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THE URGENT NEED FOR A GENERAL INCREASE IN WAGES
PARTICULARLY FOR THE LOWER PAID CATEGORIES OF WORKERS AND
A NATIONAL MINIMUM WAGE OF £1 A DAY.

A MEMORANDUM FROM THE SOUTH AFRICAN CONGRESS OF TRADE UNIONS.

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FOR THE LOWER-PAID CATEGORIES OF WORKERS, AND A NATIONAL
MINIMUM WAGE OF £1 A DAY

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1. The living standards of the Union's working population, especially of the African, Indian and Coloured people, have for many years been far too low to afford the amenities of nutrition, housing, health, culture and recreation which can and should be provided by a country of comparable economic development. But over the past decade even these minimal standards have seriously, indeed dangerously, declined. With the steady advance of prices of essential commodities and services, unaccompanied by any corresponding advance in the level of wages of low-income groups, real wages and hence living standards have gone down to an extent which menaces health and efficiency and places intolerable pressures and burdens on the working man. It is essential to the progress and peaceful development of the country that immediate steps be taken to bring about a substantial increase in the wages of all groups of workers, especially those in the lower paid categories. In particular, it is urged that a National Minimum Wage of £1 a Day should be instituted forthwith.

2. THE COST OF LIVING.

For the purpose of this Memorandum, the period 1948-1957 has been taken as a basis of comparison. While in no way conceding that the wage rates prevailing in 1948 were in any way commensurate with a proper return to labour, we shall show that the past decade has been one of steeply declining living standards even from that unsatisfactory level.

In this connection the "Retail Price Index Numbers" issued monthly by the Bureau of Census and Statistics in Pretoria cannot really be taken as an adequate reflection of actual living costs for the lower-paid categories of workers. The Industrial Legislation Commission Reports conceded that it "cannot be accepted as an index of the cost of living of Non-Europeans." The Index was based on a study of middle-income European family budgets conducted in 1936. It showed, for example, that the families included in the survey spent 37.4% of their expenditure on food. But surveys of Non-European expenditure (conducted, for example, by the Natal University in 1951, and by the Witwatersrand Bus Service Commission in 1944) showed that from 55.6% to 78.1% of expenditure is spent on food. Moreover, the articles of food bought by the middle-income households covered by the Government's survey have shown marked price increases. For example, while bread increased by 40% from 1939 to 1949, mealie meal increased by 177%, potatoes by 284% and rice by 346% in the same period.

Food in general advanced more in price than other commodities⁺ in the period under review; and the articles of food most used by lower-paid groups increased more in price than those used by the middle-income groups covered by the Government's figures. Therefore, in considering the increase shown by the "Retail Price Index" a considerable upward revision should be made in calculating the increases as they affect the African and other Non-European groups of lower-paid workers.

Therefore, while the "Index" reflects the increase of 44 per cent (all items) and 56 per cent (food) between 1948 and 1957, the actual increase as it affects the average Non-European family is far steeper. It would not be an exaggeration to place it between 65% and 70%.

+ Weighted average of nine areas (.938=100) from the Retail Price Index
April 1949: Food: 245.1: All Items: 208.9

3. WAGES OF "UNSKILLED" LABOUR.

Many agreements and wage determinations provide wage-rates for what are referred to as "general workers" or "unskilled workers". It should be mentioned, in passing, that many of the workers so designated require, in fact, a considerable degree of aptitude or training. Anyone engaged in industry will testify to the fact that a very large proportion of the operations performed by the so-called "general labourer" require fairly lengthy experience and instruction, and most manufacturers would agree that if they suddenly had to be faced with the necessity of turning over the work usually performed by such labourers to an entirely new body of men, their production would fall disastrously and take a long time to recover.

The S.A. Congress of Trade Unions believes that an upward revision of wages is urgently necessary for all categories of workers. At the same time it proposes in this Memorandum to concentrate its attention on the wage rates paid to the lowest paid categories of workers, because their plight is the most desperate and urgent.

Not only are these wage rates absolutely and disgracefully low, but in many cases they show an absolute decline as compared with the 1948 level even if one uses the Bureau of Census and Statistics Index as a yardstick.

As an example, we take four fairly representative industries (Chemical, Commercial Distributive, Engineering and Motor) with their wage rates of 1948, as laid down in various agreements and determinations as compared with the present level. (The figures apply to the Witwatersrand-Vereeniging-Pretoria areas and include, in all cases, cost-of-living allowances).

<u>INDUSTRY</u>	<u>1948</u>	<u>1957</u>
Chemical	£2. 3. 0. p.w.	£2. 11. 9 p.w.
Commercial Distributive	£2. 8. 0. p.w.	£2. 18. 3 p.w.
Engineering	£1.18. 0. p.w.	£2. 11. 3. p.w.
Motor	£2. 7. 0. p.w.	£2. 16. 7. p.w.

