

ALEX. HEPPLE

# POVERTY WAGES

**T**HE SHAME OF LOW WAGES  
IN SOUTH AFRICA

# POVERTY WAGES

ALEX. HEPPLÉ

An examination of wage policy  
in relation to South Africa's  
lowest paid workers.



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## FOREWORD

BY THE RT. REV. AMBROSE REEVES,

Bishop of Johannesburg.

*At the first meeting for consultation between representatives of 14 organisations the decision was taken to devote special attention to the wages of those in the lower income groups. For this purpose a sub-committee was set up under the Chairmanship of Alex. Hepple.*

*As a first step in informing people of the present situation, Mr. Hepple was asked to produce this pamphlet on African wages.*

*In articles published in the Star, in July last year, Dr. Ellen Hellman pointed out that the increase in the average of unskilled wages between 1954 and 1958 in five large employing industries had not "even kept up with the increase in this most minimal of all measures, the Retail Price Index."*

*This present pamphlet sets out clearly and simply the shamefully low level of wages now being paid to vast numbers of unskilled workers.*

*In commending this to your careful study, I would urge the reader to make the facts recorded here as widely known as possible.*

+

Ambrose.  
Johannesburg.

## POVERTY WAGES

The low wages paid to the majority of South Africa's workers should be a matter of grave concern to us all. Unfortunately, more is said than done about it. Everyone seems to agree that there is a need to improve the present deplorably low rates of pay of our semi-skilled and unskilled workers.

Employers, economists, trade unionists, social workers, and churchmen have declared that wage increases have become a necessity, not only in the interests of the unfortunate workers themselves but in the interests of the entire nation.

In spite of this, the wages of our lowest paid workers remain far below a bare subsistence level. An examination of wage movements over the past ten years will suffice to show that, if anything, real wages have improved hardly at all. In relation to the rising cost of living and the new demands upon the purses of especially African workers, it is no exaggeration to say that our unskilled workers have been pegged to poverty wages.

### The Bus Boycott

Two years ago, Johannesburg experienced a boycott by African bus users because of a one penny increase in fares between Alexandra and the City. The grim protest of thousands of Africans, trudging nearly twenty miles a day in all kinds of weather, to save twopence a day, compelled attention to the shockingly low earnings of the poor.

The boycott became a matter of national concern. It made the more fortunate section of the community realise that the majority of Africans were unable to bear the burden of even a miserable penny extra on their bus fares.

Things began to move in industrial, commercial, political and other circles. The Association of Chambers of Commerce, meeting in Cape Town on the 20th March 1957, took the extraordinary step (for employers) of deciding to ask the Government "*to investigate wages, living standards and transport costs of all Non-European workers in the larger urban areas.*"

An examination of the newspapers of those days shows innumerable reports, articles and editorials "approving", "supporting" and "urging" quick action to raise African wages.

In Johannesburg, individual members of the Johannesburg Chamber of Commerce set up a committee styled "The Association for the Improvement of Wages and Productivity of Bantu Workers". The Cape Chamber of Industries expressed the view that prevailing shortages of labour were due to low wage rates and suggested that industry should take the lead by asking for an investigation into unskilled Native wages.



Even the Government was stirred. In Parliament, the Minister of Labour announced on the 8th. May 1957, that he had drawn up a preferential list of 45 unskilled occupations for investigation and report by the Wage Board, as a matter of urgency.

Naturally, everyone — including the workers themselves — believed that before long there would be a general increase in the wages of low-paid workers. The Johannesburg Chamber of Commerce gave emphasis to this belief by taking over the burden of the increased bus fares as a temporary measure.

In this atmosphere of hope and expectancy the bus boycott was settled.

## What The Record Shows

That was two years ago. It is therefore not too soon to review the progress made. Considering all factors, and especially the absence of resistance on the part of employers, it would be logical to expect some striking upward movements in wages of unskilled labourers.

However, the record shows that wages remain at shamefully low levels. A few (and it is necessary to underline *few*) employers have given their unskilled employees increases in pay. While such employers are to be commended for what they have done, it should be pointed out that even *their* fortunate employees are, in most cases, still earning less than a living wage.

Obviously, in our competitive society, it would be unfair to expect one, or a few, employers to raise wages to proper levels, if their greedy competitors are not compelled to do likewise. This compulsion can be exerted through wage determinations and industrial council agreements, which are legally binding upon all employers in their respective undertakings.

