor belt that caused the fire might have burned because of the increased production ordered by the company.

Perhaps because of the sophisticated safety equipment, fire drills had been discontinued, and evacuation drills were perfunctory. The equipment was basically good, but poorly maintained. Water sprinklers had been shut off to protect the quality of the coal. Investigators discovered that smoke detecting devices failed to operate, and that devices designed to locate toxic fumes were slow to activate.

Most atrocious was the delay in taking action after the fire was discovered. One miner says he detected the fire at 1:50 p.m. and alerted the control center, which took no action. No fire extinguishers were available to fight the fire. Evacuation orders were delayed and contradictory. It was not until 6:00 p.m. that the local police were notified. Of the 707 miners in the pit, 614 managed to escape but 93 were trapped in smoke-filled shafts, and 83 died of suffocation or carbon monoxide poisoning, indicating serious deficiencies in the ventilating system.

Of the 83 dead, only 37 were union members, and most of the others were unorganized employees of outside contractors, perhaps less experienced than regular employees.

Although the police suspect criminal negligence, the possibility of prosecution of Mitsui officials is remote. As in the past, management is scrambling desperately to cover up its negligence, confident of government sympathy. In the 1963 disaster, even before an investigation began, the cabinet announced that Mitsui Mining would receive a governmental loan of one billion yen (\$2.8 million) to compensate the victims, and threats of prosecution came to nothing.

Labor, as expected, is grumbling quietly. Muranaka Tohiyuki, president of the Mitsui company union, said after the tragedy that he had "asked" the management to open the sprinkler valves, whose proper functioning would have prevented or extinguished the fire.

Only solution is dissolution!

URANIUM ENRICHMENT AND NUCLEAR WEAPON PROLIFERATION Krass, Boksmo et al SIPRI '83

An excellent introduction to the concealed horrors of uranium enrichment, this SIPRI publication nonetheless has flaws. They mainly relate to the authors' opinion, reflected by SIPRI's chief Frank Barnaby, that modern nuclear proliferation can be checked - if only we establish international "regimes" for U-235 production, plutonium-239 storage etc.

But of course, it is precisely because no one wants to follow such regimes that 3rd world 'maverick' nations like India, Pakistan, Argentina, Brazil, have gone along the nuclear road alone. Worse - the existing Nuclear Nonproliferation Treaty is broken regularly by those nations which possess atomic weapons openly. (The recent furore over the British-US 'swap' of highly enriched uranium and plutonium is but one example of this.) Those that have it shall keep it - and to those that have not, it shall be sold (at a price).

Nowhere is this more true than in the field of uranium enrichment - that crucial process of creating fissionable material for most nuclear reactors, which can also be refined to make the raw stuff for bombs. France and China both exploded high enriched uranium bombs at the commencement of their weapons programmes. And if we include Pakistan (which stole from URENCO), Brazil (which has received URENCO U-235), Argentina (which has exchanged with Brazil), Iraq (which has received supplies of Brazilian HEU) among the pirate nuclear weapons powers, they've all been assisted to a greater or lesser degree by the existence of U-235 technology and materiel.

This book shows that, if we exclude sophisticated forms of enrichment, like laser, chemical and plasma methods of separating the fissionable isotope, and if we exclude gas diffusion technology as too costly and dated - then the gas centrifuge technique is now the most "proliferatable" one. This was a fact recognised by ex-head of the AEA (now head of the CEGB) Walter Marshall, a few years back. Only Marshall, in pointing out the dangers of U-235 was actually trying to mask the threat of a plutonium 'economy'!

Japan and the US, among others, have been experimenting (and indeed using) their own forms of ultra-centrifuges. But it is URENCO which has advanced the art into a commercial state, and is trying to sell it worldwide. URENCO is a joint British-Dutch-West German consortium. Britain's BNFL holds a third of the enterprise.

Moreover, URENCO's plant at Capenhurst in Cheshire is now the only U-235 facility in Britain (the old gas diffusion plant having

closed down two years ago.) The Ministry of Defence is currently building a new URENCO facility to manufacture high enriched uranium for Trident submarine fuel assemblies: a decision which, an MoD spokesman has already agreed, could assist the manufacture of nuclear warheads.

RTZ's part in this unholy business is not a minor one. Apart from providing, until this year, the biggest single source of URENCO uranium, from the Rossing mine, it also holds 18% in Nukes which is a major shareholder in Uranit - which owns the lion's share of the West German part of URENCO.

Because uranium enrichment is such a costly process, (in radical ecological terms, it is arguably the most wasteful part of the nuclear chain) those who control it have to look increasingly for overseas markets, to cut their costs. And increasingly they won't worry overmuch about where they sell. Two years ago, for example, URENCO 'floated' a tale that it was selling U-235 to Taiwan. In fact it wasn't (RTZ instead was selling uranium to the military dictatorship which has made no secret of its desire to get a bomb.) A cynical observer might conclude, however that, had the reaction been less negative, URENCO would have had no scruples about a Taiwan deal.

