

Hages and

Working conditions

1975 - 1976

AFRIKAANSE INSTITUUT VIR RASVERHOEDING

POSBULE 97, JOHANNESBURG

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THE BLACK WORKER OF SOUTH AFRICA

G.M.E. LEISTNER
W.J. BREYTENBACH



PRETORIA
1975

INSIDE MAIL LOOKS AT INFLATION AND YOUR PAY PACKET

JOHANNESBURG'S effort this week to close the dreaded wage gap in the municipal budget for the coming year shows basically how uncloseable the gap really is.

The city had two major factors running for it:

- A far lower existing wage discrepancy than the South African norm;
- A firm policy to narrow the gap, uncomplicated by the profit questions which apply in industry.

It tried hard. Yet still its success was strictly limited. Overall, the gap widens. The 17 500 Africans, Indians and Coloureds share a total in-

Trying to close an unclos

crease just a little lower than the amount divided among half that number of Whites.

In the case of comparable jobs the picture is more cheerful. Not that the gap has always diminished, but at least it hasn't often widened — and that is a feat in itself.

For example, in the top rate for a health inspector, the gap between White and African pay falls from R226 a month now to R157 from

next year. But then again, on bottom rate for the same job it increases marginally from R109 to R113.

For traffic officers, the gap at the maximum grade drops by R20 a month — to R103, and at the minimum by R1 to R61.

The pay of semi-skilled Africans — fork-lift drivers, sewer blockage supervisors, heavy plant operators, and so forth — varies from R27

Use an unclosable gap

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The pay of semi-skilled Africans — fork-lift drivers, sewer blockage supervisors, heavy plant operators, and so forth — varies from R27

to R46 a week. Almost all of them will get increases of about R13.

Whites in broadly similar or sometimes less demanding positions, such as public-convenience attendants and white-line markers, are earning between R44 a week and R74, and will go up by R11 and R14.

Where the gap does not change, the proportion of Black wage to White increases with each

successive increase in earnings, but there is still the question of the principle of paying people different wages for identical jobs solely on account of their colour.

Apologists for this practice have commonly justified it on two grounds — that Blacks pay less for necessary items and have a lower standard of living.

To its credit the City Council has neither sought refuge in these suspect arguments nor in the two other usual tricks of the trade — changing job titles to pass them off as lesser jobs than the Whites are doing, and bragging about high Black percentage increases in order to obscure rands and cents figures.

people & profits

PAY BAROMETER

Survey Circle is a network of national and regional surveys on salaries, wages and employment conditions. Conducted by Olof van Schalkwijk, Director, Contact Personnel Services, this network differs from conventional remuneration surveys in several ways:

- the data is compiled from selected companies comparable in size and function
- participants meet, conference style, to personally validate jobs being compared
- the results are computed immediately and issued at the end of the conference.

Because of this, the validity of the results is exceptionally high and the data is as current as the day of issue.

Specimen Pay Levels

A survey conducted at the end of May this year, representing companies employing 15792 salaried employees, 3927 White hourly-rated and 22825 Non-White hourly-rated employees, showed that:

- On the Witwatersrand the basic rate for junior typists is R223 per month, while experienced typists are earning R300 per month. Secretaries to senior managers are averaging R369 per month basic pay, and R397 per month gross remuneration inclusive of bonuses.
- On a National basis, junior personnel officers, with at least two years' experience of handling, for example, junior recruitment, are earning a basic salary of R528 per month and a gross salary of R581 per month (inclusive of bonuses and other perquisites). Non-White personnel officers are averaging a basic salary of R365 per month and a gross salary of R392.
- Nationally, an accounting manager, such as a cost and works accountant, who has more than 6 years' accounting experience and is responsible for the financial procedures for one factory or unit, is earning R806 per month basic salary and R908 per month gross salary.
- Average basic wage rates paid on the Witwatersrand for employees working a 45 hour week:

qualified welder	R2,24	per hour
qualified fitter	R2,52	per hour
and turner		
qualified electrician	R2,57	per hour
Non-White		
labourer	R0,55	per hour
Non-White operator	R0,77	per hour

The survey covers over 80 salaried jobs, including clerical/secretarial, EDP, personnel, marketing, design engineering and manufacturing functions, 12 hourly-rated jobs and employment conditions pertaining to African employees. The total report — compiled in an easy-to-read format — may be purchased through the IPM Services Department or through Contact Personnel Services.

People & Profits will publish extracts from future Survey Circle reports, as they become available, enabling readers to do spot checks on prevailing remuneration levels and employment conditions.



Ian Archibald of Putco . . . Giving workers a better deal pays off.

Putco pay up 100 pc in three years

By JULIAN KRAFT

PUTCO, the transport company which operates bus services on the Reef and in Durban for Africans is setting up a formal training scheme mainly geared to training African technical staff.

From next month it is also raising the wages of its 2 664 African employees — 1 400 of them drivers — by an average of 5 per cent.

Since mid-1972, when Putco's drivers on the Reef went on strike over pay, the wages of the company's African labour force has risen by an average of 100 per cent.

Ian Archibald, staff development manager of the company, said a training centre had been set up at its Wynberg bodyworks plant. Africans will be trained there in mechanical maintenance work.

Training at the centre will begin in about six weeks.

"We are also putting the training of our supervisors, inspectors and clerical staff on a more structured basis and will introduce formal training to supplement

the existing on-the-job training," Mr Archibald said.

Putco, which has had a training school for African bus drivers for many years, intends to apply before the middle of this year to have its training courses registered with the Department of Bantu Education, under the new Government industrial training programme.

Employers who run training schemes approved by the department are entitled to tax rebates through which they recoup most of their costs.

Mr Archibald said the company is using a battery of tests for selecting suitable candidates from among its employees for the technical training school. It hopes to have about 30 trainees when the training starts and to increase it to about 50 this year.

African training officers are also being trained.

On wages, Mr Archibald said that since last year the company had introduced twice-yearly wage reviews to ensure that wages were not overtaken by the cost of living.

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SUNDAY TIMES 16/2/75

20.2.75. RDM

Unions will press for

CoL pay ^{RDM} increases ^{20/2/75} this year

Staff Reporter
AGITATION from trade unions for cost-of-living compensation will intensify during the second half of the year, according to authorities interviewed in Pretoria yesterday.

Trade union leaders said they were shocked by the sharp increase in fertilizer prices. The limited Government concession to minimise the increase would have little effect on the expected escalation of food prices later this year, they claimed.

The South African Agricultural Union's commodity committees start a series of meetings in Pretoria next week at which price recommendations for the new season will be made to the Government.

Substantial increases will be requested for mealies, wheat, dairy products, meat and other commodities.

The trade unions fear South Africa is moving into another period of stagflation — a greatly reduced growth rate with a ballooning price structure.

Next month the Railways Artisan Staff Association meets for its annual congress in Port Elizabeth, and demands are expected to be made by delegates for swift compensation for CoL rises which, it is feared, will this year exceed last year's record of 14 per cent.

Soon after the Prime Minister announced pay increases throughout the public sector last year, the ASA executive told the Minister of Transport, Mr Muller, that it was dissatisfied with the 12 to 15 per cent increases granted its members. They had asked for 25 per cent.

They warned that they would press for the additional ten per cent during this year.

The only development which can stop the ASA making early demands for compensation, it was learnt, is if the administration agrees to a new job evaluation plan for artisans which would raise their pay and status.

The National Union of Distributive Workers is also pressing for a review of basic minimum earnings among 50 000 shop

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Shock survey on

August 17/3/75

African wages

A SHOCK report shows that an African with a Junior Certificate earns an average of only R19 a week, and a matriculant's average income is R26 a week.

The report is based on a survey by the SA Institute of Race Relations on job opportunities and wages paid to educated Africans in Cape Town.

The report states that the obstacles to better employment for educated Africans are prejudice, specific barriers such as job reservation, and the Government imposition of a 'Coloured labour preference' in the Western Cape.

The only fields in which it is possible for Africans in Cape Town to rise to top positions are teaching, the Church, Bantustan government representation or private medical practice.

JOBS CURB

There is also a "floor" to African employment — to the extent that if there is a suitable Coloured person available for the job, or the prospective employer's "quota" (determined by the Department of Labour) is full, an African may not be employed.

The survey found the following average weekly incomes for educated Africans:

JC, R19; JC and Diploma, R23.

Matric, R26; Matric and diploma, R30.

Degree, R56 — although the survey states that this figure is less reliable than the others as people with degrees were sometimes reluctant to supply the figures.

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How much should I pay?

Performance appraisal and its relationship to pay

Mof Lemmer, personnel consultant to several companies in the timber industry, discusses the importance of linking pay to results. In this article he outlines basic steps to make sure that performance appraisal fulfils this function

The inflationary trends that have hit the world in the last few years have brought the message that increased salaries and wages must be balanced by higher production levels. Gradually, the spotlight is being focused on the potential of the individual worker to improve his output — not to enable him to earn more in the future, but to justify the high salary or wage he is already receiving. This is especially true in South Africa where national statistics show that productivity levels are not increasing.

If management is to succeed in improving productivity through pay practices, particularly among the masses at labour level, it will have to place more emphasis on the question of appraising performance at regular intervals and ensuring that the results achieved determine earnings or increases granted.

However, before discussing the relationship between performance and pay, it is necessary to define each of them. Performance is the quality and quantity of effort that an employee contributes to the work he has to perform **and the results that he achieves**. Pay is the cash remuneration that an employee receives in return for work performed **and in accordance with set work standards**.

These definitions place emphasis on the achievement of pre-agreed results or standards by the employee and that he should receive a fair return for these achievements. It is important that this concept is understood because an attitude has crept into the boss/subordinate relationship which suggests that:

- the employee has a right to his pay for being present rather than for the results he achieves while at work
- the boss has to pay the market rate, and more, in order not to lose the pair of hands he has hired.

Factors influencing performance and pay

The figure overleaf illustrates the aspects that influence performance and pay.

PERFORMANCE

There are two aspects that influence performance in today's business life.

Effort

The first one is the quality and quantity of effort that the worker puts into the achievement of his tasks. This could be in the form of physical or mental effort. It can either be unsatisfactory, satisfactory or above commonly accepted standards. Depending on the degree that is achieved on this scale, productivity can vary.

Economic trends

The second is economic trends. An employee's effort may remain exactly the same during good or poor economic times but the result of his efforts can be vastly different depending on economic circumstances.

Performance is therefore not only the product of effort — it is the product of a combination of effort and economic trends.

PAY

Pay is influenced, in today's circumstances, by a great number of factors and not, as it is normally assumed, only by performance. Some of these factors are listed below.

Experience

Clearly, a person's experience in the type of work he performs has an influence on his earnings. Someone with 15 years' experience obviously qualifies for, and has earned himself, a salary that is higher than someone who has had only two years' experience in the same work.

Market pay trends

In an employment market like South Africa, where there is a shortage of skilled manpower, market pay trends have a very strong and sometimes over-riding influence. For example, if a particular skill is scarce, the principle of 'two hands are better than none' often dictates the rate of pay. The present shortage of skilled artisans fits into this category.

swamped with job applicants and his company keeps him busy with other things. He carries no real clout with the people who actually hire." If this is true, your application form is doomed to sit in the file for six months, untouched, and awaiting its ultimate fate in the shredder.

Interviews

The application form might be a time waster but it's the interview that scares many job seekers. Interviewers, in their superior position during an interview, have ample opportunity, if they wish, to be extraordinarily cruel through the frustration, humiliation and even open mistreatment of an applicant. Their personnel interviewing handbook contains chapters entitled '19 questions to ask that quickly spot strong or weak points' or 'Delicate subjects to bring out an applicant's true character'. I plead for thoughtful regard for the dignity and the rights of the applicant.

Status of personnel directors

Judging from the appearance of their offices, personnel directors are not highly regarded, even by their own companies. Standley Herman, author of 'The People Specialists', notes that personnel executives are the lowest paid, not only in the United States but in Europe and South America as well, compared to other executives in manufacturing, engineering, etc.

The average personnel director is middle-aged (43.8 years old), married with two or three children, is buying a home rather than renting an apartment. He is a 'he' rather than a 'she' by 99 to one. He fares well in his marital relationships since only 2.3 per cent are widowed or divorced and only 3.9 per cent are single. He is well educated — four out of five hold bachelors degrees, of which 20 per cent have masters and nine per cent have doctorates. One-third have majors in business administration, economics or accounting but, interestingly, only 14 per cent have majors in industrial relations or personnel administration. Significantly, sixty per cent entered personnel work from other specialties.

Going to the top

Boll and Irish are in agreement that job seekers should avoid the personnel office completely. This seems a little radical to me, although I agree that hiring is an important responsibility of management and that no manager should delegate this vital task to anyone else. They suggest an interview directly with the department head or other operating executive. I thought I'd give this a try and the results amazed me.



"I USED A CORNER OF 'GIRL FRIDAYS' DESK TO FILL IN NUMEROUS FORMS"

I dressed in my best suit, carried my briefcase and asked the receptionist for the president or manager, by name. Rarely was I asked if I had an appointment. I usually started by asking him about his company or his product. Possibly he thought I was a government inspector but as he talked (and all presidents love to talk about their company) a new, more relaxed atmosphere was created. When I eventually asked for a job, he'd be very helpful. Often he'd give me several names to contact in other companies or take me directly to his personnel director. It's amazing how the personnel director's attitude changes when an applicant is introduced to him by the president of the company than when an application form is merely dropped on his desk by 'Girl Friday'.

I've tried both approaches and the latter has been slightly more productive so far, but I haven't given up on personnel offices yet.

Suggestions for change

I'd like to see a standard application form adopted by all companies — one that could be filled in at home, copied and then sent wherever necessary. However, if this is not possible, I would certainly shorten application forms. I wonder how much time and paper could be saved if the form merely asked what job you want and what your qualifications are? These two questions plus your name and telephone number are all that is necessary to see if an interview is worthwhile.

In addition, I would instruct 'Girl Friday' on what to say to job seekers. 'No Help Wanted' signs should be placed in the parking lot or a notice saying 'Applications being accepted only for future reference' should be placed next to a pile of application blanks in the lobby. Also, I would establish a follow-up procedure by telephoning or writing to each applicant and 'telling it as it is' "We don't see any openings in the immediate future so we are returning your application" or "We will keep your application on file for 30 days. If you haven't been contacted by then, please reapply." Don't give job seekers false hopes unless you honestly feel there may be something for them. Naturally, review your interviewing methods.

Lastly, check the waiting room periodically. Is the lighting adequate? Is there enough desk space, etc. And don't forget to check 'Friday'. Is she being kept too busy? Does she know how to handle job seekers? Does she deserve an increase?

If good people won't come in through the front door, it could hurt your company. If too many people get in through the back door, or in from the top down, it could hurt your job.

Adapted from 'The Personnel Administrator' September, 1975.



"THE INTERVIEW CAN BE A FRUSTRATING ORDEAL"

Taxation

At the higher levels of the management pyramid, taxation has an influence on pay. Salary is determined in accordance with the amount it is considered that a manager should take home. Pay, in this case, is influenced by the amount of tax that he is required to pay.

Consumer price index

At the other extreme of the pay structure (ie. labour categories) pay is influenced by what has commonly become known as the poverty datum line. Not only does this determine the minimum wage paid but when it moves annually it virtually dictates the necessary adjustment that has to be made to wages in order to keep them in step with this yardstick.

Potential

At mid-management level, in particular, an employee's growth potential can influence his pay. Salary policies of many organisations make provision for anticipating pay escalation. This ensures that an employee with considerable potential is retained for the organisation while he is gaining essential experience in various jobs at the lower levels of the management structure. Although these factors prove that pay is not only influenced by performance, it is essential that the individual is monitored to ensure that he is worth the salary he is being paid.

Requirements of a sound performance appraisal

In an effort to give greater emphasis to the performance element and its relationship to pay, sound performance appraisal is necessary. The first step is to differentiate between personality characteristics and performance results achieved. This is essential, since human beings are influenced, either positively or negatively, by other people's personalities, habits and idiosyncrasies. The important factor is not what the employee is like but what he achieves in a given set of circumstances in a given period.

The second task of a performance appraisal is to appraise against clearly set objectives and standards that have been agreed with the employee at the beginning of the period for which the appraisal is being made. This is important since if the employee does not know what is expected of him he will have no idea as to what he is being assessed against or on what he should concentrate.

The contents of the job description cannot be considered as pre-determined objectives, since this, at the best, can only describe the basic outline or framework of the job. It does not attempt to set clear standards to be met by the employee at various times. The objectives must be measurable yardsticks — normally the standards set concern quality, quantity, cost or a time limit in which these have to be achieved.

Thirdly, the appraisal should be the culmination of several performance reviews during the year. It is unwise to set objectives at the beginning of the year, not to review them during the year, and finally to sit in judgement as to whether these objectives have been achieved or not. It should be remembered that circumstances change. In coping with these changes the employee often needs the support of his manager to ensure that he gets the assistance and co-operation of other employees over whom he has no jurisdiction. Therefore, objectives may have to be changed to provide for a new set of circumstances.

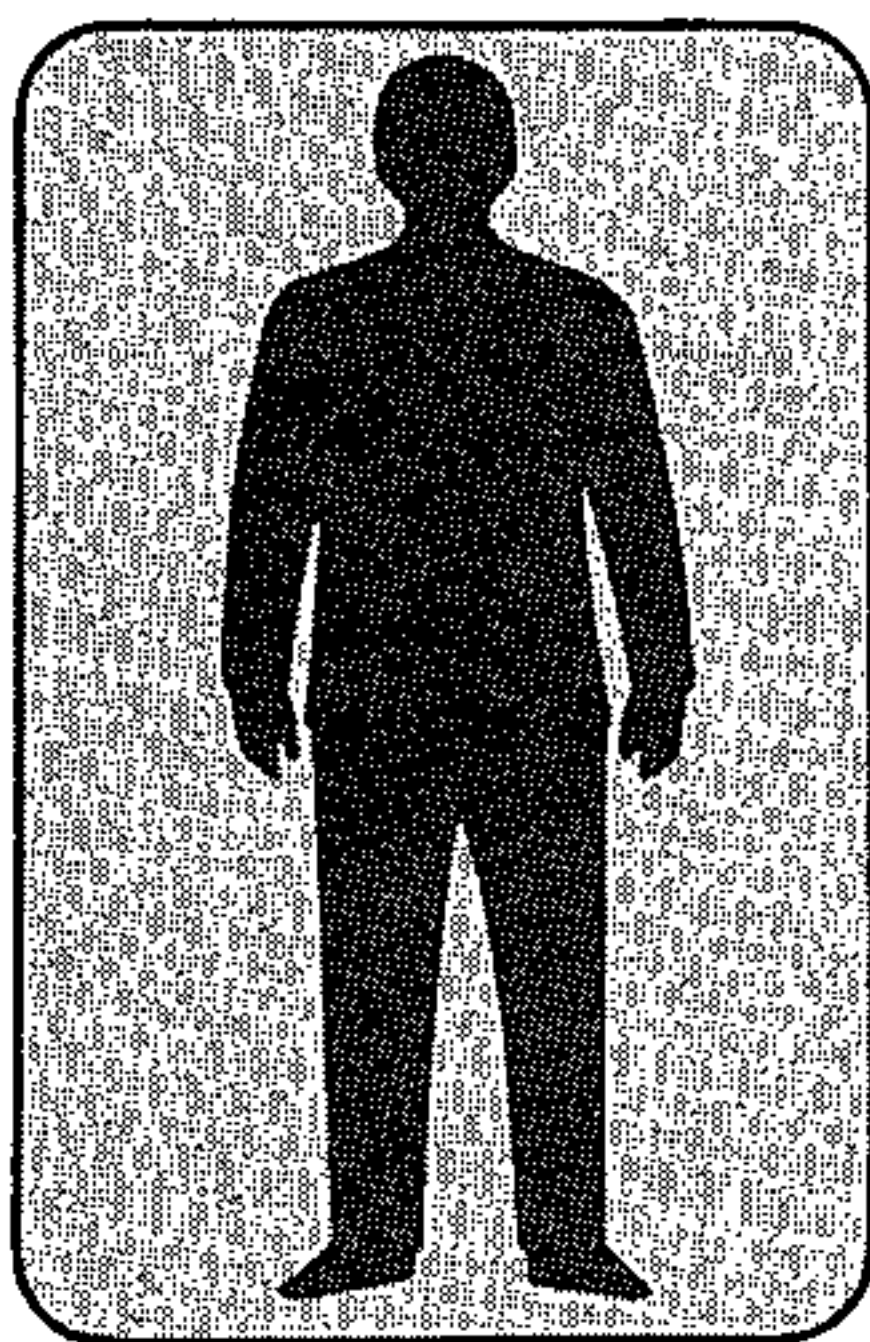
The fourth aspect of an appraisal that requires attention is those items which are not covered by the objectives. In the case of the administrative or production worker, this may involve:

- job knowledge
 - acceptance of responsibility
 - own safety and that of others
 - attitude towards and co-operation with other employees
 - accuracy
- In respect of a managerial employee, it may involve:
- ability to communicate
 - initiative



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- ability to organise
- ability to plan and control
- development of staff under him
- motivation of staff under him.

These are important factors on which the routine performance of the employee should be good in order to achieve, or to assist other people to achieve, the objectives set. It is extremely difficult to accurately assess matters of this nature and any assessment is unavoidably subjective but this is the only way in which it can be done.

The fifth step is to quantify results. Particularly in the case of measuring against objectives achieved, it is possible to arrive at a scale where points can be allocated for performance against objectives. The following is a guideline:

- excellently completed
- well done
- satisfactorily completed
- partially completed
- incomplete or poorly completed.

Similarly for the job items that are not covered by objectives, a points allocation could be arrived at on the basis of:

- very good
- good
- satisfactory
- poor
- unsatisfactory.

The total points allocated could reduce a rather abstract concept like performance to a quantifiable point on a scale. This in turn could be related to the size of the increase.

The sixth aspect of a performance appraisal is that it is not complete until such time as it has been discussed and, as far as possible, agreed with the employee concerned. Only once this has taken place, can management make an effective deduction to determine the pay level or the size of the increase that the employee should get for the productivity he has achieved. There must be a clear and direct relationship between the results achieved and the salary level or increase granted.

This is the only way to ensure that sufficient credit is given for results achieved (performance) when determining earnings or an increase in earnings and will, in turn, help to increase productivity.

Other aspects of a performance appraisal

So far only those aspects of a performance appraisal that can influence pay have been discussed. However, an effective performance appraisal must obviously take into account establishing training needs which are evident in the employee's performance and the design of action plans to satisfy these needs. Finally, a potential review has to be done to determine what the employee's ultimate capacity is to develop — to which jobs is he ready to be promoted, and for which jobs is he likely to be ready in 3 — 5 years time. This latter aspect is essential for the forward planning in an organisation.

Summary

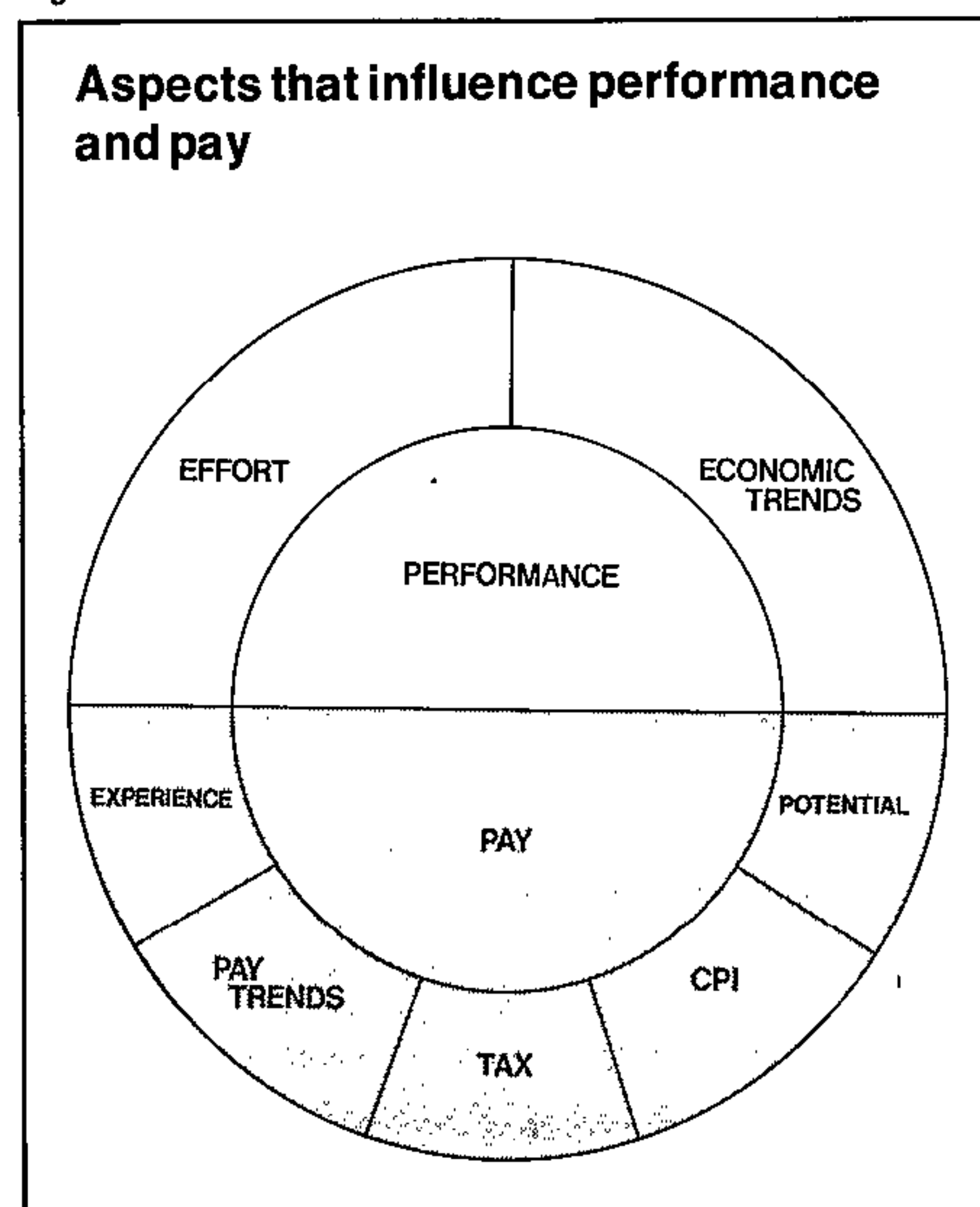
Performance is only one of the aspects that influences pay but it is one of the more measurable aspects with which to link the size of a salary or increase. If management wants to increase productivity it must place greater emphasis on this factor in order to reward employees in accordance with the contribution they are making to the company's activities and results. Pay has an influence on this but a great deal of attention by managers and supervisors is required to ensure that an objective assessment is made of performance and to link this with the size of the salary or the increase being granted. In some cases, a performance bonus in addition to increase, may be the most effective way of indicating the value that has been placed on an employee's contribution.

This leads to the conclusion that pay scales should perhaps be more flexible than they are in many organisations. By the law of averages there should, for example, be a certain number of employees whose salaries should be out of line with the general salary/wage pattern — these obviously being the good performers. There must also be a special

maximum towards which consistently good performers can rise.

As the supply of staff and labour improves, as it must with the vast untapped resources in this country, management must ensure that performance should play a more important role in determining the final salary. Finally, it must recognise that mediocre or poor performance does not qualify an employee for a mediocre or poor increase. He has not earned an increase at all.

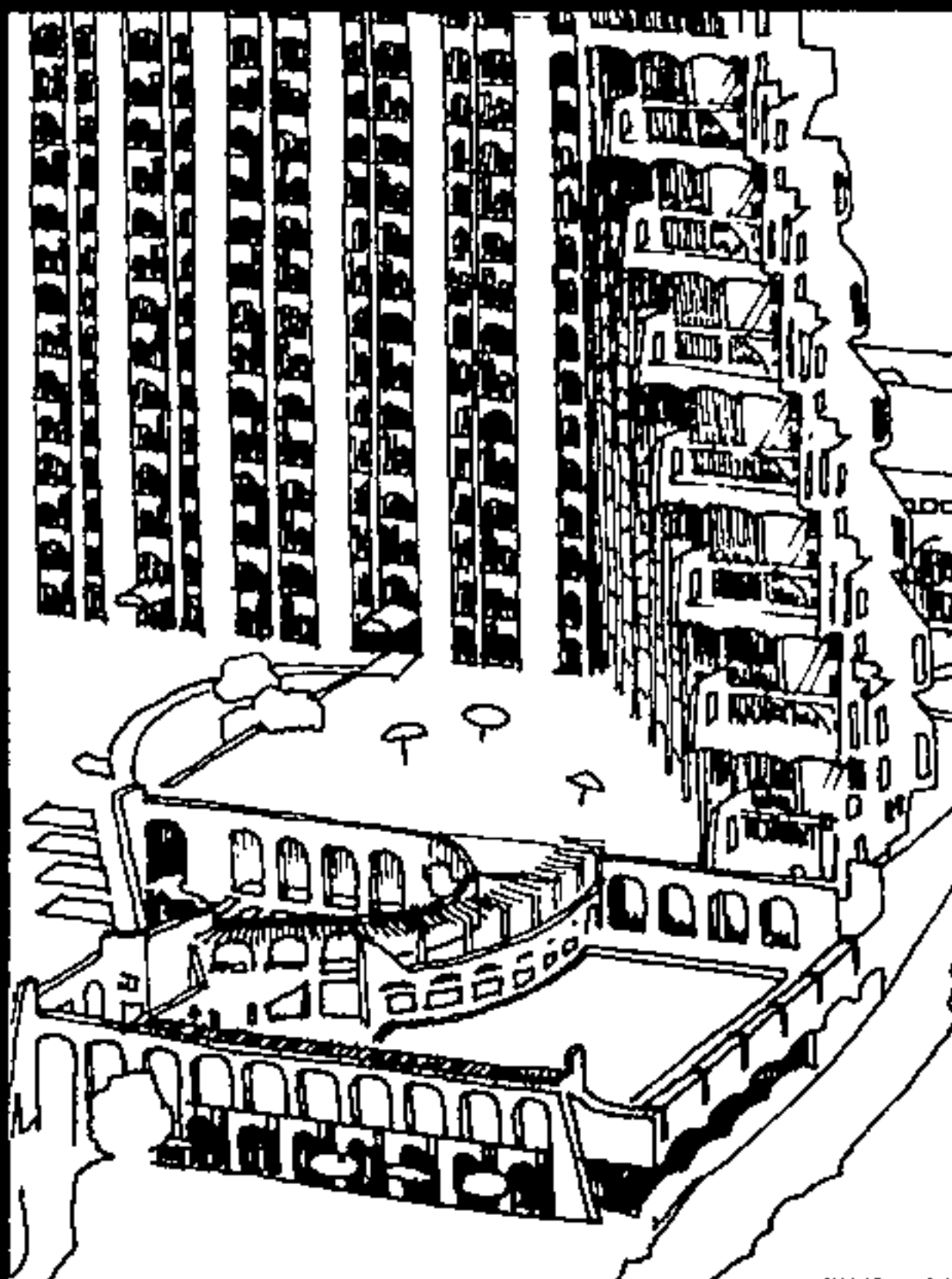
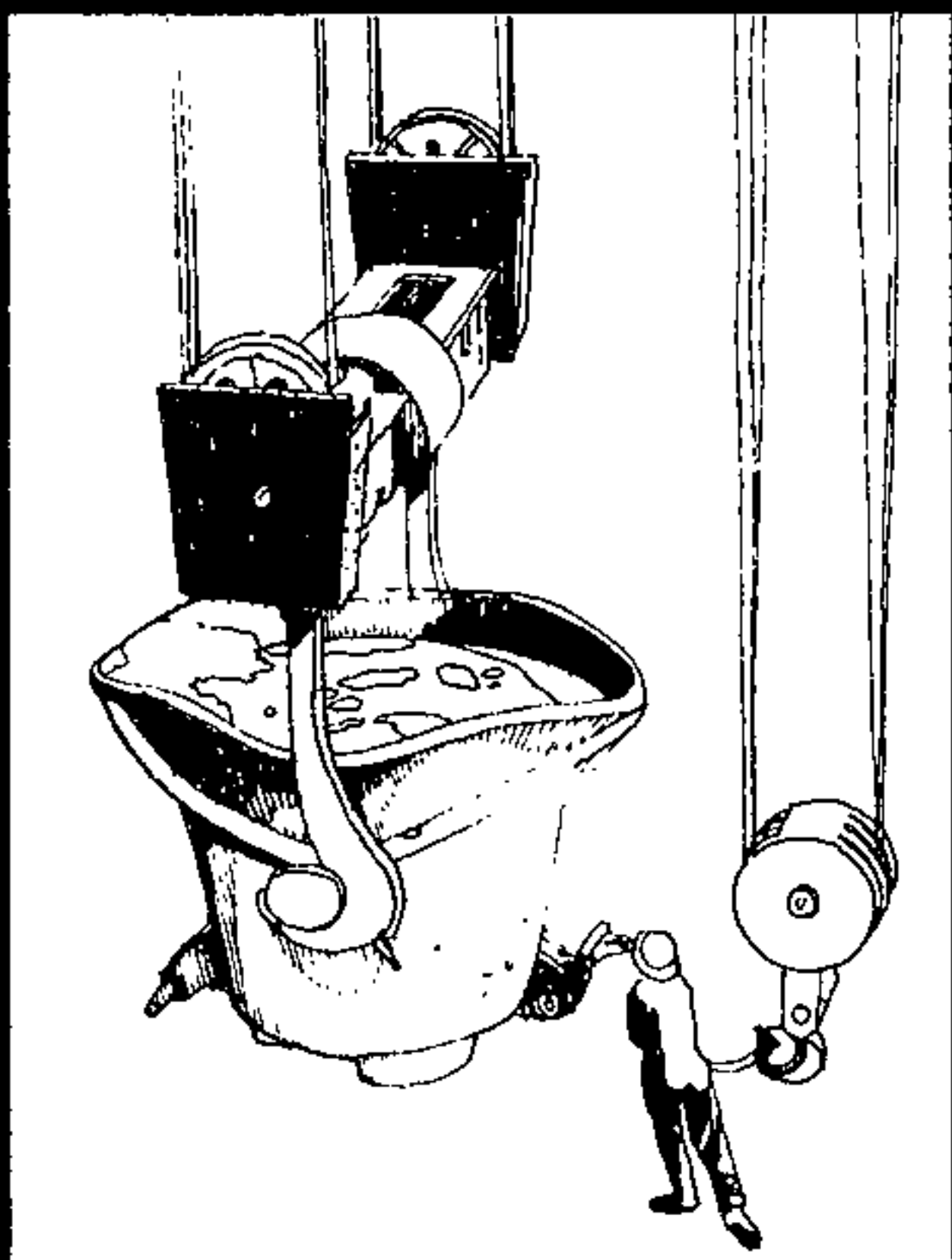
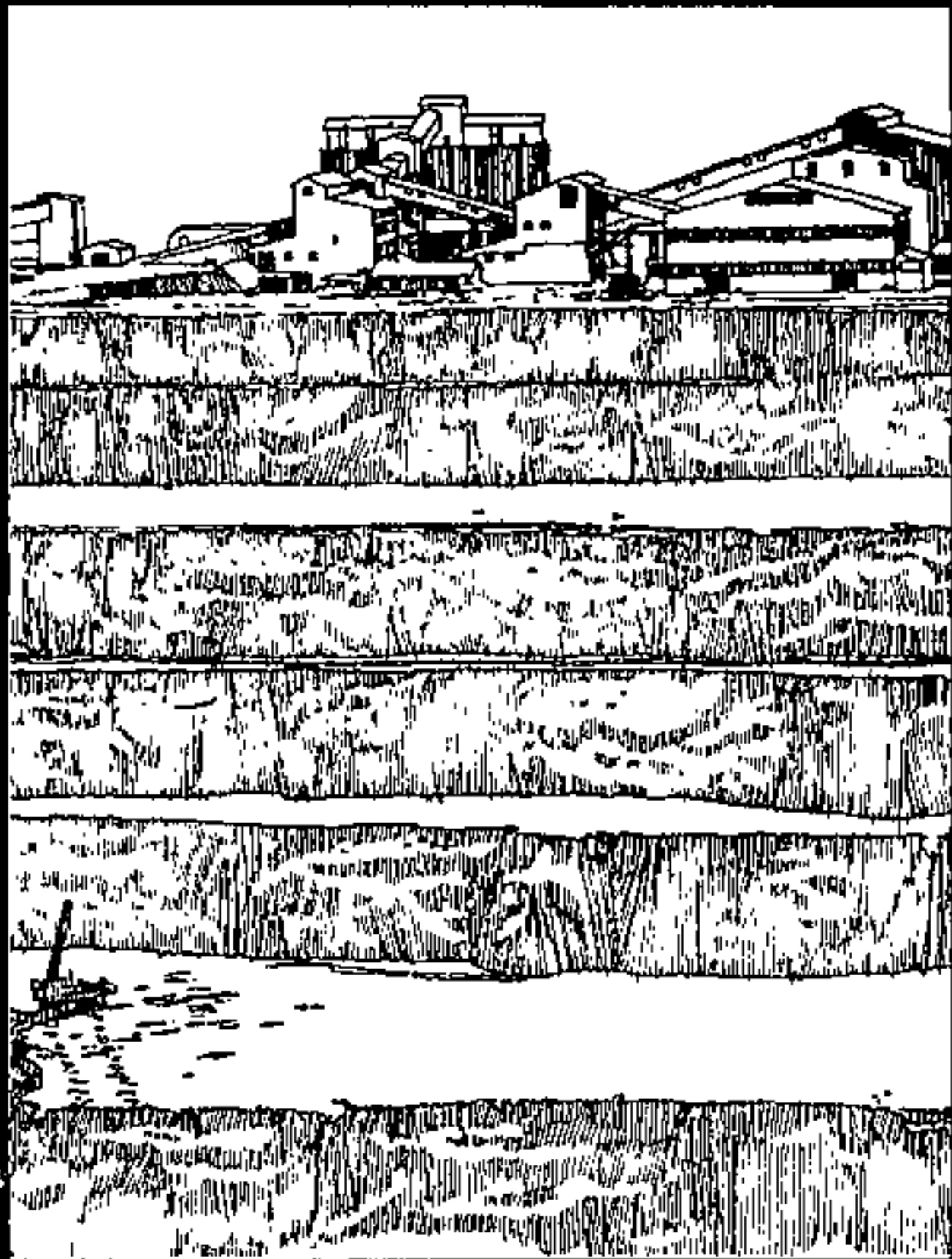
Figure



About the author

Mof Lemmer, the author of this article on relating pay to performance appraisal, has been group personnel manager at Bruynzeel Plywoods Limited for the past four years. In addition, he is personnel consultant to South African Forest Investments Limited and Natal Tanning Extract Company. All these organisations are in the Anglo timber portfolio.





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INDEX LINKING

IS ANTI —

TUCSA LABOUR MIRROR APRIL 1975

INFLATIONARY

TUCSA'S SPECIALIST COMMITTEE ON INDEX-LINKING HAS COME TO THE CONCLUSION THAT PROVIDING FOR THE AUTOMATIC LINKING OF WAGES TO RISES IN THE CONSUMER PRICE INDEX IS A POSITIVE CONTRIBUTION IN THE FIGHT AGAINST INFLATION, AND IS THUS ANTI-INFLATIONARY.

At a recent meeting of the Index Linking Committee, it was concluded that index-linking of wages is anti-inflationary for the following main reasons:

- * It eliminates the necessity for workers to make wage demands in anticipation of future rises in the consumer price index.
- * It removes the necessity to make anticipatory purchases of consumer items before prices rise further.
- * It eliminates those strikes which are caused by workers wages falling behind the rate of inflation.

IT is common knowledge that, during periods of double figure inflation, unions have to make wage demands covering not only past rises in consumer prices, but also covering at least part of the future rises in prices over the coming period of the new agreement. The higher the rate of inflation, the sooner the real standards of living of the worker drop behind the level negotiated at the beginning of the new agreement. Thus unions are forced, in these circumstances, to ask for percentage increases which not only cover past rises in prices, and raise real standards of living, but also protect real incomes, because of the erosion of income values during the period of the agreement.

THESE demands for protection against future price rises become unnecessary if the wages are index-linked. The employer does not have to pay now for the future situation that faces the workers; he only pays when the prices have risen. This is anti-inflationary without any doubt.

A similar situation exists in regard to the consumer. Many people buy goods and things that they do not need now, but feel that they must obtain them now before prices rise even further. This is inflationary. Raising wages automatically when prices rise, ensures that the consumer need not buy now before prices rise, because he will be assured of obtaining his wage rise in accordance with the price rises.

EVERYONE knows that strikes disrupt production, curtail productivity, and thereby increase costs, and eventually prices. But workers who are forgotten, or left behind, in wage increases, will almost always strike in order to be compensated for inflation. But by automatically raising wages in line with price rises, the necessity for inflation-caused strike action is eliminated, and a worthwhile contribution to fight inflation is made.

UNFORTUNATELY there are certain employers who claim that index-linking of wages is inflationary. They furnish no reasons, and merely seek to exploit people's ignorance of this matter.

TUCSA is pursuing this valid concept of index linking by promoting informed public debate, and through specialist examination of this important question of worker protection, whilst at the same time meeting labour's commitments to a national effort to fight inflation.

SA.D.9.18-21/3/75

BONUS WORK FOR BLACKS

All railway workers would benefit by the Railways' plan to create more job opportunities for Blacks and to pay the Black workers wages based on the nature of their work, the General Manager of South African Railways, Mr J. G. H. Loubser, said in Port Elizabeth.

Opening the annual conference of the Railways' Artisan Staff Association, Mr Loubser emphasised to the all-White organisation that Black workers would not hold a threat to their job opportunities.

He said that the extensive and productive employment of Blacks by the Railways was being increasingly considered.

"The gradual implementation of bonus work for persons other than Whites, and the remuneration of these workers based on job-evaluation will yield advantage for all," Mr Loubser said.

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BLACK WAGES

Polaroid's progress

It is just four years since Polaroid, the large American camera and sunglass manufacturer — acting under intense pressure from its Black employees in the US — announced what came to be called the "Polaroid Experiment".

In a blaze of expensive publicity the company unveiled what it termed a meaningful alternative to withdrawing from the South African market. Polaroid, which abhors apartheid, would "counteract it from within the system".

No longer would the US company, through its SA distributor, Frank & Hirsch, supply film or photo-identity equipment to the SA government (such equipment had been used to make pass books). Beyond that, Polaroid would move "to improve dramatically the salaries and other benefits" of its distributor's Black workers.

Frank & Hirsch "as a condition of maintaining its relationship with Polaroid, would be required to initiate a well-defined programme to train non-White employees for important jobs within the company". And a portion of company profits would be ploughed back into education programmes for Blacks in SA.

What is the scorecard four years later?

Direct Polaroid sales to government by Frank & Hirsch have ceased. However, various government departments and agencies continue to receive Polaroid products through intermediary sources. On the wages side, Frank &

Hirsch says it has increased its lowest wage paid to Black employees by 130%, to R130 per month (R56 in October, 1970). F&H's 171 Black employees (181 in 1970) now average R186 per month (R84 in 1970).

Since 1971 Polaroid has contributed over \$300 000 to various educational schemes for Blacks. Most ambitious of these is the American South Africa Study & Education Trust (Asset) which has received \$250 000. Through Asset an average of 500 African students per year have been granted bursaries for study, ranging from primary schooling to university.

Helmut Hirsch, MD of the SA distributor, calls the Polaroid Experiment a turning point. He boasts that Polaroid was the pace-setter in what has become a movement towards social consciousness among foreign and SA firms.

That may be, but it could hardly be gainsaid that Adam Raphael's articles in *The Guardian* two years ago, the subsequent House of Commons inquiry, and, most important of all, the Durban strikes, have also been key factors in Black wage increases.

When Polaroid set up Asset and got Gatsha Buthelezi and Helen Suzman to be members of the board, it was envisaged that other American firms would rush to join the project.

That has not happened. Pepsi-Cola was in for \$100 000 over two years but that ended when the local operations were taken over by Cadbury-Schweppes. American Express joined belatedly for \$10 000, but even its commitment is less than complete and the company has not yet decided whether to continue next year.

That leaves more than 200 American

Financial Mail March 27 1975

subsidiaries on the outside, and while some have set up their own educational trusts and others contributed to Black housing schemes, for most of them business continues as usual — minus programmes for ploughing back profits.

Even within Polaroid there is dissatisfaction. The company's Boston-based community relations manager, Robert Palmer, told the *FM* that while Frank & Hirsch had been very co-operative in boosting salaries, increasing benefits and upgrading Black jobs, "more can and will be done".

Indeed, it is the point of training Black workers for "important jobs" which is the weakest link of the experiment four years later. All F&H executives are White. Senior Blacks supervise only other Blacks. And the most important job for a Black carries a monthly salary of R460.

But, the experiment continues and

Polaroid will continue to make a \$50 000-per-year contribution to Asset.

The only casualty four years later is to be Asseca, the Association for Educational & Cultural Advancement. This Black association, based in Soweto but which claims to have branches in 42 townships throughout the country, has been receiving \$15 000 per year from Polaroid. Dissatisfied with the Association's progress and laxity in submitting financial reports, Polaroid from 1976 on is to donate to Asseca only \$1 for every \$10 received from other sources.

Undaunted — and appreciative of Polaroid's past support — Asseca President M T Moerane says the organisation will continue to exist even without Polaroid support. He adds: "The Polaroid money was intended to be seed money for the organisation; that notwithstanding we had hoped their assistance would have continued."

Africans first for vacant 'White' jobs

Rand Daily Mail 2/4/25

Labour Correspondent
COLOURED and Indians are being debarred from moving to vacant 'White' jobs.

Instead Africans who can be more easily replaced if ever a White wants the job back, are taken on.

Some of the Whites-only Rightwing trade unions are blocking Coloured advancement to make way for Africans to enter unfilled 'White' jobs.

One of these is the Yster en Staal Unie, 38 000-strong and represented in 16 industries.

DISCARDED

Yster en Staal's general secretary, Mr Wessel Bornmann, admitted yesterday his union was allowing Africans to take over jobs discarded by upward-moving Whites — in preference to Coloureds or Indians.

"This is not because we have anything against the Coloured, but because this way provides better protection for the White worker," he said.

"Bantu are not recognised as employees under the Industrial Conciliation Act," Mr Bornmann said, "and many of our industrial agree-

ments specifically require them to have an exemption to do certain jobs, which Coloureds and Indians don't need.

"When my union must decide whether a Coloured, an Indian or a Bantu should take over a White job, we look at the facts of the case and if it is a low-status job we prefer to give it to a Bantu under temporary exemption until a White becomes available".

Mr Bornmann conceded that many of these jobs would never again be wanted by Whites, but said: "We are extremely cautious about our labour pattern. We don't want Whites to be displaced if the economy goes into a decline."

Mr Bornmann said some White workers were suspicious of Coloureds in their industry. They felt they posed a threat to their jobs.

"Sometimes the White worker is more accustomed to working with the Bantu", he said. "They did not actually work shoulder-to-shoulder, but the White would have a Bantu labourer with him, and never looked on the Bantu as a threat."

Yster en Staal's outlook contrasts with the Boiler-

makers' Society, its Tucsas counterpart, which has Coloured as well as White members.

The Boilermakers' aim is to secure jobs for Whites first, then for Coloureds and Indians, and Africans only if other race groups cannot fill them.

In some cases of African advancement job descriptions and titles are revised to avoid the appearance of Africans doing the same jobs as Whites.

Mr Bornmann said that wherever a Black does the same job as a White he is paid at the same rate.

PROTECTS

"This protects the Black man, the job, and the White man, too. You can imagine what the employers would do if they could pay lower rates to Africans — they would not take on Whites."

However, in most industries the rate for the job the White unions insist on is the minimum rate. In practice White workers are paid up to twice as much.

So when Blacks take over 'White' jobs they are paid as little as half the actual White rate.

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A formula for change

The greatest danger for SA's future — and also the greatest challenge — is the fact that it contains poverty in the midst of advanced industrial development. The great majority of the Black population is in a situation similar to that of the typical working-class of Marx, Lenin, Proudhon and Engels.

Dr Wim de Villiers believes this is the only conclusion to be drawn from SA's pattern of income distribution. In his inaugural lecture last week as an honorary professor at Rand Afrikaans University, De Villiers pointed out that though Whites constitute only 17,3% of SA's

nection with Black wages to find moral justification for exploitation does not apply in SA in its absolute sense."

It had to be accepted that the fruits of productivity gains must be divided between shareholders and employees, and that the rectifying of the present low level of Black wages must partially come from a lowering of the profitability of the undertaking.

• Special priority must be given, on a national scale, to the training and development of Blacks.

The most important task, says De Villiers, is to train large numbers of

movement of Blacks into jobs hitherto seen as the prerogative of Whites must not be interpreted as disturbing the existing order: "On the contrary, it represents the alternative to drastic and radical change, and is in reality a reformist process which leaves existing values intact."

• Opportunities for collective bargaining by Black workers must be created.

Eschewing the "socialistic" model of a trade union movement, De Villiers says the right option is the recognition by professional management of workers' basic rights to organisation, negotiation, and — where necessary — to strike.

However, he adds that all three rights must be expressed through workers at plant level and not through an outside organisation such as a trade union.

De Villiers tells the *FM* he is opposed to trade unionism "because the trade union movement is used by far-Left socialists as a political tool, and not to improve the worker".

Collective bargaining rights for workers in individual and separate enterprises would obviate the danger of an "outside body like a trade union" using workers for political purposes.

The sort of changes De Villiers advocates are obviously highly desirable. But whether they can be achieved in the low key way he wants is open to question.



General Mining's De Villiers . . . reform, not revolution

population, they receive 70%-76% of the country's total income.

"The richest 10% of SA's population, probably without exception White, receives an estimated 58% of total income — compared with the 27% which the richest 10% in the US gets."

De Villiers says SA's leadership group has therefore to do four things:

• The wage gap must be narrowed to help remove friction-points in the socio-economic structure.

"The starting point is the acceptance that Black workers must be paid reasonable wages and that the demand and supply argument generally used in con-

Black workers to perform semi-skilled work.

• Opportunities for the advancement of suitably qualified Blacks have to be created "without disturbing sensitive aspects of our socio-political order".

De Villiers stresses here that the role of Whites as leaders must first be strengthened by ensuring training and development, and Whites have to be got out of unskilled and semi-skilled jobs as far as possible.

"At the same time, Blacks must, as far as possible, be used in traditional spheres of employment."

He is careful to add, however, that the

Times hard for tycoons

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Sun Times
Bus Times
20/4/75

By JULIAN KRAFT

TO THE MAN in the street the differences in the salaries of top executives in America and South Africa are of no more than academic interest.

In either case they are mind-boggling in size so far as the average wage-earner is concerned.

Nevertheless it's a fact that American tycoons are still way ahead of their South African counterparts in the salary stakes, in spite of suffering substantial pay cuts as a result of the American recession.

At least this appears to be the case, although South African business men are not as keen to talk about their incomes as the Americans.

Highest-paid business executive in the US last year, despite a cut in salary, was Harold Geneen, chairman of International Telephone and Telegraph, who earned in excess of R500 000.

Last year he earned R536 255 and R553 520 in 1973.

Other top American executives who are lamenting their shrinking pay packets include Henry Ford II, who in 1973 earned R597 547, but had to make do last year with a mere R198 334; and Chrysler's chairman Lynn Townsend, whose earnings were slashed to the bone from the former R464 848 to R170 396.

In South Africa top executives are tight-lipped about revealing what their jobs are worth.

Heads of several large organisations — including those of several mining houses — who were approached by BUSINESS TIMES this week declined to reveal their salaries on the grounds that such information was "personal" or that to reveal such information could give rise to antagonism from some of the staff of the company concerned.

But at least two top executives'

salaries are known publicly, thanks to what was described by a Union Corporation spokesman as the "unusual circumstances" created last year by the haggle between General Mining and Gold Fields of SA for Unicorp.

These are the salaries of Adriaan Louw, chairman of GFSA, whose salary was revealed in September last year to be R52 800 a year, and Ted Pavitt, chairman of Unicorp, whose job was disclosed to be worth R124 400 a year.

The marked difference in the annual earnings of these two men gave rise to some interesting speculation that if GFSA had won its bid for Unicorp, some radical revision of the salaries of the higher echelon men in the two groups would have become necessary.

After all, you couldn't have Mr Louw, the captain of the ship, getting less than some of his underlings.

A Union Corporation executive director at that stage was being paid R61 000 a year.

However, as Genmin won the bid for Unicorp, this particular problem didn't arise.

Genmin won't disclose the salary of its chief executive, Wim de Villiers, but it is a fair bet, considering the group's strength in comparison with those of Gold Fields and Unicorp, that he is probably getting a better whack than either Mr Louw or Mr Pavitt.

By the same token, such industrial chiefs as Harry Oppenheimer, chairman of Anglo American, and Dick Goss, head of SA Breweries, probably do better still.

A spokesman for SAB said: "I can assure you that no one in this group earns half-a-million a year, like they do in the States. Nor do they own ocean-going yachts."

"But we're working on it," he quipped.

Pay goes up for the steelmen

Staff Reporter

WAGE increases of up to 15 per cent for the 70 000 White and 250 000 Black employees in the iron, steel, engineering and metallurgical industry were approved in Johannesburg yesterday.

Although the wage gap between Blacks and Whites is substantially widened by the new increases, in percentage terms, Blacks, on average, have been awarded up to

twice their White colleagues' rises

A special meeting of the executive committee of the national industrial council for the industry agreed to amend the provisions of the existing industrial agreements yesterday.

Their agreement now needs the approval of the Minister of Labour, but industry sources said last night they hoped the new scales would be gazetted by June 2.

In cash terms, the increases range from 15c an

hour for the most skilled artisans to 6c an hour for unskilled African workers.

These increases represent a 15 per cent jump for Blacks, tapering down to an 8 per cent rise for the most skilled White workers.

It was impossible to get either official confirmation of, or comment on, these figures last night.

Sources close to the employers' side of the council pointed out that the White unions in the industry preferred that there be no comment on the wage gap.

Minimum pay scales in the industry now range from R1.90 per hour for highly skilled Whites to 45c an hour for unskilled Blacks.

The majority of Blacks in the industry can now expect a top minimum level of 68c an hour.

ALL

According to a statement released by the council yesterday, all employees will receive at least the amount of the increases, except where increases have been granted since last September 30.

In that case, such increases will be set off against the new figure.

New employees taken on after September 30 will also not qualify for the new increases.

Apprentices in their first, second, third or fourth years will receive increases of 15 per cent, while fifth year apprentices have been awarded a rise of 15c an hour.

The metal industries group life and provident fund has also been converted into a pension fund, with employees contributing 5 per cent of their salaries and employers a similar amount.

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Labour Reporter

Employers in the Transvaal building industry have quadrupled the automatic cost of living adjustment for Black workers on the minimum wage scale.

The automatic cost of living adjustment for Black workers in the Transvaal building industry, would have meant one cent an hour for the unskilled Black worker.

Employers decided to contribute an extra 3c an hour to narrow the wage gap, said Mr. Z. L. Pretorius, director of the Witwatersrand Master Builders Association.

This means that minimum pay will be 50c an hour (R22 a week) from next month, when the increase comes into effect.

White artisans will then get an additional 11c an hour, bringing their minimum pay to R1.87 an hour.

Mr. Pretorius emphasised that this adjustment did not necessarily apply to artisans earning more than the minimum.

Employers have anticipated the adjustment in most cases, he said. In fact most artisans were being paid in excess of the minimum.

LEATHER TRADE

New increases have also been negotiated for South Africa's 30 000 leather workers.

Industrial agreements in the leather industry, taking effect in July, provide for increases of up to 28.7 percent over the wages agreed to in September 1973.

The increases for the various sections of the industry are 23.75 (general goods and handbag section), 26.5 percent (footwear) and 28.7 percent (tanning).

Allowing for the 10 percent interim relief increase granted last June, the effective increases over the year to July will be 12.1 percent, 17 percent and 15 percent respectively.

The lowest paid unskilled workers in the leather industry are to receive from R19.03 to R19.74 a week under the new agreement.

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A potion for our time

By linking earnings and financial assets to the cost-of-living we could avoid some of the worst evils of inflation

If, in five years' time, today's rand is worth 50c, it will be surprising; it will be worth even less if inflation continues to worsen.

The first graph shows how inflation has been accelerating steadily since 1968 to reach 15% pa. At this rate the value of money halves every five years.

Inflation seems unlikely to abate. There may be a slight slowdown in the months ahead as world recession brakes rising import costs. But, with a renewed boom predicted worldwide for 1976-78, prices will soon be on the hop again.

For SA there's also the continuing danger of a sizeable sterling devaluation, which could pull down the rand and ignite another cost explosion. So the most plausible prediction is that double digit inflation will be with us for some years. It is something we will have to live with.

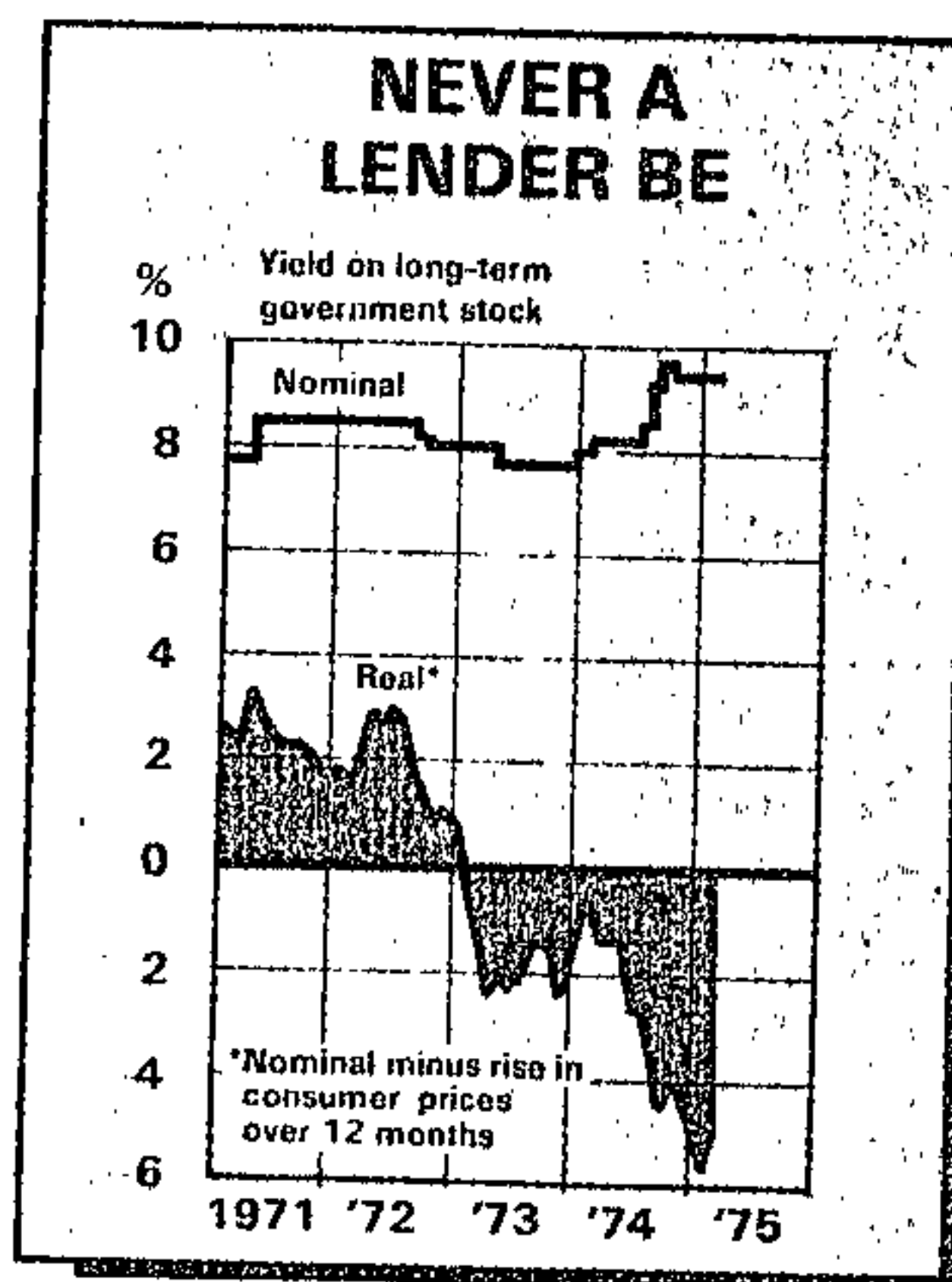
This is where indexing comes in. South Africans could decide to protect certain things against inflation by linking their money value to an index of prices. Earnings including, for instance, wages and salaries, rents and interest payments, could be raised automatically once a year by a proportion equal to the rise in the consumer price index over that year. So could all long-term financial assets and liabilities — fixed deposits, mortgages, and so on.

People, as income earners or as owners of financial assets, would thus be protected against the loss of purchasing power of money.

Linking wages and social security benefits to an index of the cost-of-living is common in the US and Europe. From estimates by Miroslav Kriz writing in the June 1974 issue of *Euromoney* it appears there are 50m people in the US whose incomes from wages and pensions are protected in this way.

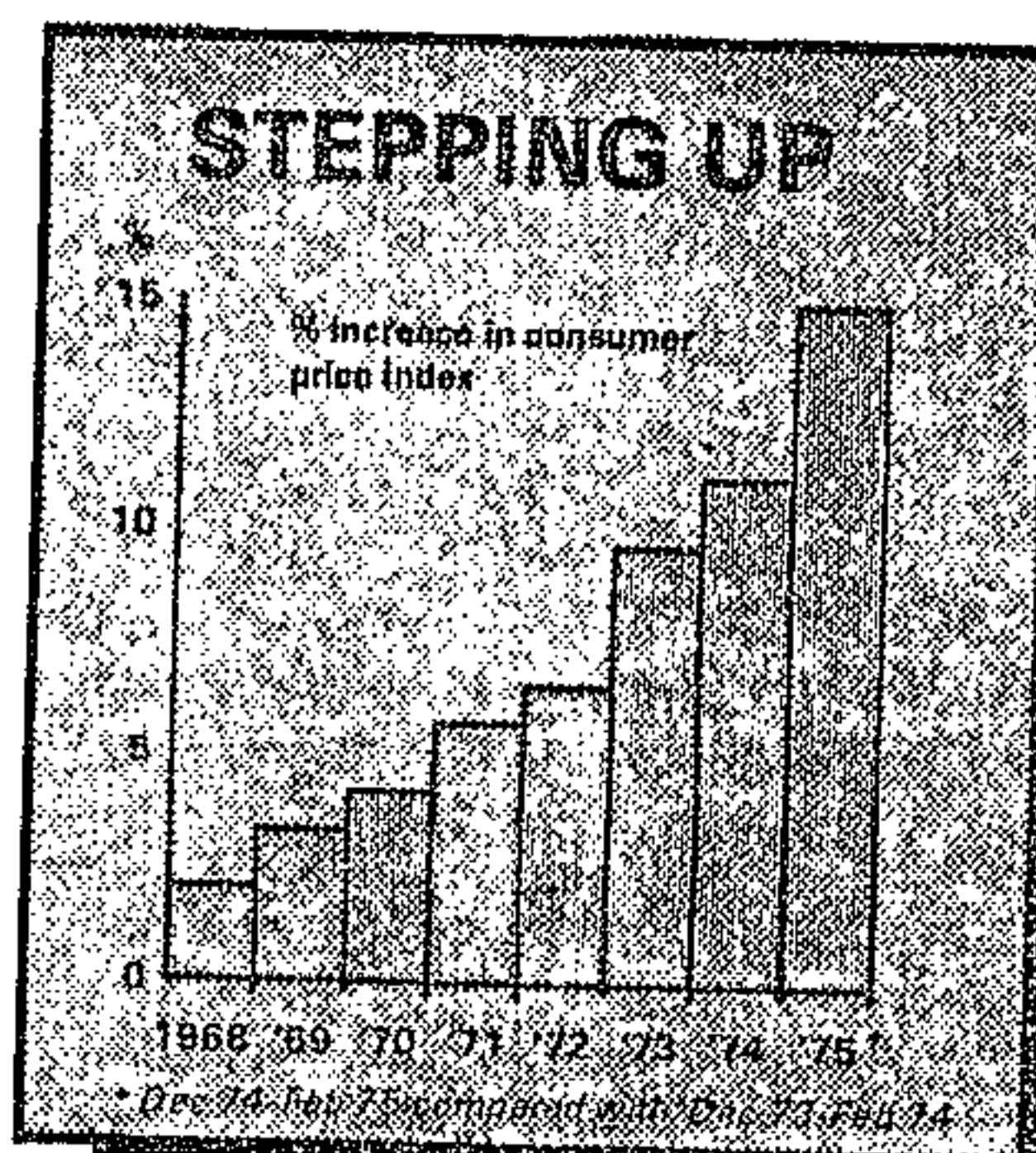
In Brazil — where index-linking is as common as coffee — interest payments, rents, mortgages, financial assets and taxes are all governed by what the Brazilians call "monetary correction". Wages are regularly raised by a proportion equal to the rise in the cost-of-living plus a bit extra for productivity increases.