## The Industrial Councils

Yet, if we look at recent industrial council agreements, we find that even where employers do protect themselves against unfair "low-wage" competition by way of collective bargaining agreements, they are slow to raise the wages of employees in the lower categories of occupations.

It is necessary to stress this because all industrial council agreements are extended to include African workers. Although they have no say in the making of these agreements, more Africans are governed by them than are other workers. The latest figures show that industrial council agreements apply to the following numbers of workers:—

Whites .....	123,178
Coloureds .....	73,206
Asians .....	24,731
Africans .....	242,915

In a few cases, industrial councils have made improvements in wages. Unfortunately, these are hardly more than the rise in living costs, since the cost-of-living allowances were pegged.

On the face of it and in relation to wages previously earned, some of these increases appear to be substantial. When measured against the minimum essential needs of working-class families, they do little to eliminate poverty from the lives of these people.

One of the more generous increases is being written into the recently-renewed industrial council agreement for the Printing & Newspaper Industry. Unskilled labourers will get an increase of 10/- per week on their basic pay. This will lift them into a higher cost-of-living allowance bracket, bringing them a total wage increase of 14/- per week.

This is almost 25% more than they were getting. This rise in pay seems to be large enough. It is when one looks at the wage itself, that one realises its inadequacy in relation to the minimum needs of an urban working-class family.

Under the 1956 Agreement, unskilled workers in the Printing and Newspaper Industry were paid £2-0-0 per week basic wage, plus 18/3 cost-of-living allowance, making a total of £2-18-3. From the 1st July next they will get £2-10-0 basic wage plus £1-2-3 C.O.L.A., giving them £3-12-3 in all, or £15-13-1 per month.

Another industrial council agreement which is now being renewed, and which will bring higher wages to unskilled workers, is that in the engineering industry. Employers will have the option of paying these workers either one penny an hour more on basic wages, or alternatively, an increase of 5/9 per week on cost-of-living allowances.

Here again, it is necessary to look at the new wage in relation to the minimum needs of life. The increase will lift the total weekly earnings of these workers from 51/3 to 57/-, giving them a monthly income of £12-7-0.

While dealing with engineering workers, it should be pointed out that those in the higher categories are protected against the continued rise in living costs by a sliding scale of cost-of-living allowances. Those who earn least (rates 8 to 12) receive only the allowances under War Measure 43 of 1942, which were pegged in March 1953, since when living costs have risen by 17%.

Employers are finding it difficult to break from the poverty wages of the past. They cling to old starvation standards as the yardstick for wage increases. Worse still, some employers cannot be moved to grant their employees any increases whatsoever.

## New Wage Determinations

As far as the Government is concerned, the record is appalling. In the two years since the Minister of Labour boasted of his preferential list of 45 occupations, the Wage Board has completed a mere eleven investigations, of which only seven have been published by the Minister as Determinations binding upon employers.

The awards by the Wage Board contribute nothing towards raising unskilled workers out of the rut of poverty. None of the Determinations made so far can be said to have brought relief to poverty-stricken workers. If anything, they barely maintain the status quo.

For those who would prefer to judge for themselves, it would be well to examine the four Wage Determinations published during the year 1958. These are the wages they prescribed for workers in the lowest categories of employment:—

	<i>Total Wage including COLA.</i>	
	PER WEEK	PER MONTH
<i>Milling Industry ..... (Wage Determination No. 178 of 21/3/58).</i>	£3- 3- 3	£13-14-1
<i>Fruit and Vegetable Canning Industry ..... (Wage Determination No. 179 of 7/11/58).</i>	£2-11- 9	£11- 4- 3
<i>Food Industry ..... (Wage Determination No. 180 of 7/11/58).</i>	£2-11- 9	£11- 4- 3
<i>Bread &amp; Confectionery (Wage Determination No. 181 of 21/11/58).</i>	£2-18- 3	£12-12- 4

These figures, viewed alone, are appallingly low. Yet they enhance a most unattractive picture. To be fully appreciated, they must be examined first in relation to the circumstances of each case and second, in relation to living costs today.

For example, the wage determination for the Fruit and Vegetable Canning industry contained wage rates that were in fact less than those which employers were paying. In terms of a Conciliation Board agreement dated August 1957, employees in the Cape were actually being paid £13-15-2 per month when the Wage Board made its recommendation of £11-4-3.



This peculiar result is produced because the Wage Board uses the old legal minimum rates as a yardstick, and does not seem to be influenced by the fact that the old rates were disgracefully low and in most cases were fixed ten to twenty years ago.