The only answer to such extrapolating danger is not the centralisation of the threat, but the abolition of the entire cabosh. (R.M.)

Keep your balls to yourself

The North West Transnationals Project is a pioneer in encouraging British Trade Unions to face up to their responsibility for continuing impoverishment and de-stabilisation of the 'third world'. It does so by bringing together overseas unionists and other activists, holding day schools, and participating in some direct action (e.g. a recent picket of Rowntree-Mackintosh.)

At one level, the loss of jobs in (say) Merseyside is clearly caused by the decision of a multinational to rip-off the workers in (say) the Philippines and benefit from tax holidays, free-trade zoning, low wages, non-existent workers and environmental protection. But, while third world workers seem quite clear that they don't want the Dunlops of this world on their doorstep ("No tennis balls!" is the cry in the Philippines), it's far from clear that British workers want much more than their existing jobs, with better pay and conditions, turning out the same dangerous or useless rubbish, by processes which - virtually without exception - carry their own deadweight of disease and increased mortality.

This report carries no discussion of alternatives to mnc's nor how workers can control not just the productivity or marketing of a commodity, but the product itself. Since such discussions are well underway in trade union circles in Australia, the US and Canada, why not in Britain? (R.M.)

NORTH WEST TRANSNATIONALS PROJECT REPORT 1984
From: Shanti, 300 Oxford Rd., Manchester M13 9NS

LITTLE KNOWN FACTS (3)

US Borax, RT-Z's biggest US subsidiary is the west's biggest producer of BORON. Boron is used for many purposes - not least to control the rate of nuclear reactions in atomic reactors.

Scot of the RTZinc

PARTIZANS
PROF:LE

Alistair Frame is RTZ's chief executive. Rather than the 'power behind the scenes' Frame is - you might say - the scenes behind the power. He has more fingers in more dubious pies than most corporate high-fliers. A Thatcher 'protege' - who could get almost any post in nationalised industry he wished under the present regime, Frame is married to nuclear power, devoted to Rio Tinto and a foe, even of the wishy-washy liberalism touted by his chair, Anthony Tuke. If there's one thing Frame hates it's people like us. So - in order to better know our enemy - this page is devoted to recent utterances from the shy, retiring (will he ever?) Cambridge-trained Scot who's the real supremo of Britain's most hated corporation.

From Financial Times 9/12/83

So, as RTZ is becoming less of a mining company, what is it becoming more of?

"We're constantly looking for small companies, primarily private owned, where our sort of management philosophy fits in: highly decentralised companies, profit-motivated and capable of expanding their whole range of business by organic growth," says Sir Alistair. They are likely to be in sectors where RTZ already has an involvement—engineering, construction materials, speciality chemicals and metal fabrication—but he does not see out a departure into something entirely different.

Mostly, he adds, these acquisitions will be in the UK, where the company still lacks sufficient presence to provide reasonable tax cover for its repatriated foreign earnings, and in the U.S. At present, 30.7 per cent of RTZ's \$3.7bn annual turnover is in the UK and 11.9 per cent in the U.S. The second largest source of business—Australia, with 22.9 per cent of sales—is set to fall in proportionate terms; a reflection both of RTZ's caution about some of its traditional businesses, its worries about the Australian economy and the progressive reduction of its stake in CRA, in line with Australian Government policy on foreign investment.

"Nearly half the group's assets are in Australia and we haven't been performing too well for many reasons: the high cost of labour, overmanning, low commodity prices and the fact that the Japanese, over the years, have encouraged, either accidentally or deliberately—you can judge for yourself—overcapacity, which means they can control the prices of a lot of commodities. Iron ore is a good example. It's going to be a great worry in the next three years—because they can play one country off against another."

RTZ does, indeed, have some eye-catching mismatches between assets and returns. Last year, one of weak metal prices, the company drew three-quarters of its profits from three activities—iron ore,

uranium and borax chemicals. Those sectors represented only 35 per cent of assets. Australia by contrast, delivered less than 29 per cent of the profits.

All of this is, to a degree, inevitable in a company where, for all the diversification, the asset base is still very much (79 per cent) in the cyclical mining and minerals area. It is also, says Sir Alistair, a problem when it comes to plotting group strategy and setting financial targets.

"With metal prices completely outside our control, you cannot get good financial measures. So we concentrate really upon cost of operation all over the world. We have got some of the lowest cost operations in the world, but we haven't yet really found a way of measuring the performance of a single mining company like Bougainville" (a copper-gold mine in Papua New Guinea).

"We are spending more and more time at the centre thinking about the future of the group and leaving the operators to do the operating," says Sir Alistair.