In a recent talk to the Association of



Pension and Provident Funds of SA Jan Hupkes, the well-known economist, who is an executive of Federale Volksbeleggings, listed some of the advantages:

- There would be a better allocation of scarce resources. Without general protection from inflation, investors plump for assets like land, pictures or antiques, whose value tends to rise faster as inflation accelerates. Investment in the country's productive capacity is thus neglected, real capital erosion takes place, and the economy runs down.
- People investing in financial assets



like government stocks would once again receive a positive real rate of interest. The second graph shows how in SA the real rate on gilt edged stock has sunk steadily over the past four years from about plus 2.5% to minus 5%.

In Brazil no interest or indexation is allowed on savings under six months. But positive real rates of interest on longer-term investments have sharply boosted savings. With more savings the economy can grow faster.

• If progressive personal income tax scales are linked to the cost-of-living — so real taxes only rise if real incomes go up — and if the tax authorities give the go-ahead for depreciation allowances to be based on replacement instead of historical cost, real government revenue no longer rises purely as a result of inflation.

This would lead to greater discipline in government spending.

• There would be greater social equity. At present those with political and economic muscle maintain or increase their shares of the national cake at the expense of the others — pensioners, non-unionised workers, etc. Index-linking would at least protect the earnings and financial assets of the weak from the ravages of inflation.

What are the disadvantages? Kriz and Hupkes mention five:

• The psychological effect. Indexation might give the impression — which in SA may indeed be true — that government has thrown in the towel in the fight against inflation. This might demoralise the business community.

• The real cost of credit would soar. Even if real interest rates were set as low as 1%, they would still be a lot higher than the negative real rates charged today. Many projects would go to the wall.

• For political reasons government might wish to exclude the rich from the advantages of indexation. For example, if Pretoria issued index-linked savings bonds, it might prefer only to offer them to people with incomes below a certain figure. Such rationing would lead to new distortions in the capital market.

• Once some earnings and assets were indexed, the demand would be to include

everything. Yet the administrative costs of general indexation might be prohibitive.

● Indexation might complicate government's task of fighting inflation — as have Britain's threshold wage agreements. For this reason indexation on a wide scale was abandoned in Finland.

Obviously there are pros and cons. If inflation drops to 5% or less, index-linking would probably not be worth it. But what if double digit inflation stubbornly refuses to go away — as seems likely? Will not political pressures build up to such an extent that government (as well as tenants, employers and banks) will be

forced to accept it on a wide scale?

Hupkes believes that, if the battle against rising prices is not won, "we shall have to introduce universal index-linking". He may be right.

Pretoria, with its persistently inflationary fiscal and credit policies, should take note.

Wage demands

F.M. 25/4/1975

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Vorster's plea for restraint might be falling on deaf ears.

Unionists have ears only for their grassroots

The Prime Minister, on March 21, said there would be no end to the inflationary spiral if every employee organisation demanded wage increases over and above increases gained through higher productivity.

Also: "There should be no compensation for cost-of-living increases as pay rises over the past four years amply compensated for higher living costs."

Vorster said industrial workers had received real pay increases of 4.9% in 1971, 1.1% in 1972, 1.6% in 1973, and 4% in the first nine months of 1974.

His appeal ended by cautioning workers not to look to higher company profits as evidence of ability to pay higher wages, as companies were in for a hard time due to increased costs to finance plant replacement.

What do the trade unions feel about this? Are they going to exercise the restraint Vorster has called for? We doubt it.

Already, within the past fortnight, the White gold mine workers have received a straight R54 a month pay-rise and iron, steel, and engineering workers received an 8%-15% upwards pay adjustment. These increases alone will cost the gold mines R16m and the steel and engineering industry R66.5m a year. And indications are that there will be many more such increases throughout the economy in the weeks and months ahead.

Talking to union men this week the *FM* met with an almost unanimous response: trade unions feel they are being warned to exercise restraint, while companies continue to raise prices of all basic commodities. Irrespective of their composition — White, Coloured, mixed, or African — the unions feel they cannot be asked to shoulder the burden of stemming inflation.

Despite Vorster's appeal, they say employers can expect wage demands that will at least match the 15% rate of inflation anticipated during the rest of 1975. Grassroots pressure, they add, will force them to buck the PM's appeal

for restraint.

Att Niewoudt, president of the conservative Confederation of Labour (itself plagued by unexpected dissension in the ranks), told the *FM*: "How can wages be held down? Our member

unions will certainly ask for cost-of-living increases during 1975."

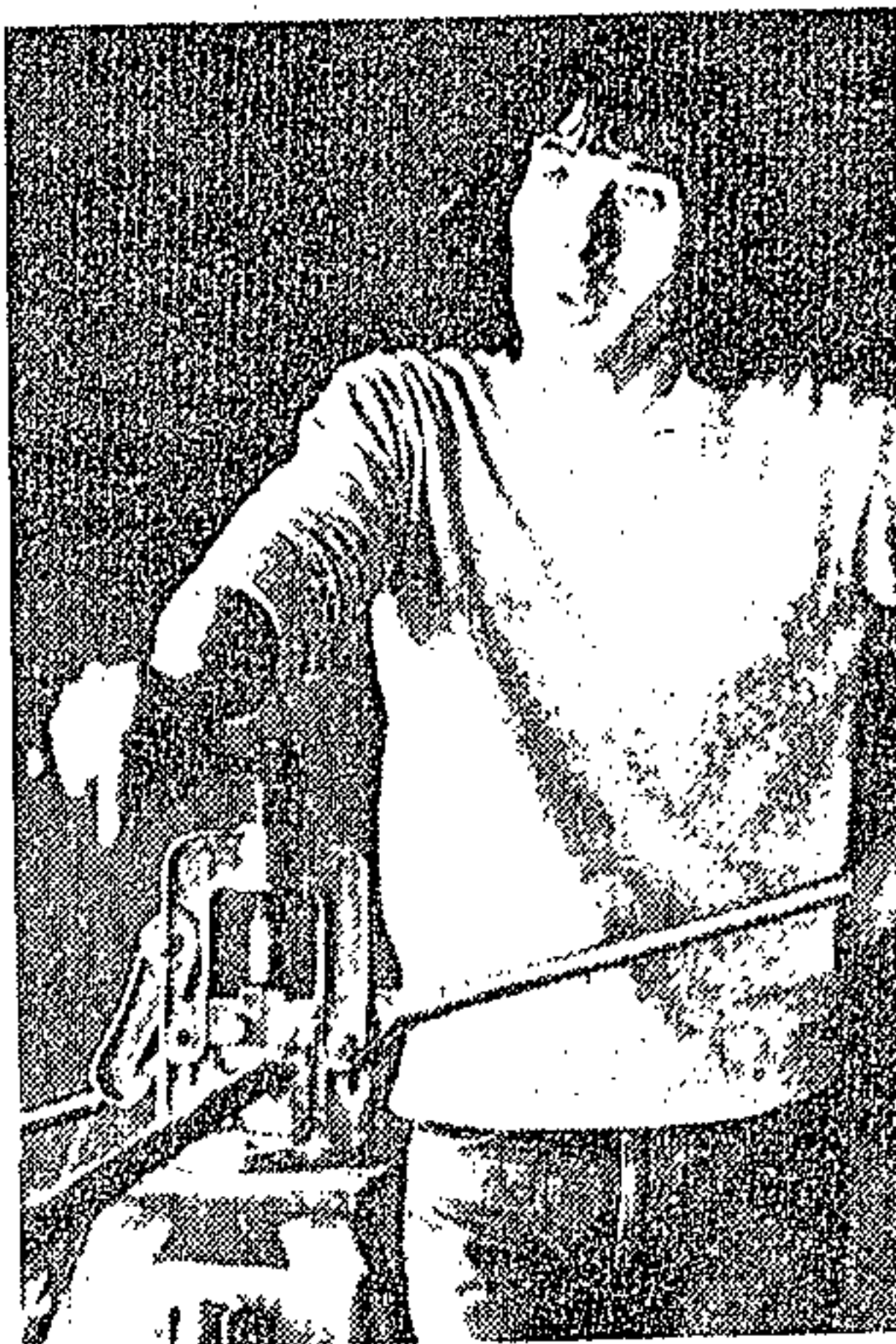
Mr Vorster's appeal, said Niewoudt, "just won't work. Workers are earning less in real terms, and companies do have higher profits and can afford to

NO LONGER MEAT EVERY NIGHT

Trevor van Reenen, 23, has worked in Johannesburg as an electrician for seven years. A member of the White Building Workers Union, he makes R80 a week (before tax and excluding overtime). Van Reenen, like most workers, feels the strain of inflation.

He lives with his wife and 18-month-old daughter in a two-bedroomed flat in Yeoville. With another child on the way, Van Reenen says simply: "I can't manage on my wages. To make ends meet I'm beginning this week on overtime, one extra hour a day and Saturdays."

Van Reenen ... more money now



Van Reenen owns no car, saying "I'd really be in trouble if I had to tackle that expense." He pays R50 a month for rent and gives his wife R20 to buy food each week. "She complains that this isn't enough and we're down to having meat only three days a week, whereas a year ago we had meat every night. We have a heck of a lot of tinned food."

He estimates food for the baby alone costs R10 per week and his wife complains about the high price of milk. The Van Reenen's seldom go out for dinner and their outside entertainment consists of one or two films each week.

Van Reenen has just completed a 2½-month course at training college so that he might qualify for his wireman's ticket in October. The course cost R60. He has to buy his own tools and estimates that these have cost him R180 over the past year.

He and his wife have just finished paying off a R600 debt for furniture and are now paying off R440 that went for a new hi-fi. His wife visited a gynaecologist two weeks ago and medicine alone came to R20. Last week he laid out R30 for baby clothes, nappies, and toys.

All this has left nothing for savings and his top spending priority, when more money comes in, is to buy new clothes for himself and his wife.

How does Van Reenen feel about inflation? "It's getting impossible. We've got another baby coming. The last wage rise we had was R2 a week in October. We must have more, and soon."

share these with their workers. In fact, they *must* do so."

Coming from a generally pro-government body such as the Confederation such warnings can't easily be dismissed. Wally Grobler, of the Railway Artisan Staff Association, and secretary of the Confederation, goes further. He says: "It is obvious that producers of basic commodities are not paying any attention to the PM's appeal. They continue to raise prices. Thus we as a union can't be concerned about appeals."

"Union members have suffered a real loss. Railway workers received 12% during the past year, but this doesn't keep pace with inflation. There is no question that we will ask for more in 1975."

Grobler goes on to stress that unions like his are also not accustomed to merely keeping up with inflation; they expect to gain a real improvement in their standard of living. Furthermore, he points out, union members need money to finance the cost of television and such consumer items as a dish washer.

One senses, in short, a determination on the part of trade unions and a total unwillingness to accept anything less than wage increases that meet cost-of-living rises for 1975.

Wessel Bornman, general secretary of the SA Yster, Staal en Verwante Nywerhede Unie, which includes Iscor, Escom and other industries and totals 37 000 members, says that until this week's wage adjustment, his members were worse off than when their union signed a wage agreement with Seifsa in June 1974.

Errol Drummond of Seifsa (the employer association for the huge steel and engineering industry, which employs 430 000 workers throughout SA), points out that this week's pay adjustment in his industry was a straight CoL increase. This stemmed from a provision in the union-management agree-

ment for discussions on interim wage adjustments in the event of "abnormal" CoL increases. Drummond notes that the current increase of 8%-15% follows the average wage rises of 12,3% granted in terms of the 2-year industrial agreement reached with the unions in June 1974. He stresses that since that agreement the increase in the consumer price index has been 10,3% on all items, meaning that workers in the industry are well ahead of inflation.

Drummond agrees with Vorster's statement on wage restraint and adds: "Companies just can't come up with the money to meet wage demands. There are severe cash flow problems stemming from higher costs and the bank credit squeeze. Beyond this there is a real threat of insolvencies."

Most unions believe that wages should escalate automatically to meet increases in the cost-of-living, and that wage negotiations with employers should concentrate on the broader question of productivity gains linked to higher real pay.

Bornman of Yster en Staal would like to see cost-of-living escalator clauses built into industrial agreements, a situation now commonplace with large unions in the US. He states: "Either we build it in or we will have to shorten the duration of the agreement, and I don't think anybody wants that."

At present there are very few "escalator" clauses in industrial agreements.

In Natal and the Eastern Province, a Tucsa-affiliated union, the National Union of Motor Assembly and Rubber Workers, has a provision in its two-year contract for discussions every six months for wage adjustments caused by inflation.

Fred Sauls, the union secretary, told the *FM* that his workers received an average 23% increase in January when the new agreement went into effect.

Nonetheless, Sauls is adamant that come June, his union will ask for a cost-of-living adjustment.

Sauls is one of the few union leaders not in favour of an automatic cost of living escalator; he prefers discussions on the issue, citing the possibility that if prices come down, union members might suffer an automatic wage decrease.

Not surprisingly, most employers oppose escalator clauses for automatic wage increases. Drummond of Seifsa calls it "a dangerous device, something that breeds on itself and is highly inflationary". Like Sauls he would prefer periodic discussions for increases during the course of industrial agreements.

However, the overwhelming consensus among unions is in favour, and employers can expect trade unions to push for an escalator clause during the remainder of 1975.

The current 15% rate of inflation means that prices double every five years.

Despite appeals from the Prime Minister, trade unions, under increasing pressure from members, claim they will demand what they feel is their just due during 1975. But will they manage to convert their fervent words into hard cash? Employers, squeezed from the top by a business slowdown and from the bottom by rising costs, are not going to give way without a fight.

Robert Kraft of Tucsa says unions are expecting a tougher time this year than last from employers. He is candid in recognising that the economy has turned down, that there is spare capacity of about 12%, and that companies may be hard pressed.

But Kraft is just as candid in saying that Tucsa, "no matter what the Prime Minister says, cannot advise restraint from its unions below the 15% rise in the cost-of-living."

Your move, Mr Vorster.

TUCSA

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Labour Reporter

The Trade Union Council of South Africa has welcomed official publication of the "collective programme" against inflation — a social contract with far-reaching implications.

"I'm pleased it is out in the open so that everybody is aware of what is expected of the people and the Government," said Mr. Arthur Grobbelaar, general secretary of TUCSA.

The Government still had to indicate full support of the tripartite pact among Government, employers and labour before TUCSA considered itself bound by the agreement, he said.

Acceptance of the programme by heads of Government departments represented on the Economic Advisory Council had to be extended to Cabinet level, he explained.

"A key measure in Government approval will be the appointment of a Cabinet Minister to head

the programme and take responsibility for its implementation," Mr. Grobbelaar added.

The chairman of the Economic Advisory Council, Dr P J Rieckert, informed TUCSA of the decision to publish the programme following newspaper disclosures.

Apart from early measures to combat inflation by way of expenditure cutbacks in all sectors, wage - and - price - restraint and the boosting of productivity, the tripartite pact provided for far-reaching later measures.

These included education, training and employment of Blacks in more skilled jobs in White areas. An orderly relaxation of policy in these fields should be introduced in consultation between employers and trade unions, the programme added.

TOO SLOW

The feasibility of retaining economic security of the worker in the White areas, while at the same time attempting to remove legal or social impediments in the way of more productive use of Black labour in better paid work in these areas, should also be investigated.

"There is a need for further rationalisation of labour, particularly in those cases where trade unions and employers are setting too slow a pace of adjustment to modern production techniques and technological development."

Labour rejects PM's pay appeal

Labour Reporter

The Confederation of Labour has rejected the Prime Minister's call to workers not to insist on being compensated for cost and price increases.

"The Government should take a lead with some noteworthy anti-inflationary action," the secretary, Mr Wally Grobler, said after a management committee meeting in Johannesburg yesterday.

Replying to the Prime Minister's statement after a meeting of the Economic Advisory Council, Mr Grobler said the confederation welcomed anti-inflationary measures such as the investigation into monopolistic practices and the suggested policing of prices by the Price Controller.

"GIVE A LEAD"

"The latter is considered long overdue," he said. But the confederation felt that it was necessary for workers to be strongly motivated in the fight against inflation. In this connection the Government should give a lead.

"A move towards doing away with two capitals (Pretoria and Cape Town) could, for example, demonstrate the Government's bona fides.

The governing authorities had also been "singularly lacking in example" in the pay increases which Ministers and members of Parliament voted themselves from last July.

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BIG PAY RISE FOR AFRICANS

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Natal Mercury Reporter 30/4/75

LADYSMITH — African municipal employees are to receive an approximate 25 percent boost in their wages following a decision taken by the Ladysmith Town Council at their monthly meeting last night.

The rise will date from May 1 and will mean that minimum monthly African pay will be increased from R40 to R50.

In hard cash this will mean that all Africans will get a monthly increase of at least five rand except in those areas where an employee is placed on the top of his grade.

Some Africans will benefit by up to R12 a month. The Town Council decided that the new annual grades would be — Labourers — R600 by R60 increments to R720. Selected labourer and indunas — R720 by R60 to R900.

Semi-skilled handymen on R1320 will go up in stages of R120 to R1800.

The two linesmen in the Electricity Department will be redesignated semi-skilled handymen.

Gatsha: wage gap will never be bridged on percentage basis

Daily Dispatch 2/5/75
334

NONGOMA — Chief Gatsha Buthelezi of KwaZulu said here that if blacks in South Africa waited for the government to close the wage gap on a percentage basis, they would have to wait for the "second coming of our Lord."

"All of us know that the black wage structure is inequitable because it is a disparity scale based on race," he said.

Chief Buthelezi said the Prime Minister, Mr Vorster, had said he was trying to

close the wage gap by increasing the salaries of black people by 17,5 per cent and of whites by 15,15 per cent.

"Clearly, if the gap is to be bridged on this basis, it will not be closed until the second coming of our Lord."

He was speaking during the Second Reading Debate on the KwaZulu Government Service Bill.

The Bill was introduced by the Executive Councillor for Community Affairs, Mr Walter Kanye, who said it was based on — and virtually identical to — the South African Public Service Act.

Chief Buthelezi said the Bill would enable KwaZulu to set up its own Public Service Commission, which would allow it a greater say in the wages of the civil service. This would mean "quite a marked improvement" in the KwaZulu wage structure.

Chief Buthelezi also called

for English courses to be made compulsory at universities.

It is stated that in the year English course there were 15 students compared with 111 in 1974, second year 30 compared with 19, first year ten compared with last year.

The number taking a degree English course slumped from 214 last year to 150 this year, while there was only one person taking an honours degree in the language.

Those taking a senior teaching diploma in English had gone up from 16 to this year.

Chief Buthelezi gained support of the house for compulsory English courses when he said that the present position would result in a shortage of Zulu teachers using this medium. — SAPA.

Wage gap now widened

In the report "Building trade Blacks get big COL rise," the big rise amounted to a merciful one cent an hour, although employers decided to contribute an extra 3c

an hour "to narrow the wage gap." (The Star, April 25.)

White artisans on the other hand, will be getting an additional 11c an hour.

If the Blacks get an increase of 4c an hour and Whites 11c an hour then surely the wage gap has now widened by a further 7c an hour?

Professor P Verhoef
Pretoria.

★ Professor Verhoef is quite right of course. In spite of the Master Builders Association's claim that their quadrupling of the automatic pay adjustment for Blacks was aimed at narrowing the wage gap, the gap has widened.

Still, the Transvaal building industry's new minimum of R22 a 44-hour week is higher than the lowest pay in most affluent Witwatersrand industries.

Take the hire-transport industry which raised its minimum to R15,36 a week this month — under a complete wage review, not a voluntary adjustment as in the building industry.

Therefore the building industry's pay rise was unusual.

① 334
2) 31
3) 306

Unions back bid to link wages to CoL

Staff Reporter

SOUTH AFRICA'S two trade union giants — the Trade Union Council of South Africa and the South African Confederation of Labour — strongly support trade union demands for automatic wage increases linked to the Consumer Price Index.

Tucsa claims the only protection the wage and salary earner has against double-digit inflation is automatic, linked rises.

This view is also supported by the Rightwing SA Confederation and by the staff associations representing workers of State departments, railway workers and Post Office workers.

The strength of the demand can be measured by the number of White workers involved — more than 700 000.

SURE

The secretary of the SA Confederation, Mr Wally Grobler, said the confederation would support index-linked agreements. It was the only sure way of maintaining the purchasing power of earnings.

Demands for the introduction of automatic increases for public sector workers have been submitted to the Ministers of Interior, Transport and Posts and Telegraphs by the staff associations.

The assistant general secretary of Tucsa, Mr Robert Kraft, said in Pretoria yesterday that the fast increasing majority of trade unions were demanding "index linking" agreements.

As an alternative some unions had asked for shorter period industrial council agreements to close the gap between wage adjustments.

OBVIATE

"At the current inflation rate more than five per cent of any increase is swallowed up by price rises within six months.

To maintain living standards, therefore, automatic increases linked to the consumer price index are necessary," said Mr Kraft. He claimed that index-linked agreements would be anti-inflationary.

They would obviate the

Officials may get pay rises

334

1966

Labour Reporter

Tens of thousands of public servants, railwaymen and Post Office officials will receive index-linked pay increases if representations by their trade unions and staff associations are successful.

Demands for automatic pay increases tied to the rises in the Consumer Price Index were formulated by organised labour in the public sector about two months ago.

Tight secrecy surrounded the move and is being maintained even now — partly because it is considered that index-linking in the public sector would trigger off a spate of similar demands from trade unions in the private sector.

NO COMMENT

Mr R H Landman, general secretary of the Public Servants Association, declined to comment today.

He said his organisation regarded salaries as a confidential matter between itself and the Government.

Mr G Kruger, general secretary of the Telecom-

munications Association, also had no comment.

Mr J R Benade, secretary of the Federal Consultative Council of Railway Staff Associations, was not available for comment.

FAVOUR

Both the 220 000-strong Trade Union Council of South Africa and the 195 000-strong Confederation of Labour favour index-linking of wages.

"The worker's income has always been lagging behind price increases, and index-linking will only permit him to catch up from time to time," said Mr Wally Grobler, secretary of the confederation.

He disclosed today that his own trade union, the Artisan Staff Association, had put the question of index-linking before the Federal Consultative Council of Railway Staff Associations. He could not say how much further the ECC had taken the recommendation.

Mr Robert Kraft, assistant general secretary of TUCSA, said index-linking of wages would be anti-inflationary in that it would counter wage demands and purchases made in anticipation of price increases.

Anglo's manpower move

Labour Reporter

One of South Africa's largest employers, the Anglo American Corporation, has re-organised its labour relations structure to counter future labour tension.

Announcing the establishment of a "manpower resources division" in his chairman's statement today, Mr Harry Oppen-

heimer said South Africa faced a period of change in its industrial structure.

In South Africa, the matter was complicated by race, colour and political attitudes.

"It would be wrong to expect that we can do this without tension, friction and some disturbance, but it would be an even greater mistake not to try," Mr Oppenheimer

said.

The new manpower resources division — serving all associated mining and industrial companies — will provide a comprehensive personnel service, wages and working conditions, communication, job evaluation, training, Black advancement and the elimination of race discrimination, among other things.

Referring to the wage gap, Mr Oppenheimer said: "This is of particular concern in these times of almost violent inflation."

It was important to remember that an increase of, say, 50 percent in Black wages and 10 percent in White wages still meant that in absolute terms the gap was actually widening, Mr Oppenheimer said.

STAR 15/5/75

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Non-racial S.A. 'or disaster'

334

Mercury Reporter

19/5/75

PEOPLE had to adjust themselves to the inevitability of a non-racial South African society or "go under," the president of the Natal Coloured Teachers' Society, Mr. Maurice Lewis, said at the weekend.

Opening the annual conference of the National Union of Commercial and Allied Workers, Mr. Lewis said that the "greatest challenge confronting every South African worth his salt" was that they must believe in and work towards the realisation that this is a multi-racial country.

Sooner rather than later "non-racial existence is going to take place here. We shall have non-racial schools, non-racial trade unions and a non-racial society upon us in as short a time as changes have come to other parts of this continent and South Africa itself," Mr. Lewis said.

Delivering his presidential address Mr. S. Ariefdien praised the South African Railways for having narrowed the wage gap between some Black and White workers.

He "fervently hoped" that the example set by the Railways would be followed by the rest of the civil service — in particular the various departments of education. There was an acute shortage of non-White teachers, partly because the salaries offered were not competitive with those of commerce and industry, let alone those paid their White counterparts.

The Government should "seriously con-

sider increasing the amount allocated to the Coloured Representative Council for education so that a progressively worsening situation can be averted."

Mr. Ariefdien said he believed the Government's decision to first begin narrowing the wage gap on the Railways was "of great significance." It was in this sector, "traditionally the work-home of poorer Whites," where fear of Black encroachment was most deeply felt.

Referring to the secrecy surrounding the Railways move to equalise wages he said it "would have been far better to have faced critical action from some ill-informed White workers than not to demonstrate to Blacks that the Government really intended to hold good its promises."

Index-linked wage upheld

STAR 21/5/75

We read your leader condemning the index-linking of wages. (The Star, May 12.)

On May 27 TUCSA is sponsoring a panel debate which will show there is a strong body of expert opinion that does not hold your view that index-linking is inflationary.

We feel that index-linking of wages to the consumer price index is anti-inflationary because it eliminates:

① the necessity, with double figure inflation, for wage demands in lieu of future rises in prices.

② the need for antinflationary purchasing by the consumer, or buying now before consumer prices rise even further.

③ those strikes caused

by inflation, viz where workers' wages fall behind the rise in consumer prices.

You call on unions to stop merely asking for more money and get together with employers and work out productivity deals.

This implies that all the unions do is ask for more money, which is a gross misrepresentation.

Anybody involved in industrial relations here knows that most unions are constantly involved in negotiations concerning work practices and improving methods of production.

Organised labour finds it hypocritical to hear support for "inflation accounting" which would give companies some form

of automatic compensation, or allowance for inflation, but condemnation of the index-linking of wages, which would give workers compensation for inflation.

Is it correct to assume that your attitude against wage index-linking means that you are also against any form of inflation accounting for companies? And if not, why not?

Robert L. Kraft
Economist and assistant general secretary of TUCSA.

★ If prices drop inflation accounting reduces the margin of adjustment. If prices come down, do COL-indexed wages also get reduced? If not index-linking is obviously inflationary — Editor.

① 135

② 334

Steel industry pours R2000-m into future

25/5/75
Sun Times (Bus Times)

ABOUT R2 000-million is expected to be invested in the iron and steel industry between 1973-79, with Iscor — producer of 72 per cent of South Africa's steel — bearing the brunt.

The basic steel industry is capital-intensive and unlike the long-term demand for its products — which increases at a relatively even rate — production capacity increases in a series of steps.

Before each enlargement of productive capacity, local supply is often unable to meet local demand. This switches to over-capacity as expansions are made, resulting in a continuing yo-yo situation.

Since 1969 the local steel industry has had increasing difficulty in meeting the expanding local demand.

More steel has had to be imported — from a relatively low value of R38-million in 1969 to R110-million in 1973.

Indications are that steel imports last year and this will be even higher.

One of the problems is

that steel mills of international standard take several years to come on-stream.

New schemes need careful planning and timing.

In the State's new Economic Development Programme, large expansion projects will gradually come on-stream and will enable the industry to cope with new demands.

EDP planners have projected an increase in production of 10.2 per cent a year until 1979.

The planners believe that imports will decline from the high level of R110-million in 1973 to only R51-million in 1979.

Exports of basic steel products increased rapidly — by 12.1 per cent — between 1963 and 1973. Apart from the large contribution that came from the export of basic steel, the growth in the export of ferro-alloys also played an important part in the industry's commendable export performance.

Taking into account the planned large extensions to local productive capacity of steel in particular, coupled with the strong possibility of an export-oriented steel mill to be

located at Saldanha Bay, the export target growth rate of 12.2 per cent a year — envisaged by the EDP — seems to be within the industry's grasp over the next five-year period.

Domestic demand is expected to expand at a much slower rate than that of production and its growth has been set at only 7.1 per cent a year over the 1974-79 period.

This large growth differential is mainly attributed to the high rate of import replacement as well as the expected rapid growth in exports.

The main domestic industrial consumers of basic iron and steel products, in order of importance, are:

- Metal products;
- Machinery (other than electric);
- Electrical machinery and appliances;
- Transport equipment;
- Construction (especially civil engineering);
- Transport and communication.

Basic iron and steel products are: pig iron; ferro-alloys and steel products, such as billets, blooms, slabs or bars; hot

and cold rolled and drawn products, such as sheets, tin-plate, terne-plate and black-plate; strips, rails, rods, wire rods and wires; castings and forgings.

To match the overall projected expansion in production, employment must grow at a rate of 6.7 per cent a year from last year to 1979.

However, thanks to automation, training and better use of its labour force, a relative improvement in the semi-skilled and skilled labour position could occur.

There is also the lure of recent wage rises in the iron, steel, engineering and metallurgical industries, which added up to 15 per cent to the wages of 70 000 Whites and 250 000 Black workers.

On the basis of a 46-hour week, the new increases mean the top minimum wage in the industry (for Whites) is now R87.40 a week.

Although the wage gap between Blacks and Whites substantially widened, in percentage terms the Blacks won rises almost twice those of White workers.

SA EXECUTIVE PAY TOPS IN BUYING POWER

The Star Bureau
LONDON — Strip salaries down to the hard shell of actual buying power and the South African executive emerges better off than overseas counterparts in a whole string of the bigger industrial nations of the world, according to a new survey released here.

The survey compares executive salaries in Britain, seven other European countries, Australia, New Zealand, the

United States, Canada, Brazil, Singapore — and South Africa.

And a final league table of top management salaries constructed by a British research group shows that while South African gross pay is relatively low, it improves when tax is taken into account and leads the list in buying power.

This is the conclusion of Employment Conditions Abroad, which surveyed executive salaries for the Confederation of British Industry.

Although detailed results of the survey are confidential, an ECA spokesman said South Africa was in the lower part of the table in terms of gross salaries, on a par with Australia and New Zealand.

But even at this stage South African pay was 40 percent ahead of the UK. A Briton earning R10 000 a year would be R4 000 poorer than his South African counterpart, who would be on about R14 000 in a similar seat.

After tax the difference grew to about 60 percent. The British executive would receive about R6 500 in net salary, while the South African in a parallel post would take home about R10 400. In terms of both net and gross salary Britain was bottom of the list, said the ECA spokesman. Britain improved somewhat after cost of living was estimated, he added.

South Africa was the only country of the 16 with a lower cost of living than Britain.

"The companies which paid for our establishment and which supplied the information for the survey are obviously interested mainly in comparisons of gross salaries, since they regard cost of living and tax levels as internal matters for the countries concerned," said the spokesman.

"But for the executive looking for the best place to sell his skills, take-home pay and its buying power are the most important factors, and here South Africa is on top."

The CBI has used the figures in its evidence to the Royal Commission on the distribution of income and wealth.

① 334
2 - MANAGEMENT

SA too valuable to quit — Swedes

Foreign investment will continue to flow into South Africa — because it is too valuable for the investors to give up. But there is now likely to be increased pressure for improved Black working conditions.

This is the conclusion reached by the South Africa Foundation after studying a report by a recent visitor, Dr Ake Magnusson, on Swedish investment in South Africa.

The report, reflecting the results of a questionnaire mailed to 60 companies, showed that in 1970 Swedish firms' investments in South Africa were 1.6 percent of total overseas investments, or about R40m.

In 1970 out of 10 Swedish companies in Africa, seven were located in South Africa representing 77 percent of assets in Africa and 82 percent of employees in Africa.

Liberia was the next best attraction for Swedish capital in Africa.

The report notes the increasing economic and military power of South Africa, and changes within the Republic. Also: "The strategy of isolation prevalent in the UN stands little chance of implementation and approaches must be sought elsewhere. . . . political changes in South Africa must ultimately be implemented by the country's own population."

"As the non-Whites are interested and are capable of presenting their demands, external help should be given to them."

"One way is to induce foreign companies to raise wages, and allow non-White union activities."

1) 334
2) 134
3) 138
4) 75

Black-White wage gap must close

Nat. Mercury 27/5/75 — Industrialist
Industrial Reporter

IT IS a matter of extreme urgency that the wage gap, between White and Black, should be closed, according to Mr. F. G. Beard, the South African industrialist.

Mr. Beard, who was speaking during a Durban seminar arranged by Professor R. Tusenius, of the Graduate School of Business at the University of Stellenbosch, said the wage gap would never be closed unless Blacks were

trained to do skilled work and paid the rate for the job.

He said that the White-African wage ratio had improved since 1970 from 6,3:1 to 5:1, for those in Government employ, but in real terms there was now a gap of R329 instead of the R229 in 1970.

"The Government apparently feels that as long as African wages rise percentage-wise more than that of the Whites everything in the garden is lovely," he said.

Mr. Beard said it was unlikely that Black workers would be prepared to wait for the end of the century to get equal pay for equal work.

He said salaries for Black teachers, doctors and nurses should be made equal by 1980.

Mr. Beard said he could not agree that wage increases should come by reducing profitability.

TRAINING

"If the Black workers are properly trained to do skilled or semi-skilled work and are paid accordingly, they would certainly earn their keep — profits should soar, not decrease.

"The wage gap has to be narrowed appreciably as a matter of urgency if we and our children are to continue to live peacefully in South Africa."

Dealing with company profits, Mr. Beard said that "long-haired idealists who preach the anti-social nature of profits and who were trying to foist socialistic, or should I say Communistic, ideas on us should either be dealt with under the Suppression of Communism Act or deported to Russia."

Last year South African companies had a particularly good year. Greater volumes and more units of every kind were sold. "Small wonder that the profits soared — they would have done so had there been no inflation."

Dealing with the training of Blacks, Mr. Beard felt that the Government should carry the full cost

sector had moved slowly on in-factory training because of all the red tape involved. He suggested that an auditor's certificate could replace the costly inspections by a civil servant.

He said training centres required expensive equipment and this, in a capital intensive industry made it difficult to equip the centres.

Index linking —economists are divided

STAR 28/5/75

Staff Reporters

At a symposium organised by Tucs, a panel of economists was sharply divided on the practical advantages of index linking in South Africa.

Index linking means that economic contracts such as wages, loans and savings are linked to changes in the cost of living. For example, if an acceptable cost of living index rises by 15 percent, then wages, the value of loans and savings must automatically rise by 15 percent.

The panel included Dr J Cloete, Barclays Bank's chief economist, Dr J Hupkes, chief economist of Federale Volkskelegings, Mr Robert Kraft, economist of Tucs, Miss Joan Knox and Professor Arndt Spandau of Witwatersrand University's economics department. Chairman of the panel was Mr George Palmer, editor of the Financial Mail.

SYMPTOMS

The two academics and Mr Kraft said they thought indexing could be applied in South Africa, but the other economists disagreed.

All the economists admitted that indexing tackled the symptoms and not the root cause of inflation. They talked about lowering the rate of inflation or keeping inflation at present levels. They did not firmly state that indexing would end inflation.

Dr Hupkes said that partial indexing was not a feasible proposition in South Africa. If wages were only linked to a cost of living index, for instance, there would be unfair pressure on other groups

and sectors of the economy.

"If we want indexing," he said, "then we must go the whole hog."

Dr Cloete remarked that there was already partial indexing in South Africa. Building contracts, rental agreements and some recent wage agreements were examples.

1-47
2-47
3-350
4-325
5-150A

Equal Pay

TUCSA LABOUR MIRROR
JUNE 1971

A major advance towards achieving equal pay between Coloureds and Whites in local government has been made by the Johannesburg Municipal Coloured Employees Union. They were assisted in this move by TUCSA's Head Office.

DETERMINED to achieve equal pay for equal work in the face of City Council resistance, the union declared a dispute, and asked the Minister of Labour to appoint a Conciliation Board.

THEY then approached the TUCSA for assistance, and in some behind the scene moves, the stage was set for further direct negotiation to take place between the union and the City Council.

AFTER some hard bargaining, the union got the council to agree to pay Coloured council employees 80 per cent of what Whites in "comparable" jobs were getting - this to be backdated to July last year - and from July 1 this year 85 per cent of the White rates, rising to 90 per cent when the next general wage review takes place.

THIS agreement applies to Coloureds and Indians in about 14 graded posts, where minimum standards of training or education also applicable to Whites are laid down.

EMPLOYEES in non-graded jobs were given a straight 20 per cent increase backdated to July last year and the council agreed to review all these jobs to ascertain whether or not they should be differently graded and the wage structure altered.

IN spite of the significant gains made, union members let it be known that they regard the agreement as an interim one and that they will continue to press for nothing less than parity with Whites.

(1) 135
(2) 262
(3) 334

Row over

pay is forecast

STAR 5/6/75

334

The general secretary of the 220 000-strong Trade Union Council of South Africa, Mr Arthur Grobbelaar, believes workers will not "put up much longer" with annual pay increases of 10 percent or less.

"Everybody has misinterpreted what the Prime Minister really said about wage restraint in the overall context of a combined attack on inflation," Mr Grobbelaar said.

"Now employers all over the country think they have the Prime Minister's backing in their stand against pay increases."

LOSING OUT

"With annual pay increases of eight or 10 percent, workers are definitely losing out and I don't think they will put up with it much longer," Mr Grobbelaar said.

"They are virtually the only ones losing out, because commerce will never come out in support of the collective anti-inflationary proposals adopted by the Economic Advisory Council."

Mr Grobbelaar was asked to comment on reports of dissatisfaction over increases in municipalities and at Iscor which were disclosed this week.

Both the Johannesburg Municipal Employees Association and the Johannesburg Municipal Trans-

port Workers' Union, representing the majority of municipal employees in Johannesburg, have accepted increases of about 10 percent, effective next month with a further five percent effective from January.

AUTOMATIC

Iscor has announced increases of eight percent for administrative staff and about 10 percent for White technical staff. The increases are in accordance with an automatic adjustment in the steel and engineering industry, effective this month.

Unions and associations representing railway workers, post office officials and public servants are still awaiting a reply to a request for automatic pay increases to offset the rise in the Consumer Price Index.

Do not write
in this
margin

INDEXING

Would it help?

F.M. 6/6/75

334

As inflation continues unabated, the lobby for introducing some system of index linking into the economy gathers strength. But should wages, pensions, loans, *et al*, be automatically linked to rises in the cost of living? Is this the best way to attain a stable relationship between prices and income in times of double digit inflation?

Increasingly, economists, trade unions, and some businessmen are saying yes. Robert Kraft, of Tucsa, and Att Nieuwoudt, of the Confederation of Labour,

both favour its introduction in wage agreements and have made this a priority in their discussions with management.

Kraft points out indexing of wages would make it unnecessary for unions to include projected rises in cost of living in wage agreements. He thinks it would go a long way in putting out inflationary fires within the economy, as consumers would no longer feel compelled to make un-needed purchases today in order to avoid tomorrow's higher prices. He even believes it would greatly reduce the potential for wage strikes.

Wally Grobler, of the Railway Artisan Staff Association, says if Minister of Transport Louwrens Muller refuses indexing (and all Railway staff associations have asked for it), he'll have to find other ways to compensate workers for the present 15% rate of inflation.

Wits economist Joan Knox, long a crusader for indexing, feels it should be introduced as a tool of monetary policy to help government fight inflation. She proposes that government issue index-linked bonds, which, she believes, would make long-term investment more attractive.

On the other hand, Seifsa's Errol Drummond probably represents the view of many employers when he says "it would work only in a dictatorship like Brazil. It's the kiss of death to the free enterprise system." (To which economist Knox retorts: "If we don't stop inflation private enterprise will be finished".)

Where does the truth lie? Would indexing, as many unionists say, stop inflation in its tracks?

Answers are hazy and incomplete as there are no examples — with the exception of Brazil, which isn't analagous with the South African economy — of industrialised Western countries introducing indexing on a sustained, economy-wide

basis. And in Brazil, indexing has by no means ended inflation. Far from being a panacea, indexing is used only because inflation is such a chronic, ongoing, problem that instead of fighting it any longer an economy simply learns to live with it.

Psychologically, indexing is an admission of defeat in the battle against inflation. Furthermore, just what kind of indexing is proposed? The indexing of industrial council agreements only, which any good trade unionist would favour? Or indexing throughout the economy? The latter implies a drastic level of government intervention in the economy: it's an uncharted course, where basic market mechanisms are tampered with. Everything from loan agreements to pension funds and monetary and fiscal policies are affected. And unless government tightened its belt and balanced its accounts, there is not even the assurance that the rate of inflation would measurably decrease.

Other problems abound:

- Is the present Consumer Price Index an accurate measure that can be applied to all sectors of the consumer society in calculating periodic adjustments to be made throughout the economy?; and
- How does one tackle the question of social equity? Lower income groups (which in this country means Blacks) are disproportionately affected by inflation, as they spend a higher percentage of earnings on such items as food and basics. Food costs have been rising, for example, at a rate of over 19% over the past year while the CPI records an increase of only 15%.

Certainly there is a case for making some concessions to indexing: the case of old age pensioners, who have no bargaining power, is probably a special one. It would do no harm for government to build cost of living escalators into national pension schemes.

But in the end the battle against inflation will be won only when the government bites the bullet and comes to grips with its own accounts, which, more than anything else, have fuelled the inflationary fires.

Labour body attacks inflation

STAR
10/6/75

Labour Reporter

One of South Africa's most reserved labour organisations, the 8 500-strong Building Society Officials' Association, today broke its tradition of silence to express "serious concern" about inflation.

"Our executive wholly supports the collective programme against inflation, but we are wondering what is happening to its implementation," Mr Peter van Wermeskerken, president of the association, said.

"We rarely speak up in public, but this is a matter in which everyone's voice should be heard," he said.

Mr Eric Stockenstrom,

the general secretary, said his members were concerned with the impact inflation had on their individual purses and on their common morale.

It was self-evident that concerted action as provided for under the collective programme approved by the Prime Minister's Economic Advisory Council was vitally necessary.

But without outspoken Government support this programme had no hope of being effective.

COMMITMENT

"While organised labour, as apparent from recent wage agreements, has exercised marked restraint in wage demands, active commitment to the collective programme seems to be sadly lacking elsewhere," Mr Stockenstrom said.

"We fully associate ourselves with other calls already made for an early announcement of full Government commitment to this anti-inflation pact which is now more than two months old."

Indexation would be a 'serious threat' in anti-inflation drive

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ARGUS
11/6/75

The Argus Correspondent
JOHANNESBURG. —
Barclays Bank has
joined the big debate
on indexation with a
resounding 'No' to the
system as a mechanism
to deal with inflation.

Dr Johan Cloete, chief
economist at the bank,
argues in a new Business
Brief that the use of
comprehensive indexation
would prove a 'serious
mistake' if introduced in
South Africa.

He argues that both em-
ployers and employees

would add even more heat
to inflation by building in-
creases into cost and wage
budgets based not only on
the rate of current in-
creases but also inclined
to add their own 'safety
margins.'

If the consumer knew
that future money incomes
were protected against
price increases, it would
mean the removal of the
last vestiges of discipline
over consumption expendi-
ture already running at
excessive levels.

INTENSIFIED

If anything, the struggle
between capital and labour
to protect and if possible
increase their respective
shares of the total national
cake would be actually
intensified.

Overall, indexation
would almost certainly re-
sult in the acceleration of
inflationary pressures in
the economy.

South Africa should
acknowledge, instead, that
its most urgent need was
to speed up the rate of
capital formation as much
as possible, Dr Cloete
argues. And a first re-
quirement was the en-
couragement and protec-
tion of business profits.

Comprehensive indexa-
tion, he insists, would re-
duce the rate of capital
formation:

● It would considerably
extend Government con-
trol over the economy to
the detriment of the profit
motive and the incentive
to invest in the private
sector.

● It would perpetuate and
even accelerate the infla-
tion rate and in turn the
tendency toward excessive
consumption leading to a
reduction in savings and
investment.

New investment would
be seriously hampered
since index-linked interest
rates and wages would
introduce so much uncer-
tainty into calculations
that the entrepreneur
could find it virtually im-

future return on invested
capital.

Indexation would serve
as a rapid conductor of
imported inflation.

South Africa, because of
its dependence on exports,
would probably be forced
— like Brazil — to de-
value its currency con-
stantly.

Dr Cloete concludes that
excessive demand, with
the inflation it causes, can
only be overcome by
greater productivity — or
by a cut, at least tem-
porarily, in living stan-
dards.

Bosses irked by training costs

Financial Staff

AS WAGES go up, productivity frequently goes down, according to Mr. Toni Kedzierski, the Coloured Development Corporation's manager of personnel and training.

During 1968-69 earnings increased by 5.6 percent, while productivity rose 4.1 percent. In 1970-71 wages rose 10.1 percent and productivity only 1.4 percent.

The declining trend shown in these figures from the Institute of Personnel Research, has not changed, he says.

Following factory strikes in Natal, companies raised wages while the desire to train workers better had a 'bandwagon effect'.

Firms rushed into package-deal training without considering the cultural and educational background of the individual worker.

The best way to raise productivity meant a complete analysis of each job, which took time and developing the individual to his potential.

Industrialists were now disgruntled about the cost of training and poor results and as a result were now looking to more mechanisation to save labour costs.

But people with a social responsibility asked: What is the good of reducing the number of jobs in this country?

Dr. J. D. Jones, Cape Town executive of the Clothing Industry Productivity Association, said the organisation had surveyed several member companies to find areas where efficiency was being lost, the amount of improvement possible and the action needed to achieve improvements.

Productivity increases of 20 percent or more were being achieved by the application of straightforward techniques.

One of the most effective was the re-examination of machining and sewing techniques, which were often left behind in times of rapid growth and high demand.

Activity sampling was another useful tool, particularly for showing up losses in the production system.

These techniques required practically no capital investment or expense and little sophistication — only commonsense and purpose, said Dr. Jones.

One large clothing company had a 44 percent increase in output from the same labour force after a study of working methods, said Mr. L. A. Repler, senior productivity analyst of

the National Productivity Council.

Other manufacturers had made improvements of up to 50 percent since a productivity unit was formed by the industry a year ago.

Mr. P. Swart, a personnel manager, estimated that 91 000 newcomers would have to be trained by 1985. About 70 percent of all training would need to be directed at the semi-skilled and skilled operator level.

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W/E ARGUS
(Bus. Arg.)

14/6/75

Civil Service salaries to be pegged

*Sun Trib
Fin
15/6/75*

By Desmond Healey

THERE is little or no possibility of Government servants being granted wage increases this year and a national campaign is to be launched urging wage restraint by trade unions in the private sector of the economy and the acceptance of a reduced standard of living for Whites.

That is the expected final result of a confrontation in Cape Town this week between Government officials and private enterprise representatives on the Anti-Inflation Committee of the Prime Minister's Economic Advisory Council.

The outcome of the meeting, called by Secretary of Commerce and Price Controller Mr Joep Steyn, remains secret until announced by either the Prime Minister or the Minister of Finance.

But the signs point to a five phase course of anti-inflation action being launched by the Government in the wake of proposals put by private enterprise and a firm declaration by leaders in industry and commerce that they expect the Government to set the example to the country.

Inflation

The five phase plan is:

- Wages and salaries of public servants will not be raised this year, since this would put more money into circulation and spur demand-pull inflation — too much money chasing too few goods.

- Price increases demanded by public corporations such as Iscor, Escom and the Railways, will be postponed for as long as possible.

- Price increases sought by private enterprise will be scrutinised more carefully and manufacturers and suppliers will be urged to exercise price restraint.

- Trade unions will be urged to go slowly on wage demands, but a wages freeze will not be applied.

- An education campaign will be launched to motivate people to accept a lower standard of living until inflation is brought under control — notably a less luxurious standard of housing.

The committee apparently has told the Government that too much has been expected of private enterprise in the fight against inflation and though there is a healthy money supply high interest rates are discouraging expansion of production facilities.

Interest

Money market interest rates are falling fast, but business wants pressure put on the commercial banks to lower the minimum lending rate.

Government officials countered that too many price increases were the result of private enterprise restrictive trade practices and the application of a form of Resale Price Maintenance, which was outlawed in 1967.

Inflation is a world-wide problem and is galloping along in this country at close to 13 percent this year. There is no easy solution but closer co-operation between the authorities and business and the trade unions is expected to hold the full year figure to no more than 10 percent.

① 33K
② 225
③ 336

Pay deal mockery — union

Labour Reporter

One of South Africa's most respected trade unions has told the Minister of Labour that he should not have approved an industrial agreement which provides for the underpayment of Black sales staff.

The National Union of Distributive Workers' secretary, Mr. Ray Altman, says in a letter to the Minister — the recently gazetted agreement of the Industrial Council for the Non-White Trade on the Witwatersrand "is making a mockery out of the collective bargaining process."

The letter expresses the union's grave concern that the Minister should have approved the agreement which:

- "In no way affects the (wages of the) bulk of the members of the registered trade union which negotiated the agreement, but

- "materially affects the wages and working conditions of the Black labour sector who had no direct representation or say in the making of the agreement."

REVERSAL

Black sales staff would have been assured of higher minimum wages under the existing wage determination for the commercial distributive trade if the Minister had excluded them from the provisions of the agreement Mr. Altman pointed out.

Mr. Morris Kagan, Transvaal vice-president of Mr.

Altman's union, said in an interview the implications of the agreement were "unique" in the history of South African industrial agreements.

Invariably such agreements provide for wages higher than those laid down in the relevant wage determinations.

In this case, he said, the process had been reversed. Black staff had been prejudiced and the interests of the bulk of White union members concerned had not been reflected at all.

Instead of the R20,75 to R41,50 a week minimum provided for under the wage determination Black sales assistants were getting R15,40 a week under the agreement affecting "native shops" and mine concession stores on the Witwatersrand.

GOI

African wages show a marked improvement

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Financial Editor

ARGUS 17/6/75

THE two years following the outbreak of strikes in Durban in January and February 1973 saw a significant improvement in the real income of Africans employed in manufacturing, an analysis of figures issued by the Department of Statistics shows.

In the 12 months ended February this year, the average wage of Africans employed in manufacturing rose 23,3 percent to bring the increase in two-year period since February 1973 to 42,0 percent — from just over R65 a month to just over R95 a month.

As the consumer price index rose only 14,7 per-

cent in the 12 months ended February and 25,5 percent in the two years from February 1973 it is clear that African wages in real terms have shown a worthwhile improvement.

However, the Africans to gain the most have been those employed in mining and quarrying. Their average monthly wage rose by 85,5 percent in the 12 months ended February this year and by 186,4 percent in the two years from February 1973 — from R24,44 to R69,99.

Recently Africans working on the mines were granted another substantial pay rise.

Coloured and White workers employed in mining also enjoyed substantial pay rises in this two year period, with the average Coloured wage rising 64,9 percent and the average White wage by 40,6 percent.

Against this the figures show that the wages of Whites and Coloured people employed in manufacturing just kept pace with the increase in the cost of living over this period while the wages of Whites, employed in construction fell well behind the rise in the consumer price index.

The bureau's figures show that during this two-year period the number of Africans employed in construction and manufacturing rose by 86 000 to 1 035 000, while the monthly wage bill for Africans increased by R36 million to just over R100 million.

The following table shows average monthly wages and percentage changes in the two years since February 1973.

AVERAGE MONTHLY WAGES				AVERAGE MONTHLY WAGES — PERCENTAGE INCREASES			
WHITES				WHITES			
	1975 February rands	1974 February rands	1973 February rands		In 12 months ended February 1975	In 24 months ended February 1975	
Mining	584,63	517,65	415,95	Mining	12,9	40,6	
Manufacturing	479,08	414,81	380,18	Manufacturing	15,5	26,0	
Construction	461,40	422,11	399,90	Construction	9,3	15,4	
COLOURED				COLOURED			
Mining	149,29	116,47	90,55	Mining	28,2	64,9	
Manufacturing	122,45	107,32	98,44	Manufacturing	14,1	24,4	
Construction	181,70	151,31	133,00	Construction	20,1	36,6	
AFRICAN				AFRICAN			
Mining	69,99	37,77	24,44	Mining	85,3	186,4	
Manufacturing	95,66	77,57	67,36	Manufacturing	23,3	42,0	
Construction	95,90	74,17	69,23	Construction	29,3	38,5	

- 1) Man
- 2) Man
- 3) Construction
- 4) Wages

Natal Mercury 19/6/75

Report by African Institute

Flaws in survey on Black worker

SOUTH Africa's most crucial labour problem lies with the "enormous growth rate" of the Black population, says a study on the Black Worker of South Africa released by the African Institute recently.

The publication that carries this statement professes to be objective and free of political bias, and many of its conclusions are both lucid and valid.

It is also, however, curiously uncritical of Government policy and legislation and of the White attitudes that shaped labour laws and practices. This flaw has significantly diminished the objectivity of this study by Dr. G. M. E. Leistner and Dr. W. J. Breytenbach.

Explaining the "distances" between Africans and the rest of the country's peoples, the authors find a dualism "typical" of the rest of Africa without pointing out that the "distances" in African countries tend to be related to natural abilities and opportunities rather than race differences.

DUALISM

The dualism in South Africa has been artificially perpetuated by law and law-sanctified social attitudes.

Dualism, it has been said, exists because of a deliberate policy of non-incorporation of the Black population.

Discussing the evolution of the labour pattern, the authors contend that the operation of market forces "came, in some measure, to be replaced by the convention that a White man's wage was usually five to ten times the wage of a Black man."

The study then states: South Africa's labour

history is largely a struggle to replace this convention by a pattern of remuneration and employment that reflects actual achievement while at the same time preserving industrial peace."

However, several noted academics, both here and abroad, have found South Africa's labour legislation to be among the most repressive in the world.

In fact, in terms of the Industrial Conciliation

could have been done in the field of education and training to expedite occupational change is a moot point."

Quite apart from the fact that the authors seems to contradict this conclusion later, they make no mention of the philosophy behind Bantu Education as enunciated by Dr. Verwoerd in the '50s.

Then Minister of Native Affairs, Dr. Verwoerd said Africans

By TIM MUIL

African Affairs Correspondent

Act, the African has no standing as an "employee" and therefore has none of the protection which is normally afforded an employee.

The Department of Labour which one could expect, not unreasonably, to protect the unrepresented worker, is primarily concerned with acting as an employment agency for industry.

Industrial peace is a euphemism for the priority given to White workers which has created a White working aristocracy, and for a situation maintained by law, custom and force.

The slim book notes that the Black population has had too short a time to develop the "occupational pattern typical of technologically more mature nations."

The authors then claim: "Whether more

should not be educated above their expectations, and in White communities there was no place for Africans above the level of certain forms of labour.

Later, while they show that job reservation "potentially affects only an estimated 2.9 percent of the country's labour force," they do not mention the job reservation created by inferior education, poverty, the social problems created by township congestion and by the difficulties of training migrant workers.

At the same time Dr. Leistner and Dr. Breytenbach give the impression that White trade unions are holding the country to ransom.

They do not, however, point out that the White unions are integral to the White power establishment and that the Government has been

highly responsive to them. White unions have helped to shape the Government's stance and hence legislation.

Turning to wages, the authors contend that the wage disparities stem from a skills disparity. While justifiably adding that nobody should be paid more than he is worth in terms of productivity, their argument implies no political or racial element in the current wages gap.

Other academics believe that the disparity in earnings does have a racial factor, and it was pointed out recently that in Europe and the United States the unskilled to skilled wage ratio was about 1½ to 1. This book quotes figures of 3,18 to 1 for Whites and Blacks who are both unskilled.

In effect this study is saying that because the average White earns 5½ times more than an African, he is 5½ times more skilled. There are hosts of reasons for not having skills, and the authors themselves concede that most Whites are overpaid.

EDUCATION

A noted sociologist argued recently that to use productivity in the wages debate is ill-advised.

He noted that in a survey in Durban among 100 large firms it was shown that where Blacks replaced Whites, 55 percent of the firms had increases in productivity and efficiency compared with a mere ten percent that had decreases.

In their chapter on Black education, the authors show what is being done — and there is much—but provide no comparisons between African and White education.

They do not, for instance, show that the average amount spent educating Whites is about R480 a year while

that for each African about R27. While the enumerate the trade and technical schools available for Africans they do not show that the four times smaller White population has at least eight times more technical and trade schools and colleges.

Finally, the African Institute's review on the book's dustjacket depicts the "simplistic" view of the situation taken by journalists, but the study has no fewer than 31 Press references and quotations.

Pay bill soars for city

STAR 21/6/75

① 334
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Pay increases of almost 30 percent for thousands of Johannesburg City Council's Black workers over the next year will contribute to a R10,9-million increase in the city's wage bill.

Vote for 25pc

Johannesburg city councillors will probably vote themselves a hefty pay rise of more than 25 percent at next week's council meeting.

Monthly pay for ordinary councillors will rise from R150 to R190, if the proposal is accepted.

Informed sources do not believe there will be any significant opposition in the council to these increases.

Leaders of the two opposition parties, the National and Reform parties, will each receive twice the ordinary councillor's fee — R380.

MAXIMUM

Members of the management committee will each receive R570—three times as much as ordinary councillors.

The chairman of the management committee will receive R608.

The last increase was in July, 1973.

The present increase is the maximum allowed by the Administrator of the Transvaal.

The maximum allowance which a local authority may authorise is fixed by the income of that authority. Since Johannesburg falls in the maximum income category, it can pay its councillors the top level allowed by the Administrator.

City councillors, including management committee members, are not full-time representatives.

The council's budget could be a record R270-million, R40-million more than last year.

The proposed increases, which will be considered by the council next week, are designed to further the council's policy of narrowing the gap between wages for Blacks and Whites.

Wage rises for more than 8 000 White employees will amount to about 10 percent from July and another five percent from January next year.

African employees will obtain between 20 and 25 percent from July, and between about five and 10 percent from January.

Coloured and Indian pay is also moving closer to that of Whites.

They will receive 85 percent of White pay in comparable jobs from July and 90 percent from the next White increase from July next year.

The minimum monthly pay for African men from January next year will be R93,43, compared with the present R72,45.

STILL HIGHER

Africans will receive, percentage-wise, about twice as much as Whites, while Coloureds and Indians too will receive more than Whites in terms of percentage.

However, the 17 500 African, Coloureds and Indian workers will receive R4 846 100 in increases while the Whites, who number about half the other races, will receive R4 944 100.

These figures do not include cost of overtime, annual leave bonus and pension fund contributions by the council.

The reason for the slightly greater total increase for White in money terms is that White pay is still far higher.

'Black wage rise not the answer'

5-TAR
25/6/75 (334)

DURBAN — Hasty and indiscriminate raising of the wages of all workers was not the answer to South Africa's Black labour difficulties, the Deputy Minister of Bantu Administration, Mr W A Cruywagen, said in Durban today.

Addressing a symposium on Black wages, Mr Cruywagen said: "To be rewarded for work done is an accepted principle of the economy, but when the minimum wage paid exceeds the economic value for the employer of the work performed, the work opportunity necessarily ceases to exist."

Moreover, there was a clear connection between rising wages and decreasing employment, Mr Cruywagen said.

"Is it strange that Mr Michael O'Dowd, an economist, has asked whether it is sheer coincidence that the pressure on South Africa to pay her workers higher wages was coming from the very countries whose machinery we would have to buy if labour became too expensive and obliged us to embark on large-scale mechanisation?"

"If we create enough jobs to employ all our Blacks, fair wages will look after themselves — without any need for the

assistance of Black trade unions or short-sighted idealists who allow their hearts to rule their heads," he said.

Low and inadequate remuneration were not the sole root of labour unrest, and wage increases were not a magic wand which could remove all dissatisfaction.

Wages were influenced by political and social consideration, and should always keep pace with the value of the labour supply and the productivity of workers.

STAR 26/6/75

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Expert fears disaster

Labour Reporter

A leading economist has predicted disaster or "political change with unpredictable consequences" unless there is a reallocation of income in favour of the poor.

Mr Merton Dagut, manager of Group Economic Services of Nedbank and Syfrets-UAL Holdings, was speaking yesterday at a Black wages symposium held by the Institute of Personnel Management in Durban.

"Serious inflation occurs either because a fraud is being perpetrated or because a reallocation of resources and of income is being resisted, or both," Mr Dagut said.

He argued that the prospect of an easing in inflation next year presupposed that a reallocation of income had taken place, with the real incomes of the poor having risen.

EXACERBATED

The maldistribution of income in South Africa was already a source of tension. This was being exacerbated by the high rate of inflation, coupled with the income-squeezing effect of the economic slowdown.

If a reallocation did not occur, "the pleasant picture must be discarded in favour of either a disaster scenario or one of political change with unpredictable consequences," Mr Dagut said.

Mr Wells Ntuli said inflated White wages could not be justified in terms of the contribution made by these people. Heavily inflated wages for people such as artisans represented the greatest obstacle to a redistribution in income.

1. 1/1/4
2. Income
3. Power
4. Wages

Holding at 15%?

FM. 27/6/75

CURRENT AFFAIRS

To hold employees' living standards unchanged over the next 12 months, a staggering extra R950m would be needed to finance an across-the-board 15% wage increase (see table). Rewards for productivity, promotion, and so on will have to come on top of that.

Trade union leaders, while prepared to have their arms twisted in the direction of restraint seem unlikely to settle for less. That, at least, is their stance now, following Chris Heunis' plea for moderation.