In the case of the Canning industry, the previous determination was dated 1944. In the fifteen years following, the workers, by strike and other action induced their employers to pay more than the legal minimum. Notwithstanding this, the Wage Board preferred to fix lesser rates.

In the case of the Milling workers, these employees had succeeded by strike action in November 1957 in winning an increase of 6/9 per week, which brought their total wage up to £3-5-0 per week. The Wage Board, however, would go no further than to recommend a basic wage of £2-2-6 per week, plus £1-0-9 cost-of-living allowance, making a total wage of £3-3-3.

Why does the Wage Board show such unwillingness to concede workers anything more than the petty improvements that they have been able to extract from their employers by their own efforts?

The wage policy of the Board may seem niggardly to those who expected more generous recommendations from this body. It is only fair, therefore, to explain the attitude of the Board.

That can best be done in the words of the Chairman of the Wage Board, Prof. W. F. J. Steenkamp. He said at a sitting of the Board in East London on the 4th February 1959:—

*“ . . . the Board is faced with the tremendous problem in deciding in what stages the present wages of £10 to £11 per month should be raised to that figure (£23-10-11 per month) without endangering the economy of the country . . . If the increase was made in one jump, about 17 gold mines would close down immediately and a large part of the textile industry would disappear . . . These are only two examples of how the country's economy would be affected.”*

Obviously, on the basis of this assertion, the Wage Board has come to the conclusion that it cannot recommend a living wage for South Africa's lowest paid workers. The Board seems to have made up its mind that, however worthy it may be to recommend higher wages for the poor, the nation's economy cannot stand it.

But is it true that South Africa's economic survival depends upon poverty wages? Or that industrial progress is impossible if the mass of workers are raised above the breadline?

The attitude of the Wage Board dashes the hopes of all poverty stricken workers. Their expectations are not to be fulfilled.



## The Association for the Improvement of Wages and Productivity of Bantu Workers

What is more disappointing is that even the progressive-thinking employers who formed the Association for the Improvement of Wages and Productivity of Bantu Workers is now resigned to this unfortunate development.

In a public statement on the 16th April 1959, this Association welcomed the Wage Board recommendation for unskilled labour on the Witwatersrand and Pretoria, "as a valuable contribution to the better utilisation of Bantu labour". The Board proposed a total wage of £2-11-9 per week for workers in the employ of the Johannesburg municipality; they were getting £2-12-9. It proposed a total weekly wage of £2-7-3 for employees of the Peri-Urban Areas Board; they were getting £2-7-9. The Association commented:—

*"... the new minimum rates are still substantially below what is necessary for workers with families to maintain an acceptable standard of living. We recognise, nevertheless, the danger of raising minimum wage rates more sharply than could be compensated by improved labour utilisation".*

The Association suggests that the new rates should be reviewed "at least every two years" and adjusted until they are at a satisfactory level.

This is a surprising proposal from knowledgeable business men. They know that there will be no incentive for either the employers or the Government to assume the responsibility for such periodic revision, unless there is considerable pressure from workers or a severe labour shortage develops.

Unfortunately, at this very moment there is a rising tide of unemployment. As is usual when there are more workers than jobs, the tendency is to depress wages, rather than increase them.

Employers in many industries, who were paying their employees more than the legal minimum wage, are now taking steps to bring all wages down to the minimum. Those workers who show a reluctance to accept these wage cuts are replaced by others who are waiting for jobs in the unemployment queues.

The strange progress of the Association for the Improvement of Wages and Productivity of Bantu Workers is distressing to those who believed that this group would exert a beneficial influence upon employers generally.

In a recent public statement, the Association declared that *"it is impossible for an urban African family of five to live on a civilised and economic basis on an income of under £23 a month"*, yet praises the latest Wage Board recommendations, saying, *"... now reports from the Board reflect realistic and progressive views on unskilled labour utilisation"*.

On Page 7 I have listed the four Wage Board Determinations which were published in 1958. Does the Association seriously contend that these are "realistic and progressive"?

Despite the disappointment of this compliant attitude on the part of the Association, perhaps we should be encouraged by the news that this body of employers intends to carry on their campaign for higher wages. According to the "Star" of the 4th June, 1959, one hundred employers now belong to the Association, which is appointing a full-time Specialist-Director from September next and planning a big propaganda and publicity drive.

## Productivity

As its name signifies the Association is equally concerned with the question of "improved utilisation" of African labour. "Utilisation" connotes employers' responsibility, but thus far all emphasis has been placed upon "productivity", as though the fault lay with the workers.

