

COPY OF FULL STATEMENT ISSUED TO THE PRESS ON FRIDAY, 15TH DECEMBER BY MR. FLEMING.

CITY COUNCIL TO INCREASE NATIVE WAGES.

In recommending last June that the sum of R400,000 should be provided in this year's Council Estimates for increases in pay to its Non-European employees - especially the lowest paid group - and speaking as Chairman of the Management Committee of the City Council I expressed concern that even this large commitment did not, in my opinion, bring their wages up to a satisfactory level. An assurance was then given, and subsequently repeated by me at Council meetings during the past few months, that this matter of wages to the labourers employed by the Council was under the most urgent and serious consideration by the Management Committee who had however to consider all the factors involved in this tremendously large and important question. I assured the Council on more than one occasion that as soon as it was in a position to do so the Management Committee would make further recommendations.

The Management Committee has had many meetings and consultations in this matter over the past few months and has also had before it reports from various organisations which had been asked to advise the Council in this matter.

I am now pleased to say that the Committee has completed the first of the many stages of its investigations and as a result intends to submit a report to the January meeting of the City Council recommending certain increases in pay and allowances especially to the lowest paid groups of labourers. I am happy to say that these proposals will receive the unanimous support of all the United Party City Councillors.

The Council employs roughly twenty-thousand Bantu men and women, therefore each 10 cents a week increase in pay will involve something like R100,000 extra cost to the City each year. 95% of these employees are

engaged in a wide variety of daily paid occupations ranging from completely unskilled labouring jobs through various gradations to more skilled and supervisory posts. The balance are employed in Salaried Staff positions which again cover a wide range of clerical, semi-professional and professional activities. The total amount paid out by the Council to its Non-European staff exceeds R8,000,000 per annum, of which well over 90% is paid to the daily paid groups.

Minimum wage scales payable to the unskilled Bantu daily paid employees are prescribed by the Wage Board and it should not be overlooked that the Council has in recent years consistently directed its attention to the welfare of its Non-European employees. This is shown by the fact that -

- (1) from 1st July 1957 to the 30th June 1958 the Council voluntarily increased the minimum wage by 6/- per week at an additional cost of £285,000 per annum. (R570,000).
- (2) from the 1st July 1958 the Council again voluntarily improved this basis by a further 4/- per week at a cost of £195,000 per annum. (R390,000).
- (3) on the 17th August 1959 the Wage Board prescribed a new minimum wage but as this was below the actual figures being voluntarily paid by the City Council of Johannesburg it decided to continue paying the higher wages.
- (4) on the 17th August 1961 the Council increased its wage rates to the extent of 22½ cents per week in excess of the minimum laid down as from that date by the Wage Board at a further additional cost of R216,000 per annum. The Council is at present paying a minimum wage to approximately 10,000 adult male Bantu labourers of R6-05 per week against the prescribed minimum of R5-82½ per week.

An analysis of the above figures indicates that in keeping with its policy the City Council of Johannesburg has between 1957 and this year maintained the level of wages of its lowest daily paid employees above that prescribed by the Wage Board at a very considerable additional cost to the ratepayers.

As the result of the work done during recent months the Management Committee will now recommend to the City Council at its meeting in January that as from the beginning of February 1962 the minimum basic wage of its lowest paid labourers should be increased to R6-71 per week which will be possible at this stage without passing this burden on to the ratepayer. In addition incentive bonuses of various amounts will be earned by a number of these employees.

In the next category of approximately 5,000 labourers who are at present earning R6-38 and R6-82 per week against the prescribed minimum of R5-82½, the recommendation will be that their wages rise to R7-04 per week plus, where applicable, incentive bonuses of various amounts.

The remaining 3,500 daily paid employees are at present being paid weekly wages ranging from R6-82 to over R20-00, and the lower of these groups will also participate in these increases.

The recommendations of the Management Committee ensure therefore that the lowest paid Non-European labourers in the Council's employ will, as from the beginning of February next earn a minimum basic wage of R29-08 per month which will represent an increase of over 10% in their present wages. In addition the Council provides these labourers with accommodation in the City at a charge of 20 cents per week. Other Non-Europeans who live in Hostels in the Native townships pay a charge of R2 per month for their accommodation and also have to pay rail fare from the townships to the City which varies between R1-73 and R2-20.

The total cost of these proposals to the City will be of the order of R560,000 per annum. Part of these increased costs will be met by slowing down slightly Capital Works but the major portion of them must unquestionably fall on the Rate Fund and great care has had to be taken in order to see that this Fund is not overburdened beyond its capacity in carrying these increased charges without causing great hardship to the average ratepayer and home owner.

The Management Committee will assure the City Council in January that it will continue to give this matter priority and that it intends each year in the future to make such provision for further increases in the rate of pay to the Council's Non-European employees as may be found possible. It must, however, be recognised that each additional cent per hour increase granted to its Non-European Staff involves the Council in something like R450,000 per annum in additional cost and yet only gives the worker an increase of less than R2-00 per month. It is important to bear in mind that such increases cannot be borne entirely by the average ratepayer and home owner. The introduction of Incentive Bonus Schemes, the improvement of the efficiency and the better utilisation of the labour force of the Council and the development of improved methods of supervision are all matters which are at present being actively pursued by the Management Committee and it is hoped that these measures will provide for the City a better paid, contented and efficient labouring class.

Every endeavour will be made to keep the total wage bill within reasonable limits as the Management Committee is well aware that the ratepayer must be called upon to bear an additional $\frac{1}{8}$ cent in the rand in the rates for every R500,000 per annum increases in wages and costs.

Finally a further indication of the Council's attitude to its Bantu workers is that, since 1941, it has operated a non-contributory gratuity

scheme for its daily paid workers which is unique in local government in this country. This scheme has recently been considerably improved. Moreover, in January 1961, the Council inaugurated a Pension Scheme for its Graded Bantu employees which is as beneficial as any of its kind in the country.

15th December 1961.

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