Recent wage hikes, which trade unionists see as no more than a holding operation pending wide scale linking to the CPI, include:

- Mining: 14% increase for Whites and a 25% increase in the minimum wage for Black workers.
- Construction: 5% for White minimum wage scales and 2.5% for Black.
- Iron, steel and engineering workers: an 8%-15% CoL allowance.
- Transvaal transport workers: a 7.5%-15% hike in wages actually paid.
- Johannesburg and Pretoria municipal employees: 10% increase in actual wages from July 1 and a further 5% in January.
- Transvaal knitting industry: wages and salaries to be linked to the CPI from July 1.
- Wage Board: several minimum wage rates in various industries have been increased.
- Railway, Post Office and public servants: linking of wages to the CPI is being considered at Ministerial level. They have not been granted an increase since last July. The outcome will involve

THE WAGE BILL

Industries	*No employees	Total annual wage bills
Mining	700 000	R780m
Manufacturing	1 300 000	R2 400m
Construction	400 000	R540m
Finance & commerce	100 000	R150m
Wholesale & retail	200 000	R340m
Public servants (excl PO)	370 000	R1 440m
Total		R6 360m
15% increase in wages		R954m

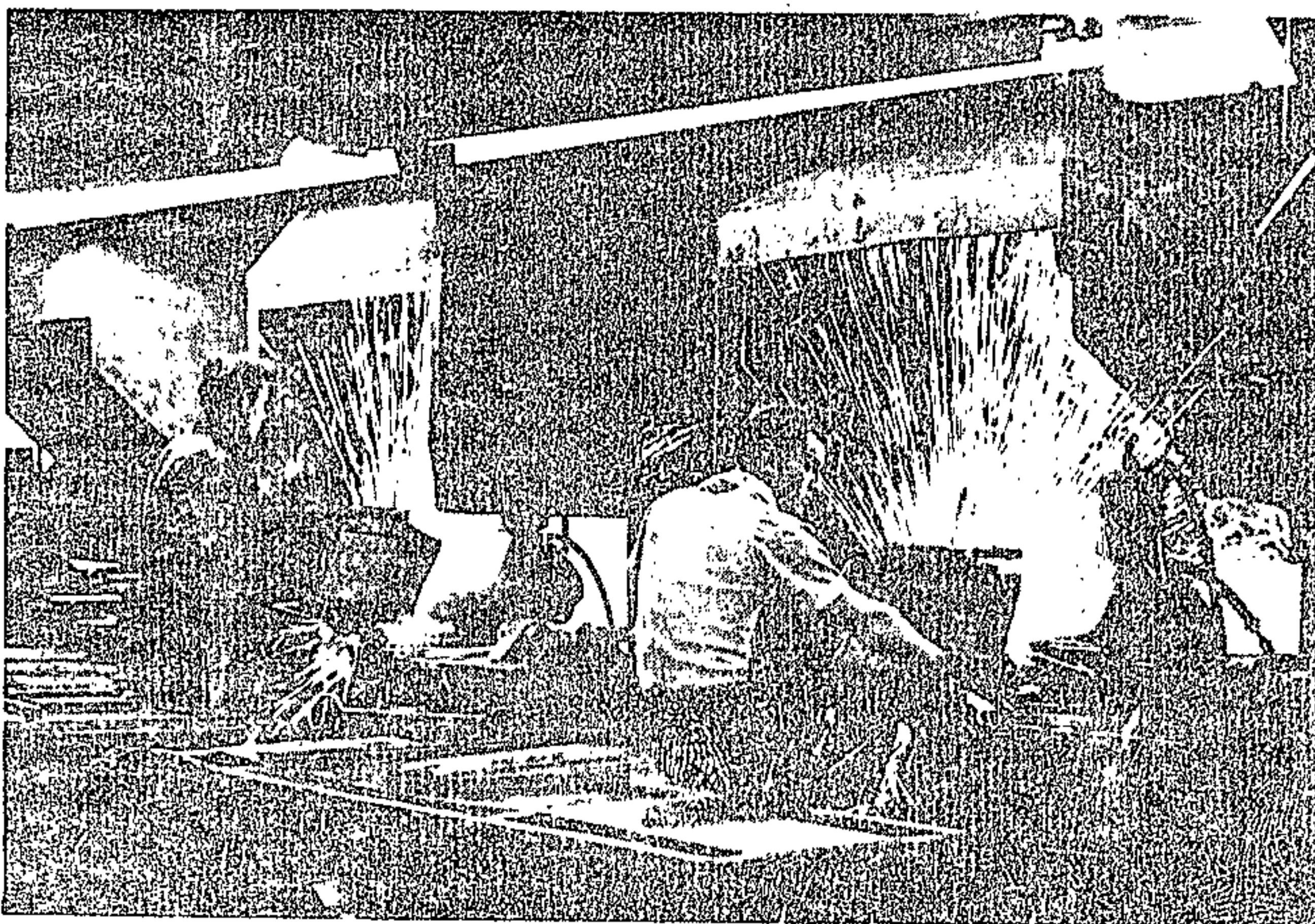
a major policy decision — and be a trend setter.

As a result of worsening inflation, wage agreements are revealing new trends according to Tucsa's Robert Kraft:

- Wage agreements tend to be for shorter periods.
- More sectors (like the engineering industry) provide for interim wage relief in the form of increments linked to the CPI.
- Negotiations are becoming tougher for both Whites and Blacks.
- Lower income groups are tending to get higher percentage increases than the better paid.
- Unions are pressing harder for wages to be linked to the CPI. For example Transvaal knitters' wages will be linked with the "all items" CPI index from July 1 and reviewed every six months.

Employers, for their part, are anxiously awaiting the settlement of public servants' claims and will take their cue

from the government's decision. At the back of their minds is the possibility of a package deal with government in which they will be required to absorb 30% of all local cost increases, including wages.



South African metal workers . . . inflation's cutting their living standards

SA workers are still keeping their heads above water

DENIS SACKS

RJm 27/6/75

THE REAL income of Africans is increasing at a faster percentage rate than that of Whites although the wage gap, in absolute money terms, is still widening.

This will continue unless a drastic change occurs in the structure of African wages.

In the two-year period from December 1972 to December 1974 African wages outpaced inflation by 59 per cent compared with an upward shift of 6 per cent in the real wages of Whites in the mining and quarrying, manufacturing, construction and electrical sectors.

On the other hand, average White wages in the four sectors under study rose in monetary terms by

R128 compared with a rise of R39 in African wages.

During the two-year period the average wage of all South Africans in the four sectors increased from R128 a month to R180 a month — an absolute increase of 40 per cent. In the meantime the cost of living rose by 23 per cent

These figures, which have been calculated from data issued by the Department of statistics, indicate that despite the moans and groans regarding inflation, South African workers are generally keeping their heads above water and are in fact experiencing an ever-rising standard of living.

By far the biggest jump in wages — in real percentage terms at least — came amongst African workers

in the mining and quarrying sector with a leap of 146 per cent up to the end of December.

Since December there has been a further increase of 37 per cent in the starting wage for Africans on mines affiliated to the Chamber of Mines.

In comparison the real wage of Africans in the electrical sector rose by 49 per cent, in the manufacturing sector by 48 per cent and in construction by 40 per cent.

Amongst Whites, miners once again experienced the largest increase — 26 per cent in real terms — compared with a 4 per cent increase in manufacturing, 2 per cent in construction and a 3 per cent drop in the electrical sector.

In spite of the massive increase in African wages

in percentage terms — the wage gap will continue to widen in the foreseeable future because the basic remuneration of Africans is so much lower than that of Whites.

For instance, although there has been a rapid increase in African miners' wages they still remain the

lowest paid in the four sectors, earning an average of R62 a month in December.

The average wage being earned by African miners, before the recent increase, on mines affiliated to the Chamber of Mines was R74 a month.

Among Africans, work-

ers in the electrical sector receive the highest average earnings, R115 a month.

The highest paid White workers are those in mining and quarrying who earn, on average, R630 a month, compared with the lowest paid in the electrical sector who earn an average of R532 a month.

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● Say you earn R100 a week. Cost of living goes up 14 per cent, so your wage automatically goes up to R114. That's what is called index-linking. It is a concept new to South Africa. The trade unions like it. Employers do not. DENIS BECKETT, Labour Correspondent, handles this latest industrial hot potato.

Linking y to the Co

RDM 27/6/75

"INDEX-LINKING" still sounds a little vague and academic to most South Africans. But then, so did inflation not so very long ago.

Index-linking is in fact a child of inflation and is possibly, just possibly, a solution to it.

What it means is that wages are tied to a cost-of-living index, and thus increase automatically with the rate of inflation.

You earn R100 a week. The CoL goes up by 14 per cent and your wage automatically goes up to R114. Simple in principle, and there are obvious and enormous advantages.

But there are drawbacks, not least the incredible complexity of the actual detail.

Lately, and dramatically, the subject of index-linking has become one of the hottest potatoes in industrial debate. The trade unions are pushing for it, generally speaking, and the employers are against.

This would logically suggest that the system would be more advantageous to workers than to investors. But logic is a flimsy word in this untrod-den and emotional sphere.

Mr Robert Kraft, Trade Union Council of South Africa economist and captain of the pro-linking lobby, claims the system would be to the benefit of the country at large. If anybody can persuade him otherwise, he says, he'll back down.

Just at the moment it seems that no one can persuade him otherwise. Employer attitudes — to generalise again — are so vague they are laughable. To quote the view of one very, very prominent industrialist: "It goes against the grain, old boy."

Consider the benefits the system might bring: wage earners would no longer have to keep up the present frantic sprint just

to stay in the same place.

Wage negotiations would become what logically they will one day have to be — rational measures aimed at improving the standard of living instead of desperate attempts by the unions to squeeze compensation for past and anticipated lost place out of employers.

The man in the street will no longer have to fear a rise in the price of milk, or petrol or garden gateposts. His comparative buying power will be restored to equilibrium.

Debtors would no longer benefit at the expense of creditors. Pensioners, with no bargaining lever, would no longer have to watch their date-of-retirement pension dwindle in time to a fraction of its original real value.

Caution

But then, there are the arguments against. Judged by weight of numbers alone, the majority of these are simply and categorically ridiculous. The employers whose views were canvassed by the Rand Daily Mail were almost universally opposed, but few knew why they were opposed.

"It will remove incentive... It will prohibit merit reward... and so on."

In fact, the system leaves exactly the same room for individual adjustment as there ever has been. But there are also more valid grounds for caution.

Greatest of these is the fear that index-linking would institutionalise inflation and lead the economy into a mad tail-chase-the-dog syndrome with total chaos resulting.

Mr Kraft, strongly supported by University of the Witwatersrand economics professor Arnt Spandau, denies this. Not only would it not promote inflation, he

says, but in fact it would positively reduce it.

Mr Kraft's and Professor Spandau's reasoning is that since the greatest cause of inflation is excessive spending, by removing the economic incentive to spend fast, index-linking diminishes inflation.

In the present system, with inflation rising faster than interest rates and costs rising more erratically and generally faster than salaries, it is to the individual's disadvantage to hold on to his money — and to his advantage to spend it as fast as possible.

A third possibility is that index-linking would indeed institutionalise money inflation — while simultaneously drawing its teeth. That is, money costs might climb ever higher, but if the system is properly controlled no one would ever be the worse off.

It would merely mean, in this case a drastic departure from the idea of money nominalism — the belief that money has an independent value.

The Mint would have to work overtime, and the public might have to get used to handing out large green notes for a small piece of chewing gum.

Paradoxically, there is no real harm in that, as long as incomes remain proportionate. And every now and again, a la the French relegation of old francs into centimes, we would simply redesign the units and start again — when theatre tickets cost hundreds and cars cost millions the accounting machines tend to get clogged up and people lose count of the noughts.

Exchange

It's awkward all right, but a little awkwardness would be a small price to pay if with it the disruptions and distortions of inflation could be overcome.

There are other difficulties. Capital and interest rates would also have to be linked. Foreign exchange matters would have to be regulated by a vast bureaucratic army with not a few economic geniuses heading it. The government's ability to control economic patterns by fiscal regulation becomes more complicated.

Moreover, a lot of tricky policy matters would be involved. There would have to be a cut-off point, for example. If indexing is going to benefit the R20 000-a-year executive to

soars to incredible heights.

Index-linking is haphazardly securing a foothold in South Africa. Transvaal municipal employees have just been promised an increase at least equal to the consumer price index rise. The giant engineering industry has a partial linking system. The knitting industry recently introduced a full one.

The public corporations are understood to be well on the way to agreeing to indexing — but are keeping absolutely silent about it. "The moment we let it out," one of the inner circle says, "the butcher the baker and the candlestickmaker all put up their prices."

Which pithily reveals one of the strongest arguments for index-linking in South Africa's present circumstances — that a partial system is more confusing, and more unfair, than either a total one or none at all.

Partial linking benefits the few people strong enough to secure it for themselves, to the detriment of everybody else.

Gains

Why, then, does the Government not at least examine the pros and cons of a full system — which has been successfully applied in Brazil, considerably less successfully in Finland.

One possible factor has been mooted by Miss Joan Knox, senior lecturer at Wits. Stronger people more often gain from inflation than weaker ones, she points out. And the Government, the strongest party of all, gains the most.

Tax rates are graded according to income, so the Government now gains higher real income for itself through the higher nominal earnings of its subjects, without needing the politically unpopular step of increasing tax rates.

Ultimately, index-linking amounts to no more than a changed system of measurement. It hardly affects the economic system as such, which is still adjudged by its ability to produce more than it consumes regardless of the money values attached to its products.

But the change is all-important when people need to measure the size of what their income can buy.

The last word on indexing is still to be said. But in view of the disastrous effects of inflation on those who are least able to withstand it, the issue de-

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pay calls for SA on way

W/ ARGUS 28/6/75

By HUGH ROBERTON

THE biggest demand for higher wages and salaries ever made in South Africa is about to be presented to employers by trade unions representing many thousands of workers in almost every sector of the economy.

Demands for the massive rise in earnings — trade union officials this week said the total amount involved was 'incalculable but certain to be mind-boggling' — follow the big cost of living increases which have pushed the country's inflation rate to 14.6 percent.

Among the workers involved are all the country's 150 000 public servants, all teachers, about 85 000 textile industry workers, municipal employees in Cape Town, Johannesburg and other major centres, and workers in the clothing, furniture, building and electrical industries.

EXPIRING

Many were given rises only last year — rises which have been swallowed up by the soaring cost of living — and many more have wage agreements due to expire before the end of the year.

Wage agreements which have to be re-negotiated in the next six months — there are more than 16 of them covering an estimated 180 000 workers — include agreements covering the entire textile industry, the furniture industry in Natal and South Western Districts, sections of the clothing industry in the Cape, the canvas goods industry on the Rand and Pretoria, the electrical contracting industry in the Cape and sections of the building industry in the Transvaal and Northern Cape.

INDEX

Unions representing workers in these industries are expected to

Similar demands are expected to be made by the Public Servants' Association, which represents about 150 000 workers, and the matter is expected to be placed before the Cabinet not later than the end of August.

Public servants were given increases of between 10 and 20 percent in July last year which, they claim, have been wiped out by the increased cost of living since then.

Teachers also received a rise last year — it averaged 10 percent — but the Federal Council of the South African Teachers' Association is to press for a further increase before the end of this year.

There are about 14 000 teachers in the Cape and about 41 000 in the rest of the country. Not included in these figures are university staffs of several thousand.

DISPUTES

In Cape Town and Johannesburg, disputes have arisen between the city councils and municipal workers over wage and salary increases, and negotiations for rises before the end of the year have already started.

In Cape Town, a conciliation board has been requested by municipal workers to settle their dispute with the city council, which has rejected a demand for a 17 percent overall increase in wages and salaries.

Although the Mineworkers' Union, one of the largest unions in the country, has not come up with any new wage demands, it has asked for a conciliation board to continue negotiations on demands for

put rises of between 10 and 30 percent, with a firm undertaking by employers that in future wages and salaries will be adjusted automatically in line with the official cost-of-living index.

five-day week. In financial and economic terms, a five-day week would, in fact, represent a substantial increase.

'FEVER'

Senior trade union officials throughout the country predicted this week that many smaller unions, collectively representing a very large number of workers, would soon be pressing for rises and that no sector of the economy would be immune from what they described as 'a galloping fever.'

The assistant general secretary of the Trade Union Council of South Africa, Mr Robert Kraft, said this week: 'What we are waiting to see is whether commerce is going to be forthcoming in real terms in exercising some price restraint.'

'They have committed themselves to the collective plan against inflation and everyone is watching them. Their reaction will determine whether organised labour will turn to unscheduled wage demands.'

Devalued rand aids pay bids

334

The rand devaluation of 4.76 percent, announced yesterday, is inflationary, say financial experts, and will add weight to demands for higher pay by South African trade unions representing hundreds of thousands of workers.

Among the workers involved in negotiations are all the country's 150 000 public servants, all teachers, some 85 000 textile industry workers, municipal employees in Cape Town, Johannesburg and other major centres, and workers in the clothing, furniture and building and electrical industries.

Unions representing these workers are expected to demand rises of between 15 and 30 percent,

with a firm undertaking by employers that, in future, wages and salaries will be adjusted automatically in line with the official cost of living index.

PREDICTION

Similar demands are expected to be made by the Public Servants Association, which represents about 150 000 workers, and the matter is

expected to be placed before the Cabinet not later than the end of August.

Senior trade union officials throughout the country predicted this week that many smaller unions would soon be pressing for rises and that no sector of the economy would be immune.

The director of a lighting firm, which imports goods from Europe and Japan, says that the devalu-

ation will add to the spiralling cost of living, writes Neil Behrmann.

Mr Carl Weinberg, director of Consolidated Lighting — the firm imports goods from France, England, Europe and Japan — said: "The devaluation is highly inflationary."

"I do not agree that it is just a 4.76 percent devaluation against the dollar. It is devaluation against all the currencies."

An importer of watches said it would increase the cost of imports, which may have to be passed on to the consumer.

"What the Minister is virtually saying is that we are pushing up prices by another five percent."

The executive chairman of a television manufacturing firm, said the devaluation would not make a material difference to the cost of components for television sets.

A foreign exchange dealer said the devaluation was effective immediately against all currencies.

The rand had been devalued because of fears that money would flow out of the country because of speculation against our currency.

Bankers said they did not feel the cost of living would be materially affected.

Wage rise puts hotel rates up

EAST LONDON — Hotels and boarding houses will have to increase their tariffs because of wage increases which came into effect on June 23, the chairman of the Hoteliers' Association here, Mr. A. Roberts, said yesterday.

The increases will affect many pensioners who live as guests or boarders at hotels and boarding houses.

The increases for black hotel workers, gazetted last week, amount to 90 per cent in the East London area.

Wages for bedroom attendants in East London would rise from R18.90 to R40.50 per month, female cooks R14.50 to R63.00 and waitresses from R22.90 to R46.

Interviewed yesterday, Mr. Roberts said this was reasonable, as it was the first increase since 1973, but hotel owners could help pensioners by keeping their costs as low as possible.

This could be done by stopping services like morning tea, which would cut costs considerably.

Another hotel owner, Mr. H. Green, said he would only increase his tariffs by a maximum of three per cent.

"Because of the sky-high price of food and the recent wage increase, this will apply to pensioners as well, and if they cannot afford it they will have to live with relatives," Mr. Green said.

Gelyke lone word statussimbool

Rapport 29/6/75 (334)

SUID-AFRIKA se stede het 'n splinternuwe statussimbool. Die ding is om te kan sê jou stadsraad betaal sy bruin, swart en wit werkers presies eweveel vir dieselfde werk.

Daar's 'n goeie wedywe-
g wie die vinnigste, inge-
lge regeringsbeleid, die
ping tussen die lone van
t, bruin en swart kan uitwis.
erklaring van die Minister
n Arbeid, min. Marais Vil-
en, hierby.)

Port Elizabeth het die week
e koerantopskrifte gehaal
et burgemeester James
leynhans se trotse aankon-
ging dat 200 van sy raad
bruin werkers van 1 Julie
eselfde salaris gaan kry as
ul wit kollegas met dieselfde
walifikasies. (Ook in ander
psigte stel die Baai met
etrekking tot sy behandeling
in sy bruinmense 'n voor-
eeld waarop sy burgemeester
em — berig hierby.)

Kaapstad sê: Ag, ons doen
dit al lank al.

„Ons is die baanbrekers
op die gebied, ons het nog
noot gediskrimineer nie,” sê
die stad se stadsklerk, mnr.
H. G. Heugh.

„In alle poste betaal ons
aan wit of bruin presies die-
selfde salaris.”

Uitsonderings

Hy gee toe daar was vroeër
enkele uitsonderings, maar
dit was in die gesondheidsaf-
deling, waar die loonskale
deur die Departement van
Gesondheid vasgelê was, sê
hy.

By die Kaapse Afdelings-
raad is dit ook so. Mnr. Stan-
ley Eastman, adjunk-sekreta-
ris van die raad, sê dieselfde

betaling vir dieselfde werk is
reeds baie lank beleid van
die raad.

„Dit maak nie saak of 'n
man wit, bruin of Bantoe
is nie. Almal verdien dieselfde
geld, of die werknemers nou
klerk, verkeersman, vragmo-
torbestuurder of wat ook al
is.”

Parow se munisipaliteit is
nog nie heeltemal by nie,
maar hy roer. Stadsklerk G.
D. van Rooyen sê sy raad
is met mening besig om die
loongaping te vernou.

Dit is wel so dat 'n blanke
verkeerskonstabel met
R3 319 per jaar begin en 'n
bruin wat presies dieselfde
opleiding gehad het, met
R2 788.

Maar dis net 'n kwessie
van tyd, dan verdien hulle

dieselfde, sê mnr. Van
Rooyen.

Die ekstra verhoging wat
Parow se stadsraad aan sy
werknemers gee om te pro-
beer byhou met die stygende
lewensduurte is reeds vir
blank en bruin presies die-
selfde, sê hy.

Langsaan, in Bellville, pro-
beer die stadsraad ook die
loongaping nouer maak, sê
stadsklerk H. Hahn. Verlede
jaar in Julie, byvoorbeeld, het
blankes 'n gemiddelde salaris-
aanpassing van 10 persent
gekry en bruines 17 persent
(van hul oorspronklike sala-
risse, wat in die geval van
blank baie groter was).

Groter else

Mnr. Hahn gee toe daar
is by hulle ook nog groot
verskil in die salarisse van
amptenare soos verkeerskon-
stabels en opsigters. Maar dis
omdat daar groter else aan
die blankes as aan sy Kleur-
ling-eweknie gestel word, sê
hy. Die pos kan dieselfde
naam hê, maar die aard van
die werk en die vereiste kwal-
ifikasies verskil. 'n Blikke ver-
gelyking is moeilik.

'n Blanke opsigter se werk
is bv. veelvuldiger, „want hy
het met groot geboue-kom-
plekse in die stad te doen.”
Hy verdien R3 516 per jaar,
'n Kleurling-opsigter R2 148.

Die verklaring klop nie so
goed in die geval van bou-in-
spekteurs en behuisingebe-
stuurders nie. Die vereistes
vir almal is hier dieselfde,
maar die salarisse nie: R4 140
teenoor R2 868 in die een
geval, R5 922 teenoor R4 140
in die ander.

Skuiף nader

Daar word wel volgens die
stadsklerk „groter else” gestel
aan die blankes in die vol-
gende beroepe: Biblioteek-as-
sistente graad een (blank kry
R3 816; bruin R2 628); muni-
sipale konstabels (blank
R3 516, bruin R1 788); ver-
keerskonstabels (blank
R2 628 tot R4 860; bruin
R2 388 tot R3 516); klerke
(blank R2 418 tot R5 050;

heeltemal gelyke betaling n-
maar hy skuif nader. Dit h
vandeeweek weer geblyk t
aangekondig is dat Kleurlin
en Asiate van aanstaande ja
sowat 85 p.s. en swartmer
sowat 75 p.s. gaan verdi
van wat witmense vir dieself
werk betaal word.

En daarby gaan dit r
bly nie, het die voorsitter v
Johannesburg se bestuursk
mittee, mnr. J. F. Oberholze
belowe.

Onder die nuwe bedell-
word 'n swart gesondheidsi
spekteur se maksimum-salaris
aanstaande jaar van R3 7
opgeskuiף tot R5 796. Dis
verhoging van R2 040 p
jaar. Die salarissapling is
R828 per jaar vernou so
die swart inspekteur 74,4
van die blanke inspekteur
salaris kry.

'n Kleurling- of Asiat
gesondheidsinspekteur
maksimum-salaris word a
staande jaar van R3 912
geskuiף tot R6 480, 'n veri
ging van R2 568 per jaar.

Finansies

'n Swart verpleegsuster
maksimum van R2 160
jaar word opgeskuiף
R3 312 per jaar — 'n veri
ging van R1 152, wat h
salaris 73,8 van die van
blanke verpleegsuster mee

„Vir diegene wat bet-
kings bekies wat met bet-
kings van blankes ver-
kan word, het ons 'n bet-
nisvolle vergelykingsgro-
slag teweeggebring waar
ons in die toekoms kan t
na gelang finansies dit t
laat,” sê mnr. Oberholzer
sy skik.

Die lone van swart ar-
ders het die stadsraad be-
om met 30 p.s. op te st-
sodat hulle nou gemidd-
R100 per maand sal verdi-

Daarmee, reken m
Oberholzer, het sy raad
voorbeeld vir die res van
land gestel.”

NIE OO

OOR die vernouing
van Arbeid, mnr.
bepaal gelyke betaling
beginsel word vervat in
ningwet en die v
„In die praktyk
alle opsigte verwesenlik
om die loongaping te
ook nie die tempo van d
Dit moet sê in 'n

COLOURED EMPLOYEES
S.A. 944/7/75
P.S.
EQUALITY OF PAY

Coloured municipal employees would receive the same salaries as White employees with the same qualifications as from July 1, the Mayor of Port Elizabeth, Mr James Kleynhans, said in Port Elizabeth. About 200 Coloureds are involved.

Meanwhile, it has been announced that the salary and wage gap between

Black and White employees of the Johannesburg City Council is to be drastically narrowed. From the beginning of next year Coloureds will receive 85 per cent, and Blacks 75 per cent of salaries and wages paid to White employees in similar posts.

Announcing this last week, the chairman of Johannesburg's management committee, Mr J. F. Oberholzer, said that Black labourers employed by the City Council would receive a wage increase of 30 per cent, bringing their wage to about R100 a month.

(1) 262 X 2
(2) 62A
(3) 334

ASB say no to equal pay

Cape Times Correspondent
JOHANNESBURG. — The Afrikaanse Studente Bond yesterday voted overwhelmingly against the principle of equal pay for equal work for all races.

They did so in the last moments of the ASB congress at the Rand Afrikaans University after a week of unanimous motions which supported race contact, the move away from discrimination, détente, the raising of Black living standards and the narrowing of the wage gap.

Having just accepted a motion on the wage gap in yesterday's final session, a whistle of surprise greeted a Potchefstroom sponsored motion that subject to the policy of separate development, the labour market be opened to all races and that there be equal pay for equal work.

This was the most radical motion of the week and was greeted with some applause.

DEFEATED

However, attempts to argue that it was justified within the structure of separate development and that economic inequality was no way to protect the Whites were defeated.

A free labour market was absolutely in conflict with separate development, it was said. There had to be a roof over the Black man's opportunities in South Africa to help drive him back to the homelands where he could reach for the sky.

Delegates also said that it was not practical for

economic reasons. It was necessary to protect "our skins" and the Afrikaner identity.

Another delegate said that the motion was dangerous. It meant economic integration in the fullest meaning of the word and separate development would be subverted.

An amendment from the proposer deleting the portion concerning an open labour market did not help the motion. All but the proposer and seconder voted against it and two Potchefstroom students abstained.

UP SWING COULD BRING MORE LABOUR UNREST

Don't look (C.A.S.) 6/11/75

A SECOND ROUND

of labour unrest is possible when the tempo of economic activity picks up again, says Len Thorne, director of N.A.T.A.L. Employers' Association.

The apparent Black labour calm could be fulling employers into a false sense of security, he says. And the storm could break at the beginning of next year if economists are correct in their predictions of an economic upswing.

Mr Thorne believes the labour scene is quiet now because of the low level of economic activity. Workers are afraid trouble with employers could result in loss of jobs.

Demanded

But their opportunity will come with an economic upturn and the corresponding increase in the demand for labour. Black workers will be in a better bargaining position and will not fear

BY CHRISTOPHER MORRIS

threat to their employment.

Industry should take advantage of this period of calm to take stock of the situation and decide whether the communication and negotiation channels are sufficient to stand up to the pressures and stresses of a strike situation, he said.

This, especially, applies to Natal, which leads the country in labour development, he says.

Trouble

One way of avoiding trouble in the future is to recognise that we cannot afford to differentiate on the grounds of race. A basic requirement of labour peace is that the work force is not considered by employers to be merely a set of units but rather as productive individuals irrespective of colour.

If we don't live in the four tower atmosphere of South Africa we would

likely be a labour marketplace.

"But we aren't allowed a marketplace because our politicians have told us that four men out of five cannot yet be involved in wage negotiating procedures."

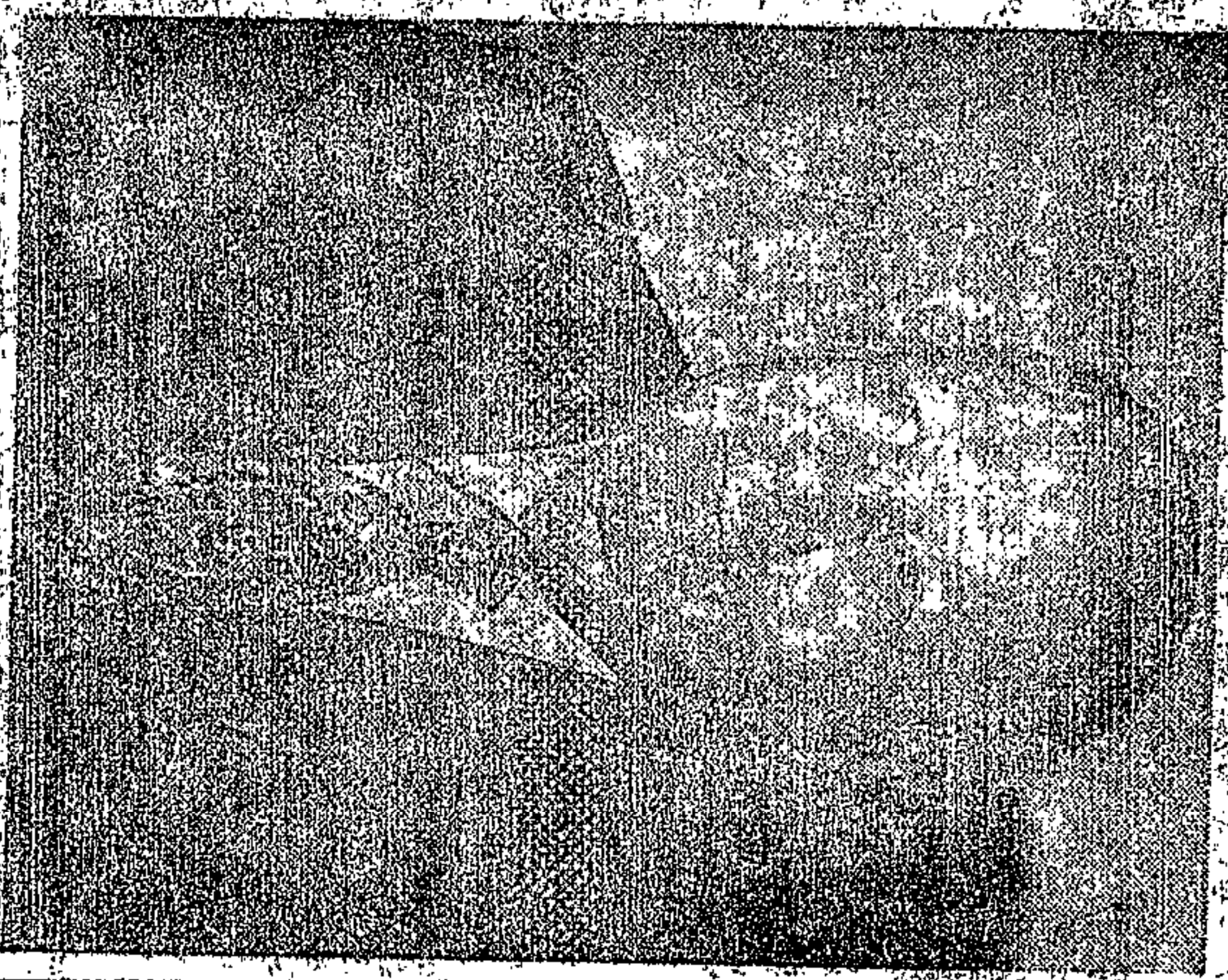
Future

Mr Thorne stressed that the establishment of a Black middle-class, with a stake in the country's future "because it had something to lose" would go a long way to bringing about future economic and political stability.

Fuller more, saying, "Business on the part of the employer to grant wage increases at a rate to keep up with the myriads of inflation would mean a distribution in the smooth flow of industry."

Workers had learnt in 1975 the power of unrest and had grasped some knowledge of negotiating procedures, he says.

NEXT YEAR COULD BE DANGER TIME, SAYS NATAL LABOUR EXPERT



Mr Len Thorne: Workers aren't a set of units

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Stop the wage war—Barclays

Sun Times (Bus Times) 13/7/75

By COLIN CAMPBELL

THE Government could be forced to step in with compulsory controls to try to beat inflation unless employers and employees stop playing the wage-price game, the chief economist of Barclays National Bank, Dr. Johan Cloete, warns.

Even if such self-imposed discipline over wage and price increases should mean a loss of profit, commerce and industry should be prepared to make the necessary sacrifice for the long-term advantages far outweigh possible short-term losses, he adds.

In its latest "Business Brief", Barclays is generally optimistic about the economic prospects for South Africa, but deals at length with the dangers of a continuation of the rate of inflation.

The next strong business revival will be contingent on at least some reduction of inflation, but this doesn't look like happening in the near future.

As for any appreciable improvement in the "real" economic situation of consumers and of economic units, this will be dependent on the balance of payments being substantially in surplus and credit more freely available.

For this to happen we shall have to wait for a general improvement in the industrialised economies overseas — and we

are unlikely to start benefiting from such an improvement until next year.

Because of the delicate state of the economic situation, Government measures concerning the change in the money supply and the level of Government expenditure will have to be clearly quantified, otherwise they are not likely to be effective.

It also remains to be seen to what extent these monetary controls can be applied in the prevailing situation, when the economy is in a recession and some pump-priming will obviously be required if the downturn in the economy is to be prevented from going too far.

Dr. Cloete said current economic life is far removed from the textbooks on economics, and prices seen in the market are seldom, if ever, market-clearing "equilibrium" prices in the classical sense.

If the present-day inflation is to be overcome, he said, the strategy being played by employers and employees — where each tries to defend his relative position at all costs — must be changed or rectified.

"If we don't stop playing this game, or at the very least reduce the intensity with which it is being played, we are not going to overcome inflation without inflicting considerable damage on the economy."

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PAY PARITY STUDY URGED

May 14/75

Municipal Reporter

DURBAN City Council has no idea what it would cost to eliminate the wage gap between White and Black municipal workers on an equal pay for equal work basis.

And the city's two most powerful White municipal trade unions, together with the only Black trade union, are all in favour of equal pay for equal work.

The chairman of the Council's Joint Advisory Board which deals with salary scales, Councillor Rob. Olufsen, yesterday called for a study to be made of how Black-White pay parity would affect the city's budget.

He said the Council had granted the White trade unions a "closed shop" in return for which the unions agreed to allow certain posts to be made available to Blacks.

"But it is now time for us to get a definite policy on pay parity between the races," Mr. Olufsen said.

He added that in the past his board had been guided by State policy and State legislation, such as the Job Reservation Act, and had been unable, not unwilling, to employ Blacks in White jobs.

Protected employment for Whites is now falling away, and the council should examine how this will affect the municipal workers, he said.

The country was mov-

ing in a certain direction, and the latest decision to equalise Indian and White doctors' salaries showed a general Black-White pay policy was called for.

A spokesman for the Durban Town Clerk's Department said yesterday no study had ever been done on how much pay parity would cost Durban.

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Increases for unskilled

Cape Times
17/7/75

A PAY INCREASE of about 15 percent has been granted to unskilled workers in civil engineering and roadmaking industry according to an announcement in the Government Gazette.

The increases apply to minimum wages and were granted by the Minister of Labour, Mr. Marais Viljoen in terms of the Bantu Labour Relations Act.

CAPE HIGHEST

The wages vary from region to region but in the magistrerial districts of the Cape, Wynberg, Simonstown, Goodwood and Bellville, the hourly pay of an unskilled worker rises from 40c to 46c.

Most of the increases for other areas also appear to be about 6c but the highest wages are paid in the Cape.

The lowest wages are paid in the Newcastle and Lower Umfolozi districts of Natal where the hourly rate has been increased from 21c to 27c. East London labourers gained an extra 8c an hour for a new wage of 33c an hour.

Workers in these industries were last granted increases last July.

Mr G D van den Berg, Divisional Inspector of Labour, said local conditions were taken into account when wages were determined. The main considerations were the cost of living and the supply and demand of labour.

"The highest wages are paid in the Cape where most of the Bantu workers are under contract and many of them have to keep two homes," Mr Van den Berg said.

Unions keep a watch on Govt pay rises

RDM 17/7/75

334

Staff Reporter

THE GOVERNMENT is expected to submit to mounting pressure from associations representing 340,000 professional and other White workers in the public sector for wage and salary adjustments.

Senior public servants expect relief to be announced within the next few weeks, but it is unlikely that the increases will match the rise in living costs.

The Government is committed in its anti-inflation contract with the private sector and the trade unions to keep costs

and spending to a minimum.

Trade union leaders will watch closely to see the Government limits increases in the public sector.

Rises to workers in the State departments, Post Office and Railways will probably be less than rises based on the increase in the consumer price index.

This could result in a strong reaction from some of the staff associations.

They claim last year's increase has been wiped out by the price spiral, and say they are entitled to full compensation for lost purchasing power.

Wage-gap ratios vary from 3,4 to eight times

Daily Dispatch 17/7/75

JOHANNESBURG — Whites in the mining and quarrying industries are earning eight times as much as Africans, while in manufacturing, construction and electricity in the private sector the wage gap ratio is about 5:1.

The Chamber of Mines disclosed this week that in the gold and coal mining industries, the average take-home pay packet of the white mineworker is R700 a month, while the African mineworker on average is getting R90 a month.

January statistics put out by the Government show that for the mining and quarrying industries, whites are earning on average R585 a month, and Africans R70 a month.

From both the Chamber's figures and these, the wage-

gap ratio is 8:1. The number of Africans employed in the quarrying and mining industries in January was 533 000; the number of whites, 64 000.

In the March statistics for the manufacturing industry, whites are earning five times as much as Africans.

The numbers employed and average wages are as follows:

Whites	294 400	(R486);
Africans	741 000	(R99);
Coloureds	223 800	(R126);
and Indians	81 800	(R137).

In the construction industry whites 64 200 (R477); Africans 295 000 (R96); Coloureds 52 700 (R187); and Indians 5 700 (R237).

In electricity: whites 11 600 (R555); Africans 19 600 (R114).

In clothing, 94 000 whites

earn an average R469 a month; 38 300 Africans (R80), 56 300 Coloureds (R96), and 24 300 Indians (R94).

In textiles: 8 600 whites (R486); 67 000 Africans (R80); 16 500 Coloureds (R102); and 5 600 Indians (R142).

The highest African wages on average among the larger employers are found in the transport equipment manufacturing industry, which employs 42 500 Africans with monthly wages of R122,80.

In the retail trade the wage gap is 3,4: 1, while in the wholesale trade it is 5,4:1.

In the retail trade, 134 000 whites earn an average of R218, while 116 600 Africans an average of R64.

In the wholesale trade, 79 000 whites earn an average R489, while 84 800 Africans an average R72.

In the hotel trade 9 700 whites earn an average R227, while 34 700 Africans earn an average R47. Coloureds numbering 6 700 earn an average R74 — and the 4 800 Indians in the trade an average R15. —DDC

Low pay means labour unrest

RJM
18/7/78

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Staff Reporter
LEADING trade unionists agreed yesterday that unless the earnings of Black workers were raised above the poverty datum line, South Africa would have to face labour unrest.

They warned that the increased food prices of the past eight months had imposed an intolerable burden on the meagre earnings of the growing number of poverty-stricken African families.

The general secretary of the Trade Union Council of South Africa, Mr Arthur Grobbelaar, who has just returned from a working visit to Europe, said even in Britain, with an inflation rate higher than 20 per cent, the rise in food prices had been kept down to about eight per cent.

This was because of the big food subsidies paid by the British Government.

"To be poor is bad enough, but to be poor and hungry, which thousands of low paid workers' families are, could have extremely serious consequences, including work stoppages and strikes."

Mr Grobbelaar said the Government, as an urgent priority, should allocate substantially larger amounts to cheapen the prices of essential foods.

The secretary of the National Union of Distributive Workers, Mr Ray Altman, said he agreed that unless there was a vast improvement in the earnings of the unskilled workers, labour unrest was a dangerous possibility.

The president of the Garment Workers' Union, Senator Anna Scheepers, said: "There are already disturbing signs of unrest among low paid workers. Employers would be wise to review the earnings of their Black workers urgently."

Institute surveys

SA wage

trends

Cape Times
24/1/75

JOHANNESBURG — Junior typists on the Witwatersrand earn on average R223 a month basic while experienced typists earn R300 basic and secretaries average R369 and R397 gross.

These findings are reported by the South African Institute for Personnel Management from a survey conducted by contact personnel services which examined the pay for more than 80 jobs in selected firms.

On a national basis, accounting managers, such as cost and works accountants with more than six years' experience, were found to earn an average of R806 a month basic and R908 gross. Junior personnel officers with at least two years' experience handling, say, junior recruiting, earned R528 basic and R581 gross, while Black personnel officers average R365 a month basic and R392 gross.

Black labourers on the Witwatersrand on the other hand averaged 55c an hour, or R24,75 for a 45-hour week, and Black operators 77c an hour or R35,65 a week.

Report on pay gloomy

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Pretoria Bureau

Women's earnings compare dismally with men's in South Africa according to a Department of Statistics report published in Pretoria today.

The report presents for the first time a detailed analysis of incomes declared by 1 300 000 White wage earners throughout the country at the 1970 census.

About half the total male work force of

STAR 24/7/75 for women

900 000 earned from R3 000 a year upward — an income level enjoyed by a bare eight percent of the 400 000 women workers.

Johannesburg alone had 130 000 male employees, of whom 28 000 earned between R3 000 and R4 000 a year, 27 000 from R4 000

to R6 000 and 21 000 more than R6 000.

But of the 74 000 women wage earners in Johannesburg only 5 000 earned from R3 000 to R4 000, 2 000 from R4 000 to R6 000 and fewer than 1 000 got more than that.

More than half the women (45 000) were get-

ting less than R2 000 a year.

It was the same on the Cape Peninsula where 48 000 of 99 000 male employees earned more than R3 000 a year but fewer than 3 000 of the 53 000 female employees earned that much.

Again, most women in Cape Town brought home less than R2 000.

In Durban 39 000 of the 71 000 men in jobs earned R3 000 or more compared with 2 800 of the 38 000 women.

Railmen to demand CoL boost

Rand Daily Mail 29/7/75

Staff Reporter

THE country's 110 000 White Railway workers will soon demand full compensation for CoL increases since July last year unless the Minister of Transport, Mr. Mulder, agrees to their request for the introduction of an index-linked pay system.

The request was made to the Minister by the Federal Consultative Council of Railway Staff Associations about three months ago.

Similar requests were made to the Minister of Interior and Minister of Posts and Telegraphs by the Public Servants Association and the three post office staff associations.

The Artisan Staff Association (ASA) of the Railways which in the past has spearheaded the drive for increased earnings in the Railways, meets the Minister of Transport for routine annual talks on September 12.

This meeting will be preceded by a meeting of the ASA executive which, unless there is a positive response to the request for indexed increases, is expected to decide on wage demands which will compensate for increased living costs since July last year.

Other railway staff unions will meet the Mi-

nister during October and in November. Similar demands are expected to be made.

Railway union leaders fear that by the end of the year the Consumer Price Index will have risen by nearly 20 per cent since last July.

If railway workers are granted increases the Government would have to agree at the same time to raise the earnings of State department and post office workers.

Senior government workers in Pretoria are confident that the salary issue will be discussed at the first Cabinet meeting of the year in Pretoria on August 6.

They expect the Prime Minister to announce increases for the whole of the public sector—as he did in June last year—within the next three or four weeks.

If he does and they fall short of full compensation for the rise in the Consumer Price Index, a strong reaction can be expected from the railway unions, particularly the ASA.

The ASA's view is that it is not the function of the Prime Minister to decide on or announce increases for railway workers.

This, they say, is an issue which should be settled directly between the railway unions and the Minister of Transport.

FEEDING INFLAT

WITH a better than 20 percent wage increase in the past three years, an African labourer in the construction industry has enjoyed a real increase in earnings — in statistical terms.

But on about R25.50 a week — with a family in the Transkei to support, rent to pay, and the fare for a once-a-year compulsory return trip to his homeland deducted from earnings — this worker has hardly improved his living standards significantly.

Africans cannot buy food with percentages. They need hard cash. Mr W. Langschmidt, managing director of Market Research Africa, has said.

His survey, going back to 1962, shows that in the 11 years up to 1973 African family incomes have gone up by 120 percent — which means just R30 extra in the pockets of each family.

A contrasting 101 percent increase in White family incomes over the same period has meant a R261 cash boost.

Minimum rates for labourers — the largest category of African workers in the Western Cape — in the civil engineering industry have gone up from 30 cents

an hour in 1972 to 46 cents an hour in 1975, in urban areas.

In the building industry the minimum wage for labourers is now 56 cents an hour, an increase of 10 cents an hour since 1972, in urban areas.

One big employer of both categories of worker estimated that only about 15 percent of their African workforce were being paid above the minimum rates laid down by the Industrial Council for the Industry. Few companies paid more, he thought.

COURSES

This is in spite of opportunities for better earnings through passing trade courses at the Civil Engineering Federation's Central Training School, Goodwood.

Workers attending courses other than their basic induction programme get a small increase, about two or three cents an hour, the builder said. There is also an on-site merit increase scheme operated by most companies.

From Bishop's Court to Bishop Lewis and Guguletu, the race against rising prices is hitting hard at the pockets and lifestyles of all South Africans. In a survey across the social spectrum, David Ruckin gets to grips with the bread-and-butter issues of the post-inflation age.

But we find these schemes are used more by the artisans than labourers. The labourers don't seem to be highly motivated to improve their wages.

I think most construction people would agree that until the Black worker gets a stake in the community where he works — a house on bond for instance — his productivity will remain low, he said.

The problem, he explained, is Black wages have lagged so far behind that, even with significant percentage increases in the last few years, they have not reached the 'take-off' point where they can be compared with other race-group earnings.

What this means in human terms — in the case of a better paid Black worker — is

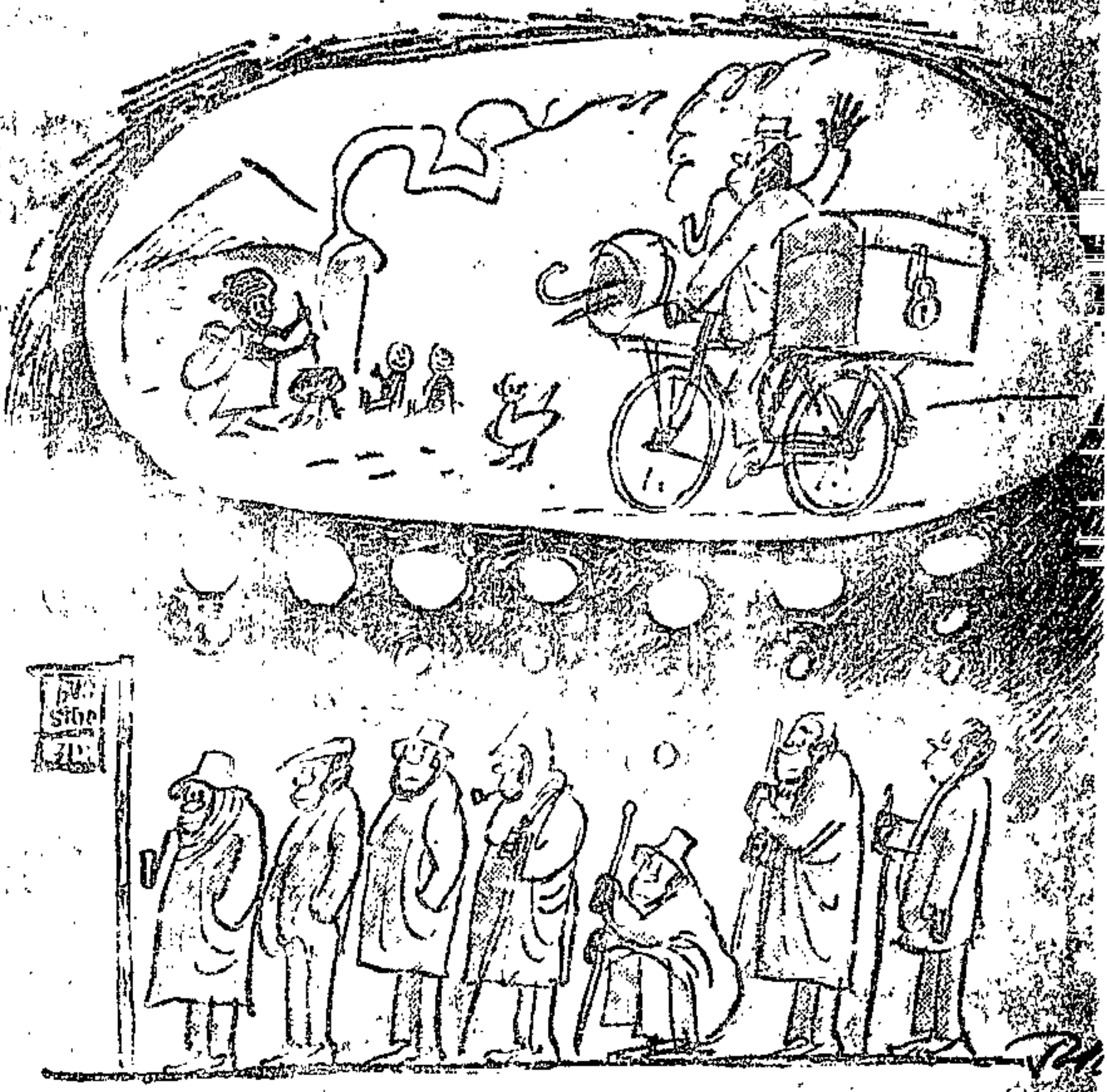
wages are going true — but on about R1, R1.50. Since prices go much, what can help?

EXAMPLE

The speaker, a man for a transport company, is now earning a week. Promoted ago and given a R2 a week cost increase this year a good example. Black workers, increased their through making of new opportunities.

I have been for the company years. For five was earning R14 as a labourer. Then came a foreman, wages went up 1 week.

I live in the men's quarters where I pay 1 month rent. In my job in Ops



I think most construction people would agree that until the Black worker gets a stake in the community where he works — a house on bond for instance — his productivity will remain low.

Financial Editor

THE South African economy is healthy and prospering, the latest wages and employment figures issued by the Department of Statistics show. Employment in manufacturing, construction and by the South African Railways showed a worthwhile increase in the year ended April, while the sum paid in wages rose sharply.

White employment in these three sectors rose 13 800 or about 3,0 percent in the 12 months to

April to a new peak of 470 100, while African employment increased by 46 800 or 4,2 percent to 1 156 000.

Coloured employment, however, remained sluggish rising only by 1 200 or 0,4 percent to 295 400. This possibly reflects the more difficult conditions experienced by the clothing and the textile industries and the increased employment of Coloured men and women in the commercial sector.

Total wages paid by the three sectors and the mining industry amounted to R469,7-million in April, an increase of 24,7 percent on the R376,4-million paid in the same month last year.

Wages paid by the manufacturing sector increased by 19,2 percent to R255,7-million, while those paid by the construction sector rose 24,5 percent to R69,7-million.

But the biggest increases in wage bills were ex-

perienced by the SAR & H which paid out R68,3-million in April, which is 35,3 percent more than the R50,5-million paid out last April, and by the mining industry, which paid out R75,9-million, which was 37,2 percent more than in the same month last year.

An analysis of average wages paid shows that most people's incomes rose at least as fast as the rise in the cost of living.

Whites employed in

manufacturing, tion and mining, smallest pay incre these nevertheless from an average 12,7 percent to cent. Whites en the SAR & H, fared well with increase of al cent.

The increase in wages ranged 7 percent in man to 24,6 percent i No figures are for those emplo SAR. But as the wage bill rose more than the i White wages seem that the Coloureds and Africans rose, a fast.

construc had the ses. But ranged of from 4,8 per oyed by owever, average 30 per.

Coloured om 15,7 facturing mining, available d by the Railway's siderably rease in would ages of robably east as

The strong upward movement in the wages of Africans continued, with the increases in the 12 months ended April ranging from 21,7 percent in construction to 85,9 percent in mining. In

the two years ended April the average wages of Africans employed on the mines rose 167 percent, of those employed in manufacturing by 46,6 percent and those employed in construction by 42,3 percent.

● FOOTNOTE: The average wage rates given in the tables should not be regarded as being typical of the wages paid by the various sectors. They are merely averages obtained by dividing the sector's total wages and salary bill by the number of people employed in that sector. Thus they are based on the wages paid to women as well as to men and include the wages paid to the most junior as well as the most senior. Their value lies mainly in denoting percentage changes in pay rates, it being assumed that little change has taken place in the composition of the labour force.

Average monthly wag

Whites

Coloured

MINING

1974 R530,75
1975 R598,05
% change: 12,7

1974 R120,42
1975 R150,08
% change: 24,6

MANUFACTURING

1974 R426,68
1975 R485,58
% change: 13,8

1974 R108,10
1975 R125,05
% change: 15,7

CONSTRUCTION

1974 R410,84
1975 R471,80
% change: 14,8

1974 R149,90
1975 R181,40
% change: 21,0

SAR & H

1974 R380,60
1975 R493,34
% change: 29,6

NOT AVA

Fair wage for the job

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RDM 7/8/75
Industrial Editor

IF A BUSINESS paying subsistence wages goes under as a consequence of having to raise these wages to minimum prescribed levels then, although this is to be regretted, it must be accepted as unavoidable.

This is the view of the chairman of the Wage Board, Mr I. J. Claasens, who says an unprofitable undertaking not paying or being able to pay reasonable wages, can hardly expect any protection.

He said at the annual meeting of the South African Lumber Millers Association that he held no brief for the argument put forward by some employers that if wages

were raised too steeply it would force employers to mechanise and result in redundancies.

He accepted that such an eventuality left the Wage Board with a difficult decision: "Is it to be the proverbial half a loaf for many, or a full loaf for a few?"

Mr Claasens said: "In cases of this nature, the requirement to prescribe a wage which would provide a reasonable and livable income is favoured."

Many employers, while not paying wages of the highest order, did in many instances provide fringe benefits that "contribute greatly towards combating the cost of living of the

employee", thus reducing to some extent the need to increase wages to keep pace with the ravages of inflation.

"Obviously, the higher the wages offered the more advantageously the employer is placed to select his workers and it comes as no surprise that employers of this order are by far the most successful, both financially and otherwise."

The results of an investigation by the Wage Board showed the average labour costs as a percentage of total costs experienced by 21 selected industries. This amounted to 13,9 per cent.

By comparison, the

average labour costs of 11 trades which were similarly the subject of an investigation came out at 10,5 per cent.

Mr Claasens said the investigation tried to examine what the effects would be on profits of these sectors if wages were increased. A 10 per cent wage increase, it was suggested, would leave 18 trades and the 21 industries with an average return on capital of 11,4 per cent and 12,9 per cent respectively, compared with previous average profit levels of 13,5 per cent and 14,7 per cent.

A wage increase of 20 per cent would reduce profit levels to 9,2 per cent for the 18 trades and 11 per cent for the 21 industries.

BANTOEWERKERS MOET MENSWAAR

Graaf F - Remet Adverties 7/8/75

Deur mnr K. H. de Lange, voorsitter van die Bantoesak

Die Adjunk-Minister van Bantoesake en Administrasie, mnr W. A. Cruywagen, het tydens samesprekings wat op 28 en 29 Julie in Pretoria gehou is met werkgewers van verskillende sektore, dit as die Regering se uitgangspunt gestel dat basies drie instansies verantwoordelikheid moet aanvaar om

'n bydrae te lewer tot die Administrasie van Bantoe-aangeleenthede in Blanke gebiede.

Die drie instansies is in die eerste plek die Regering self, in die tweede plek die Bantoe self en in die derde plek, die werkgewers wat van bantoe-arbeid gebruik maak.

Die minister het by hierdie geleentheid dit ook uitgespel dat die Regering se bydrae gelewer word in die vorm van 'n gunstige winsverdeling uit bantoe-drinkwinste, naamlik dat 80% van winste uit blanke drank aan Bantoesake Administrasie sal toekom en siegs 20% aan die De-

partement Bantoe-administrasie en -Onwikkeling oorbetaal moet word en dat die Bantoe self sy bydrae lewer deur die betaling van huishuur en sekere tariewe vir noodsaaklike dienste.

In die derde plek en miskien die belangrikste, lewer die werkgewerspub-

(1) 326
(2) 334
(3) 124

Beter salarisbedeling vi is 'n saak van

Graaff-Reinet

Advertiser

7/8/75

erns

Bantoeraad (Karoo) se antwoord op verhoogde behuisingsfooie

SOOS belowe het die voorsitter van die Bantoesake Administrasieraad (Karoo), mnr K. H. de Lange, van Graaff-Reinet, op berigte in Die Advertiser gereageer, waarop gewys is op die verhoging van behuisingsfooie in Bantoe woonbuurtes in die gebied onder die jurisdiksie van die Raad.

Die hoofdirekteur van die Raad, mnr F. J. Meintjes, het egter versoek dat die brief ook in Die Karoonuus gepubliseer word. Ons doen dit met graagte.

Met verwysing na die onlangse berigte, betreffende die verhoogde tariewe ten opsigte van Bantoebehuising, wat in verskeie uitgawes van u koerant verskyn het, wil ons u graag hiermee van 'n antwoord voorsien. Ten einde 'n balans te probeer handhaaf, word u versoek om asseblief hierdie brief volledig te plaas.

Ten eerste moet ten sterkste beswaar aangeteken word teen die eensydige en sensasiewekkende trant van u beriggewing. U verwys na die belangrikheid van die Eerste Minister se beleid van dentente, maar terwille van die "nuuswaarde" is u bereid om die handhawing van voortgesette, goeie rasseverhoudinge in die weegskaal te plaas. Of is die opslagsyfer van u koerant belangriker?

Is dit billik om te insinueer (u uitgawe van 4 Augustus 1975) dat die Bantoesake Administrasieraad: Karoo gewetenloos en ligtelik besluit het tot die verhoging van die betrokke tariewe? As dit nie u bedoeling was nie, wat was u bedoeling dan? Bloot vir die dramatiese effek daarvan?

U argumenteer dat hierdie Raad eerstens die dienste en geriewe moes voorsien het, voor-

(Vervolg op bladsy 17)

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1 324

2 124

3

4 242

Beter salarisbedeling vir die swartman

(Vervolg van bladsy 1)

dat aanpassings in tariewe gemaak is. Dit is wel moontlik, maar dan sou die Raad duurder rondse van 'n eksterne bron moes bekom wat die finansiële las op die Bantoe nog swaarder sou maak. Dit sou dus nie in belang van die Bantoe wees nie.

U is bewus daarvan dat hierdie Raad sedert instelling gedurende September 1973 van die grond af opgebou moes word, wat personeel, beplanning, begrotings en kapitale programme, ens. betref. U is bewus van die omvang van die kapitale programme vervat in die 1975/76 begroting van hierdie Raad, 'n afskrif waarvan aan u voorsien was. Hoe kan u dan in opregtheid suggereer dat u nie weet wat die Raad se teenprestasie beplan vir die Bantoe bevolkings nie?

Graag gee ons u krediet vir u besonder heldere siening waar u op bladsy 16 van u 31 Mei 1975 uitgawe, oplossings vir die "dilemma" aan die hand doen. Dit die verhoging van lone, is werklik waar die probleem lê en indien u die saak van goeie verhoudinge wil bevorder en indien u met gerustheid saam met u gewete wil slaap, is dit hierdie aspek wat u in u berigte moes beklemtoon en bevorder het. U beskou dit feit dat 'n huishediende R4 tot R6 per maand verdien as "ook 'n skande". Ons beskou dit as die absolute kardinale skande en die oorsaak van baie wrywing.

Nog 'n stukkie "foutiewe" beriggewing. Hierdie Raad het nie, soos volgens u berig (4 Augustus 1975), besluit dat "niks nou aan die saak gedoen kan word nie."

Die sydelinkse bewering dat lede van die Bantoe-publiek nie menswaardig behandel is of word nie, sal met graagte ondersoek word by ontvangs van 'n spesifieke klag of klagtes. U kan verseker wees dat die handhawing van goeie menseverhoudinge die erns van hierdie Raad is.

Daar sal nou gepoog word om u omvattende antwoord te verskaf, ter verduideliking waarom die betrokke tariewe so aanmerklik gestyg het.

Met die instelling van Administrasie Rade is, as neweprodukt, blootgelê die onregverdigte verdeling van die loonstruktuur in die land. Hierdie toedrag van sake is, oor 'n tydperk van jare onbewustelik (bewustelik?) deur

Plaaslike Owerhede geskep, want dit is so dat die loonstruktuur bepaal en beïnvloed word deur die loonstruktuur van die betrokke Plaaslike Bestuur of Munisipaliteit. Dit is verder 'n feit dat die finansiële struktuur van Plaaslike Owerhede (veral in die Platteland) so ingestel was dat lae lone gehandhaaf kon word. Dit is gedoen in die vorm van subsidiëring en wel op 'n wyse wat baie moeilik waarneembaar was. Die blanke bevolking het uit eiendomsbelasting en ander diensgelde deur die Munisipaliteit gehel, die Bantoe se dienste in die Bantoe woonbuurt gesubsidieer en doen dit tans nog vir die Kleurlingbevolking. Daarom dan dat Kleurling woonbuurtes onder bestuur van Munisipaliteite, nog steeds, op papier, goedkoop geadministreer kan word. Dit sal vir elke denkende persoon tog duidelik wees dat vir 'n bedrag van 60 c per maand, daar nie vir 'n gesin water, vullisverwydering, sanitasie, strate en moontlik nog behuising, voorsien kan word nie. As na die maandelikse rekeninge van blankes deur die Munisipaliteite uitgestuur gekyk word, is dit nie moeilik om te verstaan hoe subsidiëring bewerkstellig is nie. Die mate van sukses van hierdie subsidiëring, blyk duidelik uit die feit dat swart bediendes tussen R4 en R6 per maand verdien.

Die Bantoesake Administrasieraad bevind hom dus in die onbenedenswaardige posisie dat waar 'n probleem voor sy ontstaan geskep is, hy die blaam daarvoor moet dra. Dit kom derhalwe daarop neer, dat waar die belastingbetaler voorheen die swartman via sy eiendomsbelasting en ander dienste tariewe gesubsidieer het, die werkgewer van Bantoe arbeid nou bereid sal moet wees om 'n hoër loon te betaal en daardeur die regering se beleid, nl. om hom, die swartman, 'n menswaardige bestaan te verseker, te bevorder. Dit sou toe 'n meer billike bedeling daarstel indien die werkgewer van swart arbeid 'n groter bydrae in die verband sal lewer. Sodoende sal die breë bevolking nie belas word met 'n bydrae vir 'n saak waarin hulle geen aandeel het nie.