It is from this central soul-searching that the diversification momentum has sprung. The big ticket items were the purchase in 1982 of Tunnel Holdings and Thos. T. Ward, whose varied engineering, cement, waste management, chemicals and scrap businesses, have been progressively absorbed into RTZ's maze of subsidiary holding companies.

Asked what RTZ would explore for were it to raise its exploration budget, Sir Alistair answers: "Coal." Although he is worried about the growing acid

rain controversy, he believes that coal's long predicted emergence as a major growth fuel cannot be much further delayed.

The secret, in such a soft market for metals and minerals, says Sir Alistair, is to keep costs down. At current copper prices, he adds, all of RTZ's mines are profitable, although some, such as the Spanish mine which gave Rio Tinto its name and its origin, rely heavily upon by-products, such as gold and silver.

In terms of overall earnings prospects, RTZ's fortunes will continue to depend, as they have always done, very largely upon the mix of commodity prices and exchange rates. A strong dollar boosts sterling-denominated profits, so things are still going RTZ's way on that front, although RTZ could use a weaker Australian dollar. City estimates for final 1983 pre-tax earnings suggest £580m to £600m, compared with last year's £541m.

Privatising

All of this, however, seems to lack what used to be called synergy. Why, for example, is the cement business attractive to RTZ since, as industrial activities go, it is highly sensitive to the economic cycle?

Sir Alistair's response is that, to a mining man, the cement cycle is softer than a heartbeat. "It's still not much off the peak," he says, "but it will never go back to where it was in 1973-74. But it's good cash flow and it's in the UK."

He also, tantalisingly, suggests that there may be more synergy than meets the eye for a com-

pany which digs coal in several countries and which burns a lot of it in its energy-intensive UK cement plants.

"We're hamstrung by having to buy from the National Coal Board at a social price for coal. We pay more than our competitors in Europe," he says.

The answer, he suggests, might be imports if RTZ could find itself a low-cost, port-side operation in South Africa or Australia. But with his old friend Ian MacGregor at the Coal Board and a Government encouraging private electricity generation under the terms of the Energy Act, RTZ might yet find another way to skin this particular cat, should the political climate ever permit it.

Another sceptical thought occurs to the outsider: how can this global empire of nooks and crannies be managed from St James's Square? Is RTZ not in danger of becoming too complicated for its own good?

"If we tried to manage it with a huge head office it might be," says Sir Alistair. "But we practise what we preach on decentralisation. You couldn't actually do it any other way because you'd become committee-ridden."



RTZ Chief Executive Alistair Frame

"One of the big attractions of RTZ is that it's a company that moves quickly and decisively," says Alistair Frame. "You can always get superior new people in that environment."

"Yes, there were two or three of us who were always available if somebody came in with something exciting," Turner recalls. "We didn't wait for a board meeting or any nonsense of that kind."

FORBES MAGAZINE
16/10/78

"Preservation of the status quo implies that the status quo is desirable. We believe that, in fact, their present circumstances offer the Guaymi a future of bleak prospects.

...The Cerro Colorado Project may never proceed, or at least not for a very long time to come. The survival of the Guaymi will be more, and not less, threatened as a result. The threat to their survival stems, as it always has done, from their environment and not from RTZ."

From a letter to a London group

Sir Alistair Frame

Rio Tinto Grosso

Those who watched the five-part series on Brazilian Amazonia recently (screened on Channel 3 and 4) may not be surprised to learn that multinationals are now moving in behind the peasant gold-miners, to capture even greater riches.

And who should be in the forefront of this second wave, but British Petroleum and Rio Tinto-Zinc.

According to an article in the Financial Times (19/1/84) BP Minerals has staked out Rondonia, Gencor of South Africa has grabbed for Minas Gerais, while Rio has "plumped for the up and coming states of Mato Gross and Goias".

Up and coming they may be, but Mato Gross is also one of the major indigenous areas of Brazil - though also subject over a long period to some of the worst assaults on 'indian' life and livelihood.

The Financial Times says that RT-Z has surrendered its other interests in Brazil (this must notably be its share in the Greater Carajas project) to concentrate on gold. As yet, we don't know whether RT-Z has specific leases and if so, which areas they cover and which Indian groups they threaten. Maybe someone should ask..?

Women speke out!

In early February a group of women, calling themselves Sisters in Support of Namibia, cut a hole through the fence at the RT-Z factory between Speke and Widnes and got inside. Large slogans were painted on one building (e.g. URANIUM KILLS! RIO TINTO STINK. RTZ- THE NEW NAZIS. RTZ EXPLOITS BLACKS.)

The women then discreetly left the compound.

We've also had reports of similar slogans being painted outside the HQ of RT-Z in St. James Square around the same time. Meanwhile the all-women's Greenham picket continues!