Average of 4 groups: 1948: £2. 4. 0. 1957: £2. 15. 1.

Increase in money wage: 25 per cent.

Increase in cost-of-living according to Index: 44 per cent.

Calculated real increase in cost-of-living for African workers in the Rand-Pretoria-Vereeniging area: 65 per cent.

It will thus be seen that for these workers, wages have failed to keep pace with increased prices and expenses by between 20 and 40 per cent. In other words, their real wages have fallen by a substantial amount.

When it is remembered that employees in this category are in any case living in conditions of desperate poverty, the effect of a further cut in living standards must find its reflection in a disastrous reduction of essential expenditure, particularly on food. As Miss Olive Gibson writes, as long ago as 1954:+

"The cost of the minimum food requirements has risen by 29 per cent, since 1950 and would absorb 94 per cent of income if actually purchased. As other items of expenditure

+ "The Cost of Living of Africans." S.A. Institute of Race Relations, 1954.

are unavoidable, the cost of these is met by cutting food expenditure down to well below the minimum required for the maintenance of health and substituting, within the reduced amount, quantities of cheap starchy foods in place of those necessary to build up health and efficiency."

"The need to increase the unskilled wage level is clamant."

The urgent need for substantial increases in the wage levels of unskilled workers has been widely acknowledged. The Johannesburg Chamber of Commerce, the Mayor of Johannesburg, Mr. Max Goodman, the Manager of Non-European Affairs of the Pretoria Municipality and many other responsible persons have condemned the low level of wages. The Journal, "Commercial Opinion" which expresses the employers point of view declared in its issue of March, 1957, that there was an average shortfall of £7. 11. 5d. between the monthly income of unskilled workers and their minimum expenditure requirements. It commented:-

"These figures are stark and simple. There is no way of juggling them to belie the story they tell... In general, the consequences are misery, malnutrition and a dangerous state of mind."

Early in 1957, the newspaper, "Umteteli wa Bantu", which is owned and published by the Chamber of Mines conducted a survey of income and expenditure of African families. Its conclusion was that an income of £31 per month was necessary for adequate and decent living for a family of five in a Johannesburg African Township.

It is not only the unskilled workers to whom these considerations apply. African and other non-European workers doing skilled and semi-skilled work, as machine-operatives, building and a number of occupations for which skilled rates should apply, are earning wages grossly less than those paid for similar types of work in other countries, or to European workers doing analogous work in South Africa. Their wages are little better than those paid to the "general labourers". In the Native Building Workers' Act rates of pay for skilled work are laid down at 2/2d per hour, far below the rate for European artisans in identical occupations.

4. DISABILITIES OF NON-EUROPEAN WORKERS.

In addition to - and related to - the disgracefully low wage levels prevailing for African and other non-European workers, we must draw attention to a number of other serious disabilities under which they suffer.

African, and to some extent Indian and Coloured, workers find it almost impossible to gain entry to the higher-paid categories of employment. Engineering, fitting and turning, welding and innumerable other attractive avenues of employment are closed to them by reason of their race alone, although it is beyond reasonable argument that they are fully capable of entering any trade and profession. Legal and customary restrictions of many kinds, usually referred to as colour bars, restrict Africans in particular to the lowest-paid and most unattractive types of employment.

The pass system acts as a powerful machinery to depress African wage rates, to prevent free movement of labour on the labour market and direct the flow of African labour into channels - for example work on farms and mines - which provide extremely low remuneration in return for extremely unattractive and arduous work under unpleasant conditions.

Given a free choice, such employers would be unable to obtain voluntary labour.

The industrial legislation of the country discriminates fiercely against the non-White workers. Africans are specifically excluded from the provisions of the Industrial Conciliation Act, which also discriminates against Indian and Coloured workers by facing them with the equally injurious and unacceptable alternatives of splitting away into weak and ineffective racial unions, or submitting to all-white leadership in mixed unions in which they would not enjoy real membership rights. The Native Labour (Settlement of Disputes) Act which is a disgraceful blot on the Statute Book, not only deprives the majority of South African workers of the universally recognised right to collective bargaining, but also aims to get the Native Labour Board to intervene in every dispute with the sole object, as is evident from every instance of its activities, of frustrating the African's claim to higher wages, even when the employers are prepared to concede such increases. +

For all these grievances and disabilities, the non-White population groups as citizens enjoy no means of constitutional redress. In a country where the majority of the working people enjoy democratic representation in the legislature, conduct such as the Labour Department's intervention in the Port Elizabeth dispute referred to above, would undoubtedly lead to a change of Government at the next General Election. But in South Africa, workers, when they attempt even to express their grievances by peaceful and legal means are treated like criminals and outlaws, as witness the State and police reaction during the recent Johannesburg buy boycotts and in scores of industrial disputes involving stoppages of work.