Dit bring ons by 'n verdere gedagte. Terwyl Munisipaliteite, sedert oornamende deur die Administrasie Raad, nie meer die Bantoe subsidieer nie, sou minstens verwag kon word dat as 'n re-

sultaat van die gevolglike besparing, daar geen tariefverhogings deur Munisipaliteite aangekondig sou word nie. Die teenoorgestelde het egter gebeur. Die dienste tariewe van Munisipaliteite, wat nou sonder subsidiëring van die swartman verhaal moet word, het met gemiddeld 611 % gestyg, wat dus hierdie Raad genoodsaak het om tariewe met gemiddeld 268 % aan te pas. 'n Duidelike bewys dat hierdie Raad deur middel van ander inkomste bronne steeds die Bantoe se perseel- en huishuur so laag as moontlik probeer hou. Die volgende is 'n aanhaling uit 'n brief wat aan alle Munisipaliteite gerig was, tydens die oorgewing van hierdie aangeleentheid deur die Raad en dien ter stawing van hierdie Raad se simpatieke benadering in hierdie saak:

"By interpretasie van hierdie Wet kan u hierdie Raad vir bogenoemde tariewe in die Bantoe woonbuurt vergoeding vraagelyk staande aan die laagste tarief wat u verhaal in die res van u Munisipale area. Hierdie Raad het op sy Raadsvergadering van 5 Augustus 1974 perseel- en huishuurtariewe van die Bantoe woonbuurtes in sy regsgebied hersien en gevind dat, as gevolg van die moontlike prysstyging van hierdie dienste na totstandkoming van hierdie Bantoesake Administrasieraad, indien die Wet op die letter toegepas sou word, die perseel- en huishuurtariewe met soveel as 416,1 % en 118,6 % onderskeidelik sal moet toeneem.

"Dit is te verstane dat so 'n

onrealistiese styging ontevredeheid onder die Bantoes sal meebring en vir die gemeenskap as geheel in 'n Munisipale gebied ernstige nadelinge gevolge kan hê. Om hierdie rede en die feit dat voor die totstandkoming van die Bantoesake Administrasieraad in baie gevalle die belastingfonds die Bantoe-inkomsterekening gesubsidieer het en tariewe vir dienste gelewer noodwendig sal styg, word u genader om hierdie Raad skriftelik te verwittig wat die maksimum tariewe is wat u tot einde 1975 vir bogenoemde dienste van hierdie Raad sal verhaal."

Die Raad wil dit verder duidelik stel, dat geen bedrag vir die bewoning van 'n huis verhoog is nie, maar die verhoging in tariewe reflekteer eerstens die verhoging in tariewe wat deur Munisipaliteite gemaak is en ten tweede, wat vir ons die belangrikste is, 'n beter finansieringsbasis om op medium en langtermyn vir die swartman voordele in die vorm van beter dienste, sport, ontspanning, welsyn en skole asook behuising, te kan verskaf om sodoende aan hom 'n menswaardige bestaan te verseker.

Ten slotte wil ons 'n beroep op u doen om asseblief u ruimte, tyd en kundigheid aan te wend in die stryd ter bevordering van 'n beter salarisbedeling vir die swartman. Dit is 'n saak van erns vir hierdie Raad, wat in die verband reeds by verskeie geleenthede 'n beroep deur die pers en radio, op die werkgewers-publiek gedoen he.

It's the first time the Tribunal has had to decide on this principle in a dispute, though a number of Industrial Council agreements contain CPI-linked escalations.

In the Cape it is understood that a number of municipalities have accepted indexation, among them Simonstown, Goodwood and Parow, while Cape Town has been presented with an index-linked wage demand embracing the principle of automatic annual adjustments in addition to incremental rises in employees' pay.

In the case in Cape Town this week, SAAME asked:

- For the commencing salaries, incremental notches and maximum salaries of the Cape Divisional Council's White employees to be raised 11% from January 1 1975, with existing incremen-

WAGES F.M. 8/8/75 Blow for indexing

In what will be seen by workers and employer groups as a test case on the principle of index-linked wage reviews, the Industrial Tribunal this week reserved its decision in the arbitration hearing of a dispute between the Cape Divisional Council and SA Association of Municipal Employees (SAAME).

tal dates retained;

- That if the increases cannot be effected from January 1, the 11% be increased further, in line with interim rises in the Consumer Price Index.
- That pay and pay scales be increased annually on January 1 in line with CPI rises the previous year.
- That where the incremental date for an employee is the same as the date upon which CPI-linked increases come into operation, he first be credited with his normal annual increment before his salary is adjusted.

Divco rejected the demands for a number of reasons. It argued in the first place that while it accepted the principle of a fair wage it could not, at the expense of ratepayers and the community at large, confer on its employees a special immunity from an economic ailment which affects all other citizens in varying degrees.

SAAME was not simply asking for an *ad hoc* pay rise, it was asking the tribunal to adopt a principle of permanent effect. "If this principle is accepted without qualification it will follow that every employee in SA would be justified in insisting that his employer assume an exclusive responsibility for protecting him against the effects of inflation."

Furthermore, the principle would have to be extended to all workers governed by the Industrial Conciliation Act — leaving those who did not fall within the purview of the IC Act without such protection.

"If indexation is a desirable social and economic principle it is something Parliament will have to legislate for. Unless it is applied as a principle on a nation-wide basis, indexation does more harm than good."

Divco argued further that unless the natural checks and balances of a free economy were allowed to operate, inflation would become uncontrollable. One of the checks was the awareness of the worker that the value of his pay packet was being eroded. Indexation would exempt him from the struggle.

Footnote: It is believed SAAME was anxious to settle its demands but that Divco declined. If the Tribunal finds against SAAME in this particular dispute, dozens of claims for indexation now before local authorities all over the country will be seriously devalued.

BLACK WAGES F.M. 8/8/75

Keeping pace? (334)

Urwick-International's latest survey, *Non-White Employment*, shows that overall wage increases for the year to June 1975 were ahead of the 14,2% inflation rate for the same period.

The survey, based on the pay of 250 000 employees in 300 organisations, confirms overall percentage wage increases for Asians (16%), Africans (20,6%) and Coloureds (15,7%). There are, however, wide variations in various occupational groups and job categories.

At the lower end of the socio-economic scale, wages lag far behind the various established desirable wage levels for workers in urban areas.

The survey makes plain its wariness of a blanket use of Poverty Datum Line studies, pointing out that there is no complete agreement between the various institutions who have established PDLs for various regions. However, it does carry information on the Household Subsistence Level (HSL) and Household Effective Level (HEL) studies of the Institute for Planning Research of Port Elizabeth University, and gives the current HEL figures for average African and Coloured households in SA. These are R156-R171 (African) and R173-R190 (Coloured).

The HEL figure includes basic family costs like food and fuel, as well as the cost of items which are "necessities" if the family is to have a tolerable standard of living.

Although the average wages of unskilled African labourers rose in the year under review by 21%, and those of Coloureds by 15%, the amount earned remains inadequate — R80 (R66) for Africans, R100 (R87) for Coloureds.

At the higher skilled levels, the trend appears to be that the wage gap between Asians and Coloureds has narrowed noticeably over the past year, while African salaries record a larger percentage increase of the total income than the other two Black groups. Africans work-

ing as general male clerks still earn around R40-R50 less than their other non-White counterparts, a typical situation in this range of job.

But the fact that Africans are increasing their percentage share of income at this level of skills could indicate that employers are making increasing use of them in jobs formerly filled by Coloureds and Asians.

The survey notes wide variations in the level of work carried out by the three Black groups in what are basically the same job categories, and an increased wage for an African in a particular category would presumably be contingent on increased performance — within that category.

The survey also notes the following:

- Of the participants in the survey, just over 8% introduced some new form of pension scheme for Black employees.
- A clear trend has emerged towards six-month pay reviews.
- About one in six of the participants improved bonus payments for employees.
- Of the companies which provide training, over 60% formally determine training needs. Increased use appears to be made of Black trainers.
- Educational assistance is increasingly being provided for employees and their dependents.
- The most common type of worker-management contact is the liaison committee system, and 50% of the participating companies have such committees.

Urwick International's survey of White employment is due in September. It will be clearer at that stage whether the overall White-Black salary gap is narrowing, or otherwise.

S.A. Digest 8/8/75

^{P. 5}
FARM LABOUR — NEW DEAL

Organised agriculture plans to launch a recruitment organisation — second only to that of the Chamber of Mines — to ensure adequate numbers of relatively-skilled Black farm workers for White-owned farms.

This was announced in Pretoria recently by the director of the South African Agricultural Union, Mr C. J. P. Cilliers.

He told Star reporter Siegfried Han-nig that Black workers would be motivated and drawn by better wages and working conditions.

Mr Cilliers said that Black farm workers were fully employed throughout the year and lived on farms with their families. There was still a shortage of workers, however, and farmers were being granted loans of up to R2 000 per dwelling at one per cent a year to improve housing and general living conditions, and to attract more workers.

As regards training, one of the eight industrial training centres now being built and equipped at Government cost is due to open at Potchefstroom, Western Transvaal, for the exclusive use of organised agriculture. "We hope another one — for the timber growing regions of the Eastern Transvaal and Natal — will be allocated to us in time to be opened in March next year," Mr Cilliers added.

The planned central recruitment organisation would co-ordinate labour needs for harvesting and shearing throughout the country, and provide basic training for recruits. There was already a recruiting service for wool-growers.

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- (1) ~~44~~
- (2) ~~11-10-1975 - Training~~
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- (5) ~~Agri - Timber~~
- (6) ~~200~~

U.P. plan for SA labour

11/8/75 The Argus Correspondent

DURBAN — South Africa, which was entering its third major industrial revolution, would have to opt for a more extensive social welfare system in future, Dr Gideon Jacobs, MP, the United Party's chief spokesman on Labour, said in Durban at the weekend.

Addressing a Young South Africans' symposium on the 'Urban Black,' he said that once a country had become fully industrialised it had the choice of diverting its immense economic resources into one of three main avenues.

It could either concentrate on mass consumption (American) or on the development of an extensive social welfare system (British) or on prestige projects (Russians).

'In view of our population composition and the disparity in wealth between the haves and have-nots, we will have to opt for a more extensive

social welfare system, Dr Jacobs said.

REASONS

Rapid economic growth was essential to South Africa for a number of reasons:

- ① To sustain a growing population, which was expected to reach 50-million by 2000.
- ② To meet a growing defence expenditure, presently standing at about R1'000-million and likely to increase.
- ③ To counter the activities of political agitators. 'In this sense, South Africa must expand economically or we will explode politically,' he said.

GROWTH

South Africa had all the basic ingredients required for rapid non-inflationary economic growth.

'The Achilles heel in our whole economic system, however, is the insufficiency of high level skills, and unless this situation can be rectified, South Africa will continue to have high rates of inflation which will in turn impede our economic growth.'

Outlining his priorities for a new initiative in labour, he said the most important consideration was to implement labour and training policies dictated by the human economic needs of the country and its people, and not by ideological considerations.

He called for trade union rights for Blacks, the removal of statutory discriminatory measures, including job reservation, equal pay entailing equal responsibility and full social security benefits for all races, commensurate with their employment categories.

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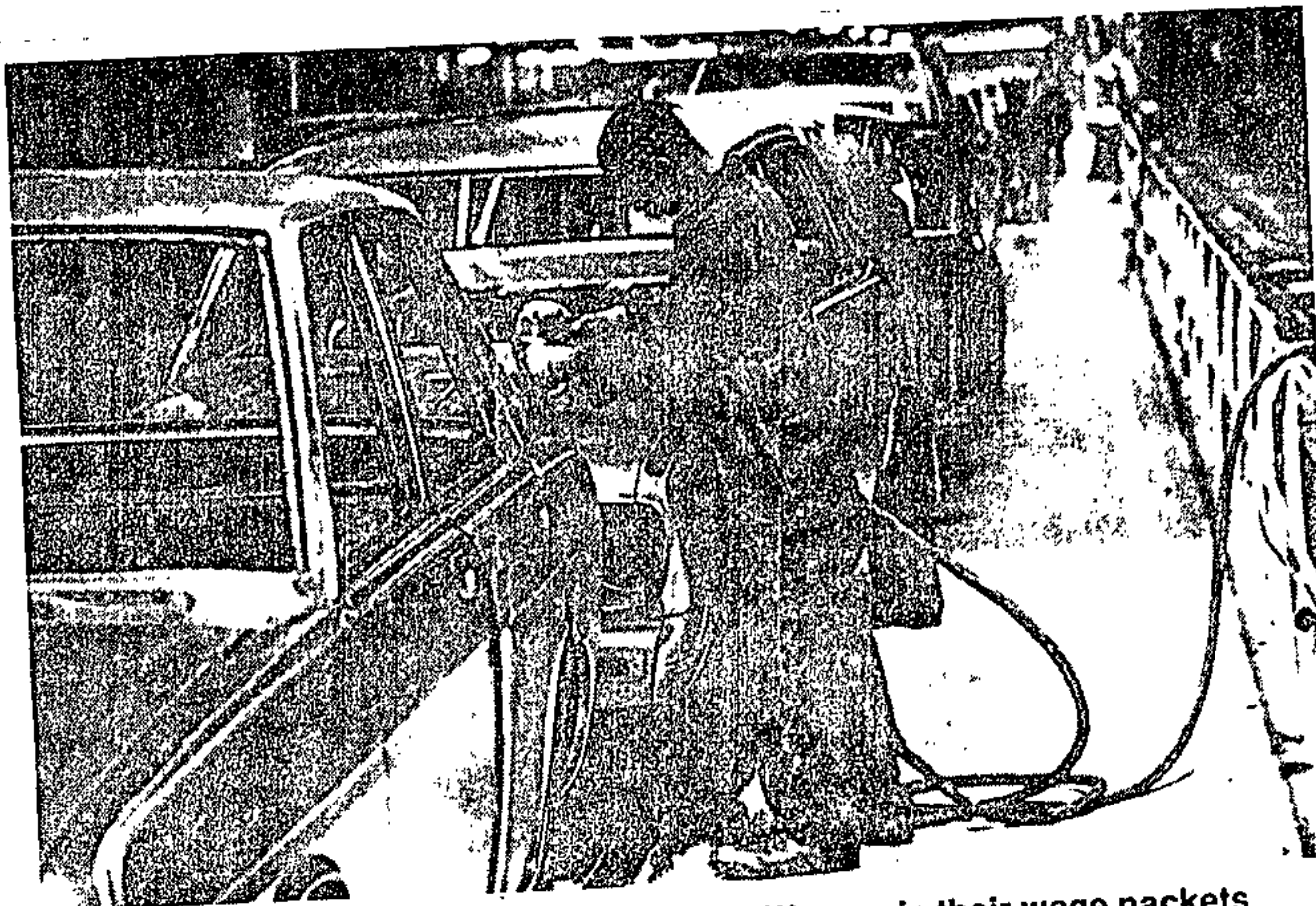
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Black motor assembly workers . . . more Woema in their wage packets

MOTOR WORKERS

Another 4%

F.M.

15/8/75

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The three major motor plants in the Eastern Cape — Ford, General Motors and Volkswagen — this week announced an average 4% wage increase effective immediately. The Ford increase affects all 3 700 hourly-paid workers. It follows two earlier increases, bringing the total average increase for the year to 13%.

In terms of the increase, Grade I labourers' wages are raised 3c to 63c/h; Grade II, 3c to 64c/h; and Grade III, 3c to 65c/h. Identical scales are introduced at General Motors.

The wage increase for all Volkswagen's hourly-paid workers affects more than 4 200 White and Black employees. It, too, follows an increase earlier this year. The combined effect is to raise wages of hourly-paid workers by 10% in most cases. However, the minimum rate at Volkswagen is now 60c/h, compared with Ford and GM's 63c/h.

Based on the motor industry's usual week of 45 hours, the increases mean the lowest gross earnings are now R27/week.

Outside the Eastern Province motor industry wages are lower, but rising. Toyota granted a 9% increase to 3 500 workers at Durban and the parts warehouse in Johannesburg on July 1. This followed an earlier 12% increase. Toyota's minimum is now 57c/h.

Chrysler, which does not operate under an industrial council agreement, granted a straight across-the-board 5c rise to its 1 515 hourly workers on June 1. This also followed a similar rise in January and brings its minimum to 51c/h.

The police pay problem

5-TAR 16/8/75

The Minister of Police, Mr Jimmy Kruger, has said that we can "never pay our police enough."

Some policemen are inclined to retort that as the country cannot hope to pay them "enough" it doesn't bother to pay them much.

Every time a policeman gets into trouble for dishonesty or there are allegations of bribery and corruption the issue of police pay is resurrected.

It happened recently when certain policemen were prosecuted for robbing a shop and again when there were indications of corruption related to a fee-racket.

Usually the people who raise the pay issue are policemen's wives or former policemen. Serving members of the force seldom talk to the Press.

The argument goes like this: "Policemen maintain order, deter crime, chase law-breakers and ensure that everyone can sleep safely in their beds. They risk their lives every day yet they are among the lowest paid Whites in the country."

Honest

The vast majority of policemen, it is argued, are honest but, in view of their poor pay, can it be wondered at if a few succumb to the temptation to help themselves to other people's property or to take bribes?

An investigation by The Star shows that policemen who complain about their pay certainly have a point. The police might be essential to society but society shows no signs of recognising the fact by granting them decent salaries.

In fact it is more profitable, and considerably less dangerous, to be a Johannesburg municipal bus-driver than to be a policeman.

A trained constable can expect a starting salary of about R2 520 a year. This is actually above the level established by the Public Service Commission but is the figure given by the Minister of Police.

Kevin Stocks

Johannesburg, on the other hand, gets a starting salary of R4 092 — not far from the constable's maximum salary, no matter how many years of service he has, of R4 380.

Within one year the bus driver can expect to be earning the constable's maximum salary while within four years he will be well above it with a salary of R4 524.

Even a reasonably competent secretary in Johannesburg can expect at least R3 600 a year and to see it rise considerably more rapidly than the pay of a policeman.

To discover whether this neglect of police pay applied elsewhere The Star has obtained

the salary figures of two overseas police forces. They are the City of London Force and the New York Police Force. (Neither the United States nor the UK has national police forces).

Although the American police are far and away the best paid, both foreign forces pay better than the South African Police.

Cadet salaries in London are only a little higher than their South African equivalents. Cadets there get either R1 580 or R1 768 a year, depending on age. The South African minimum level is R1 440.

However, the Minister of Police has pointed out that the South

African level is for an entrant with only a Standard 7 level of education.

Someone with a Standard 8 education, however, would receive a basic salary of R1 680 a year plus a R360 a year danger allowance plus other fringe benefits that would bring his earnings to about R2 280 a year.

Constables' pay in South Africa starts at R2 520 and rises to a maximum of R4 380 — though to this should still be added the danger allowance plus fringe benefits including, very often, cheap accommodation.

A City of London constable, on the other hand, starts at R2 705 a year and rises to a maximum of R5 987.

By comparison New York salaries are out of this world. A patrolman, equivalent to constable, starts at R9 500 and rises to R12 400 a year. His cost of living is higher of course, but not that much higher.

Wage gaps really show up in the pay of sergeants. A City of London sergeant gets a higher minimum salary than the maximum salary of his South African equivalent.

The South African scale for sergeants is from R2 700 a year to R5 340. City of London men get a minimum of R5 987 and a maximum of R6 880.

Grade

The grade above sergeant in London is inspector. In South Africa the next grade is warrant officer. There is no real equivalent between the two ranks so to be fair the pay for inspectors is compared to that of South African captains — jumping two grades on the South African scale.

Even so the London inspector's minimum is higher than the South African captain's maximum, R7 075 compared to R6 660. The maximum for an inspector in London is R8 131.

In both London and New York the "financial status" of policemen is higher than in South Africa.

A New York cop can expect to earn more than a bus-driver or a secretary and, very often, more than a teacher.

In London the difference is not so great but the policeman still tends to be better off.

SOUTH AFRICA		NEW YORK		LONDON	
CADETS	R1 440 a year minimum. With allowances no cadet is likely to get less than R2 280.	Not applicable	CADETS	R1 580 or R1 768 a year (depending on age).	
CONSTABLES	R2 520 to R4 380 a year. Increments at a rate of R150 a year to start and later at R180 a year.	PATROLMEN	R9 500 to R12 400 a year.	CONSTABLES	R2 705 to R5 987 a year.
SERGEANTS	R2 700 to R5 340 a year. Increments at a rate of R150 a year to start then R180 a year and finally R240 a year.	SERGEANTS	R12 600 to R13 600 a year.	SERGEANTS	R5 987 to R6 880 a year.
WARRANT OFFICERS	R3 300 to R5 820 a year. Increments start at R180 a year and later go up to R240 a year.	LIEUTENANTS	R14 000 to R15 691 a year.	INSPECTORS	R7 075 to R8 131 a year.
LIEUTENANTS	R4 380 to R6 060 a year. Increments as for Warrant Officers.	CAPTAINS	R17 353 to R23 563 a year.	CHIEF INSPECTORS	R8 131 to R9 888 a year.
CAPTAINS	R5 340 to R6 660 a year. Increments start at R240 and go up to R360 a year.	INSPECTORS	R21 290 to R24 451 a year.	SUPERINTENDENTS	R10 656 to R11 236 a year.

This table shows a comparison between the salaries of South African policemen and their colleagues in London and New York. The ranking systems of the three forces are different so the comparison is shown between the salary scales for each step-up in rank. Thus the step-up from sergeant in New York is to lieutenant while a South African sergeant is promoted to warrant-officer. The higher pay received by the foreign police forces shows

Government silent as pay demands grow

RDM: 19/8/75

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Staff Reporter

DISSATISFACTION among the 361 000 White workers in the public sector is growing as the Government continues to ignore demands for salary and wage adjustments.

The total annual wage and salary bill for the central and provincial Government departments, the Railways and the Post Office amounts to R2 400 million.

Even a 10 per cent in-

crease, which is substantially less than the rise in the consumer price index since the last increases were granted in July last year, would pump another R240 million of inflationary money into the economy.

This is seen as the basic reason why the Government committed with the private sector and the trade unions to fight against inflation, is delaying an announcement about increases.

Earlier this year Government workers were confident that an adjustment would be made in July.

Now that July has come and gone the expectation is that increases would be announced within the next few weeks to dampen dissatisfaction but would only become effective from the beginning of next year.

By then, economists

claim, the CPI could have risen by at least 20 per cent since the July 1974 increases.

The 426 000 Black workers in the central and provincial departments, the Railways and Post Office will also benefit from the expected increases.

The Government is firmly committed to closing the wage gap and salary gap between Black and White workers but so far this has not happened.

The percentage increases for Black workers has been greater but in terms of actual cash the gap has continued to widen.

Two Cabinet meetings have been held since the close of the parliamentary session without any announcement being made.

Another will be held today under the chairmanship of the acting Prime Minister, Mr P. W. Botha.

notal mercury 20/8/75

Blacks upset at subsidy 'discrimination'

African Affairs
Correspondent

SEVERAL of Umlazi's Black officials this week complained that they were being discriminated against "not only in salaries but in matters like transport subsidies."

Zulu civil servants' salaries are determined by Pretoria, but this will soon change now that the KwaZulu Public Service Commission has been established.

But, they say, there are unfair disparities in other areas as well.

White officials, seconded to the KwaZulu Government service, receive

transport subsidies when working in African townships, and their Zulu counterparts do not.

The official reason given to the Mercury is that White officials — magistrates and township administrators — are not allowed to live in the townships, and are thus forced to travel from areas outside.

Black officials yesterday countered this with

two arguments. First, they said, thousands of Whites in private employment drive to work every day in subsidised cars. Many live no nearer their offices than do Umlazi's White officials.

Secondly, they pointed out, Black officials are forced to move from one township to another when transferred. Several White officials, however, drove to Umlazi

from places like Pietermaritzburg and Pennington on the South Coast and their transport was subsidised.

"If a White official," said a senior Zulu civil servant, "can live in Pietermaritzburg and have his transport to Umlazi subsidised, we feel it is unjust to expect a Black to take his children out of school, force his wife to give up her job and leave a good house to move to a township that might be within driving distance."

A top KwaZulu official in Pietermaritzburg told the Mercury: "Yes, it does seem like discrimination, but it is one of the anomalies KwaZulu can do little about."

"There are, I understand, only a few cases of subsidised cars, but some are quite heavily subsidised."

"The KwaZulu Government does not pay these allowances. All salaries, allowances and subsidies paid to White officials in the homeland service are paid by Pretoria."

"The KwaZulu Government simply does not have the money to follow suit. One of these days we might be able to do something like this, but at the moment we would have to sacrifice priorities like clinics and schools to afford it."

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Planning & change seminar

Race laws must change

Cape Times 21/8/75

— Reynders

DR H. J. REYNDERS, executive director of the Federated Chamber of Industries, said in Cape Town yesterday that discriminatory legislation which threatened South Africa's economic progress should be phased out, and at the same time both Whites and Blacks would have to make radical adjustments in their traditional attitudes.

Dr Reynders was addressing the Change Orientation and Planning seminar organized by the Graduate School of Business of the University of Stellenbosch.

He said it had to be accepted that the Black

urban populations of South Africa were here to stay and "once we accept this fact our planning for the future must take cognisance of it".

The inevitable changes would mean better training and vocational instruction for the Blacks for higher occupations, and induce White workers to accept Blacks as their equals.

He said that four-fifths of the Blacks in South Africa had the characteristics of a stable population and as far as industry was concerned stability was essential.

"REPUGNANT"

Dealing with the problem of wage discrimination, Dr Reynders said that discrimination between people of different races who perform identical work "is repugnant to us".

But certain economic realities had to be considered. Regardless of race or colour the price of labour depended on supply and demand, productivity and the capacity of the employer to pay. It also had to be recognized that every person required the basic necessities of life.

The most obvious approach to bridging the wage gap was equal pay for equal work regardless of race. But tied up with the problem was job reservation and the fact that Coloured

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Wage gap fear

22/8/75

Cape Times Political Correspondent

WHILE the Government has pledged itself to narrowing the wage gap between Black and White, the Cape congress of the National Party will next month debate a motion opposing the narrowing of the gap if it is inflationary.

A draft resolution submitted by the Paarl branch of the party requests the Government to guard against the narrowing of the wage gap between Whites and non-Whites and the consequent increase in the income of the non-Whites as

factors contributing to inflation."

This is one of the few controversial motions to be raised at the party's diamond jubilee provincial congress in East London on September 2 and 3.

Another potentially controversial motion, submitted by the Piketberg branch, calls for stricter control measures to check the influx of "unlawful Bantu" into the Western Cape and to combat the "concomitant squatting around our cities and towns".

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Phase out racial laws — Reynders

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CAPE TOWN — Dr H. J. J. Reynders, executive director of the Federated Chamber of Industries, said here yesterday that discriminatory legislation which threatened South Africa's economic progress should be phased out, and at the same time both whites and blacks would have to make radical adjustments in their traditional attitudes.

Dr Reynders was addressing the change — orientation and planning seminar organised by the graduate school of business of the University of Stellenbosch.

He said it had to be accepted the black urban populations of South Africa were here to stay, and "once we accept this fact our planning for the future must take cognisance of it."

The inevitable changes would mean better training and vocational instruction for the blacks for higher occupations and inducing white workers to accept blacks as their equals at the work bench.

He said that four-fifths of the blacks in South Africa had the characteristics of a stable population, and as far as industry was concerned stability was essential, as it made for better planning.

Dealing with the problem of wage discrimination, Dr Reynders said that discrimination between people of different races who performed identical work "is repugnant to us."

But certain economic realities had to be considered. Regardless of race or colour, the price of labour depended on supply and demand, productivity and the capacity of the employer to pay. It also had to be recognised that every person required the basic necessities of life.

The most obvious approach to bridging the wage gap problem was equal pay for equal work regardless of race. But tied up with the problem was job reservation and the fact that most black and Coloured workers were still unskilled.

This meant that the majority of non-white workers would not benefit from the equal pay for equal work approach which was an attractive slogan, but did not make economic sense.

Change had to come, but it had to be gradual. There was the question of whether to give more people work at a lower wage or to pay a higher wage and give work to fewer people.

To adopt a new wage structure faster than the economy could absorb the change would be to defeat the whole object of the exercise. — SAPA.

Nash warns industry to pay living wage

EAST LONDON — The East Cape Coloured Representative Council member, Mr J. H. Nash, has called on the Chamber of Commerce, Sakekame, the Mayor, Department of Labour and the Trade Union Council to investigate and ensure industrialists establishing new businesses here pay employees a living wage.

He warned industrialists, more especially those contemplating establishing new factories here to pay a decent wage commensurate with qualification and experience or to forget about coming to East London.

He said a committee would soon be established to investigate discriminatory wages and discrimination by employers and shops against other race groups.

"Those who practise discrimination or pay inferior wages or salaries will be blacklisted and exposed and people will be encouraged not to support or sell their labour to them," he said.

"The Labour Party is ready to declare open war against these firms."

Mr Nash said the time when firms exploited other race groups and underpaid them or discriminated against them were gone.

"They must keep in mind the high cost of living, the exorbitant rentals in the townships, electricity and water bills besides ever increasing rates," he said.

Mr Nash said he would not like to see similar strikes as had happened last year. He asked industrialists to bear that in mind.

"It is time TUCSA woke up and made sure the secretary did some field work to investigate any exploitation against employees.

"This should also apply to the Department of Labour. I am appealing to all people to report to me all forms of discrimination practised by any shop, factory or any kind of business so that they may be exposed — even if I have to fight it at top level," Mr Nash said. — DDR.

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Chain's STAR 26/8/75- new job

policy

Labour Reporter

A leading liquor store chain, the Solly Kramer group, has abolished pay-and-employment discrimination based on colour.

"There will be no replacement of Whites by Blacks," said a spokesman today, "but our policy will be to appoint the best man for the job."

Already there are senior Black sales assistants at a few of Kramer's 131 stores.

It is expected that a Black manager will be in charge of one of the larger stores by the end of the year. He will control an annual turnover of about R500 000.

The company's new staff manager, Mr Tony Frost, is in charge of a centralised staff-training programme which does not differentiate among races.

The programme seeks to train staff and retrain existing staff with the aim of improving productivity by reducing staff turnover.

Govt wage squeeze expected

27/8/75
Mercury Correspondent

PRETORIA — The Government regards a temporary freeze on wage demands as vital to the success of its anti-inflation campaign, according to authorities here.

It was reliably learnt yesterday that Prime Minister Mr. Vorster is almost certain to make a strong plea to the private sector to muffle wage increases in a statement and radio address this week.

At the same time he is expected to announce that public sector workers — railwaymen, Post Office workers and workers in State and provincial departments — will get no increases this year.

These will be deferred until, at the earliest, the beginning of next year and even then they are not expected to match the rise in the consumer price index.

This is seen as part of the Government's contribution to the joint action programme to fight inflation devised by the Anti-inflation Sub-committee of the Prime Ministers' Economic Advisory Council.

Hopefully private sector employees would follow the same hard line.

The last increases in the public sector came into operation in July last year. For the nearly 250 000 White and Black workers in the Railways the increases cost R111-million.

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ORGANISED commerce and businessmen have welcomed the Prime Minister's anti-inflation address to the nation last night but trade unions have expressed only qualified approval. In Cape Town today the Chamber of Commerce was to meet to discuss the Government appeal.

In an address to the nation last night Mr Vorster called on workers in all fields to moderate their wage claims in an attempt to break the wage-price spiral that was threatening the country's economic and social system.

The rate of inflation threatened the country's standard of living and was a particular danger to the low-income groups who stood to lose most through continued loss of monetary value.

He also called on commerce and industry to make their own contribution by controlling prices, possibly at the cost of high profits.

'I fully realise that I cannot expect worker groups to exhibit the necessary control unless employer groups also react positively to my appeal,' the Prime Minister said.

In Cape Town today Mr D. C. Benade, chairman of the Western Province area division of the Trade Union Council of South Africa, said Tucs would back the Prime Minister's programme fully. In those fields where real earnings were being maintained the workers would be prepared to forego increases that would raise their standard of living.

Essential

However, the Government should not expect the workers to sacrifice their standard of living.

It was essential that employers in commerce and industry should make an obvious contribution by holding down prices and profits, Mr Benade said. He called for a three-part effort involving the Government, commerce and industry and the workers to curb the 'galloping rate of inflation.'

Mr G. Fletcher, branch secretary of the National Union of Furniture and Allied Workers, said his union would be sympathetic to the Prime Minister's appeal if their real earnings were restored to the levels of January 1974.

Keep up

Too much emphasis had been placed on the part employees should play and too little responsibility had been placed at the door of manufacturers and distributors.

Mr Ray Altman, general secretary of the National Union of Distributors, said the union would support a 'Price Control' campaign to act against price gouging.

Vorster attack on inflation

(Continued from Page 1)

drop in our buying power, Mr. Altman said.

He echoed Mr. Fletcher's call for more emphasis on the part employers should play.

Mr. Norman Daniels, general secretary of the Textile Workers' Industrial Union, said: 'I feel the Prime Minister should have put the responsibility for breaking the wage-price spiral on the employers.'

'The worker does not put up the prices, he merely reacts to increased costs and he will continue to do so. I am not pleading for price control, but the emphasis should have been placed on commerce and industry, not us,' he said.

However, the unions would do everything they

could to assist in cutting inflation. They also hoped to see those concerns making unrealistic profits curbing their earnings, he said.

Mr. John Drake, president of the Cape Town Chamber of Commerce, said the Government's plan had been worked out after consultations with the various employer bodies and it was assured of their full support.

Today the chamber was to meet to discuss its plans in relation to the Prime Minister's appeal, but the contents of the Government plan had been known for some time.

'I feel the plan is a reasonable compromise. We would have liked to see greater emphasis on cutting Government spending, but we are satisfied that this scheme can succeed,' Mr. Drake said.

It would need the co-operation of all sectors of the public, but it had the ingredients of a viable plan. Manufacturers and distributors would co-operate by curbing price increases as far as possible, he said.

In Johannesburg Mr. Raymond Parsons, executive director of the Association of Chambers of Commerce, pledged full support. However, the scheme would require sacrifice and increased productivity from everyone.

Wage freeze —chill wind for Whites

STAR 28/8/75

There will be a cut-back in White living standards if the Prime Minister's appeal for wage restraint is taken up by workers and trade unions.

This is made clear by the Reserve Bank's latest statistics which show that the real increase in White salaries and wages, after taking inflation into account, was only 1.3 per cent over the past year.

According to the Reserve Bank's annual report, White salaries rose by 15 to 16 per cent in money terms. But inflation has been around 14 per cent, leaving the average White worker only slightly better off.

REAL INCOME

The real income of other races rose by 11.9 per cent over the past year, although the money increase was around 25 to 26 per cent on average.

Factors to be borne in mind in this context are:

- Workers belonging to races other than White are, on average, low-paid workers who have to spend a greater part of their income on foodstuffs which have been subject to price increases substantially in excess of the rate of inflation.

- The Government and private employers generally concede that the Black-White wage gap must be narrowed.

Just as the majority of

workers are either below or above the average, so the sacrifices called for are expected to be unevenly spread.

Those who have had recent increases are the ones least affected.

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Vorster stops short of a general freeze

STAR 28/8/75

Neil Behrmann

The Prime Minister's appeal to businessmen and workers to control price and wage increases, follows the tougher monetary stance of the Reserve Bank.

He has stopped short of legislating a general freeze of wages, prices and profits.

The Reserve Bank is tightening the money supply to curb inflation and has urged the government to cut its spending.

Mr Vorster said that he decided to make his appeal because inflation is a serious threat to the country's economic and social system. It is eroding valuable monetary assets and capital in both the private and public sectors.

The dangers of capital erosion have been spelt out by the doyen of South African economists,

Professor Ludwig Lachmann, so the government seems to have finally accepted that political platitudes like "learn to live with inflation" or we can "grow out of inflation," are false.

Mr Vorster said that to alleviate the inflation problem, the government is relying on voluntary contributions and sacrifices of all sections of the community. It does not intend applying an incomes policy.

Business and labour are fortunate that the government does not intend implementing the restraints on wages, prices, and profits familiar to Britain.

Hopefully these groups — which have all played their part in the inflationary process — will heed

his call. And hopefully, also, the government will also follow its declared intention and curb its spending.

Mr Vorster said that the Government intends to co-operate closely with consumer, labour and business groups.

TOP PRIORITY

The top economic priority at the moment is the fight against inflation. This policy should in turn counter the balance of payments problem and protect the rand. Measures which are being applied are:

- A tight control on the money supply and higher interest rates.

- Curbs to Government spending.

- Voluntary restraint on the part of business and workers to relax demands on prices and wages.

The policy could be successful, provided imported inflation continues to slow down.

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Govt STAR 28/8/75 wages: freeze expected

Labour Reporter

Hopes for pay adjustments to restore the real income of about 590 000 Government employees to the level of July last year have been shattered.

In his call for sacrifices from all sectors of the economy in a concerted onslaught against inflation, the Prime Minister, Mr Vorster, refrained from announcing a wage freeze.

But all concerned believe that Government intends setting an example in the public sector which had its last general increase in July 1974.

Informed sources believe a six-month pay freeze for State employees is in the offing.

The Prime Minister's radio appeal last night is seen among trade unions as having provided private employers with a strong weapon to ward off pay demands in commerce and industry.

Current and pending wage negotiations which are expected to be affected include those in the motor industry and the banking sector.

Most other industries, such as the building,

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Inflation appeal

From Page 1

engineering, leather, textile and mining industries, had pay rises recently.

Comments from organised labour today made it clear that trade unions and staff associations were prepared to accept Mr Vorster's appeal.

But labour leaders emphasised that they would only do so on the proviso that commerce and industry also made sacrifices.

Trade unions "noted and observed" Mr Vorster's request for sacrifices, said Mr Wallie Grobler, general secretary of the Confederation of Labour.

But he warned that they would keep a close watch on the contribution by commerce and industry.

Mr Robert Kraft, assistant general secretary of the Trade Union Council of South Africa, said TUCSA welcomed and endorsed the appeal.

The chairman of the Public Service Commission, Mr J H C van Zyl, said he would get in touch

with staff associations to see "what arrangements we can arrive at with regard to the requests already submitted."

He was referring to demands for increases to be tied to the Consumer Price Index.

The Public Servants' Association, railway unions and post office workers submitted their demands several months ago.

The CPI rose by more than 14 percent in the 12 months ending in June.

Mr R de Wet, Transvaal general manager of a leading supermarket chain, said his group fully supported Mr Vorster's call.

However, he stressed the group would not support a price freeze as this was impossible to implement and control and would push up administrative costs.

"The Government must encourage consumers to spend less. The authorities must tighten the money supply to curb overspending," he said.

(See Pages 29 and 31)

Public service pay hint

John Patten,
Political Correspondent

The Minister of the Interior, Dr Mulder, said in an interview today that the question of when civil servants would get their next pay rise had not been settled.

He was commenting on public service pay after

the radio appeal by the Prime Minister last night that workers in the public service and State-controlled organisations hold back pay demands temporarily.

Dr Mulder said it was expected that staff associations would be influenced by Mr Vorster's call in any steps they might take.

He expected them to

continue negotiations with the Government, possibly seeking improved fringe benefits instead of wage and salary increases, or possibly postponing negotiations for a time.

The United Party's chief spokesman on Public Service matters, Mr Lionel Murray, MP, said Mr Vorster's request meant civil servants would have

to carry a heavier burden in fighting inflation in the private sector.

Mr Servaas Venter, chairman of the 34 000 strong Public Servants' Association, said: "We have not decided about our representations ready being considered by the Government. We might leave it there for consideration."

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Do wages buy productivity

Ivan Philip

Wages of assembly line workers in South Africa's motor industry have been rising steadily in the past three years in response to the rising cost of living and, perhaps, also to mounting pressure for better pay and living conditions for the Black people.

Parallel with the rise in basic wages have been fringe benefits ranging from three-course lunches at 8c to subsidised general education and even housing schemes.

Again, consultation between labour and management, through liaison committees, has increased enormously.

The question remains — have these benefits fed back to the manufacturers and, through them, to the consumer in terms of

increased productivity?

And the answer the manufacturers give is a guarded yes. Guarded because just increasing wages does not automatically boost productivity without intensive training to make it possible for a

The Prime Minister has called for a halt to the wages and prices spirals. Ivan Philip looks at the motor industry — a fairly typical example of how both have risen in tandem.

worker to produce more — and guarded because a strong initial improvement appears to have tailed off.

Mr Bob Devlin, industrial relations manager of Motor Assemblies in Durban, told of a campaign to lift basic wages in line with increasing living costs that began in July 1972 and has succeeded in bringing these two factors into line.

The minimum wage for an unskilled recruit at the bottom end of the scale was 22c an hour at the beginning of the campaign. Now it is 57c.

But what happened to productivity? For 18 months, till the end of 1973, it rose steadily, nearly keeping up with wages. Then it levelled off and is now trailing far behind the steeply climbing wage line.

General Motors in Port Elizabeth felt that they have had good response from their mostly Coloured workers.

Director of personnel, Mr R J Ironside, said their policy was equal pay for equal work, and equal opportunity for all. The company has boosted the minimum wage to 63c an hour.

Then, significantly, he said: "We had our best year ever on productivity and quality in 1968."

It seems 1968 was the magic year. Things peaked out then. And it is hard to avoid the conclusion that, from that point on,

This apparent business does not reflect on the prowess of the local industry, but is rather a reflection of economic re-

Automation in motor industry is enormously costly and can be justified by long run gains in a massive market. Africa has short geared to a market. We also have different models — is what the Government keeps saying.

It is beginning as though South African motorists will have come to terms with inevitable.

If they want a choice of models and wages for the industry workers they are going to have to pay more for their cars than people do in other countries where the market is bigger.



the South African motorist has been paying the bill for each wage hike.

But then it is hard to push productivity beyond a certain point in the South African industry because of a relatively low level of automation.

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Durban heeds call on pay demands

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ADM
29/8/75

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DURBAN, — Responding to the Prime Minister's appeal for wage rise restraints in South Africa, Durban municipal employees yesterday agreed to reconsider their demands for increases of up to 20 per cent.

The Durban Municipal Employees Society (DMES) at a meeting yesterday discussed Mr. Vorster's appeal for wage curbs as an anti-inflationary measure, and decided to reconsider a seven-and-a-half per cent offer it had rejected last month, Sapa reports.

The DMES secretary, Mr. Peter Barnesley, said: "Mr. Vorster's speech will definitely have a drastic effect on our attitude."

A staff reporter writes that public and private sector workers want an

unequivocal assurance from the Government that the wage sacrifice will be matched by a trimming of profits and prices in commerce and industry.

Although the Prime Minister appealed to public sector workers not to press for wage increases soon, he was in fact telling them that they had no hope of increases this year to compensate for rocketing living costs.

And trade unions warned yesterday that if commerce and industry fail to keep their part of the anti-inflation bargain, the country can expect an explosion of wage increase demands.

The unions are determined not to fight inflation alone.

The president of the South African Confederation of Labour, Mr. Attie Nieuwoudt, said it appeared that the pressure

was heavier on the worker than on the employer.

He doubted whether commerce and industry would make the contribution expected of them.

The secretary of the Posts and Telegraphs Association, Mr. K. J. van der Linde, said his union would be happier if an assurance was given by the private sector that prices and profits would be limited. No such an assurance had so far been given.

"We need high level confirmation that the private sector will be forced to cooperate," he said.

The president of the Public Servants Association, Mr. S. D. de K. Venter, supported the campaign but said the PSA wanted an assurance that the sacrifice called for by the Prime Minister would not only come from workers in the central government departments.

The secretary of the Federal Consultative Council of Railway Staff Associations, Mr. Johan Benade, was sceptical about the sacrifices which would be made by the private sector.

The seven railway unions represented by the council could be expected to make demands in the first half of next year for at least 20 per cent increases.

In April this year, he claimed, the railway workers were already running 15 per cent behind the cost of living.

URGED

The South African Institute of Race Relations claims that low-paid African workers should be excluded from the temporary wage and salary freeze urged by the Prime Minister.

The director of the institute, Mr. Fred van Wyk, said that during the past nine months large numbers of African urban families had sunk below the poverty datum line because of the big increases in the prices of basic foods like milk, mealie meal, eggs and other essential foods.

"In 1973 a survey showed that 60 per cent of the population of Soweto was living below the bread line."

Mr. Van Wyk said much had been done to improve the earnings of Black workers but many thousands were still earning only subsistence wages.

Mr. Van Wyk appealed to employers to exclude African workers from any temporary wage and salary freeze.

Fix prices

too, say

earners

MERCURY 29/8/75

Mercury Reporter

PEOPLE asked yesterday by the Mercury whether they would heed the Government's call to fight inflation by not asking for pay increases nearly all said that pay increases were necessary to fight rising costs.

A curb on pay would be unfair to the consumer unless prices were also frozen, they felt.

Only one of the eight people interviewed, Miss L. Soanes, a building society worker, was of the opinion that a wage freeze would help fight inflation and she was prepared to forego a pay increase.

One man, who said that Government and municipal workers did not always deserve increases, later returned and asked not to be quoted. "I don't want any trouble," he said.

DESERVED

Mrs. A. Haddad, an employer, said that she would continue to give her staff pay increases. "They work hard and deserve them — besides costs are rising all the time."

Mr. Ian Wyllie said that an extended form or price control would help to fight inflation. "It is all very well to ask the public to help fight inflation but prices should also be fixed. Perhaps if price control was

extended to more products it would be realistic to stop wage increases."

Mr. D. Mumford had only a few words to say — "The Cabinet had a pay increase."

The Prime Minister called for sacrifices from all employers and workers to aid the Government's fight against inflation earlier this week.

Mr. Vorster said that the country's security and stability were threatened by inflation.

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Move will please the bosses

MERCURY

29/8/75

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Financial Editor

A VOLUNTARY restraint on wage increases will be bad for business, cause consumer resistance and "go down well" with company managements.

This was the view of Durban businessmen yesterday who were commenting on the Prime Minister's plea to employers and workers to help the Government fight inflation by accepting a clamp on wages.

However, fears were expressed that the anti-inflation campaign would be used by management as an excuse. Managers would now be able to say it was in the national interest that their employees should not be given a pay rise.

There was general agreement that inflation could only be beaten by consumer resistance. This had already begun.

There had been a marked drop in the sales of milk, butter, meat and clothing. Durable goods, such as refrigerators, stoves and television sets, had also suffered from sales resistance.

If this trend continued and consumers turned away from a wide range of products, a powerful blow would be struck against inflation.

Mr. Roland Freakes, director of the Natal Chamber of Industries, welcomed the Government's anti-inflation programme.

The Prime Minister's statement would help people to realise the seriousness of the problem.

"Industry has examined the matter in depth and, through the South African Federated Chamber of Industries, has signified its support of anti-inflationary measures, provided the sacrifices entailed are borne by every sector of the economy including the Government."

Mr. Freakes said that Mr. Dan Benade, president of the Federated Chamber, had recently warned against the dangers of price and

he had committed to industry voluntary restraints on price and profits.

The Federated Chamber was prepared to accept, as general guidelines, the establishment of rates of interest on capital employed, provided these were related to the risks involved, special conditions and the replacement cost of production capacity.

Capital pay freeze plan

MERCURY 28/8/75

Mercury Reporter

PIETERMARITZBURG — Moves to freeze part of the wage increases granted to municipal employees recently are to be considered by the City Council.

The council recently approved immediate wage increases of 5 per cent for all municipal staff, and another 5 per cent increase in February.

formal submission to the council for a decision.

Other councillors supported the suggestion.

But Councillor Robin Perrins yesterday drew the council's attention to the recent appeal by the Prime Minister for sacrifices from employers and workers to help the Government's fight against inflation.

Mr. Perrins said the council should seriously consider freezing their decision to grant the wage increases, and he said he would bring the matter up before the relevant committee for

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WAGES CURB PLEA MERCURY 29/8/75 GREETED

Industrial Reporter

THERE were still possibilities of wage increases based on improved productivity, Mr. Graham Gallow, president of the Durban Chamber of Commerce, said yesterday as he welcomed the Prime Minister's wage standstill appeal.

Mr. Gallow said it was good that the Government had given a lead by curtailing wage increases in the public sector. Wage restraint was but one part of the Government's collective programme of action against inflation.

Voluntary wage restraint would have a significant impact on the wage-price spiral. Prices could not be contained in the face of continual wage demands. Mr. Gallow endorsed the Prime Minister's appeal and urged those who set prices to exercise maximum restraint.

But, he warned, a large part of the population could not make sacrifices as their incomes were already low. The Government's commitment to a policy of reasonable growth was a top priority.

Mr. Gallow believed that any wage increases arising out of increased productivity should favour the lower income groups who had little money available for unessential purchases and who were hit hardest by inflation.

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TUCSA TO DISCUSS PAY CURB

MERCURY

29/8/75

Industrial Reporter

THE Prime Minister's appeal for restraint on wage and salary demands will form a major part of the Trade Union Council of South Africa's Congress in Cape Town next month, says Mr. Jock Espie, Natal area organiser for TucsA.

He was speaking on the call made by Mr. Vorster for a "temporary" halt to demands in order to combat inflation.

A spokesman for the Amalgamated Engineering Union of S.A. said: "The workers are not going to like this."

Mr. Espie said yesterday that anything helping to curb inflation was "admirable" and would have TUCSA support. A wage standstill would be acceptable only if the Government and the employers played their part.

He called for legislation to prevent workers being offered goods not worth the price — "if we want them we have to pay what is asked."

Mr. Espie supported the president of the Natal Chamber of Printing, Mr. I. L. Knock, who condemned businessmen who took long business lunches, played Wednesday golf and took every holiday. He said they should be at work to

improve productivity.

He said that while parliamentarians with their recent large salary increase could withstand rising prices, the main burden fell on the workers who could ill-afford the constant rise in the price of goods.

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Railway workers: Smile

W/E ARGUS (Bus. Argus) 30/8/75

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IF YOU were working on the railways for the year ended May 1975 you can smile! You did very well for yourself in the battle against the rising cost of living and beat workers in most other occupations at increasing your wages.

Figures released by the Department of Statistics show the average wage for White workers on the South African Railways in May this year was R483,47, including overtime, an increase of 28 percent on the average wage of R377,36 earned in May 1974.

Non-White workers on the railways did even better relatively, although their wages still lag a long way behind their White colleagues. Their average wage in May 1975 was R98,47 — 34 percent

up on the average of R73,49 earned in May last year.

These figures — although they include earnings from overtime, which plays a large part in most railwaymen's pay packets — reflect the hefty pay increases granted to the railways during the year.

SAR's 111 852 White workers employed in May this year earned a total of R54 294 000, compared with the total of R41 276 000 earned by 108 439 White workers in May 1974.

The greatest rate of pay increase for Black workers was in the mining and quarrying sector where in the year to March 1975 their average pay rose by 85,6 percent from R36 to

R66,82. Whites in the same sector had a 13 percent increase from an average monthly pay of R530,7 to R598,10.

The cost of living rose by 13,7 percent in the year to March 1975.

After the South African Railways and Harbours, the next best sector for general pay increases was electricity. For the three months of March, April and May this year White workers in this sector earned an average wage of R554,54, an increase of 24 percent on the R447,46 earned in this period the previous year.

Coloured wages in this sector rose 33 percent from R107,61 to R143,33 over the same periods and Black wages rose 23,8 percent from R93,15 to R115,37.

In construction, the

White workers' average wage for March, April and May this year was R477,9, 14,2 percent up on the R418,51 earned during this period last year.

Coloured workers in construction had a 21 percent increase over these periods from an average wage of R152,44 to R184,60 and Blacks saw their wages go up by 23,3 percent from R78,86 to R97,23.

Workers in the manufacturing sector did not fare as well as the others. White workers here had an average wage of R487,6 this year, 13,5 percent up on the R429,71 earned in this period last year. For Coloured workers, the increase was one of 14,2 percent from R110,27 to R125,98 and for Blacks it was 21 percent, from R82,55 to R99,97.

In March this year the total work force in all these occupations was 2 723 997 consisting of 588,395 Whites, 308,604 Coloureds, 90 567 Asians and 1 736 431 Blacks.

In March 1974 the work force totalled 2 727 541 with 570 834 Whites, 305 577 Coloureds, 90 088 Asians and 1 761 032 Blacks.

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WAGE CURB APPEAL MAY BE JUST THE BEGINNING

W/E ARGUS
(Bus Argus)
30/8/75

Financial Editor

THE appeal by the Prime Minister this week for wage restraints is expected to be only the first of a series of Government moves aimed at curbing inflation. Among other measures in the pipeline is also believed to be a request to commerce and industry to limit their profits.

which were... as a result of the sharp inflationary trends and — probably in the vast majority of industries — it would be inadequate in present-day conditions.

Other people, meanwhile, have also pointed out that a 15 percent return before tax is equal to

It is believed that the authorities would like companies to restrict the return on capital to 15 percent before tax. Moreover, it seems that official thinking is that companies earning more than 15 percent (before interest charges and before tax) on operating capital should be permitted to pass on only 70 percent of any local cost increase, and the remaining 30 percent to be charged against profits.

Although the Natal Chamber of Industries has announced that its members are prepared to abide by the 15 percent figure, the Cape Chamber of Industries in its latest survey expressed many reservations about the proposal.

The view of its Economic Affairs Committee was that it would not be feasible to recommend for general application specific percentage levels of profit earning.

It continued that the level of return required on capital employed varies considerably from industry to industry and, whereas the 15 percent might be sufficient in some cases, it could be totally inadequate, even seriously harmful, in others.

The committee added that the suggested level of 15 percent profit on capital employed appeared to be based on conditions now outdated.

only 9 percent after company tax and this is actually a smaller return than investors can now get on Government stock.

This could create financing problems for industry.

Meanwhile, there is speculation that the Government could move towards a tighter money policy in an effort to squeeze inflation out of the system.

W/E ARGUS
(Bus Argus) 30/8/75

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Wage curb call tempts the bull

THIS WEEK'S call by the Prime Minister, Mr B. J. Vorster, for wage restraint has injected a new and seemingly bullish element into the local investment picture.

The inflationary conditions of the past few years have seriously affected the financial health of the entire South African economy. Therefore anything which helps to moderate inflations, as Mr Vorster's call should do, can only be good for the country and for investors.

However, the share market showed little immediate reaction to Mr Vorster's call. One probable reason is that investors would like to see what response this achieves. Another reason is that there are fears that the Government's call for wage restraint could be linked with a call for profit restraint.

The difficulty here is that while probably every one in business agrees that no company should make excessive profits in these inflationary times, it is not easy to determine what rate of profit companies should be allowed to make.

The point is that what could be regarded as a reasonable profit in times of zero inflation could be hopelessly inadequate when inflation is rampant, such as at present when depreciation rates go through the roof and the capital requirements of business are greatly multiplied.

The fear is that the Government could apply profit limits which ought to be applicable when

For investors in industrial shares this has been another dreary week on the stock exchange. But they have been able to draw some comfort from the continued run of healthy company profits that are being reported. Statements of profit increases are still heavily outstripping those of profit reductions.

Another cause for comfort was the steady rise in the foreign exchange reserves. These are now at their highest level for eight months and if the Government's plans to draw funds into the country are successful, as they are expected to be, a further rise in the reserves is on the cards.

Increased reserves means greater liquidity, lower interest rates and more money for investment in industrial shares.

Investors in gold shares have had a disappointing week as well with the gold price fluctuating around the 161 dollars an ounce mark. They have also had to contend with reports that the United States may hold another gold auction later this year and that the International Monetary Fund could also become a seller of the metal. But this need not be against the metal's interests.

It appears the major Western states have reached an agreement that part of the IMF's original

But considering the Commonwealth finance ministers' squabble at their meeting in Georgetown, Guyana, this week about how the proceeds from the sale should be used, there are obviously high expectations about the price which will be obtained for the IMF gold.

But in current market conditions a good price will only result if central banks are allowed to buy it. And this seems a strong possibility, seeing it is their gold being sold.

Accordingly, the proposal that the IMF should sell part of its gold stock could in fact be a Trojan horse to open the way for resumed central bank dealings, in gold on a large scale.

If this were to happen, gold's rehabilitation as a medium of international exchange would then be complete.

This week AE and CI, the country's biggest chemical enterprise, announced it had raised R45-million by way of two debentures issues — one carrying a 12.75 percent coupon and 12 options to subscribe for AE and CI shares, and the other with coupon of 13.125 percent but with no option rights.

These are attractive rates of interest and in contrast to previous debenture issues by other companies. AE and CI is also offering these debentures

to its own shareholders. Moreover, from information so far available in Cape Town it appears there will be no restrictions on the quantity of debentures for which shareholders can subscribe.

Those investors interested in receiving an above average but safe return on their money could consider taking up some of these AE and CI debentures.

The security they afford is pretty high, as indicated by the fact that the SA Mutual has undertaken to subscribe for R20-million worth of them — the largest single loan it has ever made.

These debentures could be attractive to people who have gone or will shortly go on pension. They would not be so attractive to people in a high tax category as unlike dividends on shares and preference shares, the interest on debentures is fully taxable.

The debentures issues will have an average life of about 15.5 years as they will be redeemable pro-rata at par in 10 equal annual instalments from 1988 to 1997.

should be returned to its original owners at the old official price of the metal and another part — about one sixth — should be sold in the free market and the profits used to aid the developing nations. So far it is not clear who is going to be allowed to buy this IMF gold and what price they will be expected to pay for it.

only to be a result, commerce and industry could find themselves in trouble should the rate of inflation not be materially reduced. But I believe this fear is exaggerated. Nevertheless, it is clear that the Government's anti-inflationary plans and their implications will be given close attention in the weeks ahead.

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By ADAM PAYNE
Mining Editor

THE Prime Minister's call for a wage freeze is seen in economic circles as a powerful move to avoid South Africa falling into an economic crisis such as Britain's.

South Africa is six months to a year behind America and Britain in facing its inflation problem and it has chosen the wiser but more painful course of higher interest rates, tighter money and an appeal to employers and wage earners to restrain wage appeals and cut down price increases.

Merton Dagut, head of Nedsual's economic unit, said this week that the country is entering a critical period. He agrees with industrial and other leaders who endorse the Prime Minister's appeal.

Leading

Mr Dagut is one of South Africa's leading economists. His views carry considerable influence in banking and Government circles.

He said that if the Government allowed an inflationary course, as in Britain, he believed it would result in price inflation of 18 per cent by the end of this year building up to about 30 per cent next year. This would be dangerous — and could lead to an economic crisis.

Provided the Government policy is followed through, he sees a gentle, hesitant economic upturn about the middle of the third quarter next year.

This would slowly gather strength by the end of 1976.

He believes the growth rate for next year is likely to be little different from that of this year, which will be poor compared to last year's growth.

Bite

He said: "We are in for a typically painful dose of inflation correction. The pain of the adjustment is about to bite."

"The recovery will be from a relatively higher rate of inflation than in the United States because of our underlying need for growth. This recovery should produce a range of inflation of about 6 per cent to 8 per cent."

"That should be low enough to begin a re-stimulation, which we need to achieve our growth rate."

"Britain and the United States had parallels to our

TIGHTEN YOUR BELT OR ELSE

SUN. TIMES
(Bus. Times)
31/8/75



Merton Dagut . . . "It will be painful."

Inflation: It's now or never

situation at the end of the first quarter of 1973. They had adopted a fairly tight money policy. The United States enforced a total freeze on prices and wages.

"They stopped the rate of inflation from accelerating, and their position then was similar to ours now. They maintained the tight money policy and entered their most severe depression since World War II."

"The US is still in this recession, although it may have bottomed out. In the process, the rate of inflation has come down, the external trade balance has improved strongly and the dollar has strengthened."

"In Britain, by contrast, the price and wage freeze was maintained for one more quarter and the real GNP (gross national product) fell by about 9 per cent."

"In the end, Britain attempted another policy mix — yielding to the unions' wage demands and trying to grow out of its inflation with the exchange rate of the pound taking the strain."

"The result was a false

boom with rising incomes and people storming the shops to buy goods."

"A crisis with a rising rate of inflation, combined with a recession and growing unemployment is now afflicting Britain. Something has to break."

"If we hold our nerve with restraints now, we shall break the cycle and go into the downturn, which should lead to a recovery without crisis."

Increases

"We are into the season of pay increases in the private sector. We are in the mood for saying: 'Things will be better next year, so let us jack up spending a little.'"

"But serious difficulties threaten us if we choose to stimulate the money and allow inflation — which will worsen our balance of payments in the near future — to destroy our growth potential."

On the rise in interest rates early in August — done by the Government, with the Reserve Bank's backing, to liberalise the blocked rand mechanism to retain funds in South Africa — Mr Dagut said: "The Budget in March was based on expectations that mining and company profits would remain the same as last year."

"This did not occur and the Government had to run down its balances."

Bumper

"The bumper maize crop of last season with its

1/5/76
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Tighten your belt before it's too late

• Continued from
Page 1

price inflation is diminishing.

Import prices are increasing less rapidly and the strength of the rand will also help in lowering the import bill.

The economy perked up in the second quarter. I think it will decline in this quarter and in the last quarter, and there is hope that just enough competition will percolate through to check the rise in prices.

In addition, we have economic technicalities going for us. The maize crop

is not as good as last year. Therefore the surplus of the farming sector will be down on last year, causing a drain on income. Mining and commercial profits are also down on expectations.

If in the next six months wages and salaries and personal incomes can be made to stop rising rapidly, and at the same time there is a decline in prices, there is a fair chance that the inflationary chain will be broken.

It won't end inflation. Rather, inflation will not continue to accelerate and will be held at less than 10 per cent.

I would not be surprised to see a recovery in industrial equities next year. It will come from renewed confidence since companies and investors will see that the rate of cost inflation is decreasing. This will mean that their capital structures will be sound again.

They will be able to plan for expansion.

Our policy is also likely

to result in gold and foreign exchange reserves increasing between now and the year-end. We know that normally an increase in reserves means a rise in share prices.

The expectation of a decline in the rate of inflation should make it possible for long-term interest rates to ease slightly. But the picture is complicated by the need until the first quarter next year to raise large sums for public authorities.

I see a big dip in interest rates about the middle of next year.

On the IMF meeting and the gold price, Mr Dagut was not dismayed at the thought of gold being sold from IMF reserves. This could allow central banks to buy it, he said.

I foresee the gold price rising. I would not be surprised if it is close to \$180 an oz at the end of the year with a rise of 5 per cent on average through next year.

These figures have enormous implication for the gold mines' profits.

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member of one of the six specialist committees appointed by Minister of Economic Affairs Chris Heunis to draw up concrete anti-inflation proposals, welcomes the voluntary element in the appeal, and thinks it will work provided the entire country swings behind it.

A spokesman for the Public Servants Association commented: "We will not at this stage go for wage and salary increases, on condition that the private sector and other divisions of the public sector show similar restraint."

Speaking for the unions, Robert Kraft, economist and assistant general secretary of Tucsa, and a member of two of the anti-inflation committees, said:

"We reiterate the commitment we made earlier this year, to exercise great wage restraint. I think it was a good speech by the Prime Minister."