Thanks to Pat White for this info, reproduced from Merseyside CID newsletter 3/84

TUIREGs

The Oxford Trade Union International Research and Education Group (TUIREG) is making available for sale (at £20) and hire (at £5) the excellent uranium slide show made by the South West Resources Center in the USA. Called "PEOPLE AND ENERGY IN THE SOUTHWEST USA", further details from:

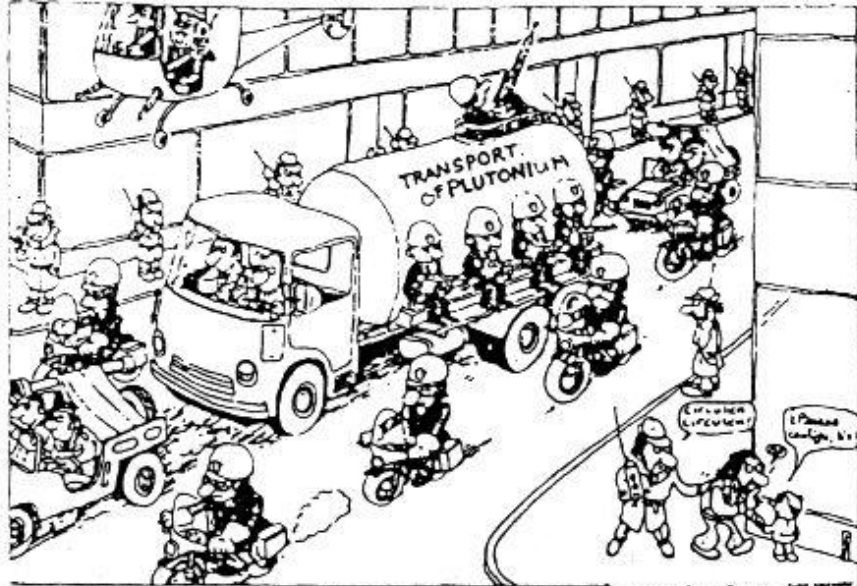
TUIREG, Ruskin College, Walton St, Oxford.

- and TOEs

The OTHER ECONOMIC SUMMIT is a counter-weight to the establishment's exercise in perpetuating its own domination, and will take place between June 6 and June 10th 1984. There's a conference (with people like Guy Dauncey, Herman Daly and Manfred Max-Neef) and a public rally. Hardly any women in sight however.

Sponsorship 'per minute' is being invited. Further details from:

TOES 42 Warriner Gdns, London SW11 4DU



Thanks to our friends at Action Eco Soc. (Middx) for this!

RT-Z nuclear Gobitween

As if the whole world were not already its wastage (geddit?) RT-Z, through NUKEM of West Germany, in which it holds 18%, is planning to dump nuclear 'waste' in the Gobi desert of outer Mongolia.

The deal - engineered by a Dusseldorf business supremo called Alfred Hempel - has been approved by the Chinese, but so far the West German government is agin' it. (They want to reprocess and possess the plutonium for themselves.) And nobody has asked the nomadic peoples of the Gobi, whether they exactly are in favour of eating, drinking, and sleeping on the western world's highly lethal nuclear dirty washing.

(Guardian and Observer et al, February 1984)

RT-Z WYTCH HUNT

Despite the heated objections of Labour MP's and British Gas itself, the Commons Select Committee on Energy has approved the Wytch Farm sell-off. This means that this very promising oil-field in Dorset will be 'privatised' and a group led by the oil company TRICENTROL will walk off with a stake worth about £450,000,000 for less than two hundred million.

Originally RTZ wanted to buy into Wytch Farm as a tax cover for its overseas rip-offs (sorry, profits!) It was stymied in 1982; though very recently (April 1984) its interest revived, just before the Tricentrol deal was approved.

Not to be outdone, RT-Z has nonetheless been buying into Tricentrol (see Parting Company late '83) and rumours of an attempted takeover have been swirling since.

As if this wasn't enough, RT-Z in February got awarded the 'most attractive' license for another on-shore prospect in Dorset - very close to Wytch Farm.

sources: FT 15/2/84, Guardian 23/3/84 and many others

PARTIZANS is in desperate need of your continued help, in order to carry on exposing the deprivations, not only of the Rio Tinto-Zinc Corporation, but other bounty hunter. PLEASE SEND ALL YOU CAN (we do accept krugerrands!) to:

218 Liverpool Rd., London N1 1LE (tel 01 609 1852)

NAME.....Address.....

.....tel.....I enclose £

for a SUBSCRIPTION (£2 a year) to Parting Company and/or a donation to the work of Partizans.

PARTING COMPANY is the bi-monthly journal of PEOPLE AGAINST RIO TINTO-ZINC AND ITS SUBSIDIARIES and costs £2 a year from: 218 Liverpool Road, London N1 1LE Telephone: 01 609 1852