It should not take much imagination to see that this situation contains all the elements of danger to the stability and the economy of the country. The workers, especially the low-paid sections, are placed under absolutely intolerable pressure by the "pincer-movement" of steadily increasing living costs and an absolute decline in their already grossly inadequate real wages.

5. INDUSTRIAL LEGISLATION DOES NOT PROVIDE SOLUTION.

The framework of the legal collective bargaining and wage regulating machinery of the country has proved entirely unsuitable and useless to cope with this problem. It has been suggested in certain quarters that the institution of Wage Board or Native Labour enquiries could remedy this widely recognised problem. Apart from the cumbersome and slow-moving nature of such legal procedures, repeated unsatisfactory experiences have convinced the workers and the trade union movement that they cannot hope for any real relief from such machinery operated by a Government which has repeatedly demonstrated its fixed hostility to any substantial increase in the wages of low-paid categories of workers.

Employers of labour cannot evade their responsibility in this matter by proposing State investigations. The only way in which the present tense and dangerous situation can be relieved is through direct negotiation now for immediate and substantial increases in the wages of the low-paid workers.

6. THE S.A. CONGRESS OF TRADE UNIONS' PROPOSALS.

The S.A. Congress of Trades Unions wishes to point out that, as borne out by the body of this memorandum, the country is faced with a serious emergency situation, which only emergency measures can meet.

+ A notorious example occurred during the recent Port Elizabeth dock dispute when the Chairman of the N.L.D. Mr. Mentz, instructed employers to withdraw an offer of 3s. increase per day after they had already agreed to such an offer. (Report in "Hansard" - May 10, 1957).

- (a) We propose an immediate and substantial increase in wages of all categories of workers.

We by no means regard the level of wages provided in 1948 as adequate. But, in order to provide for the increase in the cost of living (which, as pointed out in section 2 above, is not truly reflected in the State Cost of Living Indices) we are of the opinion that in no case should current wages be at a rate less than twice the level prevailing in 1948.

We wish to make it clear that the proposed increase is not meant to provide only for the very lowest-paid categories, covered by our second proposal (see (b) below). Workers doing semi-skilled and skilled work, particularly non-European workers carrying out operations equivalent or nearly equivalent in skill to those performed by European workers, should receive wages commensurate with those paid to European workers.

- (b) We propose the immediate payment of a minimum wage of not less than £1 a day for so-called "unskilled workers".

It should be clear from what has been said in the body of this memorandum that it is impossible for any worker to live and support his family at today's prices on any amount less than a basic minimum of £1 a day. Irrespective of the type of work done, no worker should receive less.

Where, as on mines, municipal, railway and domestic service and many other kinds of employment, food and/or quarters are provided by the employer and deducted from wages we propose: -- that such provisions by the employer should be optional for the worker - i.e. he should have the right to receive his full cash wage in lieu thereof:

- (c) we propose that all employers recognise and conduct direct negotiations with trade unions, including trade unions of African workers, without interference by the Native Affairs Department, the Labour Department or the Central or local Native Labour Boards.

We do not believe that this proposal requires any involved discussion or explanation. The principle of collective bargaining is universally acknowledged in all modern civilised countries. It has long been familiar to South African employers so far as "registered" trade unions are concerned. Any further delay in extending this principle to the majority of the workers in this country, in practice, if not in law can only lead to an increasingly explosive situation to the detriment of employers and employees alike.

7. A MATTER OF EXTREME URGENCY.

The proposals submitted in this memorandum have the unanimous approval not only of the 30,700 members of trade unions affiliated to the S.A. Congress of Trade Unions, but also of tens of thousands of workers throughout the country to whom they have been submitted in innumerable meetings, large and small.

In placing them, as we now do, before the various Chambers and Associations of employers, we wish to stress the extreme urgency of the issues which are involved. The bus boycotts and other incidents which have occurred in recent months are a striking demonstration of the desperate position in which the workers of our country find themselves. They are patient and long-suffering people, but their patience is not inexhaustible.

We urge upon all employers that they should heed this urgent appeal to seek peaceful and amicable solutions now, before hundreds of thousands of S.African workers are driven to seek remedies whose immediate consequences may prove unfortunate for the economy of the country. The S.A. Congress of Trade Unions is willing to meet Employers' Associations immediately to discuss the above proposals, in order to facilitate direct negotiations with workers or trade unions concerned.

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