Dr Errol Drummond of Seifsa, who sits on a record-breaking four of the six committees, added:

"The announcement is a desirable step in the light of the inflationary period through which we have been, and the guidelines no doubt will lead to positive steps in arresting the current spiral."

The six committees have the following broad terms of reference:

• **Publicity and educational campaign** (chairman: Dr Lawrence McCrystal, Executive Director of the Grocery Manufacturers Association). The campaign will be aimed specifically at each of the various interest groups in the economy — commerce, consumers, industry, and so on.

• **Short-term productivity of the labour force** (chairman: Dr Sebastiaan Kleu, Chairman of the Board of Trade and Industries). This committee is to recommend steps which can be taken to promote productivity in the short-term.

• **Long-term productivity of the labour force** (chairman: Johan Botha of the Department of Labour). It will deal with labour productivity matters in the long-term.

• **Fiscal and monetary regulations and policy** (chairman: Johannes Kitshoff, chairman of the IDC). The committee is looking into the effects of monetary and fiscal measures on the rate of inflation, with particular reference to the rate of expansion of the money supply.

• **Legislation and regulations** (chairman: Dr Piet Riekert, Economic Adviser to the PM). This committee will examine cost-increasing effects of existing and future legislation, and will aim at taking remedial steps.

• **Salary, wage and price increases** (chairman: Joep Steyn, Secretary for Commerce and Price Controller). This body is expected to recommend a formula for limiting salary, wage and price increases, to be applied voluntarily by the private and public sectors.

WAGE DEMANDS

Backing the PM

Reactions to the Prime Minister's appeal last week for wage and price restraint have been unanimously favourable.

Export industries in particular are pleased that Vorster recognised the need to give exports special encouragement in an export-led economy. Comments Wim Holtes of Safto:

"We were delighted to note that the export industries were specifically mentioned. An export orientation is now much more reflected in government policy."

The appeal has also been welcomed by the mining industry. Tom Main, economist at the Chamber of Mines, points out that costs in the mining industry have already outpaced inflation and are now increasing at a rate of 25%-30% pa.

Dr Hennie Reynders of the SA Federated Chamber of Industries, a

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CLOTHING PRICE RISES 'INEVITABLE' IF PAY CLAIMS GRANTED

Financial Staff

A DIRECTOR of a foundationwear company said in Cape Town today his branch of the clothing industry would definitely be affected by a substantial increase in wages and retail prices would inevitably go up as a result.

He was commenting on the negotiations for

pay increases now taking place between the Garment Workers' Union, representing 49 000 workers in the Cape clothing industry, and the Cape Clothing Manufacturers' Association.

He said he believed the workers were justified in making the claim.

If granted, the claim which is the highest the

industry has known, will cost more than R3-million a year.

Increases of up to 40 percent are being requested, and according to a manufacturer, some claims are as high as 65 and 70 percent.

Most manufacturers were reluctant to say what effect increases would have on the industry and prices.

Employers asked for their views said they prefer to wait until a decision was made.

Proposals submitted by the union also ask for wage scales to be linked to the cost-of-living index, the starting rate to be R12 a week, and all qualifying periods to be reduced to one year.

Pay rise call to Minister

Warning over better jobs for Coloureds

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Labour Reporter
The Coloured Postal Employees Association made a direct appeal for equal pay to the Minister of Labour and of Posts and Telegraphs.

The call by Mr F M Luttig, the association's national secretary, followed the Minister's official opening of the association's biennial congress. The theme of the congress is "equal pay for equal work."

Mr Luttig said he had learned from high authority that the productivity of Coloured post office workers did not lag behind that of other post office employees.

"We believe we have rendered sufficient proof of our loyalty, our aptitude and our sense of responsibility for the introduction of equal pay for the same work."

Mr Luttig also asked for his association to be given the opportunity to join in future pay negotiations, hinting at the formation of a federation of post office staff associations.

He thanked the Minister warmly for his interest

Labour Reporter
The narrowing wage gap could have serious inflationary consequences.

The warning came last night from the Minister of Labour and Posts and Telecommunications, Mr Viljoen.

He pointed out that the Government is "irrevocably" committed to a gradual narrowing of the wage gap, but added:

"If we do not succeed in balancing expenditure and production, we—all of us—will have to pay the price."

Not only the Post Office but the Government called for wholehearted co-operation, Mr Viljoen told the biennial congress of the Coloured Postal Employees Association in his opening address in Johannesburg.

Better news was Mr Viljoen's announcement that

all Coloured employees of the Government, and of certain other institutions, could get a medical aid scheme similar to that for Whites.

"The Cabinet has already approved the scheme."

Mr Viljoen sketched advances made by Coloured telephone workers into technical fields previously reserved for Whites, gave details of progress made with training, and explained improvements imminent in leave for Coloured workers.

57 AT WORK

Senior Coloured workers handled certain facets of cable-jointing, mounting and line installation work.

At the end of June this year, there were already 57 trained telephone electricians in service, 108 apprenticeship telephone electricians and 28 technicians.

At present 50 offices were under the exclusive control of Coloured staff. A total of 69 Coloured supervisors had attended seminars on modern personnel management.

Improved arrangements would come into effect in January next year, providing equal leave privileges to those enjoyed by Whites.

In some cases leave had been increased from 24 to 36 days a year and sick leave from 60 days to 120 days in every three years.

Rail workers shrug off PM's appeal on pay

① 266
② 150A
③ 334

By GERALD REILLY

THE FIRST wage demand in the public sector since the Prime Minister's appeal for a go-slow on wage increases will be made today.

After a meeting this morning with the general manager of the Railways, the Artisan Staff Association executive, led by the president, Mr Jimmy Zurich, will submit a claim for increases for the 20 000 technical workers of the SAR to the Minister of Transport, Mr Louwrens Muller.

Mr Zurich says that in submitting the claim the

association will take into account the Prime Minister's appeal.

The Minister's reaction is likely to reveal the Cabinet's attitude to increases throughout the public sector.

This is expected to be that until the Government can measure the success of its anti-inflation campaign no increases are likely to be granted, and certainly not this year.

The railway workers have a strong claim for relief. Last year they asked for an increase of 25 per cent and in July 1974 they were granted about fifteen per cent.

Since then the consumer price index effectively wiped out that increase and the Artisan Staff Association claims it is back where it was before the increase.

If against all the odds the Minister agrees to relief for the railway artisans, then the same relief would have to be given to the 800 White and Black public sector workers.

The annual wage and salary bill for these workers is about R2 400-million — so even a 10 per cent rise would aggravate inflation to the extent of R240-million.

Wage gap plea 'not verkramp'

3/9/75
The Argus Political
Correspondent

EAST LONDON. — A delegate to the Cape Nationalist congress said last night that a resolution warning against the inflationary effect of narrowing the wage gap between White and non-White was not meant to be 'verkramp.'

On the agenda the resolution asks the Government to guard against narrowing the wage gap and the consequent increase in non-White incomes as factors contributing to inflation.

Mr H. von Romburgh of Paarl said the original resolution, which had been abbreviated, said it was important to teach Coloured people to save and invest their money in property.

Increases should be accompanied by increased productivity he added.

Wage rise for civil servants 'is out'

STAR 3/9/5

Labour Reporter

It appeared a foregone conclusion today that most Government employees — including Blacks — will go without pay adjustments this year.

This became clear from statements by spokesmen for the key parties involved, although a formal announcement is still pending.

"I believe there will be no pay adjustments for the rest of this year in the bulk of the public sector," said Mr. J. H. C. van Zyl, chairman of the Public Service Commission.

Mr. S. D. de K. Venter, president of the Public Servants Association, said: "We accept that there will not be a pay increase for some time to come."

"In view of the Prime Minister's appeal for restraint, we are willing to make a temporary sacrifice in an attempt to cut the wage-price spiral."

Mr. van Zyl said he could speak only for public servants, but traditionally statutory bodies, teachers and universities fell in line with the public service.

There would be no pay adjustments for Blacks if Whites went without increases, Mr. van Zyl said.

He made it clear that the Railways and the Post Office had separate dispensations.

There have been no pay rises in the Railways, the Post Office and the public service since July last year.

① 334
2/ 252

(334)

CHRISTMAS BONUSES and pay increases would be drastically cut this year, leading economists said this week in a survey conducted by Weekend Argus correspondents and reporters.

W/E ARGUS

6/9/75

334

The forecast came as another snap survey showed some manufacturers and producers of foods and essential goods were almost ignoring the plea by the Prime Minister, Mr B. J. Vorster, to keep prices down.

Soaring prices — up to 36 percent for food in 18 months — threaten to break down the anti-inflation campaign launched by the Prime Minister last weekend when he appealed to public servants to peg their wages.

In the survey, economists predicted that:

- Prices will continue to spiral — in spite of the Prime Minister's plea.

- The Government may then have to take drastic action by forcing traders to freeze prices.

- This could lead to economic trouble by pushing South Africa from inflation into recession.

- The six-point programme now being considered by Mr J. C. Heunis, Minister of Economic Affairs, could contain the final death blow to job reservation.

Employers

The survey showed that big firms throughout South Africa would keep end-of-year salary and wage increases and bonuses down to a minimum.

Among the big employers who said their next salary reviews would be less than the 14 percent inflation rate were such giants as the Anglo American Corporation, the Chamber of Mines, Barclays Bank, Unilever SA and Dunlop SA.

The forecast, which will shatter the hopes of thousands of inflation-weary South African families, was made as a special Cabinet committee planned a nation-wide, six-pronged attack to deal with the country's inflation crisis.

Six points

This includes:

- ★ Slashing government spending and revising monetary policies.
- ★ Stepping up the training and education of Blacks in White areas.
- ★ Scrutinising and revising all legislation that has a cost-increasing effect.
- ★ A plan to increase short-term productivity and the better use of labour.
- ★ Slowing down prices increases and a virtual pay standstill.
- ★ An education programme to teach the public how the country's economic system works and to instruct individuals on how they can help fight inflation and avert a major recession.

The private sector — through trade unions and the Chambers of Commerce and Industry — has

salary increases, but only if all sectors play their part.

Mr Wally Grobler, secretary of the powerful Railwaymen's Artisan Staff Association and secretary of the SA Confederation of Labour said:

'We want to see the butcher, the baker and the candlestickmaker keeping their prices down. There will be a big outcry against any price rises we see, and if they continue we will renew our pay demands.'

Govt given six months to beat inflation

RDM
6/9/71

Staff Reporter

THE BIG trade unions are giving the Government's coordinated anti-inflation programme six months to work, it was learnt in Pretoria yesterday.

If there are no indications that commerce and industry are making comparable sacrifices then a rash of wage and salary increase demands can be expected in the first half of next year.

In the interim, however, trade unions are not interpreting Mr Vorster's appeal for restraint in wage and salary demands as a wage freeze. It is expected that some will, before the six months is out, demand limited compensation from employers.

Already one of the seven railway trade unions, the Artisan Staff Association, has given notice it intends asking the Minister of Transport, Mr S. L. Muller, for relief next week.

At least one of the Post Office's four staff associations is also expected to ask for improved fringe benefits during the "restraint period". This could be followed by demands from the Public Servants' Association.

The secretary of one of the associations, Mr L. J. van der Linde, said yesterday after a meeting of his executive, that at this stage there were certain aspects of the Prime Minister's appeal which the executive felt unhappy about.

Different interpretations had been placed on the Prime Minister's appeal for restraint. It was his executive's intention to make a closer study of certain aspects of the appeal, Mr Van der Linde said.

Some leading trade unionists say large numbers of workers including Iscor and municipal workers, were recently given salary and wage increases

while there were many thousands of workers who had not had relief for two years and more.

The Cabinet, it is understood, has ordered that the implementation should be given the "utmost priority."

A major reason for the crash effort to arrest the country's rocketing inflation rate is the fear of unrest among the millions of low-paid Black workers.

The Prime Minister two weeks ago warned that inflation was threatening the peace and stability of the country and constituted a danger to the social and economic structure.

On Thursday night the Minister of Labour, Mr Marais Viljoen, sounded a similar and more specific warning.

Addressing a meeting in Carolina, Mr Viljoen said inflation could hit the country in its most sensitive area — race relations.

Gloomy economists say: pay rises down, but prices up

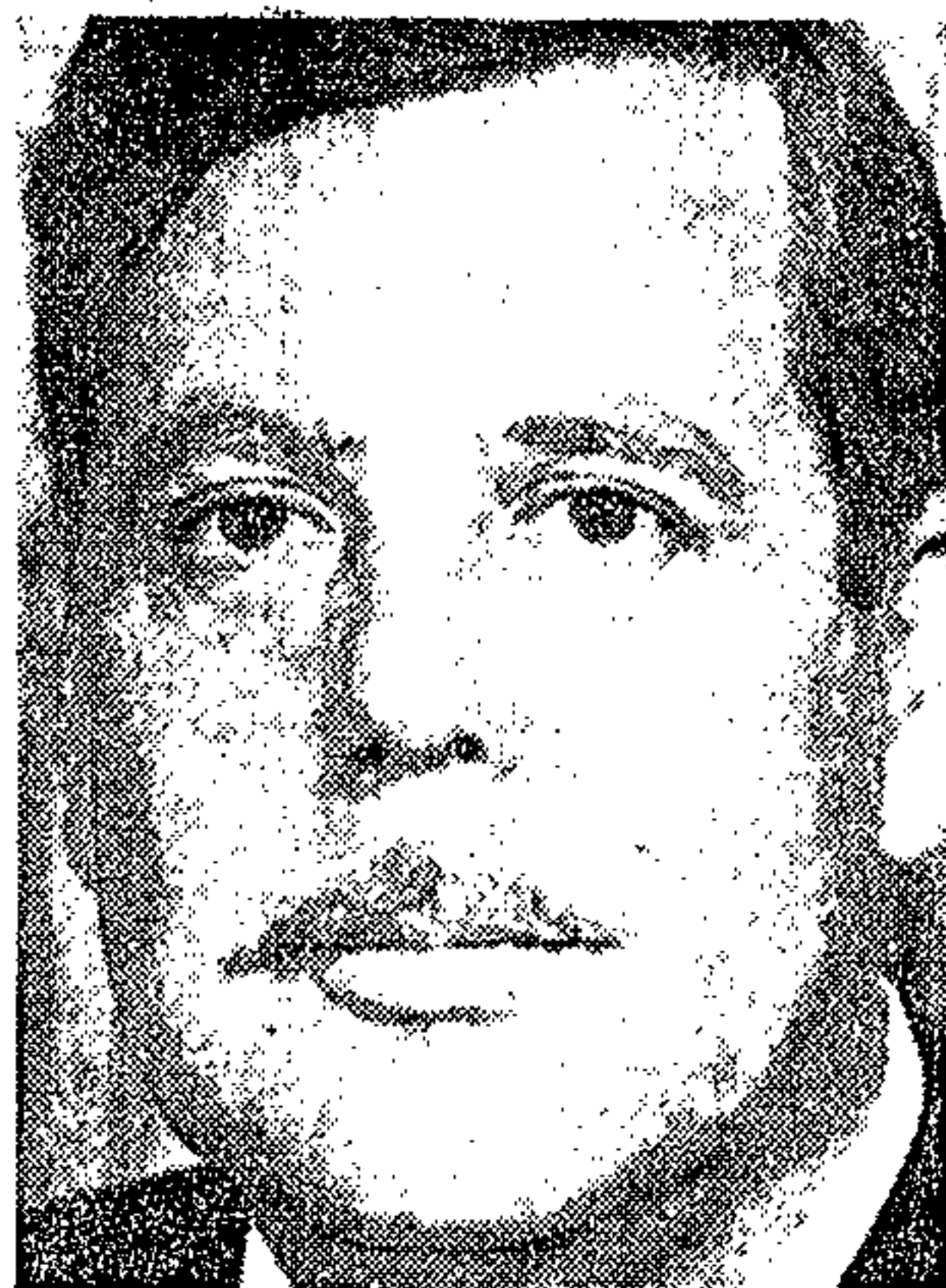
Sun Trib. 7/9/75

By ROLAND STANBRIDGE

THE

BIG

FREEZE



Minister of Economics
Chris Heunis

END-OF-YEAR salary and wage increases will be kept to a minimum, a SUNDAY TRIBUNE survey showed this week.

While the Minister of Economic Affairs, Mr Chris Heunis, this weekend studied an urgent six-point plan to fight inflation, economists predict that:

- Prices will continue to go up — despite the Prime Minister's plea.
- The Government may then have to take drastic action by forcing traders to freeze prices.
- This could lead to economic chaos by pushing South Africa from inflation into recession.
- The six-point programme now being considered by Mr Heunis could contain the final death blow to job reservation.

Economists and businessmen throughout the country were buzzing with speculation this week about the opening moves in the nationwide campaign against inflation.

But the news for the average salary and wage-earner is gloomy.

Among the big employers that yesterday told the Sunday Tribune that their next pay rises would be less than the 14 percent inflation rate were such giants as the Anglo American Corporation, the Chamber of Mines, Barclays Bank, Unilever SA and Dunlop SA.

'We'll heed the call'

An Anglo American spokesman said: "The corporation is well aware of the importance of the fight against inflation and in its annual salary review will unquestionably pay proper regard to the Prime Minister's call for wage restraint."

Unilever stated: "Unilever SA, being a responsible member of the community will certainly heed the call by the Prime Minister for wage and price restraints."

A spokesman added: "When the PM says inflation is threatening the country's stability and he calls for restraints, you've just got to listen. And you can be sure this is the way everybody is going to react."

Announced the Chamber of Mines: "We welcome the Prime Minister's initiative, and regard positive action to take the heat out of the inflation increase rate as a matter of urgency. We shall certainly take this appeal into full account in any consideration of wage and salary increases."

And as other employers throughout the country were taking similar policy decisions about pay, Mr Heunis and his special Cabinet Committee on Inflation, were preparing to announce their six-point plan.

This includes:

- Slashing Government spending and revising monetary policies.
- Stepping up the training and education of Blacks in White areas.
- Scrutinising and revising all legislation that has a cost increasing effect.
- A plan to increase short-term productivity and the utilisation of labour.
- Slowing down price increases and a virtual pay standstill.
- An education programme to teach the public how the country's economic system works and instruct individuals how they can help fight inflation and avert a major recession.

Details of the six-point plan have not been made public but top economists this week guessed that the fiscal and monetary reforms could include increased direct and indirect taxation and increasing the bank rate to make credit much more expensive.

And they speculated that the legislation revision might contain a move to wipe out job reservation.

Said one economist: "Job reservation is inoperative in many spheres, but where it is applied it creates artificially inflated wages and salaries."

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Go to it, South Africa

By DEREK
TAYLOR

SOUTH AFRICA'S economic ills yesterday received a razor-sharp diagnosis from Dr M. D. Marais, doyen of industrialist-economists and former economic advisor to the Prime Minister, when he attacked:

- Feather-bedded Whites who are paid more than they earn or produce;
- Lazy conservative managements that resist change and modernisation;

• Padded armies of Government employees underpaid to under-produce.

Dr Marais also indicted approaches which were "far too socialistic" in tending to keep people employed regardless of productivity or merit.

"We are at a stage when this luxury can no longer be afforded, and far more attention must be given to payment for results," he said.

"We must, for instance, beware of too much State interference and control. I would rather see a smaller band of civil servants better paid, more content and more productive.

"This is true of the whole sphere of central, provincial and — especially — municipal government where we need to get the work done by smaller more effective armies.

"I have no use for wage, salary and price controls imposed by government," said Dr Marais. "Such measures create impossible distortions in economic interaction.

"This applies especially to a country like ours where a very large proportion of people are still being paid wages which could be considered too low.

"Therefore, in our present circumstances of labour negotiation, it could be most detrimental to our social stability," he said.

On the other hand it had become common "to pay people a high reward merely because they have matriculated and can sit behind a desk and do a certain minimum of work."

Rise in bank rate?

"It effectively prevents competition for jobs between Blacks and Whites and certainly has a cost increasing effect in terms of the wage bill paid by industries. The economy will benefit if it is scrapped."

Professor Jan Sadie of Stellenbosch University predicted that the Government would take several steps to make credit more expensive and less available.

"They will probably increase the amount of liquid assets that have to be kept by banks so that they have less potential for granting credit to firms and individuals.

"The Central Bank will raise the bank rate, and the private banks will follow the example by putting up overdraft rates.

"The Government would also like people to save money and might use increased interest rates as an inducement. They might use the bait of tax-free interest on certain deposits."

Dr John Cloete, chief economist of Barclays National Bank, had a sharp warning for the Government: If it tries to curb inflation too quickly, it could push the country into a depression.

"With real growth already so low, if the Government cuts back too fast on the money supply or too much on its expenditures, it will bring real growth to an end in the economy," he said.

"A fight against inflation has to be approached slowly. As it is there is definitely going to be a deepening of the recession, because wages are going to be cut but prices will continue rising for some time. Only at a later stage, towards the end of the process, will prices start coming down. That will be when producers and retailers find they can't sell their goods.

"But if we want to beat inflation we've got to make these sacrifices — we have got to accept a deepening of the recession. I only hope the Government does not overkill it.

"It must not try to stop inflation in one go. It should set a target, try to get it down to about 10 percent by the end of the year, and down to a lower level next year."

Businessmen expect Mr Heunis to announce the full six-point plan within a fortnight.

— dat dit die verhevene op n verborge wysc

① 334
② 150A
③ 29

F.M. 12/9/75

INFLATION

Lobby for low-paid

While some sort of wage restraint policy seems inevitable, some people have reservations about applying it to the lowest paid workers.

Three unions in the motor industry, for example, the Motor Industry Employees' Union (White mechanics), Motor Industry Staff Association (White clerks), and Motor Industry Combined Workers' Union (Coloured and Asian) meet on October 18 to discuss wage increases for their lower-paid members.

Ronnie Webb, secretary of the Coloureds' and Asians' union, says his union accepts the spirit of the anti-inflation appeal but lower-paid workers should perhaps be an exception.

Tucsa's Robert Kraft said sacrifices made by the community cannot necessarily be expected from the lower-paid section.

Roeland (Dup) du Plessis, general secretary of the SA Motor Industry Employers' Association, agrees: "A lot of workers are below the poverty line, and ways must be found to improve their conditions."

As unions and employers are reluctant to fly in the face of the PM's appeal they have been looking at ways of increasing wages for lower-paid workers without adding to inflation. Their answer is an increase in productivity.

Both sides of the industry will consider recommendations in the celebrated report issued in March by the National Productivity Institute *Productivity in the Motor Repair Industry in SA*, which recommends reorganisation of workshop planning and control. This, claims Jan Visser, director of the Institute, could double productivity, and reorganisation could be done in 25 weeks.

Post Office

Coloured

STAR 12/9/75

pay call

Labour Reporter
Coloured Post Office employees have concluded their biennial congress in Johannesburg with a firm call for "equal pay for equal work."

"In view of the current battle against inflation we do not expect to wipe out the whole wage gap overnight," the Coloured Postal Employees' Association said in a statement.

"But a systematic movement towards this goal should start now."

The statement, made by the national secretary of the association in Johannesburg today, pointed out that his members felt they were contributing "more than their share" in the fight against inflation.

It had been proved and admitted that the productivity of Coloured postal workers was just as high, and sometimes higher, than that of their White counterparts.

In view of this there was no reason for delaying the introduction of equal pay for equal work.

Mr Luttig said it should be understood clearly that his association's call was something completely different to representations for salary increases linked to the rising cost of living.

(See Page 13)

(1) 266
(2) 334

'Immediate' equal pay call by CRC

STAR 12/9/75

Own Correspondent
CAPE TOWN — The Coloured Representative Council decided unanimously yesterday to ask the Government again for the immediate introduction of equal pay for equal work.

Introducing the motion, a Government-nominated member, Mr W S Africa (Fed Party) said it was sad that nothing had so far been done to meet the council's previous repeated requests.

The Government had said it accepted the principle of equal pay for equal work, but nothing had been done.

"Our people cannot eat principles, slogans and promises," he said.

Other motions adopted by the council yesterday included:

- The immediate removal of all statutory and non-statutory discrimination based on colour;

- Equal old age pensions for Whites and Coloured people without a means test or adjustment to the cost of living index;

- The lifting of the present income limit of Coloured people who wanted a loan from Housing Commission funds;

- Freedom for Coloured people to buy farms anywhere in South Africa without being subjected to permits.

~~(1) Azmi - General~~
(2) 334
~~(3) 624~~
~~(4) 125~~
~~(5) 286~~

Wage freeze for 760 000

① 252
② 204
③ 334

13/9/75

Mercury Correspondent

PRETORIA—The Government's temporary wage freeze is now in full operation throughout the public sector.

This means that about 340 000 Whites and 420 000 Blacks will have to bear the burden of an inflation rate which is depreciating the purchasing power of their earnings by more than one percent a month.

Most are worse off now than they were before they got their last increases in July, 1974. The 15 percent increase paid then has been wiped out by the price spiral.

Yesterday leading trade unionists warned the Government that unless commerce and industry were clearly seen to be playing their part, and making comparable sacrifices, they would ignore the Prime Minister's request for a go slow on wage demands.

In Pretoria yesterday the chairman of the Public Service Commission, Mr. J. H. C. van Zyl, confirmed the fears of the president of the Public Servants' Association, Mr. S. D. de K. Venter, when he announced there would be no increases for State Department and provincial workers in the foreseeable future.

This includes teachers, nurses, police, prisons and S.A. Defence Force personnel as well as clerical and professional staff.

What the statement by the commission chairman means is that the earliest increases can be expected is the start of the new financial year in April, 1976.

Then, too, it will depend entirely on whether the inflation rate has responded to the Government's anti-inflation programme — a programme which will be launched within the next few weeks.

The Minister of Economic Affairs, Mr. Chris Heunis, said yesterday the "highest degree of priority" had been given the preparation and implementation of the programme.

Mr. J. Schoeman, a member of the executive of the Railway Artisan Staff Association, said yesterday that the association had decided to defer its pay increase demands of its own decision.

The headline on a Natal Mercury report of September 12 about the pay increase issue had been misleading.

"The Minister did not 'put a pay clamp' on the association. After negotiations we decided to defer the increase claim until April next year."

The trouble with rises

Pretoria Bureau

Pay rises are not the way to make the public service more attractive as an employer, it is claimed today.

Nor are they in the best interests of public servants themselves, said Professor J J N Cloete, Professor of Public Administration at the University of Pretoria.

In fact, he added, the

public service pay freeze could force departmental authorities to seek the real causes of staff shortage, instead of trying once again to solve problems with wrong measures.

OFFERING

Professor Cloete said public service pay rises were frustrated every time by the private sector offering still more.

The inflation rate merely became stronger, to

everyone's cost.

The public services staff problems were caused not by its salary structure, but by its outmoded employment policies, he went on.

Personnel problems not created by inadequate pay could not be solved through pay rises, said Professor Cloete.

Yet in recent years public service authorities had tried to solve their staff shortage problems with

pay rises.

And every attempt had failed.

Public servants were, like all other employees, entitled to pay rises to cope with the rising cost of living.

But this should not be confused with futile attempts to buy candidates off the private sector.

The public service, said Professor Cloete, could make improvements in:

① Personnel adminis-

tration, which should be done by professionally trained people, not poorly educated clerks;

② Work programmes, which should be shorn of work and employment opportunities not really necessary for the general welfare;

③ Outmoded employment policies, which should be brought in line with prevailing expected conditions the labour market.

(1) 252
(2) 334

Blacks due to get pay rise

Natal
inquiry
16/9/75

Mercury Correspondent

PRETORIA — Thousands of Black workers in the motor industry earning on or below breadline wages are expected to get increases before the end of the year, it was learnt here yesterday.

This, it is claimed, will not be a breach of the Prime Minister's request for wage and salary restraints — a cornerstone of the Government's fight against inflation.

In fact it will be in accord with the instructions given to one of the six appeal committees appointed to report to the Minister of Economic Affairs on wages and prices.

This was that the Prime Minister's appeal did not relate to those workers earning below poverty datum line wages.

The decision on higher earnings for lowly paid Blacks in the motor industry is likely to be taken at a series of conferences due to be held in Port Elizabeth from October 13 to October 18.

During this period the three trade unions in the motor industry — Motor Industry's Employees' Union (White mechanics), Motor Industry Staff Association (White clerks) and the Motor Industry Combined Workers' Union (Coloureds and Asians) — will meet to discuss earnings.

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(1) 334

~~2 326~~

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~~4 192~~

~~5 150A~~

Buthelezi calls for equal pay

PINETOWN — Once inflation was under control South Africa would owe it to the security of all its people to do something radical about introducing equal pay for equal work, Chief Gatsha Buthelezi, the KwaZulu leader, said here yesterday.

In an address at a shoe company factory, Chief Buthelezi said: "We live in rather exciting times where it is no longer a controversial issue that the wage gap must be eliminated."

A few days ago the Minister of Labour, Mr Marais Viljoen, had said this and it was no longer regarded as the language of agitators to express this belief.

"It is a fact acknowledged by all right-thinking people in the country. There may of course be differences on what is meant by a gradual elimination of the wage gap," he said.

Chief Buthelezi said he realised it was a bad time economically to talk about this issue, because of inflation. But once this was under control, something radical would have to be done about equal pay for equal work.

He visited the factory

here yesterday before signing a contract between the Bantu Investment Corporation and the KwaZulu Government for the erection of a new shoe factory near Greytown in KwaZulu.

"We have had a long chequered relationship with the B.I.C.," he said.

"We have had our differences with them from time to time.

"But in spite of this fact, unless one is downright dishonest, one must acknowledge that they have initiated the developments I am talking about there," he said referring to the establishment of 'tri-companies, in which black people have shares, and the willingness of white industrialists to expand in KwaZulu with blacks as partners.

"After a long wait, their work amongst us in promoting industrial development deserves our applause, however grudgingly some of us may wish to give them this," he said. — SAPA.

① 334
② 101
③ 107

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Freezing problem

Political Reporter

17/9/75

THE PRIVATE sector would have great difficulty in putting off scheduled wage negotiations as a way of curbing inflation, the assistant general secretary of the Trade Union Council of South Africa, Mr. R. L. Kraft, said yesterday.

It was announced last week that South Africa's 800 000 public sector workers would have to wait until at least April next year for their deferred pay increases.

Yesterday Mr. Kraft said: "The private sector's scheduled wage negotiations will not be postponed. It is not practicable to do so. Ways to tackle inflation will have to take a different line."

He revealed that certain alternatives to a wage freeze were now being discussed between Tucsas and the Government. An announcement could be expected from the Minister of Finance, Senator Owen Horwood.

Mr. Kraft pointed out that, unlike workers in the public sector, those in the private sector were bound by agreements which endured for a specified period. When these expired they had to be renegotiated, extended or amended.

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Pretoria to pay incentive bonuses

Pretoria Bureau

The Pretoria City Council is to start a productivity campaign based on incentive bonuses following the success of a similar scheme which it monitored earlier this year in Port Elizabeth.

This has been decided by the management committee.

The bonuses will be based on work studies of each task included in the scheme, and will be administered by the city's organisation and method division.

Extension of the scheme to other departments will depend on the results gained in initial tests and will be done in consultation and only with the full consent of municipal worker bodies.

The scheme studied by Pretoria municipal officials in Port Elizabeth was limited to that city's electricity and engineering departments. The work involved included drawing, inspection, maintenance, artisan and manual tasks.

REDUNDANCY

The Pretoria Management Committee has given employee bodies its word that no worker would be dismissed from his post or transferred against his will in the event of his post becoming redundant through the efficiency campaign.

The committee was told the scheme in Port Elizabeth had resulted in:

- Productivity increases of up to 50 percent and unit cost decreases of 15 to 20 percent.

- More reliable planning and costing through better information on each task.

- Better labour relations through higher earnings, greater interest in the job, and more partici-

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(2) 330
(3) 249

SA warned:

ARGUS 18/9/75

Pay rises cannot

match inflation

SOUTH AFRICANS must be made aware that they cannot expect pay rises to match the increase in the cost of living, Professor J. L. Sadie of the University of Stellenbosch, warns in the latest survey by the Bureau for Economic Research.

He says: "The excess demand at present being experienced in South Africa is, for the most part, not of an ordinary cyclical nature requiring bridging operations, but the result of a radical reduction in the effective supply of goods at our disposal."

"It is most simply explained by saying that because of a rise in oil prices — ignoring increasing prices of other imports — and in defence expenditure, we have to produce and sell abroad upwards of R1 000-million worth of goods more than in 1973 just to maintain our living standards in real terms."

IMPOVERISHING

"This impoverishing force has been hidden from us while the prices of our gold, agricultural produce and minerals were rising. But these have stopped rising, or have come down precipitously in some cases, while climatic conditions do not make for record crops."

"The public has to be informed that a significant portion of the rise in the consumer price index reflects just this impoverishment and that it is not possible to compensate a community for such an event."

OUTLOOK

BLEAK

— BUREAU

THE South African economy has moved with jarring speed from a 'boomflation' to a 'slumpflation' while, at the same time, the balance of payments on current account is beginning to present a problem, the Bureau for Economic Research of the University of Stellenbosch says in its forecast for 1976.

The forecast, compiled by Mr A. J. M. de Vries and Mr M. B. Dagut, says that with the gold price still in the doldrums, and no convincing sign of a upturn in the demand for exports in view, the outlook cannot be other than bleak.

"The economy has still to go through an adjustment process which must entail a decline in the rate of increase of "real" aggregate demand."

"The decline, which is now occurring, has come about because price increases are reducing the

Finance 2

purchasing power of money incomes."

In this environment the authorities seem to have a choice between only two basic policy options: They can either accede to or successfully resist for a period the pay rises that will be sought as compensation for the erosion in the purchasing power of money.

REAL GROWTH

If they are able to resist demands for increased pay, the review visualises an aggregate real growth rate for 1975 of 2,5 percent, compared with 7,2 percent last year and a growth rate in 1976 of about 3 percent.

It is expected that the economy will be subject to a crunch in the last quarter of 1975 and the first quarter of 1976. After that there will be a slow re-

(1) 150A

(2) 334

(3) 47

(3)

CAPE TIMES
20pc 8/9/55

pay offer rejected

THE Garment Workers' Union of the Western Province, which is negotiating for better wages for its 45,000 members has turned down a management offer of an immediate 20 per cent wage hike with 10 percent to follow in 18 months.

The general secretary of the union, Mr Louis Petersen, was not available yesterday for comment.

Employers who, include clothing, knitting and hosiery firms, are due to come back to the union next week.

Among the union's demands are:

- A starting rate minimum of R12 a week.

- A 42-hour working week.

- The introduction of consumer price index rises linked to wages.

Examples of the union's demands on graded workers' wages are: Clothing: marker-in from R36 to R50, cutter from R36 to R45, female presser from R19 to R27,50.

Hosiery: Machine knitter from R27,50 to R35, grade III employee from R11 to R17.

Unskilled labourers and boiler attendants from R15,40 to R25, drivers R15,40 to R25, male factory clerks from R26,84 to R35.

(1) 326
(2) 330
(3) 184

WAGE RESTRAINT

F.M. 19/9/75

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Railmen show their hand

Prime Minister John Vorster's plea for wage restraint has been taken up by the 20 000 strong Railway Artisan Staff Association — but not without a rider that it will be paying close attention to the restraint measures taken by industry and government.

Says ASA general secretary Wally Grobler: "This is a holding exercise, but for restraint to work, everybody must play their part. We expect business to hold the line on prices and even roll them back."

The ASA — and other unions — are anxiously awaiting the Cabinet decision on wages and prices. Adds Grobler: "The government's programme is yet to be really launched."

The ASA has a strong case for increased wages. Its last rise was in July 1974. Since then — with a June 1974 CPI of 137,2 — the cost of living has risen 15,38% (based on a CPI of 158,3 for July 1975). Allowing for a 2% standard of living increment, the union had asked government for a 17,78% rise effective immediately.

Following PM Vorster's appeal the union pared down its demand to 10% immediately with the rest later. This was the package it presented to Transport Minister Louwrens Muller last week. It got none of it.

The union is, however, adamant that by April next year it must have the full 18% plus an amount equal to whatever the CPI increase is in the meantime.

Grobler points out that full employment on the railways has made ASA's situation better than most unions. But the union stresses that nearly 2 000 of its semi-skilled members are making less than R250/month and insists that government's austerity measures will hurt these workers hard. The average wage for union members is about R350/month.

Wage curb plan

F.M. 19/9/75

CURRENT AFFAIRS

For the next 12 months, employees and employers will be called on to limit all wage and salary hikes for middle and upper income workers to 70% of the annual rate of increase in the consumer price index over the preceding six months. In addition, any company earning more than 15% (before interest charges and tax) on operating capital, will be urged to pass on only 70% of any local cost increases. The remaining 30% should be charged against profits.

These are among the key recommendations of the reports submitted last week to Minister of Economic Affairs Chris Heunis by the six committees which he appointed last month to come up with concrete proposals to strangle inflation. These recommendations — which still have to be approved by Cabinet — have been agreed to by the government, employer and trade union representatives on the committees.

The wage curbs mean that if the CPI rises at an annual rate of, say, 12% in the second half of this year, wage settlements in early 1976 may not exceed 8.4%. Presumably, as the inflation rate starts coming down, those workers whose wages come up for renegotiation towards the end of the 12-month period will be worse off than those who negotiate at the beginning.

The restrictions on price hikes are substantially the same as those proposed by Secretary for Commerce Joep Steyn three months ago (*FM* June 20). These curbs were rejected in June by the private

sector, since it felt then that government and workers were not being called upon to make equivalent sacrifices. Things are different now.

The most novel and welcome feature of the wage guidelines is that lower income groups will be exempt from the 70% ceiling. It is well known that many civil servants and businessmen are deeply concerned about inflation's effects on the poor, especially Blacks. And the *FM* learns that during its meeting last month the Economic Advisory Council discussed the feasibility of making special provision, in any anti-inflation programme, for the poorer sections of the community.

Tucsa insisted there should be a specific cut off income level. As a result, Steyn's inflation committee has proposed that the Department of Statistics compile average Poverty Datum Lines for each racial group. Those earning at, or below, PDL levels will be exempt from the wage hike ceilings. (According to the University of Port Elizabeth, the monthly PDLs for average African and Coloured families in Johannesburg in April this year were R111 and R120 respectively; in Cape Town they were R109 and R127.)

It will be interesting to see what PDLs Pretoria comes up with, as this will be the first time that an official PDL — or one for Whites or Asians — has been compiled. Since the Cabinet has still to give its formal approval to the new anti-inflation package, Statistics has not yet started on its task.

The strength of the wage/price guide

lines is that they subtly combine voluntary restraint with compulsion. Voluntary because there will be no statutory or other formal power to back them up; compulsory in the sense that none of the parties involved — government, employers, farmers and trade unions — will want to be seen as the one to sabotage the anti-inflation offensive.

There are obviously still many fine details of the guidelines to be ironed out. One thing is certain. As the Prime Minister put it three weeks ago, everyone must "accept it as unavoidable that they cannot at a later stage expect to be fully compensated for their sacrifices."

WORKERS TO GET R75m BONUS

Mercury Correspondent.
PRETORIA — Public sector workers will share a massive R75-million in holiday bonuses in the next few weeks.

For the 473 000 workers in central Government and provincial departments —

206 000 of them White — the total payout will be R40-million, for the 240 000 railway workers it will be R27 600 000 and for the 68 000 post office workers — 43 525 of them White — it will be R8-million.

Economists warned yesterday the pay-out will add to South

Africa's inflation problems.

White bonuses are R260 for married workers and R130 for unmarried workers.

Maximum house loans for Government workers have also been increased, from R15 000 to R20 000.

For workers in the lower grades all interest

payments above three percent will be paid by Government subsidy, and for higher grade workers subsidies will be paid for all interest payments in excess of five percent.

According to a senior public service commission official normal service increases will be paid.

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HOLD

W/E ARGUS

(Bus Argus)

20/9/75

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DOWN

WAGES

Financial Editor

IN a bid to halt inflation the Government is shortly expected to publicly appeal to employers and workers to limit wage increases to a figure equal to 70 percent of the rise in the cost of living.

The Government is also expected to request that wage increases be delayed if possible until the middle of next year.

At the same time, to justify its call for wage restraints, the Government is also expected to appeal to commerce and industry to pass on to their customers only 70 percent of any increased costs.

These recommendations have recently been dis-

cussed by organised industry, commerce and the trade unions, and are now believed to be awaiting Cabinet approval.

The need to restrain wage demands was spelt out this week by the Bureau for Economic Research at the University of Stellenbosch. It points out that wage increases equal to the rise in the cost of living could lead to a 30 percent inflation rate by the end of next year.

The Government's wage guidelines means that, should the cost of living rise by, say, 12 percent, the maximum wage increase would be 8,4 percent.

Since last December the consumer price index has risen 7,5 percent. Should this rate of increase continue it means that the cost of living this year will rise by about 11,25 percent — compared with 14,1 percent in 1974. Under the Government's guidelines

this would mean that pay rises this year would be limited to around 7,9 percent.

Although pay limitations of this type may seem to be hard on the ordinary worker, economists point out that they could lead to an improvement in their living standards much sooner than could continued pay rises to compensate for increased living costs.

When wage restraints are in force suppliers of goods can no longer automatically increase their prices safe in the knowledge that cost of living pay increases will ensure a continued market for their products.

Instead, because of the pay restraints, increased prices could lead to a substantial loss of business. In fact, suppliers may find themselves having to cut prices merely to maintain their previous level of business.

Unions warn Govt on prices

Cape Times Correspondent

PRETORIA. — Trade union leaders in the public and private sectors yesterday warned the Government that if devaluation led to a spurt in the price spiral, a barrage of realistic wage and salary demands was certain.

The Government, they said, would have to police the private sector to ensure that the sacrifice workers were called on to make was being shared equally by manufacturers, wholesalers and retailers.

The secretary of the 200 000-strong SA Confederation of Labour, Mr Wally Grobler, said devaluation would materially increase the inflation load, and the Government should be warned that the wage and salary earner was not prepared to carry this load on his own.

ABSOLVED

The secretary of the Posts and Telegraphs Association, Mr L J van der Linde, said that unless the Government could clearly demonstrate it had a full control over prices and profits in the private sector, staff associations were likely to feel absolved from their commitment to moderate wage claims.

The president of the Railways Artisan Staff Association, Mr Jimmy Zurich, agreed with Mr Van der Linde.

The president of the Public Servants' Association, Mr S D de K Venter, said his association would sharpen the watch on prices.

"And if prices continue to rise following devaluation, we would then have to consider what action to take."

'Misleading comments'

Cape Times Correspondent

PRETORIA. — The Minister of Finance, Senator Owen Horwood, said yesterday that he considered much of the comment "which is doing the rounds" on the likely inflationary effects of devaluation was exaggerated and misleading.

In a statement in Pretoria he said the prices of a number of imported goods had eased off lately, because of the depressed conditions in countries from which the goods were obtained, and this counter-acted whatever rise might take place in the cost of imports.

The industries which would benefit most from the devaluation — the mines and export industries — would be expected to proceed with responsibility in regard to their wage and salary policy.

"In other words, to practise wage restraint in terms of the Prime Minister's injunction to the country."

South African manufacturers who imported part of their materials would justifiably raise their prices near the full extent of the devaluation.

"Finally, I must correct a comment which I regard as misleading — that the devaluation will lead to a fall in living standards."

By safeguarding the balance of payments, by curbing the otherwise excessive loss of capital which would have left the country, by giving a boost to the mines and export industries, and by encouraging the inflow of capital, the devaluation of the rand would have precisely the opposite effect.

● Senator Horwood said in an SABC television interview last night that he was convinced the price of gold would recover once the present speculation had ceased, once the Russians had stopped selling gold to buy grain, and once the industrial demand for gold recovered as the price fell.

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Unions point gun at Government on prices

Staff Reporters

THE trade union movement yesterday raised a gun to the Government's head — warning that if prices rise unjustifiably because of devaluation there will be no wage restraints.

They threatened a barrage of compensatory wage and salary demands if the Government failed to police price rises properly.

The warning came from both the multiracial 210 000-strong Trade Union Council of South Africa (Tucsa) and the 200 000-strong SA Confederation of Labour, as well as from the Posts and Telegraphs Association and other unions.

The labour movement is committed in principle to limit wage demands, except in the case with very low pay workers.

But their qualification all along has been that Government and business must do their bit as well.

The senior vice president of Tucsa, Mr Lief van Tonder said: "We in South Africa cannot wait until we have an inflation rate



ANNA SCHEEPERS
... "fanning flames"

of over 20 per cent before we take decisive action.

"For any action then will be so severe and harsh that the dangers of social friction will be tremendous."

The secretary of the Confederation of Labour, Mr Wally Grobler, said devaluation would materially increase the inflation load, and the Government should be warned that the wage and salary earner was not prepared to carry this load on his own.

He warned that at the slightest indication that the Government was "ratting on the workers" the trade union movement would demand rises which would fully compensate for the erosion of the rand over the past 18 months.

The secretary of the Posts and Telegraphs Association, Mr L. J. van der Linde, said: "We want more than an assurance from the Government. We want clear proof — we want to be able to see — that prices are not being raised, save in the most exceptional circumstances."

The president of the Railways Artisan Staff Association, Mr Jimmy Zurich, agreed. "We are tired of generalisations from Government sources that everything possible is being done. This is not enough," he said.

The president of the Public Servants' Association, Mr S. D. de K Venter, said his association would sharpen the watch on prices.

Mr Robert Kraft, economist and assistant general secretary of Tucsa, said:

"Our major fear is of a sudden proliferation of unjustifiable price increases.

"Too much will be charged on imported goods and there will be price increases on items that should not be affected by devaluation."

He warned that trade unions would insist on "very strong State action" if there are unwarranted rises in prices.

"Last time, there was a 12½ per cent devaluation, many firms took the public for a ride. There were no controls," Mr Kraft said.

Some Tucsa unions, though, say that workers cannot afford a drop in the value of the rand.

Senator Anna Scheepers, president of the Garment Workers' Union, said workers earning R200 a week or more could be expected to make sacrifices, "but not those earning R150 and R200 per month. We can't compromise them".

She said: "If the profits of companies have to drop, then they must drop. Devaluation will increase all prices. It will fan the flames of inflation".

Help plan for school-leavers

Mercury 23/9/75

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Political Reporter

THE DEPARTMENT of Labour will soon appoint an Indian vocational guidance officer to help Coloured and Indian school leavers get jobs, Berea's MP, Mr. Lawrence Wood, said yesterday.

He made the announcement after speaking to a senior department official as the result of a report in the Mercury last week about 12 Coloured girls who said they were "close to panic" because they could not find suitable jobs.

The girls, who all live in Mr. Wood's constituency, suspected they were being refused jobs because of their colour. Four others claimed they were being paid "starvation wages" of between R80 and R120 a month by Durban department stores.

Yesterday Mr. Wood said: "They are protected by salary scales for the commercial and distributive trade laid down in the Government Gazette.

"If it can be established that they are being paid less than the minimum laid down for their qualification, experience and terms of service then I suggest they notify the Department of Labour, which will investigate."

The department official had assured him that a claim by a Mr. Colman Lucas that there were "hundreds" of Coloured school-leavers "floating around without jobs" was unfounded. It was "not substantiated by the department's records," Mr. Wood said.

The official asked the girls having "difficulty" getting suitable work to get in touch with the department at 28 Badger Lane.

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NS ^{mercury 23/9/75} WARN OF DE ⁽¹³⁷⁾ ⁽²⁴⁶⁾ ⁽³³⁴⁾ DEMANDS

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Mercury Correspondent

PRETORIA—Government workers' leaders yesterday warned the Government that if devaluation led to a spurt in the price spiral a barrage of pay demands was certain.

The Government, they said, would have to police the private sector to ensure that the sacrifice workers were called on to make was being shared equally by manufacturers, wholesalers and retailers.

The secretary of the 200 000-strong South African Confederation of Labour, Mr. Wally Grobler, said devaluation would materially increase the inflation load and the Government should be warned that the wage and salary earner was not prepared to carry the load on his own.

"The Government has not yet announced its anti-inflation programme which may contain more cost of living shocks, and here we are landed with a rand which now buys nearly 20 percent less in other countries."

The threat of further increases in the prices of everyday commodities was frightening.

"And it is more than a threat. It looks as if it is certain that we will all be a great deal poorer. And we will all be living less well, in six months' time than we are now."

Mr. Grobler warned that at the slightest indication that the Government was ratting on workers by turning a blind eye to unjustified price rises, the trade union movement would ignore the Prime Minister's appeal to moderate wage claims and demand rises which would fully compensate for the erosion of buying power of the rand over the past 18 months.

The Secretary of the Posts and Telegraphs Association, Mr. L. J. van der Linde, said unless the Government could demonstrate it had a full control over prices and profits, staff associations were likely to feel absolved from their commitment to moderate wage claims.

"We want more than an assurance from the Government. We want clear proof—we want to be able to see—that prices are not being raised except in the most exceptional circumstances," Mr. van der Linde said.

The president of the Railways Artisan Staff Association, Mr. Jimmy Zurich, agreed.

"We are tired of generalisations from Government sources that everything possible is being done to reduce price increases. This is not enough."

The whole of the public sector is being compelled by Government action to forego increases. The same degree of compulsion should be imposed on manufacturers, wholesalers and retailers.

"If it is not, then the Government can brace itself for a barrage of new and realistic wage demands," Mr. Zurich said.

The president of the Public Servants' Association, Mr. S. D. de Venter, said his association would sharpen its watch on prices.

"And if prices continue to rise following devaluation we will have to consider what action to take."

Everybody — especially Blacks — faces an unprecedented era of austerity following the devaluation of the rand and the "painful sacrifices" which will be built into the Government's anti-inflation programme.

The programme is expected to be announced in detail by the Minister of Economic Affairs, Mr. Chris Heunis, in the next two weeks.

The Prime Minister and members of the Cabinet have indicated that there is no painless solution to South Africa's high rate of inflation.

Now that inflation has been further aggravated by the massive devaluation all sections of the community are waiting with growing anxiety to hear what other hardships are in store.

In Cape Town, Mr. W. P. Kilian, chief economist at the Stellenbosch

Robb warns on index-linking wages

Cape Times 25/9/76

INDEX-LINKING of wages should be approached with reserve by everyone who was concerned for South Africa. Only people who sought a short-term gain for a limited number of the country's population would oppose this point of view.

This was said yesterday by Mr F C Robb when he delivered his chairman's message at the annual meeting of the Southern Life Association at Rondebosch, Cape Town.

Mr Robb dealt with the impact of inflation on the assurance industry and said that inflation was admittedly difficult to control when real growth was the objective. For South Africa real growth was essential, as the only alternative in a fast-growing society.

MANPOWER

South Africa was probably the only reasonably well developed country where there was not only a substantial surplus of manpower which was not fully employed, but one which had never been fully employed, Mr Robb said.

This added to the inflationary pressure. It artificially created a scarcity of skilled labour, and this was why inflated wages were being paid in many skilled occupations.

The process of opening up certain jobs to Blacks without sacrificing the security of the employment of Blacks and Whites in certain areas must be speeded up if the growing scarcity of skilled labour was to be met.

Whites would have to be prepared to share their privileged monopoly of skills in order that South Africa might continue to grow or even survive, because the effective use of human resources held the key to non-inflationary real economic growth.

SALARIES

He expressed his appreciation of the fact that the government was doing its best to restrain salary increases in the public sector, because the in-

surance industry and other financial institutions drew their personnel from the same limited pool as the public sector.

It was essential that wage restraint be exercised, for this was to be the ultimate benefit of all, particularly those living on fixed incomes, such as pensioners.

Investment income of the company was up by 20,6 percent, dividend income up by 26 percent, and total premium income up by 19,5 percent.

The overall investment income of the Southern increased by 20,6 percent from R18,5m to R22,3m. The dividend return based on cost of the substantial equity portfolio that provides backing for policies other than limited policies was 10,5 percent. Dividend income on this portfolio (excluding share purchases during the

year) increased by 26 percent.

Total premium income increased by 19,5 percent from R34,2m to R40,9m. This growth was brought about by a substantial increase in a new annual premiums in respect of individual policy and pensions business.

Total income for the year was increased to R63m (R53m for the previous year) and total assets rose to R288m (R257m for the previous year).

Many favourable property investments were made, among them some in Johannesburg, and one in Durban. These investments, together with other developments and Southern's already substantial property holdings, will bring the amount of policyholders' funds held in real estate to R57m.

Tucsa plan to curb demands

Cape Times Reporter

THE 210 000-strong multiracial Trade Union Congress of South Africa (Tucsa) yesterday agreed in secret session to a belt-tightening programme which committed member unions to limit wage demands to 70 percent of the rise in the consumer price index for the next six months.

This was to apply to all workers earning above the poverty datum line or its equivalent for all race groups.

It is known that the Government anti-inflationary committee, formed to tackle prices, wages and salaries, tried to get Tucsa to accept a 12-month stringency plan.

The unions said they would do this only if the cost-of-living changes related to the rise in the consumer price index. The compromise was a stringency plan with demand limited to 70 percent of the consumer price index rise for the next six months.

In a statement released after the secret session, Tucsa said it supported the final version of the Government programme to fight inflation (to be released by the Minister next week) but warned that the public "would not tolerate abuses by manufacturers, wholesalers or retailers in failing to fulfil their part in the collective programme."

Such a abuse would compel Tucsa to review its continued acceptance of the programme. In determining its final decision, Tucsa delegates had taken the devaluation of the rand into account.

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PRICES AND WAGES *F.M.* A new ball game 26/9/75

While the men at the Department of Finance were preparing for devaluation, Department of Commerce officials were working on the much-heralded anti-inflation package agreed to by government officials and private sector groups (*FM* last week). Has the devaluation torpedoed any chance of success the anti-inflation plan might have had?

Judging by responses to the *FM*'s inquiries, Senator Horwood's *shokku* has cost the wage and price restraint plan much of its credibility and Pretoria is going to find it difficult to make a voluntary commitment stick. As one prominent industrialist put it: "It's a different ball-game now. With something as inflationary as this devaluation, it will be every man for himself. We'll give a horse laugh if government tries to implement this plan."

Most sceptical of the plan's chances now are the trade unions.

Delegates at this week's Tucsa conference expressed fears that commerce and industry will profit out of devaluation by using it as a pretext to put up prices even where the shrunken international value of the rand does not justify doing so.

Referring to the "tremendous sacrifices" trade unions are expected to make in the battle against inflation, Ronnie Webb of the Motor Industry Combined Workers' Union — and a Tucsa vice-president — told the *FM*:

"We are disappointed that government negotiated dishonestly and did not take the unions into its confidence when devaluation was in the offing."

Senator Anna Scheepers of the Garment Workers' Union echoed:

"We were not consulted about devaluation. Why should we then be part of the anti-inflation contract if large numbers of our members are going to suffer? Our agreements in the OFS and



Grobler, Scheepers and Altman . . . will they still play ball?

Northern Cape expire in November 1976. We will start negotiating about May, and we are going to put in for big increases — at least as large as the CPI increase. I can only foresee trouble arising out of the devaluation."

Says Ray Altman, general secretary of the National Union of Distributive Workers:

"I am very worried that devaluation will be even more inflationary than we are led to believe. If imports go up 17,9% in price, by the time the goods reach the consumer that 17,9% will be very much more."

"It is always easy to tell whether the trade unions are playing the game when it comes to wage restraint simply by measuring wage demands against the Consumer Price Index. But it is very difficult to pin down employers. We, in our union, will support Tucsa in its participation in the government's anti-inflation programme, but we will want a very firm assurance from the government on price increases if we are to consider ourselves bound by the package."

"If the CPI rises to unprecedented heights I can foresee that unions will not consider themselves bound any longer".

Jimmy Zurich, president of the 20 000-strong Railways' Artisan Staff Association, endorses Tucsa views:

"My feeling is that the rise in the CoL will continue unabated. The work of the inflation committees will be negated by devaluation and I can expect pressure to build up among my members for a reconsideration of our agreement to hold back until next April on wage demands."

However, speaking as secretary of the RASA, Confederation of Labour chief

Wallie Grobler added: "I don't think we will renege on the April bargain. But the inflation rate then could well influence the size of our demands."

Ken du Preez, general secretary of the SA Engine Drivers, Firemen and Operators' Association, articulates the mood of organised labour:

"The devaluation is disturbing on all accounts. There will be reaction — it's easy to control wages when you have the goodwill of people. But when they pick up the paper and see that the price of the car they were going to buy has gone up, what must they think?"

So it looks as if the plan's chances will hinge on the ability of commerce and industry to hold down prices.

An encouraging omen was the joint appeal of Assocom, FCI and Afrikaanse Handelsinstituut presidents on Wednesday for restraint in marking-up prices on existing stocks of goods affected by devaluation, though it's a pity they didn't broaden its scope to include imports brought in *after* devaluation.

WAGE CURBS

Referring to our report last week on recommendations to government in regard to wage and price restraints, the restraint period for employers and workers will, we understand, be six, not 12, months — the 12-month period was apparently contained in an earlier proposal.

In addition, the package would allow companies to pass on only 70% of *all* "unavoidable" cost increases, including hikes on imported goods.

Migratory labour to be dropped?

Daily Disp. 26/9/5

DURBAN — A strong hint that the Government's migratory labour policy would be dropped or drastically revised was given yesterday at a Natal National Party congress by the Deputy Minister of Bantu Administration, Mr T. N. H. Janson.

"We cannot allow more migratory labour. The liberals are also right sometimes. Migratory labour is a bad thing," he said to an obviously stunned congress strongly attended by many farmers from northern and central Natal.

He bluntly told a delegate he could not use Shangaan and Xhosa labour or any other black labour from outside the province for the simple reason that it clashed with National Party policy.

It was, he said, Government policy to place labour near growth points and it was this labour that had to be used.

Mr Janson was replying to a motion calling on the Government to arrange labour contracts with the homeland governments which would be binding to both parties. A delegate complained that local people worked only when it suited them, despite pay of R60 to R80 a month plus food and housing.

The deputy minister said that in the interest of black workers they had to discipline themselves in their work.

He supported the narrowing of the wage gap "one hundred per cent" and did not want to be misunderstood on this score. But there was also a wage gap between white and white. "We do not pay for rotten white work."

"I am all for giving workers a living wage, but we are not going to dish out presents to those who want to loaf — who want to work now and then," he said.

He urged that there should be consultation at a local level with responsible black leaders, who should see to it that contracts concluded between two people were respected.

He also hoped that the Bantu Administration Councils would keep a list of the "loafers" so that they could see to it they did not go on seeking work elsewhere only to loaf again. It was after this that he made his brief statement on migratory labour.

Later Mr Janson said migratory labour at heart

was not a good system. One did not have to ask questions about it: one need only look at Cape Town where blacks who left at the end of their contracts left illegitimate children behind.

Each year 18 000 were caught in Cape Town for being there illegally — and we only catch ten per cent," he said.

"The official black population of Cape Town is 110 000 which means that almost 90 000 are there illegally. We can't throw them out. Let's face it: these people have families to support."

Referring to his childhood he said that although his parents had been separated his father would have given anything to feed and educate his children.

"Will you blame a black man for wanting to do the same for his children?" he asked. — PC

Cape Times 27/9/75

Tucsa congress accepts limited wage demands

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By BOB MOLLOY

THE Trade Union Council of South Africa came of age at its 21st annual conference this week in more ways than one — completing five days of hard-hitting debate that stayed clear of petty mud-slinging and spotlighted pertinent national issues.

Delegates ploughed through a heavy agenda — 29 resolutions of which more than 24 were put to the vote.

Pensions, crime, taxation, transport, housing and the cost of living came in for well-sourced comment that should serve Government and local bodies well in decision-making.

An important development was the appearance of affiliated Black unions as delegates for the first time in years, with a further group of Black union representatives as observers.

The multi-racial Tucsa representing almost 250 000 workers, is clearly moving away from the old school of trade union thought which saw a threat in the labour competition from other race groups.

Issues debated showed that Black and White unity is now a firm goal. This became clear in the unanimous pledge to support a campaign for equal

opportunities, to eliminate employment discrimination, and to end all race discrimination in South Africa.

It was unfortunate that the Government delay in announcing the programme to combat inflation forced the conference into secret session.

Public discussion would

have pointed up the mood of the unions towards profit-makers.

Their acceptance of wage demand limited to 70 percent of the rise in the cost-price index for the next six months is an example that will hopefully shame other sectors of the economy into also limiting their share of the cake.

If not, Tucsa had a sting in the tail of its stringency plan — excessive profit-takers would be acted against.

Trade
Union
Council
conference

334

Black wage freeze 'is asking for trouble'

By GERALD REILLY
Pretoria Bureau

EMPLOYERS were warned yesterday by prominent trade unionists to maintain and supplement the buying power of Black wages, or face labour unrest on a disturbing scale.

The management committee of the 200 000 strong Rightwing SA Confederation of Labour yesterday doubted whether the Government had the right remedy for South Africa's economic troubles.

Trade Union leaders said the Prime Minister, Mr Vorster, had specifically excluded low paid workers from his appeal for wage restraints.

Employers who took advantage of the Prime Minister's appeal for restraint to freeze the earnings of Black workers were asking for trouble and endangering industrial peace, they said.

A vice-president of the Trade Union Council of South Africa, Mr Steve Scheepers, said economists were warning of an inflation rate boosted by devaluation which could reach 20 per cent in the first half of next year.

"When the rises in price of all basic foods and commodities which have taken place this year are borne in mind it is vital for industrial peace that Black workers should be adequately compensated for recent living cost rises, and those which now appear to be unavoidable."

He added that the threat of unemployment could not be ignored. It could be a by-product of a too severe

anti-inflation programme. At all costs, Black unemployment with its obvious threat of unrest had to be avoided.

The president of the Garment Workers Union, Senator Anna Scheepers, said all Black workers should be kept above the Poverty Datum Line, and certainly they should continue to be compensated for rises in living costs, especially those which would certainly result from devaluation.

The secretary of the Confederation of Labour, Mr Wally Grobler, said yesterday his management committee was beginning seriously to doubt whether the monetary authorities had the answer or answers to the country's economic problems.

In a statement issued after yesterday's meeting the committee said: "For example, the Minister of Finance, Senator Horwood, said unequivocally as recently as August 13 that there was no question of devaluation."

"However, just a few brief weeks after, the biggest devaluation in our history hit us," the committee said.

"The confederation will make no hasty judgments. It is anxiously waiting for an announcement from the Minister of Economic Affairs, Mr Heunis, of the details of the action programme against inflation."

Meanwhile, the confederation warned that trade union leaders were finding it increasingly difficult to convince workers of the necessity for sacrifices.

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FM. 3/10/75 334 WHO'S PLAYING BALL?

Next Tuesday Minister of Economic Affairs Chris Heunis will unveil details of the Collective Programme of Action against Inflation. Thereafter, austerity — provided all the participants in SA's own social contract play the game.

Will they? Heunis has praised "all sections of our community" for the "exemplary manner" in which they have faced up to the need for austerity. Combating inflation, he says, is an aim which "should under the present circumstances after devaluation be pursued even more scrupulously".

This certainly is the optimistic view of Seifsa director Errol Drummond: "There will now be a greater determination to make the guidelines work. In a sense this is a golden opportunity for management, labour and the community in general to pull together to fight this monster of inflation."