In Parliament on the 22nd May, the Deputy Minister of Labour declared that "the productivity of the worker must be taken into account as a basis for any increase in wages." He argued that if this were not done, a state of inflation would be brought about. He sneered at Commerce for pleading for an increase in the wages of African workers, saying, "the large mass of natives are not employed in the business world, but in the industrial world". The Deputy Minister of Labour found this is a good reason for defending low wages, declaiming that industrialists could only increase wages if the workers produced more.

In South Africa, where the colour bar and job reservation have become cornerstones of industrial law, such talk of productivity is odd. In any case how does one measure the productivity of unskilled workers, — those who fetch and carry, clean the floors, hold the tools and stand by to help skilled artisans?

Let us take the very case to which the Association has referred, that of unskilled workers on the Witwatersrand. Have members of the Association watched the "Dirt Boys" of the Johannesburg Municipality doing their job? They work on the run every hour of their working day. I am sure that nowhere else in the world do rubbish removers carry as much in a day as the Johannesburg men.

Yet their wages are one-quarter or one-fifth of what is paid to their counterparts in Australia, Britain, the U.S.A. or Canada.

There are, of course, many operatives and semi-skilled workers earning poverty wages. Their productivity is easier to measure by overseas standards. A factual analysis of productivity and wages for each industry, here and overseas, would very likely show South African wages in an even worse light. It might even provoke protective tariffs against some South African exports on the grounds of "sweated labour."

## Cost-of-Living Allowances

The wages laid down in the latest Wage Determinations take no account of the fact that statutory cost-of-living allowances have been pegged for the past six years, while living costs have continued to rise. All unskilled workers are paid cost-of-living allowances on the scale fixed under War Measure 43 of 1942. These allowances were pegged in March 1953, when the Retail Price Index stood at 188.9. The March 1959 Index figure of 221.5 shows that living costs have risen 17%, which means that the value of the 1953 £ has fallen to 17/-.

It means that the unskilled worker in receipt of a total weekly wage of 50/- in March 1953, now requires 58/6 per week to enable him to maintain the same living standard he had then.

In the two years since the bus boycott, while workers waited with trust and patience, for a betterment in wages, they have been subjected to many new demands upon their purse. Tram and train fares have been raised, the prices of bread, milk and other necessities have gone up, rents cost more and African workers are being called upon to pay higher taxes.

Not all these added expenses are reflected in the official guide to living costs. Nevertheless, in the two years referred to, the Retail Price Index has jumped from 208.9 to 221.5 — a rise of about 6%.

These factors must be borne in mind when assessing the new Wage determinations.

## Poverty Datum Line

At the height of the bus boycott, the pleas for increased African wages were widely supported because the public became more aware of African poverty.

A survey by the Institute of Race Relations showed the widening gap between the incomes and minimum essential expenditure of African families in the main centres of the Union. The survey revealed the alarming fact that in 1954 the total monthly



income of an average urban African family of five persons in Johannesburg was £15-18-11, while their essential minimum expenditure was £23-10-4.

The extensive information contained in the Institute's report was widely quoted and accepted as complete justification for immediate and large increases in African wages.

Since 1954 the cost of essentials has risen to such an extent that the poverty datum line must now be nearer £27-10-0 per month.

The general poverty of urban Africans was established by an official investigation made in 1956 by the Johannesburg municipality, which disclosed that 87% of the African families in Johannesburg had total incomes of less than £25 per month.

## Summary

From what has been shown here, the present situation on the wages front can be summarised as follows:—

1. Notwithstanding the encouraging atmosphere for the improvement of low wages, especially following upon the bus boycott of 1957, there has been little change.
2. Although a few employers have raised wages in their own establishments, rates remain generally low. Collectively, employers have been slow to concede pay increases, industrial council agreements showing no appreciable improvements in the wages of semi-skilled and unskilled workers.
3. The Association for the Improvement of Bantu Wages and Productivity has not fulfilled expectations as far as wages are concerned. It has no major achievements to its credit and now seems to be satisfied with the parsimonious policy of the Wage Board.
4. The Wage Board is displaying a disappointing reluctance to set the pace in raising wages. The recommendations which it has made so far demonstrate that workers can expect little relief from the Board, which seems to be tormented by the peculiar fear that a living wage for all workers would ruin the country.
5. The cost of living continues to rise while cost-of-living allowances remain pegged at March 1953 levels.
6. Rising unemployment constitutes a new threat to wage rates.