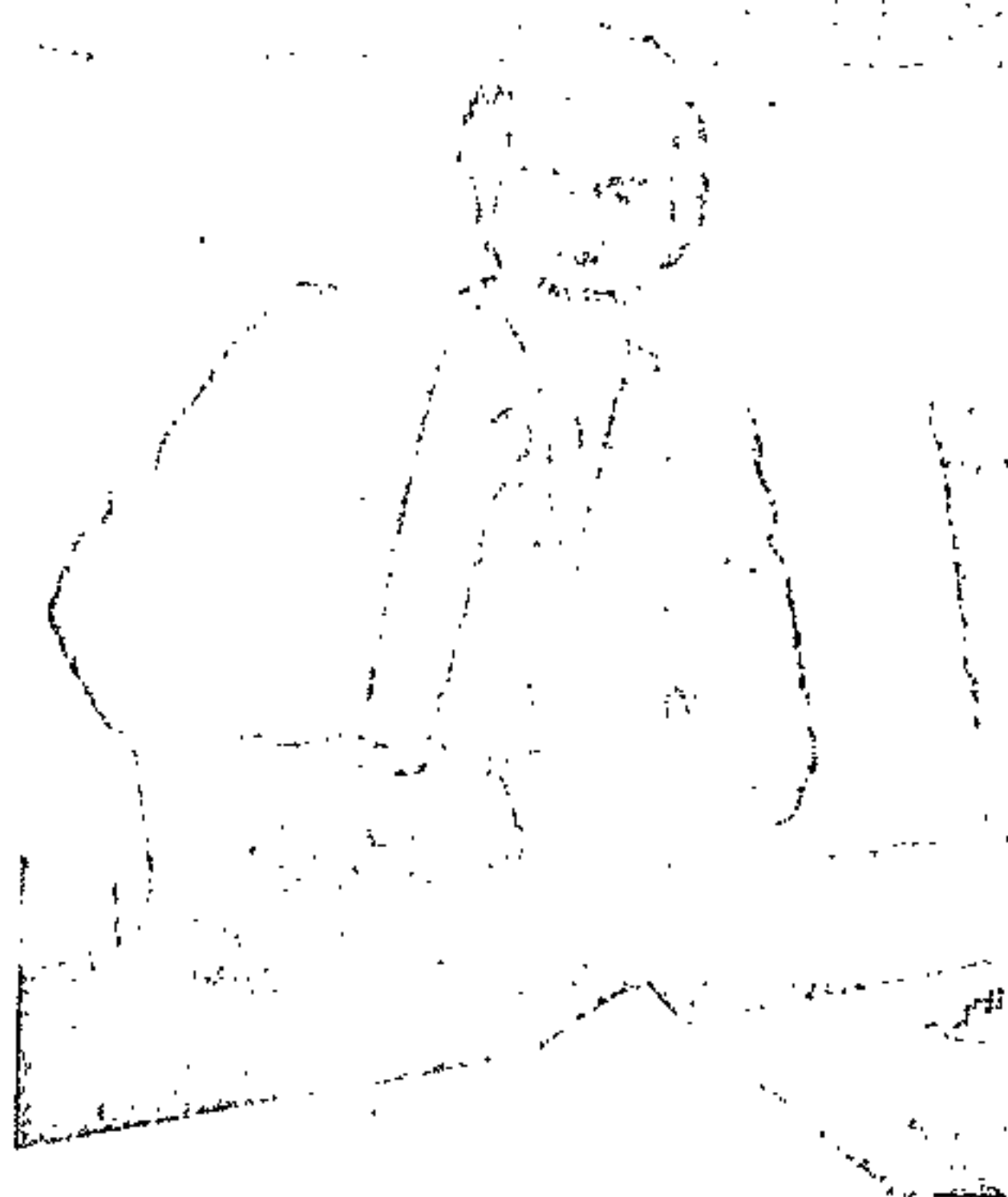
Yet the behaviour of some entrepreneurs after devaluation has led to increased suspicion of commerce among unionists and consumers. There is bound to be some friction between the unions and commerce over this in the initial stage of the programme. Tucsas assistant general secretary Robert Kraft notes: "Our people are concerned that commerce in particular will exploit the devaluation situation."

This fear is not considered justified by Assocom executive director Raymond Parsons, who reiterates: "Our pledge to support the anti inflation programme is a testimony to our good faith. Industry and commerce are victims of inflation like anyone else. It's unfortunate that it's the retailer who has to tell the consumer that the price has gone up, and thus gets the backlash."

Yet worker-employer tension is inherent in the situation. And Confederation of Labour secretary Wallie Grobler points to another complicating factor — mistrust of government

promises. "Our people are getting fed up with officials saying one thing and doing another. In August the Col index was up 12.9% on last year and devaluation will make it worse. What then are we to think about Senator Horwood's recent statement that he would not devalue?"

Grobler points out that in initial negotiations on the programme



Kraft... play ball!

government kept mum about what it was going to do to restrain expenditure. "When the package is announced next week we will be looking at this side of things most carefully."

But if all the partners "play ball", as Kraft puts it, the danger of a round of swingeing wage demands next year to compensate for the decline in real living standards during the restraint period will be lessened.

BACKGROUND To Newcastle

Bus fares not real issue

By PETER MANN

DURBAN. — Newcastle, which is still reeling after a week of violence, must blame industrialists and socio-economic factors for the disturbances.

For although the riots were triggered by a five cent rise in bus fares, the fares are no longer the issue.

This is borne out by the fact that the most serious outbreak of violence during which two White men were held hostage and assaulted and three policemen injured, took place at the Iscor compound — where workers do not use the buses.

Two years ago — at the time of labour unrest in Durban — a study mooted by the Chamber of Commerce here placed the poverty datum line at R90 per month.

The figure was based on a family unit of four.

Although this figure is the most recent available, inflation and the recent devaluation have hopelessly outdated it. The bus fare two years ago was eight cents; it is now 30 cents.

Today's PDL figure would be closer to R120 per month. A survey of wages paid in Newcastle yesterday produced average earnings between R72 and R124 per month.

Below PDL

This means that the vast majority of the 130 000 Blacks surrounding Newcastle are living below the PDL.

KwaZulu's Councillor for Community Affairs, Mr Walter Khanye, has called on industrialists to raise wages to meet the bus fare increases.

"The riots are as much a protest against poor wages as against fare increases," Mr Khanye said.

Newcastle's twin trouble spots are the Madadeni and Osizweni townships, lying 12 and 23 kilometres from the town.

The township's manager, a Mr Durant, refused to give any information about the townships. "I'm far too busy," he said.

But according to the Bantu Affairs Commissioner, Mr D. Matham, about 80 000 people live in the townships.

townships are sub-economic. In Madadeni, the houses are four-roomed units, comprising a kitchen, a dining room and two bedrooms.

Water-borne sewerage is provided at all the houses, although in many cases the toilet is an outside structure. In homes where the toilet is inside, a shower is provided. There is no hot water.

No culture

Rental for the houses is R4.38 per month.

There are two high schools, four higher primary schools and five lower primary schools in the township. The total community facilities are two big beer halls which have both been wrecked in the riots.

There are no movie theatres or any other cultural facilities.

Housing in Osizweni is of a much poorer standard than Madadeni. There is one beer hall, which has also been wrecked in the riots, but no other community facilities.

Representation for the townships is by way of a Township Council appointed by the Department of Bantu Affairs. There are no elections.

In Madadeni, the chairman of the council is Dr Frank Mdlalose, best described as a moderate. Although he is an appointed leader, Dr Mdlalose, who is also the township's doctor, commands wide respect and would undoubtedly be elected by the people.

However, even he has been stoned during the past week for his consistent attempts to defuse the situation by appealing for calm.

It is against this background of frustration and economic hardship that violence erupted.

The danger of the situation remains that it must inevitably create radical leaders, a class of whom already seem to be emerging from the ranks of taxi owners.

The tragedy of Newcastle is that industrialists here are not paying significantly lower wages than the rest of South Africa, and the townships of Madadeni and Osizweni are no different from anywhere in South Africa.

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See also URBAN AFRICANS - Natal

Railmen warn on wage claims

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9/10/75

Cape Times Correspondent

PRETORIA.—The seven Railway Staff Associations were likely to make wage claims before the end of the six month anti-inflation fight the chairman of the Federal Consultative Council of Railway Staff Associations. Mr Neels Botha, said yesterday.

When the claims were made however, the unions would take into account the restraints imposed by the Government's anti-inflation programme.

The administration was apparently heading for a deficit at the end of the current financial year, and during the holiday month, along Railway revenue would dip because of loss of traffic.

Mr Botha warned that if increases were delayed until the middle of next year there would probably be justification for claiming 20 percent increases.

The possibility is strong that the Minister of Labour may decide to tax married women

separately from the start of the 1976-77 tax year, next March.

The Government knows, it was pointed out by authorities in Pretoria yesterday, that the strongest lure to attract women back onto the labour market would be the benefits of separate taxation.

In South Africa only 38 percent of married women are "economically active".

Irvin and Johnson is cutting back on prices of frozen fish and vegetables, and has challenged other frozen food manufacturers to do the same.

A spokesman for the firm in Durban said yesterday that special offers of frozen vegetables and fish were being made through retailers. He said the company had also decided to market a range of frozen peas, beans, cauliflower and brussel sprouts at approximately 30 percent lower than the planned price.

Mr Jean Basson, marketing manager of Irvin and Johnson in Cape Town, said the lower prices were made possible by better crops and new technique in production. The most economic methods of packaging were also being used.

Table Top's marketing manager, Mr Collin Callister, confirmed yesterday that his company had taken up the challenge and reduced prices.

Representatives of the motor industry met the Minister of Economic Affairs, Mr J. C. Heunis, yesterday to discuss an increase in motor vehicle prices.

The Trade Union Council of South Africa yesterday assured its 210,000 members that during the next six months it would see that commerce and industry stuck to the price restraint undertaking incorporated in the Government's anti-inflation programme.

Further reports, Pages 5 and 7.

UNIONS TO DEMAND MORE

By Christopher Prophet

MANY trade unions are going ahead with wage increase demands in spite of the undertaking of certain trade union organisations to recommend wage restraints in the months ahead. They feel many of their workers are living below the poverty datum line.

The South African Confederation of Labour and the Trades Union Council are to ask workers considering wage negotiations to take into account only 70 percent of the increase in the consumer price index.

Both organisations have a proviso that sections of the community have differing abilities to make sacrifices in the anti-inflation battle. It is upon this that many unions are to negotiate new wage claims.

This is in accordance with the national agreement by the Government, trade unions and employer associations, but it highlights that many feel unable to cope with rising costs and that they are unable to

make ends meet on their present incomes.

The secretary of the Western Province Building Workers' Union, Mr R. G. Simmons, said: 'Of course we are pushing for wage increases. Wouldn't you? All our unskilled workers are below the poverty datum line. Most get about R25 a week. They are unable to come out on this.'

Referring to the national agreement, he said: 'We never belonged to the Trades Union Council of South Africa. They cannot speak for the majority of workers. They are taking advantage of the fact that they are a registered organisation.'

Mr L. A. Petersen, secretary of the Garment Workers' Union of the Western Province, said: 'We are negotiating at present for wage increases and are going ahead with our wage claims. We feel many of our workers are below the

poverty datum line.' He said the wage claims were proposed before the national agreement.

The area official for the Electrical Workers' Association and secretary of the Electrical and Allied Trades Union of South Africa, Mr C. Shield, said: 'We've got no option but to ask for a wage increase. Our agreement expires in December. We have submitted proposals to employers and negotiations will start soon. The claims will probably be pruned in accordance with the national agreement as regards wage increases.'

He said the pensions for his workers were 'miserably low' and the union would now 'go for fringe benefits more than ever'.

The secretary of the Tramway and Omnibus Workers' Union (Cape), Mr D. C. Benade, said: 'We have just concluded a number of wage agreements, which are going to outlast the period of restraint. We asked for increases commensurate with the consumer price index.'

He said the agreements would last for a year and he fully supported the Government's proposals to curb inflation.

The secretary of the National Union of Distributive Workers, Mr J. E. Altman, said: 'We have

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Profits not rising faster than wages

Private enterprise is still as firmly entrenched in South Africa as anywhere, says Mr Jan Kitshoff, chairman of the Industrial Development Corporation.

Opening the annual congress of the Associated Chambers of Commerce last night, he said credit for this went to responsible business behaviour and to official policy-makers.

Nevertheless, he welcomed an Assoccom proposal under consideration to mount an educational campaign next year about the advantages of the system, to counteract the rising level of anti-business sentiment among the public.

Mr Kitshoff said global business figures provided no justification for such sentiment.

The division of the gross domestic product be-

tween profits and wages was almost exactly the same today as it was in 1960, he said.

"It cannot be maintained, therefore, that the rewards to capital and enterprise have been growing at the expense of remuneration for labour," he said.

Nor could it be claimed that a bigger proportion of profits is being distributed to shareholders whose portion has declined from 39 percent to 29 percent in 15 years.

Mr Kitshoff urged increased pooling of experience and resources in Southern Africa to solve common problems.

For South Africa, as the most advanced state, this might entail outlays that would not always be matched by returns, but could open doors which would lead to broader economic co-operation.

CAR INDUSTRY PAY FREEZE DECISION

Weekend Argus Bureau

PORT ELIZABETH. —

One of South Africa's biggest trade unions — the powerful Motor Industry Employees' Union — has agreed here not to press for a new wage agreement until after the six-month period of the anti-inflation manifesto.

The National Industrial Council for the Motor Industry meeting which followed the annual congress of the Motor Industries Federation was adjourned late yesterday after the union and the employers' association had agreed to a deferment of six months on wage talks.

However, the employers' association agreed to an immediate 15 percent pay rise to labourers and some operatives in the trade.

This increase for lower paid workers follows hard on the heels of a 3c an hour increase which came into effect on September 1. It means that the workers will be getting nearly 25 percent more in pay.

The increase will come into effect as soon as it can be gazetted, probably in six weeks' time.

In an interview, the president of the employers' association, Mr

E. J. Keevil, and the president of the employees' union, Mr Clive Pincock, said both sides had agreed that it would be in the best interests of the motor trade and the country as a whole to wait six months before negotiating a new agreement.

'At the same time we felt that those who are really feeling the pinch, living close to the bread-line, should be given another increase,' said Mr Keevil.

Underpaid Border blacks not spoilt

Daily Disp. 20/10/75

The communities of the Fort Beaufort black townships were shocked and disgusted when they read, in the Daily Dispatch of October 1, the report of the meeting held by Mr Louis Koch and the white residents of Fort Beaufort. The black people are, furthermore, becoming increasingly perplexed and disappointed by the conflicting statements which Mr Koch and his officials make.

The Daily Disptach quotes Mr Koch as saying that blacks should pay the same amount for municipal services as whites do. Surely Mr Koch is aware that he earns five times more than a black with the same qualifications? Both pay the same amount (13 cents) for a loaf of bread and 33 cents for a packet of cigarettes. Blacks are accustomed to paying the same amount as whites for every commodity they need. But it must be remembered that whites pay much less for these things in terms of the real value of income.

Can it be possible that Mr Koch can be sincere in his statements? When a black pays R3 for rent out of his monthly earnings of R20, he is left with a pitiful R17 on which to live and support his family. If a white earning R120 per month has to pay R30 for rent, he still has R90 to spend!

Mr Koch is further reported as saying that the blacks of Fort Beaufort have become spoilt by paying low rentals up to now. Black township residents have been paying 80 cents a month for over 50 years, but have received very little, if any, benefit from all that they have paid.

Then there is the 20 cents school levy which they have been paying for years. The population of schoolgoing age here is 4 000. Mr Koch promised a 16-roomed school, but work on it has not even started at this late stage of the year. The community is not spoilt by the low rentals; they merely want what they have paid in rentals to be spent on them.

Mr Koch is reported as having said that he has enforced the new high rentals because the blacks are "lazy" and the rentals will make them work. The black communities of Fort Beaufort would be obliged if Mr Koch could tell them where to find work. In an administrative position such as his, Mr Koch should have made a study of motivation. We should be obliged if he would quote title and author of the book which recommends high rental as a means of motivating people to work.

Mr Koch seems to have a double-edged tongue. At his last meeting with Fort Beaufort blacks, he promised that he

would speak to local whites about the appallingly low wages they are paying black employees. But the Daily Dispatch quotes him as saying that whites must reduce the number of their workers and increase the wages for the efficient ones. Surely this will aggravate the lack employment problem? Will those who are then still less able to pay the increased rental be evicted from the shanties they have built for themselves or be prosecuted for being in arrears with their rent?

Would you like to be a black worker in Fort Beaufort getting the average wage here of R15 per month with a family of five to have to pay R3 for rent?

V. H. Ouper and L. M. Fani, 126 Tini's Location, Fort Beaufort.

Time for detente

I am reacting to the speech made by Mr E. Koch of the Bantu Administration Board when he addressed Fort Beaufort ratepayers and said the site rentals were so low that blacks were living practically free of charge, that they had no ambition to work harder, that the Bantu should not be subsidised and must pay the same as whites for the same services, that when an employer increases a Bantu wage, it must be for a justifiable reason and not for his conscience or what the news advised or what the church dictated.

I want to tell Mr Koch that if his wild statement had been made by a black man he would face a charge of incitement. If he thinks the policy of his department is to put pressure on blacks he must know this is the time for detente not confrontation.

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Coloured wage gap widens

STAR

22/10/75

Labour Reporter

The absolute difference between earnings of Coloured and White workers increased by 42 percent from 1970 to 1974.

That was revealed in Johannesburg today by Mr Tony Kedzierski, personnel and training manager of the Coloured Development Corporation.

Addressing a course of the National Development and Management Foundation, Mr Kedzierski said the wage gap had widened in spite of higher percentage pay rises for Coloured people.

EARNINGS

In 1970 average monthly earnings of Coloured employees were R77,1 compared with a White average of R267,9. Last year the Coloured income stood at R127,3 compared to R399 for Whites.

That meant that Coloured earnings in 1974 were 31,9 percent of White earnings compared with 28,8 percent in 1970.

Mr Kedzierski said one often heard that Coloured managers or supervisors

were not accepted by their own people. That was mainly due to the lack of physical signs of status and the lack of support which the organisation gave to his new position.

The habit of the White superior to speak directly to the workers would undermine the Coloured foreman's authority, he pointed out.

Behaviour described as unsociable, ignorant, lazy or unmotivated was resulted from socio-economical and cultural circumstances of labourers.

If realistically approached, it was a normal and responsible response to the slum conditions in which they lived.

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Greed fever

Union vice president Mr Sakkie Uys assesses South Africa's latest anti-inflation project

ARGUS 23/10/75

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The Argus Municipal Reporter
WORKERS' union official Mr Sakkie Uys speaks for 4 000 people in Cape Town who have sacrificed a possible pay increase to help the national economy. And he says: 'Greed will rule in South Africa — I don't think the industrialists are going to stick to the agreement.'



MR SAKKIE UYS: Someone must take the lead.

Mr Uys is president of the City Council branch of the South African Association of Municipal Employees, and national vice president of the 45 000 strong union.

The agreement which disturbs him is the set of rules drawn up by the Government to elicit public co-operation in a tough bout against inflation. The agreement was recently dismissed by consumers' advocate, Mr Eugene Roelofse as a toothless political dream more at home in satirical theatre.

Mr Uys and SAAME colleagues recently told the Cape Town City Council the association was with-

drawing a claim for wage improvements which would have added about R5-million to the city's bills for next year and no doubt would have given ratepayers cause to shout.

OUTSPOKEN

Now he says: 'SAAME as a whole is hoping that others will follow suit elsewhere in the country. As we see it, for every rand extra we earn, we are paying more all round.'

Blunt and outspoken, yet a mediator, not a militant, Sakkie Uys has been president of the SAAME branch for nine years, and a member of the local executive for 16.

He smokes almost continuously — perhaps partly because of the average four hours 'free time' work he puts in each day for the association.

STRANGE THING

But his working day is spent in a drab Electricity House office, where he heads the dog licensing section. Revenue has climbed since he took over, but it's a simple case of productivity, he says. 'I don't think the answer is just screaming for extra wages.'

He believes workers always get the thick end. A very strange thing has been happening in this country. Whenever anyone talks about wage increases, costs go up immediately. And I wouldn't say industry is taking the knocks.

BIG BOYS

We must give industrialists the chance to prove their good faith the same as the workers. But I don't think industrialists

fault of the country's workers.

'They have shown they are trying to help. We thought if we show the Government that we are willing to go along, perhaps they could force the big boys to follow.'

'Someone must take the lead. We are willing to help, but the other side must do its bit.'

Industrialists and agricultural unions, says Mr Uys, have the country 'in the palm of their hand.'

AS THEY WISH

By law workers are forbidden to strike and must put claims and grievances through arbitrators.

'But there is no arbitration industrialists have to go to, if they want to put up costs. They do it just as they wish. That is why I say, the only thing that happens is the rising cost of living or inflation that the worker suffers.'

SAAME has agreed to re-assess the position of Cape Town's White municipal employees in March next year. This year, in January, they received 10 percent of their average 17 percent claim from the City Council.

SERIOUSLY

But even that improvement, says Mr Uys, only just matched the pace of inflation and Col.

He says by next March a salary revision will be needed in the municipality. 'We will have to think very seriously then, because the workers can not be expected just to sit back in the face of all this and say: We have to take it.'

But he is satisfied that the City Council will

Equal pay solution on jobs'

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Pretoria Bureau

Without job reservation Blacks and Whites would compete on an equal basis for the same jobs in South Africa, the deputy economic adviser to the Prime Minister, Dr Simon Brand, said today.

Addressing the post-

graduate management school of the University of Pretoria's seminar on the rearrangement of Black labour in South Africa, Dr Brand said there would, however, be some difficulties in a changeover process to get away from job reservation.

The main problems would be caused by resistance from the White labour force. One way to reassure White workers was to ensure that Blacks would receive equal pay for equal work.

This would maintain an equal basis of competition, he said, and would prevent employers kicking Whites out of their jobs in order to employ lower-paid Blacks.

SHORTAGE

Manpower projections showed that in the short term a shortage of White male workers could be expected in the upper occupational categories. In the lower categories there would be a surplus.

Dr Brand agreed with a speaker from the floor that potential Black business leaders should be identified and trained as a matter of the highest priority.

No more Whites were available to fill the upper occupational categories, even allowing for immigration, and Blacks had to be trained to fill the vacancies, Dr Brand said.

Poverty guideline of R 125 set by State

Labour Reporter

The Government has set R125 a month as a poverty guideline in terms of the manifesto against inflation.

R125 is the income limit for workers who are not expected to make a sacrifice under the manifesto.

The Trade Union Coun-

cil of South Africa welcomed the figure — the first poverty guideline issued by the State — as "what we have been striving for over many years."

But a spokesman for the Department of Statistics insisted: "This limit should not be interpreted as a poverty line or a minimum living level."

He confirmed that all available studies on minimum levels had been referred to in arriving at the figure, but added: "It represents only a guideline in terms of the manifesto."

RELEVANT

The guideline, regarding the application of the "utmost measure of restraint" in increases of wages, salaries and prices, is in a circular sent to signatories of the manifesto.

It refers to the relevant

passage in the manifesto and goes on: "The limit for workers who are not expected to make a sacrifice in terms of the manifesto in respect of income in the campaign against inflation is set as R125 a month (including remuneration in kind such as housing etc.)."

Mr. Arthur Grobbelaar, general secretary of the National Union of Metalworkers of South Africa, said: "Last we have an authoritative figure."

The discrepancies between poverty lines set by various institutions had been used by employer interests to counter trade union pressures for an adequate minimum income level.

"Now we have a figure which — in spite of its limitations — we can use as a starting point in efforts to adequately reward the least skilled worker in an industry," Mr. Grobbelaar added.

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people & profits

PAY BAROMETER

334

In mid-September this year, Survey Circle conducted two comprehensive surveys covering salary, wage and employment conditions in major manufacturing organisations. One focused on manufacturers of industrial products (heavy machinery, building materials, automotive components, chemical products, etc.) and the other on manufacturers of consumer/durable products (foodstuffs, toiletries, pharmaceuticals, petroleum products, etc.). Collectively, the participating companies employ over 40 000 salaried and 118 000 hourly-rated employees, located throughout South Africa.

The average upward movement of salaries and wages, over the past twelve months, for female clerical/secretarial, male clerical, technical manufacturing, professional/management is 12,65% Many of these jobs have been taken over by Non-Whites.

Qualified White artisan rates have on average increased by . . . 16,7%

Wages for Black factory employees, ranging from labourers to supervisors, have increased by 23,4%

Annual labour turnover statistics averaged out at:

- **Salaried employees 26,9%**
- **White hourly-rated employees 46,7%**
- **Non-White hourly-rated employees 36,6%**

The comprehensive survey reports for both industrial and consumer manufacturers are available from Survey Circle, 724-6376 or 724-2812. Each survey covers over 100 benchmark jobs and a summary of current employment conditions for salaried employees. Survey Circle is operated by the Institute of Personnel Management in collaboration with Contact Personnel Services.

People & Profits will next month publish extracts from the reports, covering actual earnings for selected jobs. Readers are invited to advise the Editor of jobs of specific interest to them for possible inclusion in future pay barometer reports.

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people & profits

PAY BAROMETER

SPECIMEN PAY LEVELS

The recent Survey Circle national remuneration surveys conducted among manufacturing organisations show that:

- ★ Junior female clerks are on average earning a basic salary of R208 per month, whereas female clerical supervisors are earning a basic rate of R517 per month.
- ★ Over 90% of survey participants pay an annual bonus to their salaried staff, the majority (74%) at Christmas time. Just under half of the companies pay a bonus of one month's salary.
- ★ Nationally, personnel managers, one level below personnel executives or directors, with six or more years' experience and usually with a post-matric qualification, are earning R886 per month basic. 62% of these managers are assigned company motor cars which, together with bonuses and other prerequisites, result in gross monthly earnings equivalent to R1038.
- ★ Non-White personnel officers within industrial manufacturing companies, and with at least two years' personnel experience, are earning a basic of R386 per month – a 5,7% increase over the last six months.
- ★ Average basic wage rates for employees working a 45 hour week are:
Qualified fitter
and turner R2,63 per hour
Qualified mechanic . . R2,53 per hour
Non-White
supervisor R0,98 per hour

The surveys from which these statistics are extracted, were conducted in mid-September. They comprise data submitted by leading industrial manufacturers and manufacturers of consumer products located throughout South Africa and employing over 40000 salaried and 118000 hourly-rated employees.

Copies of the surveys are available from the Institute of Personnel Management or Contact Personnel Services.

Employer body

warns on wages

THE TRADE union commitment to the recent anti-inflation manifesto was "relatively meaningless" the Cape Employers' Association said in its latest newsletter to members.

The reason for this, according to the association, is that very few wage agreements fall due for renewal during the period covered by the manifesto.

"And even in the case of those that do, the 70 percent of the increase in the consumer price index is more than what a number of trade unions have settled for in the past."

The association said that the manifesto was therefore mainly a plea to employers for restraint in the matter of wages.

The only specific guideline in the manifesto was a statement that people with incomes below or equal to minimum living levels could not be expected to make further sacrifices.

The association suggested that employees who earned R25 a week or less should be given pre-manifesto increases.

Labour costs spiral fast

334

STAR
5/11/75

Labour Reporter

Projected labour costs for next year are 173 percent of the 1970 costs in the case of a banking operation.

The wage bill of a manufacturer who employs many more Blacks will be 190 percent of its 1970 equivalent next year.

The figures come from two case studies presented in Johannesburg today at a symposium arranged by the National Development and Management Foundation on the manpower cost explosion.

Dr Dawie Gouws, a personnel consultant, said wages and salaries had been ahead of productivity in South Africa since at least 1963.

AVERAGE

From 1963 to 1969 the average increase in wages outside agriculture was 3.6 percent higher than the increase in average real product per worker.

From 1970 to 1974 it was 9 percent higher.

Other figures cited by Dr Gouws show that White pay is far ahead of that for other races even at equal responsibility levels.

From 1970 to 1975 skilled and semi-skilled White men's average basic remuneration rose by 48 percent to R323 a month.

The figure for skilled and semi-skilled Black

men rose by 88 percent to R164 a month and the equivalent for Coloured

men rose by 76 percent to R208 a month.

In view of rising labour costs, it would become attractive to consider mechanisation and automation wherever feasible, Dr Gouws said.

Mr J N S Hall, agricultural manager of Tongaat Sugar, said labour costs could account for almost half of total expenditure in sugar farming in South Africa.

Australian sugar farmers managed with less than a tenth of the manpower per thousand tons of cane.

Mr L J Fourie, general manager of Triomf Fertilizer Investments, said "donkey work should be mechanised and employees should be used to control and to help maintain the machines" wherever feasible.

EDITORIAL



OPINION

EQUAL PAY

ONCE again the Durban City Council is dragging its feet lamentably on the question of equal pay for equal work, regardless of the colour of the worker.

To its credit (or was it shamed into action?) the Council agreed last July to pay equal salaries to Black and White doctors in municipal service; but the move came years after Cape Town, Johannesburg and Port Elizabeth had adopted the same policy.

Pietermaritzburg is currently investigating the cost of extending the principle of equal pay for equal work to all its municipal employees. But in Durban the issue is still something of a hot potato, with plenty of vague avowals of good intent but precious little action.

Tuesday's debate on a proposal to create six posts for Coloured and Indian learner draughtsmen afforded an example of the muddled thinking of some councillors on what is surely a point of elementary fairness.

Mrs. Sybil Hotz, who was largely responsible for getting the Council to equalise doctors' pay and has also called for an investigation into discriminatory leave practices, thought it wrong that Coloured and Indian draughtsmen should be on a scale of R1 575 to R2 331 a year while Whites doing the same work were paid R2 253 to R3 873 a year.

Few would agree with Mr. Robin Thompson's view that the disparity is not large, while his argument that "if we can get people to do the job at this salary we would be totally irresponsible to pay any more, regardless of the colour of a man's skin," harks back to the dark ages of labour policy. It is also beside the point, which is that by passing the resolution the Council is reaffirming the principle that a White draughtsman is worth more than a Coloured or Indian draughtsman just because he is White. If anything is "totally irresponsible," that is.

Mr. Ron Williams may be right in saying that the pay offered on the lower scale is good for the type of work done and that Whites should not be paid more either. But unless he is willing to propose that White salaries should be reduced to the lower scale, he remains open to the charge of supporting discriminatory pay policies.

A realistic rate for the job, as Mr. Rob Olufsen suggested, cannot be found until the artificial barriers that inflate White salaries are removed.

The Council probably did the right thing in creating six openings for Indians and Coloureds, even at discriminatory rates of pay, but the sooner it moves decisively to end this sort of discrimination the better.

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Projected labour costs soar

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JOHANNESBURG—Projected labour costs for next year are 173 percent of the 1970 costs in the case of a banking operation. The wage bill of a manufacturer, who employs many more Blacks, will be 190 percent of its 1970 equivalent in 1976.

The figures come from the case studies presented yesterday at a symposium here on the manpower cost explosion, held by the National Development and Management Foundation.

Dr. Dawie Gouws, a personnel consultant, said wages and salaries had been ahead of productivity in South Africa since at least 1963.

From 1963 to 1969 the average increase in wages outside agriculture was 3.6 percent higher than the increase in average real products per worker. From 1970 to 1974 it was 9 percent higher.

From 1970 to 1975, skilled and semi-skilled White men's average basic remuneration rose by 48 percent to R323 a month.

The figure for skilled and semi-skilled Black men rose by 86 percent to R164 a month and the equivalent for Coloured men by 76 percent to R208 a month.

AUTOMATION

In view of rising labour costs, it would become attractive to consider mechanisation and automation wherever reasonable, Dr. Gouws said.

Mr. J. N. Hill, agricultural manager of Tongaat Sugar, said labour costs could account for almost half of total expenditure in sugar farming in South Africa.

Australian sugar farmers managed with less than one tenth of the manpower per thousand tons of cane.

Mr. L. J. Fourie, general manager of Triomf Fertiliser Investments, said: "Donkey work should be mechanised and employees should be used to control and to help maintain the machines wherever feasi-

(Sapa.)

THE WAGE GAP *F.M. 7/11/75* Ever-widening *334*

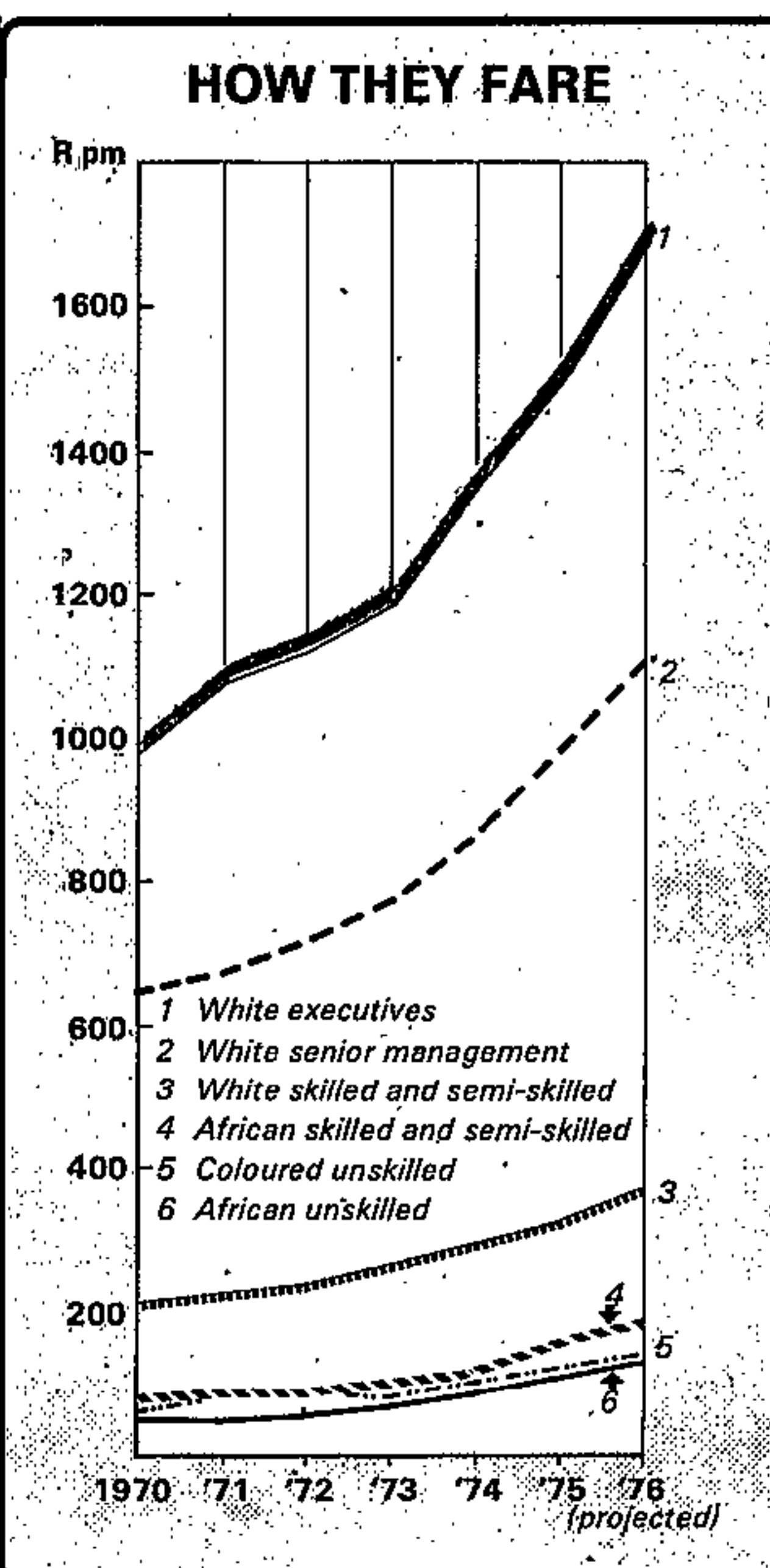
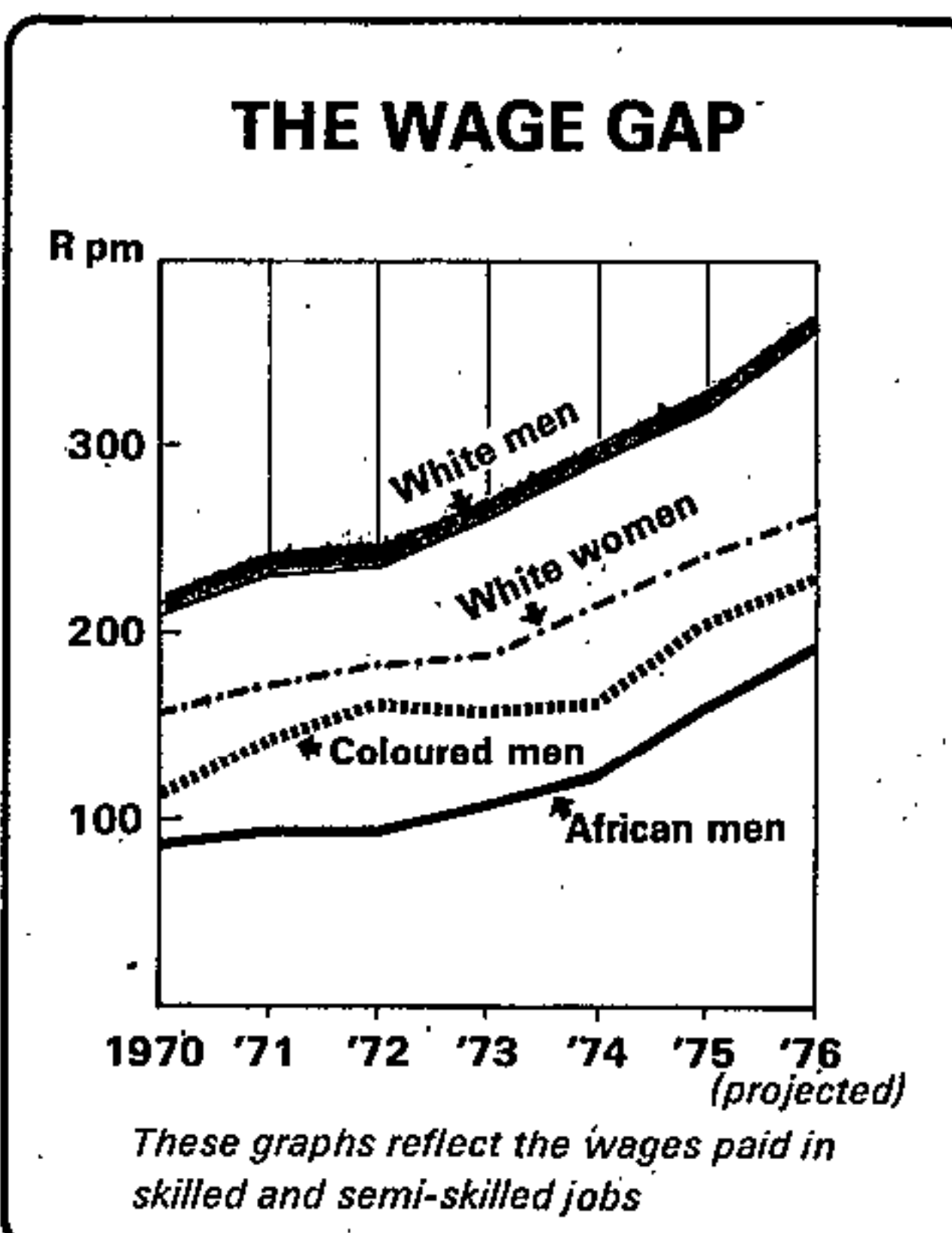
If present pay trends continue, the gap between the wages of White and African skilled and semi-skilled workers is expected to widen from R158 this year to R182 in 1976, according to projections given to an NDMF conference this week by Dr Dawie Gouws, MD of Personnel Consultants.

Of course, whether present rates of pay increase are maintained depends on how successfully the anti-inflation manifesto is implemented. If present rates of increase are maintained, the average White worker in this category will earn

R378 a month next year, against R196 for his African counterpart.

In absolute terms the wage gap will widen, but in ratio terms the African worker in this category will be earning 52% of his White counterpart's wage next year, against 40% in 1970.

Gouws warned the NDMF's "Surviving the Manpower Cost Explosion" conference in Johannesburg that the "ever-increasing gap in absolute money terms will become an important social and political consideration." As



the graph (The wage gap) shows, there are wide pay discrepancies not only between White and African men in the same job categories (skilled and semi-skilled), but also between White men and women, and between Whites and Coloureds.

Using *Peromnes* salary survey data, Gouws makes the following projections of how wages will look next year compared with 1970 levels:

- White men in all categories will be getting between 71% and 73% more in money terms;
- White women will be getting between 62% and 65% more;
- Asian skilled and semi-skilled men will be getting 125% more;
- Skilled and semi-skilled Coloured men will be getting 95% more, and unskilled men 106% more; and
- Skilled and semi-skilled African men will be getting 123% more, and unskilled men 140% more.

Gouws warns, however, that these percentage increases must be considered in relation to their bases.

As the other graph (How they fare) shows, when percentages are translated into actual rands, White executives have got the best deal of all.

Gouws says the "wage explosion" is a phenomenon of the Seventies, more especially of the years since 1973. Productivity is not keeping pace. In the period 1963-69 *per capita* wages were increasing 3,6% faster than *per capita* real output. In 1970-74 the figure was 9% — "and the gap was markedly increasing."

"Something will have to be done to combat and correct the imbalance between production increases and wage increases."

ON CRC BUDGET

W/E ARGUS 8/11/75

By Rashid Seria

SIGNIFICANT pledges of support for Mr Sonny Leon's action in refusing to pass the R158-million Budget of the Coloured Representative Council (CRC) have come from Coloured quarters throughout the country.

At its meeting in Kimberley today, the national executive committee of the Labour Party, representative of the party's regions throughout the country, unanimously supported Mr Leon's stand.

The committee condemned the move 'to create confusion among the Coloured people and discredit the Labour Party'.

In addition, Mrs Leon said her husband had received a number of telegrams and telephone calls pledging support for his stand.

Statement

But the most important official statement on the Budget crisis has come from a major teachers' association whose members are affected directly by the deadlock between the Government and the CRC Executive.

The Cape Professional Teachers' Association, the country's biggest Coloured teachers' organisation, said this week in its statement:

'If Mr Leon's refusal to sign the Budget once again brings to the notice of the authorities the dissatisfaction against the discrimination in salaries and the allocation of funds, then it serves a good purpose.

'The CPTA has consistently brought to the attention of the authorities

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W/E ARGUS 8/11/75

BACKING FOR STAND ON BUDGET

(Continued from Page 1)

CRC Executive will find a way out of the present deadlock soon so that the teachers and civil servants will receive their pay cheques.

The CPTA is officially recognised by the Administration of Coloured Affairs as the representative body of the Cape's teachers. Of the 20 000 Coloured teachers in the country, 13 000 are in the Cape.

Howa

Mr Hassan Howa, a leading sports administrator, said the Government should not think the people were so naive to think the Budget deadlock was Mr Leon's fault.

'The whole system is to blame. They speak about being separate and equal, but they want Mr Leon to pass a discriminatory budget.'

Mr Adam Small, poet, writer and former lecturer at UWC, said:

'The whole thing is becoming ridiculous. This kind of crisis situation can't go on for ever. The only way out is the big way out — and that's equality.'

Mr N. S. Kearns, president of the SA Coloured Ex-servicemen's Legion, said he stood by Mr Leon in principle 'because he had honesty of purpose.'

Mr Issa Moosa, a prominent civic leader and the man who headed the fight against Cape Town's recent bus fare increases, said he fully supported Mr Leon's stand.

The Rev Abel Hendricks, president of the Methodist Church of South Africa, said the CRC Executive was calling on the people to make sacrifices.

'I don't see how anyone can disagree with Mr Leon on this matter because he is confronting the Government on an issue of equality. I think the Federal Party's leader, Mr Bergins, is losing sight of the principle at stake and is more concerned about personalities. Individuals are not important when it comes to a cause.'

The strongest opposition to Mr Leon's stand has come from the Federal Party's leader, Mr W. J. Bergins, who today called on the Minister of Coloured Relations, Dr S. W. van der Merwe, to dismiss Mr Leon from his post.

Meanwhile, Tos Wentzel, Weekend Argus Political Correspondent, reports that the Minister of Coloured Relations, Dr van der Merwe, may intervene soon to prevent chaos in the finances of the Administration of Coloured Affairs because of the Budget deadlock.

There is now a strong possibility that the Minister may implement the Budget himself or appoint someone else to do it.

Mr Leon has refused to accept a directive from Dr van der Merwe to implement the Budget and top officials in the department have indicated that money has run out and that funds are not available to prepare payments to 25 000 employees of the department, most of them

teachers, and 148 000 grantees.

Dr van der Merwe has the right to implement the Budget himself, but he has so far remained adamant that Mr Leon should do so.

'Duty'

Speaking from Pretoria today he said he would be watching the position next week and if the payment of salaries or grants were delayed, the Government would act accordingly.

It was the Government's duty to intervene if Mr Leon did not act and chaos came about, but delays in payments being made and consequent suffering would not be its fault. He feared that inconvenience to some Coloured people could probably not be prevented.

The Minister made it clear that he put the blame on Mr Leon, whom, he said, should have realised that the position of executive chairman of the CRC carried privileges as well as duties.

Support for Mr Leon's stand has also come from Mr Jakes Gerwel, a lecturer in Nederlands and Afrikaans at the University of Western Cape; Rev Abel Hendricks, the president of the Methodist Church in South Africa; Mr E. G. Rooks, the leader of the Social Democratic Party and a former opponent of the Labour Party in the CRC; Mr N. Kearns, the president of the SA Coloured Ex-Servicemen's legion; and Mr Issa Moosa, a prominent civic leader and the man who headed the fight in Cape Town against the recent bus fare increases.

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The problem of absentee mothers

● The rising cost of living and growing pressure on the land in the homelands are the causes.

● Increasing migration of Black women into White areas in search of work is the effect.

● An unknown number of part-time orphans is the result.

"Even if we assume that only half of all the women migrants have got families, that still leaves considerable numbers of children without mothers — and probably without fathers as well — for extended periods while they grow up," said Mrs Nattrass.

They will of course be cared for. But it hardly needs pointing out that grandparents, older brothers and sisters, or aunts already loaded with their own children cannot properly fill the roles of absent parents.

Family

Mrs Nattrass emphasised that she is an economist, not a sociologist, and also that very little work had been done on female labour migration.

Nevertheless, her figures give an insight into women's predicament in the labour migration system that is forced on so many Black South Africans.

The total, official number of female migrant workers in 1970 was more than a quarter of a million. By now this figure will have grown, and it could be more than a little inaccurate anyway because of illegal migration.

"As it has become more difficult to migrate through the legal channels, so the incentive to migrate illegally has increased," said Mrs Nattrass.

Of all the women migrants in 1970, less than 50 000 were younger than 20, which means that the great majority can be presumed to be mothers.

Money

None at all, according to the population census, were older

Jill Nattrass, a lecturer in economics at the University of Natal, is working on a doctorate on the migrant labour system and talks about a growing new class of labour migrants — women, reports SALLY ANTROBUS.



MRS JILL NATTRASS
— insight into women's predicament.

need schooling that makes rural women join the urban labour pool — just when children need them most.

Their desire not to be too far from home and children emerges through a look at the geography of female migration.

The percentage of men migrants in different kinds of industry — except mining because of the great number of foreign labourers — does not vary much with the tribal allegiance or home district of the workers.

"Women, on the other hand, are very sensitive to districts and distances," said Mrs Nattrass. "From the big outlying districts there are hardly any women migrating because they would have to go such a long way away to find

get home over weekends and days off."

To make it worse, women migrants earn less than men in most jobs. In the professional sector — nursing and teaching mainly — women earn salaries that are only 67 percent as high as the men's (in the Durban area).

In selling and some skilled jobs, which involve only five percent of women as against 14 percent of men, their wages are 63 percent as high as men's.

And in unskilled jobs, where most women migrants are working, their average wages are just over half what unskilled men earn.

It is only women domestics who earn more than men domestics — because women may be up to 50 years old, while men working in this sector are generally very young.

System

On average, Black women are slightly better educated than men, but the benefits of more years of schooling for women in the homelands are lost with migration, because it is the better educated people who leave first in search of urban work, according to Mrs Nattrass's study.

"There is little doubt that the modern sector of South Africa has, up to date, benefited substantially from the perpetuation of the system," she said.

"And it seems inevitable that the system will continue for a long time, for as long as people's survival depends on remittances from urban workers.

① 200
② 202
③ 209
④ Soc. Sec. - Childcare
⑤ 281
⑥ 334

Railway pay rises would cost R150m

Cape Times 12/11/75
Own Correspondent

(1) 266 (2) 334

PRETORIA.—Railway trade unionists claimed yesterday that increases of at least 20 percent would have to be granted to the 10 000 White railway workers, at the latest from the beginning of April next year.

The consequences, they warned, would be serious if their increases were delayed beyond this point.

In July, 1974, railway workers, with other public sector workers were given rises of between 12 and 15 percent. The railways increases amounted to R111 million a year.

On this basis the Minister of Transport, Mr Laurens Muller will have to make provision for an amount of about R150 million, if he agrees to the 20 percent increase for White and Black workers. There are 130 000 Black workers.

URGENT NEED

Earlier this week the Railways Police Staff Association met the Minister and discussed the urgent need for cost of living relief. Next week the Salaried Staff Association will have discussions, which will include pay rises, with Mr Muller.

The president of the Artisan Staff Association, Mr Jimmy Zurich, said the ASA told the Minister a month ago they expected increases of at least 20 percent from April next year.

From other railway sources it was learnt that

the Rates Equalization Fund now stands at about R80 million. This is enough to absorb the expected heavy deficit for the 1975-76 financial year which could reach R40 million.

If increase of the order of 20 percent are to be granted to railway workers, the Minister will have to find the funds elsewhere and the only source is from higher rates, authorities in Pretoria claimed yesterday.

STAR 13/11/78

Pay rise for bank workers

Labour Reporter

Bank employees are to get an 8.5 percent pay rise in January, an informed source in Johannesburg disclosed today.

The rise has been negotiated by the South African Society of Bank Officials for the 22 000 members of its own and associated trade unions.

But it is expected to have a strong ripple effect on bank and building society employees outside Standard Bank and Barclays Bank which employ the 22 000 union members.

Mr Andre Malherbe, general secretary of SASBO, confirmed that negotiations for a pay rise due on January 1 had been concluded.

But he refused to confirm the extent of the increase because, he said, that was regarded as confidential.

He said the rise was a cost of living adjustment to salary scales and did not affect notch-to-notch increases.

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MPs attack minimum wage resolution

Cape Times

15/11/75

Own Correspondent

BLOEMFONTEIN. — A call for a statutory minimum living wage for workers was attacked by two MPs at the United Party's national congress yesterday.

But after a debate, the congress adopted a resolution, with six votes against, calling on the Government to fix real minimum wages for each category of workers.

The move was attacked by the MP for Albany, Mr Bill Deacon, and for King William's Town, Mr S A "Boet" van den Heever.

Mr Deacon said that if minimum wages were fixed by law, many workers would lose their jobs because many employers would not be able to afford higher wages.

Mr Van den Heever said

the move was a step towards socialism. Also, higher wages without an increase in productivity would contribute to inflation.

Miss Annette Reyneke, MPC, replied that minimum wages had nothing to do with socialism, she added.

Besides Mr Deacon and Mr Van den Heever, Mr John Wiley, MP for Simonstown, voted against the resolution.

One delegate, Mr R Roos from Rondebosch, said major newspaper groups, including SAAN, Argus, Perskor, the Cape Times and the Natal Mercury, were not paying wages above latest poverty datum lines figures.

"I say Sir De Villiers has all the more reason for taking over the Sunday Times," he added.

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Wages *rising 17/10/75* up to meet fares

African Affairs
Reporter

THE RESIDENTS of Ezakheni township in Ladysmith are pleased with the response of employers who have increased the wages to meet new bus fares.

The bus fares between Ladysmith and Ezakheni have been raised by 6 cents a trip, but the majority of employers have raised wages by R1.50 a week to cover the increase.

A prominent businessman in the area told the Mercury that the generosity of the employers had been welcomed by the community.

He pointed out that the residents were very grateful to the Madadeni residents who had boycotted the buses and, as a result, Mr. Punt Janson, the Deputy Minister for Bantu Administration, who had appealed to employers in Ladysmith to increase wages so that the workers could meet the new fares.

All was quiet in the Ezakheni township yesterday where a few isolated incidents erupted at the end of last week when the new fares were announced.

A few buses were stoned, but businessmen in the township said it was the work of "a tsotsi element."

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3. 313
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Pay claims of 10% are expected

August 20/11/75

Mercury Correspondent

PRETORIA — Senior Government officials expect an across-the-board increase in salaries and wages in the public sector of at least 10 percent from April next year.

The Government's total wage and salary bill for the State departments — including police, prisons and SADF personnel and provincial administrations — amounts to more than R150-million a year.

This means that if the minimum expectation of public servants is met, the Minister of Finance, Senator Horwood will have to make provision for an additional expenditure of R150-million in the 1976-77 budget.

The R150-million, according to economists, would be almost totally inflationary money as little if any increase in productivity could be expected from the public service.

Public sector workers got their last increases in July, 1974.

The Government, according to authorities in Pretoria, dare not delay increases beyond next April. To do so would be to risk an increase in the already disturbingly high resignation rate in the service.

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Dispute: appeal to UK

1. 66.
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4. 149

Own Correspondent

DURBAN — The British Trades Union Council (TUC) is to be asked to intervene in the two-year struggle for recognition by an African union in the Leyland Motor Corporation — a wholly-owned subsidiary of the recently-nationalised British giant.

This move follows a refusal by the British Labour Government to force the company, which it now controls, to recognise and negotiate with an African union with a claimed 95 percent representation in the Durban plant.

The Union is the Metal and Allied Workers' Union.

A British Government spokesman told The Star's London Bureau that the Government did not interfere in the day-to-day running of any of the nationalised industries or corporations.

According to a memorandum recently prepared by union secretary, Mr Alphets Mthetwa, the union has been 95 percent representative in the Durban plant since June 1973.

Following unsuccessful representations to the management for recognition of their union representatives, the workers went on strike in February 1974 and were all fired.

All but the leaders were subsequently rehired. The management's attempts to replace the leaders with new labour were met with repeated work stoppages and they eventually abandoned the plan.

Mr Mthetwa claims the company fired a man recruiting for the union in the Johannesburg plant and made it clear to the workers that it was done to deter them from joining the union.

Following the nationalisation of the parent company, the then South African chairman, Mr Basil

Landau, said the company's policies here were "accepted in good faith" and there was no cause for pressure to amend them.

He maintained there had been a tremendous improvement in wages.

Mr Mthetwa says that wages are of secondary significance to the workers.

SA must provide system

ARGUS

21/11/75

1. 134
2. 62A
3. 334

The Argus Correspondent

SALISBURY. — South Africa must provide for a system of industrial partnership between organised management and organised labour, Dr Zach de Beer, an executive director of the Anglo American Corporation of South Africa, said here.

Speaking at a seminar on labour relations in Salisbury Dr de Beer, who is head of his corporation's manpower resources division, said: 'We should not consider that we have unlimited time.'

Referring to the 1973 strikes and the disturbances on the gold mines this year, Dr de Beer said: 'A situation already exists in which all of us stand to lose unless we develop a partnership based on truth and trust demands full disclosure.'

The world was one of change and there was a need for human institutions to keep pace with technological, economic and political development, and social change that included a revolution of rising expectations, he said.

COURSE

South Africa was further back up the road than the highly industrialised countries and should not pursue the course those countries had followed simply because they had followed it.

'We should recognise that our task is not identical with theirs, but overall, and in the long run, the same kind of change is taking place here as there.'

He said in South Africa the question of trade unions for Blacks was a controversial one. Unions were not outlawed, but neither were they recognised in legislation for bargaining purposes.

RIGHTS

'However, some of us regard the extension of such rights to Blacks as inevitable and necessary,' he said.

There was a vital need for South Africa to have an objective comprehensive colour-blind job evaluation system, he said.

Finance

ical influences. If, however, a functioning partnership between management and labour Black and White, can be achieved in South Africa, then the political strains of the coming decade can be faced with vastly more confidence,' he said.

'The trend has been for White wages to go too high and Black wages to stay too low, resulting in over-valuation of some jobs and under-valuation of others.'

Anglo American and De Beers had introduced a job evaluation and wage setting system with good results, and the system had been adopted throughout the gold, coal and diamond mining industries.

PARTNER

Dr de Beer said that however much a business wished to be non-political, it was found in practice that in any business of any size, government was in fact a partner.

While labour relations should be bilateral, government would generally exert influence and had to intervene if there was persistent trouble.

'Accordingly, it is starry-eyed to ignore polit-

November 21, 1975.

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Those with a lot may get only a little

By JOHN IMRIE

THE wage restraint agreed to by trade unions as their contribution to the anti-inflation programme may be extended to high-income employees.

The Minister of Economic Affairs, Mr. Chris Heunis, confirmed yesterday that proposals for this were discussed this week by the special committee set up to monitor the progress of the anti-inflation campaign, but said no decision had been reached.

I understand it was proposed that:

- People earning more than R15 000 a year should be asked to go without a salary increase altogether during the six-month wage restraint period October to March;

- Those earning between R12 000 and R15 000 should be asked to absorb three-quarters of the increase in the cost of living, by accepting a wage rise equivalent of only 25 per cent of the rise in the Consumer Price Index;

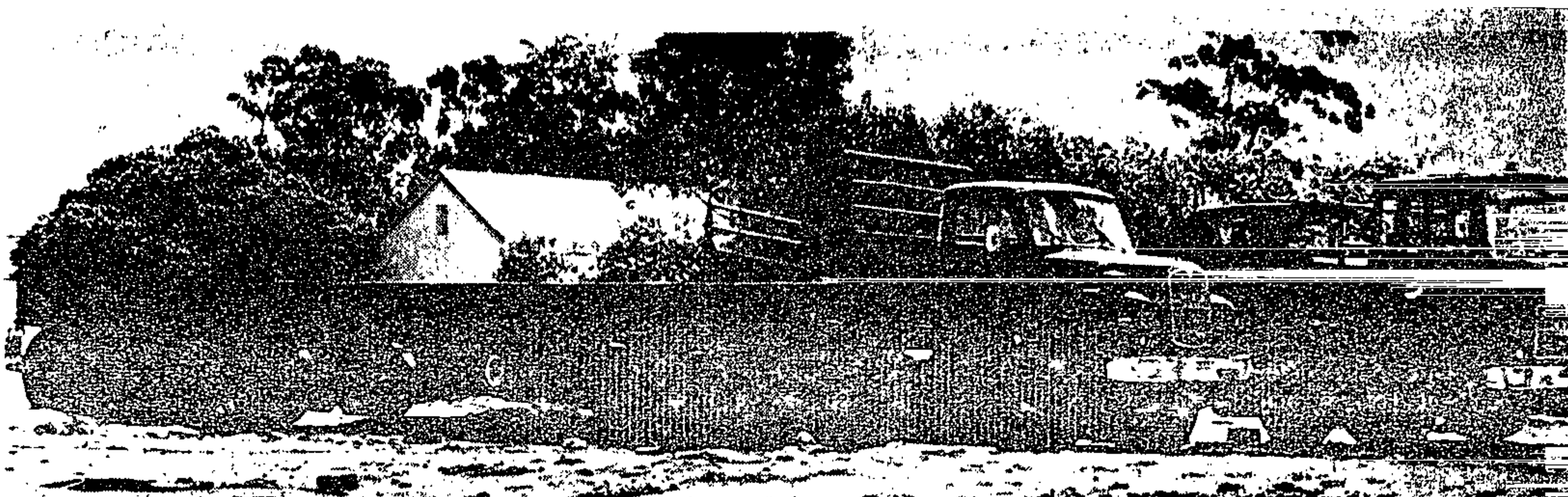
- Those earning between R9 000 and R12 000 should be asked to absorb half of the cost of living increase, by limiting their wage demands to 50 per cent of the rise in the CPI.

Pressure for these "sacrifices" to be extended to higher paid employees is said to have come from the trade union movement, which has committed its membership mainly people earning well below R9 000 a year to limit their wage demands to 70 per cent of the rise in the CPI, a "wage rise sacrifice" of 30 per cent.

The feeling among trade unionists is that it is only equitable that higher-paid workers should make a proportionately greater sacrifice.

The committee, which represents Government, employers and trade union leaders, is said to have been in favour of the proposals but the final decision rests with the Government.

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Some drivers of heavy vehicles like these get paid less than the minimum prescribed wage of R40 a week.

*SUNDAY TIMES (Extra)
23/11/75*

1. 314
2. 326
3. 334

Truckers are paid pittance

By NORMAN WEST

CERTAIN employers of heavy vehicle transport drivers are paying their workers only the minimum wage prescribed by the Department of Labour, irrespective of years of service, and some pay their workers even less than this, I established this week.

Workers who are most exposed to this type of exploitation are those who work for firms which refuse to co-operate with the Tramway and Omnibus Workers' Union and the Transport Workers' Union (Coloureds and Asian) by not allowing their workers stop-order facilities, I am told.

These workers, therefore, have very little direct union protection, although they may lodge complaints with the Department of Labour, which few of them normally do.

This is because they are not articulate enough to voice their grievances themselves, and because they fear recriminations from their employers, I am told.

Spokesman

A spokesman for the Department of Labour told the SUNDAY TIMES that the minimum wage paid to transport drivers is determined according to the mass of the vehicles they drive.

As an example, he mentioned that the minimum wage of a driver of a truck with a mass not exceeding 2 040 kg is R20 (about the weight of a 11-ton truck) R30 for a driver of a truck which weighs not more than 5 500 kg (about four tons) R35 for a driver of

PROBE INTO WAGES IS URGED

of heavy vehicle drivers who are not protected by the TWC in Cape Town and has pledged himself to fight for a fairer deal for these people.

Mr Jacobs gave the SUNDAY TIMES, as an example, the results of his investigation into the wages paid by one particular transport company.

We have confirmed the information given us and established this week that out of the 18-odd drivers the firm employ, and who drive trucks from 18 tons to 60 tons, only five of them earn R40 a week and none earn more than R40.

Here are the names of the drivers with the weight of the vehicles they drive in brackets:

D Domingo (20), J Andrews (60), A du Toit (35), A Clark (60), J Sonders (35), S Petersen

they have approached their bosses individually, but had no success.

Mr Cornelius Abrahams, 46, a father of six, drives a 35-ton truck and sometimes a 65-tonner all over the Republic, delivering heavy machinery and other goods and yet earns only R30 a week.

Mr Japie Andrews is slightly better off than Mr Abrahams, although not happy at all with his pay packet of R40 a week which he receives after seven years' service driving a 60-ton horse and trailer.

Because Mr Daniel Domingo has been granted the privilege to live in the small house on the grounds and combines his task as a driver of a 18-ton vehicle during the day with being caretaker and watchman during the night, his employer pays

bags fell off the truck and burst open. He tried his best to retrieve as much of the spillage and continued the journey.

On his return, he reported the incident to his employer who promptly deducted R40 — his total wages for one week — from his wages that month.

He laid a complaint at the Labour Bureau in Somerset West, was advised to return to work and immediately demoted to assistant mechanic.

He now earns R10 less than before and believes it is because he had complained.

Allowance

The drivers tell me that on trips which had taken them all over the Republic and across the borders, they receive only R3 per day subsistence and their helper, usually an African, receives R1,50.

They are most often forced to overspend on these long trips and this money was then deducted from their wages which left them worse-off had they not been sent away from home. Their employers have refused to increase the allowance.

Vulnerable

They have no cloakroom and all 18 of them have to share the one toilet with the Domingo family



Mr Cornelius Abrahams paid R30 driving a 35-tonner

Mr Japie Andrews R40 for driving a 60-ton truck

MoH on poor Coloured conditions

THE social and economic conditions of the Coloured people in Cape Town are on the whole unsatisfactory with malnutrition, a high illegitimacy rate and poor housing, according to the Medical Officer of Health, Dr R. M. Langerman.

The report, which covers 1974, outlines the social and economic differences between Cape Town's White community, its Black inhabitants and the Coloured people.

Dr Langerman goes on: 'A section of them (the Coloured people) are skilled tradesmen and earn good wages, but the majority are unskilled labourers and many of the men earn less than R20 a week in full employment.'

INCOME

'The family income may be augmented where possible by earnings brought in by the wife and children. The measures taken for the prevention and relief of distress are inadequate, and there is no compulsory insurance against sickness.'

The Coloured make up the majority of the residents in Cape Town. In 1974 there were 246 200 White people, 443 710 Coloured people and 95 000 Blacks living in the Peninsula.

MALNUTRITION

The report adds: 'There is much malnutrition among the Coloured people. Housing, apart from municipal schemes, is expensive and poor.'

'The social and cultural level is low but is showing signs of steady improvement.'

'The principle of compulsory education does not as yet apply to non-Whites. The illegitimacy rate is high and venereal disease is rife.'

'The social contrast between Whites and Cape Coloured people can be expressed by the statement that whereas among the Whites it is only a small minority who belong in the depressed classes. Among the Coloured it is the majority

HOUSING

'The same contrast is seen in housing conditions. A small minority of Whites live in overcrowded conditions, but the majority of the Coloured people do.'

The report says the various sections of the community are 'to a great extent inter-mingled.'

It adds: 'There is nothing approaching complete segregation of the races.'

The report says that the Department of Community Development's attempts to unscramble the present 'hotch-potch of White and non-White areas' is placing an additional strain on the municipality's attempt to reduce overcrowding and slum clearance.

MORTALITY RATE

The infant mortality rates, regarded as one of the most sensitive indexes of health conditions of a community, show that in 1974, 43 White infants under the age of one year died.

However, 526 Coloured babies and 296 Black babies under one year died in the same period.

The death rate for every 1 000 live births is 12.0 for Whites, 38.9 for Coloured people, 68.7 for Blacks and 29.1 for Asiatics.

The principal cause of death among non-Whites is gastro-enteritis. Among White babies, it is prematurity.

1. Health + Disease - Nutritional Disorders

334

424

85

Health + Disease - Venereal Disease

238

Unequal pay 'a³³⁴ burden to Blacks'

Own Correspondent

GRAHAMSTOWN. — Disparities in the rates of pay contributed more to the difficulties of the Black woman in South Africa than any other factor, said Mrs Margaret Naidoo, a Johannesburg Indian.

Mrs Naidoo, the first Indian woman to stand for election to an Indian management committee in South Africa and chairman of the Voice of Women, spoke on women at work in the community during the afternoon session of the International Conference of Women in Grahamstown yesterday.

Mrs Naidoo asked delegates whether they have ever considered the effect it had on Black women when their men were placed in subservient positions at work regardless of their age, qualifications or experience and have to take instructions from a younger, inexperienced and at times arrogant man who was elevated only because of the colour of his skin.

CANNOT VENT

Mrs Naidoo said: "The Black man cannot vent his frustrations at work because he must safeguard his part of the piece of bread. So he stores it all until he comes home and the little woman gets it in the neck."

Discussing the role of women she said: "I wonder how many women if offered the choice would be reborn women. I am certain, however, that many Black women forced by circumstance to exercise economic and social dominance long for the opportunity to devote more time to their traditional roles as wives and mothers and would be less inclined to desire a redistribution of sexual roles if given a choice."

Mrs Naidoo said whenever the Indians in South Africa have been given opportunities they have proved their dedication, their conscientiousness and loyalty to the soil of South Africa.

STAR

28/1/75

Cheques for Blacks call

Labour Reporter

Employers should give Black workers the option of receiving wages and bonuses by cheque to safeguard them

against robbery and possible injury.

But employers should explain the mechanics of cheques and savings accounts to workers and leave the individual worker to make his choice.

Black labour leaders approached by The Star welcomed the move by Roberts Construction to pay its 15 000 Transvaal-based Black employees' leave pay and holiday bonus by cheque this year.

"But it must be borne in mind that although most Black workers have savings accounts at banks or building societies, many have not received cheques before," said Mrs Jane Hlogwane of the Engineering and Allied Workers' Union.

"It could also be a disservice to low-paid labourers if they were expected to accept their weekly wages by cheque when these wages are so low that they are spent almost immediately on the week's requirements," she said.

Mrs Lucy Mvubelo pointed out that cheques deposited in building society savings accounts are held for up to 14 days before the account is credited.

A spokesman for Roberts Construction said these matters had been explained to the workers and the response had been favourable.

(1) 33
(2) 334

Millions paid in bonuses

Millions of rands in holiday and bonus payments are being paid out from today to workers in the building, furniture, clothing and other industries.

Workers in many large industries will not suffer the fate of some office workers and executives whose Christmas bonuses are to be shaved down owing to the economic slowdown.

From next week, factory workers and artisans will go on a massive spending spree and will pump millions of rands into circulation.

About 15 000 artisans and 80 000 other employees in the Transvaal building industry will receive about R12-million in leave pay and bonuses up to next Friday when the industry closes for the festive season.

Between 400 and 500 artisans converged on the Milner Park showgrounds today to receive their cheques.

Arrangements have been made this year for thousands of others to receive cheques from their employers.

"We don't foresee any problems in paying out this year," said a spokesman for the Industrial Council for the Building Industry.

On Monday, the 24 000 workers in the Transvaal furniture industry will start receiving about R3,7-million. Office workers will also receive bonuses.

Furniture and bedding factories have to close by December 19, but most will close a week early. Workers will have three weeks' leave.

CLOTHING

The 25 000 employees of the Transvaal Clothing Industry will collect more than R1,25-million in holiday pay and will go on three or four weeks leave.

The Johannesburg Chamber of Commerce predicts that South Africans will spend about R1 288-million in November and December — R180-million more than last year.

Retailers expect Christmas spending to increase gradually, reaching a peak of R40-million a day nationally in the last few days before the holiday.

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Check Black pay, employers told

ADM 29/11/75

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By GERALD REILLY

THE South African Institute of Race Relations has appealed urgently to employers to review Black wages.

The director of the institute, Mr Fred van Wyk, said yesterday it was feared that some employers might shelter behind the anti-inflation manifesto which provided for a go-slow in wage and salary increases.

It should be emphasised that low-paid workers were specifically excluded from this provision.

Mr Van Wyk said increases granted to the mass of urban Black workers had been swallowed up by the sharp rises in essential foods and other commodities during 1975.

"The prices of bread, mealie meal, milk, and other basic foods on which the vast majority of African families depend have all

gone sky high, and there is no doubt that the number of hungry African families in the major areas is rising.

"If we want to avoid growing friction between Black and White and the grim consequences of labour unrest, the authorities must keep in close touch with the economic situation of urban Blacks," Mr Van Wyk said.

Voluntary organisations were doing a fine job in helping to feed the hungry in the townships, but it would be far healthier if Blacks were placed in a position where their earnings gave them the security every worker merited.

Mr Van Wyk said the vice-president of the institute of Personnel Management, Mr J. Dickerson, said earlier this week that the poor response to the Government's tax concessions for Black training had been "nothing less than pathetic and somewhat alarming."

Mr Van Wyk said if employers were refusing to cooperate in this vital area, the Government should step in and take over the responsibility for raising the earning power of Blacks by industrial training.

BLACK WAGES 'MUST GO UP'

Mercury Correspondent

PRETORIA — The Institute of Race Relations has appealed urgently to employers to review Black wage levels.

The institute's director, Mr. Fred van Wyk, said yesterday it was feared that some employers might shelter behind the anti-inflation manifesto which provided for a curb in wage and salary increases.

But, he said, it should be emphasised that low-paid workers were specifically excluded from this provision.

Mr. van Wyk said increases granted to most urban Black workers had been swallowed by the sharp price rises in essential foods and other commodities this year.

"The price of bread, mealie meal, milk and other basic foods on which the vast majority of African families depend has gone sky high, and there is no doubt that the number of hungry African families in the major areas is rising."

Mr. van Wyk agreed with the chairman of the U.K. - S.A. Trade Association, Mr. William Like, who said in London this week that the implications for South Africa's lower paid workers

would be forbidding if inflation continued.

"If we want to avoid growing friction between Black and White and the grim consequences of labour unrest, the authorities must keep in close touch with the economic situation of urban Blacks," Mr. van Wyk said.

Voluntary organisations were doing a fine job in helping to feed the hungry in the townships, but it would far healthier if Blacks were placed in a position where their earnings gave them the security every worker merited.

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Mr. van Wyk said if employers were refusing to co-operate, the Government should take over the responsibility for raising the earning power of Blacks by industrial training.

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GOVERNMENT MAINTAINING RACE BARS

6/12/75 - Professor

Mercury Correspondent

GRAHAMSTOWN. — Most South African Whites with a social conscience would happily pay an extra 10 percent income tax if they knew the money was earmarked for additional African, Coloured and Indian education and training programmes and a reduction in wage differentials.

This was said at the Women's Convention held in Grahamstown by Professor Hansi Pollak, Professor Emeritus of Social Science from Cape Town, when she spoke on changing social patterns.

She said present Government attitudes were aimed at maintaining and re-enforcing

existing racial divisions in society. Even in the economic field where the races worked together increasing degrees of differentiation and separation had been sought.

Professor Pollak pointed to disparities in salaries between the races.

In spite of recent improvements in the salaries of African women, they still suffer the greatest degree of discrimination particularly in the fields in which most women are employed — teaching, nursing and social work.

The proportion of average pensions received by the four racial groups was: Whites 100, Coloureds 50.4, Indians 48, Africans 17.

The Government in its detente programme had talked of eliminating discrimination but had so far concentrated on petty apartheid, said the professor. Major discriminations such as in education, housing, welfare and pensions, in work and remuneration, remained. The removal of such discrimination could not be effected rapidly because of the great existing differences, but Professor Pollak said, a vigorous and unrelenting programme for their elimination should be pursued. The cost would be considerable.

She said individuals who had the vote have a responsibility to create a White public opinion prepared to accept the challenge of bringing about change and eventual equality.

"But above all it means that Whites must, through taxation, be voluntarily prepared to make material sacrifices.

"But I would not happily pay this extra taxation if the major part of it were to be used — as it is today — for defence and the costs of providing, maintaining and administering discriminatory laws and services," said Professor Pollak.

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Alwyn - information please return

HUMAN SCIENCES RESEARCH COUNCIL

The Hon./Prof./Dr/Rev./Mr/Mrs/Miss

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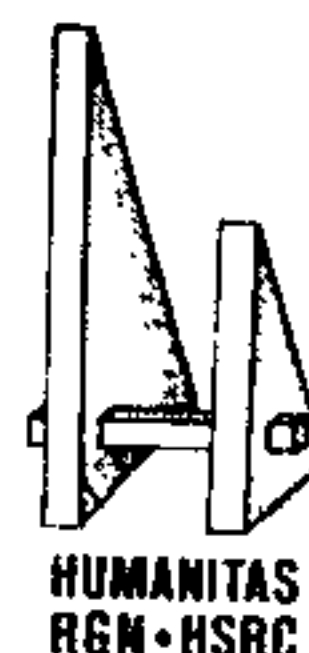
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INSTITUTE FOR MANPOWER RESEARCH
DIRECTOR, MR W. VERHOEF

DECEMBER, 1975



**NATIONAL REGISTER OF NATURAL AND SOCIAL SCIENTISTS
COMMUNICATION NUMBER 10**

The National Register at present contains particulars of 110 000 graduate or similarly qualified persons in the Republic. This Register is an extremely important research instrument, without which the research on the wide variety of occupations pursued by graduates would be well-nigh impossible. The HSRC wishes to thank you sincerely for your cooperation in this regard, as well as for your participation in the regular surveys.

The third salary survey was undertaken in 1975. The survey reveals a considerable increase in the income of graduate men over the period from 1 March 1971 to 1 March 1975, as is shown by the following table.

Employer	MEDIAN INCOME OF MEN (RAND PER ANNUM)			Increase 1971 to 1975
	1 March 1971	1 March 1973	1 March 1975	
Government sector	6 600	6 900 (+ 5%)	9 600 (+39%)	46%
Private sector	6 700	7 800 (+16%)	10 200 (+31%)	52%
Self-employed	12 100	14 100 (+17%)	17 700 (+26%)	46%

There is a great demand for statistical information on salaries and the salary surveys satisfy a real need. The results also find an interesting application in the determination of third-party claims.

A considerable number of graduates enter the labour market with a B.Sc., B.A. or B.Com. degree and no further qualifications. This group's pursuit of an occupation is at present being studied. The B.Com. graduates are self-employed to a greater extent than those in the other two fields of study. Of the B.Com. graduates 13 per cent of the men and 6 per cent of the women are self-employed. The percentages for the B.A. and B.Sc. graduates are 7 and 4 and 7 and 2 respectively.

The teaching profession absorbs a large percentage of the graduates in these fields of study. Of the persons who possess a B.A. as their highest academic qualification, 52 per cent have a teacher's diploma. The percentage for the B.Sc. group is 37 and that for the B.Com. group 15. The B.Com. and B.Sc. graduates are consequently less dependent on teaching as a career than are the B.A. graduates.

REPORTS

The following reports are obtainable from the HSRC:

The Income Structure of Engineers in 1975, M-R-26, price R2,00

The Wage Structure of Highly Qualified Whites as at 1 March 1975, M-R-27, price R2,50

Die Winsgewendheid van Beroepe wat deur Gegraduateerdes beoefen word, 1973, MM 54, price R2,50

CHANGE OF ADDRESS

A card indicating a change of address is enclosed. Please keep the card and complete and return it as soon as this becomes necessary. If your present postal address does not correspond with the above address, please complete the card.

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Pay boost blamed for crime

NM 14/1/76

Court Reporter

HIGHER African wages and the understaffing of police stations can be blamed for the 40 percent increase in criminal cases tried by the Durban Supreme Court in the past year, the Deputy Attorney-General for Natal, Mr. Don Brunette, said yesterday.

Figures released by the Registrar of the Supreme Court show that 319 cases came before the Criminal Sessions in 1974. Last year the figure jumped to 455.

"The environmental conditions have remained constant, so one must look elsewhere for the cause of the increase," Mr. Brunette said.

"Since 1973, when wages were increased, the incidence of crime has risen. The worker now has more money to spend on drink, girlfriends and new things. There are thus more fights and more wage packets to grab."

Mr. Brunette said about 80 to 90 percent of the cases before the Court last year were African murders. There was a low percentage of White cases.

Many police stations are also understaffed. In the smaller towns, everyone knows when one or two members of the small police force are sent to the border, and fewer patrol vans are sent out, he said.

About 200 cases have had to be carried over from last year.

Special courts have been convened to sit during the holiday periods and the Registrar, Mr. Francis Vos, expected to have five fulltime courts in session.

"The criminal sessions are fully booked till April," Mr. Brunette said.

Workers pay 44pc above minimum

384

By Tom Hood
WAGES of unskilled workers in Western Cape factories are now averaging 44 percent above the minimum rates fixed by the Wage Board.

An average of R23,75 a week for unskilled Coloured workers is being paid against the Wage Board's R16,50 minimum.

Unskilled Coloured women factory workers have gained even more. Their average of R21,60 is 66 percent higher than the Wage Board's weekly rate of R12,20.

This is disclosed in the latest salary and wage survey of the Cape Employers' Association.

More than 30 percent of unskilled men now earn more than R24 a week. About 13 percent earn less than R20 a week.

Although the upward trend in unskilled wages continues, the report says it is a matter of some

concern that the gap between unskilled and skilled workers' earnings continues to widen.

The sincerity of the trade unions in supporting the Government's anti-inflation manifesto must remain in question until this process is halted.

Employers, the report adds, cannot afford to relax attention to our unskilled rates if our traditional freedom from labour unrest is to be maintained.

Another matter requiring serious employer consideration is the popularity of escalation clauses tied to the cost of living index.

Besides being a major contributory factor to inflation, these escalation clauses widen the gap between artisan and unskilled rates.

The manifesto signed by the Federated Chamber of Industries, the Steel and Engineering Industries' Federation and other national bodies

could be interpreted as favouring such clauses but on a 70 percent basis for higher-paid personnel. Even this would be an unsatisfactory formula.

If the cost of living increases by 10 percent it adds a greater amount to the pay packet of a person earning R360 a month than to a man earning R100 a month, even if the higher-paid employee gets 70 percent of the rise and the lower-paid gets the full 100 percent.

Ten percent of R360 is R36 and 70 percent of the R36 is R25,20, while the lower-paid worker's rise would be only R10.

The survey also shows that employers are responding to the Prime Minister's call to curb pay rises of workers outside the lower-income groups.

Few changes are reported in normal salaries of higher-paid jobs over six months. Some showed relatively small increases, such as the credit managers' average rising from R723 to R725, and a chief accountant's salary rising R29 to R1 010.

One firm gave normal increments, however, and reported that this was subject to a corresponding reduction in staff. No one was fired to achieve this but as workers left they were not replaced.

How their pay rose

CHANGES in average salaries over six months in Western Cape businesses include:

	Increase	New Rate
Male cashiers	R4	R350
Coloured woman costing clerks	R20	R220
Woman personnel officer	R6	R375
Women timekeepers	R15	R150
Computer operators	R15	R540
Laboratory assistants	R10	R300
Coloured quality control clerks	R14	R248
Buyers	R16	R545
Coloured draughtsmen	R3	R360
Clothes designer	R5	R505
Coloured general foreman	R3	R355
Stores assistant	R4	R462
Motor mechanic	R5	R464
Instrument mechanic	R4	R464
Shorthand typist	R3	R280
Coloured telex operator	R2	R155

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2. 315
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It's back to the land

for growing white bread

ECONOMIST MAGAZINE RELEASES THE GREAT NEWS

RISING African unemployment is being masked by an intensified policy of "endorsing out" the jobless to rural areas — where they must survive another year of recession by subsistence gardening.

White unemployment is also rising — especially in the lower-paid jobs. Thousands more Whites will survive by going "on the dole" this year, but school-leavers have slim hopes of either finding jobs or qualifying for unemployment insurance.

And the only hope the experts offer is the belief that South Africa's recession and deflationary squeeze will get the country out of its economic doldrums in nine months to a year.

This is the dreadful situation depicted by the combined observations of welfare workers, trade unionists and economists in a SUNDAY TRIBUNE survey this week.

"There are just no jobs for most African workers at the moment," said Mrs Solvig Piper of the Black Sash Athlone Advice Centre this week. The Black Sash bureaux assist tens of thousands of Blacks with paper and legal problems each year.

"And now, as soon as the seven-day search limit passes for a man who loses his job, he is endorsed out of the area."

Slackened off

"We noticed an unusual increase in endorsing out during last year as the recession was felt. Then the increase slackened off."

"Now it has intensified again. There is, of course, no alternative employment in the rural areas. These men are sent to, but the labour officials can do nothing about it although they agree the problem is merely being transferred to the country," said Mrs Piper.

"The situation demands, more than ever, a review of the policies and methods governing the Unemployment Insurance Fund."

"Although there is about R150 000 000 in R. I. reserves, we could find only 100 000 000 for the unemployed."

By DEREK TAYLOR

year, who were getting unemployment benefits in Durban," she said.

The last available figures, 1973, show that the Fund paid out £1.1 billion in unemployment benefits, £0.5 billion in illness allowances, £2 million to dependants of deceased contributors and maternity benefits of £1.5 million.

Mrs Piper and the trade unions have also found that many unemployed Black workers do not get the benefits they are entitled to because of ignorance of the Fund's workings and regulations, and because of employees' inefficiency in applying for the essential contribution cards for their employees.

Construction firm

"An example is that of a very large construction firm which paid off a man who had worked for them for six years," said Mrs Piper.

"He was not given his UIF card and was told to come back for it in three months. Meanwhile, he had to return to his home district and could not claim benefits."

"When I approached the firm, I was actually told: 'We can't be bothered with every one of the hundreds of workers we have working at home'."

"When we took this complaint to the Department of Labour, all we got back was a letter saying the card had been applied for — which we knew."

"This is a gross question of injustice and a matter laid down for this kind of irresponsibility."

"Meanwhile, the worker who had contributed to the Fund for six years or more had no hopes of a job or of getting benefits for three months."

"The law does not state that a worker must earn more than R10.00 a week — a clause which is widely regarded as pointless and callously discriminatory."

"The Fund also excludes agricultural workers, domestic servants and 'seasonal' workers."

Equal pay 'too costly' for S.A.

1/3/76. Political Correspondent

NM

CAPE TOWN — The Minister of the Interior, Dr. Connie Mulder, yesterday ruled out the introduction of equal pay for equal work in the public service in the near future.

He said the removal of discrimination could not be considered at this stage because of the cost to the Government. "Such a move would be highly inflationary and not in the interests of the country," he said.

Dr. Mulder said an investigation by the Public Service Commission had revealed that the cost of implementing a single key salary scale for all races would alone cost about R95 million.

To introduce full equal pay for equal work for the country's 400 000 State employees would cost "a few hundred million rands more."

The single salary scale envisaged in the Public Service Commission's report would not be influenced by race and would cover grades ranging from the lowest-paid unskilled workers to the highest officials.

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No equal pay yet, says ^{A.D.M.} 11/17/76 Mulder

Political Correspondent
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He said the move could not be considered at this stage because of the cost to the Government. "Such a move would be highly inflationary and not in the interests of the country."

Dr Mulder said an investigation by the Public Service Commission had revealed that the cost of implementing a single key salary scale for all races would alone be about R95 000 000.

MORE

To introduce full equal pay for equal work for the country's 400 000 State employees would cost "a few hundred million rands more," Dr Mulder said.

Dr Mulder said the envisaged single salary scale would do away with separate pay scales for Whites and Blacks, but would not narrow the wage gap substantially.

He said that the Government's policy on the narrowing of the wage gap where possible remained unchanged, but there was no blueprint or time schedule.

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ST. 29/2/76

Mulder reveals plan for the public service

DR BLACKS

By NICHOLAS VAN OUDTSHOORN

THE GOVERNMENT has plans to drop pay discrimination against Blacks working in the public service.

The scheme will mean equal pay for equal work for all South Africa's 400 000 State employees.

In an interview this week the Minister of the Interior, Dr Connie Mulder said a top-level investigation had revealed that the immediate extra cost of the scheme would be about R95-million.

Dr Mulder said that if the Cabinet gave the go-ahead, public servants of all races would be paid according to specific notches laid down in one key salary scale.

The scale would start at the level of the lowest paid unskilled workers and rise to that of the highest paid officials, such as secretaries of Government departments.

There would be minimum and maximum salary levels for each grade. When the maximum was reached, the employee would move on to the next grade.

Annual increments in each grade would vary, and increase as the grades progressed.

Dr Mulder said: "Each employee will have to be phased into the grade for which he is qualified. There will be one salary scale for the whole public service. It will not be influenced in any way by racial discrimination."

Reliable Government

(1) 624
(2) 252
(3) 334
(4) 306

'Essential to fix minimum wages'

Labour Reporter

South Africa's national minimum or sub-
a strong plea in Johannesburg for mini-
t equivalent to these guidelines — about

334

(2) Poverty - minimum living standards

STARVATION

How can this man support a wife and four children on R42 take-home pay

By TERRY
McCELLIGOTT

DOCTORS have again warned Verulam Town Board that it is paying some of its workers starvation wages, resulting in kwashiorkor, tuberculosis and other illnesses.

In spite of a similar warning last year, two men employed by the Parks and Gardens section are getting only R51 a month — before deductions.

Mr. Subramany Govender has four children. Home for them is one-room corrugated iron shack for which he pays R15 rent. Water streamed down the walls during this week's downpours, dampening the floor on which most of the family sleep.

Disgrace

A leading doctor said this week that such low wages were a disgrace to the Indian-run town.

Meanwhile the Mayor, Mr. Y. S. Chinsamy, a member of the Indian Council, is playing hide

Doctor slams Verulam low wages as TB puts children in hospital

and seek with the Press over this issue. He failed to return my calls to make an appointment this week.

Holiday

Until late last year Mr. Govender was paid R40 a month before deductions. A day's pay is knocked off if the month includes a public holiday.

His take-home pay last month was R41.88. R3.50 was deducted for the days he was off sick and after he paid his rent he had R38 left.

Six employees in the public health department get only R57.50 a month.

A doctor told me that a few months ago the wife and three children of one employee were admitted to hospital with tuberculosis.

Early last year a local doctor appealed to the Town Board to pay reasonable wages. He had treated children of Town Board workers and was shocked at their health. Some had kwashiorkor.

The doctor submitted a report on low-paid employees, including Mr. Govender, to all board members.

It said: "I am sure the board is aware the poverty datum line is about R120. In these circumstances I appeal to the Town Board on humanitarian grounds to pay its employees a reasonable wage."

Rocketed

Since then the cost of living has rocketed and Mr. Govender's rent has gone up from R8 to R15

almost negating the rise in his pay.

Doctors and other medical staff have concentrated since then on giving advice to Town Board employees' families on nutrition and hygiene, helping to cut the illness rate.

"Alcoholics"

When a row blew up over the doctor's warning last year, Mr. Chinsamy issued a statement saying some Indians employed by the Town Board were "either alcoholics or drug addicts" who spent their money on drink and drugs to the neglect of their families, and that the board could not be blamed on the score of low wages.

He also gave a list of wages paid to Indian

labourers and unskilled employees. The lowest wage mentioned was R75.

Regarding kwashiorkor, the doctor said in his report: "I requested the board to get to the underlying cause as I felt kwashiorkor was the result of ignorance on poor feeding, alcohol, poor budgeting, and not the case. It is below-the-line wages."

Manifesto

The Government set a figure of 1000 million as the level in its anti-inflation manifesto. Unionists intend this as a minimum demand in future negotiations, says Mr. Grobbelaar, general secretary of Tucca.

(1) 262 - Natal
(2) 86
(3) 500
(4) 334
15 Health & Soc - Metropolitan Area

Plea to unions on wage claims

By ALAN DUGGAN

THE Minister of Economic Affairs, Mr J C Heunis, yesterday appealed to trade unions to avoid "unrealistic" wage demands while the country laboured under economic stress.

The appeal comes against a background of criticism from trade unions and salaried workers as the country reels from the latest Budget increases.

In an interview in his Cape Town office yesterday Mr Heunis said labour had so far exhibited a responsible attitude.

He hoped trade unions would maintain their restraint in the continuing battle against inflation.

Mr Heunis was unable to say at this stage whether he would recommend an extension of the wage restraint policy after its expiry in September, but said that most of the plans were medium- and long-term anyway, and would be unaffected by expiry dates.

WINNING

The minister's advice to the man in the street was: "Spend your earnings judiciously, work as efficiently as possible and hold on to your job."

South Africa was slowly winning the war against



Mr Heunis

inflation; but caution was necessary and people should not live beyond their means.

One method of combating inflation was by buying South African goods. "From time to time this country suffers from balance of payments problems, I therefore regard it as obligatory in the national interest that everyone give consid-

eration to the idea of buying South African products.

"Our economy will benefit from reduced imports; our balance of payments situation will be far healthier and local industry will be stimulated. And I give my assurance that in many cases locally manufactured commodities compare very favourably with imported products."

For the consumer he had this advice: "You have material short-term sacrifices to make if you want security and long-term benefits. Spend money on the right things and not on things neither you nor the country can afford."

PRODUCTION

Commerce and industry could contribute by applying scientific methods of utilizing labour forces and increasing production.

Continued growth and the maintenance of South Africa's high standard of living was dependent on the curbing of inflation and its reduction to acceptable levels.

On the question of commercial exploitation of inflation the minister said: "I am aware that there are abuses. But these should be eliminated without destroying our system of free enterprise. There are two ways of doing this. Firstly, there can be voluntary action in commerce in adopting a code of business ethics. Then there is Government intervention. Steps have already been taken in regard to price control, control, price binding monopolies."

ENTERPRISE

"What I do want to avoid, however, is much interference which can have the effect of stifling free enterprise. Mr Heunis frequently received complaints from firms who compared prices of commodities in various firms and then claim that those charging more

AFTER THIS WEEK'S BUDGET...

How you're becoming poorer

W/E ARGUS (Bus Argus) 3/4/76

By Tom Hood

A MAN earning a gross salary of R5 000 in 1970 needs to earn just under R10 000 to break even after this week's budget.

Anyone earning R15 000 in 1970 will now need R47 000 merely to raise his standard of living by 2½ percent a year over the period.

The executive or professional man earning R25 000 in 1970 needs R70 000 today merely to stand still and R83 000 if he hopes to increase his purchasing power.

These figures were cited by Mr Bill Glasgow, director of Urwick International, in Cape Town this week at a seminar to discuss the Budget held by the National Development and Management Foundation.

TAX TABLES

Not only has inflation taken its toll, but the tax tables have remained unchanged as people moved up into higher income tax brackets through cost-of-living pay rises

'Few people earning R15 000 in 1970 are getting R47 000 today and anyone earning R25 000 then is unlikely to be receiving as much as R83 000 today,' said Mr Glasgow.

South Africa claimed it was not a socialist state but without doubt an enormous redistribution of wealth had taken place in the past five years and it was accelerating.

Mr Glasgow said the Budget would have no immediate and direct effect on salary and wage levels.

TAX HEDGES

Higher direct and indirect taxation, however, would focus increased attention on legitimate tax hedges, especially for those in the upper income group.

'Experience shows that quite frequently it is possible to replace pre-tax compensation rands with fringe benefits which after tax are just as valuable to the executive.

'Although this is not usually the purpose of the exercise there can often be cash savings to the company as well as in-

creased executive satisfaction.'

In the past five years, movements in the consumer price index and movements of pre-tax salaries were virtually in line.

INFLATION

He forecast inflation averaging at least 12 percent through 1976 and average market levels of salaries and wages for Whites would probably rise by 10 to 12 percent.

For the first time for several years, the strong upward movement in salaries and wages showed some tendency to ease in the last six months.

The Budget left unchanged 'our outmoded tax structure which severely penalises higher income earners and it shows little evidence of making any positive contribution towards reducing the cur-

rent high level of inflation.

'It will, therefore, further narrow after-tax earnings between top management and those at middle and junior levels and accelerate the serious trend towards redistribution of wealth.'

The wage gap between the White and non-White sectors will continue to widen until the latter are equipped to occupy more important and more highly paid jobs.

'As soon as an employer is paying his most unskilled non-White employees a reasonable minimum wage, he should ignore the often advanced but ill-considered viewpoint which says simply "pay them more" but adds no riders such as qualifications, experience, nature of the work being carried out or the level of performance.'

(1) Income

(1) 257

Pay discrimination and poverty wages harm the economy, impede efforts to raise productivity and strike at the very fibre of society.

This was the message conveyed by White experts, including Afrikaner academics, at the "Paypower" convention in Johannesburg earlier this week.

Yesterday, the Black man's own interpretation of the situation drove home the message with sombre clarity and forceful urgency. The Star's labour reporter, SIEGFRIED HANNIG, was there. . . .

STAR 25/3/76

Black pay is poverty pay

"There is a tendency of the Black youth to look beyond the South African borders for something — anything — that might come to his aid," warns Mr G Grey Mdau, a Johannesburg personnel consultant.

He spoke about the Black man's view of pay in South Africa, of the frustration and even "hate for South Africa" generated by his impotence.

"Black pay is seen as poverty pay," he told leading personnel managers at the "Paypower" convention of the Institute of Personnel management in Johannesburg yesterday.

"Yet poverty is costly not only to the Black individual, but to society. Physical and mental disease, delinquency and crime, lowered productivity — all these are cost factors draining the economy.

HOSTILE

"To be poor in an affluent South African society is to have no worth.

"The only conclusion Blacks arrive at is that the pay structure of the South African economy does not only discriminate against them but is hostile

to the Black workers, irrespective of the level they may have reached in skills attainment.

"This tends to make the Black man pessimistic and depressed.

SPECTATOR

"On the lower level in the wage earning category there is indisputable evidence that possession of required skills does not lead to pay equity."

The up-and-coming Black work force of more educated and articulate youth see the possibilities in the economy, the opportunities open to White children.

"For the Black youth, this is something to which he is an outside spectator," Mr Mbau says.

"This makes for a great deal of frustration. It makes for something else — hate for South Africa."

Deprived, depressed and disadvantaged as he is, the Black man is dominated by a sense of powerlessness and pessimism. This generates a personality of poverty in which self-esteem is debased.

This makes him angry and resentful because it is "excruciatingly painful" to be kept at the lowest standard of living.



Mr G Grey Mbau . . . poverty is costly not only to the Black individual, but to society.

to the Black workers, irrespective of the level they may have reached in skills attainment.

"This tends to make the Black man pessimistic and depressed.

"The employer looks upon this process and sees 'lazy' Blacks who 'just don't want to get ahead.' It is because they have been deflated and demotivated."

Mr Mbau called for a new approach to subsistence or minimum living levels — an approach based on the realities of human needs and of the economic and social environments.

These levels — about R110-R120 for Johannesburg — failed to recognise the relative nature of needs, were below what was needed to lead a full and fruitful life, and were deficient in terms of Black aspirations for a decent level of living, education, recreation, contacts with kin and self-development.

Even so-called non-discriminatory pay scales sustain discrimination and poverty, he says.

Citing figures to prove his point, Mr Mbau added that the Black worker received even less than the White woman in the same job.

SKILLS

"Nothing inflicts more pain to the ego of a male Black worker (generally the breadwinner) than to find himself depressingly rewarded compared with a White female worker who may either be a supplementary income generator or a bachelor girl," he said.

"In general Blacks are said to possess no marketable skills. However, if they do possess some de-

But he is also powerless because he does not possess the means to influence his lot for the better.

Mr Mbau called for vigorous Black manpower development education, training and upgrading of skills; efforts to obtain the co-operation of White trade unions to move Blacks upwards; and a convention of employers to map out strategies for pay equity.

"Economic progress of South Africa will be judged not by what it gives to those who already have but by what it gives to those who do not have enough," Mr Mbau said.

Some of Mr Mbau's sentiments were echoed by another Black speaker, Mr Lazarus Mbongwe of the National Development and Management Foundation.

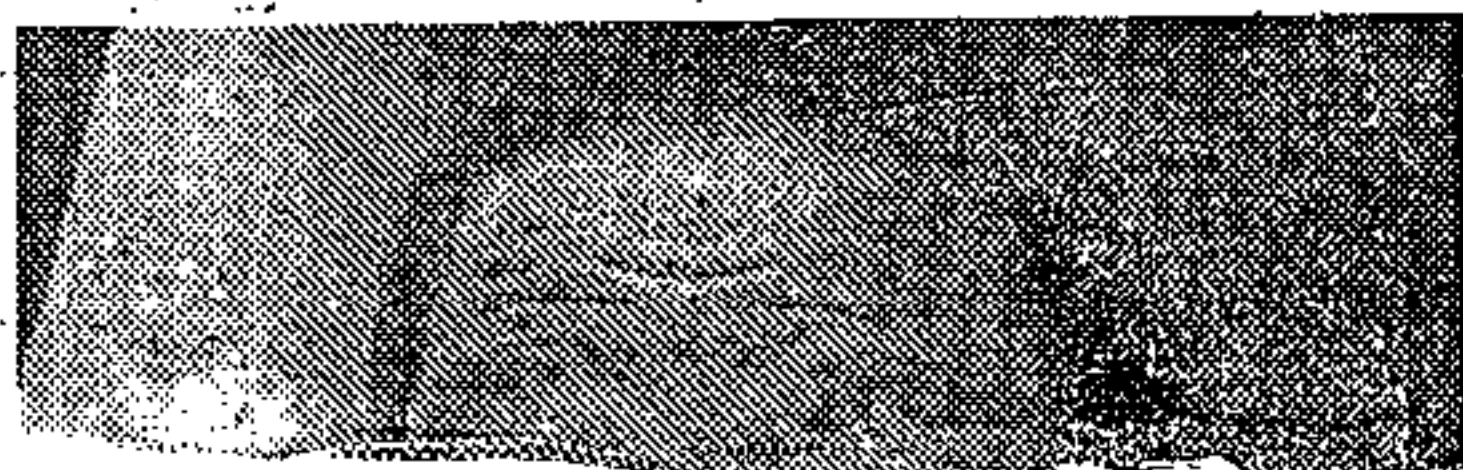
He said Blacks wanted to participate "to the full" in the Western way of life which the Whites had brought them.

"When we are resentful and angry, it is because you are not permitting us this full involvement," Mr Mbongwe said.

"If we are rejecting you it is because you have rejected us by limiting our advancement, by questioning our abilities and by denigrating us.

"You say that we are not as good as you are, yet you deprive us of opportunity. Even when we do achieve and do change, you take no note of this.

"We cannot turn the clock back. We wish to participate in a contemporary community. Some of us accept this completely. Others are more guarded. But we are committed to it," Mr Mbongwe said.



Heunis plea for 3/4/76 NM. wage restraint

Mercury Correspondent

CAPE TOWN — The Minister of Economic Affairs, Mr. J. C. Heunis, yesterday appealed to trade unions to avoid "unrealistic" wage demands while the country laboured under economic stress.

The appeal comes to a background of criticism from trade unions and salaried workers as the country reels from the latest Budget increases.

In an interview in his Cape Town office yesterday, Mr. Heunis said labour had so far exhibited a "thoroughly responsible attitude."

He hoped trade unions would maintain their restraint in the continuing battle against inflation.

Mr. Heunis was unable to say at this stage whether he would recommend an extension of the wage restraint policy after its expiry in September, but pointed out that most of the plans were medium- and long-term anyway, and would be unaffected by expiry dates.

The Minister's advice to the man in the street was: "Spend your earnings judiciously, work as efficiently as possible and hold on to your job."

South Africa was slowly winning the war against inflation but caution was necessary and people should not live beyond their means.

For the consumer he had this advice: "You have material short-term sacrifices to make if you want security and long-term benefits."

"Spend money on the right things and not on things neither you nor the country can afford."

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'Sweeping pay rises are not the answer'

SUNDAY TIMES (Bus. Times) 18/4/76

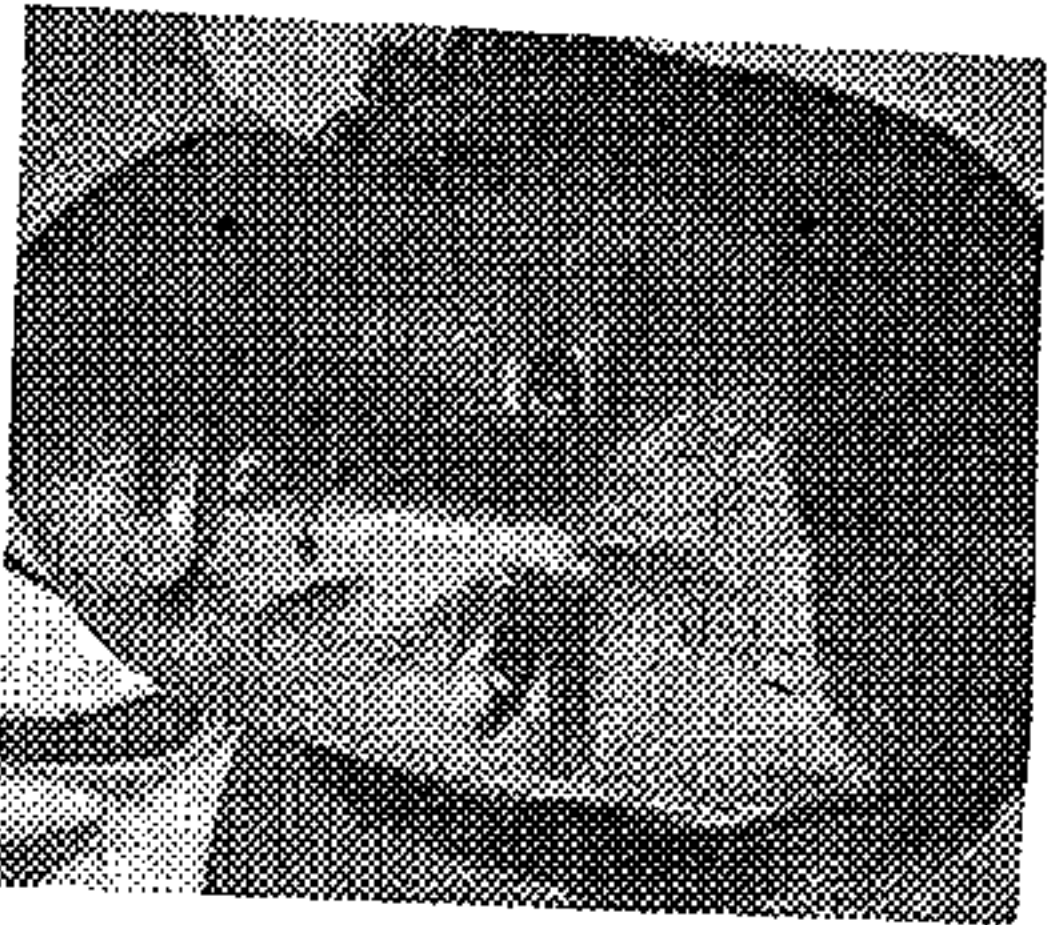
Five-point plan to better the Blacks' lot

MASSIVE across-the-board increases in wages are not the answer to raising Black living standards and industrial productivity, according to a penetrating new study by Professor Christopher Orpen, of the University of the Witwatersrand.

"Under prevailing conditions, increases of this size are likely to result in many Blacks becoming unemployed to result in a rise in the rate of inflation to the point where Black workers will be even worse off than before," he writes.

Instead, he suggests a five-point plan of action:

- Raise wages of the poorest Blacks above subsistence level, regardless of productivity;
- Put top professional and technical Blacks on the same salary scales as Whites;
- Narrow the Black/White wage gap gradually by judicious increases at all job levels;
- Don't aim to pay Blacks at all levels the same as



Professor Orpen

Tony Koerner-mand outlines a plan by Professor Christopher Orpen, head of the division of the organizational psychology at Wits University, for uplifting the living standards

and Black Workers in South Africa.

To improve the level of jobs currently done by Blacks, he writes, it will be necessary to link the two job universes, bridging the gulf between high-level White jobs and low-level Black jobs.

This will require a total restructuring of jobs in the area of overlap between the two universes — by combining job elements in new ways and enriching many of the jobs currently being done by unskilled Blacks.

"But it is not possible to get rid of the two job universes simply by increasing the wages of Black workers," the book says.

Prof Orpen exposes the fallacy in some of the frequently touted arguments for higher Black wages.

One is that higher wages result in improved productivity because they make Black workers more satisfied with their jobs. A recent study by the author showed that if the work situation remained unchanged, wage increases were not likely to be accompanied by a significant job

skilled wages should be about 4 to 1. In highly industrialised countries it is 2 to 1.

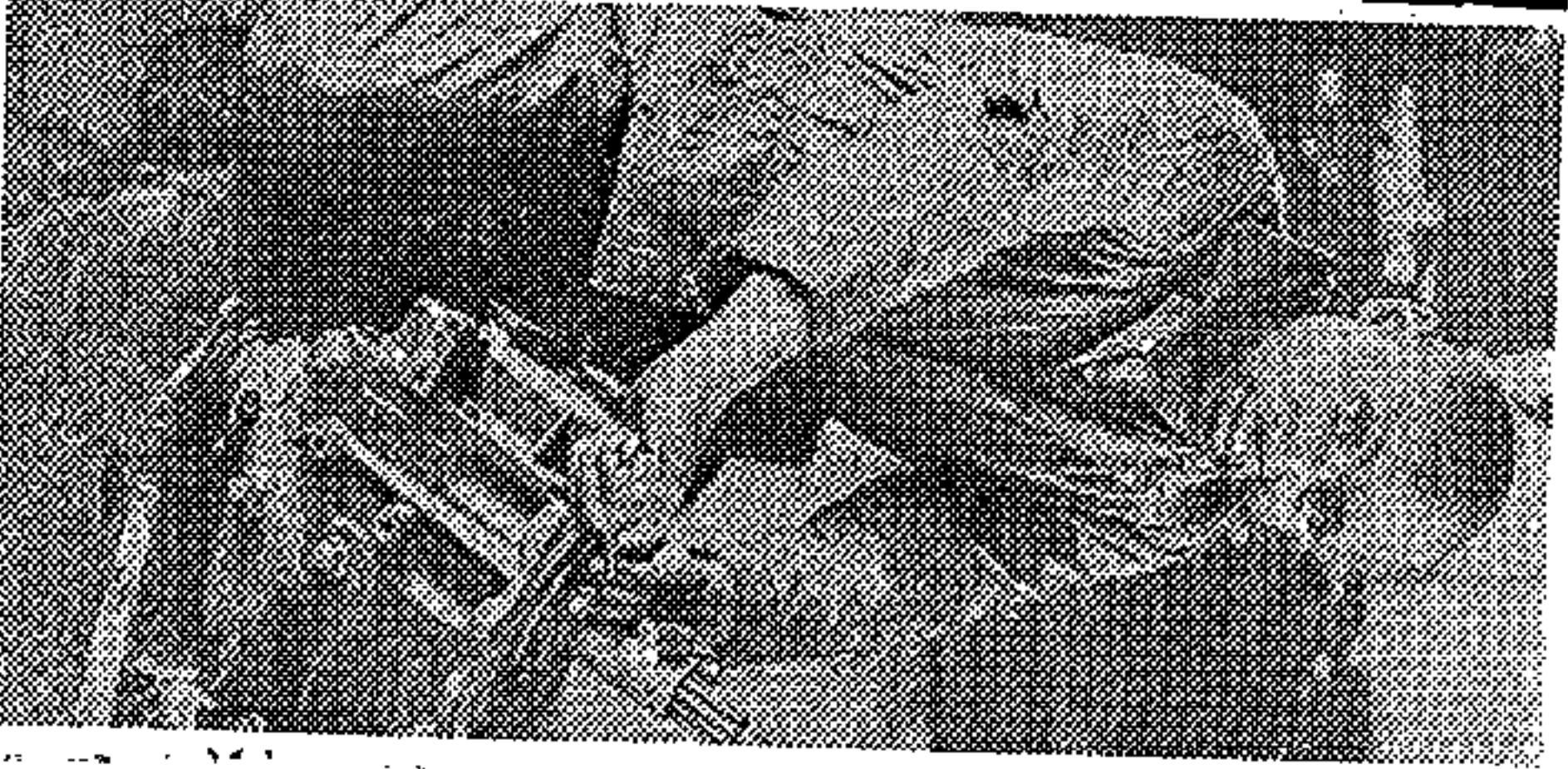
Prof Orpen does not believe the wage gap can be removed successfully in the short term, except at the professional and technical level.

"The inflation and unemployment which are likely to be produced by attempts to ensure that within

a few years the average Black earns as much as the average White, is likely to lead to everybody being worse rather than better off," he says.

"The goal should not be to eliminate the wage gap, but simply to pay everybody a just and fair wage."

"Productivity and Black Workers in South Africa" is published by Juta and costs R15.



Black workers . . . across employment and worsen Christopher Orpen.

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18/4/76

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the-board increases will boost inflation, increase un-
their predicament, says Wits expert, Professor

tificially high. The "rate-for-the-job" rule should be relaxed to some extent — for the benefit of all;

- Establish a non-racial unified wage curve to bridge the gap between White and Black scales.

"The focus of attention should be on raising the productivity of Blacks and thereby facilitating their job advancement, not merely on

increasing their produc- tivity.

closing some rather arbitrary wage gap," Professor Orpen says.

Prof Orpen, head of the division of industrial and organisational psychology at Wits, has published his work under the title "Productivity

In fact, workers who had received relatively large pay increases were less satisfied than other workers, apparently because their expectations were also raised.

Another argument is that substantial wage increases bring greater prosperity to all by increasing the Blacks' purchasing power.

But it is possible that massive increments, without corresponding increases in productivity, will lead to increased unemployment.

In another recent study, 86 per cent of employers said they would cut their Black labour force by at least half if wages were increased by 20 per cent a year for five years.

Even if unemployment did not rise, the inflationary effect of the wage increases would nullify this increased prosperity.

A third argument is that it is unjust to maintain a large wage gap between Blacks and Whites. The average ratio between the wages paid to Whites and Blacks is about 6 to 1.

Comparison with other countries at a similar stage of development suggests the ratio between unskilled and

FRIDAY, APRIL 23, 1976
CAPE TOWN

10 percent rise for all State employees

Political Correspondent
HOUSE OF ASSEMBLY

The salaries and wages of all State and provincial employees are to be increased by 10 percent on July 1, the Prime Minister, Mr Vorster, announced yesterday.

the Government at least the R180-million.

All public servants will receive a further five percent salary increase on January 1, next year, if the general economic and financial position does not weaken materially.

in the region of R100 million.

The increases are almost certain to push up rail and postal tariffs significantly. The opposition parties yesterday welcomed the pay hike but immediately accused the Government of a "gigantic confidence trick" for not making the announcement in the Budget.

The total salary bill for civil servants after the two-phase increase would rise by about R150m. Post Office salaries would go up by an estimated R30m and railway pay by an estimated R87m.

The Prime Minister said that in the implementation of the increases an amount would be added for the further narrowing of the salary and wage gap between the race groups.

At the same time he appealed to the private sector to "discipline themselves in an equal measure" when increasing earnings.

He also announced that the Government had accepted in principle the need for reviewing salary structures in the teaching profession.

Mr Vorster recalled that he had appealed to the nation in a radio broadcast on August 17 last year for everyone to contribute to the joint action against inflation.

Among other things he had pointed out was that South Africa's social, economic and political stability would be endangered if the efforts to lower the rate of inflation did not succeed.

employees

He had also said that his enemy could not be fought with dramatic methods, but only with the help of the personal self-control and discipline of all the people of South Africa.

"The praiseworthy manner in which all sections of the community had reacted and given their support to the combined action against inflation had contributed in a significant measure to keep the rate of inflation within bounds during the past six months.

"For this excellent co-operation I wish to thank all our people. I also wish

Continued on page 2

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Trade unions angry over wage increase

23/4/76 DO.

JOHANNESBURG — Trade union leaders reacted with anger at the Prime Minister's statement on wages yesterday.

The 65 unions affiliated to the Trade Union Council are likely to withdraw from the anti-inflationary campaign, while the railway unions find the ten per cent wage hike to them totally unacceptable.

Mr Arthur Grobbelaar, general secretary of Tucs, representing 230 000 workers of all races in the private sector, described Mr Vorster's statement as shocking.

"It spells the end of trade union participation in the anti-inflationary manifesto for the government has clearly reneged on this agreement."

Referring to the wage rises to the public sector he said: "you may get the Civil Service Association accepting the ten per cent rise, but I'm quite sure the trade unions will not."

"We entered into an extension of the anti-inflationary campaign two months ago and the only changes demanded to the programme came from Tucs. Now there has been an abrogation of the conditions of the agreement," he added.

The trade unions accepted in the manifesto that wage increases during the period of the campaign would be geared to only 70 per cent of rises in the consumer price index.

Mr Grobbelaar said last night he would be calling an urgent meeting today of Tucs's officers committee to discuss the Prime Minister's statement.

Mr Wally Grobler, general secretary of the Artisans Staff Association for railwaymen said: "This wage rise is totally unacceptable to our members. The ten per cent doesn't even touch sides."

Mr Grobler added: "We were called on to make sacrifices in the anti-inflationary campaign, and this we have done. This increase is way below what we expected."

He said he expected all the railway unions to reject the increase.

Meanwhile, economists and trade unionists yesterday described the salary increase to civil servants as "very little" but necessary, and "not inflationary."

Mr J. R. Altman, general secretary of the National Union of Distributive Workers, said the increase could have a "dis-inflationary" effect because employers in the private sector may now hold back from granting larger wage increases.

Dr S. van der Merwe, of the University of Stellenbosch's graduate school of business, said it was not a question of whether the increase was good or bad because the government had little option.

"Strictly speaking, the increase could have an inflationary effect, but the government has a responsibility to maintain the standard of living. People need this to be productive and productivity counteracts inflation."

Prof Z. S. Gurzynski, director of the school of economics at the University of Cape Town, said no specific provision was made in the 1976 budget, but allowance had been made for necessary increases.

"The increases would not have a worse effect than any other government expenditure, he said."

"Most civil servants will gain something, but with the progressive tax structure a good portion will go back to the government. On one hand they are giving, and on the other, taking," Prof Gurzynski said.

The South African Teachers' Association welcomed the "interim relief" of the increase, but said it was basically the structure of teaching posts which was unsound.

Mr J. H. van Zyl, vice-chairman of the Public Service Commission, said he was surprised by the Prime Minister's announcement.

"We have been negotiating wage increases for sometime but we did not expect them so soon." — DDC-SAPA.

'End in sight for White domination'

By PATRICK LAURENCE

UMTATA. — Within a decade White political supremacy in South Africa would be challenged everywhere, except perhaps south of Bloemfontein, Dr Erich Leistner, deputy director of the Africa Institute said last night.

The key Pretoria-Vitwatersrand-Vereeniging (PWV) complex would be a contested area within which there would have to be political accommodation between White and Black, he said.

In a hard-hitting speech to the Foreign Affairs Conference, Dr Leistner challenged many of the assumptions of separate development, among them the belief that the homelands policy would solve the

race relations problem.

"It is short-sighted if many White South Africans still believe the political and economic problems of Black-White relations will be solved once all, or most, of the homelands have become independent and duly consolidated — perhaps even well beyond their present size.

"Even before Russia's fateful entry into Southern Africa through Angola, there was hardly a Black leader who had not made it clear he considers Black majority rule over the whole of South Africa as the only just and acceptable goal.

"It seems a delusion to think Blacks will be long content with a situation where Whites exercise sole

control over the economic heartland of South Africa, the PWV complex — on which the wealth or woe of South Africa depends to a smaller or larger degree."

He rejected the view that homeland leaders, or those of neighbouring Black states, would remain grateful and/or docile.

"Having regard to the greater self confidence engendered among Blacks by their territorial and power gains, it must be expected that sooner or later the constitutional position of South Africa's economic heartland will become a bone of contention."

Apart from the PWV complex, there were three further key industrial areas, all potential contested areas — Durban-Pinetown, Port Elizabeth-Uitenhage and the Cape Peninsula.

Built by White Entrepreneurship and Black labour, these vital metropolitan areas comprised only two per cent of the land but produced more than 60 per cent of the gross national product and housed more than 30 per cent of the population.

Dr Leistner had earlier warned that the wage gap between White and Black was likely to widen in the coming years and that "rampant nationalism" could make it an explosive issue.

Whatever accommodation emerged, it would be the result of interaction between the two peoples. The age of "unilateral decisions" by Whites was drawing to a close.

① *Inter-group Relations*

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Minister rejects equal pay bid

HOUSE OF ASSEMBLY —
The government has turned down the request by the Coloured Representative Council for parity in the salaries and pensions of Coloured people with those of whites.

The Minister of Coloured Relations, Mr H. Smit, said yesterday that the request for parity in salaries, social pensions and allowances "could not be taken up in the draft estimates as tariffs which would effect immediate parity have not as yet been authorised."

Mr Smit made this clear when he replied to a question tabled by Mr T. Aronson (UP, Walmer) who had asked whether the government had turned down any requests for funds by the CRC.

The minister said the CRC had requested a budget of R264 549 000, which included amounts set aside for the implementation of parity in pensions and salaries. However, this request could not be implemented.

The minister also said that no date had yet been set for the next session of the CRC, which was adjourned last year after the Labour Party majority passed a resolution which prematurely ended the session.

Mr Smit said the report of the Theron Commission of Inquiry would be published "at the earliest" by the end of May.

As the contents of the report were not yet known no decisions had been taken by the Government on the political, economic or other aspects of the Coloured people, he added. — PC.

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Wage rises

disappoint

ARGUS 23/4/76

SA public servants

STATE employees throughout the country are disappointed with the 10 percent salary increases for State and provincial employees announced yesterday by the Government.

Some civil servant associations have rejected the increases and others have expressed their dissatisfaction with the adjustments.

In economic and business circles the increases have been accepted as fully justified, particularly as the previous increases were given in 1974. But it is felt that they were 'too little, too late'.

Coloured postal workers have dismissed Government claims that the new increases will close the wage gap between White and non-White workers.

EXTRA COSTS

The immediate reaction of Opposition political spokesmen was that the pay rises would mean further increases in charges and tariffs of the Railways as the extra costs could not be met from reserves.

Mr W. F. Kilian, chief economist of the Stellenbosch University Bureau for Economic Research, said the increases meant the Government was, in fact, paying its employees progressively less.

He said while the adjustments were in keeping with the anti-inflation manifesto, they hardly compensated the employees for the rising cost of living.

CRITICISED

A Cape Town Chamber of Commerce spokesman criticised the way in which the Government had handled the announcement of the salary increases.

With the announcement coming so soon after the main railways and postal budgets, I can see no reason why this should

not have been reflected in these budgets with indications of how the additional costs were to be met, he said.

The Natal branch of the Artisans' Staff Association of the Railways has rejected the 10 percent increase.

The area executive of the Western Cape branch of the association, Mr J. L. D. Oosthuizen, said his branch was not satisfied with the increases but did not reject them.

NIGGARDLY

In Pretoria, Mr Wally Grobler, general secretary of the association, expressed anger at the 'niggardly rise'.

Railwaymen should be entitled to a rise of about 20 percent, he said.

In Johannesburg, the president of the Salaried Staff Association of the Railways, Mr Brian Currie, said: 'According to the manifesto to which we all worked, the amount of the increase should have been about 23 percent.'

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Tell workers about those profits — TUC

ARBUS (643. ARBUS) 24/4/76

Financial Staff
WAGE restraint has brought home to the average worker the need to overcome the problem of inflation, Mr E. van Tonder, president of the Trade Union Council, told employers in Cape Town this week.

'He is better off with wage restraint and sincere co-operation by employers in keeping prices to a reasonable level and not exaggerating increases,' he said at a symposium held by the Cape Employers' Association.

The majority of trade unionists believed they

were better off supporting the wage restraint aspect of the Government's anti-inflation programme.

But it was difficult to explain away imported inflation and rising prices over which employers had no control.

GREEDY

'The average worker, even in the more sophisticated sectors of industry, still regards employers as greedy money makers,' added Mr van Tonder.

'He sees you pocketing millions while paying him a mere subsistence wage or salary.'

'His understanding of company balance sheets is frighteningly limited. He sees only one item —

gross profit — and interprets this to be the amount pocketed by employers.'

TAXATION

'He does not consider taxation, the replacement of equipment or the shareholders' return on their investment.'

The worker needed much closer co-operation from his employer, who should take him into his confidence about the company's financial situation.

Mr J. R. Altman, vice chairman of the Western Province Area division of TUCSA, told the conference: 'It is easy to see if trade unionists in their wage demands are observing the pay-restraint formula.

'But how can we be sure that employers are observing it and absorbing 30 percent of rising costs?

'Employers who are co-operating in the anti-inflation programme should hold seminars for their workers and explain their financial position.'

'If that kind of rapport could take place between employer and worker it would go a long way towards achieving mutual confidence in the country's present situation.'

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29/4/76

Wage gap will 'last all century'

Pretoria Bureau

Even if current efforts to close the Black-White wage gap continue, Black earnings in Pretoria will not match those of Whites by even half at the end of the century, a Pretoria University study has revealed.

The study estimates that if 1975 prices are held constant, White earnings will grow from R1 550 a person a year in 1975 to R2 500 a person a year in 2000, while Black average earnings in the same period will grow from R400 to R1 100.

This means White incomes will grow by 61 percent and Blacks' by 175 percent by the turn of the century.

The study, part of a long-term transportation planning report for the Pretoria city Council, includes past and current trends in its estimations.

"It is not a sophisticated model, but we think it is reasonably accurate," says Mr J D Pisanie, Chief Researcher of the Pretoria University Bureau for Economic Policy Analysis.

The economic study also predicts that White employment as a percentage of total employment will drop in every economic sector in the city as Blacks obtain greater occupational mobility in years to come.

It predicts that employment in commerce and financial services and community, social and personal services will grow at the expense of agriculture, mining and manufacturing.

people & profits

PAY BAROMETER

Recent Survey: Circle surveys comprising data submitted by over 60 companies indicate that:

- Salaries of secretarial staff have shown fairly rapid growth over the last 12 months. Senior typists on the Witwatersrand, with over three years' experience, are currently earning an average R346 per month basic pay, whereas private secretaries are earning in excess of R400.
- Newly-hired graduates, straight from University are earning monthly salaries of:
B.A. Social Sciences R379
B. Comm. R386
B.Sc. Engineering R484
Newly-qualified C.A.'s are extremely hard to come by and earn salaries that equate favourably with middle-managers.
- The professional financial jobs have shown the largest percentage increases in earnings out of all labour categories, over the past year. A chief accountant with a professional qualification and over 10 years' experience, earns on average R1 110 per month basic and R1 290 gross. Over 70 per cent of the companies reporting data on this job provide their incumbents with some form of transport assistance — 49 per cent offering the full use of a company motor car.
- Basic rates for artisans and Black hourly-rated employees have increased at a slower rate over the past six months, in comparison with the similar period one year ago. On the Witwatersrand:
Qualified electricians working a 45-hour week earn: R2,88 per hour
Non-White supervisors R1,12 per hour

The data from which these statistics are extracted is available in individual modular format. This enables companies to check the salaries in key areas without having to purchase or participate in a full survey. Each module covers a separate market group eg. female clerical, male clerical, secretarial, EDP, finance, artisans etc. Further information regarding the modules is available from Contact Personnel Services, 724-0256.

Cape Times 11/5/76

City workers demand rises

CAPE TOWN'S 11 000 Black municipal workers have decided to press the City Council for salary and wage increases as well as the re-evaluation of jobs.

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3 334

The secretary of the Cape Town Municipal Workers' Association, Mr J H Ernstzen, said the decision was taken at a meeting in the City Hall attended by about 2 000 workers.

The move for higher wages comes after White municipal workers have demanded a pay increase of 19 percent.

Mr Ernstzen said in a statement that the general membership of the association had authorized and instructed its executive committee to submit without delay demands for more pay "taking into account the rise in the cost of living" and for a re-evaluation of jobs.

The executive was instructed to ensure that the City Council gave the matter its immediate attention.

STEPS

"In the event of no satisfaction being obtained within a reasonable time, the executive committee is to take such steps to press the association's claim in such manner as it may deem fit."

The statement said the decision of the City Council to examine the evaluation of posts was taken a year ago but the council had failed to furnish its proposals by the due date.

Instead it told the association that it had almost completed the task and would be in a position to meet representatives of the workers early next month.

"The association is entirely dissatisfied with the position" bearing in mind that over the past year the cost of living soared and "the council has taken no steps whatsoever to relieve the plight of the workers."

Executive greed 20/5/76. Star. 'devastating'

Personal greed is far more apparent at senior executive levels than among those on lower wages.

This is the view of Mr S E Dawson, president of the South African Federation of Civil Engineering Contractors.