## What Is To Be Done?

Something must be done to remedy this unhappy state of affairs. Consideration of the problem emphasises the unfortunate position of the workers themselves.

All underpaid workers must be helped out of the rut of poverty. In the peculiar circumstances of South African society, it is easier to take action in regard to White and Coloured workers than it is for Africans.

African workers are limited by many restrictive laws and regulations, which make it impossible for them to use the normal processes in employer-employee relations. Trade unionism is still foreign to most of them, not because they are hostile to such organisations but because the Government makes trade union membership almost impossible.

Unlike other workers, Africans cannot retaliate in the normal way against legislators who enact bad labour laws. They cannot vote the lawmakers out of office because they are excluded from the right to exercise democratic action through the ballot box.

Strike action is a serious criminal offence, punishable by a maximum penalty of £500 and three years' imprisonment. By means of one "Native" law or another, employers and the Government can impose summary punishment upon those who fight for a living wage.

In these circumstances, it is only right that more fortunate South Africans should come to the aid of these workers. This should not mean that the workers should make no effort themselves. In the long run, it will be largely by their own efforts that they will gain higher wages and better treatment.

It must be made quite clear, however, that the shame of poverty wages could be wiped out tomorrow if organised employers and the Government would face up to their responsibilities.

There is no sound reason why employers' organisations cannot take action to raise the wages of the poorest workers, and so enable them to live on a decent standard.

Nor is there anything to prevent the Government legislating for a National minimum wage, applicable to all workers, if employers fail to do the right thing by the employees.

This does not exonerate other sections of the community. They have their responsibilities, too. The issue is one of general concern, and everyone can do something.

The following are some of the practical steps that can be taken to assist in eradicating the shame of poverty wages in South Africa.

## WHAT PEOPLE ARE SAYING

*"The principle of increasing Native wages has the support of European Trade Unions . . . ."*

Mr. L. J. van den Berg — General Secretary,  
Yster- en Staalwerkersvereniging.

+ + +

*"A rise in Native wages would be of direct benefit to municipalities . . . an adjustment of the minimum wage levels is long overdue."*

Mr. M. H. O. Kloppers.  
Mayor of Randfontein.

+ + +

*"It is impossible for any worker to live and support his family on less than a basic minimum of £1-0-0. per day."*

South African Congress of Trade Unions.

+ + +

*"The present wage scale is hopelessly inadequate — every effort must be made to raise wages and there is a strong moral obligation on employers of African labour to take all possible steps to this end."*

Johannesburg Catholic Federation.

+ + +

*"It is our confirmed opinion that the wages of too many workers are too low."*

South African Trade Union Council.

## WHAT PEOPLE ARE SAYING

*"Bold and immediate steps are needed to increase unskilled wages."*

Johannesburg Chamber of Commerce.

+ + +

*"Farmers, industrialists and business men will benefit from an increase in Native wages —"*

Mr. H. Goldberg.

Chairman — Association for the Improvement of Wages and Productivity of Bantu Workers.

+ + +

*"... Those who are pressing for a rise in African wages at the present time are doing nobody a service . . . To speak of increasing African wages under present conditions is only to raise false hopes."*

Mr. E. Klopfer.

President — Transvaal Chamber of Industries.

# POVERTY WAGES

## **The Government Blames . . .**

"I want to reproach certain local authorities. The Wage Board found that the local authorities although the wage determination was already 15 years old, were still paying the minimum wage only . . . Have these people no feelings? Must they always be forced by law to do these things?"

SENATOR J. DE KLERK,  
Minister of Labour.  
22/5/59.

## **. . . and Defends**

"To plead that you must pay the Natives who are employees a 'civilised wage' means only one thing in this country — White wages. To want to pay Natives White wages fails in the first place to take account of their productivity; in the second place it does not take their living standard into account."

MR. M. VILJOEN,  
Deputy Minister of Labour.  
21/5/59.

## **Progressive Employers Admit . . .**

"The new minimum rates (recommended by the Wage Board for unskilled labour) are still substantially below what is necessary for workers with families to maintain an acceptable standard of living . . . it is impossible for an urban African family of five to live on a civilised and economic basis on an income of under £23 a month."

## **. . . and Excuse**

"The Association nevertheless recognises the danger of raising minimum wage rates more sharply than could be compensated by improved labour utilisation."

The Association for the Improvement of Wages  
and Productivity of Bantu Workers.



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