He told a contractors' seminar in Johannesburg today that while the civil engineering industry identified completely with the anti-inflation campaign, it could not be said that all of its senior executives fully accepted their responsibilities in this area.

"There is little doubt that personal avidity is the most devastating problem with which we have

to deal if some semblance of stability is to be restored in the national economy.

"This avidity is far more manifest at senior executive levels in business and at professional levels, than at artisan, operator or operative levels and has become a parasitic manifestation which, if given the opportunity, will drag out economy into a limbo from which it will have the greatest difficulty in ultimately extracting itself," said Mr Dawson.

"I speak of exorbitant salary levels and of extortionate professional fees. This applies not only to the construction industry, but also in the legal, medical, accountancy and consulting professions.

"We ask trade unions to be modest in their demands for increased wages while setting an example of profligacy at the more educated levels.

"If this profligacy is not

dealt with by voluntary action, then I would say that it will probably in due course have to be dealt with by far more harsh taxation measures than have ever been imagined in the past."

Mr Dawson described the situation as a "disease affecting the South African economy as well as that of other countries."

Mr Dawson appears to practice what he preaches.

He was asked by The Star this afternoon how much he earned.

Mr Dawson, chairman of the Group 5 company, says that he only accepts two thirds of his authorised salary — which gives him R18 000 a year.

"I consider I'm overpaid."

Mr Dawson says that the only "perk" he gets from the company is a car. He receives no club fees from the company. His house is his own and the engineers' federation pays him no honorarium.

① 250
② 334
③ 150A

I'm overpaid, says R18 000-a-year boss

Case files 2/15/76

JOHANNESBURG. — A company chairman earning R18 000 a year who believed himself to be overpaid, said yesterday that there was too much personal greed among senior executives and people of all professions. Mr S E Dawson, president of the South African Federation of Civil Engineering Contractors, told a conference seminar here that not all senior executives accepted their responsibilities in the anti-inflation campaign. "There is little doubt that personal avidity is the most devastating problem with which we have to deal if some semblance of stability is to be restored in the national economy," Mr Dawson said. He was asked how much he earned in the light of his remarks. Mr Dawson, who is the chairman of the Group Five Consortium, said he only accepted two thirds of his authorized salary from the company. —

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Municipal pay inquiry call

22/5/76 STAR

A commission of inquiry should be appointed to examine anomalies in the wage structure of municipal employees, says Rand-

burg's management committee chairman, Mr Cyril Ford.

"Somewhere along the line at Government level the means of deciding salary increases should be

examined and regularised" he suggests.

Town council employees in the Transvaal have received 22 increases in six months.

But, while some sections

of the salary structure are excessive, municipal engineers are getting too little Mr Ford felt.

He pointed out that at a recent conference, the retired city engineers of Durban and Cape Town stressed the vital need for engineers of calibre to co-ordinate and mastermind municipal development.

Inadequate work, inefficient design and the constant repairs they caused led to tremendous costs for ratepayers, they stated.

But, said Mr Ford, young engineers were joining construction and consulting companies rather than municipalities. This was because basic council salaries could not rise above the scale of the town clerk, pegged by the Administrator, and were not competitive with private enterprise.

"We are heading for a major problem. Right now it is the subject of direct representations by the SA Institution of Civil Engineers to the Prime Minister," he said.

The Pay Structure

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In keeping with modern developments in management practice, concepts in pay structures and administration systems have undergone significant change. Salary has, in the past, often been regarded as a 'private arrangement' between management and the individual. However, the advent of the 'large corporation', the growing influence of the 'collective bargaining agencies' — mainly trade unions and staff associations — and the sheer need to speed up the processes of salary administration, have resulted in greater standardisation and the levelling out of individual differentials based on merit.

In this process, the adoption of standardised management techniques, such as job evaluation, has become more common. Whilst a measure of uniformity and standardisation is inevitable and even beneficial, it is important to recognise the inherent danger of over-simplification.

There are two main areas where this should be avoided when setting pay policies and related administrative procedures. The first relates to the 'framework' that is used to develop the pay structure, and the second relates to the concept of the 'purpose' of remuneration.

Developing a pay structure

Most companies eventually install a system of job evaluation. Whilst this is far from perfect, it is the best known means for introducing order into the inevitable chaos that results from an *ad hoc* approach. Basically, it is used for determining the relative importance of one job to another, in terms of education, skill, and degree of responsibility. Similar jobs are then grouped together into grades which, in turn, are assigned money values in the form of salary scales — a comforting compliance with one of the early dictums of the Scientific Management School, "a place for everything and everything in its place".

Whilst orderliness is a desirable objective, it is necessary to guard against the entire pay structure developing into a 'closed system.' This means that in making pay decisions care must be exercised against overemphasising internal company factors or preserving the mechanics of the job evaluation system.

Current management thinking emphasises the motivational value of pay by linking monetary reward to quality and



quantity of effort and output. This is understandable and justifiable in the face of the threat to the continued survival of the free-enterprise system.

The financial opulence of our era, the spread of egalitarian concepts in respect of financial rewards, and the gradual increase in the financial security of the individual, seem to be eroding the will to work. This, in turn, has resulted in lowered levels of productivity that strike at the heart of the free-enterprise system. Small wonder then, at the emphasis on the motivational aspects of pay.

In South Africa today, there are other dimensions, in addition to those rewarding merits, that may be built into the framework of a pay structure and its administration. This implies recognition of the fact that pay serves a wider purpose than motivation. For instance, the shortage of labour requires that a company maintains competitive salary scales as an aid to recruitment. An individual's pay packet may also serve as a means for retaining key personnel, or containing attempts at enticement by a competitor.

New dimensions in pay concepts

The most important dimension in pay structures and administration is the need to cultivate a greater awareness of the influence of the external environment. The environment is diverse. It does not remain static for very long, nor does it effect every enterprise in the same way. Nevertheless, there are common external factors that may be identified and examined, in addition to each enterprise researching those factors specific to its own operations.

Labour market

A dominant feature of the country's labour market is the growing shortage of supply in practically all categories of work. It stems from the fact that the White population is no longer an adequate source of supply. Also, there has not been an effective programme for developing the Black population to fill the gap. This position will be aggravated by two long-term considerations, namely, the need to achieve a rapid and sustained growth in the economy, and the fact that the advancement of the Black population to a more sophisticated level is likely to prove a longer-term process rather than a short-term solution.

As regards pay policy, two consequences emerge from such a situation. Firstly, management must take greater account of the existing labour supply position and its effects on pay levels — in particular, starting salary.

The Department of Labour conducts an annual survey covering the labour position. Although this is a useful source of information, the value of the report could be considerably enhanced by correcting its shortcomings. For example:

- it would be useful to know how representative the sample is. This could be achieved by including an introductory statement that analyses the replies received etc.
- the grouping of job categories does not adequately meet the needs of the pay administrator, since this is based largely on economic considerations. A more useful method would be to use the following breakdown based on industrial psychological factors, such as education, skill, and level of responsibility:
 - professional
 - semi-professional and technical
 - managerial
 - supervisory
 - skilled — artisan
 - technical
 - operators
 - service/sales etc.
 - clerical
 - semi-skilled — technical
 - operators
 - services/sales etc
 - clerical
 - unskilled.

Recent and useful additions to the report have been the inclusion of data concerning shortages experienced in the various employment categories. Unfortunately, the employ-

ment position varies markedly over short periods of time and its usefulness on an annual basis is thus limited. For practical purposes it would greatly benefit salary administrators if the data were updated every quarter.

Whether the Department of Labour would be able or willing to introduce these changes, is not certain. In the meantime, employers working through their associations and relevant professional institutes, could initiate exploratory discussions.

The second consequence to emerge from an awareness of the labour supply position is the need for greater flexibility in pay structures and administrative procedures. Traditionally, the grades that are derived from a job evaluation system are tied to fixed salary scales. This is largely an administrative convenience that is proving inadequate for present-day circumstances and is, in any event, fallacious.

The job evaluation system groups job categories on the basis of skill, educational responsibility, and other factors. Whilst it may be argued that the same remuneration should be applicable to all jobs within a grade, experience indicates that the market eventually determines the position. Therefore, the pay system must be seen, not simply as a linear system but rather as a multidimensional one, in which supply and demand could be over-riding.

In practice, this necessitates provision for more than one scale within a grade and could entail structural difficulties in designing the system. However, it might be possible to move away from the concept of formal scales, and to substitute a system of maxima for grades, or sub-groups within grades. These requirements are currently being met by the method of 'red-flagging' which many job evaluation systems adopt. In this way deviations from the norm are accommodated.

Company participation in salary and wage surveys indicates an awareness of the problem and a practical effort to solve it. But examination of the number of participants in national salary surveys indicates that only a minority (and not even a representative one at that!) of business enterprises does in fact participate. Even taking into account the 'private surveys' that are undertaken, the position is not markedly changed.

Economy

In studying the movement of salary and wage levels over a period of time, it becomes evident that a close relationship exists between pay levels and the general state of the economy. A number of indices, such as the Gross Domestic Product and the Consumer Price Index (CPI), may be used in order to measure the state of the economy at any point in time. The CPI is a measure whereby an individual may evaluate his standard of living. It is also a useful index in the study of pay variations.

In a recent study concerned with the phenomenon of pay movements, a remarkably close relationship was found to exist between upward movements in average pay levels and the CPI. This was true in unskilled, semi-skilled, skilled and supervisory, junior management and senior management employment categories. In the case of the White male population, the relationship, as illustrated in **Figure 1**, was very close. Since 1970, semi-skilled pay rates have outpaced the CPI, whilst those in the skilled category, although also ahead of the CPI, are more parallel. The pay rates in the management categories have remained parallel but behind the CPI. Similar trends are apparent in the White female categories — **Figure 2**. In the case of Black males — **Figure 3** — the growth rates for pay have accelerated considerably ahead of the CPI.

The problem to be faced when interpreting the data is to isolate the causative factor. The CPI is a compound of a number of factors, of which salaries and wages are not necessarily the major component. Consequently, it may be argued that the data illustrates a fundamental process in pay determination, namely, that irrespective of where the emphasis is placed in decisions, compensation for merit or for increases in cost of living, the remuneration package is always adjusted to the cost of living structure of the national eco-

nomy.

Emphasis of egalitarianism in pay structures

A third dimension in pay administration that should be taken into account, is the growing demand on the part of employees for a greater 'share of cake'. This applies to all categories of employees — top executives as well as unskilled labourers. It is a phenomenon that has existed in the Western World since World War II and shows no sign of diminishing.

Arguments concerning the inflationary effects of salary increases are unlikely to have any lasting impact. Nowhere in the world have people been prepared to accept a lowered standard of living as a means of conquering inflation. Thus, other solutions have to be found. One possibility is increased output per employee, or harder work on the part of all — a subject not to be ignored for much longer.

In South Africa, pressures, both international and national, are being exerted on the employer to pay a 'living wage' to the Black employee and, as a corollary, to remove the pay gap between Whites and Blacks who perform the same or similar tasks.

What this means in practical terms, is that the employer can no longer use the classical base of supply and demand in determining pay levels for the Black labour force. The criterion is now the 'Subsistence Level' — PDL, MLL, etc — which is, of course, a reflection of the cost structure in the economy. Here too, it is possible that arguments concerning the inflationary aspects of pay increases will not have any lasting effect in containing the rate of increase in Black pay levels. The answer lies in greater productivity, which, in the first instance, is a management problem. The pay administrator will, however, be well advised to keep a watchful eye on the economy.

Recognising individual merit

The tendency towards uniformity in pay decisions and administration is very marked. This is the outcome of various pressures in the system. For example:

- trade unions and staff associations derive strength by imposing uniformity of remuneration amongst individuals — usually on the basis of length of service. They likewise achieve such a situation between competing companies through the conclusion of Industrial Agreements
- managements and pay administrators aid the process by opting for rationalisation and simplification of pay procedures. The comfort and convenience of 'collective action' in concluding Industrial Agreements, aggravates the situation, in addition to the fact that national agreements

do not always make economic sense!

- Taking into account environmental factors may also have the effect of clouding the importance of individual differences.

Whilst a measure of uniformity is beneficial, it is important to bear in mind that the fundamental objectives of remuneration are to:

- serve as a motivator
- retain the services of specialist staff and high contributors
- serve as a recruitment medium.

These objectives cannot be achieved by perpetuating the cult of uniformity. This is particularly so in the case of 'specialist functions' which are becoming increasingly important in modern business undertakings. The onus lies with management to reverse the process. In doing this, it must be prepared to test its own philosophies and procedures and to educate the employee into accepting the concept that there should be a unique pay structure for each enterprise.

Role for collective action

Whilst warning against the over emphasis of collective action in pay decisions, it is well to recognise where such action can make a useful contribution. This lies in the process of providing data concerning the labour market, which enables management to derive more accurate conclusions.

In order to deal with the consequences of labour shortage or a shift in values, managements need to evaluate conditions in the labour market more effectively. Basic to this requirement are the following factors:

- a more representative participation in salary and wage surveys and, within this undertaking, improved methods for identifying and comparing similar positions and functions. A basic requirement for this is the more widespread application of job evaluation systems, resulting in improved methods for the comparison of results. Whilst a relaxation of emphasis on job evaluation mechanics in deciding on the individual pay package is advocated, there is a growing need for an extension of the system as a means for providing meaningful data concerning the national pay structure and also the labour market as a whole
- important aspects relating to the national labour market are the overall vacancy position, and the movement of Blacks into more responsible and skilled positions. Mention has already been made of the survey carried out by the Department of Labour, and the need for some im-

Pay movements and the CPI

Figure 1
White males

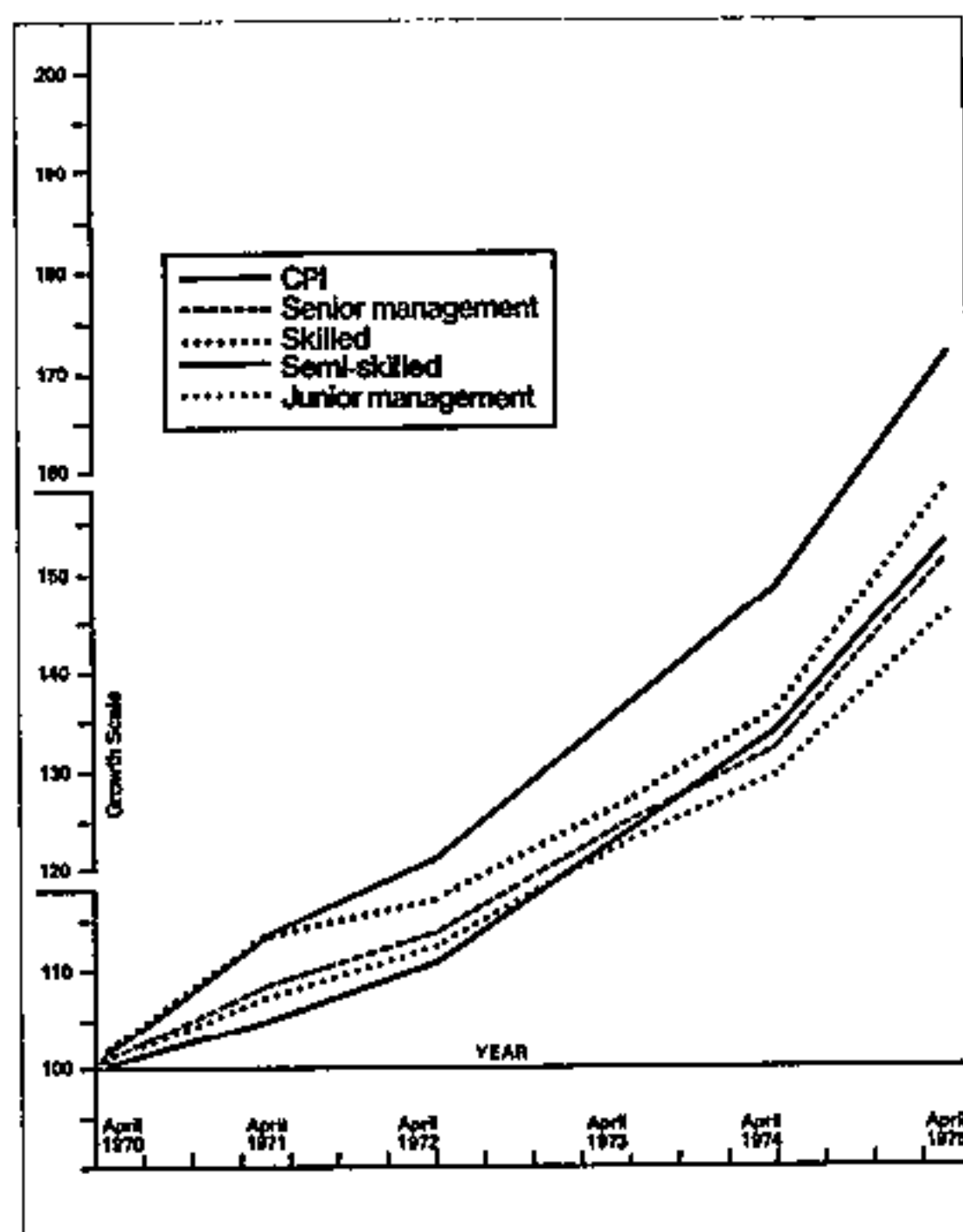


Figure 2
White females

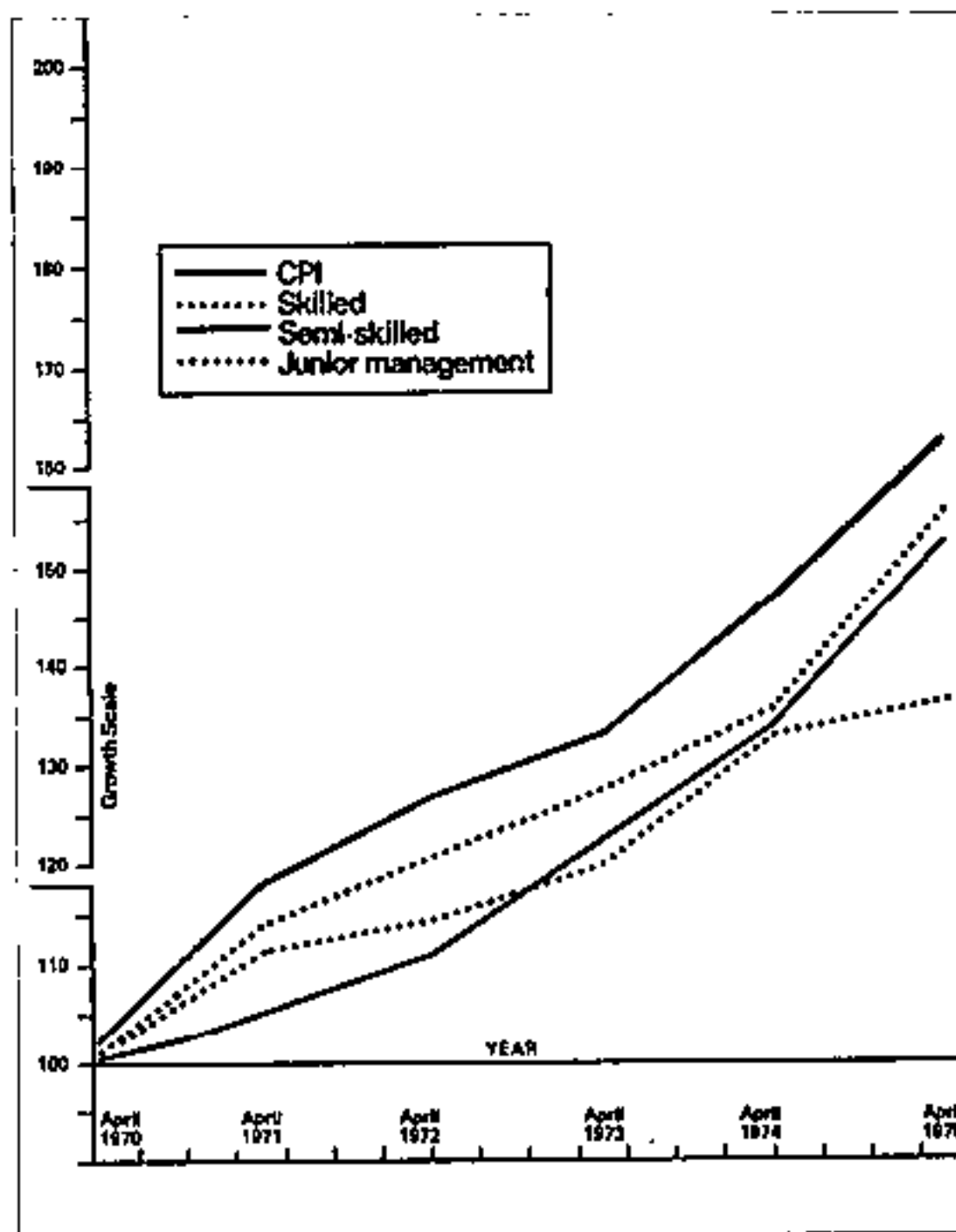
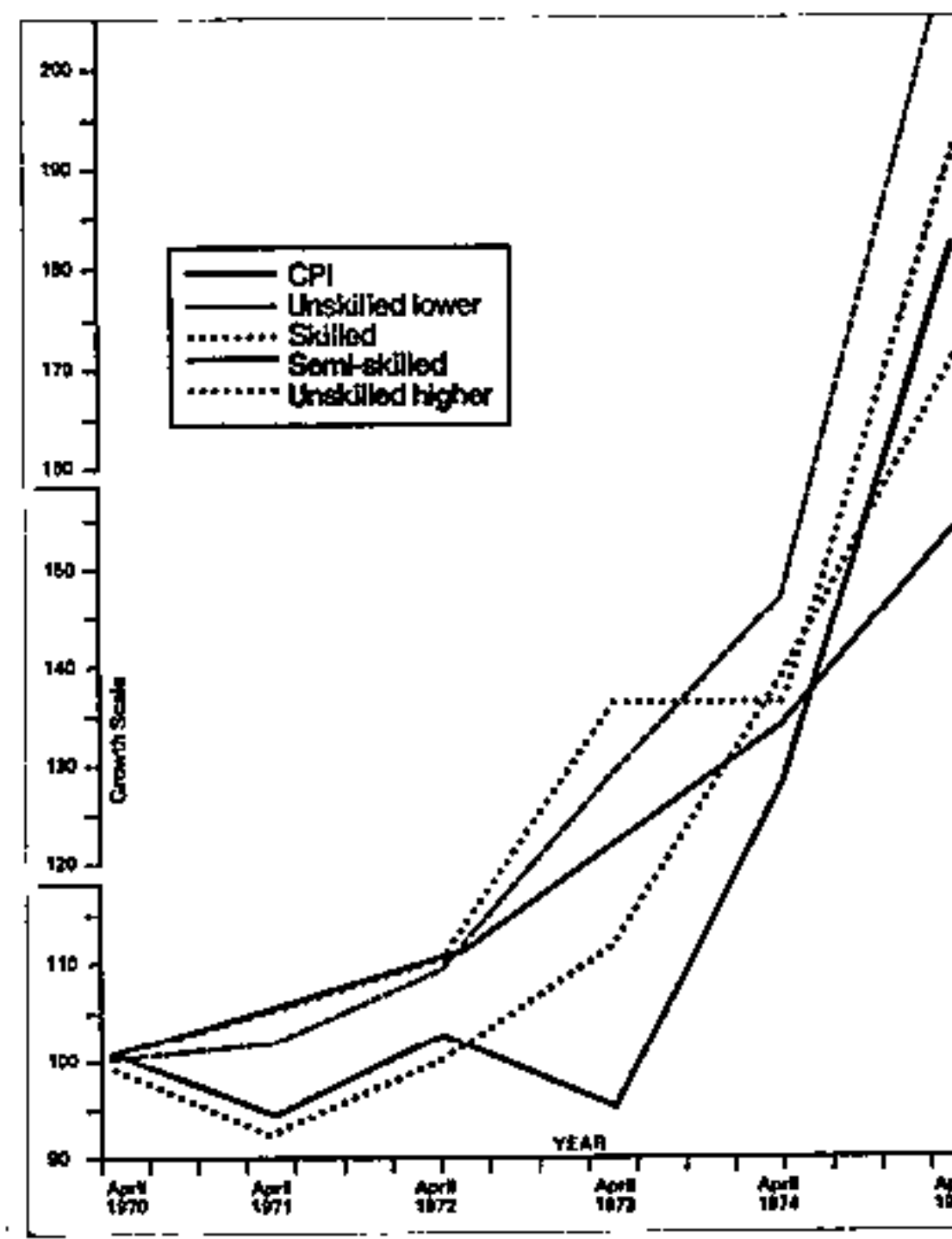


Figure 3
Black males



PAY BAROMETER

Recent Survey Circle surveys, comprising data submitted by 80 medium to large companies, show current trends on employment conditions in South Africa.

Pension Plan

All the companies surveyed operate a pension plan, but the formulae used to calculate the pension varies considerably. In an exercise in which the participants calculated the pension a retiring employee would receive after 10 years' service, given the last 5 years' annual earnings, the actual payments ranged from R113,37 to R543,00, the average working out at R184,00.

Two significant trends are:

- the increasing number of companies that extend their pension plan to include all employees irrespective of race
- building into the fund a hedge against inflation.

Medical Aid

The number of companies that extend their medical aid plans to include Non-Whites has grown considerably over recent years. The survey indicates that this movement has risen to 50 per cent of the companies.

Miscellaneous Fringe Benefits

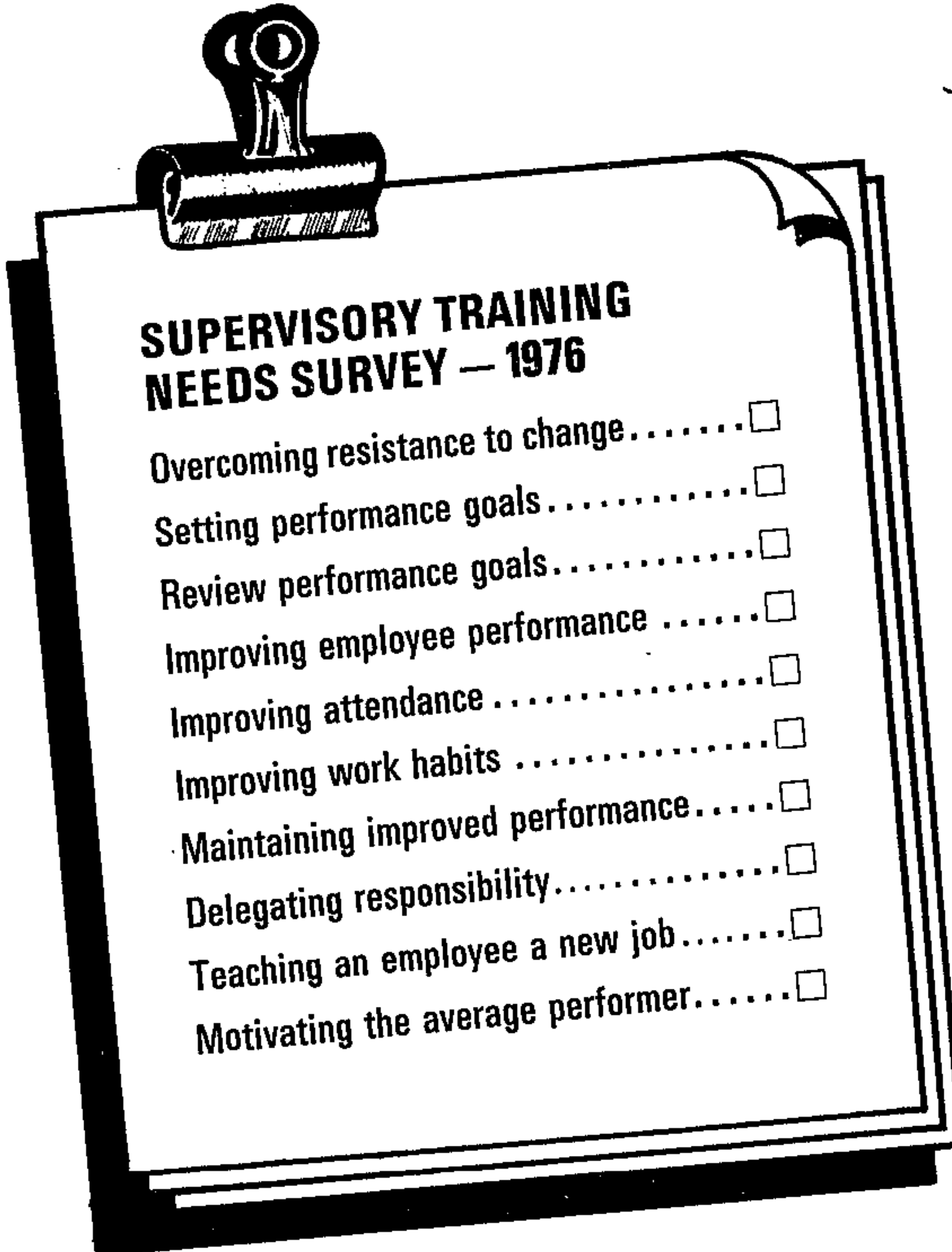
From the range of fringe benefits surveyed, the following facts emerge:

- Although the number of working days annual leave varies up to 30 days, the most common practice is still to grant employees 15 days each year.
- Nearly half of the companies surveyed (47 per cent) grant leave for voluntary military training, the number of days varying from 5 to no limit. However, the trend appears to be 2 to 3 weeks.
- The value of cars assigned to employees in the executive of their duties is as follows:

Job category	Value of cars
Senior managers	R5 000 – R12 000
Middle managers	R3 400 – R8 000
Rank and file	R2 600 – R6 000

- The most common car replacement practice appears to be around 80 000 to 90 000 km and 3 years, although most companies take the condition of the car and running costs into account.
- Relocation allowances for transfer at company request are usually more generous for people already employed by the firm than for new appointees. However, 58 per cent of the companies do offer some form of assistance to new employees.
- It is common practice (90 per cent) for companies to operate an annual bonus plan. The most common is the Christmas bonus. 51 per cent of organisations pay an additional one months' salary at this time.
- Salaries are generally reviewed throughout the year, but the tendency appears to be once a year (67 per cent), usually in January.

The data from which these statistics are extracted is available in module form. This is an up-to-date study and enables companies to check the competitiveness of their employment conditions and personnel practices. Further information is available from Contact Personnel Services 724-0256/7.



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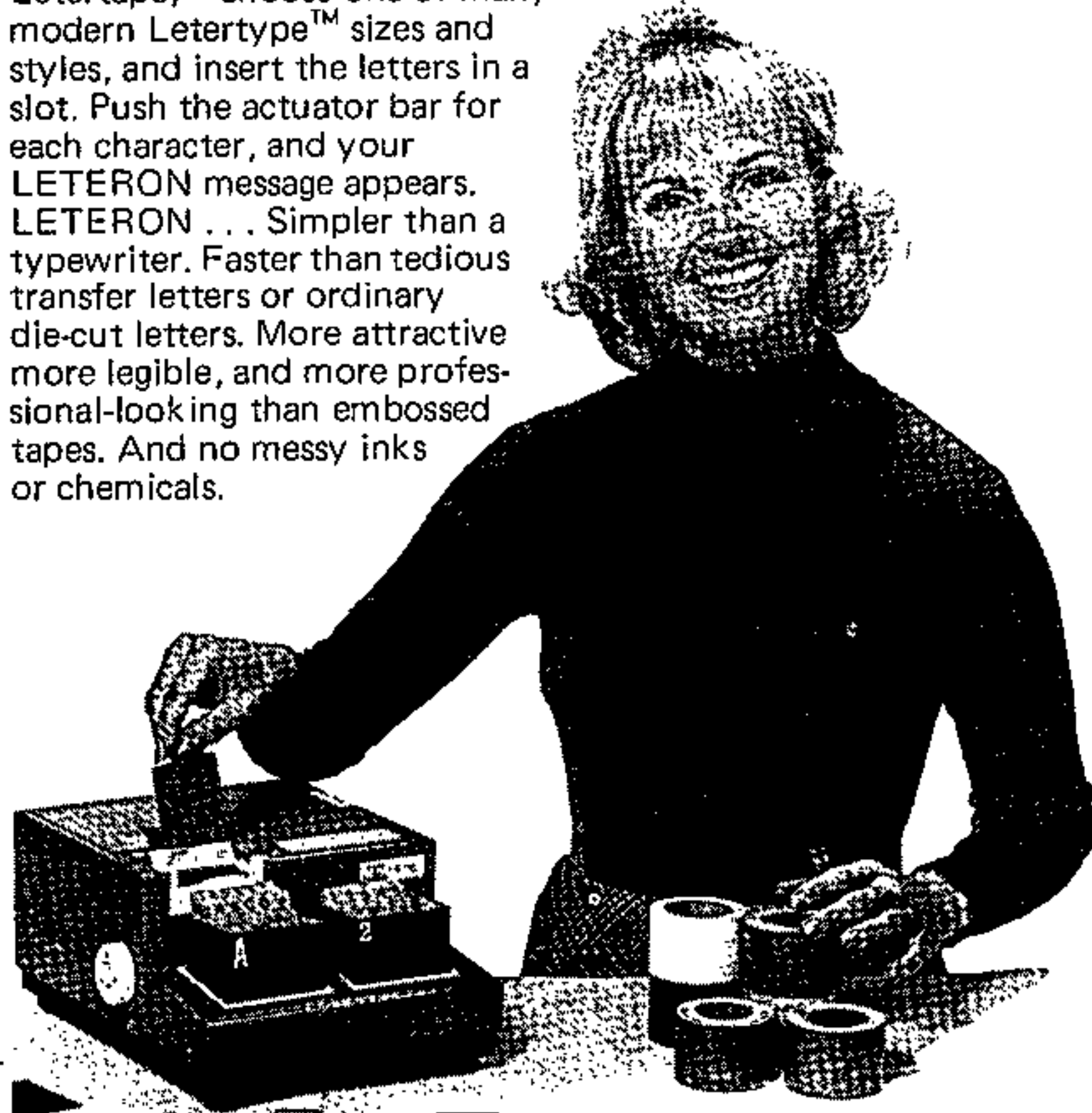
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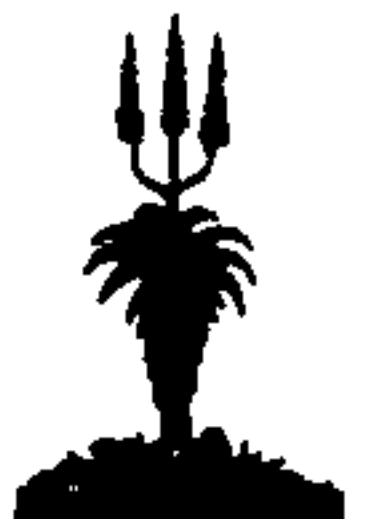
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About the author



Dick Sutton, the author of this article on determining pay structures and administration systems, has been group personnel manager at South African Breweries since 1973. He has participated in many wage and salary negotiations with various employer bodies and has accumulated a wide knowledge in the area of pay policies and the structure of pay systems.

provements in this valuable report. A 'universal' job evaluation system would also aid in analysing the data provided in this survey

pressure to pay a 'living wage' increases the importance of the availability of a reliable index to illustrate the 'subsistence' level in the economy. This would be of added importance should inflation continue to erode the purchasing power of the rand.

The current situation is unsatisfactory due to the existence of more than one set of indices and a lack of agreement as to how an index should be calculated.

It is evident that conditions in the current economic situation in South Africa call for changes in pay policies and procedures. Whilst some of these changes relate to the domestic situation in individual companies, the most noticeable trend lies in the growing importance of the external environment. Awareness calls for rapid adjustments in attitudes and approaches on the part of management and specialist pay administrators, and the willingness to provide the resources to assess the environment as accurately as possible.

Whilst the individual undertaking should set its own programmes in this regard, the level of effectiveness achieved will depend on a co-operative effort in the interchange of ideas and the creation of national data banks. □

People & Profits

PAY BAROMETER

The April Survey Circle, based on data submitted by 60 companies, shows the following pay trends:

- Movement of salaries in the EDP department has increased overall by 11 per cent since September 1975. On average, a female punch operator on the Witwatersrand earns R300 per month basic.
- In manufacturing, a typical foreman on the production line earns a monthly basic salary of R600 and R660 gross — a 4,5 per cent increase over the past 6 months.
- A maintenance foreman earns a basic salary of R680 and a gross of R750 per month — an increase of 5,1 per cent.
- A general foreman (superintendent) in production earns a basic salary of R760 and a gross of R840 per month. This shows an increase of 4,4 per cent between September 1975 and April 1976.
- A plant engineer, over 26 years of age, with a university degree, and 4 years' manufacturing experience, earns an average R950 per month basic. This shows an increase over the last 6 months of 9,4 per cent. 56 per cent of the companies surveyed include a company car. 43 per cent of these allow the full use of the vehicle.
- Salaries for security guards, over 30 years of age with at least 3 years' experience, have increased by only 3 per cent since September whereas those of security officers with at least 5 years' experience have increased by 16 per cent. A typical security guard earns a basic salary of R400 and a gross of R440 while a security officer earns R640 basic and a gross of R730.
- The largest percentage increase in earnings in the marketing department is shown in general sales manager positions. In the case of manufacturers of industrial products, an experienced man controlling a national sales force earns on average R1 260 per month basic. In companies manufacturing consumer-type products, this position carries an average monthly salary of R1 200.
- A service representative with 2 or more years' service experience is likely to be earning a basic of R660 and a gross of R850 per month — a fairly substantial increase over the past 6 months. All the companies supply a company car. 66 per cent allow full use of the vehicle.

This data has been taken from individual survey modules, each covering separate market groups, eg. EDP, manufacturing, marketing, artisans. Further information is available from Contact Personnel Services, 724-0256.



BLACK LABOURERS — 'an explosion' in spending power.

THE wages of unskilled Africans went up by more than the rise in the cost of living between 1973 and 1975, according to figures released by the Department of Statistics and the Natal Chamber of Industries.

And although the Cape Chamber of Industries have not carried out such a survey a spokesman said: 'Traditionally, rates of pay for unskilled labour are higher in the Cape than in the rest of the Republic.'

'Unskilled rates of pay have certainly gone up appreciably in the past year. A considerable percentage of increased labour costs has gone into the pockets of unskilled workers in an attempt to narrow the very large gap there used to be between upper and lower earnings in industry.'

PRICE INDEX

Check-out, a publication for the retail trade by an international food company, says that unskilled African wages outstripped the cost of living by more than 15 percent from 1973 to 1975.

It states that according to the Department of Sta-

Unskilled Africans increased their earnings at a greater rate than the Col rate.

tistics a price index of 14 basic foodstuffs increased by 22,6 percent during that period while, according to Natal Chamber of Industries, wages paid to unskilled Africans in the area rose by 38,45 percent.

The article urges manufacturers and retailers to give more attention to 'this explosion in Black spending power.'

But it points out that 'the apparent wage gains made by Black workers must be viewed in context of the low base figures on which the percentage increases are based and which tend to distort the situation in real terms.'

AVERAGE

In fact figures published by the Department of Statistics earlier this year showed that average African wages in the construction industry were only R68,70 a month in 1973

and had risen to R101,30 by February this year.

Coloured wages in the construction industry averaged R190,18 a month in 1973 and had risen to R260,89 by February this year.

Average White wages in the construction industry were R399,90 in 1973 and R508,11 by February this year.

MANUFACTURING

In the manufacturing industries the average wage for Africans was R66,68 a month in 1973 and R109,86 a month in February this year.

The average wage for Coloured workers was R103,55 a month in 1973 and R163,37 in February this year.

The average wage for White was R380,18 a month in 1973 and R523,03 in February this year.

These figures were based on the pay of both men and women, skilled and unskilled.

Pay up faster than prices

11/8/76

STAR

Labour Reporter

Strong support for efforts to restrain wages and boost productivity comes in two new surveys.

They show that in recent years incomes have risen faster than prices and productivity.

One of the surveys comes from Barclays Bank.

It says White incomes dropped last year in five of the economy's 10 non-agricultural sectors.

The other survey comes from the University of Pretoria, published by Mercabanks.

It says average earnings of non-agricultural workers have continuously increased faster than prices since 1963.

The welfare of workers has improved while output per worker has increased at a much lower rate than average earnings, it adds.

This has pushed prices upwards in a tendency which gained momentum from 1973 onwards.

Barclays Bank comes to a similar conclusion.

It says the rise in incomes of workers was significantly above that in labour productivity from 1971 to 1975.

In that time average wages rose by 3 percent in the non-agricultural sectors compared with a rise

of only 1.2 percent in labour productivity.

The bank says wages of Blacks rose by an average 8 percent compared with rises of 4.5 percent for Indian, 3.8 percent for Coloured and only 1.3 percent for White workers.

The big out-of-proportion increases in wages of workers other than White had to have adverse consequences in the short term, particularly in aggravating inflation, says the bank.

But it seemed these consequences had to be accepted in the knowledge that in the long run the increases had to lead to more than a matching increase in the productivity of non-White workers.

Bank strike threat DD

DURBAN — Bank employees are prepared to take firm action against their employers if they do not receive substantial increases soon. 13/8/76.

Mr A. Malherbe, general secretary of the South African Society of Banking Officials, said last night his organisation was prepared to take a ballot for strike action if

negotiations for wage increases with the two largest commercial banks in the country deadlocked.

Addressing a crowd of almost 300 at the annual meeting of the Durban branch of the society, he said commercial banks' profits were continuing to escalate despite the present economic depression in the country.

"For this bank staff must take credit and I believe they must be rewarded for their efforts," he said. — DDC.

159

2/151

3 348

FORECAST A AIM SURGE UNIONS PAY CL

Mercury Correspondent

RETORIA — Trade union leaders yesterday warned of a surge of pay claims following this week's blast of price rises.

And the Institute of Labour Relations called on employers to see that the purchasing power of their Black workers was maintained.

If they failed to do so, the unavoidable consequence would be an intensified poverty and anger in the townships, an Institute spokesman warned.

Economists agreed that the combined impact of the higher railway rates (up an average 9.4 percent) of electricity tariffs (up 13 percent) and of higher fuel prices would be severe.

These were all basic cost factors throughout commerce and industry. The increases would be passed on to consumers and the effect on retail prices would be compounded.

The vice-president of the Trade Union Council of South Africa, Mr. Steve Scheepers, said the higher railway rates, fuel prices and power charges made a mockery of the Government-sponsored anti-inflation campaign.

"The reaction from most unions will be to demand full compensation for the big price hikes which will follow these increases, in spite of the anti-inflation programme."

Like other labour leaders, Mr. Scheepers said the wage and salary earner had made substantial sacrifices in fighting inflation and it would be a mistake to

demand more.

The chief economist of Barclays Bank, Dr. Johan Cloete, said the price rises and inflation would continue until the vicious spiral of wages chasing prices was slowed or stopped.

"In the United States and Germany, the authorities had got inflation under control mainly because of the disciplined response of trade unions to appeals to 'muffle wage demands'."

What was needed to break the wage-price spiral was an effective wages and prices control.

Until this happened, South Africa would have to put up with a chronic, and possibly worsening, inflation problem.

The president of the Artisans' Staff Association, Mr. Jimmy Zurich, said the government had obviously lost control of prices.

"Railway workers have been promised another 5 percent in January, providing economic conditions are favourable."

"Well, we would like to make it clear that 5 percent in January will be totally inadequate to compensate us for an inflation rate which could reach 15 percent by the end of the year."

Our Agricultural Correspondent writes that consumers can expect a wave of food price increases in the wake of the sugar price hike.

The price of confectionery, sweets, chocolates, ice cream jams and other canned foods containing sugar are likely to go up soon.

Mr. D. D. Fowle, marketing manager for Bakers in Durban, said the price of biscuits would be increased by 5 percent from September 13, because of the recent flour price increase.

Supermarkets in Durban increased their price of sugar from 34 cents to 41 cents for the popular 2.5kg pack. In Pietermaritzburg the same pack cost 44 cents and in Johannesburg the 2.5kg will cost up to 50 cents.

The darker the skin the lighter the pay packet

PAY apartheid between White and Black public servants is becoming an increasingly crucial factor in containing social unrest in South Africa and gaining acceptance abroad.

But equal pay prospects are becoming bogged down in the worsening

economic position.

The Government has committed itself to a policy of narrowing the pay gap to a point where Blacks and Whites in the public service receive equal salaries for equal qualifications and experience.

This was made clear by the Minister of the Interior, Dr Connie Mulder, in an interview early this year which was published in the Sunday Times.

No date

But no target date has been set and the narrowing process has been slow. In fact, in some professions, like nursing, the pay gap appears to be widening judging from job advertisements.

The powerful National

BY MARTIN CREAMER
Picture: Cloete Breytenbach

Development and Management Foundation, representing business and industry, made a strong plea this week for the scrapping of job apartheid and called for "the strongest example from the Government".

But the Government will need something like R100-million to close the racial wage gap in the public service. Though nothing like the R1 000-million being spent on defence, money on that scale will not be

readily available at this critical stage in the economy.

At present it is literally a question of the darker the skin, the lighter the pay packet in the public service, moving along the White, Coloured, Indian and African spectrum.

Campaigner

"Blacks, the darkest of the lot, get the least," said equal-wage campaigner Mr David Epstein, MPP, this week.

The Sunday

Times
will
expose
pay
apartheid
wherever
it appears

apartheid
wherever
it appears

All Government pronouncements on narrowing the wage gap have been conditional on favourable economic conditions. It seems almost certain that Black doctors in State and provincial hospitals will be put on the same wage footing as their White colleagues next year — even if it means withdrawal from the Public Service Commission, which holds the civil purse strings. I am

told. But then what about Black teachers, who are much closer to the source of social unrest in the country, and other professions?

The list could go on and on, and in the private sector there is the major problem of job reservation.

Both the NDMF and the Federated Chamber of Industries made strong calls for the scrapping of job reservation this week.

Resolution

And in a post-riot spirit, the draft resolution which called for this to be done gradually was amended by removing the word "gradually".

"The time for gradualism has come to an end," Mr J. E. Holloway, vice-president of the Transvaal Chamber of Industries, commented. "We also need the strongest example

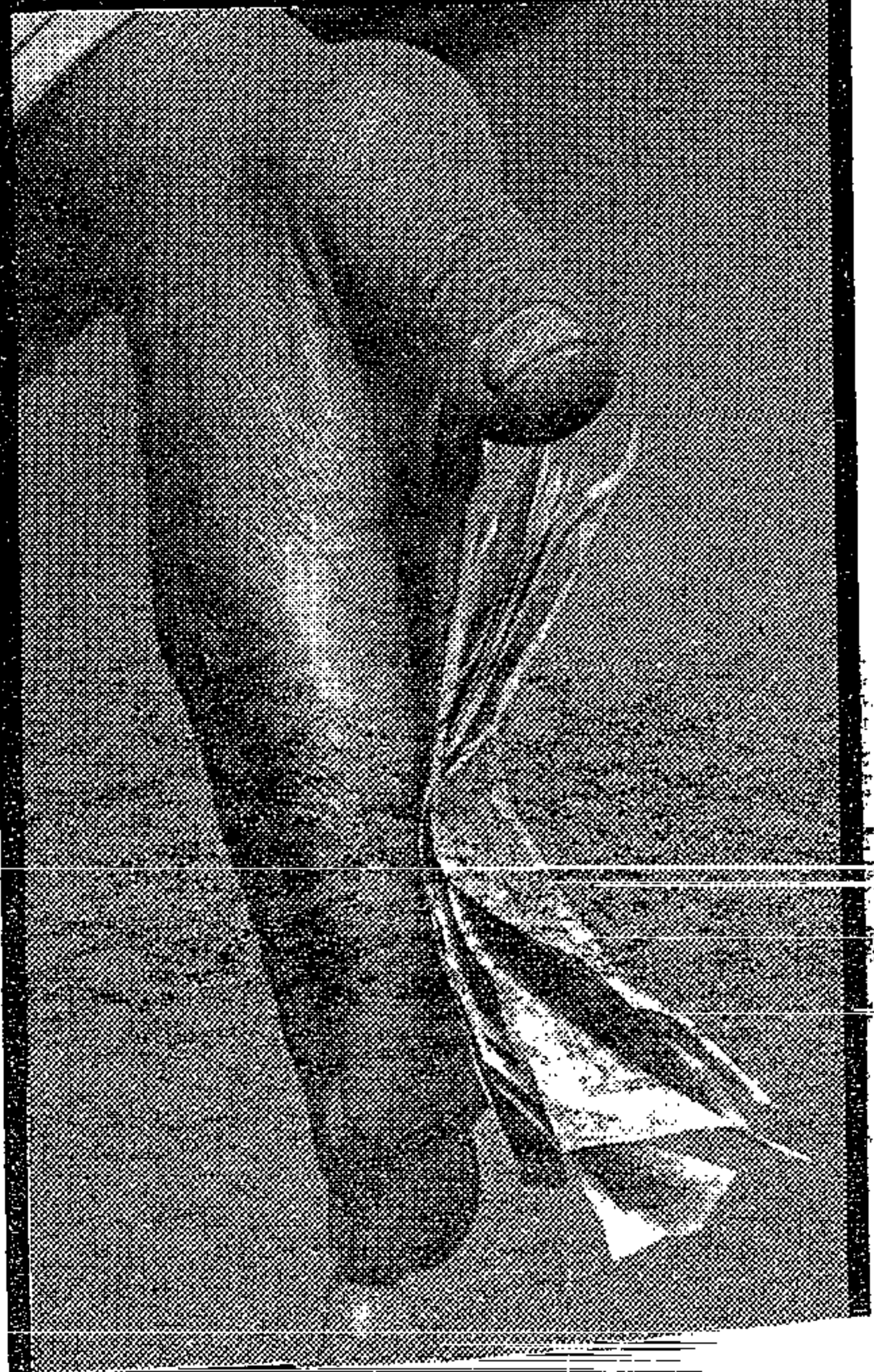
from the Government," NDMF president Mr W. de la H. Beck called for the "minimum essential" of allowing every person to work where he can sell his talents to the greatest advantage and to use his rewards where he himself elects".

Property

Without delay, he said, all races should be permitted to practise professionally or do business in any area, to live and own property where their earning ability allowed them, and businesses should be allowed to decide whom they wished to employ and promote, irrespective of race.

The question of separate facilities for separate races should also be left to employers.

A collapse of pay apartheid is one of the first essentials and clearly business is crying out for the Government to give some positive lead.



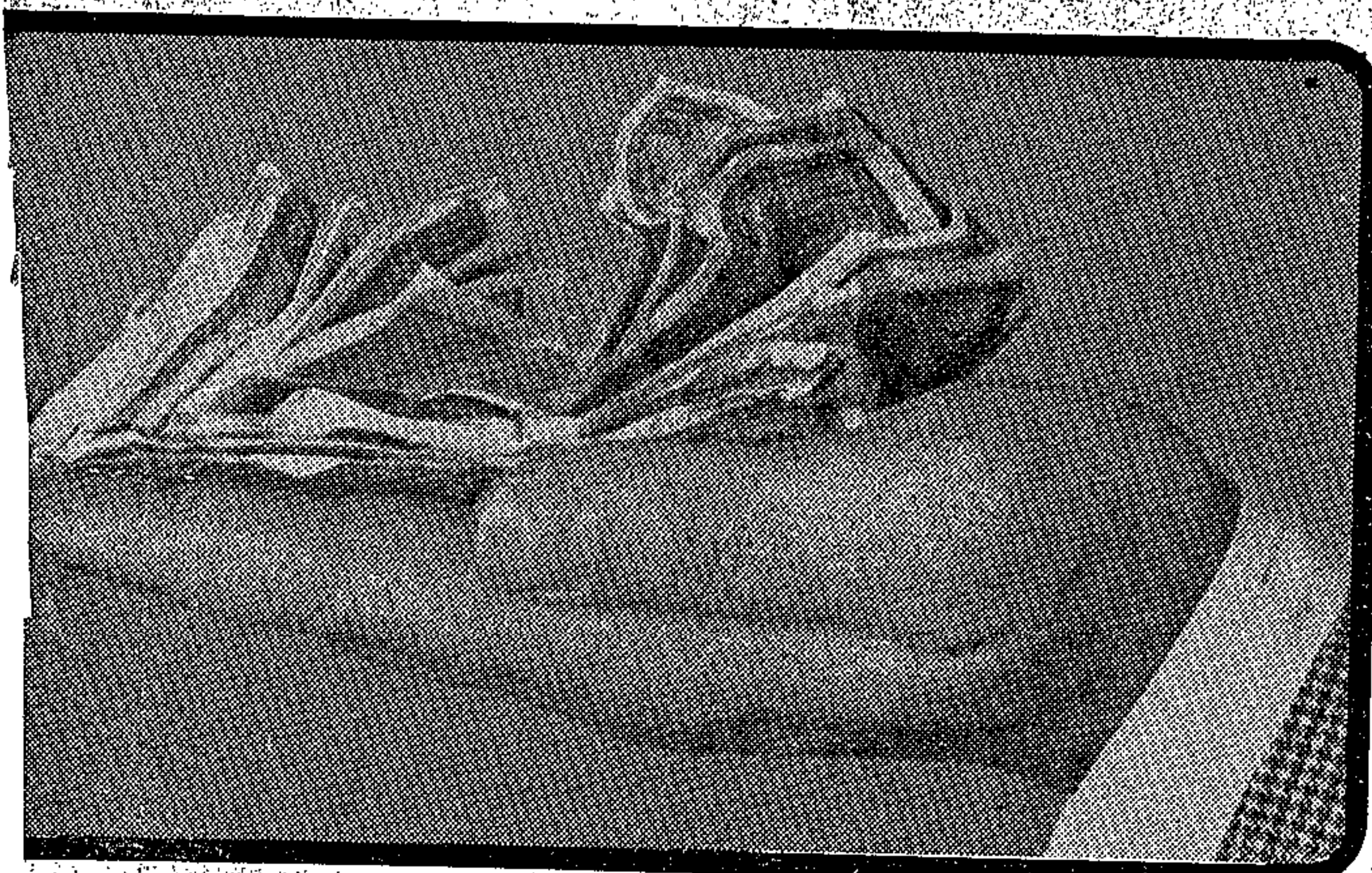
The ca

FOR how long can South Africa afford paying:

- A Black doctor R5 300 a year for a job which Indian and Coloured doctors are paid R6 300 a year, and White doctors R7 740.
- A Black teacher with a doctorate R210 less than the starting salary of a White teacher.
- A Black teacher on the maximum qualification scale less than the minimum starting salary of a White male teacher.
- A Black chief inspector of schools half the R13 200 a year that the White chief inspector is paid.

10/10/76

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ash difference that colour makes

- A Black nursing sister up to 50 per cent less than a White sister.
- A Black nurse-midwife up to R225 a month, a Coloured R260 and a White R305.
- A Black sister-tutor R290 and a White R445.
- Black diplomatic staff salaries equal to their White counterparts
- when they are abroad, but reduced when they return home.
- Black, Indian and Coloured troops defending South Africa's borders less than White troops in the operational area.
- Black clerical workers in the public service, with a Standard Eight qualification, a starting salary of R900, Coloured and Indian workers, R450 a year more, and Whites R780 a year more.
- Black male social workers a subsidy of R2 000 a year, Coloureds and Indians R600 more, and Whites R1 300 more.

No New Year rise for State workers

It is expected that the Prime Minister will issue a statement before or during the weekend on the rejection of the increases.

This could be included in his report on the recent meeting of his advisory council in Pretoria which, according to a member of the council's staff, is now being prepared for Mr. Vorster's approval.

Fares

Five percent increases for Railways workers in January would have meant another increase in railway tariffs and fares from the start of the new financial year in April.

Mr. Muller has told Railways trade unionists that the deficit at the end of March could exceed R30 million.

Rates were raised twice this year — in April and again in September — and this has been a major factor in holding the inflation rate above 10 percent.

Had the Government agreed to the 5 percent rise it would have cost taxpayers R130 million.

The bill

The annual public sector wage and salary bill is nearly R2 600 million.

Mr. Sid Thorpe, chairman of the Natal division of the SAR & H. Artisan Staff Association, said last night the move was contrary to all expectations.

"We are all in favour of wage freezes and restraints, as long as the same curbs are placed by the Government on the consumer commodity prices," he said.

nm 26/11/76
Mercury Correspondent

PRETORIA. — January pay increases for the country's 820 000 White and non-White public sector workers have been rejected by the Government.

In Pretoria yesterday the Minister of Transport, Mr. Louwrens Muller, told the Federal Consultative Council of Railway Staff Associations that it would be impossible to pay the promised 5 percent increases in January.

He said the recession and an expected massive deficit on the Railways were to blame.

He promised to make a statement on the issue this afternoon.

Senior public servants confirmed that if the Railways workers' 5 percent had been rejected, this would apply to all public sector workers.

In June this year when the Prime Minister announced an across-the-board increase of 10 percent for State Department, Railway and Post Office workers, he added that should economic conditions be favourable another 5 percent would be paid in January.

Economic conditions are decidedly not favourable, and according to Stellenbosch University's Economic Bureau, are not likely to be until towards the end of 1977.

Job equality

To promote good race relations the Cape Town Chamber of Commerce is calling on its 1400 member firms — ranging from department stores and banks to oil companies — to sign a manifesto pledging equal opportunities of promotion, pay and fringe benefits for all.

Letters will go out from the chamber tomorrow asking members to sign the manifesto.

Firms which do so will be asked to display an illuminated copy of it prominently at their premises and to show their support for its principles by using a logo, still to be designed, on their letter-heads.

Signatories of the manifesto will make four promises namely:

- To select, employ, train and promote staff without regard to race or colour.
- To determine salaries and wages in accordance with the principle of equal pay for equal work.



Mr Storm Reilly

- To grant employment benefits to all staff without regard to race or colour.
- To do all other things in their power to promote understanding and harmonious relations between them and their employees and between their individual employees irrespective of race, colour or employment status.

TO BE SEEN

Mr Storm Reilly, president of the chamber, and director Mr B. MacLeod, said at a Press conference yesterday they believed

most member firms already carried out such policies.

But it was important for them to be seen to be doing so.

Mr Reilly said he hoped the manifesto would be taken up by other employers' organisations throughout South Africa. 'The more people who subscribe to these principles, the happier we shall be.'

The principles were nothing new to the chamber. Such a move had been discussed by the executive committee long before the recent unrest had begun.

The committee was well aware of the trouble and ill-feeling that could arise from discrimination.

In a letter to firms which will accompany the manifesto Mr Reilly emphasises the responsibility of businessmen, as well as the Government, for what is happening in South Africa.

IS IT FAIR

'In recent times many voices have been raised advocating change in South Africa and the call grows ever louder and more urgent,' he writes.

'These calls for change are invariably directed at the Government which is perhaps understandable, since, in the final analysis, it is the Government that

CAMPAIGN WELCOMED

NEWS of the campaign to improve race relations by asking employers to sign a manifesto promising equal treatment for all staff regardless of colour, announced by the Cape Town Chamber of Commerce last night, has been favourably received by other organisations.

A spokesman for the Cape Town Chamber of Industries said: 'It is one of the basic principles of this chamber to promote, wherever possible, equal opportunities of employment and advancement for all as well as equal pay for equal qualifications, skills and quality of service.'

He said that all Industrial Council agreements were negotiated on the basis of no discrimination on grounds of race.

Commenting on the new campaign, he said: 'I think it is a very good job the Chamber of Commerce are doing.'

RELATIONS

A spokesman for the Afrikaanse Handelsinstituut said his organisation was continually looking at labour relations and all that they implied.

It was possible that the matter of a manifesto might be put on the agenda of the next executive council meeting in March.

It would not be possible to call an extra meeting before then because the institute was a national organisation and executive council members came from all over the Republic.

A man prominent in the Afrikaans-speaking business community said: 'Personally I am pleased. I think the Chamber of Commerce manifesto is a good thing, and I hope it will be taken up by other organisations.'

PRINCIPLES

'I am all in favour of its principles — only a madman would not be.'

'But I think it would have made more impact if it had been launched nationally by Assocom instead of by one individual chamber.'

A spokesman for the Cape Town Afrikaanse Sakekamer said the matter would be raised at a meeting. He felt the principles of the manifesto and campaign were already accepted by his organisation's members.

WAGE RATES

'But where unions are involved it is for them to decide what wage rates the respective groups receive,' he said.

He pointed out that it was already Government policy to narrow the wage gap in the fields of medicine and education, but the economy did not allow it to be wiped out in one fell-swoop.

ty pledged for city

is responsible for creating an atmosphere for change and for making change possible.

Is it, however, fair that the Government be held solely responsible for the failure of performance for which we in South Africa now stand accused?

Surely all of us — businessmen, and individuals alike and not only the Government — are responsible, albeit in a varying degree, for what is happening in our country today.

FRIGHTENED

There is no doubt that deficiencies in our socio-economic, social and polit-

ical structure are hampering economic development in South Africa and the attainment of higher living standards for all sections of the community.

Failure fully to recognise this and to take appropriate and timely corrective steps has to a very

INITIATIVE

large extent been at the root of the unrest in South Africa and has damaged race relations, alienated the support of our overseas friends, frightened off foreign investors and brought external political pressure to bear on South Africa as never before!

Businessmen have a vital part to play, the letter says. There is plenty of scope for them to narrow the socio-economic gap between the haves and have-nots in their employ and see to it that there is tolerance, better understanding, and communications between employees at all levels.

Because of the deeply-felt concern for the present turn of events and the urgent need to do something about it, the chamber has decided to take the initiative and invite its members to commit themselves to a programme of total and genuine non-discrimination against their employees.

To this end members will be asked to sign a manifesto confirming that, subject to the provisions of the law, they employ, advance and pay their staff on merit and apply conditions of work that take no account of colour.

Mr. Reilly said at the Press conference: 'We do not believe that the Government will disprove of the terms of this in manifesto or of the motives behind it. We have every reason to believe that it will be supported.'

The chamber's executive committee has unanimously approved the campaign and it had been paid, and it had been favourably received by some prominent members who had been consulted.

LITTLE AFFECT

Asked how job reservation affected the manifesto, Mr. Macleod said job reservation had very little effect in the Cape Town area.

Mr. Reilly said the chamber did not, however, approve of job reservation and had spoken out against it.

The rule that preference must be given to Coloured applicants over Africans in this area was not dealt with in the manifesto but might be raised separately later, he added.

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Lecturers:

Profess

Course Descriptio

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Prescribed Books:

Ed. F.N. Robinson

Eds. J.A.W. Bennet

Ed. K. Sisam,

For 19th century verse and Prose (Oxford)

English texts.

paperback).

Verse and Prose
on).

2)

LITERATURE OF THE RENAISSANCE AND BAROQUE PERIODS

Lecturers:

Mr G. Beiner; Mr P.H. Knox-Shaw

Course Description:

The course will be divided into two sections: the first half of the course will concentrate on three stages of style: Renaissance, Mannerism, Baroque, from Spenser - Donne, some Jacobean drama, Crashaw - Milton. The focus will be on the relationship between content and form, and on a consideration of genre. The second section will be a chronological survey of major figures of the period, centring on the non-dramatic verse and prose of the English Renaissance and the 17th century.

Prescribed Books:

Spenser, Poetical Works ed. J.C. Smith & E. de Selincourt (Oxford paperback)

Donne, Complete Poetry and Selected Prose ed. J. Hayward. (Nonesuch)

Gardner, H. The Metaphysical Poets (Penguin)

Shakespeare, Hamlet (Signet preferred)